

NOTICE: ANY SUBJECT APPEARING ON THIS AGENDA, REGARDLESS OF HOW THE MATTER IS STATED, MAY BE ACTED UPON BY THE BOARD OF DIRECTORS OF TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION.

TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION
BOARD OF DIRECTORS MEETING

AGENDA

JUNE 15, 2022- 4:00 p.m.
CITY HALL COUNCIL ROOM
1801 9th Ave. N.
Texas City, TX 77590

PLEASE NOTE: Public comments and matters from the floor are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

1. ROLL CALL

2. NEW BUSINESS
 - a. Consider and take action on the Texas City Harbour Foreign Trade Zone Corporation Minutes for December 8, 2021.

 - b. Consider and take action on Resolution No. 2022-01, a proposal to provide professional consulting services from FTI Consulting. (Jon Branson)

 - c. Consider and take action on Resolution No. 2022-02, regarding approval of a budget amendment allocating \$10,500.00 from the fund balance of the Texas City Harbour Foreign Trade Zone Corporation budget to account number 53680 "Professional Fees." (Jon Branson and Laura Boyd)

3. UPDATES

4. BOARD COMMENTS

5. ADJOURNMENT

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON JUNE 10, 2022, PRIOR TO 4:00 P.M., AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

Texas City Harbour Foreign Trade Zone Corporation

**Texas City Harbour Foreign Trade Zone
Corporation Agenda**

2. a.

Meeting Date: 06/15/2022

Submitted By: Rhomari Leigh, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Consider and take action on the Texas City Harbour Foreign Trade Zone Corporation Minutes for December 8, 2021.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Attachments

Minutes

TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION
BOARD OF DIRECTORS ANNUAL MEETING

MINUTES

DECEMBER 8, 2021 - 4:00 P.M.

CITY HALL COUNCIL ROOM

The Texas City Harbour Foreign Trade Zone Corporation Board of Directors met on December 8, 2021, at 4:00 p.m., in the City Hall Conference Room, 1801 9th Avenue North, in Texas City, Texas. A quorum having been met, the meeting was called to order at 4:09 p.m. by John Hackbarth with the following in attendance:

(1) ROLL CALL

Present: John Hackbarth, Chairperson
William Etheredge, Director
Rev. Jerry Lee, Jr., Director
Laura Boyd, Finance Director / Ex-Officio Member

Absent: Randy Dietel, Vice-Chairperson
Joe Kainer, Director

Staff Present: Dedrick D. Johnson, Sr., Mayor
Jon Branson, Executive Director of Management Services
Rhomari Leigh, Board Secretary
Garrett McLeod, Economic Development Director
George Fuller, City Staff
Ryan McClellen, City Staff

Attendees: Henry Gomez, Resident

(2) PUBLIC COMMENTS

There were none.

(3) NEW BUSINESS

- (a) Consider and take action on the election of Officers and Oath of Officers.

Motion by Director William Etheredge, Seconded by Director Rev. Jerry Lee, Jr. to keep the same Chairperson and Vice-Chairperson.

Vote: 3 - 0 CARRIED

- (b) Consider and take action on the Texas City Harbour Foreign Trade Zone Corporation Minutes for September 21, 2021.

Motion by Director Rev. Jerry Lee, Jr., Seconded by Director William Etheredge

Vote: 3 - 0 CARRIED

- (c) Consider and take action on Resolution No. 21-04, approving the actions of the Officers of the Texas City Harbour Foreign Trade Zone for the 2020-2021 fiscal year.

Motion by Director William Etheredge, Seconded by Director Rev. Jerry Lee, Jr.

Vote: 3 - 0 CARRIED

- (d) Consider and take action on Resolution No. 21-05 adopting the 202-2022 fiscal year budget of the Texas City Harbour Foreign Trade Zone Corporation.

Motion by Director Rev. Jerry Lee, Jr., Seconded by Director William Etheredge

Vote: 3 - 0 CARRIED

(4) UPDATES

There were none.

(5) BOARD COMMENTS

There were none.

(6) ADJOURNMENT

Having no further business, William Etheredge made a motion to adjourn at 4:15 p.m.; the motion was SECONDED by Jerry Lee, Jr. The meeting was adjourned.

Board Secretary
Texas City Harbour Foreign Trade Zone Corporation

Date Approved: _____

Texas City Harbour Foreign Trade Zone Corporation Agenda

2. b.

Meeting Date: 06/15/2022

Approval of a proposal to provide Foreign Trade Zone consulting services by FTI Consulting

Submitted For: Jon Branson, Management Services

Submitted By: Jon Branson, Management Services

Department: Management Services

Information

ACTION REQUEST (Brief Summary)

Consider and take action on a proposal to provide professional consulting services from FTI Consulting.

BACKGROUND

The Texas City Harbour Foreign Trade Zone Corporation was created to operate and maintain a foreign trade zone and subsequent subzones in Galveston, Brazoria, and Chambers County areas for the promotion of international trade. The administration of the Texas City Harbour Foreign Trade Zone Corporation is conducted by a board of directors and a general manager.

The City of Texas City operates Foreign Zone (#199) in accordance with the Foreign Trade Zone Act. The Foreign Trade Zone Act was created to expedite and encourage foreign commerce in the United States. The recommended professional services work will allow staff and the board to make better informed decisions moving forward and will enable the City to leverage FTZ-199 as a strategic asset for economic development through encouragement of international trade that will offer companies a competitive advantage in the market.

Services provided will include but not be limited to the following:

- Development of Policies and Procedures Manual - To include a review of all existing and historic policies, procedures and other documents and a review and suggested edits to the public zone (fee) schedule.
- Grantee Benchmarking - To include an analysis of other grantees (10 to 15) of comparable size, location and infrastructure to Texas City. The research will include review fee structures, size of zone size and density, growth patterns and marketing efforts.

ANALYSIS

Staff recommends approval of an agreement with FTI Consulting in the amount of \$10,500 for professional consulting services.

ALTERNATIVES CONSIDERED

Attachments

FTI Consulting Services

Texas City

Proposal to Provide FTZ Services

April 13, 2022



Understanding Your Needs

In discussions with Jon Branson and Garrett McLeod, we understand that the TCEDC wishes to leverage its Foreign Trade Zone (FTZ) as a strategic asset for economic development, encouragement of international trade and offering its companies a competitive advantage in the market. As grantee of FTZ 199, TCEDC also wishes to better promote FTZ usage in its service area, better understand its compliance obligations under the public utility and uniform treatment provisions and establish up-to-date policies and procedures to manage the FTZ. Several ideas were discussed between TCEDC and FTI Consulting, but TCEDC wishes to focus first on the following initial objectives:

Policies and Procedures Manual

We will review all existing and historic policies, procedures and other documents related to the FTZ to better understand what policies and procedures are, or have been, in place. We will also engage with any TCEDC stakeholders for their input and then draft a new policies and procedures manual incorporating roles and responsibilities for the grantee and its operators/users for TCEDC review. As part of this scope, we will also review and provide suggested edits to the public zone schedule (June 18, 2014).

- **Deliverables:** Draft Policies and Procedures Manual & Proposed Revisions to the Public Zone Schedule
- **Timeframe:** 3-4 weeks
- **Fixed fee:** \$7,000

Grantee Benchmarking

We will conduct a benchmarking analysis for other grantees comparable in size, location and infrastructure to Texas City. In coordination with TCEDC, FTI will identify 10-15 grantees against which to benchmark. The research and analysis will include but is not necessarily limited to: current fee structure, size of zone, ASF vs. TSF, number and diversity of zone operators, key industries/sectors, size of service area, grantee entity structure, growth patterns, and current public marketing efforts.

- **Deliverable:** Grantee Benchmarking Report
- **Timeframe:** 3-4 weeks
- **Fixed fee:** \$3,500

Our Team

Our FTZ expertise lies within FTI's broader Export Controls, Sanctions and Trade (ECST) practice. Nick Baker and James Grogan co-lead the U.S. trade and customs service offerings for our clients, which includes strategic duty optimization strategies such as FTZs. Our FTZ expertise is complemented by the broader experience and technical knowledge within our ECST team. Since FTZs intersect with many other areas of trade, such as valuation, origin determination, classification, supply chain planning and export controls, we can address complex issues more comprehensively and strategically than our FTZ competitors.

Members of our team have held key leadership positions within the National Association of Foreign Trade Zones (NAFTZ), including James Grogan, who currently serves as an Officer on the Executive Committee within the Board of Directors. Matt Williams and Courtney Stiers currently co-chair the NAFTZ Membership Committee. Many other committees, working groups and task forces have also benefited from the participation and input from individuals on our team.

Our people also have years of experience directly managing zones, both within industry and on behalf of our clients, including grantee clients. This breadth of industry and operational experience helps us maintain a position on the forefront of trade issues that routinely impact the FTZ program.



Select Team Biographies



James Grogan

Senior Director

Forensic & Litigation Consulting – Export Controls, Sanctions & Trade

1301 McKinney Street, Suite 3500 – Houston, TX 77010

+1 832 667 5038

james.grogan@fticonsulting.com

Education

B.A., Economics, Spanish,
International Studies,
Saint Louis University

Certifications

Accredited Zones Specialist,
National Association of
Foreign Trade Zones

Licensed Customs Broker,
U.S. Customs and Border
Protection

James Grogan is a global trade practitioner with substantial experience in the areas of Foreign Trade Zones (FTZ), duty and tariff mitigation strategies, general U.S. customs compliance and global trade function assessments. He provides regulatory and strategic guidance to small companies, complex multinational corporations, and local government entities.

Mr. Grogan assists his clients in all aspects of the FTZ program, including preparing strategic feasibility analyses, managing all federal and local implementation steps, conducting customized training, developing inventory control and operational procedures, responding to government agency inquiries, and building compliance programs. For grantees and economic development groups, he has built and executed tailored marketing plans designed to drive increased FTZ utilization in those regions.

Mr. Grogan has built a strong reputation in the FTZ community through his involvement with the National Association of Foreign Trade Zones (NAFTZ). Since 2015, he has served on the Board of Directors, and currently serves as an Officer within the Executive Committee. He has also chaired several committees, working groups and task forces for the association. His network of professional relationships includes many operators/users, grantees, service provider colleagues and officials within the FTZ Board and US Customs and Border Protection (CBP).

In addition to his FTZ expertise, Mr. Grogan works with companies to evaluate and periodically review their participation in other CBP partnership programs, including the Customs-Trade Partnership Against Terrorism (CTPAT) program, the Importer Self-Assessment (ISA) program (*i.e.*, CTPAT Trade Compliance), and other AEO-modeled voluntary programs. He has designed testing processes for these programs and assisted companies navigate periodic reviews from the customs authorities.

Mr. Grogan also has unique experience assisting companies examine the structure and effectiveness of their global trade function. Whether through an internal audit lens or through the trade group directly, he has helped companies conduct reviews into the structure, location and success of a company's trade-related personnel, procedures, and technology. These customized reviews typically generate escalation procedures, identify inherent risks and savings opportunities, and benchmark against global leading practices.



Nick Baker

Senior Director

Forensic & Litigation Consulting – Export Controls, Sanctions & Trade

1301 McKinney Street, Suite 3500 – Houston, TX 77010

+1 832 667 5282

nick.baker@fticonsulting.com

Education

B.S.Ch.E., Tufts University

J.D., Law, University of
Houston Law Center

Associations

State Bar of Texas

U.S. Court of
International Trade

Nick Baker is a seasoned international trade compliance professional focusing on import compliance, duty and tariff mitigation, export controls, and economic sanctions. Mr. Baker assists his clients with the development of international trade compliance programs, responding to government agency inquiries, audits, and disclosures. He has provided guidance on import and export regulatory matters to multinational corporations in industries such as technology, telecommunications, energy, healthcare, consumer products, and agriculture.

Mr. Baker leads the customs and trade service offerings in the U.S by adding value for his clients through tariff impact studies, duty reduction strategies, responding to U.S. Customs inquiries (audits, prior disclosures, administrative protests, penalty allegations), and compliance procedure enhancements. He is experienced in identifying and implementing cost saving improvements such as first sale for export, tariff engineering, valuation planning, free trade agreement eligibility, and special program applications such as foreign trade zones.

Equally knowledgeable in export control and sanctions matters, Mr. Baker offers comprehensive assistance on compliance with the EAR (dual use export controls, proliferation controls, denied persons and entities, anti-boycott), OFAC regulations (embargoes and sanctions, specially designated nationals, and blocked persons), and ITAR. He routinely performs training on the deployment of import and export compliance policies for clients around the globe.

Mr. Baker works with companies to navigate the challenging landscape of civil and criminal international trade investigations including defense against alleged fraudulent imports, antidumping duty circumvention, smuggling and transshipment, and violation of U.S. export control rules. He also supports the assessment and monitoring of ongoing corrective actions as required by agreements with various U.S. government agencies and judicial branches.

Mr. Baker draws upon his experience as a petrochemical engineer to better provide technical guidance on product classification, licensing, and the testing of trade compliance controls. Prior to FTI Consulting, Mr. Baker started his international trade career with a boutique law firm specializing in import and export regulatory matters and was most recently a member of a Big 4 consultancy's global trade practice.



Matt Williams

Director

Forensic & Litigation Consulting – Export Controls, Sanctions & Trade

1301 McKinney Street, Suite 3500 – Houston, TX 77010

+1 240 736 4925 M

matt.williams@fticonsulting.com

Education

B.B.A., Supply Chain Management,
University of Houston

Certifications

Licensed Customs Broker,
U.S. Customs and Border Protection

Matt Williams is a global trade professional with experience in the areas of Foreign Trade Zones (FTZ), general U.S. Customs compliance, GTM software implementation, and operations optimization. He has provided guidance on import regulatory matters and process optimization to local government entities, as well as small companies and multinational corporations in the technology, energy, automotive, and logistics industries.

Mr. Williams adds value for his clients by providing a holistic approach to implementing an FTZ strategy. He is experienced in performing feasibility analyses and obtaining FTZ Board approval, U.S. Customs activation, and production authority. Additionally, Mr. Williams works with companies to assess software providers, develop robust inventory control and operational procedures, and conduct customized trainings to ensure that the ongoing success of their operations remain compliant, are scalable, and are flexible enough to adapt to the ever-changing trade environment.

Mr. Williams has built a strong reputation in the FTZ community through his involvement with the National Association of Foreign Trade Zones (NAFTZ). He currently serves as a committee chair where he works to provide members (operators/users, grantees, service provider colleagues) with the opportunities to expand their network within the trade industry, advocate on behalf of the unique interests of the FTZ community to Congress and government agencies (including the FTZ Board and U.S. Customs) and gain knowledge from some of the industries most experienced professionals.

Mr. Williams draws from the multiple perspectives gained throughout his professional career to assist companies in identifying gaps in their current global trade function, designing tailored solutions, and facilitating a smooth transition to future state. Utilizing a people, process, and technology framework, Mr. Williams works with companies to bolster the knowledge of personnel, improve cycle/lead time through the elimination of waste, and increase the automation and visibility of data, to facilitate a more transparent and efficient environment for stakeholders.

Prior to FTI Consulting, Mr. Williams acted as a Customs Broker for multinational corporations at a boutique brokerage firm, the Customs Compliance Manager for a midsized national distributor in the automotive industry and was most recently a member of a Big 4 consultancy's global trade practice.



Courtney Stiers

Senior Consultant

Forensic & Litigation Consulting – Export Controls, Sanctions & Trade

227 W Monroe St, Ste 900 – Chicago, IL 60606

+1 312 759 8100

courtney.stiers@fticonsulting.com

Education

B.A., Biology, Business,
Hanover College

M.B.A.,
Mount Vernon University

Certifications

Accredited Zones Specialist,
National Association of
Foreign Trade Zones

Certified Customs Specialist,
NCBFAA

Licensed Customs Broker,
U.S. Customs and Border
Protection

Courtney Stiers is an international trade professional with experience in areas of Foreign Trade Zones (FTZ), general U.S. Customs compliance, and operational management. She has worked with a multitude of industries to expand and strengthen their overall global compliance programs.

Ms. Stiers understands the importance of well-integrated compliance program. She has experience integrating the implementation of a FTZ into a client's current operations while strengthen their overall global compliance program. She also has vast experience with obtaining the required approvals from governing authorities as it relates to FTZ Board approvals, U.S. Customs activation, complex production authority requests, and general FTZ consulting.

Ms. Stiers is an advocate for members of the FTZ community through the National Association of Foreign Trade Zones (NAFTZ). She currently holds an active role within the association as a committee chair to support members and provide resources to expand their networks and overall FTZ expertise. She has been part of the association since 2016 participating in different committees and FTZ advocacy groups. Furthermore, Ms. Stiers is an Accredited Zone Specialist with NAFTZ.

In addition to FTZ expertise, Ms. Stiers has experience in assisting in the establishment of different auditing programs as it relates to global compliance solutions. Drawing on different areas of her career, she has created holistic and customized compliance audit programs for her clients based on their needs. These audit programs have a focus on Customs-Trade Partnership Against Terrorism (CTPAT) program, the Importer Self-Assessment (ISA) program, and the FTZ program.

Prior to FTI Consulting, Ms. Stiers managed a Zone as a Grantee where she brought awareness to the impact of FTZs on the local economy and curated specialized marketing tools for the program, implemented and administrated a FTZ for global consumer electronics distribution company, and most recently as part of the trade advisory group, with a focus in FTZ, for a Global 500 company.



About FTI Consulting

Experts with Impact™

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.

Our clients include Fortune 500 corporations, FTSE 100 companies, global banks, major and local law firms and state and national governments and agencies in the U.S. and other countries. In addition, major U.S. and international law firms refer us or engage us on behalf of their clients.

30

Countries

1982

Year Founded

6,700+

Employees

NYSE:FCN

Publicly traded

9/10

Advisor to 9 of the world's Top 10 bank holding companies

98/100

Advisor to 98 of the world's top 100 law firms

\$4.9B

Equity Market Capitalization*

59

59 of Fortune Global 100 corporations are clients

Number of total shares outstanding as of February 17, 2022, times the closing share price as of February 24, 2022.

EXPERTS WITH IMPACT™

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

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TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION

RESOLUTION NO. 2022-01

A RESOLUTION APPROVING AN AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES BETWEEN FTI CONSULTING AND THE TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Harbour Foreign Trade Zone Corporation (TCHFTZC), duly held on June 15, 2022, consideration was given to approving the agreement between FTI Consulting and the Texas City Harbour Foreign Trade Zone Corporation for Professional Consulting Services.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Harbour Foreign Trade Zone Corporation hereby approves the agreement between FTI Consulting and the Texas City Harbour Foreign Trade Zone Corporation for Professional Consulting Services.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of June 2022.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Harbour Foreign Trade Zone Corporation

ATTEST:

BOARD SECRETARY
Texas City Harbour Foreign Trade Zone Corporation

Texas City Harbour Foreign Trade Zone Corporation Agenda

2. c.

Meeting Date: 06/15/2022

budget amendment allocating \$10,500 from the Texas City Harbour FTZ fund balance.

Submitted For: Jon Branson, Management Services

Submitted By: Jon Branson, Management Services

Department: Management Services

Information

ACTION REQUEST (Brief Summary)

Consideration and possible action regarding approval of a budget amendment allocating \$10,500 from the fund balance of the Texas City Harbour Foreign Trade Zone Corporation budget to account number 53680 "Professional Fees."

BACKGROUND

The Texas City Harbour Foreign Trade Zone Corporation was created to operate and maintain a foreign trade zone and subsequent subzones in Galveston, Brazoria, and Chambers County areas for the promotion of international trade. The administration of the Texas City Foreign Trade Zone Corporation is conducted by a board of directors and a general manager. Although the Foreign Trade Zone Corporation has the authority to set user fees, its operational and capital budgets must be approved by the City Commission.

Staff is recommending a professional services contract to FTI Consulting to assist the Texas City Harbour Foreign Trade Zone Corporation to help leverage FTZ-199 as a strategic asset for economic development within the City. In order to proceed with the professional services agreement, the proposed budget amendment allocating \$10,500 from the Texas City Harbour Foreign Trade Zone Corporation's fund balance budget is recommended.

ANALYSIS

Staff recommends approval of the proposed budget amendment.

Fund Balance at End of Year as budgeted: \$173,796
Proposed amendment: <\$ 10,500>

Ending Fund Balance: \$163,296

ALTERNATIVES CONSIDERED

Attachments

Resolution

TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION

RESOLUTION NO. 2022-02

A RESOLUTION APPROVING A BUDGET AMENDMENT TO ALLOCATE FUNDS FOR PROFESSIONAL FEES; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Harbour Foreign Trade Zone Corporation (TCHFTZC), duly held on June 15, 2022, consideration was given to approving a budget amendment allocating \$10,500.00 from the fund balance of the Texas City Harbour Foreign Trade Zone Corporation budget to account number 53680 "Professional Fees."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Harbour Foreign Trade Zone Corporation hereby approving a budget amendment allocating \$10,500.00 from the fund balance of the Texas City Harbour Foreign Trade Zone Corporation budget to account number 53680 "Professional Fees."

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of June 2022.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Harbour Foreign Trade Zone Corporation

ATTEST:

BOARD SECRETARY
Texas City Harbour Foreign Trade Zone Corporation