



To: Board of Trustees
From: Kelly Penny
Date: October 23, 2017
cc: Mr. Brad Hunt, Sid Grant

Re: PILOT Agreement for support of Foreign Trade Zone at 1144 W. Bethel Road, Coppell, TX

The District has a request from the Rockefeller Group out of Maryland on-behalf of the FedEx Trade Networks Transport and Brokerage Inc., located at 1144 W. Bethel Road, to grant a letter of support for a Foreign Trade Zone Exemption (FTZ). This is a warehouse that holds/manages inventory for several companies. Currently the inventory is exempt due to Freeport. However, they anticipate expanding operations that could include future inventory that would not be exempt from Freeport. If the FTZ is granted, then CISD would have a loss of future tax revenue. Therefore, it has been requested that FedEx provide some type of Payment In Lieu of Taxes (PILOT) should any future inventory be exempt from taxes due to the FTZ being granted. In return, CISD Board of Trustees would provide a letter of support for the FTZ. At this point, it is not known if any future inventory would qualify under this PILOT agreement. However, this agreement will ensure no taxes are lost should future inventory qualify.

The PILOT has been reviewed and approved by the District's attorneys and Dan Casey with Moak Casey.

Recommendation: The District approve the attached Resolution, PILOT and provide a letter of support for the requested FTZ.