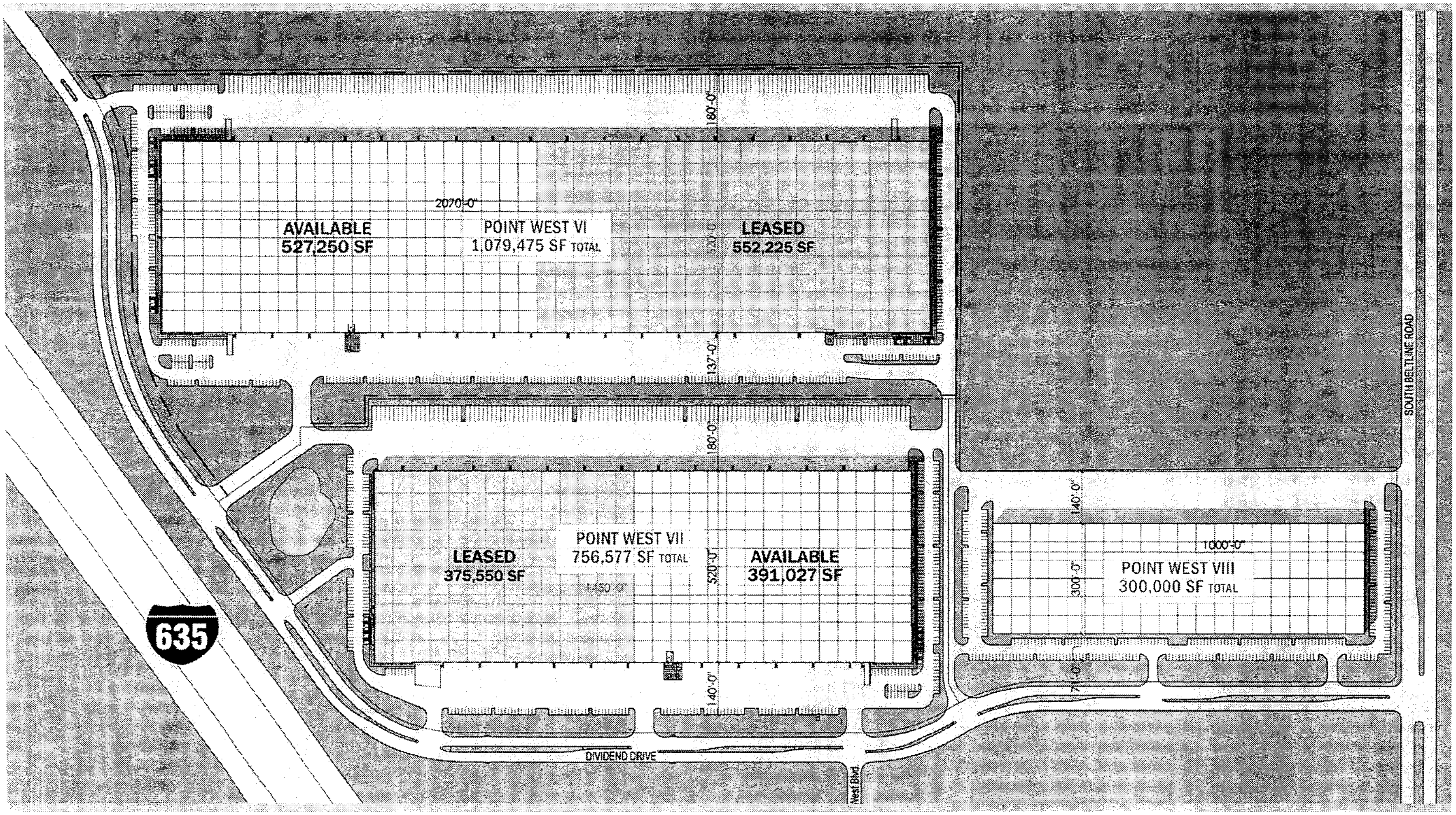
Duke



Point West Industrial

I-635 AND BELT LINE ROAD
Coppell, TX

DUKE REALTY CORPORATION
14241 Dallas Parkway
Suite 1000
Dallas, TX 75254-2936
Phone: 972.361.6700
Fax: 972.361.6800
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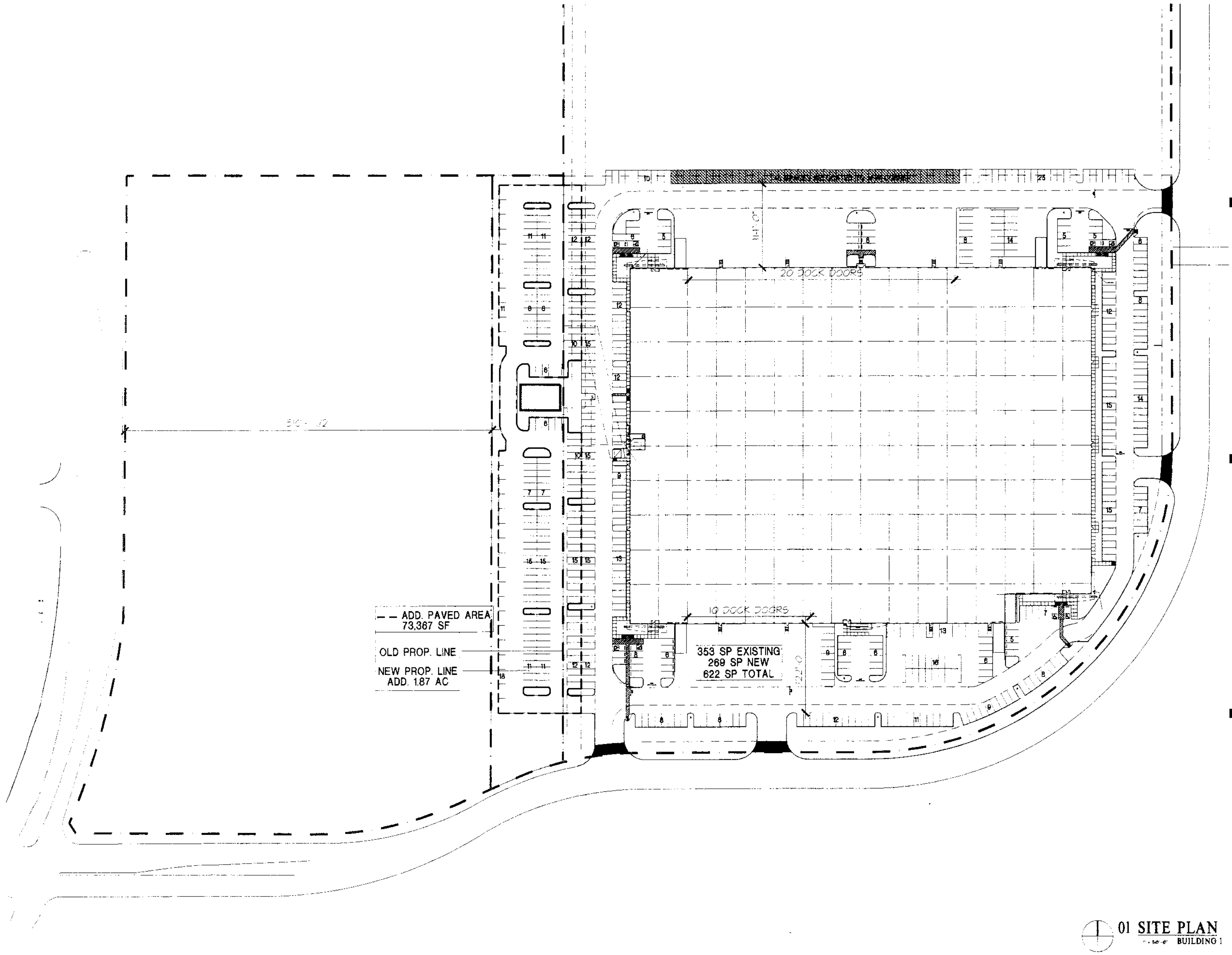

01 SITE PLAN
BUILDING 1

O'BRIEN
& ASSOCIATES
ARCHITECTURE
PLANNING
INTERIORS
5310 HARVEST HILL ROAD
SUITE 136
DALLAS, TEXAS 75230
972-788-1010
FAX 972-788-4828
www.obrienarch.com

AMBERPOINT BUSINESS PARK AT COPPELL
COPPELL, TEXAS
A DEVELOPMENT OF:
TRANSWESTERN COMMERCIAL SERVICES

ISSUE LOG

NO.	DESCRIPTION	DATE

JOHN O'BRIEN - ARCHITECT
REGISTRATION NO. 4916

DATE: .... SIGNED
JOB #: 21053
DATE: 10/15/08
SCALE:

SHEET NO.
SP-32

THE · CITY · OF
COPPELL
TEXAS · 1890

Foreign Trade Zones

A foreign trade zone (or sub zone) is a geographical area located in the United States in or near a U.S. Customs port of entry, where foreign and domestic merchandise are considered a part of international commerce and not within U.S. Customs territory, merchandise may be brought into a foreign trade zone without formal U.S. Customs entry, without payment of Custom duties or excised taxes, and without being subject to import limitations or restrictions. If the final product is exported from the United States, the U.S. Customs duties are excise taxes are not levied.

A foreign trade zone or sub-zone may be established as an economic development incentive. In a foreign trade zone, real property improvements located in the zone, or subzone are not exempt from ad valorem taxation but tangible personal property imported from outside the United States and held in the zone for purpose of storage, sale, exhibit, repackaging, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing, and tangible personal property produced in the United States and held in a zone for exportation either in its original form or altered by any of the above processes is exempt from ad valorem taxation. Machinery and equipment used in the foreign trade zone is not exempt from ad valorem taxation.

Trade U.S. Customs and Border Protection will facilitate about $2 trillion in legitimate trade this year while enforcing U.S. trade laws that protect the economy, the health and the safety of the American people. We accomplish this through close partnerships with the trade community, other government agencies and foreign governments.

U.S. foreign-trade zones — Are treated, for the purposes of the tariff laws and CBP entry procedures, as being outside the U.S. Customs and Border Protection Territory of the United States. Under FTZ procedures, foreign and domestic merchandise may be admitted into zones for operations such as storage, exhibition, assembly, manufacture and processing, without being subject to formal CBP entry procedures, the payment of duties or the payment of federal excise taxes. When merchandise is removed from a foreign-trade zone, duties may be eliminated if the goods are then exported from the United States. If the merchandise is formally entered into U.S. commerce, duties and excise taxes are due at the time of transfer from the foreign-trade zone.

Why do companies use foreign-trade zones?

A To maintain the cost competitiveness of their U.S.-based operations vis-à-vis their foreign-based competitors. For a company, zone status provides an opportunity to reduce certain operating costs associated with a U.S. location that are avoided when operating from a foreign site.

How does the zones program fit within the economic development efforts of the various States?

A The zones program is a federal program. The underlying authority to approve the creation of a foreign-trade zone resides with the federal government. However, every State has enabling legislation providing statutory authority for the establishment of FTZs. The creation and development of individual zone projects typically result from a combination of interests generated by both the private and public sectors. The Foreign-Trade Zones Board Staff advises zone organizers to integrate the zone project into the State or local area's overall economic development strategy rather than segmenting the zone as an individual development effort. In this way, FTZs complement other State and local incentives that are incorporated into the overall efforts of a community to maintain their attractiveness as a business location.

EXCISE TAXES

Excise tax, sometimes called an excise duty, is a type of tax. In the United States, the term "excise" means: (A) any tax other than a property tax or capitation (i.e., an indirect tax, or excise, in the *constitutional law* sense), or (B) a tax that is simply *called an excise* in the language of the statute imposing that tax (an excise in the *statutory law* sense, sometimes called a *miscellaneous excise*). An excise under definition (A) is not necessarily the same as an excise under definition (B).

Excise duties usually have one of two purposes: to raise revenue or to discourage particular behavior. Taxes such as those on sales of fuel, alcohol and tobacco are often justified on both grounds. Some economists suggest that the optimal revenue raising taxes should be levied on sales of items having an inelastic demand, while behavior altering taxes should be levied where demand is elastic.

A common example of an excise tax is the tax on sales of cigarettes: a fixed fee on each pack of cigarettes sold. The cigarette excise tax varies by state and ranges from 7 cents per pack in South Carolina to $2.46 per pack in Rhode Island. The excise tax doubles or even triples the retail cost of cigarettes in some states, but can be still avoided in many states by buying tobacco and cigarette paper separately.

A reason why the governments state that excise taxes should exist is to internalize external costs. For example, the alcohol excise tax could be used to pay for the treatment of alcohol-caused diseases.

Excise taxes can be imposed at the point of production or importation, or at the point of sale. They are usually waived or refunded on goods being exported, so as to encourage exports, though they are often re-imposed by the importing country. Smugglers will seek to obtain items at a point at which they are not taxed and then sell them at price between the pre-tax and post-tax price. They also look to find loopholes, which may exist through importing to different countries, before then exporting to the destination country.

For similar items, excise duties are the same for imported and domestically produced goods; if the tax is different, then there is an explicit or implicit customs duty or tariff.

TARIFFS

A tariff (or duty, the words are used interchangeably) is a tax levied by governments on the value of imported products. Sales and state taxes, and in some instances customs fees, will often be levied as well. The tariff is assessed at the time of importation along with any other applicable taxes/fees. Tariffs raise the prices of imported goods, thus making them less competitive within the market of the importing country. Before you export to any country, you need to determine what the tariff rate is on your product(s) as well as any import fees for that country.

Tariffs in American history have played different roles in trade policy and the economic history of the United States. Tariffs were the largest source of federal revenue from the 1790s to the eve of World War I, until it was surpassed by income taxes. Since the revenue from the tariff was considered essential and easy to collect at the major ports, it was agreed that the nation should have a tariff for revenue purposes. In practice, it levied an average tax of about 20% of the value of some imported goods (imports that were not taxed were "free").

Another role the tariff played was in the protection of industry; it was the political dimension of the tariff. From the 1790s to the 2000s, the tariff (and closely related issues such as import quotas and trade treaties) generated enormous political stresses. For a brief moment in 1832, South Carolina made vague threats to leave the Union over the tariff issue. In the 1850s, the southerners controlled tariff policy, keeping it low.

1980s to present

The GOP under Ronald Reagan and George H. W. Bush abandoned the protectionist ideology, and came out against quotas and in favor of the GATT/WTO policy of minimal economic barriers to global trade. Free trade with Canada came about as a result of the Canada-U.S. Free Trade Agreement of 1987, which led in 1994 to the North American Free Trade Agreement (NAFTA). It was based on George H. W. Bush's plan to enlarge the scope of the market for American firms to include Canada and Mexico. US President Bill Clinton, with strong Republican support, pushed NAFTA through Congress over the vehement objection of labor unions. Likewise in 2000 he worked with Republicans to give China entry into WTO and "most favored nation" trading status (*i.e.,* low tariffs). NAFTA and WTO advocates promoted an optimistic vision of the future, with prosperity to be based on intellectuals skills and managerial know-how more than on routine hand labor. They promised that free trade meant lower prices for consumers. Opposition to liberalized trade came increasingly from labor unions, who argued that this system also meant lower wages and fewer jobs for American workers who could not compete against wages of less than a dollar an hour. The shrinking size and diminished political clout of these unions repeatedly left them on the losing side.