

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
INTERNATIONAL AFFAIRS DEPARTMENT**

CONSENT AGENDA

ITEM NO. 41

TO: Mayor and City Council

FROM: Elizabeth E. Costello, Director, International Affairs

THROUGH: Terry M. Brechtel, City Manager

COPIES: J. Rolando Bono, Deputy City Manager; Andrew Martin, City Attorney; Milo Nitschke, Finance; Lou Lendman, Management & Budget; Ramiro A. Cavazos, Economic Development; File

SUBJECT: Free Trade Alliance San Antonio Contract

DATE: December 18, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes a professional services contract between the City of San Antonio and the Free Trade Alliance San Antonio in the amount of \$150,000 for the Fiscal Year 2003-2004. Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

The City of San Antonio was a founding partner in the creation of the Free Trade Alliance in 1994 following the passage of the North American Free Trade Agreement (NAFTA), to maximize NAFTA opportunities for San Antonio as an inland port. Since its inception, the City Council approved support of the organization with yearly budgetary funding of \$150,000. The other partners that joined in its support were the Greater San Antonio Chamber of Commerce, the San Antonio Hispanic Chamber of Commerce and the San Antonio Economic Development Foundation. Since then, three additional institutional partners have been added, and these include the San Antonio Water System, Bexar Metropolitan Water District and KellyUSA.

The Free Trade Alliance has its roots in the San Antonio World Trade Association, providing educational and networking opportunities for San Antonio companies. In addition to these functions, the Free Trade Alliance was created as an organization that constitutes a broad community network for the purpose of promoting San Antonio as the center of international trade resulting from NAFTA.

POLICY ANALYSIS

This ordinance supports the City of San Antonio's commitment to promote Inland Port San Antonio as the center of trade for the Americas, to monitor policies relating to NAFTA trade and to increase international business activity. The Free Trade Alliance San Antonio will continue to lead in the development of Inland Port San Antonio to enhance the logistics, distribution and trade promotion capabilities. It will continue to develop an integrated marketing program to promote San Antonio as

an International Trade Center, and to coordinate advocacy efforts that impact San Antonio's development as an international center, such as the cross-border trucking provision of NAFTA, the implementation of the international trade data system (ITDS), the permanent port of entry, the US Visit program and other free trade agreements.

The Free Trade Alliance will continue to assist the International Affairs Department in the promotion of its international business programs which include the Casa San Antonio program, Trade Mission program, Match-making, San Antonio Export Leaders program and the San Antonio Directory of Exporters and Support Organizations.

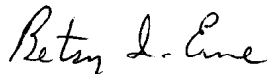
Furthermore, the Free Trade Alliance will now be actively assisting the Economic Development Department in administering Foreign Trade Zone #80. Specifically, FTA will support staff by: (1) developing and implementing a comprehensive marketing and training program; (2) preparing the annual report to the Foreign Trade Zone Board; (3) assisting business clients in preparing applications for site activation, subzone designation or boundary changes; (4) maintaining appropriate FTZ records and files; (5) collecting fees payable to the City; and (6) establishing and reporting quarterly and annually on performance measures that include marketing efforts, prospects contacted, training workshops, jobs created, and FTZ revenues. Through this partnership with the FTA, the City will utilize the expertise and resources of the FTA to more effectively promote economic development in the FTZ.

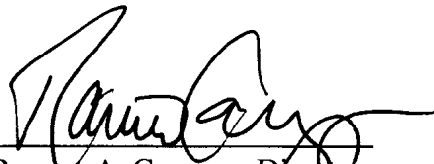
FISCAL IMPACT

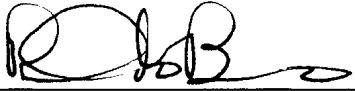
This item is consistent with the FY 2003/2004 adopted general fund budget.

COORDINATION

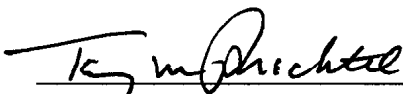
This ordinance has been coordinated with the City Attorney's Office and the Economic Development Department.


for Elizabeth E. Costello, Director
International Affairs


Ramiro A. Cavazos, Director
Economic Development


J. Rolando Bono
Deputy City Manager

Approved:


Terry M. Brechtel
City Manager