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# MEMORANDUM

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Date: February 22, 2017

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: **Monsanto Foreign Trade Zone Application**

The Board of Supervisors requested clarification regarding Monsanto's Foreign Trade Zone (FTZ) application and the withdrawal of their request to consider a Letter of No Objection or a Payment in Lieu of Taxes (PILOT) Agreement.

The County and our property taxing entities under the control of the Board of Supervisors (primary, debt service, Library District and Regional Flood Control District) are only required to provide a Letter of No Objection or PILOT if the County expects to receive less than the property taxes due under the State property tax classification for the property. In this case, it is an agricultural classification, which carries a 15 percent assessment ratio rather than the 5 percent assessment ratio when an FTZ designation is granted. This occurs only when Letters of No Objection or PILOT agreements are executed with the taxing jurisdiction.

In our case, there will be no Letter of No Objection; nor will the County consider a PILOT agreement. Hence, the County will receive the full property tax paid at the agricultural assessment ratio of 15 percent. The County has no other influence over the FTZ application process administered by the United States Department of Commerce. Eligibility to receive other benefits are solely the discretion of the Department of Commerce.

CHH/anc

c: Dr. John Moffatt, Director, Economic Development  
Patrick Cavanaugh, Deputy Director, Economic Development