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177 acres at Tejon Ranch gain foreign trade zone status

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The U.S. Department of Commerce has designated 177 acres at Kern's Tejon Industrial Complex as a foreign trade zone, ending a three-year application process to secure the federal status that grants certain customs benefits attractive to many companies, such as duty exemptions and deferrals, streamlined customs procedures and various tax benefits.

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The designation is an expansion of the existing foreign trade zone granted to the Board of Harbor Commissioners of the City of Los Angeles.

"We think that it gives Tejon Industrial Complex a real competitive advantage, and that's a real advantage for the county because it's been a real job producer," said Barry Zoeller, a spokesman for Tejon Ranch Co., the complex's developer.

Swedish-based furniture retailer IKEA, which has a 1.7 million-square-foot distribution facility at Tejon Industrial Complex, became a subzone of the Los Angeles port's foreign trade area last year.

Eventually, as many as 500 acres of the industrial park near the foot of the Grapevine may gain the foreign trade zone designation, Zoeller said.

About 1,000 people are employed at the complex, according to a Tejon Ranch Co. news release. The complex has 3.1 million square feet of warehouse space.

Tenants within the complex's foreign trade zone would have to activate the designation, as IKEA has done, to access its benefits, Zoeller said.

That process involves approval from U.S. Customs and Border Protection, according to the U.S. Foreign Trade Zones Board Web site.

In the county, Shafter, California City and the Mojave Airport also have foreign trade zone designations — although Shafter has yet to activate its zone, said Melinda Brown, director of business development at Kern Economic Development Corp.

Tejon's designation "offers another benefit, an incentive, for businesses coming into the area,"

Brown said. Foreign trade zones are especially attractive to manufacturing and distribution facilities, she said.

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