

Mayor and Council Communication

DATE: 12/14/21

M&C FILE NUMBER: M&C 21-0967

LOG NAME: 17FTZ196A

SUBJECT

(CD 7) Authorize Submission of a Letter of No Objection to the Foreign Trade Zones Board to Expand Foreign Trade Zone No. 196A in the Alliance Airport Corridor to Include 5050 Mark IV Parkway

RECOMMENDATION:

It is recommended that the City Council authorize the submission of a letter of no objection to the Foreign Trade Zones Board to expand Foreign Trade Zone No. 196A in the Alliance Airport Corridor to include 5050 Mark IV Parkway.

DISCUSSION:

A Foreign Trade Zone (FTZ) is a restricted-access site, in or adjacent to a customs port of entry. FTZs are considered outside the United States Customs Territory and foreign or domestic merchandise can be stored or manufactured before formal customs entry procedures. These special geographic areas are under the supervision of the U.S. Customs and Border Protection and establishment of the FTZ allows for state and local ad valorem exemption on tangible personal property imported from outside the United States and held in a zone. This tariff and tax relief is designed to lower the costs of U.S. based operations engaged in international trade and thereby create and retain the employment and capital investment opportunities that result from those operations.

There are two operational frameworks that exist under the Foreign-Trade Zone Act; Traditional Site (TSF) and Alternative Site (ASF). The Foreign Trade Zone Board (FTZB) in Washington, D.C. has approved a plan to allow FTZ administrators to collect letters of no objection in advance, and therefore commit to a site selection prospect that the FTZ application can be approved in a 30-day window. Hillwood, as administrator for Foreign Trade Zone No. 196A, has contacted staff and requested a letter of no objection from the City of Fort Worth in order to modify the current Foreign Trade Zone boundary under the Alternative Site Framework, pursuant to the Foreign-Trade Zone Act. The letter of no objection will only extend to the land that does not currently have FTZ status. This request is being made to accommodate an expansion by TTI at their existing facility at 5050 Mark IV Parkway. There is no planned expansion of activities and therefore, there should be no additional impact to the City's finances.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

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Expedited