



TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: April 15, 2014

TITLE: A resolution authorizing the City Manager, to submit Foreign Trade Zone applications and approve and execute General Purpose Operating Agreements with Foreign Trade Zone (FTZ) operators on behalf of the City of Fort Lauderdale as the FTZ-241 Grantee.

Recommendation

It is recommended that the City Commission approve a resolution authorizing the City Manager,

1. Submit applications to activate new foreign trade zone sites to the Foreign Trade Zones Board as the FTZ-241 Grantee for the purpose of expediting and attracting FTZ businesses.
2. Approve and Execute Foreign Trade Zone Operator Agreements on behalf of City of Fort Lauderdale as the FTZ-241 Grantee subject to approval of the Foreign Trade Zones Board and activation by the U.S. Customs

Background

Congress enacted legislation implementing the FTZ program in 1934 in order to increase foreign investment, job creation, and economic activity in the United States. The legislation defines a Foreign-Trade Zone as a parcel of land deemed to be outside the United States for purposes of duty assessment. Companies located in an FTZ are able to defer, reduce, and/or eliminate import duties and any applicable duty is levied only when goods are withdrawn from the FTZ and entered into the commerce of the United States.

The City of Fort Lauderdale established Foreign-Trade Zone 241 (FTZ 241) on April 19, 2000 under a Grant of Authority from the Foreign-Trade Zones Board (US Secretary of Commerce and US Secretary of Treasury). The goal of the program was to promote development of the Executive Airport Industrial Airpark, serve businesses engaged in international commerce in the greater Fort Lauderdale area, and maximize the City's business retention and attraction efforts.

Originally, seven area sites, totaling 1,266 acres, were included in FTZ-241 with Fort Lauderdale Executive Airport and Industrial Airpark serving as the hub site. In 2005 the Zone was restructured to five sites totaling 1,219 acres with the removal of certain ineligible sites. On April 30, 2013 the Zone was reorganized under the Alternative Site Framework (ASF), which allows for faster, more efficient designation and activation of eligible companies. As part of this process, the Zone was further restructured to remove one additional inactive site and reduce the designated acreage to 873 acres.

As Grantee the City does not get involved in the actual operations pertaining to zone activities, but does sponsor companies to come into the zone and operate under the aforementioned Grant of Authority. The City's FTZ program allows companies with the appropriate level of expertise and need to conduct Zone activities at their respective sites by entering into an Operator Agreement with the City.

The resolution requested is beneficial in that it provides greater flexibility and responsiveness for establishing and managing FTZ sites to serve individual companies' needs by utilizing a more streamlined process. Staff will keep City Commission informed each time a Foreign Trade Zone application is submitted to the Foreign Trade Zone Board.

This item was reviewed and approved by the Aviation Advisory Board at its March 27, 2014 meeting.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the **Business Development Cylinder of Excellence**, specifically advancing:

- **Goal 7:** Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- **Objective 4:** Deliver best-in-class regional general aviation airport amenities and services to domestic and international.
- **Initiative 3:** Promote and develop the Foreign-Trade Zone to grow import and export businesses.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Prosperous*

Attachment:

Exhibit 1 – Resolution

Prepared by: Mark J. Cervasio, Acting Airport Manger

Department Director: Diana Alarcon, Director Transportation & Mobility

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