



Venice of America

CITY OF FORT LAUDERDALE

**AVIATION ADVISORY BOARD
FORT LAUDERDALE EXECUTIVE AIRPORT
ADMINISTRATIVE OFFICE - MULTIPURPOSE ROOM
6000 NW 21 AVENUE, FORT LAUDERDALE, FL
THURSDAY, JUNE 27, 2013, 1:30 P.M.**

Board Members	Attendance	Cumulative Attendance 7/12 through 6/13	
		Present	Absent
Bunney Brenneman, Chair	P	9	0
Kevin Borwick	A	5	3
Ron Carlson	P	8	1
Linda Iversen, Vice Chair	A	6	3
Patrick Kerney	P	6	3
Stephen Stella	P	9	0
Stephen O'Malley	P	1	0
Mark Volchek	A	3	5
Pamela Bushnell, Commissioner	P	8	1
City of Tamarac [non-voting]			
Jeff Helyer, City of Oakland Park [non-voting]	A	8	1

Airport Staff

- Clara Bennett, Deputy Director, Transportation and Mobility/Airport Manager
- Mark J. Cervasio, Assistant Airport Manager
- Rufus James, Assistant Airport Manager
- Florence Straugh, Noise Abatement Officer
- Scott Kohut, Airport Operations Supervisor
- Diana McDowell, Administrative Assistant II
- Angela Brewton, Acting Business Assistance Coordinator (Foreign-Trade Zone Administrator)
- Ariadna Camilo, Senior Accounting Clerk
- Angelia Basto, Administrative Aide
- Ken Coutain, Airport Intern

Call to Order

Chair Brenneman called the meeting to order at 1:31 p.m.

Roll was called and it was determined a quorum was present.



VOTING ITEMS

1. Approve Minutes of May 23, 2013 Meeting

Motion made by Mr. Kerney, seconded by Mr. Carlson to approve the minutes. In a voice vote, motion passed unanimously.

2. Bid 532-1132, Parcel 12 Exotic Removal, Site Clearing, and Fencing

It was recommended that the City award the contract to DGC Environmental Services, Inc. for an amount not to exceed \$110,000.

Motion made by Mr. Kerney, seconded by Mr. Stella, to approve the staff recommendation. In a voice vote, motion passed unanimously.

3. Task Order No. 14 – Miller Legg & Associates, Inc. – Wildlife Hazard Assessment

It was recommended that the City approve Task Order No. 14 with Miller Legg & Associates, Inc. in an amount not to exceed \$82,080.

Motion made by Mr. Kerney, seconded by Mr. Carlson, to approve the staff recommendation. In a voice vote, motion passed unanimously.

4. Task Order No. 16 – Miller Legg & Associates, Inc. – Parcel 21B Native Vegetation Protection and Tree Inventory

It was recommended that the City approve Task Order No. 16 with Miller Legg & Associates, Inc. in an amount not to exceed \$38,460.

Motion made by Mr. Kerney, seconded by Mr. Carlson, to approve the staff recommendation. In a voice vote, motion passed unanimously.

5. Sustainability Master Plan – Project 11916 – Federal Aviation Administration Grant Application

It was recommended that the City submit a Grant Application to the FAA for an amount not to exceed \$315,000 for the development of a Sustainability Master Plan and that the City accept and execute the grant when offered.

Motion made by Mr. Kerney, seconded by Mr. Stella, to approve the staff recommendation. In a voice vote, motion passed unanimously.

UPDATE ITEMS

A. Noise Compatibility Program

Ms. Straugh provided an update.

B. Development and Construction

Mr. Kohut provided an update.

C. Arrearages

Ms. McDowell provided an update.

D. Communications to the City Commission

The Board had nothing to communicate to the City Commission.

E. FLL Update

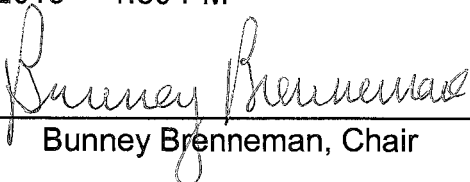
Ms. Straugh provided an update.

Other Items and Information

Ms. Brewton presented a PowerPoint presentation on the Airport's Foreign-Trade Zone Program (see attached).

There being no further business before the Board, the meeting adjourned at 2:57 p.m.

➤ Next scheduled meeting: July 25, 2013 – 1:30 PM



Bunney Brenneman, Chair

[Minutes prepared by Angelia Basto, Administrative Aide]

PLEASE NOTE:

If a person decides to appeal any decision made with respect to any matter considered at this public meeting or hearing, he/she will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.



" AN ECONOMIC DEVELOPMENT INITIATIVE"

The Foreign-Trade Zone Program

Presented by **Ms. Angela Brewton**

Acting Business Assistance Coordinator, Foreign-Trade
Zone Administrator

Date: June 28, 2013



City of Fort Lauderdale, Florida

"Venice of America"

WHAT IS A FOREIGN-TRADE ZONE?

Foreign-Trade Zones (FTZs) are designated locations in the U.S. approved by the FTZ Board whereby special customs procedures may be used.

(FTZs) have been created:

- **to allow customs procedures to US companies engaged in international trade-related activities.**
- **to offset customs advantages available to overseas producers who compete with domestic industry.**

The program requires that zone activities result in a significant public benefit and a net positive economic effect including job creation.



WHAT ACTIVITY IS PERMITTED IN FTZS?

Almost any activity conceivable for Imports/Exports(unless prohibited by law) is permitted in an FTZ. Merchandise may be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed, & destroyed.

- Certain activity (e.g. manufacturing/processing) needs specific approval by FTZ Board
- Retail trade is prohibited.
- No one can reside in an active FTZ.



BENEFITS OF LOCATING A BUSINESS IN A FOREIGN TRADE ZONE

- Duty Deferral
- Exports—Duties are not paid on merchandise exported from an FTZ
- Duty elimination or reduction on damage or waste & scrap
- No time limit on goods stored in an FTZ
- Inverted Customs Duty Savings
- Zone to Zone Transfer
- Domestic and foreign goods can commingle

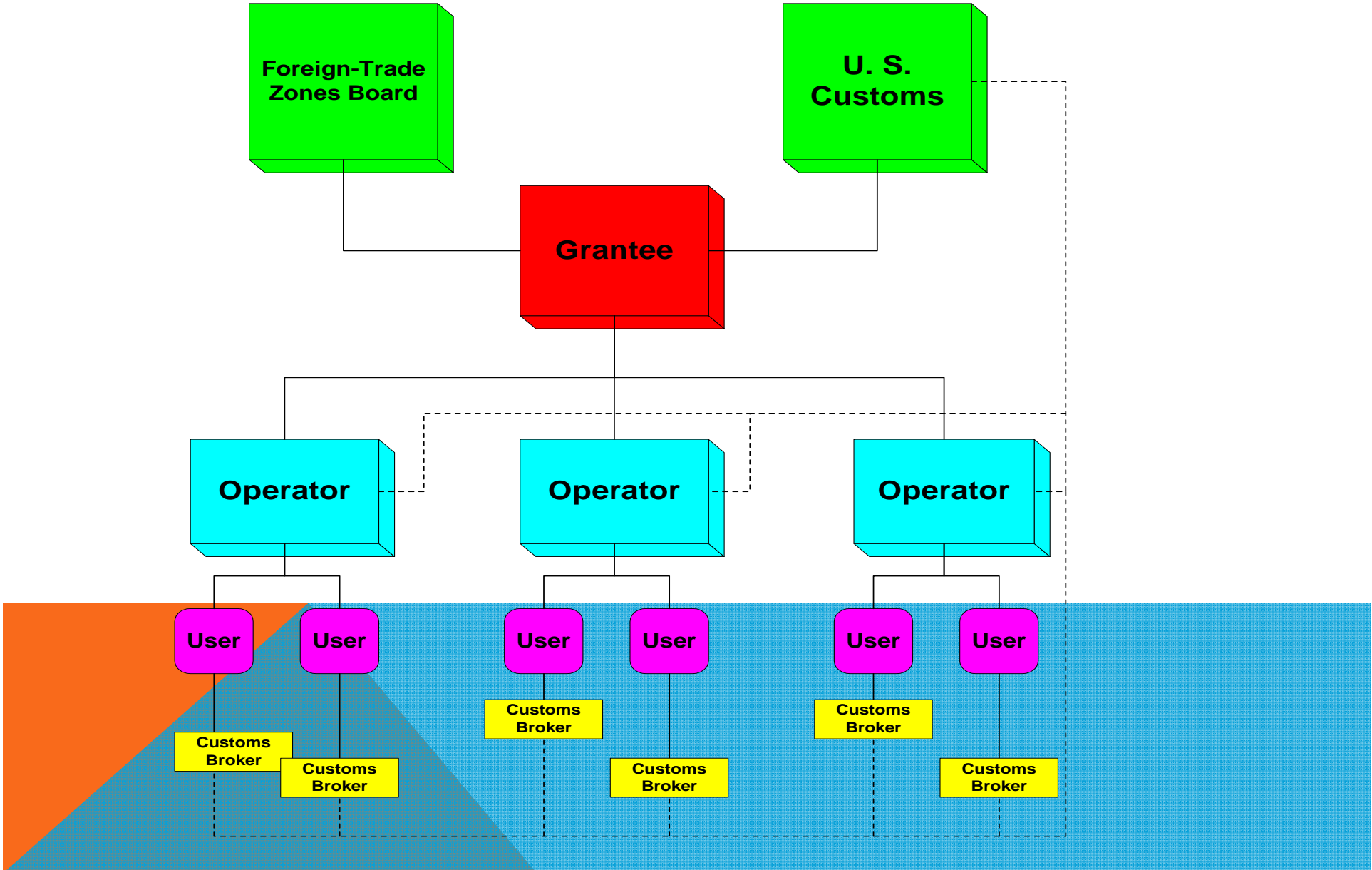


BENEFITS OF LOCATING YOUR BUSINESS IN A FOREIGN TRADE ZONE CONT'D

- Other Savings: Merchandise processing fees may be reduced by using the “weekly entry provision” of the FTZ program.
- Certain duty deferral and reduction benefits also apply on equipment admitted to the FTZ for assembly and testing prior to use in production (e.g racking systems, conveyors, etc.)



U. S. Foreign-Trade Zones
Parties Involved



KEY PLAYERS AND THEIR ROLES IN THE U.S. FOREIGN-TRADE ZONES PROGRAM

□ FTZ Board –

- Commerce (chair) and Treasury departments.
- FTZ Staff located at Commerce
- The Board makes decisions on requests for FTZ sites and activity

□ Customs and Border Protection (CBP)

- Advises the FTZ Board on applications
- Oversees FTZ activity
- Advises FTZ Board on CBP matters
- Makes decisions on requests to activate



KEY PLAYERS AND THEIR ROLES IN THE U.S. FOREIGN-TRADE ZONES PROGRAM

□ Grantee

A Grantee is the corporate recipient of a grant of authority for a zone project.

- Usually a public entity such as a City, County, Sea or Airport Authority, Chamber of Commerce, or a private not-for-profit corporation responsible economic development
- The Grantee's role is to organize, finance, maintain, and develop its zone.
- Grantee must set its own standard for generating the revenues necessary to maintain its zone, (although grantee organizations are free to offer subsidies or incentives).
- ****An individual company cannot apply directly to the FTZ Board without the sponsorship of a local Grantee organization.



KEY PLAYERS AND THEIR ROLES IN THE U.S. FOREIGN-TRADE ZONES PROGRAM

□ The Operator

The Operator is a corporation, partnership, or person that operates a zone site or subzone under agreement with the grantee, with the concurrence of the Port Director of CBP. The operator must obtain a bond with CBP.

□ Zone User

A party using a zone under agreement with a zone operator.

□ Custom Broker

Customs brokers are private individuals, partnerships, associations or corporations licensed, regulated and empowered by U.S. Customs and Border Protection (CBP) to assist importers and exporters in meeting Federal requirements governing imports and exports.



TYPES OF ZONE SITES

General-Purpose Zones

- Traditionally industrial parks or sea/air port facilities
- Offers more flexibility now under the ASF for participating zones

Subzones

- Approved for a specific use (e.g. oil refining, cell phone distribution, auto assembly...)
- Also referred to as “special-purpose subzones”



WHERE CAN ZONES BE LOCATED

- **General-purpose zones**
 - Must be located either within the port limits OR within 60 statute miles from the outer limits of a port of entry OR within 90 minutes driving time from the outer limits of a port of entry (15 CFR 400.21(b)(2))
 - In some cases, the Port Director may have to verify adjacency prior to filing an application if requested by the FTZ Board.
- **Subzones**
 - May be located beyond 60 miles/90 minutes driving time if CBP can adequately oversee the activity (including through electronic supervision)



OPERATIONAL PHILOSOPHY OF FTZ 241

- Geographically diverse “Open Zone” Concept
- Companies can locate into one of 4 pre-approved sites
- Zone services can be brought to companies at their existing location
- Offers self operation of facility
- Helps facilitate the CBP Process
- Offers additional resources and incentives to sustain and enhance the growth and development of your business



ZONE SITES

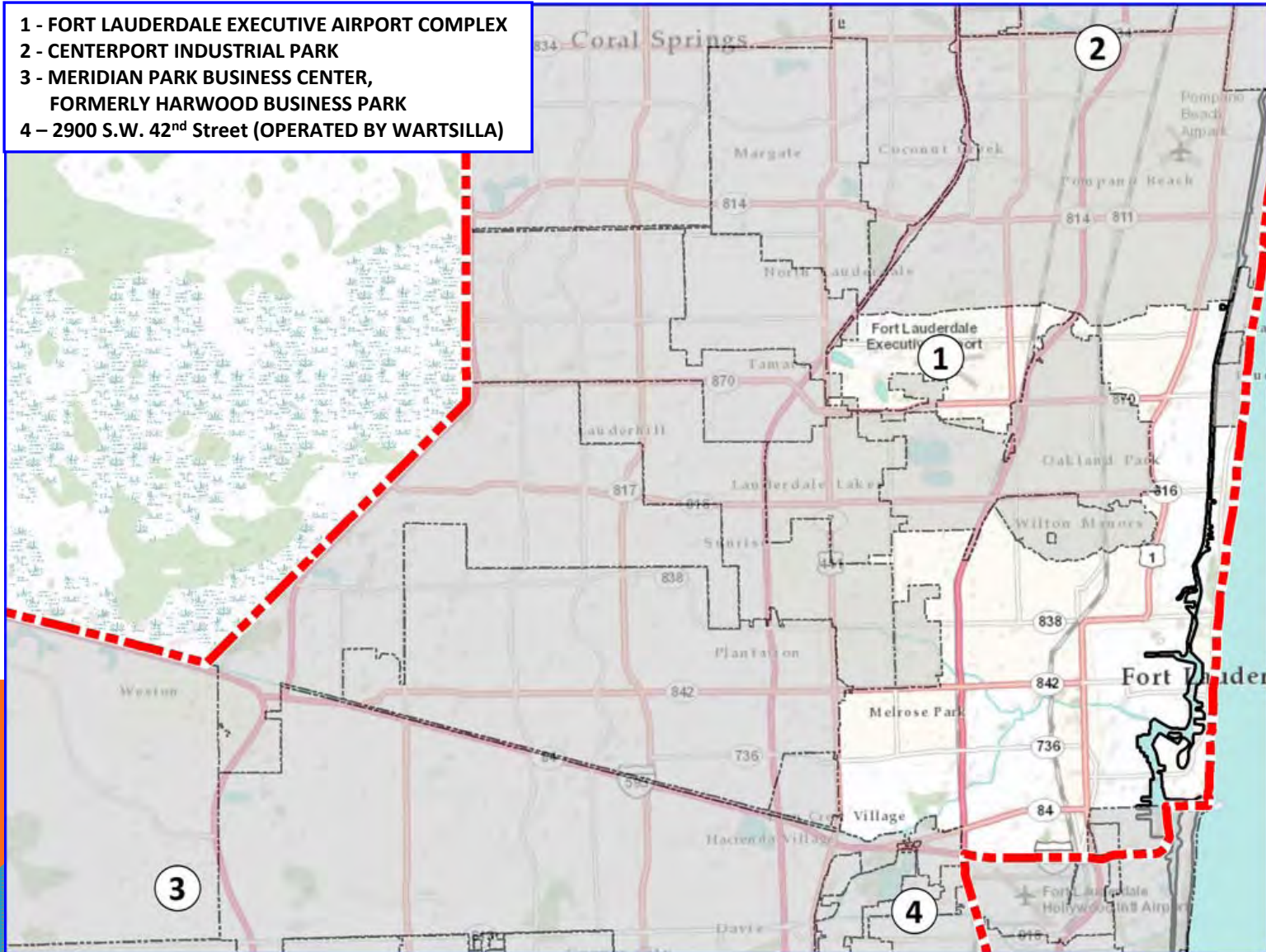
- Project consists of 4 Sites with Executive Airport as the Hub Site.
- Nearly 850 total acres.
- Location options include public and privately owned land with developed and undeveloped parcels.

***Obtaining an FTZ designation is now a much easier process



CITY OF FORT LAUDERDALE'S FOREIGN-TRADE ZONE #241 SITES

- 1 - FORT LAUDERDALE EXECUTIVE AIRPORT COMPLEX
- 2 - CENTERPORT INDUSTRIAL PARK
- 3 - MERIDIAN PARK BUSINESS CENTER,
FORMERLY HARWOOD BUSINESS PARK
- 4 - 2900 S.W. 42nd Street (OPERATED BY WARTSILLA)



FORT LAUDERDALE EXECUTIVE AIRPORT COMPLEX



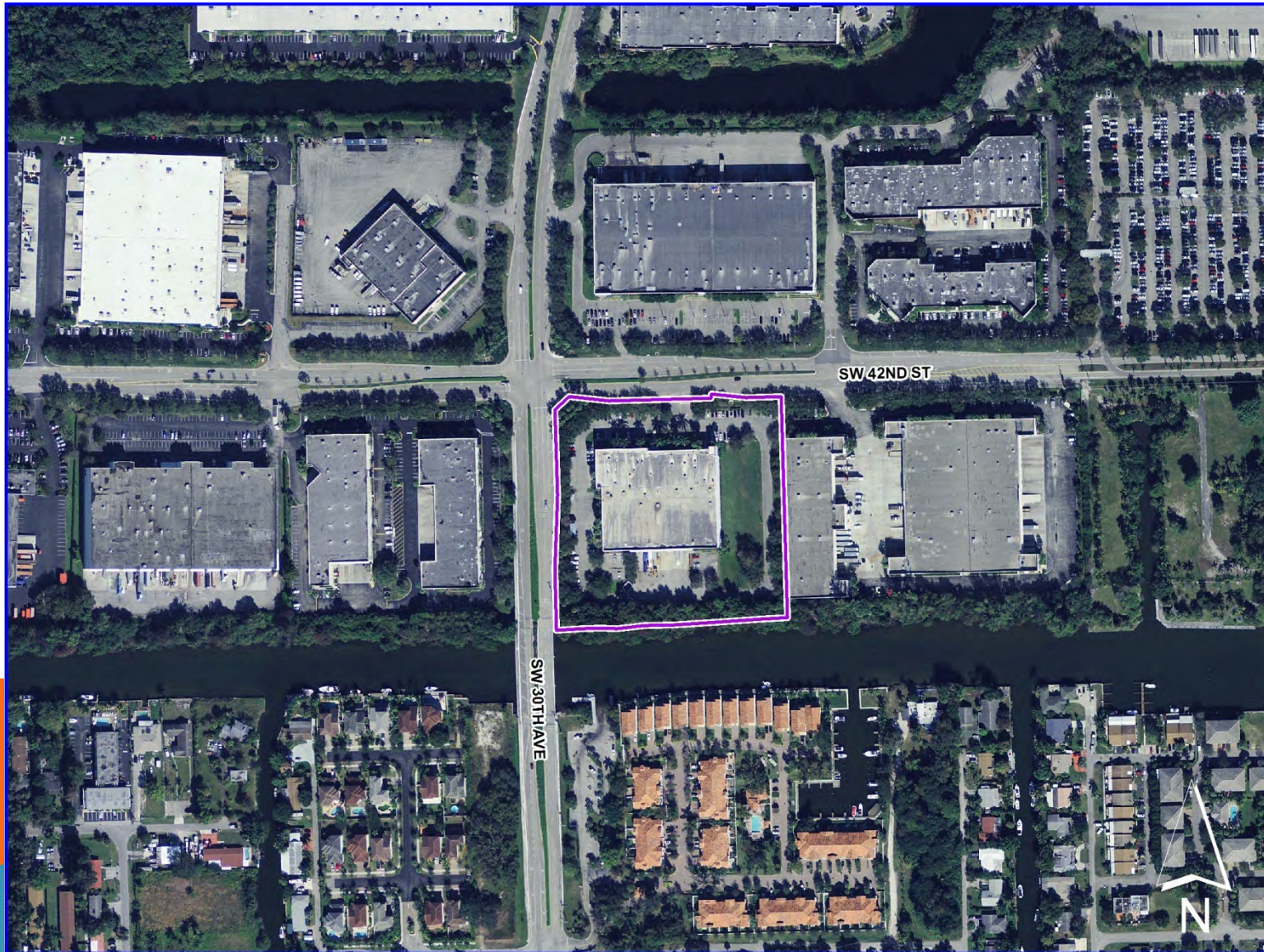
SITE 2: CENTERPORT INDUSTRIAL PARK



SITE 3: MERIDIAN PARK BUSINESS CENTER



SITE 4: 2900 S.W. 42ND STREET OPERATED BY WARTSILLA



COMPANIES WHO USE THE FTZ PROGRAM

- GM, Ford, BMW, Toyota and Chrysler
- Chevron/Phillips, ExxonMobil
- Merck and Abbott Labs
- Intel and ST Microelectronics
- Dell and IBM, Sony and NEC
- Whirlpool and Sears, Home Depot
- AIRBORNE, UPS LOGISTICS & FEDEX
- UPS LOGISTIC
- **Fairn & Swanson and Wartsila North America**



FTZ 241 OPERATORS

■ Fairn & Swanson

- ◇ General Purpose Operator located in Site 2—activated in 2010
- ◇ Merchandize include Beverages/Wines and other spirits
- ◇ Total Value of shipments calculated at over \$35 million in 2012
- ◇ 8 workers employed as a result of FTZ activities services
- ◇ Total customs duties paid—just over \$17,200

■ Wartsila ◇ Operator at Site no. 4---activated in 2006

- ◇ Merchandise include machinery & equipment and Spare Parts for automobiles
- ◇ Total value of shipments calculated at over \$39 million
- ◇ Total customs duties paid= \$221,000



COMMON RESTRICTIONS ON FTZ APPLICATION APPROVALS

Approval of an application may be subject to restrictions

Common restrictions include:

- 2,000-acre activation limit
- Expiration dates or sunset limits on sites
(Sunset Limits are dependent on activation within a certain time frame
 - Each site (except 1 magnet site) approved under ASF has a 3-5 year sunset limit)

******Expiration dates are absolute time limits regardless of zone activity**

- Approval for export activity only
- Requirement that certain merchandise be placed in Privileged Foreign (PF) status



FXE FTZ STAFF – GENERAL CONTACT INFO

- This concludes this presentation. For more information,
- **Web site:** <http://www.fortlauderdale.gov/FXE/index.htm>
- **Telephone:** (954) 828-4955
- (954) 828-4970
- **E-mail:** abrewton@fortlauderdale.gov



REFERENCE

FTZ Act of 1934 -- 19 USC 81a-81u

FTZ Regs 15 CFR 400

- (last revised 2012)
- adopted criteria for establishing FTZ authority

CBP Regs 19 CFR 146

- Describes CBP day to day oversight
- NAFTAZ Grantee Handbook (2013)

FTZ Manual for CBP

- Lists procedures and forms for FTZ activity
- NAFTAZ Grantee Handbook (2013)

