



# Reissuance of Grant Authority




**Foreign Trade Zone No. 123**

July 13, 2022



**DENVER**  
ECONOMIC DEVELOPMENT  
& OPPORTUNITY

# Background / Program





-  A foreign trade zone (FTZ) is a geographical area in, or adjacent to, a U.S. Port of Entry where commercial merchandise, both domestic and foreign, receives the same customs treatment it would as if it were outside the commerce of the United States.
-  The purpose of FTZs is to help American businesses remain competitive in the global economy by reducing or eliminating duty and tariff burdens on both the importation of foreign goods and on exported finished products.
-  The FTZ program falls under the jurisdiction of the U.S. Department of Commerce and is overseen by the U.S. Foreign-Trade Zone Board in Washington D.C.

# Background / Grantee





-  FTZs operate under the oversight and supervision of **U.S. Customs and Border Protection (CBP)**. CBP ensures the zones are appropriately constructed, certifies its stipulations and parameters are met by the Operator/User, handles day-to-day monitoring of zone activity, etc. Merchandise in an FTZ is under customs control, and merchandise & zone records are subject to spot checking as well as other verifications at any time.
-  The U.S. FTZ Board has granted the City and County of Denver to administer **FTZ #123**, which was established in 1986, whereas Denver International Airport acts the 'Port of Entry'.
-  **Denver Economic Development & Opportunity's (DEDO) Global Business Development** team is the zone's Administrator for the city and considers requests from companies seeking the designation of Operator/User, Subzone, or Site.

# Our Request

As the Grantee, the City & County of Denver is seeking from the U.S. Foreign-Trade Zone Board to allow reissuance of its Grantee authority of Foreign Trade Zone #123 to the World Trade Center Denver (WTCD), and believes this reissuance of the grant of authority would be in the public's interest for the following reasons:

-  The WTCD's scope of services are more aligned with the FTZ program and can better serve current participants and future companies that would like to utilize it.
-  The WTCD services cover the state of Colorado and has staff in place that can market and promote the FTZ program and support its growth to ensure the continuance of a robust and competitive economy.
-  Most current FTZ participants are located outside the boundaries of the City & County of Denver.
-  The City does not earn any revenue by administering the program.

# Next Steps

-  Submit official request to the FTZ Board for a Transfer of Grant Authority to WTCD.
-  Once the City and County of Denver submits all requested items, which includes this resolution of approval from the City's governing body, the FTZ Board will review the submission packet.
-  FTZ Board will inform DEDO of request's approval or denial. **Timeline generally takes 4-5 weeks.**
-  When/if approved, WTCD immediately assumes authority and all duties of Grantee for FTZ #123.



Action requested: Approve Resolution 22-0809 authorizing DEDO to submit a request to the Foreign-Trade Zone Board for reissuance of grant authority and administrator of Foreign Trade Zone #123, under the United States Department of Commerce, from the City and County of Denver to the World Trade Center Denver