

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 6/22/22

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other: City Council Resolution

2. **Title:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves a resolution authorizing Denver Economic Development and Opportunity to submit a request to the Foreign-Trade Zone Board for reissuance of the grant of authority to the Rocky Mountain World Trade Center Association.

3. **Requesting Agency:** Denver Economic Development and Opportunity

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Vanessa Simsick	Name: Patrick Walton
Email: vanessa.simsick@denvergov.org	Email: patrick.walton@denvergov.org

5. **General description or background of proposed request. Attach executive summary if more space needed:**

See executive summary.

6. **City Attorney assigned to this request (if applicable):** Brian Martin

7. **City Council District:** Citywide

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

City Council Resolution

Vendor/Contractor Name: N/A

Contract control number: N/A

Location: Citywide

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

N/A

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
N/A	N/A	N/A

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
N/A	N/A	N/A

Scope of work:

N/A

Was this contractor selected by competitive process? N/A

If not, why not?

Has this contractor provided these services to the City before? Yes No

Source of funds: N/A

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts):

N/A

Who are the subcontractors to this contract?

N/A

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Executive Summary

After 35 years serving as the grantee authority and administrator of Federal Trade Zone #123, the City and County of Denver is considering transitioning this role to the World Trade Center Denver. The change requires Denver City Council approval and Federal Trade Zone Board approval under the jurisdiction of the U.S. Department of Commerce.

A foreign trade zone 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 boundaries of the United States. As an FTZ is considered by the federal government to be outside Customs territory, it serves as a designated location where companies can employ special procedures that foster U.S. activity and value-added—in competition with foreign alternatives—by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings.

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. There are about 300 FTZs across the U.S.

Denver International Airport (DEN) is the designated Port of Entry for FTZ #123, originally created in 1986 and extending 60 miles in all directions with DEN at its center (the boundaries are also defined as being within 90-minute drive time). Even though a significant amount of the geographic area of FTZ #123 is not located in Denver County, the City & County of Denver has served as the grantee authority and administrator of FTZ #123 since 1986.

Denver Economic Development & Opportunity's (DEDO) Global Business Development team is currently the zone's administrator for the city and considers requests from companies seeking the designation of Operator/User, Subzone, or Site. Foreign trade zone applications from businesses are relatively rare in FTZ #123. Across the U.S., the largest industry currently using FTZs is the petroleum refining industry. Significant zone manufacturing also occurs in the automotive, electronic, furniture, and pharmaceutical industries.

Denver believes its proposed reissuance of the grantee authority and administrator role to the World Trade Center Denver (WTCD) would be in the public's interest for several reasons.

- The WTCD's scope of services are more aligned with the FTZ program and can better serve current participants and future companies that seek 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.
- Should a startup company or relocating company considering operations in Denver County seek to utilize the FTZ #123, DEDO and the WTCD remain collaborative partners in all matters of economic development intersecting with the promotion of international foreign business activity. All advantages available to a prospective user with Denver in the grantee authority and administrator role would be identical to the advantages available with WTCD in the role.

After City Council considers this grantee authority and administrator role transition, the City and County of Denver and the WTCD will work together to complete the forms or agreements required to be granted final approval for the transition by the national FTZ Board.

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