

RESOLUTION NO. 0911-2021

DATE ADOPTED: 4/21/21

DATE PUBLISHED: _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SEDGWICK COUNTY, KANSAS AS GRANTEE OF FOREIGN TRADE ZONE #161 ESTABLISHING A FOREIGN TRADE ZONE FEE SCHEDULE

WHEREAS, the Board of County Commissioners of Sedgwick County, Kansas has been established as the Grantee for Foreign-Trade Zone #161 by Order #438 of the Foreign-Trade Zone Board dated September 8, 1989; and

WHEREAS, the Board of County Commissioners as Grantee of Foreign-Trade Zone #161 has authority pursuant to 15 C.F.R. Section 400.42 to establish a zone schedule which includes a section listing rates and charges for zones and subzones; and

WHEREAS, the Board of County Commissioners desires to replace the fee schedule included with Resolution No. 244-2011, and establish a new fee schedule as outlined in Exhibit A and as attached to this resolution and entitled "Zone Schedule Foreign-Trade Zone 161 Sedgwick County, Kansas."

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Sedgwick County, Kansas as Grantee for Foreign-Trade Zone #161 that the Foreign-Trade Zone Fee Schedule, attached as Exhibit A to this resolution. is hereby adopted. This resolution shall be published once in the official county newspaper.

Commissioners present and voting were:

PETER F. MEITZNER
SARAH LOPEZ
DAVID T. DENNIS
LACEY D. CRUSE
JAMES M. HOWELL

Aye
Aye
Aye
Aye
Aye

Dated this 21 day of April, 2021.

BOARD OF COUNTY COMMISSIONERS
OF SEDGWICK COUNTY, KANSAS

ATTEST:

KBA
KELLY B. ARNOLD, County Clerk



Peter F. Meitzner
PETER F. MEITZNER, Chairman
Commissioner, First District

Lacey D. Cruse
LACEY D. CRUSE, Chair Pro Tem
Commissioner, Fourth District

APPROVED AS TO FORM:

Justin M. Waggoner
JUSTIN M. WAGGONER
Assistant County Counselor

Sarah Lopez
SARAH LOPEZ
Commissioner, Second District

David T. Dennis
DAVID T. DENNIS
Commissioner, Third District

James M. Howell
JAMES M. HOWELL
Commissioner, Fifth District

EXHIBIT A

Zone Schedule
Foreign-Trade Zone 161
Sedgwick County, Kansas

Board of County
Commissioners of Sedgwick
County

Effective: April 21, 2021

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FOREIGN-TRADE ZONE GRANTEE POLICIES

Applications

A detailed description of Foreign-Trade Zone ("FTZ") application requirements are outlined on the International Trade Administration's (ITA) website: trade.gov/how-to-apply and also at the Sedgwick County Economic Development Office. There is no guarantee that the FTZ Board ("Board") will approve the project.

Removing FTZ Status

The Grantee reserves the right to remove FTZ status from approved sites under the following conditions:

1. No part of the property has been activated within the time limits set by the Board (not to exceed five years) from receipt of Board approval.
2. There is a default in the agreement between the Zone Site Operator/Facility/Site and Grantee or between the Property Owner and Grantee.
3. Property is used for residential purposes, retail sales or any other use or development that is inappropriate for FTZ status.
4. Failure to pay fees associate with FTZ status.

Zone Site Operator/Facility/Site Agreement

All Zone Site Operator/Facility/Sites will be required to sign a Zone Site Operator/Grantee agreement before the site can be activated with CBP. This agreement states that the Grantee does not participate in the day to day operations of the FTZ and this responsibility, therefore, is placed upon the Zone Site Operator/Facility/Site to comply with all rules and regulations.

Landowner Agreement

Landowners will be required to sign a Land Owner/Developer/Grantee agreement before the site can be activated with CBP. This agreement outlines all responsibilities that the landowner will have to complete in order to maintain FTZ status at the property.

Liability

FTZ site owner and/or Zone Site Operator/Facility/Site agrees to protect, indemnify and hold harmless the Grantee, its elected officials, employees and agents from and against liability, obligation, damage, penalty, claim, cost, charge, or expense, including attorneys' fees and costs, whether insured or not, arising out of or incident to its site.

Payments

All payments are due according to the terms of the billing document of the Grantee. Failure to pay any fees, charges and expenses to the Grantee shall be a basis for termination of appropriate agreement and/or removal of FTZ status.

Annual Reports

The FTZ Site Operator/Facility/Site or owner must submit an annual report electronically through the Online FTZ Information System ("OFIS") located on the ITA website for the fiscal year ending December 31st no later than January 31st of each year. This report will contain data required by the Board and CBP. All such statements shall be signed by appropriate officials.

certifying the accuracy of the reports. The FTZ Site Operator/Facility/Site or owner shall prepare a narrative and submit photographs as required for the Annual Report to the Board. Land or buildings that have been leased or sold during the year must be described along with naming the new owner or lessee. Online submission of the Annual Report began in 2012. If online submission cannot be completed, notify the Sedgwick County Economic Development Office.

Construction

All new construction projects will need to be mentioned in the Annual Report so that the Board can be informed of the updated condition and structures within FTZ sites.

Access

Representatives of the Grantee, Board, CBP, and other authorized U.S. government officers, shall have the right to enter the FTZ site for the authorized and lawful purpose of examining same, conferring with FTZ Site Operator/Facility/Site or owner, its agents, invitees, and employees on such premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the procedures established for the operation and management of the FTZ site.

Foreign-Trade Zone Privileges

The Grantee makes no representations or warranties as to the particular privileges and benefits which may accrue to the FTZ Site Operator or owner from FTZ site operations as those privileges and benefits may vary as a result of changes in federal law, determinations of the Board and CBP, and operational decisions of the FTZ Site Operator. The Grantee shall in no way be liable for any costs or losses sustained by FTZ Site Operator or landowner as a result of FTZ status.

No Operator to Offer Services to the Public

There is not any operator which has an agreement with the Grantee to offer services to the public.

GRANTEE FEES

APPLICATION FEES

General Purpose Zone	\$2,500
Subzone	\$2,500

This fee does not include actual preparation of the General Purpose Zone Operator/Facility/Site's Application or Subzone Application.

The Application Processing Fee covers the Sedgwick County Board of County Commissioners ("Grantee") expenses for obtaining the necessary approvals/resolutions for the General Purpose Zone/Facility/Site or Subzone, submission of the Application to the Foreign-Trade Zone Board (the "Board") and any necessary support required in the General Purpose Zone or Subzone Operator/Facility/Site Application process.

ACTIVATION FEES

All Sites.....	\$2,500
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This fee does not include actual preparation of the General Purpose Zone Operator/Facility/Site or Subzone Activation Application to U.S. Customs and Border Protection ("CBP").

The Activation Fee covers Grantee expenses for preparation and processing of the General Purpose Zone or Subzone Operations Agreement, providing the Grantee Concurrence Letter to CBP, and any necessary Grantee support required in the CBP Activation process.

ANNUAL ADMINISTRATION FEES

Active Sites	\$2,500
Inactive Sites	\$2,500

The General Purpose Zone or Subzone Operator/Facility/Site's Annual Fee will cover Grantee expenses for oversight of the General Purpose Zone or Subzone project and submission of the Annual Report to the Board. If application approval by the Board is not July first (1st) the Annual Fee will be pro-rated.

FOREIGN-TRADE ZONE BOARD FEE SCHEDULE PER REGULATIONS 2008

Sec. 400.29 Application fees.

(a) In general, this section sets forth a uniform system of charges in the form of fees to recover some costs incurred by the Foreign-Trade Zones staff of the Department of Commerce in processing the applications listed in paragraph (b) of this section. The legal authority for the fees is 31 U.S. C. 9701, which provides for the collection of user fees by agencies of the Federal Government.

(b) Uniform system of user fees charges. The following graduated fee schedule establishes fees for certain types of applications and requests for authority based on their average processing time. Applications combining requests for more than one type of approval are subject to the fee for each category.

- (1) Additional general-purpose zones (Sec. 400.24; Sec. 400.21(a)(2))\$3,200
- (2) Special-purpose subzones (Sec. 400.25):
 - (i) Non-manufacturing/processing or less than three products\$4,000
 - (ii) Manufacturing/processing—three or more products \$6,500
- (3) Expansions (Sec. 400.26(b))\$1,600

(c) Applications submitted to the Board shall include a check drawn on a national or state bank or trust company of the United States or Puerto Rico in the amount called for in paragraph (b) or this section. Uncertified checks must be acceptable for deposit by a Federal Reserve Bank or branch.

(d) Applicants shall make their checks payable to the U.S. Department of Commerce ITA. The checks will be deposited by ITA into the Treasury receipts account. If applications are found deficient under Sec. 400.27(b)(1), or withdrawn by applicants prior to formal filing, refunds will be made.

DEFINITIONS

Act

The Foreign Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 U.S.C. 81a-81u) as amended by Pub. L. 566 81st Congress, June 17, 1950 (64 Stat. 246 and Pub. L. 791) 85th Congress, August 28, 1958 (72 Stat. 945).

Activation

Once a zone or subzone site is approved by the Board, an application must be made to the local CBP office, with the concurrence of the Grantee, to operate the zone/subzone site (or portion thereof) under FTZ procedures. This CBP process is known as activation and generally includes steps such as background checks, a written procedures manual, posting a bond with CBP, as well as a review of the security of the site(s) and the inventory control methods.

ASF

The Alternative-Site Framework (ASF) was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010). Grantee was approved to reorganize under the ASF in 2011.

Board

The Foreign-Trade Zone Board established by the Act is comprised of the Secretary of Commerce, the Secretary of the Treasury, their designated alternates, and the Commissioner of the CBP.

Board Order

A document indicating the final decision of the Board. Board orders are usually published in the Federal Register after issuance.

CBP

U.S. Customs and Border Protection.

Deactivation

A previously activated general purpose zone or subzone site which no longer has local CBP authorization for activity under FTZ procedures.

District Director

The director of the CBP Port of Entry for the district in which the zone or subzone is located.

Executive Secretary

The Executive Secretary of the Board whom is also the Secretary of Commerce.

Foreign-Trade Zone (FTZ)

Includes one or more restricted-access sites, including subzones, in or adjacent to a CBP port of entry, operated as a public utility under the sponsorship of a Grantee authorized by the Board, with zone operations under the supervision of CBP.

Grant of Authority

A document issued by the Board that authorizes a Grantee to establish, operate, and maintain a sponsorship of a zone, subject to limitations and conditions specified in 15 CFR Part 400 and in 19 CFR Part 146. The authority to establish a zone includes the responsibility to manage it.

Grantee

The Board of Sedgwick County Commissioners as the public body issued a grant of authority to establish a zone or subzone.

Magnet Site

A site intended to serve or attract multiple operators or users under the ASF.

Operator's Agreement

The agreement between a zone operator and the grantee.

Production

Activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the CBP classification of the article or in its eligibility for entry for consumption.

Reactivation

A resumption of the activated status of an entire area that was previously deactivated without any change in the operator or the area boundaries. If the boundaries are different, the action is an alteration. If the operator is different, it is a new activation.

Regulations

Regulations adopted by the Board, pursuant to the Act (15 CFR Part 400).

Service Area

The jurisdiction(s) within which a Grantee proposes to be able to designate sites via minor boundary modifications under the ASF.

Subzone

Special purpose ancillary zones as authorized by the Board

Usage-Driven Site

A site tied to a single operator or user under the ASF.

Zone

A foreign-trade zone established under the provisions of the Act and 15 CFR Part 400.

Zone Operator

Person or firm that operates within a zone or subzone under the terms of an agreement with the Grantee with the concurrence of the CBP.

Zone Schedule

Document kept by the Grantee, which includes the internal rules and regulations of the zone, as well as a statement of the rates and fees charged to zone users.

Zone Site

The physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

Zone User

Person or firm using a zone under agreement with a zone operator.