



MEMORANDUM

TO: St. Charles County Port Authority Board

FROM: Sallie Hemenway
Scott Taylor

DATE: July 14, 2022 Board meeting

RE: Foreign Trade Zone Follow-up Information

Definition:

A geographical area where commercial merchandise, both domestic and foreign receives the same Customs treatment it would if it were outside the commerce of the U.S.

Benefits:

Duty and federal excise tax, if applicable, are paid when the merchandise is transferred from the Zone for consumption. The merchandise is not subject to duty or excise tax while it is in the Zone. Exports may occur duty and excise free.

Port Authority:

Section 170.020

Purpose Of Port Authority.

[Ord. No. 19-071, 9-9-2019]

It shall be the purpose of the Port Authority to promote the general welfare, to promote development within the Port District, to encourage private capital investment by fostering the creation of industrial facilities and industrial parks within the Port District, to endeavor to increase the volume of commerce, and to promote the establishment of a foreign trade zone within the Port District.

Proposal:

- Consider the benefits of establishing a new Foreign Trade Zone, separate from St. Louis County.
- Apply under the “Alternative Site Framework” so that all interested companies can enjoy an expedited process to approval of FTZ status of their property in 30 days or less from the FTZ Board at the U.S. Department of Commerce. No application filing fee is required from USDOC.
 1. Prepare a FTZ Application to include St. Charles County as the “Service Area” of the FTZ. This means any company in the county would be eligible for the 30-day approval if they apply. Most of the economic data may be secured from public sources.
 2. Secure letters of interest from local companies. Suggest SCCPA partners with Chamber and prepares a FTZ presentation and invites companies to learn about the financial savings they can secure with FTZ.
 3. St. Charles County Port Authority would be the FTZ Grantee and would need to authorize a signed cover letter and a Resolution authorizing the filing of the application.
 4. The application is filed with the FTZ Board in Washington D.C. and once accepted for filing a Federal Register notice is filed with a public comment period. The total process can take between 7 to 11 months for this application to be approved. This can be expedited with the next step.
 5. One optional or additional step would be to secure letters of support from the Missouri Congressional delegation. It is not required but if it can be done it is positive. If Port Authority Board members go to Washington DC in February or March as part of an annual set of meetings it is a good item to ask for as it is a positive thing for the members of Congress to support.
 6. Customs and Border Protection in St. Louis would have to sign off on serving St. Charles County under the ASF. CBP has signed off on subzones as far away as Florsheim in Jefferson City in the past.
 7. A Zone Schedule and format FTZ Agreement would need to be created for the Grantee.

Estimated Cost for Items 1-7:

\$30,000

Decision Item: