

Guidelines for Usage-Driven Foreign Trade Zone Sites

The Dallas/Fort Worth International Airport Board (DFW) participates in the Foreign Trade Zones Board's Alternative Site management framework, which allows an expedited process for approving new "Usage-Driven" foreign trade zone locations. Any business located in Dallas, Tarrant, Collin, Denton, Grayson or Kaufman Counties is eligible for the expedited process. These guidelines explain the requirements and process for a business location to be designated as a Usage-Driven Foreign Trade Zone Site of the DFW Foreign Trade Zone.

Usage-Driven Site Characteristics

- Designations are tied to a specific use of the property. Changes in operations may require further approval from both DFW and the Foreign Trade Zones Board
- Once approved, there is no limitation on the duration of the foreign trade zone designation. If the site is not active for a three year period, however, the designation will terminate.
- Designated sites are immediately available for distribution activities. Manufacturing or processing activities may require additional approval from the Foreign Trade Zones Board. DFW Staff can help you determine the specific approvals necessary.
- In order to use an approved Usage-Driven Foreign Trade Zone Site and access Foreign Trade Zone benefits, the business is required to activate the site with the US Bureau of Customs and Border Protection. Each business is responsible for its own activation.

Requirements

Any business which wishes to have an application filed to designate its property as a Usage-Driven Foreign Trade Zone Site must provide DFW with the following:

- A written request to DFW for the designation, including
 - The full name of the company
 - A short description of the business to be conducted at the site
 - Address of the site
 - Legal description of the site
 - Map showing site boundaries (preferably a survey)
- Execution of a Usage-Driven Site Operating Agreement
- Payment of a non-refundable fee of \$6,000



- Support letters from the City, County and School District within which the site is located, substantially in the format of the samples attached. The letters confirm that these taxing authorities have been advised that qualifying Foreign Trade Zone inventory is exempt from local ad valorem tax, and that the tax authority supports the designation. In the case of School Districts, a letter which states that the School District does not object to the Foreign Trade Zone designation is sufficient. It is the sole responsibility of the business to obtain these letters. Many companies find it beneficial for DFW, or DFW's outside Foreign Trade Zone advisor Ernst & Young, to be involved in providing information to the impacted taxing authorities. Contact DFW Staff if you would like to discuss options for assistance.

Procedure

- Upon receipt of the materials referenced above, DFW Staff will review them for sufficiency.
- Provided the materials are sufficient, DFW will request the concurrence of the US Bureau of Customs and Border Protection Port Director for the Port of Dallas/ Fort Worth. Note that this is concurrence for the designation, not for activation of the site. Activation must be separately requested by the business only after the Foreign Trade Zones Board approves designation of the site.
- DFW will prepare and submit an application to the Foreign Trade Zones Board requesting the Usage-Driven Foreign Trade Zone Site designation.

DFW anticipates that the Usage-Driven Site designation will be approved approximately 60 days after DFW receives the material package from the business.

Please direct any questions to:

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DFW International Airport
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972.973.4649

Christina Wood
DFW International Airport
cwood@dfwairport.com
972.973.4667



Sample Support Letter for Taxing Authority

[Date]

Ms. Christina Wood
Dallas/Fort Worth International Airport
PO Box 619428
DFW Airport, TX 75261-9428

Re: Foreign Trade Zone Application

Dear Ms. Wood:

On behalf of the [City, County, or ISD], I wish to express my support for the Application to establish a Foreign Trade Zone at the _____ facility. The Foreign Trade Zone will complement our efforts to expand and diversify our economy. We understand that imported inventory and inventory held in a foreign trade zone for export will be exempt from ad valorem tax, and fully support this Application as a means of promoting economic growth in the region.

Sincerely,



Sample School District Non-Obligation Letter

[Date]

Ms. Christina Wood
Dallas/Fort Worth International Airport
PO Box 619428
DFW Airport, TX 75261-9428

Re: Foreign Trade Zone Application

Dear Ms. Wood:

We understand that the Dallas/Fort Worth International Airport Board intends to apply for a Foreign Trade Zone site at the _____ facility located within the _____ Independent School District. We understand that imported inventory and inventory held for export at the facility will be exempt from ad valorem tax. We do not object to your efforts to establish a Foreign Trade Zone at the facility.

Sincerely,