

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED  
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

**AN ORDINANCE**

**AUTHORIZING THE CITY MANAGER TO EXECUTE FUTURE  
FOREIGN TRADE ZONE OPERATOR AGREEMENTS PERTAINING  
TO FOREIGN TRADE ZONE #80.**

\* \* \* \* \*

**WHEREAS**, Foreign Trade Zone (“FTZ”) #80 was established by the U.S. FTZ Board and the City to promote the region as a center for manufacturing and international trade; and

**WHEREAS**, there are currently 11 sites with 2 active users within FTZ #80, making them more cost-competitive because designated sites are considered to be outside U.S. territory for U.S. Customs’ purposes, which allows foreign-origin products to be unloaded, transformed, assembled, tested, processed, repackaged and re-exported to foreign markets without paying U.S. Customs duties; and

**WHEREAS**, in 2009, the U.S. FTZ Board identified and addressed a need to make the application process more efficient and responsive to businesses by creating the Alternative Site Framework model (the “ASF”) to better align the zones with actual usage by businesses and give grantees greater flexibility; and

**WHEREAS**, the new framework reduces the application process from more than 180 days to as few as 30 days, resulting in more than 80% of all FTZs in the United States transitioning to the ASF model; and

**WHEREAS**, before an FTZ site can be used, the company requesting activation must file a formal application with the zone’s Grantee (the City) and enter into an FTZ Operator Agreement, for which all of the terms and site operation requirements are prescribed by the U.S. FTZ Board, the approval and execution of which is deemed an administrative function; and

**WHEREAS**, in order to shorten lead times, staff recommends that the City Manager, or her designee, be allowed to administratively approve and execute the FTZ Operator Agreements; and

**WHEREAS**, the City Council finds that it is in the best interest of the City to allow for the recommended administrative approval process to further increase speed and effectiveness in utilizing the ASF as an economic development tool; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** City Council authorizes the City Manager or her designee to administratively approve and execute all Operator Agreements related to Foreign Trade Zone #80, an example of which is included as **ATTACHMENT I**.

**SECTION 2.** This Ordinance shall be effective immediately upon receiving at least eight affirmative votes or, if approved by fewer than eight votes, on the tenth day after passage.

PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2014.

**M A Y O R**  
Julián Castro

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Leticia M. Vacek, City Clerk

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Robert F. Greenblum, City Attorney

**ATTACHMENT I**

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