

# U.S. Foreign-Trade Zone Program

Jaye O'Donnell, Economic Development Director  
Chris Molnar, Economic Development Administrator

- Federally authorized
- Encourages U.S. activity and competitiveness
- Allows businesses to pay reduced, delayed or no customs duties on foreign merchandise
- Secure areas under supervision of CBP
- Considered outside the customs territory of U.S. for purposes of duty payment
- Administered by the Foreign-Trade Zones Board (FTZB) comprised of the Commerce and Treasury departments

April 1997

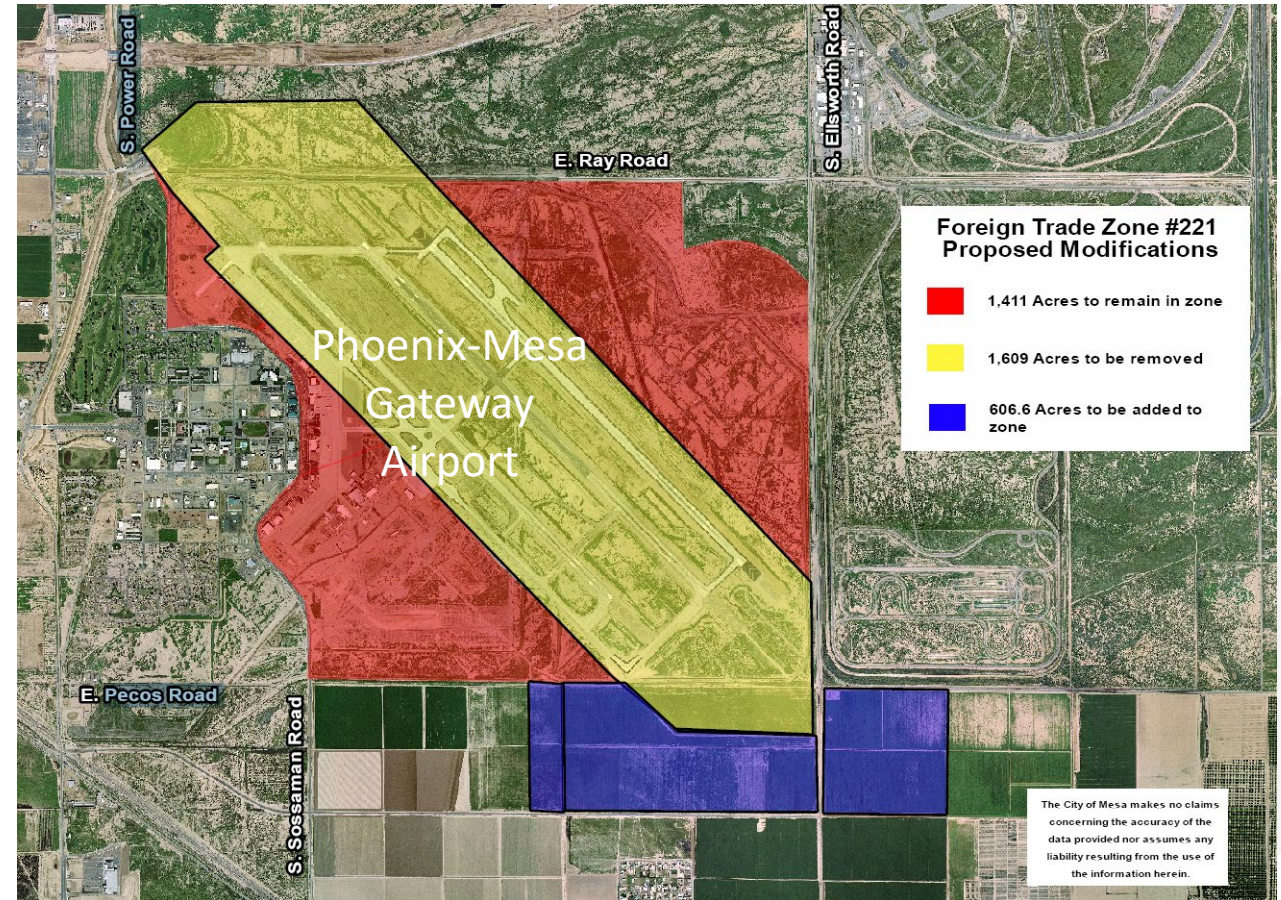
Board Order 0883:  
Grant of Authority  
Zone Established



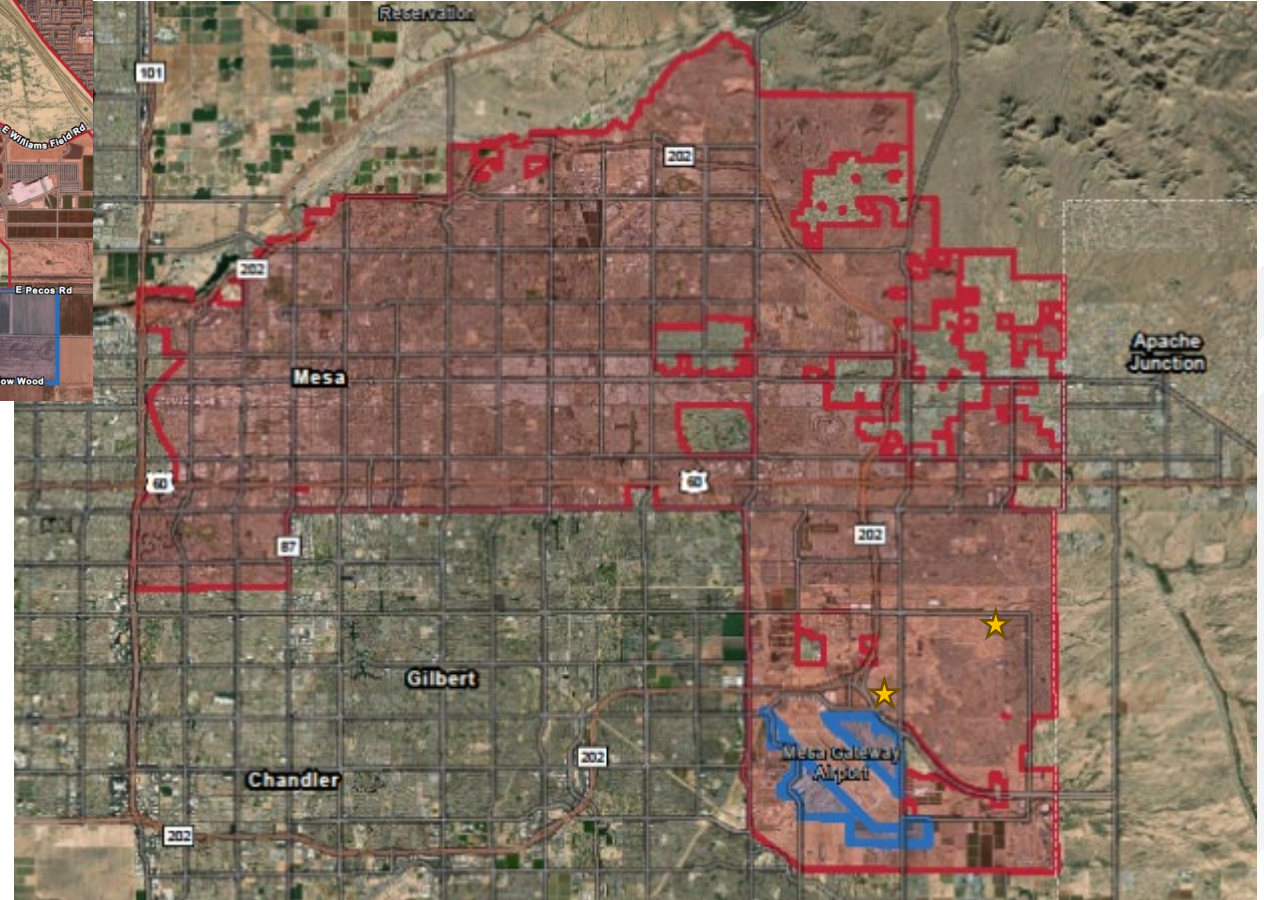
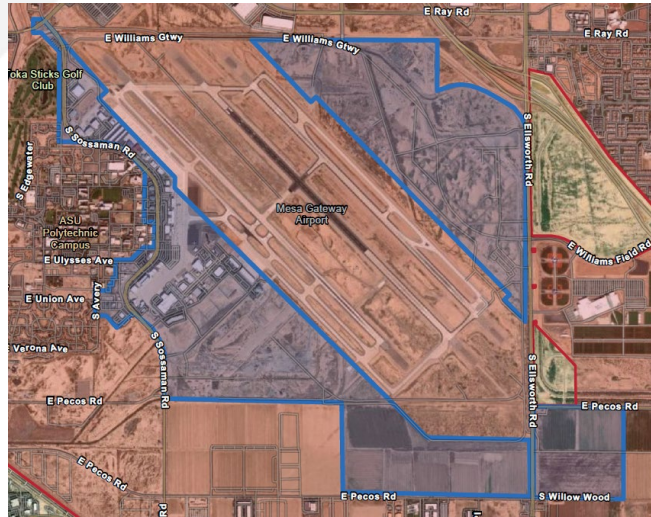
Service Area

January 2008

Board Order 1538:  
Zone Reorganization



Service Area



Service Area

July 2022

Zone Reorganization/  
Expansion under  
Alternative Site  
Framework

Merchandise may be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed and destroyed.

Production activity - any operation that changes the nature or status of goods before formally entered into U.S. Commerce (must be specifically authorized by the FTZ Board)

Retail trade is prohibited.

FTZs are especially valuable for companies that:

- Export finished goods from the FTZ
- Assemble products using imported components
- Manage high-volume international trade
- Are building or expanding U.S. manufacturing and/or distribution sites, or looking to optimize their supply chain footprint
- Efficiency
- Financial Flexibility
- Global Competitiveness

- In 1991, the Arizona State legislature approved a lower assessment ratio for activated FTZ or subzone sites.
- Most sites (commercial/industrial uses, utility companies, shopping centers) are designated as Class 1 property
- FTZ activated sites eligible for property tax reclassification to Class 6
  - Noncommercial historic property, FTZ properties, Military Reuse Zones, renewable energy manufacturing

- Job Creation and Retention
- Economic Growth and Investment
- Public Infrastructure and Community Development
- Enhancing U.S. Competitiveness
- Supporting Supply Chain Resilience
- Environmental and Economic Efficiency
- Government Oversight and Public Interest

- Foreign-Trade Zones Board (FTZB)
- U.S. Customs and Border Protection (CBP)
- Zone Grantee (City of Mesa)
- Zone Operator/User
- Others

- Research / FTZ Consultant Selection / Cost-Benefit Analysis
- Request for City of Mesa Letter of Support
- Pre-Application Meeting
- Application Preparation
- OED Application Review and Submittal
- FTZ Board Staff Review / CBP Concurrence
- Operator Agreement
- Activation\*\*
- Reporting

\*\*Production Authority - separate approval required\*\*

- MGC Pure Chemicals America, Inc. (MPCA)
  - 26.07-acre site, east of Signal Butte on Pecos Rd
  - Expanding Mesa headquarters facility, primary plant for North American operations
  - Key supplier to semiconductor companies, primarily in the U.S.

# Foreign Trade Zone No. 221



# Questions / Comments