



**ZONE SCHEDULE  
FOR  
FOREIGN-TRADE ZONE No. 75  
PHOENIX, ARIZONA**

This Zone Schedule has been prepared by the City of Phoenix, Grantee for FTZ No. 75. Any questions concerning the contents of this Zone Schedule should be addressed to:

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This Zone Schedule has been prepared in accordance with 15 C.F.R. 400.44 and is on file with the Foreign-Trade Zones Board and United States Customs & Border Protection at the Port of Phoenix, Arizona.

**Effective February 28, 2014**

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## GENERAL POLICIES OF FTZ No. 75

1. This Zone Schedule is published in accordance with 15 C.F.R. 400.44. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 75, unless otherwise provided for.

2. Pursuant to 15 C.F.R. 400.42 and 400.43, the rates and charges for services within the Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. The Foreign-Trade Zones Board (FTZB) shall determine whether the rates and charges are fair and reasonable.

3. All requests for usage driven and/or subzone designation will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the Usage Driven or subzone site application, it will be the obligation of the applicant for the new site to prepare the application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB. All persons and entities who request the Grantee to apply for authority to establish a Usage Driven or subzone site must enter into an agreement with the Grantee governing the proposed operations at the site.

4. Consistent with the intent of the Alternative Site Framework (ASF), to maximize the linkage between designation of FTZ space and actual use of that space for FTZ activity, usage-driven sites will be the focus of new applications for companies ready to pursue conducting FTZ activity. However, if a compelling need is demonstrated for the establishment of a magnet site, a new magnet site may be established provided it is within the FTZ Board's general goal of six or fewer simultaneously existing magnet sites and the entity that seeks magnet site designation provides letters of commitment to activate parcels within the requested magnet site from multiple Operators and/or Users. All requests for the establishment of a new Magnet Site will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the expansion application, it will be the obligation of the applicant for the new Magnet Site to prepare the expansion application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.

5. All requests and applications to the FTZB by Operators and Users of FTZ No. 75 shall either be submitted by the Grantee or shall, at the election of Grantee, include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, applications for production authority, subzone applications, minor boundary modifications, determinations of or expansions of previously approved scope of authority for Zone procedures. All requests to CBP by Operators of FTZ No. 75 shall include a letter of transmittal or

concurrence from the Grantee. Such requests include, but are not limited to, activation, deactivation, or alteration of zone areas.

6. Pursuant to 19 U.S.C 81o(c), no merchandise, operation or process of treatment will be permitted in the Zone that is detrimental to the public interest, health and safety.

7. All persons conducting business within FTZ No. 75 and all operations moving merchandise into or out of FTZ No. 75 must strictly conform to the Foreign-Trade Zones Act (FTZA), FTZB Regulations, CBP Regulations, this Zone Schedule and all other applicable federal, state and local laws, rules, and regulations. This Zone Schedule may be modified, amended or replaced by the City of Phoenix at any time if it is determined to be necessary or appropriate to do so. The City of Phoenix shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions.

8. The Grantee is responsible for preparing and filing with the FTZB an Annual Report summarizing all Zone activity from January 1 through December 30 of each year. The Report shall be filed by March 31 of each year pursuant to current requirements of the FTZB. By February 28 of each year, all Operators shall submit to the Grantee, through the Online FTZ Information System (OFIS) account established for each Operator by the Grantee, the data and information required to complete the Annual Report for the FTZB.

9. The following are the legal holidays during which the Zone is closed for regular business:

New Year's Day	January 1
Martin Luther King Jr. Birthday	3 <sup>rd</sup> Monday in January
President's Day	3 <sup>rd</sup> Monday in February
Cesar Chavez Birthday	March 31
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 <sup>st</sup> Monday in September
Veteran's Day	November 11
Thanksgiving Day	4 <sup>th</sup> Thursday in November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Eve	Four hours December 24
Christmas Day	December 25

If a holiday falls on Saturday, the day immediately preceding such Saturday will be observed; and if a holiday falls on Sunday, the following day will be observed.

10. The hours of business and service for CBP purposes, shall be those prescribed in the Customs Regulations. Regular or normal business hours for the Zone shall be between 8:00 AM and 5:00 PM Monday through Friday, with the exception of the legal holidays listed above.

## LOCAL TAXATION POLICIES OF FTZ No. 75

### 1. Property Taxation

In Section 12006 of Article 42 of the Arizona Revised Statutes, Arizona has structured a narrowly focused property tax rate reduction for activated foreign-trade zone projects. In accordance with this statute, all Class 6 property (including real and personal property located within the boundaries of an activated foreign-trade zone or subzone) are currently taxed at the rate of five percent (5%) of assessed valuation.

FTZ 75 requires the firm, or applicant, seeking FTZ status within the City of Phoenix to agree that it will seek the beneficial property tax treatment only for new improvements and personal property, not for existing real or personal property. FTZ 75 requires the firm, or applicant, seeking FTZ status outside the City of Phoenix to ascertain that local jurisdiction's position regarding tax treatment for existing real and personal property as well as for new improvements and personal property. FTZ 75 will follow the local jurisdiction's dictates regarding this matter.

### 2. Inter Governmental Agreements (IGA)

Phoenix FTZ 75 will not recommend that its City Council authorize sponsorship of a FTZ application without the approval of the local city jurisdiction where the proposed FTZ is located, if not within Phoenix city limits. This ensures that all parties are aware of, and agree with, the tax impact of a foreign-trade zone designation. The City of Phoenix will enter into an Inter Governmental Agreement (IGA) with the respective community to address tax issues and any other matters of importance to that community relative to the establishment and operations of a new FTZ.

## FEE SCHEDULE

### Annual Fees

Includes magnet, usage-driven, and subzone sites. The Annual Fee for each site is due on January 1 of each year.\*

Activated Magnet Site Operator, Usage Driven Site Operator  
or Subzone Operator..... \$ 8,000

*Non-refundable fee, for each Annual Report per Operator, payable within 10 days after Operator is approved for activation by CBP, prorated from date of activation through December 31 of that year. Thereafter, payable annually on January 1 every year that the site remains activated.*

Non-Activated Magnet Site Property Owner..... \$ 1,000

Non Activated Usage Driven Site Operator or  
Subzone Operator..... \$ 4,000

*Non-refundable fee payable within 30 days after site receives FTZ designation unless activated within said time period or within 10 days after deactivation, prorated from date of designation or deactivation through December 31 of that year. Thereafter, payable annually on January 1 every year that the site remains non-activated or becomes deactivated.*

### Application & Other Fees

New Subzone Application Sponsorship..... \$10,000

*Non-refundable fee payable with letter to Grantee requesting sponsorship of subzone application outside the service area. This fee covers Grantee's expenses incurred in processing the Subzone request, obtaining all required approvals, submitting the Subzone Application to the FTZ Board, any other necessary Grantee activities associated with the Subzone Application and preparing and processing the Operations Agreement. The fee does not include preparation of the actual Subzone Application. The property owner and/or applicant is responsible for obtaining all required local taxing entity approvals.*

ASF Reorganization/Expansion (New Magnet sites)... \$ 8,000

*Non-refundable fee payable with letter to Grantee requesting sponsorship of Reorganization/Expansion Application. This fee covers Grantee's expenses incurred in processing the request, obtaining all required*

approvals, submitting the Reorganization/Expansion Application to the FTZ Board, any other necessary Grantee activities associated with the Application and preparing and processing the Property Owner's and Operations Agreements. The fee does not include preparation of the actual Reorganization/Expansion Application. The property owner and/or applicant is responsible for obtaining all required local taxing entity approvals.

Minor Boundary Modification (New Usage-Driven sites)... \$ 4,000

*Non-refundable fee payable with letter to Grantee requesting sponsorship of Usage Driven Site Request. This fee covers Grantee's expenses incurred in preparing and submitting the request to the FTZ Board, any other necessary Grantee activities associated with the request and preparing and processing the Operations Agreement. The applicant and/or Operator of the Usage Driven Site is responsible for obtaining all required local taxing entity approvals.*

Production Notification..... \$ 1,000

*Non-refundable fee payable prior to the Grantee's submission of the Production Notification Request to the FTZ Board. The Zone Operator/User is responsible for preparing the Production Notification request and all documentation associated with said request.*

Production Application ..... \$ 2,000

*Non-refundable fee payable prior to the Grantee's submission of the Production Application Request to the FTZ Board. The Zone Operator/User is responsible for preparing the Production Application request and obtaining all documentation associated with said request.*

Grantee Activation Concurrence ..... \$ 2,000

*Non-refundable fee due prior to the Grantee's submission of the activation concurrence letter to CBP. The Operator of the Usage Driven Site, Subzone Site or Magnet Site is responsible for preparing the activation request and all documentation associated with said request.*

Late Fee ..... \$100 per day

*An additional fee of \$100 per day will be added to the amount of any late payment from the date due until all fees have been paid in full.*

*In the event that sufficient data for the Grantee to compile its Annual Report to the FTZ Board, which is required to be provided by the Grantee annually within 90 days after the close of the annual report period (January 1 through December 31) to allow the Grantee to timely file its Report, has not been received by February 28, a late fee in the amount of \$100 per day will be charged beginning on March 1 until the necessary information has been received by the Grantee and all accrued late charges have been paid in full. The late fee charged pursuant to this paragraph is apart from and in addition to the obligation to reimburse the Grantee for any fine imposed upon Grantee for a late or incomplete Annual Report.*

**\*Notes:**

1) In the event Grantee's staff time or out-of-pocket costs exceed what is normal and customary to process similar requests, the Grantee reserves the right to charge the applicant, upon reasonable notice, an additional amount in addition to the applicable fees identified in this Schedule in consideration of such excess administrative or out-of-pocket costs.

2) In addition to Grantee fees identified in this Schedule, other fees or costs associated with submitting an application may be incurred separately by the applicant (i.e. FTZ Board fees, fees by other agencies, consultant services).

3) Sunset Period: FTZ designation will be automatically removed if Magnet site is inactive for five years, or if Usage-Driven site is inactive for three years (74 FR 1170-1173).