

**Memorandum
Public Works Department**



To: City Manager
Subject: Foreign Trade Zone (FTZ) at Rock Island River Terminal Corporation
Date: June 3, 2021
Number: 2021-103

On November 23, 2020, the City Council approved the Rock Island River Terminal Corporation to apply for designation as a Foreign Trade Zone. As a Foreign Trade Zone, they would have the ability to handle domestic and foreign materials. This offers economic advantages to U.S. companies in the future and expands options for their customers.

Koch Fertilizer, LLC is now asking to be the new operator for the Foreign Trade Zone (FTZ) at the Rock Island River Terminal Corporation's facility located at 700 Mill Street, Rock Island, Illinois. Since this land is leased by the City, Koch Fertilizer, LLC is requesting permission to utilize the Foreign Trade Status at this property. Attached is the letter providing the details for obtaining this designation.

Recommendation

The Public Works Department recommends that the City Council approve the request from Koch Fertilizer, LLC to utilize the Foreign Trade Zone designation and direct the City Attorney to prepare the attestation letter.

Submitted by: Michael T. Bartels, Public Works Director

Approved by: Randall D. Tweet, City Manager



FERTILIZER

Michael Bartels
Public Works Director
City of Rock Island
1528 Third Avenue
Rock Island, IL 61201

Dear Mr. Bartels,

Koch Fertilizer, LLC is seeking to apply for designation as a Foreign Trade Zone (FTZ) at Rock Island River Terminal Corporation's facility located at 700 Mill Street, Rock Island, IL. We will be requesting sponsorship from the Quad Cities Chamber of Commerce's, Quad Cities Foreign Trade Zone, Inc. and applying to the local Quad Cities FTZ#133 which covers the following counties:

- Henderson, Henry, Mercer, Rock Island, and Warren Counties in Illinois
- Cedar, Clinton, Des Moines, Dubuque, Henry, Jackson, Johnson, Jones, Lee, Louisa, Muscatine, Scott, and Washington Counties in Iowa

As a Foreign Trade Zone, we would be able to handle domestic and foreign materials which may allow our customers to modify, defer, or in some cases bypass duties which may be implemented in the future. FTZs offer economic advantages to U.S. companies because they reduce costs of importing and exporting goods and offer more streamlined logistics.

As the distributor utilizing Rock Island River Terminal Corporation, where this designation would apply, we are asking the City of Rock Island for an attestation letter for permission to utilize FTZ status on the property.

We greatly appreciate your assistance in this effort.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott McGinn".

Scott McGinn
Executive Vice President, Fertilizer
Koch Fertilizer, LLC

cc: Thomas Streight, Rock Island River Terminal Corporation

316.828.5500 Tel

PO Box 2985
Wichita, Kansas 67201-2985