Foreign-Trade Zone (FTZ) and Bonded Facility

The property *could* potentially be used as a Foreign-Trade Zone (FTZ) site (under FTZ 193, which covers Pasco County), or as a bonded facility / bonded warehouse — subject to meeting certain requirements.

FTZ / Foreign-Trade Zone 193

- Pasco County is part of Foreign-Trade Zone No. 193, which covers Pasco, Pinellas, and Hernando counties. Pasco Economic Development
- Under FTZ status, merchandise is considered outside U.S. Customs territory for many purposes. You get benefits like deferred tariffs, simplified customs procedures, storage, re-export without duty, etc. <u>U.S. Customs and Border</u> <u>Protection+2Cushman & Wakefield+2</u>
- Sites under FTZ 193 can include "Alternative Site Framework (ASF)" sites, which allow more flexible, smaller or "subzone" sites rather than only large, centralized FTZ locations. <u>Pasco Economic Development</u>

Bonded Warehouse / Bonded Facility

- A **bonded warehouse** is a facility approved by U.S. Customs and Border Protection (CBP) under 19 U.S. Code § 1555 (and corresponding regulations, e.g. 19 CFR Part 19) for storing imported merchandise under bond *without paying import duties* until the goods are withdrawn for domestic use. <u>Justia Law+1</u>
- You can have different classes of bonded warehouses: private (for your own goods), public (serving multiple customers), and those that allow certain "manipulation" (storage, repacking, sorting, etc.). Manufacturing in bond is more restricted and has stricter rules.

Does 2050 Paul S Buchman Hwy Seem Eligible?

Based on what we know:

- Pasco County is already in FTZ 193, so the geographic coverage is good. <u>Pasco</u> <u>Economic Development</u>
- The property has good frontage, but whether it is sufficiently proximate to a port of entry / has direct access for import/export logistics (road, rail, etc.) would be important to verify.
- The site would need to be secured and have facility upgrades (fencing, surveillance, separation of bonded areas, etc.).
- You'd need to apply to the Port Director for bonded warehouse status and also coordinate with the FTZ Board / FTZ 193 management for inclusion (or a subzone) if you want full FTZ benefits.

So yes, it's plausible, but it's not automatic — there are costs, regulatory steps, and facility requirements that must be met.

What You'd Need to Do (Steps to Make It FTZ or Bonded)

Here's a plan of action if you want to pursue FTZ or bonded facility status for the property:

- 1. **Confirm distance / port of entry**: Identify the nearest U.S. CBP Port of Entry and measure whether your site meets the "adjacency" or "60-mile / 90-minute driving time" rules required for FTZ sites.
- 2. **Engage with FTZ 193 operators**: Contact the administrators of FTZ 193 (via Pasco Economic Development Council or the FTZ Board) to discuss whether the site could be added as an FTZ parcel (either as a "Zone "ASF" site or subzone).
- 3. **Preliminary feasibility study**: Estimate the capital cost of facility upgrades (security, surveillance, separation, customs areas), regulatory compliance, bonding, and operations. Compare against benefits (duty deferral, savings, speed).
- 4. **Apply to CBP for bonded warehouse status** if you want bonded (or dual FTZ + bonded) operation. This involves preparing plans, specifying what class of warehouse you'll operate, what goods will be stored/handled, submitting an application to the Port Director.

- 5. **Obtain financial assurance / bond(s)**: Procure the bond required by customs or relevant authorities (bond amounts depend on goods/duty exposure).
- 6. **Ensure operational compliance**: Set up systems for import/customs record keeping, allowed manipulations, security, inspections, etc.
- 7. **Get local land use / zoning approvals**: The property's zoning must allow for this type of use (warehousing/storage, possibly import/export activity), and you may need special permits.

Criteria & Requirements

To make the property at 2050 Paul S Buchman Hwy into an FTZ site or bonded facility, you'll need to satisfy a number of legal, physical, operational, and regulatory requirements:

Requirement	FTZ	Bonded Warehouse
Proximity / Location	Must be inside or close to the CBP Port of Entry, or within certain distance/time-criteria (for ASF / subzone), to permit oversight. Trade.gov+1	Must be in the jurisdiction of a port director who can grant bonded status. Location must be accessible and meet security, customs access, etc. <u>Legal Information Institute+1</u>
Application / Approval	You must apply under FTZ Board rules; activation through CBP; possibly Zone Board must approve. FTZ 193 has ASF which may make adding new sites easier. Pasco Economic Development+1	Must apply to the port director for bonded warehouse status; specify the class, the nature of goods, security, operations, who the proprietor is. <u>Legal Information Institute+1</u>
Security / Facility Features	Secure perimeter; customs oversight; storage/separation; ability to control access; record-keeping; possibly special fire / safety / environmental systems. Cushman & Wakefield+1	Similarly, for a bonded warehouse: controlled access, surveillance, separated bonded vs non-bonded areas, security measures, appropriate documentation, etc. <u>U.S. Customs and Border Protection+1</u>
Bond / Financial Assurance	May involve financial sureties or obligations; for FTZ, there usually are "zone operator" obligations and fees. Trade.gov+1	Bonded warehouse must give bond(s) to CBP to secure government revenue, to cover duties/taxes potentially due. The amount depends on value of goods, duties exposure. Legal Information Institute+1

Requirement	FTZ	Bonded Warehouse
Operational / Regulatory Compliance	You'll need to hold records, allow CBP inspections, follow customs rules for what goods can be stored / manipulated etc. Some manufacturing may need special authorization. Trade.gov+1	You'll need to report: inventory, entries/withdrawals, possibly audits, and maintain compliance with class rules (e.g. storage, manipulation) depending on what you do. <u>Legal Information Institute+1</u>