Metropolitan Nashville and Davidson County, TN

Legislation Details (With Text)

File #:	RS2021-838	**Name:**	
Type:	Resolution	**Status:**	Passed
File created:	3/24/2021	**In control:**	Metropolitan Council
On agenda:	4/6/2021	**Final action:**	4/6/2021
Title:	A resolution approving an agreement between the Metropolitan Government of Nashville and Davidson County and Under Armour, Inc., for the operation of a foreign-trade zone site.		
Sponsors:	Kyonzte Toombs		
Indexes:			
Code sections:			
Attachments:	1. RS2021-838 Exhibit		

Date	Ver.	Action By	Action	Result
4/7/2021	1	Mayor	approved	
4/6/2021	1	Metropolitan Council	adopted	
4/5/2021	1	Budget and Finance Committee	approved	

A resolution approving an agreement between the Metropolitan Government of Nashville and Davidson County and Under Armour, Inc., for the operation of a foreign-trade zone site.

WHEREAS, the Metropolitan Government is authorized to establish, operate, and maintain foreign trade zones and subzones pursuant to T.C.A. § 7-85-101 *et seq*.; and,

WHEREAS, the Metropolitan Government is the grantee for Foreign-Trade Zone No. 78 as successor to the Metropolitan Nashville Port Authority; and,

WHEREAS, Under Armour, Inc. wishes to operate within Foreign-Trade Zone No.78 and has requested the Metropolitan Government's assistance in establishing a general-purpose subzone; and,

WHEREAS, Under Armour, Inc. has prepared and submitted an application to the Foreign Trade Zones Board of the U.S. Department of Commerce; and,

WHEREAS, Under Armour, Inc. has entered into a Foreign-Trade Zone Operations Agreement with the Metropolitan Government to operate a Foreign-Trade general-purpose Subzone, a copy of which is attached hereto; and,

WHEREAS, Metropolitan Code of Laws § 6.14.020 allows agreements for the operation and maintenance of foreign-trade zones and subzones to be approved by the Metropolitan Council by a resolution receiving at least twenty-one (21) votes;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council hereby approves the Foreign-Trade Zone Operations Agreement attached hereto, and the Metropolitan Mayor is hereby authorized to execute said agreement.

Section 2. The Metropolitan Mayor, or his designee, is authorized and directed on behalf of the Grantee to do and perform all acts and to execute and deliver all instruments and documents necessary or convenient on

powered by Legistar™

behalf of the Metropolitan Government of Nashville and Davidson County and take such further action as deemed appropriate incident to establishing the subzone.

Section 3. That any amendment to the Agreement approved herein may be approved by resolution of the Metropolitan Council receiving twenty-one (21) votes.

Section 4. That this Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This resolution approves an agreement between the Metropolitan Government and Under Armour, Inc. for the operation of a foreign-trade zone site. In 1981, the U.S. Foreign-Trade Zones Board authorized the establishment of a Foreign Trade Zone (FTZ) in Nashville through the now-defunct Metropolitan Port Authority (MPA). In 1983, FTZ No. 78 was established. The MPA was subsequently dissolved in 1999, whereupon the power to establish and operate FTZs passed to the Metropolitan Government.

Since 2000, the Mayor's Office of Economic and Community Development (ECD) has managed FTZ No. 78 pursuant to Metro Code section 6.14.010. FTZs are established under federal law for the purpose of stimulating and expediting international commerce and exempting goods from the payment of U.S. Customs tariffs while they are in the zone. (19 U.S.C. § 81a-81u). Such zones are designated by the U.S. Department of Commerce and must be within 60 miles or 90 minutes driving time from a U.S. Customs and Border Protection Port of Entry. (The Port of Entry in Nashville is located within the Customs Office at the Metropolitan Airport.)

Under Armour located at 13 Athletes Way in Mt. Juliet, TN wishes to operate within FTZ No. 78 and has requested Metro's assistance in establishing a subzone. Under Armour has submitted an application to the Foreign Trade Zones Board of the U.S. Department of Commerce and wishes to enter into a Foreign-Trade Zone Operations Agreement with Metro to operate a subzone. Metro Code Sec. 6.14.020 authorizes agreements for the operation and maintenance of FTZs and subzones to be approved by the Council by a resolution receiving at least 21 affirmative votes.

The agreement to be approved by this resolution sets forth the responsibilities for operation of the FTZ site on this property. The company agrees to maintain $5 million in commercial liability insurance naming Metro as an additional insured and agrees to indemnify Metro from any claims associated with its operation of the FTZ site. The agreement would remain in effect for a term of one year and may be renewed from year to year for successive one year terms. This agreement may be terminated by Under Armour without cause upon 60 days prior written notice. Metro could terminate the agreement upon 180 days written notice to the company.

Fiscal Note: Under Armour would bear all costs associated with performing its rights and responsibilities as the FTZ operator and would pay the Office of Economic and Community Development (ECD) $6,500 per year as a Zone Administration Fee.

powered by Legistar™