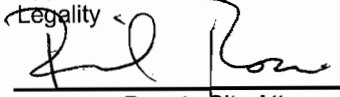


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 SEP 11 PM 10:00 OAKLAND CITY COUNCIL

RESOLUTION No. 81580 C.M.S.

Introduced by Councilmember _____

Approved as to Form and
Legality

Deputy City Attorney

RESOLUTION AUTHORIZING (1) AN AMENDMENT TO A LICENSE AGREEMENT WITH PACIFIC AMERICAN WAREHOUSING AND TRUCKING COMPANY TO OPERATE A FOREIGN TRADE ZONE TO CHANGE THE TERM, FEE STRUCTURE, PERFORMANCE STANDARDS, REPORTING REQUIREMENTS, AND OTHER PROVISIONS, AND (2) THE ASSIGNMENT OF THE LICENSE AGREEMENT TO MATSON GLOBAL DISTRIBUTION SERVICES

WHEREAS, the U.S. Foreign-Trade Zones program was created by the Foreign-Trades Zones Act of 1934 to expedite and encourage foreign commerce; and

WHEREAS, the City of Oakland entered into its initial License Agreement to operate the Oakland Foreign Trade Zone #56 ("OFTZ") in 1981; and

WHEREAS, the City of Oakland entered into a License Agreement to operate the OFTZ with Pacific American Warehousing and Trucking Company ("PACAM" or "Licensee") in 1990; and

WHEREAS, PACAM has successfully grown the OFTZ both in size and value of merchandise moved through the OFTZ and has generated well-paying jobs with benefits for Oakland residents; and

WHEREAS, Matson Global Distribution Services ("Matson"), a subsidiary of Matson Integrated Logistics, both of which are under the corporate umbrella of Alexander & Baldwin, Inc., recently entered into an agreement with PACAM under which Matson will acquire PACAM and continue its business with the existing PACAM management team and work force; and

WHEREAS, the City of Oakland has been requested to approve assignment of PACAM's responsibilities under the existing License Agreement to Matson; and

WHEREAS, staff has met with representatives of PACAM and Matson to discuss the terms of amendments to the existing 18 year-old License Agreement to revise the term, fee structure, performance standards, reporting requirements and other provisions; and

WHEREAS, the assignment of the License Agreement to Matson represents a growth opportunity for the OFTZ based on the financial strength of Matson and its parent companies, the existing business relationship Matson has with the Port of Oakland, and the ability of Matson to expand both the PACAM and OFTZ services based on its experience and global business clients;

and

WHEREAS, the sale of PACAM's business assets and approval of the Licensee transfer to Matson will solidify the sustainability and growth opportunities for the company's primary 3PL activities and the OFTZ activities in Oakland, resulting in increased business tax revenue for Oakland from both Matson and its clients; and

WHEREAS, the OFTZ is part of a developing City of Oakland international investment attraction strategy to support the business of the Port of Oakland (maritime and airport), Oakland businesses already engaged in international business and those interested in expanding international trade opportunities, and the City's desire to attract foreign-based businesses to Oakland; now, therefore be it

RESOLVED: That the City Council hereby authorizes the assignment of the License Agreement from PACAM to Matson; and be it

FURTHER RESOLVED: That the City Administrator is authorized to negotiate and execute an amendment to the License Agreement consistent with the terms set forth in the staff report accompanying this Resolution; and be it

FURTHER RESOLVED: That the City Attorney shall review and approve as to form and legality all agreements related to the License Agreement, and all such agreements shall be filed with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, OCT 7 2008, 20_____

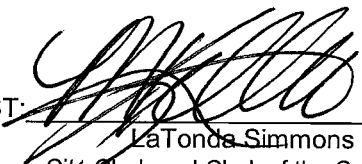
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST: 

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California