

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 MAY 28 PM 3:43

Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. 82089 C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING A BUSINESS INCENTIVE AGREEMENT WITH ONE WORKPLACE FERRARI, LLC (“OWP”), REQUIRING OWP TO EXPAND AND MAINTAIN ITS BUSINESS IN THE CITY FOR A MINIMUM PERIOD OF FIVE YEARS IN EXCHANGE FOR THE CITY’S DISBURSEMENT TO OWP OF BUSINESS INCENTIVE PAYMENTS IN AMOUNTS EQUAL TO THE PERCENTAGE OF SALES AND USE TAX RECEIVED BY THE CITY FROM OWP’S RETAIL SALES FOR THE FOLLOWING PERIODS: (1) FOR YEAR TWO OF THE AGREEMENT (FISCAL YEAR 2011-12), 50% OF THE TAX; (2) FOR YEAR THREE OF THE AGREEMENT (FISCAL YEAR 2012-13), 45% OF THE TAX; AND (3) FOR YEAR FOUR OF THE AGREEMENT (FISCAL YEAR 2013-14), 40% OF THE TAX.

WHEREAS, the City Council desires to improve the business climate and facilitate opportunities for businesses in the City of Oakland; and

WHEREAS, the City Council desires to increase the revenues available to the City from tax revenues generated by businesses in the City of Oakland; and

WHEREAS, the City wishes to encourage businesses to maintain and expand their operations in the City of Oakland, increasing revenues and jobs for Oakland residents; and

WHEREAS, during the 5-year term of the agreement OWP will commit to expand and maintain its business within the City of Oakland, with this commitment supported by security of a type and in an amount to be negotiated; and

WHEREAS, if OWP leaves Oakland before expiration of the five-year term, or removes a substantial portion of its sales tax base to a non-Oakland location, OWP will repay the City’s business incentive payments on a prorated basis to be negotiated; and

WHEREAS, to encourage OWP’s continued expansion into Oakland, this Agreement will include any newly located companies to Oakland wherein One Work Place has at least a 45% interest; and

WHEREAS, OWP will execute a first-source hiring agreement with the City of Oakland, and agree to comply, at minimum, with the City's current Living Wage requirements; and

WHEREAS, the City Council finds that the payment contract proposed pursuant to the agreement authorized hereunder presents no recourse liability to the City of Oakland; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator to negotiate, enter into and execute an economic development agreement ("Business Incentive Agreement") between the City of Oakland and One Workplace Ferrari, LLC ("OWP") requiring OWP to expand and maintain a sales office in the City of Oakland for a minimum period of five years in exchange for the City's disbursement to OWP of Business Incentive Payments in amounts equal to the percentage of sales and use tax received by the City from OWP's operations for the following periods: (1) for the second year of the agreement (FY 2010-11), an amount equivalent to 50% of the tax; (2) for the third year of the agreement (FY 2011-12), an amount equivalent to 45% of the tax; and (3) for the fourth year of the agreement (FY 2012-13), an amount equivalent to 40% of the tax, and on other terms as described generally in the staff report for this item; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the establishment of a special project to track the sales and use tax funds generated by OWP's newly expanded business located in the City of Oakland, and authorizes the disbursement of the funds as provided for in the agreement entered into between the City of Oakland and OWP with revenue expectations and disbursement appropriation amounts budgeted under the special project beginning in FY 2009-2010; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to make adjustments to revenue and expenditure appropriations pertaining to this agreement based on actual and anticipated future revenue receipts from OWP; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to negotiate, execute, and submit all documents, applications, agreements, and amendments which may be necessary or convenient to implement this Resolution; and be it

FURTHER RESOLVED: That the Office of the City Attorney shall approve the agreement and all such other documents, applications, agreements, and amendments as to form and legality and a copy will be placed on file at the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 16 2009

PASSED BY THE FOLLOWING VOTE:

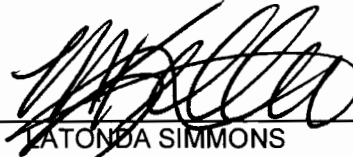
AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT BRUNNER - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California