



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Ashleigh Kanat  
Director, Economic &  
Workforce Development  
Department

**SUBJECT:** Foreign Trade Zone #56 – Application  
for Alternative Site Framework

**DATE:** January 9, 2026

City Administrator Approval

  
Jestin Johnson (Jan 29, 2026 18:20:21 PST)

Date: Jan 29, 2026

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Submit A Foreign Trade Zone Alternative Site Framework Application And To Execute An Agreement With The Foreign Trade Zone (FTZ) Board Of The U.S. Department Of Commerce**

## **EXECUTIVE SUMMARY**

Adoption of this proposed resolution would allow staff to submit an application to the United States Foreign Trade Zone (FTZ) Board to convert Oakland FTZ #56 to the Alternative Site Framework (ASF), which was adopted by the FTZ Board in 2008 and has since been adopted by the majority of FTZs nationwide. Recent changes in federal trade policy, tariffs, and supply chain re-shoring have increased demand for flexible FTZ structures, making timely conversion to the ASF framework strategically important for Oakland businesses. This conversion will expand Oakland FTZ #56's capacity to attract manufacturing, goods movement, warehousing, and distribution activities, thereby increasing employment opportunities in Oakland.

This resolution also reaffirms and exercises the City's existing authority to execute all necessary agreements with the Foreign Trade Zone (FTZ) Board of the U.S. Department of Commerce.

The ASF program provides a streamlined framework for managing Foreign Trade Zones and allowing them to expand. Under the ASF, new sites can be added through a simple "minor boundary modification" instead of a complicated boundary adjustment procedure. This conversion will allow more sites in Oakland, and the proposed Service Area of Marin, Solano, Contra Costa and Alameda Counties, to access the deferred customs and duties payment benefits provided by the existing FTZ license. The ASF framework also expedites the designation of new individual subzones operating under Oakland's FTZ #56.

International Trade remains critical to the Bay Area economy, particularly to the Port of Oakland. FTZ #56 stimulates economic growth by encouraging companies to expand operations within its boundaries. The zone provides direct competitive advantages to the Port and its customers through immediate relief from customs duties and delays associated with goods clearance.

CED Committee  
February 10, 2026

Recent changes in federal trade policy and tariff rates have further underscored the strategic importance of FTZ benefits.

## **BACKGROUND / LEGISLATIVE HISTORY**

Foreign Trade Zone legislation was enacted by Congress in 1934 with a legislative purpose “to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States to expedite and encourage foreign commerce.” Oakland was designated by the Federal Trade Zone Board (“FTZ Board”) as FTZ #56 in 1980.

In 2015, the City of Oakland (City) filed a draft application for the new Alternative Site Framework, authorized via City Council Resolution No. 85136 C.M.S. on July 29, 2014 (**Attachment A**). Council also passed Resolution No. 85364 C.M.S. on January 20, 2015 (**Attachment B**), which allows for appropriation of FTZ #56 revenues; and Resolution No. 85923 C.M.S. on December 10, 2015 (**Attachment C**), which allows the City Administrator to negotiate and enter into Foreign Trade Zone operating agreements.

The FTZ Board requires that authorizing legislation be adopted within six months of final application submission. Although the City Council previously approved Resolution No. 86364 C.M.S. on September 20, 2016 (**Attachment D**), the final ASF application was not submitted within the required timeframe. As a result, new authorizing legislation is required. Staff therefore requests that the City Council adopt a new resolution reaffirming the City Administrator’s authority to submit the ASF application to the FTZ Board.

Therefore, staff requests that the City Council review and authorize and attest the attached proposed resolution, to accompany the final ASF application submission.

## **ANALYSIS AND POLICY ALTERNATIVES**

Approval of the proposed resolution will enable the City to proceed with submission of the ASF application, expand the number of FTZ #56 subzones, increase business attraction, and support job creation and international trade activity through the Port of Oakland. The FTZ Board requires the accompanying resolution be adopted within six months of the final application submission; therefore, staff recommends the City Council attest Resolution No. 86364 C.M.S. dated September 20, 2016, certifying the prior Resolution is still valid, since the FTZ Board needs a more current legislation.

No Action Alternative: If the City Council does not approve the proposed resolution, the City will be unable to submit the ASF application. This would limit FTZ #56’s ability to add new subzones, constrain business attraction efforts, and reduce potential license fee revenue and associated economic benefits.

International Trade is critical to the Bay Area, particularly to the Port of Oakland. The presence of the FTZ #56 stimulates economic growth and development by encouraging companies to expand operations within its boundaries. FTZ #56 provides a direct competitive advantage to the Port and to its customers through immediate relief of customs duties and delays caused by goods clearance. The expansion of FTZ #56 through a conversion to the Alternative Site

Framework will improve cash flows, competitiveness and operational flexibility for businesses that utilize the ASF, which will thereby:

- Enhance attraction of manufacturing and goods movement through the Port of Oakland;
- Increase employment in the region through attraction of increased production and processing of imported materials and components into finished products within the region;
- Increase licensing fees, which can cover administrative costs of management; and
- Support the Port of Oakland, which generates over 98,000 jobs in Northern California, and its competitive advantage as the fourth largest Port on the West Coast.

### **FISCAL IMPACT**

The City, as Grantee of FTZ #56, establishes fair and competitive fees for its administrative role in approving applications and renewing licenses annually. Such fees are published in the Zone Schedule, which appears on the FTZ Board's website. Approving this action will allow the City to approve new subzone sites and generate license fee revenues that support the activities of the FTZ #56, including administration and marketing. In Fiscal Year 2024-2025, the City collected \$16,047 from Matson in license fees for operating the General Purpose Zone at 9401 San Leandro Street in accordance with their license agreement. Each new site added under the ASF would also be required to make annual license fee payments to the City. FTZ #56 zone revenue will be accepted into General Purpose Fund (1010), Economic Development Org (85411), Foreign Trade Zone Project (formerly P389610, now 1000174) (Resolution No. C.M.S. 85364).

### **PUBLIC OUTREACH / INTEREST**

Per federal requirements, City staff mailed service area notification letters to the four counties in FTZ #56's proposed service area, Marin, Solano, Contra Costa and Alameda, notifying them to provide any comments to the staff of the FTZ Board by January 15, 2026. City staff also notified key partners of the City's intention to submit an ASF application this year, including the Port of Oakland and the East Bay Economic Development Alliance, who contributed to the application itself, as well as Matson Logistics.

On January 14, 2026, Contra Costa County submitted a comment letter to the FTZ Board requesting removal from the ASF service area as outlined in the current application. City staff is actively working to resolve the County's concerns; however, if a resolution cannot be reached, Contra Costa County will be excluded from the proposed service area prior to the final submission of the ASF application.

Staff markets FTZ #56 to potential companies in the Service Area, and continues to refer customers to Matson Logistics, who operates a General Purpose Zone within FTZ #56.

## **COORDINATION**

Staff, as the Grantee for FTZ #56, coordinates all administrative actions for the FTZ #56 with the Foreign Trade Zone Board and coordinates with the local Customs Border Protection (CBP) office. Staff also coordinates and works actively with Matson Logistics as a General Purpose Zone within FTZ #56. This report was coordinated with the City Administrator's Office, City Attorney's Office, and the Controller's Bureau.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** Increasing the number of subzones within FTZ # 56 will benefit the City and region by increasing jobs, productivity and revenue.

**Environmental:** Access to foreign trade zone sites increases options for local importers and local manufacturers and optimizes the use of the Port of Oakland as an entry and exit point for such goods for local manufacturers and wholesalers.

**Racial Equity:** There is a potential for increased employment in warehousing, logistics and manufacturing industrial sectors as a result of the expansion of FTZ #56 sub-zones. These industrial sectors provide entry level- through middle-income skilled labor positions, providing living wage jobs for Oakland and neighboring area residents. A 2023 economic analysis of Oakland's industrial lands indicates the racial and ethnic diversity of workers employed on Oakland's industrial lands meets or exceeds that of the region and the state.<sup>1</sup> Oakland's industrial lands employ a significantly higher share of Oakland workers with less than a high school education (22%), highlighting the sector's role in providing jobs for individuals with fewer formal educational credentials. Industrial jobs on Oakland's industrial lands also provide clear wage mobility. About 72% of common industrial occupations start below the County's middle income threshold but reach middle income with experience, and 28% progress above middle income. With roughly 61% of industrial lands jobs in these sectors, nearly half of all industrial lands jobs offer a pathway to middle income careers for residents without advanced degrees. As part of the City's Economic Development Action Plan, adopted in 2025, the City, in collaboration with workforce service providers, local agencies, and businesses, will help create apprenticeships, internships, and career pathways that directly address skill gaps in high-demand fields, including manufacturing.

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<sup>1</sup> *Economic Analysis of Oakland's Industrial Lands*, Economic & Planning Systems, April 2023.  
[https://www.oaklandca.gov/files/assets/city/v/1/planning-and-building/documents/sp/gp/industrial\\_lands\\_report\\_final\\_2021.04.21-1.pdf](https://www.oaklandca.gov/files/assets/city/v/1/planning-and-building/documents/sp/gp/industrial_lands_report_final_2021.04.21-1.pdf)

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Submit A Foreign Trade Zone Alternative Site Framework Application And To Execute An Agreement With The Foreign Trade Zone (FTZ) Board Of The U.S. Department Of Commerce.

For questions regarding this report, please contact Eric Simundza, Urban Economic Analyst IV, 510-238-6249.

Respectfully submitted,



Ashleigh Kanat (Jan 29, 2026 10:52:20 PST)

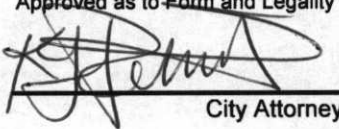
ASHLEIGH KANAT  
Director, Economic & Workforce Development  
Department

Reviewed by:  
Cristy Johnston Limon,  
Deputy Director, Economic & Workforce  
Development Department

Prepared by:  
Eric Simundza,  
Urban Economic Analyst IV, Economic &  
Workforce Development Department

**Attachments (4):**

Attachment A: Resolution No. 85136 C.M.S. on July 29, 2014  
Attachment B: Resolution No. 85364 C.M.S. on January 20, 2015  
Attachment C: Resolution No. 85923 C.M.S. on December 10, 2015  
Attachment D: Resolution No. 86364 C.M.S. on September 20, 2016

Approved as to Form and Legality  
  
City Attorney

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2014 JUL 10 PM 12:41

**OAKLAND CITY COUNCIL**  
**RESOLUTION No. 85136 C.M.S.**  
Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO  
SUBMIT A FOREIGN TRADE ZONE ALTERNATIVE SITE FRAMEWORK  
APPLICATION AND TO SIGN AND ENTER INTO AN AGREEMENT WITH  
THE FOREIGN TRADE ZONE BOARD, U.S DEPARTMENT OF  
COMMERCE**

**WHEREAS,** The City of Oakland is a municipal corporation organized under its charter and the laws of the State of California, and;

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

**WHEREAS,** the City of Oakland entered into its initial License Agreement with the Foreign Trade Zone Board to operate Oakland Foreign Trade Zone #56 in 1981 to encourage economic activity through encouragement of international trade, assembly processing and manufacturing, and local jobs; and

**WHEREAS,** this designation allows companies within federally-licensed Foreign Trade Zones to delay, reduce, and or eliminate U.S. customs duties on imported merchandise, raw materials and or components, and allows manufacturing companies thereby to be more competitive in the global economy, retaining jobs and production domestically ; and

**WHEREAS,** the FTZ Board has created a new Alternative Site Framework Foreign Trade Zone designation that existing FTZ #56 can pursue by application to the Foreign Trade Zone Board, U.S. Department of Commerce, which allows for a simplified expansion to areas within 60 miles or 90 minutes drive-time of the port of entry for FTZ #56 now, therefore be it

**RESOLVED,** the Interim City Administrator is authorized to submit a Foreign Trade Zone Alternative Site Framework application and authorized to sign an agreement with the Foreign Trade Zone Board, U.S. Department of Commerce, to designate all of Oakland and those areas which agree to inclusion and are within ASF distance guidelines, and be it



**RESOLVED**, that the City Attorney shall review and approve as to form and legality all agreements resulting from the submission and subsequent approval of the Alternative Site Framework for Oakland Foreign Trade Zone #56.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**JUL 29 2014**

**PASSED BY THE FOLLOWING VOTE:**

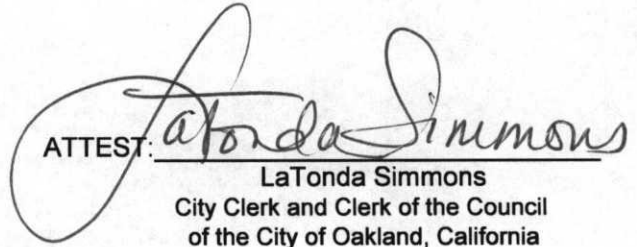
AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, ~~REID~~, SCHAAF and PRESIDENT KERNIGHAN - **8**

NOES - **0**

ABSENT - **0**

ABSTENTION - **0**

ATTEST:

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

Approved as to Form and Legality

  
City Attorney

2014 DEC 30 PM 1:47 RESOLUTION No. 85364 C.M.S.

Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPROPRIATE REVENUES GENERATED BY THE OPERATION OF THE OAKLAND FOREIGN TRADE ZONE #56 TO THE FOREIGN TRADE ZONE PROGRAM FOR PROGRAM DEVELOPMENT, MARKETING AND ADMINISTRATION**

**WHEREAS**, The City of Oakland (the "City"), is a municipal corporation organized under its charter and the laws of the State of California, and

**WHEREAS**, in 1981, the City entered into agreements with the Oakland International Trade Center to operate the Oakland Foreign Trade Zone #56 ("FTZ") to stimulate economic activity through international trade, assembly, processing and manufacturing, and local jobs; and

**WHEREAS**, the Foreign Trade Zone designation allows companies operating within a federally-licensed Foreign Trade Zone to delay, reduce, and/or eliminate U.S. customs duties on imported merchandise, raw materials and/or components, and thereby allows manufacturing companies to be more competitive in the global economy, to retain jobs and production domestically; and

**WHEREAS**, the federal U.S. Department of Commerce Foreign Trade Zone Board regulations mandate that all revenues earned by the City as the FTZ Grantee from licensee fees and administrative charges be used by the FTZ Grantee to support the operation of the Foreign Trade Zone, including administrative charges, marketing, education and technical assistance; and

**WHEREAS**, the City desires to authorize the Interim City Administrator to appropriate the revenues earned by the City as the FTZ Grantee into various funds to operate the FTZ; now therefore be it

**RESOLVED**, that the City Council hereby authorizes the Interim City Administrator to appropriate all revenues earned by the City from the operation of the Oakland Foreign Trade Zone #56 into the following Funds for FTZ Program operations:

General Purpose Org (1010), Economic Development Org (85411), Foreign Trade Project (P389610), Business Creation, Attraction, Retention, and Expansion Program (SC11) - Various Revenue and Expenditure Accounts (4XXXX and 5XXX); and be it



**FURTHER RESOLVED**, that the City Attorney shall review and approve as to form and legality all revenue-generating license agreements of the Oakland Foreign Trade Zone #56, and all such agreements shall be filed with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, JAN 20 2015

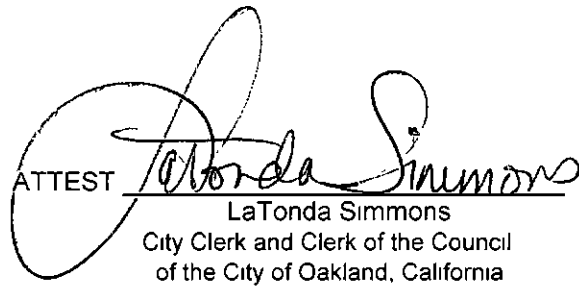
**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, GUILLEN, CAMPBELL  
WASHINGTON ~~and~~ - 8

NOES - 0

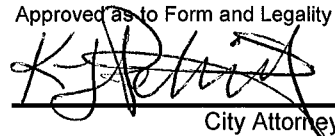
ABSENT - 0

ABSTENTION - 0

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

**REVISED**  
12-10-15

Approved as to Form and Legality

**FILED**  
OFFICE OF THE CITY CLERK  
OAKLAND**OAKLAND CITY COUNCIL**  
City Attorney**2015 DEC 10 PM 4:19** **RESOLUTION No. 85923 C.M.S.**

Introduced by Councilmember \_\_\_\_\_

**A REPORT AND RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND ENTER INTO OPERATING AGREEMENTS WITH VARIOUS COMPANIES UNDER THE ALTERNATIVE SITE FRAMEWORK OF THE OAKLAND FOREIGN TRADE ZONE, #56 FOR ZONE DESIGNATION**

**WHEREAS**, the City of Oakland (the "City") is a municipal corporation organized under its charter and the laws of the State of California; and

**WHEREAS**, in 1980 the City was the designated by the Federal Foreign Trade Zone Board as Grantee for Oakland Foreign Trade Zone #56 ("FTZ #56"); and

**WHEREAS**, in 1981 the City entered into agreements with Oakland International Trade Center to operate the Oakland Foreign Trade Zone #56 ("FTZ #56") to stimulate economic activity through international trade, assembly, processing and manufacturing, and local jobs; and

**WHEREAS**, in 1989, City subsequently transferred such agreement to Pacific American Warehousing & Trucking Company (PACAM) for the operation of FTZ #56; and

**WHEREAS**, in 2008, the City as Grantee, entered into an agreement for the operation of the FTZ #56 General Purpose Zone with Matson Logistics; and

**WHEREAS**, the Foreign Trade Zone designation allows companies operating within a federally-licensed Foreign Trade Zone to delay, reduce, or eliminate U.S. customs duties on imported merchandise, thereby increasing local business competitiveness and retaining local jobs and production domestically; and

**WHEREAS**, the City as Grantee for FTZ #56 has applied to the Federal Foreign Trade Zone Board for the new Alternative Site Framework (C.M.S. 85136), which allows the Grantee to receive, and administer, but not approve applications for additional subzones within its FTZ #56 Service Area; and

**WHEREAS**, returning to City Council for approval of each operating agreement with the various companies would hinder zone designations and operations by causing time delays, and would be counter to the Foreign Trade Zone Board's determination that Grantee's not intervene in operations of private subzone operators; now therefore be it

**RESOLVED**, that the City Council hereby authorizes the City Administrator or designee to negotiate and enter into operating agreements with various companies for subzone designation under the Alternative Site Framework of the Oakland Foreign Trade Zone, #56; and be it

**FURTHER RESOLVED**, that the City Attorney shall review and approve as to form and legality all such operating agreements of the Oakland Foreign Trade Zone #56, and all such agreements shall be filed with the City Clerk and disclosed to the City Council's Community and Economic Development

Committee via a noticed informational report brought at least semi-annually unless no such Operating Agreements were approved during the prior six months.

**NOW, THEREFORE, in consideration of the covenants and promises contained herein, it is mutually agreed by and between the parties as follows:**

IN COUNCIL, OAKLAND, CALIFORNIA, DEC - 8 2015

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, COUNCIL  
PRESIDENT GIBSON MCELHANEY - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:

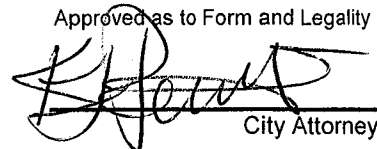


LaTonda Simmons

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

  
City Attorney

2016 SEP -1 AM 11:22

RESOLUTION No. 86364 C.M.S.

Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO SUBMIT A FOREIGN TRADE ZONE ALTERNATIVE SITE FRAMEWORK APPLICATION AND TO SIGN AND ENTER INTO AN AGREEMENT WITH THE FOREIGN TRADE ZONE BOARD OF THE DEPARTMENT OF COMMERCE**

**WHEREAS**, The City of Oakland is a municipal corporation organized under its charter and the laws of the State of California, and

**WHEREAS**, the City of Oakland entered into its initial License Agreement with the Foreign Trade Zone Board to operate Oakland Foreign Trade Zone #56 in 1981 to encourage economic activity through encouragement of international trade, assembly processing and manufacturing, and local jobs; and

**WHEREAS**, this designation allows companies within federally-licensed Foreign Trade Zones to delay, reduce, and or eliminate U.S. customs duties on imported merchandise, raw materials and or components, and allows manufacturing companies thereby to be more competitive in the global economy, retaining jobs and production domestically ; and

**WHEREAS**, the federal U.S. Department of Commerce Foreign Trade Zone Board regulations require a new attestation date for submittal of the final ASF Application; therefore be it

**RESOLVED**, the City Administrator is authorized to submit a final Foreign Trade Zone Alternative Site Framework Application and to sign and enter into an agreement with the Foreign Trade Zone Board Of The U.S. Department Of Commerce; and

**RESOLVED**, that the City Attorney shall review and approve as to form and legality all revenue-generating license agreements of the Oakland Foreign Trade Zone #56.

IN COUNCIL, OAKLAND, CALIFORNIA, September 20, 2016

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, ~~REID~~,  
COUNCIL PRESIDENT GIBSON MCELHANEY - 7

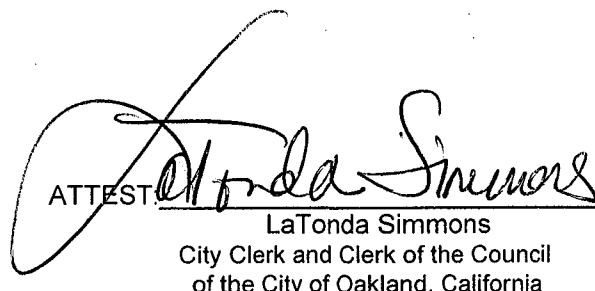
**PASSED BY THE FOLLOWING VOTE:**

NOES - ☒  
ABSENT - ☒

ABSTENTION - ☒

Excused - Reid - 1

ATTEST

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