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**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

ORDINANCE APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASE WITH PACIFIC TRAILER REPAIR SERVICES, LLC DBA AS UNITED INTERMODAL SERVICES, WITH A TERM EXPIRING JUNE 30, 2022, FOR ANNUAL REVENUE AVERAGING \$704,500 FOR PREMISES LOCATED AT THE FORMER UNION PACIFIC ROUNDHOUSE PROPERTY.

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.1, dated April 9, 2020, (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, Section 706 of the City of Oakland ("City") Charter gives to the Board the complete and exclusive power and duty for and on behalf of the City to make provisions for the needs of commerce, shipping, and navigation of the Port and to promote the development, construction, and operation of all waterfront properties, including piers, wharves, sea walls, docks, and other improvements; and

WHEREAS, the proposed action will provide important container depot services for both the shipping lines and shipping customers of the Port, and is consistent with the Port's duty to use and manage Port property in trust for the people of the State of California (the "Tidelands Trust"), and the private use of Port property in the form of a lease ("Lease") will not interfere with the Tidelands Trust; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby finds and determines as follows:

A. United Intermodal Services ("UIS") has been a tenant of the Port since 2001. In 2016, the Port relocated UIS from an 11-acre site at the former Oakland Army Base area to 6 acres at the former Union Pacific Roundhouse Property ("Roundhouse"), located in the Port's

Maritime Area ("Premises"). In 2017, the Port executed a 5-year lease with UIS for the 6-acre site at the Roundhouse, which provided for a negotiated rent averaging \$683,000 annually and an expiration date of April 21, 2022 ("2017 Lease"). UIS was subsequently acquired by Rail Management Services, LLC and became one of its subsidiaries, Pacific Trailer Repair Services, LLC dba as United Intermodal Services ("PTRS");

B. PTRS and the Port now desire to enter into a new Lease that accurately reflects PTRS as Lessee, as further described in the Agenda Report; and

C. Port staff have negotiated and recommend entering into a new Lease with PTRS, which supersedes the 2017 Lease, generally under the same terms and conditions for the Premises as was approved in the 2017 Lease, including maintaining the 6 acres of Premises at the Roundhouse, subject to the following minor changes:

1. Effective date of June 1, 2020;
2. Monthly rent starts at \$58,598;
3. Lease term ending on June 30, 2022 to align with the Port's fiscal year; and
4. Monthly rent continues to increase annually by 3%, but the increases take effect on July 1 instead of May 1 of each contract year, also to align with the Port's fiscal year. The first monthly rent increase occurs on July 1, 2021.

D. The Board further finds and determines that the proposed approval is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301, which exempts the execution of leases or agreements where the premises or licensed activity was previously leased or licensed to the same or another person, and involving negligible or no expansion of use beyond that previously existing.

Section 3. The Board hereby authorizes the Executive Director or his designee to execute the Lease with PTRS (and such additional documents as may be necessary to consummate the transaction), as further described in the Agenda Report, subject to approval as to form and legality by the Port Attorney.

Section 4. This ordinance is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement, or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to the other contracting party, there shall be no valid or effective agreement.

Section 5. This Ordinance shall take effect on the date of its final adoption; provided, however, that if a petition protesting the adoption of this Ordinance is timely and duly submitted to the elections official of the City of Oakland in the manner required under California Elections Code § 9237, the effective date of this Ordinance shall be suspended, and all actions authorized by this Ordinance shall be null and void.

DRAFT

President.

Attest: _____
Secretary.

Approved as to form and legality:

Port Attorney