

**Current Status:**

Development. The City Council has determined that a casino project is not feasible, given the lack of state and federal approvals, the time already spent to gain said approvals, and negative impacts cited in the EIR. The developer has been asked to determine the feasibility of alternative projects covered under the EIR. As of August 31, the developer has not submitted any analysis or specific recommendations for an alternative project.

Historic Building Stabilization. A contract not to exceed \$538,835 to perform all recommended stabilization work was approved by the City Council and executed in January. Stabilization work is complete, except for the following punch list items:

- Additional stabilization at Building 1 Loading dock.
- Repair of diagonal brace at second floor of Building 1.
- Proposal for yearly structural engineering inspection, evaluation and recommendations.

Site Remediation. September 15, 2009, the State Water Control Resources Board vacated the Cleanup Order and remanded it to the Regional Board after granting a petition for review (File A-1972) that contended the Regional Board failed to comply with the California Environmental Quality Act (CEQA) in conjunction with its adoption. The City, therefore, expects the Regional Board to revise and reissue the Cleanup Order shortly because the City of Richmond certified the Environmental Impact Report/Environmental Impact Statement for the proposed Pt. Molate project.

Under the Land Disposition Agreement (LDA) and the Remediation Agreement (RA), Upstream is responsible for the site remediation and has hired the environmental engineering firm, Terraphase Engineering, to accomplish this task. Upstream, Terraphase and City staff have been meeting with the San Francisco Bay Regional Water Quality Control Board (Water Board) to finalize an implementation plan for the Remedial Agreement (RA) between the City and Upstream to clean up the site. The City hired Nichols Engineering earlier this year to review all remediation plans and activities and advise City staff in this regard. On May 27, Terraphase submitted a draft groundwater monitoring plan dated May 24 for review and comment by the Water Board, the City and Nichols. On June 26, staff and Nichols met with the Water Board, Upstream, and Terraphase to discuss the details of a draft tentative clean-up order. It is anticipated that the Water Board will issue the tentative clean-up order in September. There are no significant updates as of August 31. City staff, Nichols and legal counsel Morrison & Forester continue to monitor the activities of Upstream, Terraphase and the Water Board.

Financial Status. Attached are two spreadsheets, which track sources and uses of funds pertaining to (1) the Navy's \$28,500,000 for site remediation and (2) \$1,080,000 provided by Upstream for security, repair and maintenance of the site and general fund expenditures. \$5,765,460 of the Navy funds has been expended to date. All of the Upstream funding of \$1,080,000 has been expended and \$1,326,961 from the general fund has been expended to date for a total of \$2,406,961. The Navy funds can only be used for site remediation costs. The Upstream funding of for security and maintenance has ended, but the City budgeted for these

items for 2011 – 2012. The Navy and Upstream/City fund spreadsheets are attached for reference.

Security. The Police Department is managing the security for the site, interfacing directly with other City staff and DP Security. A series of meetings over the last several weeks has clarified roles and responsibilities. Going forward, DP Security will handle signing visitors in on site and Public Works staff will continue to monitor and escort visitors as needed on site. All visitors must sign indemnification letters and staff must approve those letters, which are date specific, and send copies to DP Security, the Police Department and Public Works.

**Next Steps:**

- Staff and contractors to complete seismic stabilization punch list work.
- Staff and Nichols Engineering will continue to monitor and, direct as needed, Upstream's site remediation efforts.
- Receive, review and comment on a new draft tentative order and corresponding remediation plan.
- Upstream to bring forth an alternative development plan.

**Background:**

Site Information - Point Molate covers approximately 290 acres of land above the mean high tide line in the Potrero Hills on San Pablo Peninsula on the eastern shore of San Francisco Bay. The site is located in the northwest portion of the City of Richmond and is 1.5 miles north of the Richmond-San Rafael Bridge. Point Molate is three miles from the Richmond Intermodal Station in Downtown Richmond which provides access to BART, Amtrak, and AC Transit (Alameda-Contra Costa Transit) bus service. Western Drive provides the only road access to Point Molate. While Western Drive is directly accessible to westbound traffic via a marked off-ramp on I-580, it is only indirectly accessible to eastbound traffic.

Point Molate is surrounded on the north, east, and south by Chevron. Chevron's property to the north and south is used to store and transport petroleum products. To the east, on the other side of Potrero Ridge, is a part of Chevron's oil refinery, where the more active and intensive industrial uses and manufacturing occur. Point Molate's topography ranges from sea level on the western shoreline to nearly 500 feet in elevation on the eastern ridge crest. Slopes range from moderate (0 to 10 percent) to steep (greater than 50 percent). Of the site's 290 acres, approximately 90 acres are developable and generally below a 15 percent slope. Point Molate's hillsides are visible from the Richmond-San Rafael Bridge as well as eastern Marin County, and the site itself has panoramic views of the San Francisco Bay.

Property Transfer: In 2003, the Navy transferred approximately three hundred and seventy one (371) acres of the former Point Molate Naval Fuel Depot (NFD) to the City of Richmond following the execution of a Finding of Suitability for Transfer. On July 29, 2008, the Navy and the City entered into an Early Transfer Cooperative Agreement (ETCA). The remainder of the Point Molate NFD, consisting of approximately forty-one (41) acres was transferred from the Navy to the City in March of 2010 pursuant to a Finding of Suitability for Early Transfer and at that time the Navy provided \$28,500,000 to the City to perform the remaining site remediation

activities. Under the federal legislation enabling the transfer of Point Molate to the City, the site must be used for economic development purposes.

Environmental Impact Report. The Final Environmental Impact Report (FEIR) certified on March 8, 2011. A copy of the FEIR is available online at [www.ci.richmond.ca.us/planning](http://www.ci.richmond.ca.us/planning) and at <http://www.pointmolateeis-eir.com>.

Project / Program Name: Pt. Molate Project - Operating Budget for FY 2010-2011 & FY 2011-2012  
 Project Description: Pt. Molate

Source of Funds:	FY 2010-2011 Budgeted Revenue	FY 2011-2012 Budgeted Revenue *	FY '10-'11 & '11-'12 TOTAL REVENUE	Amount Received 6/1/10 - 8/31/11	Revenue Difference
Pt. Molate Misc. Capital Budget	2,127,162.88				
<b>Sources of Funds:</b>					
Revised Budgeted Amount (upstream Payments of \$115K/mo through April 2011)	1,226,660.00		1,226,660.00	1,150,000.00	76,660.00
FY 2009-2010 & FY 2010-2011 Fund Balances	556,068.97		556,068.97	556,068.97	
Estimated Reimbursement from Navy Grant Funds for Remediation-Related Work	160,000.00	150,000.00	310,000.00	29,732.75	280,267.25
General Fund					
<b>TOTAL REVENUE</b>	<b>1,942,728.97</b>	<b>150,000.00</b>	<b>2,092,728.97</b>	<b>1,735,801.72</b>	<b>206,927.25</b>
<b>Uses of Funds:</b>					
City Attorney's Office Staff (Salary & Benefits)		111,593.00	111,593.00	116,346.38	(4,753.38)
MoFo Contract - Land Use & Remediation	700,000.00	500,000.00	1,200,000.00	875,640.21	324,359.79
Weiss, Janney et al - Emergency Stabilization (PO carry forward from FY 09-10)	3,000.00		3,000.00	3,000.00	
Scharff et al - Indian Gaming (PO carry forward from FY 09-10)**	10,138.96		10,138.96	8,395.10	1,743.86
Nichols Consulting - Remediation Oversight Services	60,000.00	100,000.00	160,000.00	11,560.72	148,439.28
Legal and/or professional services	194,248.04		194,248.04	194,248.04	
<b>SUB-TOTAL - LEGAL &amp; PROFESSIONAL SERVICES**</b>	<b>967,387.00</b>	<b>711,593.00</b>	<b>1,678,980.00</b>	<b>1,014,942.41</b>	<b>664,037.59</b>
DP Security	387,638.88	325,000.00	712,638.88	640,969.44	71,669.44
Willie Agnews - COR Caretaker & Benefits	99,756.00	81,258.00	181,014.00	97,279.83	83,734.17
Kroeger - Grounds Maintenance	186,602.00	231,500.00	418,102.00	353,113.69	64,988.31
Misc. & Office Supplies	1,545.00	1,545.00	3,090.00	655.71	2,434.29
<b>SUB-TOTAL - LANDSCAPING &amp; SECURITY</b>	<b>675,541.88</b>	<b>639,303.00</b>	<b>1,314,844.88</b>	<b>1,092,018.67</b>	<b>222,826.21</b>
Various Contractors - Pending	300,000.00		300,000.00	300,000.00	
<b>SUB-TOTAL - EMERGENCY BUILDING STABILIZATION</b>	<b>300,000.00</b>		<b>300,000.00</b>	<b>300,000.00</b>	
<b>COST POOL *****</b>	<b>184,234.00</b>	<b>184,427.00</b>	<b>368,661.00</b>		<b>368,661.00</b>
<b>TOTALS</b>	<b>2,127,162.88</b>	<b>1,535,323.00</b>	<b>3,662,485.88</b>	<b>2,408,961.08</b>	<b>(279,798.20)</b>

\* The general fund will cover the difference between the FY 10-11 fund balance and the estimated reimbursement for remediation-related work & the expenditure total. The fund balance will be known in September/October 2011 once all FY 10-11 invoices are paid.  
 \*\* The budget was reduced by \$14,363.00 from \$981,750.00 to \$967,387.00 due to a transfer made to Public Works to cover a final payment to DP Security  
 \*\*\* The approved funds in the FY 10-11 budget will not be available to spend in FY 11-12; However, the FY 10-11 budget is included in this spreadsheet to provide an accurate accounting of the total operating budget for FY 10-11 & FY 11-12 for the Pt. Molate project.  
 \*\*\*\* Costs include those from FY 2010-2011 (July 1, 2010 - June 30, 2011) and FY 2011-2012 (July 1, 2011 - June 30, 2012)  
 \*\*\*\*\* Cost pool charges will not be incurred

Project / Program Name, P. Metals Remediation Oversight				
Project / Program Management, Stone Duran				
Project Description: P. Metals				
Point Metals Site Remediation Credit Budget				
Sources of Funds:				
		Navv Funds	Interest	Total
Navv Funds		\$ 28,899,999.00		
Transactions	Date	Reimburses As of 8/31/11	Revenues As of 8/31/11	Balance As of 8/31/11
City of Richmond	4/18/2010	\$ 830,000.00		\$ 27,870,000.00
Alliant Insurance Services, Inc. - Insurance Payment	4/29/2010	\$ 4,130,000.00		\$ 23,740,000.00
First American Fund Control (FAFC) Setup Fee	4/29/2010	\$ 1,000.00		\$ 23,739,000.00
Lockhart Point Metals - Remediation Work	4/29/2010	\$ 170,000.00		\$ 23,569,000.00
Sevina Interest - April 2010	5/12/2010		\$ 1,989.85	\$ 23,570,989.85
Sevina Interest - April 2010	5/12/2010		\$ 3,216.95	\$ 23,574,206.80
Sevina Interest - May 2010	6/11/2010		\$ 2,732.91	\$ 23,576,939.71
Sevina Interest - May 2010	6/11/2010		\$ 4,821.30	\$ 23,581,761.01
Aracelis US, Inc.	7/13/2010	\$ 165,343.83		\$ 23,416,417.18
Contra Costa County	7/19/2010	\$ 1,264.00		\$ 23,417,681.18
Sevina Interest - June 2010	7/28/2010		\$ 493.14	\$ 23,418,174.32
Sevina Interest - June 2010	7/28/2010		\$ 493.14	\$ 23,418,667.46
FAFC Bank Charges	7/28/2010	\$ 20.00		\$ 23,418,687.46
FAFC Bank Charges	7/28/2010	\$ 20.00		\$ 23,418,707.46
Sevina Interest - June 2010	7/28/2010		\$ 2,832.41	\$ 23,421,539.87
Sevina Interest - June 2010	7/28/2010		\$ 3,330.72	\$ 23,424,870.59
Sevina Interest - July 2010	8/11/2010		\$ 732.37	\$ 23,425,602.96
Sevina Interest - July 2010	8/11/2010		\$ 732.37	\$ 23,426,335.33
Sevina Interest - July 2010	8/11/2010		\$ 2,408.24	\$ 23,428,743.57
Sevina Interest - July 2010	8/11/2010		\$ 4,830.04	\$ 23,433,573.61
FAFC Fee Site - May - July 2010	8/18/2010	\$ 900.00		\$ 23,434,473.61
City of Richmond - MFCs Reimbursement	8/25/2010	\$ 4,019.23		\$ 23,438,492.84
Transfer Account Maintenance Fee	8/13/2010	\$ 300.00		\$ 23,438,192.84
FAFC Fee Site - August 2010	8/13/2010	\$ 300.00		\$ 23,437,892.84
Sevina Interest - August 2010	8/13/2010		\$ 773.33	\$ 23,438,666.17
Sevina Interest - August 2010	8/13/2010		\$ 773.33	\$ 23,439,439.50
Sevina Interest - August 2010	8/13/2010		\$ 2,944.87	\$ 23,442,384.37
Sevina Interest - August 2010	8/13/2010		\$ 5,136.59	\$ 23,447,520.96
FAFC Fee Site - September 2010	10/7/2010	\$ 300.00		\$ 23,448,420.96
City of Richmond - MFCs Reimbursement	10/19/2010	\$ 18,503.75		\$ 23,466,924.71
Aracelis US, Inc.	10/19/2010	\$ 121,623.17		\$ 23,345,301.54
Contra Costa County	10/19/2010	\$ 832.00		\$ 23,346,133.54
Sevina Interest - September 2010	10/20/2010		\$ 726.31	\$ 23,346,859.85
Sevina Interest - September 2010	10/20/2010		\$ 726.31	\$ 23,347,586.16
Sevina Interest - September 2010	10/20/2010		\$ 2,406.12	\$ 23,350,002.28
Sevina Interest - September 2010	10/20/2010		\$ 4,817.12	\$ 23,354,819.40
First American Fund Control	11/11/2010	\$ 2,704.15		\$ 23,357,523.55
FAFC Fee Site - October 2010	11/9/2010	\$ 300.00		\$ 23,358,223.55
State Water Resources Control Board	11/19/2010	\$ 799.00		\$ 23,359,022.55
City of Richmond - MFCs Reimbursement	11/19/2010	\$ 9,796.50		\$ 23,368,819.05
Sevina Interest - October 2010	11/17/2010		\$ 808.04	\$ 23,369,627.09
Sevina Interest - October 2010	11/17/2010		\$ 2,322.38	\$ 23,371,949.47
Sevina Interest - October 2010	11/17/2010		\$ 4,847.00	\$ 23,376,796.47
Contra Costa County - Refund	11/19/2010		\$ 158.00	\$ 23,378,384.47
State Water Resources Control Board	12/3/2010	\$ 3,663.88		\$ 23,382,048.35
Sevina Interest - November 2010	12/16/2010		\$ 5,110.49	\$ 23,387,158.84
Sevina Interest - November 2010	12/16/2010		\$ 780.49	\$ 23,393,969.33
Aracelis US, Inc.	1/9/2011	\$ 108,245.30		\$ 23,305,724.03
ROBE, Inc.	1/9/2011	\$ 31,881.00		\$ 23,273,843.03
Terrachase Engineering, Inc.	1/9/2011	\$ 37,142.00		\$ 23,236,701.03
Winshaven Partners, LLC	1/9/2011	\$ 4,518.11		\$ 23,232,182.92
Contra Costa Environmental Health	1/9/2011	\$ 474.00		\$ 23,231,708.92
City of Richmond - MFCs Reimbursement	1/9/2011	\$ 448.25		\$ 23,232,157.17
FAFC Fee Site - November 2010	1/9/2011	\$ 300.00		\$ 23,231,857.17
Sevina Interest - December 2010	1/28/2011		\$ 854.78	\$ 23,232,711.95
Sevina Interest - December 2010	1/28/2011		\$ 4,621.71	\$ 23,237,333.66
Sevina Interest - December 2010	1/28/2011		\$ 4,991.49	\$ 23,242,325.15
FAFC Fee Site - December 2010	2/8/2011	\$ 300.00		\$ 23,242,025.15
FAFC Fee Site - January 2011	2/8/2011	\$ 300.00		\$ 23,241,725.15
Terrachase Engineering, Inc.	2/18/2011	\$ 83,817.82		\$ 23,157,907.33
Winshaven Partners, LLC	2/18/2011	\$ 2,783.49		\$ 23,160,690.82
Contra Costa Environmental Health	2/18/2011	\$ 474.00		\$ 23,161,164.82
Sevina Interest - January 2011	2/28/2011		\$ 567.29	\$ 23,161,732.11
Sevina Interest - January 2011	2/28/2011		\$ 2,056.91	\$ 23,163,789.02
Sevina Interest - January 2011	2/28/2011		\$ 4,818.91	\$ 23,173,607.93
Bank Charges - February 2011	3/1/2011		\$ 1,796.24	\$ 23,175,404.17
Sevina Interest - February 2011	3/2/2011	\$ 35.00		\$ 23,175,754.17
Sevina Interest - February 2011	3/2/2011		\$ 411.38	\$ 23,176,165.55
Sevina Interest - February 2011	3/2/2011		\$ 504.77	\$ 23,176,670.32
Sevina Interest - June 2010	3/7/2011		\$ 1,493.14	\$ 23,178,163.46
Bank Charges	3/7/2011		\$ 20.00	\$ 23,178,183.46
Sevina Interest - July 2010	3/7/2011		\$ 1,773.47	\$ 23,179,956.93
Sevina Interest - August 2010	3/7/2011		\$ 1,773.47	\$ 23,181,730.40
Sevina Interest - September 2010	3/7/2011		\$ 1,773.47	\$ 23,183,503.87
Sevina Interest	3/7/2011		\$ 2,704.15	\$ 23,186,208.02
Sevina Interest - February 2011	3/28/2011		\$ 4,435.35	\$ 23,190,643.37
Sevina Interest - February 2011	3/28/2011		\$ 35.00	\$ 23,190,678.37
Sevina Interest - March 2011	4/11/2011		\$ 1,150.89	\$ 23,191,829.26
Sevina Interest - March 2011	4/11/2011		\$ 1,150.89	\$ 23,192,980.15
Terrachase Engineering, Inc. c/o Bookkeeping	4/18/2011	\$ 199,063.37		\$ 22,993,916.78
Winshaven Partners, LLC	4/18/2011	\$ 2,890.78		\$ 22,996,807.56
State Water Resources Control Board	4/18/2011	\$ 7,785.81		\$ 22,998,593.37
FAFC Fee Site - Feb. to April 2011	4/18/2011	\$ 850.00		\$ 23,000,443.37
Bank Charges - March 2011	4/23/2011	\$ 136.00		\$ 23,001,303.37
Sevina Interest - March 2011	4/28/2011		\$ 4,805.82	\$ 23,006,109.19
Sevina Interest - March 2011	4/29/2011		\$ 430.34	\$ 23,006,539.53
Sevina Interest - March 2011	4/29/2011		\$ 62.19	\$ 23,007,161.72
FAFC Fee Site - May 2011	5/6/2011	\$ 300.00		\$ 23,007,461.72
Sevina Interest - April 2011	4/19/2011		\$ 4,875.38	\$ 23,012,337.10
Sevina Interest - April 2011	4/19/2011		\$ 1,024.82	\$ 23,013,361.92
Sevina Interest - April 2011	4/19/2011		\$ 1,625.79	\$ 23,014,987.71
Sevina Interest - April 2011	4/19/2011		\$ 4,151.81	\$ 23,019,139.52
Sevina Interest - March 2011	5/29/2011		\$ 2,056.50	\$ 23,021,196.02
Sevina Interest - April 2011	5/25/2011		\$ 2,180.79	\$ 23,023,376.81
Terrachase Engineering, Inc.	6/9/2011	\$ 78,658.54		\$ 22,944,718.27
Winshaven Partners, LLC	6/8/2011	\$ 362.75		\$ 22,945,081.02
FAFC Fee Site - June 2011	6/8/2011	\$ 300.00		\$ 22,945,381.02
Sevina Interest - May 2011	6/22/2011		\$ 1,710.88	\$ 22,947,091.90
Sevina Interest - May 2011	6/22/2011		\$ 5,027.83	\$ 22,952,119.73
Sevina Interest - May 2011	6/22/2011		\$ 427.76	\$ 22,952,547.49
Sevina Interest - May 2011	6/22/2011		\$ 62.75	\$ 22,952,610.24
Sevina Interest - May 2011	6/22/2011		\$ 1,049.53	\$ 22,953,659.77
Sevina Interest - May 2011	6/22/2011		\$ 1,049.53	\$ 22,954,709.30
Difference between MFC calculations and FAFC balance	6/30/2011		\$ 8.61	\$ 22,954,717.91
Terrachase Engineering, Inc. c/o Bookkeeping	7/7/2011	\$ 85,639.77		\$ 22,869,078.14
Winshaven Partners, LLC	7/7/2011	\$ 4,352.37		\$ 22,873,430.51
Sevina Interest - June 2011	7/19/2011		\$ 7,000.85	\$ 22,880,431.36
Sevina Interest - June 2011	7/19/2011		\$ 419.20	\$ 22,880,850.56
Sevina Interest - June 2011	7/20/2011		\$ 2,024.00	\$ 22,882,874.56
Terrachase Engineering, Inc. c/o Bookkeeping	7/29/2011	\$ 37,873.87		\$ 22,920,748.43
Winshaven Partners, LLC	7/29/2011	\$ 974.98		\$ 22,921,723.41
State Water Resources Control Board	7/29/2011	\$ 8,377.31		\$ 22,930,100.72
FAFC Fee Site - July 2011	7/29/2011	\$ 300.00		\$ 22,930,400.72
Terrachase Engineering, Inc. c/o Bookkeeping	8/2/2011	\$ 99,154.28		\$ 22,831,246.44
Winshaven Partners, LLC	8/2/2011	\$ 221.78		\$ 22,831,468.22
Contra Costa Environmental Health	8/2/2011	\$ 474.00		\$ 22,831,942.22
FAFC Fee Site - August 2011	8/2/2011	\$ 300.00		\$ 22,832,242.22
Sevina Interest - July 2011	8/24/2011		\$ 7088.07	\$ 22,839,330.29
Sevina Interest - July 2011	8/24/2011		\$ 2097.68	\$ 22,841,427.97
Current as of 8/31/2011		\$ 6,764,469.92	\$ 118,647.34	\$ 22,960,118.98
Remaining Balance				\$ 22,960,118.98