1. **Meeting Notes**

The regular City Council meeting of November 20\(^{\text{th}}\) is cancelled due to the Thanksgiving week. As a result, the next City Council meeting is a special meeting on Tuesday, November 27\(^{\text{th}}\) which replaces the November 20\(^{\text{th}}\) meeting. The exact meeting time on that date is yet to be established, as we are determining the availability of Councilmembers to have a follow-up discussion on the General Plan early that afternoon.

2. **Veterans’ Day**

The City offices will be closed on Monday, November 12\(^{\text{th}}\) in observance of Veterans’ Day.

3. **Hanjin Cargo Oil Spill Update**

The following is a summary of the response effort on the HANJIN Cargo Ship oil spill from Wednesday, November 7\(^{\text{th}}\) through November 9\(^{\text{th}}\). This information was compiled by Kathy Gerk, the City’s Manager of the Office of Emergency, who did an excellent job monitoring and coordinating the City’s response.

**Background Details:**

1) 58,000 gallons of L/ or IFO 380 heavy bunker fuel dumped in San Francisco bay waters from the HANJIN cargo ship that hit the Bay Bridge at approximately 08:30 on 11/07/07,
2) Oil spotted near the Richmond San Rafael Bridge at 7:00 PM on 11/07/07,
3) Spotted as far north as Bolinas Bay,
4) Biggest spill in ten years,
5) No boating restrictions,
6) No change in Marine Security level,
7) No problem to health except those affected by odors,
8) Skimmed up to 8,000 gallons of oil by 11/07/07 afternoon.

**Important Phone Numbers for Public:**

For oil sightings: (985) 781.0804
For oiled wildlife: (877) 823.6926
Public Information: (415) 399.7305
Volunteers: (800) 228.4544
PERTINENT INFORMATION:
As of 11/09/07:

1. Governor Schwarzenegger declared a state of emergency today for affected counties,
2. Public Works, Engineering and Parks Departments crews have been monitoring the coastline for any damages,
3. The USCG is looking at utilizing the Richmond Harbor Masters building for training volunteers in clean up efforts,
4. There have been numerous oiled birds sited and reported off of Pt. Richmond shoreline,
5. Booming is currently being conducted around Brooks Island,
6. USCG and Veolia working at Pt. Isabel, deployed oil-containment booms to protect the Marsh.
7. Veolia is on alert to monitor Richmond’s outfalls to prevent oil release from ending up in the City’s storm drain system,
8. IT and KCRT are broadcasting information to the community regarding beach and park closures, phone numbers for reporting oil and oiled wildlife as well as volunteering to assist in efforts,
9. Unified Command, with U.S. Coast Guard, California Department of Fish and Game, and the responsible party, Hanjin, moving to Treasure Island at end of today,
10. 11 skimmers are currently deployed on the water (8 inside the bay, 3 outside of the Golden Gate),
11. 10 wildlife recovery teams are on the beaches with additional teams joining Friday afternoon,
12. Over 9,500 gallons of fuel oil have been recovered as of Thursday night,
13. Over 18,000 feet of boom has been placed around the area to soak up and corral the oil,
14. More than 200 people from over 19 federal, state, and local agencies are involved with the response efforts. Beginning tomorrow there will be an additional 200 trained responders to supplement the initial response team,
15. 73 live, oiled birds are being rehabilitated,
16. There have been 19 confirmed deceased birds reported.

Personnel Involved In Response:

The following federal, state and local agencies are cooperating in the implementation of the Area Contingency Plan for response operations:

- Alameda County of Emergency Services
- California Coastal Commission
- California State Parks & Recreation
- California Department of Fish & Game
- National Park Service
- Marin County Office of Emergency Services
- City of Richmond
- Contra Costa County Health Services
- Port of Richmond
- East Bay Regional Parks
o Emeryville Cove Marina
o Environmental Protection Agency
o National Oceanic and Atmospheric Administration
o National Marine Sanctuaries
o Port of San Francisco
o San Mateo County Office of Emergency Services
o San Mateo Police Department
o San Francisco Bay Conservation Commission
o City and County of San Francisco
o **City of Richmond:**
  PORT Tom Wilson
  RFD BC Erik Newman and Kathryn Gerk
  Parks Department Crews
  PW Engineering Crews
  Veolia Crews
  KCRT & IT for distribution of information
  EOC Section Chiefs have been on standby.

**City of Richmond Beaches and Parks Temporarily Closed:**

1) Shimada Park,
2) Jay Vincent Park
3) Lucretia Edwards Park
4) Keller’s Beach,
5) Bay Shoreline Trails

As of Friday evening (November 9th), Shimada Park and the parking lot at Vincent Park are open again to the public. The Bay Trail from Vincent Park east to the pedestrian bridge remain officially closed. All previously posted warning signs remain in place, and a Parks crew will continue monitoring Saturday while they repair irrigation in the shoreline areas.

All staff members have been advised to track their time and costs responding to this incident.

4. **Office of Neighborhood Safety (ONS) Activities**

This past week, the Office of Neighborhood Safety (ONS) convened meetings with Senator Don Perata’s Office, Contra Costa County Public Health Department, Contra Costa County Probation Department, and the Contra Costa County Community Development Department. The purpose of each meeting was to begin to identify points of collaborative opportunity. City staff also provided information about the strategic direction of the ONS and received feedback and input as to how to strategically integrate ONS strategies with the current and ongoing strategies of each of these entities.

ONS staff also met this past week with Richmond ACORN, the Tent City Board of Directors, the Iron Triangle Neighborhood Association President, the NAACP, and the Richmond Police Commission. The purpose of these meetings was to continue
an ongoing dialog with Richmond community stakeholders and to share information and receive community input regarding ONS priorities and strategy implementation.

Finally, ONS met with the City of Oakland’s Department of Human Services (DHS) Director Andrea Youngdahl, Oakland Mayor Ronald Dellums, and Lenore Anderson, Deputy Chief of Staff from the City of Oakland Mayor’s Office to discuss regional collaborative opportunities specifically related to the National League of Cities 13 City Gang Initiative in which the City of Richmond is participating. ONS is preparing a status report on the development of the City’s strategic plan for the initiative.

5. **Contact with Railroad Regarding Property Maintenance**

This past week, Public Works Director Yader Bermudez, City Attorneys Louise Renne and Thomas Min, and I met with representatives of the Union Pacific Railroad to discuss maintenance issues and, in particular, graffiti abatement and control of illegal dumping activity on both City and railroad-owned property along railroad rights-of-way. Among the items discussed was the possibility of entering into a Memorandum of Understanding (MOU) with the Union Pacific to address City/railroad maintenance responsibilities on an ongoing basis. While the railroad was reluctant to enter into an MOU, they expressed a willingness to work with the City to address property maintenance issues on a regular, scheduled basis, working with the City’s Public Works Department. We will keep you informed as these joint activities are implemented.

6. **Grant Application Submitted for Completing a General Plan Element for Energy and Climate Change**

City Planning staff, working with MIG, the City’s General Plan consultant, submitted a grant application this past week to the Bay Area Air Quality Management District (BAAQMD) to fund preparation of a Richmond General Plan element for Energy and Climate Change. Grant awards will be announced in December, and we will keep you informed.

7. **Point Molate Project Update**

The City and Upstream are making progress toward the finalization of the Early Transfer Cooperative Agreement and the Findings of Suitability to Transfer for the Point Molate property. Attached to this weekly report is the Pt. Molate Status report prepared by Upstream. We will keep you informed as this project moves along.

8. **Recreation Department Highlights**

Among the recent and coming attractions for the Recreation Department are:

- The Recreation Department has completed an Activity Guide describing programs for the remainder of fall and for the winter of 2007. In addition to the printed Activity Guide, the information is posted on the City’s website in the “News Flash” section of the City’s Recreation Department website.
• The Recreation Department hosted a Haunted House at the MLK Community Center on October 26th and 27th with approximately 300 participants.
• The Youth Flag Football League ALL STAR game was held at Richmond High School on Saturday November 3, 2007.
• The Turkey Shoot Basketball League will start this month.
• The 1st annual City of Richmond chess tournament has been scheduled for December 8, 2007.
• Finally, the Youth Futsal League (indoor soccer) is scheduled for January 2008. Former World Cup player, Hugo Perez, will help the City market the league.

9. **Hilltop Clean-up**

On Friday, November 2nd volunteer members of the Hilltop Advisory Committee and their employees conducted a clean-up of frontage landscapes in the Hilltop business area. Volunteers were assisted by staff of Richmond’s Parks & Landscaping Division, and removed 20 bags of trash and a few bulky items.

The Committee plans for this to become a monthly activity and have scheduled the next for Monday, December 17th from 10:00 am to 3:00 pm, starting and ending at the Courtyard Marriott Hotel.

10. **Public Works Department Activities**

On Tuesday, November 13, 2007, the Public Works Department will participate in partnership with CalTrans, BART, and the Richmond Police Department in a joint clean up operation including graffiti removal, tree trimming, weed abatement, and illegal dumping removal, along the I-80 and adjacent to the future Target store.

The Department is also working to:

• Hang holiday lights and banners for the Main Street activities Annual Holidays;
• Repair illuminated signs for West Macdonald Avenue and the Richmond Parkway;
• Add additional lighting on 11th Street south of Florida to increase security at Richmond College Prep School;
• Install updated emergency phone number strip signs on multiple signs around the City; and
• Pave and repair potholes on Rheem Avenue and 36th Street.

11. **Information Technology Telecommunications Relocation Project**

This past week, IT staff, together with a technical team consisting of Civic Center contractors, and City communications vendors, completed a significant project to relocate telecommunications equipment and voice and data circuits from the basement of the old Hall of Justice. The affected telecommunications equipment included relocating more than 2,000 voice and data lines connected to the City phone switch, including the Police radio, microwave transmitters, and servers. Relocated facilities included the fiber connections to the 911 Communications Center and remote agencies, all City offices, including Police and Fire stations. The work also involved the installation of a new uninterruptible power supply, new panel
boards, receptacles, cable tray, conduit, new telephone cables, fiber optic cables and grounding required to cutover all critical equipment from the existing system to a new system providing long-term reliability. This new equipment will remain in the building through construction and has been incorporated into the new City Hall design.

12. **Results of Pension Obligation Bonds Interest Rate Swap**

At its November 6th meeting, the City Council approved an interest rate swap relating to the interest rates on the City’s 2005 Pension Obligation Bonds. As you may recall, these bonds will convert to a variable mode of interest beginning in 2013, leaving the City exposed to potential higher interest rates at that time. Once the City Council approved this transaction, the Finance Department locked in the future rates at 5.712% for the 2013 conversion, and 5.730% for the 2023 conversion; improving upon the estimates of 5.75% and 5.80% approved by Council. This action provides the City with the secure knowledge that the interest rates for these bonds will stay at an affordable level.

13. **Update on Renewable Energy Project Financing**

Finance Department staff continues to meet with various public finance firms regarding possible ways the City can provide its citizens with options for affordable, clean and renewable energy use. Representatives from Bank of America recently visited the City and made a presentation on several different financing options, including a type of Bond financing called “Clean Renewable Energy Bonds” (CREBS). The use of CREBS would allow the City to finance eligible projects at 0% interest. Epuron, the world’s largest developer of solar energy systems, has also offered its assistance to the City. Epuron developed two of the five largest municipal solar projects in the United States.
Mr. Bill Lindsay, City Manager
Ms. Janet Schneider, Assistant City Manager
Richmond City Hall
1401 Marina Way South
Richmond, CA 94804

RE: Point Molate LDA Status Report

Dear Bill and Janet:

This letter is intended to satisfy our requirement to provide a semi-annual status report on our progress under the Land Disposition Agreement dated November 9, 2004 between the City of Richmond and Upstream Point Molate LLC.

EIS/EIR

We understand that the environmental review under the EIS/EIR is proceeding in a diligent manner, and that the BIA’s consultants are working on a thorough analysis of the proposed project and three project alternatives. We are informed that the EIR team has the information they need to complete their review. Since AES is under the managerial control of the Bureau of Indian Affairs (“BIA”) under its MOU with the City, we do not control the pace of work under the EIS/EIR. However, Guidiville has been advised by the BIA that they anticipate that an Administrative Draft EIS/EIR will be available in November or December 2007.

Federal Approvals

Guidiville has filed all necessary applications with the National Indian Gaming Commission and the United States Department of the Interior to have Point Molate declared “restored Indian lands” eligible for gaming under the provisions of the Indian Gaming Regulatory Act. This is a legal determination that the Department of Interior will make based on the review of historical information concerning the Tribe. The federal government is under no deadline to make such an administrative determination. We are hopeful that we will be advised of their decision in the first half of 2008.

Negotiations with Navy

Upstream, with its environmental and insurance consultants, continue to work with the City staff and its consultants in negotiations with the U.S Navy leading to the conveyance of

(510) 596-9501
1900 Powell Street, 12th Floor
Emeryville, CA 94608

the remainder of the property to the City pursuant to an Early Transfer Cooperative Agreement (“ETCA”) and a Finding of Suitability for Early Transfer (“FOSET”). We believe that much progress has been made with the Navy on the significant cost issues related to the site except for the precise remediation methodology and cost for the remediation of Site 3, the site of the former oil separation
ponds. We are hopeful to reach a conceptual agreement with the Navy on Site 3 by November 2007. Shortly thereafter we will approach the insurance companies for a proposal from them to include in the Early Transfer package we are jointly negotiating with the Navy. It is clear that an Early Transfer will facilitate the completion of remediation at the site.

**Project Engineering**

Upstream and its engineering consultants have made great progress in identifying viable infrastructure routing and capacities to serve the future project. We have provided this information to the City and to the EIR/EIS consultant, and we understand that infrastructure routing and analysis will be further studied in the EIR/EIS.

**Harrah’s Entertainment**

Earlier this year, Harrah’s and Guidiville reached a financial settlement whereby Harrah’s would discontinue its role as the future manager of the gaming facility for Guidiville when gaming approvals are secured. While Harrah’s is a great company, Guidiville is now concluding an agreement with a replacement manager. Based on that agreement and other funds available for the project, Harrah’s termination will not slow project progress in any way or diminish from the potential for the economic and environmental benefits that will ensue from the project.

**Housing Market Impact**

As has been reported in the press, the major homebuilders are experiencing softness in outlying housing markets (Sacramento, East Contra Costa County, Central Valley, etc.). Similar trends have occurred elsewhere around the country and the “majors” have suffered severe declines in stock prices. This has led to tightening of overhead (staff layoffs) and project expenditures by the homebuilders. An obvious question is what impact this might have on the plans and funding for Point Molate.

The most significant impact of this nationwide situation is that Centex is no longer part of our project team, as they have almost across-the-board cut investment in new projects. Despite these factors, we believe Point Molate has enough intrinsic value (including access to San Francisco through planned ferry service at the site) for environmentally sensitive residential development in selected areas of the site. We have been advised by more than one of the major builders that while there may be a temporary “corporate” hold on project investment, interest in the project will be high when the project is ready to build. Since no residential project can be moved through the design review and approval process until the EIR is completed, the only real impact the temporary tightening has had is that it forces us to use more expensive predevelopment funds from other sources.
Funding

Including payments to the City of Richmond under the LDA and all other expenditures that we have made since the LDA was executed, over $10 Million ($6.5 Million of which has been paid to the City under the LDA and the prior Exclusive Right to Negotiate) has been spent on behalf of Upstream and Guidiville in our efforts to advance the redevelopment of Point Molate. Our project budget over the next twelve months indicates that we will expend in excess of an additional $6 Million ($4 Million of which is due to the City in January 2008 under the LDA) to continue to advance the project. With our various financial arrangements and partners, we will have adequate resources available to fund those costs as they are incurred.

General Plan Update

Over the past two months, we have been contacted by MIG, the City’s outside consultant, to supply project information to assist in the City’s General Plan update process. In August 2007, we met with MIG and City planning staff to review project status and direction. At the meeting, we received some important feedback and are in the process of revising designs accordingly. We will plan additional City staff meetings over the next three months as we expect to make significant progress on project design during this time period.

In summary, we are proceeding as anticipated under the LDA.

Please call me if you have any questions or comments.

Sincerely,

CC:  John F. Salmon Merlene Sanchez, Guidiville Band of Pomo Indians Walter Gray, Guidiville Band of Pomo Indians Michael Derry, Black Oak Development