

RESOLUTION NO. 105-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA EXPRESSING THE INTENTION THAT FUNDS RECEIVED BY THE CITY FROM CHEVRON PURSUANT TO THE SETTLEMENT APPROVED ON AUGUST 14, 2024 BY RESOLUTION NO. 98-24 BE APPROPRIATED IN A MANNER THAT REDUCES RATHER THAN EXACERBATES THE CITY'S DEPENDENCE UPON THE CHEVRON REFINERY AND THE FOSSIL FUEL INDUSTRY AND FACILITATES A RESILIENT AND JUST LOCAL ECONOMY

WHEREAS, the City Council adopted Resolution No. 63-24 on June 18, 2024, to place a measure on the ballot for the November 5, 2024 election (Ballot Measure) to allow voters of the City to impose a business license tax on oil refining in the City; and

WHEREAS, the City Council adopted Resolution No. 98-24 on August 14, 2024, withdrawing the Ballot Measure in exchange for agreement by Chevron Corporation to pay the City the sum of \$550 million over a period of 10 years (the Settlement Funds); and

WHEREAS, the City's local economy is significantly dependent on fossil fuels, including the Chevron refinery (Refinery) and related local industry, importation of cars through the port, and residents' current dependence on combustion engine cars for transportation; and

WHEREAS, it is inevitable that the Refinery will cease to operate or significantly scale back operations in the foreseeable future as California transitions to a clean energy economy, causing significant financial harm to the City if it has not transitioned to an economy that is less dependent upon the Refinery; and

WHEREAS, the City Council and the community members advocating for the Ballot Measure aimed to increase revenue for the City, with the possibility to then provide additional funds to assist the City in a transition to a healthy and diversified economy that does not depend on the operation of the Refinery and other fossil fuel-related business, and to improve public health and the environment in the City; and

WHEREAS, the City has already begun developing plans to build out a resilient and just local economy, through the Climate Action Plan and General Plan Climate Element, the Blue-Green New Deal planning process, and the work of community stakeholders involved in California's Regional Investment Initiative and other planning initiatives; and

WHEREAS, inadequate or deteriorated infrastructure is an obstacle to economic development in key parts of the City; and

WHEREAS, the City Council favors a "Complete Streets" approach to transportation infrastructure, meaning an approach to transportation policy and design that requires streets to be planned, designed, operated and maintained to enable safe, convenient and comfortable travel and access for users of all ages and abilities regardless of their mode of transportation; ensures environmental sustainability of transportation infrastructure; and allows for safe travel by those walking, cycling, driving automobiles, riding in public transportation, or delivering goods; and

WHEREAS, the City Council desires to allocate Settlement Funds to projects that will improve the quality of life for the City's residents without exacerbating the City's economic dependence on a fossil fuel economy; and

WHEREAS, the City Council desires to ensure that all decisions concerning expenditure of the Settlement Funds are made in a manner that is open and democratic, and empowers Richmond residents to oversee and make decisions concerning Settlement Fund expenditures to the maximum extent possible consistent with the City charter; and

WHEREAS, the City Council seeks in this Resolution to declare its intention concerning future action it will take in supporting the allocation and expenditure of the Settlement Funds and governance of such expenditure,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Richmond declares its intention that, to the maximum extent legally and economically possible, it will implement the following actions in its future decisions concerning expenditure of the Settlement Funds and associated preparation for the City's transition away from dependence upon the Refinery and the fossil fuel economy:

SECTION 1. INTENDED DECISION-MAKING STRUCTURE

- (a) The City Council intends to establish one or more separate funds to hold and disburse Settlement Funds. Such funds shall be used for the purposes defined in Section 2 and other purposes that the City Council, in consultation with City residents, determines will further the goal of preparing for the City's transition away from dependence upon the Refinery and the fossil fuel economy.
- (b) The City Council further intends to evaluate means for expenditures from the fund or funds to be governed in a manner that is fully transparent and democratic, implementing community-led decision making to the maximum extent allowable under the City Charter.

SECTION 2. INTENDED EXPENDITURE CATEGORIES

The City Council intends to ensure that Settlement Funds, to the maximum extent possible, are allocated to the following or substantially similar purposes:

- a) Specific expenditures as shall be directed by the City Council to improve public infrastructure, help ensure healthy communities, and otherwise improve quality of life, benefitting all sectors of the City but particularly in fenceline communities most heavily impacted by the Refinery. These expenditures shall address such needs as improvements to recreational facilities, sustainable housing and abatement of the unhoused crisis, transportation improvements using a Complete Streets approach, improvements to neighborhood parks, and support for programs for youth.
- b) Specific expenditures as shall be directed by the City Council to improve the City's environment and climate resiliency, make available renewable energy and efficiency upgrades, remediate contaminated sites, and develop open space and public access to it, particularly in Refinery fenceline communities.
- c) Planning and investigation for eventual remediation of the Refinery site.
- d) Promoting development of a local economy and workforce that is less dependent upon the Refinery and the fossil fuel industry through strategies such as community-led finance, land leased for below market rates, studies on how to transition sectors of the local economy, contracting with local green businesses, and study and planning of investment strategies and other means to reduce dependence of the City's budget on fossil fuel-derived revenues.
- e) Establishment of funds to be set aside for future uses, including potentially funds to cover environmentally-related legal expenses and to cushion the impact of reduced tax revenue from the Refinery, either at the end of the 10-year period in which Settlement Funds will be paid or upon downsizing or closure of the Refinery.
- f) Ensuring the availability of robust and fully supported City infrastructure and personnel resources and well-staffed union jobs in services such as parks, job training, housing and homelessness, youth programs, libraries, senior centers, and essential services impacted by climate change like fire protection and fire prevention.
- g) No expenditure of Settlement Funds should increase the City's or residents' dependence on fossil fuels. By way of example, if the Settlement Funds are used to upgrade city streets, the projects must enhance infrastructure for non-fossil fuel transportation such as cycling, electric vehicles, and pedestrian use.

BE IT FURTHER RESOLVED that City employees shall collaborate and assist the City Council in the study and development of resolutions and other actions to implement the intent expressed herein, and shall cooperate to the maximum extent practicable as assisting in that effort; and to that effect, City employees shall not make alternative plans or commitments of the Settlement Funds without first obtaining City Council consent.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held September 24, 2024, by the following vote:

AYES: Councilmembers McLaughlin, Robinson, Willis, Zepeda, Vice Mayor Jimenez, and Mayor Martinez.
NOES: Councilmember Bana.
ABSTENTIONS: None.
ABSENT: None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

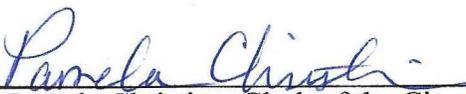
EDUARDO MARTINEZ
Mayor

Approved as to form:

DAVE ALESHIRE
City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 105-24**, finally passed and adopted by the Council of the City of Richmond at a regular meeting held on September 24, 2024.



Pamela Christian, Clerk of the City of Richmond