

From Richmond City Councilman Tom Butt:

The following press release was emailed from Chevron this morning.

Just a note, the \$12.5 million Chevron claims to have committed to the Bay Trail includes an easement worth maybe \$300,000 that Chevron has self-valued at \$3 million (ten times its actual value) and \$2 million for “security improvements” that benefit only Chevron and contribute nothing to Bay Trail construction. These two figures make up the \$5 million included in the Community Benefits Agreement. The additional \$3 million that is allocated from this settlement is not “Chevron support of the Bay Trail;” it is taxes that Chevron failed to pay and then got caught cheating.

Where the additional \$4.5 million that would make up the total \$12.5 million that Chevron claims is unclear. In the press release, Chevron appears to have boosted the value of the Bay Trail easement from \$3 million to \$7.5 million, an interesting superinflation at a time when Chevron is still claiming plummeting property values in its ongoing property tax appeal with Contra Costa County Assessor.

This is kind of like taking a load of old clothes that don't fit anymore to Goodwill and then claiming a \$100,000 charitable tax deduction on your income taxes.

The total cost of the Bay Trail at Chevron is estimated at about \$11 million. If Chevron had truly committed \$12.5 million, we could be building the trail today. But that's not what happened.

News Release

FOR IMMEDIATE RELEASE

Chevron Reaches Agreement with City of Richmond on Utility User Tax *Agreement includes additional support for the Bay Trail*

RICHMOND, CA. February 17, 2009 –Chevron’s Richmond Refinery confirmed today that it has reached an agreement with the city of Richmond to conclude an ongoing audit on the city’s Utility User’s Tax assessment. Included in the settlement agreement is an earmark for an additional \$3 million in funding to assist with completion of the Bay Trail in Richmond. With this funding, Chevron’s financial support for the Bay Trail in the Point Richmond area increases to approximately \$12.5 million.

“Chevron is pleased to have reached an agreement with the City of Richmond on the Utility User Tax. This allows us to resolve one of the outstanding issues we’ve had with the city while also helping us to maintain financial and economic predictability going forward,” said Mike Coyle, Chevron Richmond Refinery General Manager.

The Utility User Tax is imposed by the City on the consumption of utilities such as natural gas and electricity by residents and businesses in Richmond. Chevron and the city have now agreed to fully resolve an audit focused on the period July 1, 2006 through June 30, 2008.

The Bay Trail is a recreational corridor that, when completed, would encircle the Bay with a continuous 500-mile network of bicycling and hiking trails. “This contribution is a way Chevron can help bring all of us one step closer to enjoying the recreational opportunities made possible by the Bay Trail,” said Coyle. “We believe that working together with all key partners, along with our financial support, will provide significant momentum to move the project towards completion.”

Chevron’s new additional \$3 million contribution builds on previous commitments of support for the Bay Trail. Chevron has also agreed to provide a total of \$7.5 million in land easement value, making land available to build the trail both north and south of

Interstate 580. As part of the Community Benefits Agreement with the city of Richmond, the company has also committed \$2 million in funding to provide safety and security measures for the trail.

About the Chevron Richmond Refinery

The Chevron Richmond Refinery is located on 2,900 acres 25 miles from San Francisco and produces high quality transportation fuels created for the San Francisco Bay Area and Northwest United States. We take pride in our commitment to serving our community, conducting safe operations, and protecting the environment. With a capacity to process 240,000 barrels of crude oil per day, the Chevron Richmond Refinery makes gasoline for passenger cars, jet fuel for airplanes, and diesel fuel for trucks and trains. In addition to producing transportation fuels, the refinery produces a variety of lubricating oils which are distributed through the Western United States. The Chevron Richmond Refinery is the largest producer of base oils, the main component of lubricant blends, on the West Coast.

#

Contact: Brent Tippen, Chevron Richmond Refinery Public Affairs at 510-242-4700 or Brent.Tippen@chevron.com.

