



**EAST BAY REGIONAL PARK DISTRICT  
BOARD OF DIRECTORS MEETING  
AGENDA STAFF REPORT**

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<b>DATE</b>	October 1, 2024
<b>TITLE</b>	Authorization to Execute Purchase and Sale Agreement to Acquire Fee Title to 82-Acres of Property from Point Molate Futures, LLC and Appropriate Funds from Measure WW and Measure AA: Point Molate Regional Shoreline
<b>DIVISION</b>	Acquisition, Stewardship, and Development
<b>FROM</b>	Ken Wysocki, Assistant General Manager of Acquisition, Stewardship & Development Sabrina Landreth, General Manager
<b>APPROVED</b>	Sabrina Landreth, General Manager 

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**RECOMMENDATION**

The General Manager recommends that the East Bay Regional Park District (Park District) Board of Directors authorize the General Manager to execute a Purchase and Sale Agreement with Point Molate Futures, LLC to purchase 82+/- acres of land on the Point Molate Peninsula, within Richmond, CA, identified as Lots 1-44 (“the Property”) consistent with terms of the August 13, 2024 Letter of Intent, and appropriate funds for this acquisition as an addition to Point Molate Regional Shoreline.

**BACKGROUND**

The Point Molate naval facility dates to 1942 when it served as a United States Navy (“Navy”) fuel storage and transfer station. In 1997, with the expected decommissioning of the naval facilities by the Navy, the “Point Molate Reuse Plan” was developed and approved by the Richmond City Council. In September 2003, the Navy transferred approximately 90% of the former naval facility property to the City of Richmond (“City”). In 2008, the Navy and City negotiated an Early Transfer Cooperative Agreement which transferred the environmental obligations on the site to the City and obligated the Navy to pay the City in order to perform the remediation work. In March 2010, the remaining 10% of the property transferred to the City.

In 2020, the Richmond City Council approved entitlements for the Point Molate Mixed-Use Project, which provided for 70 percent open space and 30 percent development on the former naval facility and created new parcels for the property originally transferred to the City by the Navy. The new parcel map as shown on the map of Tract 9611, filed May 9, 2022, in Book 550 of Maps at Pages 48 through 96, Contra Costa County Records created forty-four (44) separate lots over approximately 81.56 acres of land at Point Molate. The Point Molate Mixed-Use Project did not move forward, and in 2022, pursuant to the terms of a federal court judgment that prescribed ownership of the property as between the Guidiville Rancheria of California and the City, Lots 1-44 at Point Molate were transferred from the City to Point Molate Futures, LLC (PMF) an entity that is wholly owned by the Guidiville Rancheria of California.

Over the last two years, the Park District has been working toward this acquisition. On July 16, 2024, the Park District Board of Directors approved the execution of a non-binding Letter of Intent (LOI) between the City, PMF, and the Park District for Lots 1-44 (Resolution No. 2024-07-148). The LOI was fully executed by all parties on August 13, 2024.

## **ANALYSIS**

The Purchase and Sale Agreement (PSA) language is currently being finalized consistent with the terms in the LOI.

The Property (Lots 1-44, approximately 82 acres) would be acquired for a purchase price of \$40 million, which has been substantiated by an independent appraisal. The proposed funding for the acquisition will include \$36 million in State of California funding that is being administered as a grant from the California State Coastal Conservancy (SCC). The Park District will contribute \$4 million of funding towards the purchase price. Currently, the appraisal report is under review by the California Department of General Services which is a requirement for the funding to be authorized by SCC.

### Key PSA Terms

Staff recommends that the Board authorize the execution of a PSA that is consistent with the terms of the LOI and includes the following material terms. The PSA will provide that the purchase price will be \$40 million, plus associated closing cost and consultant fees. Within ten (10) days of execution of the PSA, the Park District will deposit \$1 million in escrow as an earnest money deposit. Of this \$1 million, \$250,000 would be immediately released to PMF and non-refundable except for breach by PMF. The remaining \$750,000 would be released upon the Park District waiving certain conditions during the 120-day due diligence period. Both the \$250,000 payment and the \$750,000 payment would be creditable to the purchase price.

The PSA will provide the Park District with a 120-day due diligence period which will include the following provisions:

- Park District to complete all of its property related investigations and due diligence (environmental site assessment, title);
- Park District to obtain SCC funding authorization (expected on November 21, 2024), and
- Secure a fully executed operation and management agreement between Park District and City. The agreement includes the City be responsible for the continued maintenance and security of the property for up to one year following closing. The City's financial obligation for these responsibilities during that year would be limited to \$400,000.

In addition, Park District would pay would closing costs associated with the transaction that include reimbursing PMF for reasonable fees in connection with the acquisition of the property, closing costs, and documentary transfer taxes. The closing of escrow for this acquisition is intended to occur no later than January 15, 2025, and the General Manager recommends that the Board authorize closing of escrow provided all conditions precedent in the PSA have been met.

Prior to closing, the Park District staff will prepare an Acquisition Evaluation (AE), whose purpose is to confirm that the proposed acquisition is consistent with the Park District's Master Plan, and to evaluate the suitability of the Property as an addition to the park system for resources conservation and/or public recreational purposes. The acquisition and creation of an important community amenity has been a recognized goal for many years. The Park District's 2013 Master Plan and the Bay Conservation and Development Commission's San Francisco Bay Plan both have called for a regional park at Point Molate. It has been a long-standing vision to have a regional park for residents and visitors, and ensuring the East Bay shoreline is preserved as open space for all to enjoy remains a top priority of the Park District. Few opportunities remain to create significant parkland in the Bay Area,

especially in the Richmond region.

The AE will recommend that upon transfer to the Park District, the Property will be placed into Land Bank status. The Property can be removed from Land Bank status at such time as it has been made safe and suitable for public recreational use. The Park District is committed to coordinating with community stakeholders and the City of Richmond as formal planning begins. The AE will also identify site safety and security needs during the first 24 months of Park District ownership, and the funding requirements to meet those needs. Funds are currently being budgeted throughout the different Park District departments to responsibly manage and operate the Property.

**FISCAL IMPACT**

The majority of the \$40 million acquisition cost will be funded using the \$36 million grant from the SCC. The remaining \$4 million will be funded using the Park District’s Measure WW Acquisition funds from Point San Pablo Peninsula Allocation Area (\$3,824,345) and Measure AA West Metro Consolidation Account Funds (\$175,655). An additional \$2.5 million will be allocated from the Measure AA West Metro Consolidation Account for PMF’s fees, closing costs, and transfer tax associated with the acquisition. This will deplete the Point San Pablo area WW fund and leave a balance of \$200,573 in the AA West Metro Consolidation Account.

The Measure WW funds will be appropriated to the existing project for Pt. Molate Acquisition (252600). These appropriations would be approved by the Board as part of the Purchase and Sale agreement approval.

<b>SOURCES OF FUNDS</b>	
Point San Pablo Peninsula WW Area 333-7330-000-7010/252600WP50-100	\$3,824,345
Measure AA West Metro Consolidation Account 333-7339-464-7010/252600BAAA-100	2,675,655
SCC Grant	36,000,000
<b>Total Funds Available</b>	<b>\$42,500,000</b>

**ATTACHMENTS**

- A. Map
- B. Letter of Intent



**EAST BAY REGIONAL PARK DISTRICT  
RESOLUTION NO. 2024 – 10 -  
OCTOBER 1, 2024**

**AUTHORIZATION TO EXECUTE PURCHASE AND SALE AGREEMENT TO  
ACQUIRE FEE TITLE TO 82-ACRES OF PROPERTY FROM POINT MOLATE  
FUTURES, LLC AND APPROPRIATE FUNDS FROM MEASURE WW AND  
MEASURE AA: POINT MOLATE REGIONAL SHORELINE**

**WHEREAS**, The Point Molate naval facility on Point San Pablo Peninsula, within the City of Richmond, first dates to 1942 when it served as a United States Navy ("Navy") fuel storage and transfer station; and

**WHEREAS**, in 1997, with the expected decommissioning of the naval facilities by the Navy, the "Point Molate Reuse Plan" was developed and approved by the Richmond City Council; and

**WHEREAS**, in September 2003, the Navy transferred the majority of the property to the City of Richmond ("City"); and

**WHEREAS**, in 2020, the Richmond City Council approved entitlements for the Point Molate Mixed-Use Project, which ultimately did not proceed forward; and

**WHEREAS**, in 2022, pursuant to the terms of a federal judgment between the Guidiville Rancheria of California and the City, approximately 81.56 acres of land were transferred from the City to Point Molate Futures, LLC an entity that is wholly owned by the Guidiville Rancheria of California with the intent to market and sell the property; and

**WHEREAS**, the City, the Guidiville Rancheria of California and the Park District have been in discussions regarding the Park District's potential acquisition of the property; and

**WHEREAS**, on July 16, 2024, by its Resolution No. 2024-07-148, the East Bay Regional Park District ("Park District") Board of Directors authorized staff to enter into a Letter of Intent with the City of Richmond and Point Molate Futures, LLC, an entity that is wholly owned by the Guidiville Rancheria of California for the purchase of approximately 82 acres within the City of Richmond, identified as Lots 1-44, as shown on the map of Tract 9611, filed May 9, 2022 in Book 550 of Maps at Pages 48 through 96, Contra Costa County Records and consisting of all of Contra Costa County Assessor Parcel Nos. 61-100-050 through -055; 561-420-001 and -002; 561-440-001 through -004; 561-430-001; and 561-450-001 through 031 ("the Property"); and

**WHEREAS**, the Guidiville Rancheria of California, on behalf of Point Molate Futures, LLC, and the Park District have negotiated a Purchase and Sale Agreement (PSA) for the Park District's acquisition of the Property; and

**WHEREAS**, the PSA will contain the following material terms:

- The purchase price will be \$40,000,000, plus associated closing costs and fees;
- The Property to be acquired is approximately 82 acres, referred to as Lots 1 through 44;
- The Park District will provide an earnest money deposit of \$1,000,000 within 10 days of execution of the PSA;
- There will be a 120-day due diligence period for the Park District to conduct its site investigation and secure SCC funding; and
- The purchase price will be supported by an independent appraisal, reviewed by SCC and the Department of Government Services;

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of the East Bay Regional Park District hereby approves a purchase and sale agreement for the purchase of the Property for \$40,000,000, plus associated closing costs and fees, and as presented to the Board on October 1, 2024 in this Resolution; and

**BE IT FURTHER RESOLVED**, that the Board of Directors authorizes the General Manager to execute the Purchase and Sale Agreement that is consistent with the material terms set forth in this Resolution on behalf of the East Bay Regional Park District; and

**BE IT FURTHER RESOLVED**, that \$2,675,655 will be appropriated from Measure AA West Metro Consolidated and \$3,824,345 from Measure WW Point San Pablo Allocation Area; and

**BE IT FURTHER RESOLVED**, that the Board of Directors authorizes the closing of escrow on this acquisition provided all conditions precedent in the PSA have been met; and

**BE IT FURTHER RESOLVED**, that the General Manager is hereby authorized and directed, on behalf of the Park District and in its name, to execute and deliver such documents and to do such acts as may be deemed necessary or appropriate to accomplish the intentions of this resolution.

Moved by Director \_\_\_\_\_, and seconded by Director \_\_\_\_\_, and adopted October 1, 2024, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: