




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

DATE	July 16, 2024
TITLE	Authorization to Execute a Letter of Intent with the Guidiville Rancheria of California and the City of Richmond for the Acquisition of Property at Point Molate, Richmond, California: Point Molate
DIVISION	General Manager's Office
FROM	Ken Wysocki, Assistant General Manager of Acquisition, Stewardship & Development
	Sabrina Landreth, General Manager
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager recommends that the Board of Directors authorize the execution of a Letter of Intent with the Guidiville Rancheria of California and the City of Richmond related to the acquisition of property at Point Molate, located in the City of Richmond on the Point San Pablo Peninsula.

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 created forty-four (44) separate lots over approximately 81.56 acres of land at Point Molate. The Point Molate Mixed-Use Project did not proceed 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 East Bay Regional Park District ("Park District") has been in negotiations regarding the potential acquisition of property at Point Molate, which has led to a non-binding Letter of Intent (LOI) between the City, PMF, and the Park District for Lots 1-44.

ANALYSIS

The LOI provides the parties with a clear path forward for the acquisition and creation of an important community amenity, which 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 all Richmond and Bay Area residents 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.

Should the LOI be fully executed, the parties will prepare a Purchase and Sale Agreement, which will be brought back to the Board for approval. The LOI includes a purchase price of \$40 million for Lots 1-44 (81.56 acres). An independent appraiser conducted valuation work, which determined the fair market value to be \$57.65 million, which supports the \$40 million purchase price. The proposed funding for the acquisition is expected to come through a \$36 million grant in partnership with the California State Coastal Conservancy (SCC) and \$4 million of Park District funding.

Additional key terms in the LOI, which would be memorialized in a Purchase and Sale Agreement, include the following:

- Park District would deposit \$1 million in escrow as earnest money deposit. Of this \$1 million, \$250,000 would be creditable to purchase price, immediately released to PMF and non-refundable except for breach by PMF. The remaining \$750,000 would also be creditable to purchase price and released upon the Park District waiving certain conditions during the due diligence period, including SCC approvals.
- Park District would reimburse PMF \$1 million for reasonable fees in connection with the acquisition of the property.
- Park District would enter into an operation and management cost sharing agreement with the City to assist with the maintenance and security of the property for up to one year following closing. The City's obligation during that year would be limited to \$400,000. Following the closing, the Park District would remain committed to engaging in equity outreach and planning, including conducting community and stakeholder park planning outreach for future park development.

The closing on the property is intended to occur no later than January 15, 2025.

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: Point San Pablo Peninsula Measure WW Area (\$3,824,345) and WW Acquisition Contingency Funds (\$175,655). An additional \$1 million will be allocated from the Measure WW Acquisition Contingency fund for PMF's fees associated with the acquisition. This will deplete the Point San Pablo area WW fund and leave a balance of \$18,182,858.06 remaining in the Measure WW Acquisition Contingency fund.

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.

SOURCES OF FUNDS	
Point San Pablo Peninsula WW Area 333-7330-000-7010/252600WP50-100	\$3,824,345
WW Acquisition Contingency Funds 333-7339-464-7010/252600WP68-100	1,175,655
SCC Grant	36,000,000
Total Funds Available	\$41,000,000

ATTACHMENTS

None.



**EAST BAY REGIONAL PARK DISTRICT
RESOLUTION NO. 2024 – 07 -
JULY 16, 2024**

**AUTHORIZATION TO EXECUTE A LETTER OF INTENT WITH THE GUIDIVILLE
RANCHERIA OF CALIFORNIA AND THE CITY OF RICHMOND FOR THE
ACQUISITION OF PROPERTY AT POINT MOLATE, LOCATED IN THE CITY OF
RICHMOND ON THE POINT SAN PABLO PENINSULA**

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 former naval facility 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, but provided for 70 percent open space and 30 percent development on the former naval facility property; and

WHEREAS, in 2022, pursuant to the terms of a federal judgment between the Guidiville Rancheria of California and the City, the developable property, approximately 81.56 acres of land (commonly known as Lots 1 – 44) ("the Property") 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 East Bay Regional Park District (Park District) have been in discussions regarding the Park District's potential acquisition of the Property; and

WHEREAS, the parties have negotiated a non-binding Letter of Intent (LOI) between the City, Point Molate Futures, LLC (PMF), and the Park District for the acquisition of the Property at Point Molate;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby authorized the execution of a Letter of Intent with the Guidiville Rancheria of California and the City of Richmond for the acquisition of the Property at Point Molate, located in the City of Richmond on the Point San Pablo Peninsula as presented to the Board on July 16, 2024; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes the General Manager to sign the Letter of Intent on behalf of the East Bay Regional Park District; 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 July 16, 2024, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: