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Richmond Refinery
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Gary Fisher
General Manager, External Affairs



July 9, 2003

Mr. Steve Duran, Economic Development Director
City of Richmond
1401 Marina Way
Richmond, CA 94804

Dear Mr. Duran:

On behalf of ChevronTexaco Corporation and the Chevron Richmond Refinery (Refinery), I am pleased to take this opportunity to respond to the City of Richmond's (City) Request for Proposals regarding potential development concepts of Pt. Molate/Winehaven.

We have been clear and consistent in communicating our position that any development of Pt. Molate and the Pt. San Pablo Peninsula must be compatible with the long-term continued operation of the Refinery. At one point we suggested that "day use" might be acceptable. However, since September 11, 2001 (9-11), much has changed. The Refinery was recently designated by the US Office of Homeland Security and FBI as a critical infrastructure and key asset in Northern California. Our own internal security programs and systems have since been upgraded and our focus on security and protection against breaches of our perimeter is a critical priority.

With the issuance of the RFP, it is apparent that the City intends to pursue development of Pt. Molate and perhaps other areas of the peninsula. The Refinery has taken this opportunity to review its position regarding the compatibility of potential development of these areas and it is only fair that we share our conclusion with you.

Our review of potential Pt. Molate development focused on two areas of primary concern for the Refinery: 1) controlling risk related to security and, 2) controlling risk related to safety. Simply put, the opportunity for trespassing and vandalism, including an avoidable increased risk for a potential terrorist act directed toward the refinery increases with public access to the peninsula. Similarly, the risk of an undetected wildfire that impacts safe and reliable Refinery operations increases with public access. Recent experiences with random fires on the peninsula are a stark reminder of the potential for man-made fires that could impact our facilities.

Chevron Richmond Refinery has concluded that the only land uses that are compatible with the long-term, safe and secure operation of the Refinery are industrial, manufacturing or restricted open space. We cannot conceive of a scenario in which residential, recreational,

commercial or other similar land use activities would be compatible with the long-term, safe and secure operation of the Refinery. Only by ensuring that future land uses are limited to industrial, manufacturing and restricted open space will we feel confident that the long-term ability of the Refinery to produce the gasoline, diesel and jet fuel that helps drive the Bay Area economy will be protected.

We look forward to working with the City of Richmond as it begins to shape its development alternatives and stand ready to provide additional input as may be needed to clarify our position. Should you have any comments or questions, please call Dean O'Hair at 510-242-2400 or me.

Sincerely,



Gary Fisher

cc: Mr. Jim Whiteside
Mr. Dean O'Hair
The Honorable Irma Anderson, Mayor of Richmond
The Honorable Nathaniel Bates, Richmond City Council
The Honorable Charles Belcher, Richmond City Council
The Honorable Gary Bell, Richmond City Council
The Honorable Thomas Butt, Richmond City Council
The Honorable Richard Griffin, Richmond City Council
The Honorable Mindell Lewis Penn, Vice-Mayor
The Honorable Jim Rogers, Richmond City Council
The Honorable Maria Viramontes, Richmond City Council
Mr. Isiah Turner, City Manager