RESOLUTION NO. 106-11

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA ASKING CHEVRON TO DROP ITS PROPERTY TAX APPEALS

WHEREAS, Chevron Corporation, (formerly Standard Oil) has successfully operated an oil refinery in Richmond since 1904, thus contributing to the corporation’s high profitability for over 100 years; and

WHEREAS, Chevron declares that it wants to be a good neighbor to Richmond and Contra Costa County residents; and

WHEREAS, Chevron has posted record profits in each of the last five years, and its profits of $7,830,000,000 ($7.83 billion) for the third quarter of 2011 are double its profits for the third quarter of 2010; and

WHEREAS, the Chevron’s charitable contributions to worthy local organizations in 2010 amounted to $3.7 million, which represents a mere 0.00047% of the profit it made in just three months (July – September) in 2011; and

WHEREAS, Chevron is currently trying to get a refund of approximately $50-$60 million on its Richmond refinery property tax payments for 2004-2006 through litigation in the courts, in addition to the $18 million refund it already received for that time period as ordered by the County’s Assessment Appeals Board; and

WHEREAS, Chevron is currently trying to get a further refund of approximately $100 million on its Richmond refinery property tax payments for 2007-2009 through a claim to the County’s Assessment Appeals Board; and

WHEREAS, the total potential refunds for 2004-2009 of approximately $150 million that Chevron is seeking represents only 0.15 % of its profits of $97.3 billion for those six years; and

WHEREAS, considering Chevron’s consistently high rate of profits and the prime location of the Richmond refinery, we believe its claims of significantly declining property values are baseless; and

WHEREAS, if Chevron were nonetheless to prevail in both cases (2004-2006 and 2007-2009) and the City and County are ordered to pay refund of over $150 million to Chevron, there would be drastic consequences, including the cuts in public safety, basic services and social uplift by the City of Richmond, Contra Costa County, the West Contra Costa Unified School District and other special districts, and

WHEREAS, these cuts would fall most heavily on our most vulnerable and disadvantaged populations: seniors, youth, people living in poverty, people with disabilities and people without access to health care; and

WHEREAS, these cuts would inevitably result in the layoffs of city, county, school district, fire and water, etc. workers at a time when we are already experiencing record unemployment and the worst recession since the 1930’s Depression; and

WHEREAS, these layoffs would result in less income available to purchase goods and services contributing to a downward economic spiral damaging our business community; and

WHEREAS, Chevron has stated it wants to maintain good a good relationship with Richmond and that it specifically wants to help ameliorate the very problems that the cuts triggered by its potential refunds would exacerbate; and

WHEREAS, if Chevron were to withdraw all of its property tax appeals it would remain a highly successful and profitable corporation and would experience no negative consequences;

BE IT THEREFORE RESOLVED, that the Richmond City Council respectfully asks Chevron Corporation, to withdraw and dismiss all of its property tax appeals on past years’
assessments and pay the full amount due on current and future property tax assessments for the Richmond refinery.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond, California at a joint meeting thereof held November 15, 2011 by the following vote:

Ayes:  Councilmembers Bates, Beckles, Ritterman, Rogers, Vice Mayor Butt, and Mayor McLaughlin.

Noes:  None.

Abstentions: None.

Absent:  Councilmember Booze.

DIANE HOLMES
Clerk of the City of Richmond

Approved:

GAYLE MCLAUGHLIN
Mayor

Approved as to form:

RANDY RIDDLE
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. 106-11, finally passed and adopted by the City Council of the City of Richmond at a joint meeting held on November 15, 2011.