



AGENDA REPORT

City Council

DATE:	September 24, 2024
TO:	Mayor Martinez and Members of the City Council
FROM:	Councilmember McLaughlin, Vice Mayor Jimenez and Councilmember Robinson
Subject:	Chevron Settlement Fund Intentions
FINANCIAL IMPACT:	The resolution is an expression of future intent with no immediate direct financial impact, aside from a prohibition on City employees making any commitment of the Chevron settlement funds without City Council approval.
PREVIOUS COUNCIL ACTION:	The City Council adopted Resolution No. 98-24 on August 14, 2024, rescinding Resolution No. 63-24 and approving a settlement agreement with Chevron Corporation to pay the City \$550M over ten (10) years.
STATEMENT OF THE ISSUE:	The resolution would express City Council's intention moving forward to spend the funds received from Chevron in a manner that does not increase the City's dependence upon Chevron tax revenues, but instead facilitates development of a resilient and just local economy that is independent of the fossil fuel industry.
RECOMMENDED ACTION:	ADOPT a resolution expressing City Council's overarching intention with respect to expenditure of the Chevron settlement funds, outlining types of expenditures that would be consistent with this intention, and prohibiting City employees from making alternative plans or commitments of the funds without first obtaining City Council consent - Vice Mayor Claudia Jimenez (510-620-6565), Councilmembers Gayle McLaughlin (510-620-6636) and Doria Robinson (510-620-6593).

DISCUSSION

The Chevron Richmond refinery and other fossil-fuel related industries in Richmond will inevitably curtail or cease operations in the foreseeable future in the context of the shifting state and global energy economy. One of the reasons City Council and community members advocated for a ballot measure aimed at increasing revenue from Chevron was that this revenue stream would better position the City to transition to a healthy and diversified economy that is not fossil fuel-dependent. Now that the City has settled with Chevron for a \$550 million revenue stream in lieu of the revenues that would have been generated from success of the ballot measure, it is important that the City spend the funds in a manner that does not simply double down on the City's dependence on Chevron, but rather helps eliminate that dependency and replace it with a diversified local economy that will thrive even as the fossil fuel industry wanes.

To this end, this resolution lays out the intention of the City Council moving forward to appropriate the Chevron settlement funds for a set of overarching purposes that will improve the lives of City residents without risking deepened dependence on the fossil fuel industry. The resolution provides a number of specific examples of types of expenditures that would be consistent with this intention. However, it is neither the purpose nor the effect of this resolution to implement specific funding appropriations. Rather, it expresses Council's directional intention regarding such future appropriations. The City Council recognizes, as do advocates supporting the resolution, that substantive decisions concerning appropriation of the funds and the structure of decision-making governing such appropriation will require further in-depth analysis and public dialogue.

To ensure that City Council maintains the ability to fully effectuate its expressed intent, the resolution requires that City employees collaborate with and assist the City Council in development of future actions appropriating the settlement funds, and prohibits them from committing the funds without City Council consent.

ATTACHMENTS:

Attachment – Resolution