

Cherokee Simeon Venture I, LLC

February 5, 2009

Mayor Gayle McLaughlin
Vice Mayor Ludmyrna Lopez
Councilmember Nathaniel Bates
Councilmember Thomas Butt
Councilmember Jim Rogers
Councilmember Maria Viramontes
Councilmember Jeff Ritterman
City of Richmond
1401 Marina Way South
Richmond, Calif. 94804

Subject: Campus Bay, Richmond, California

Dear Mayor McLaughlin, Vice Mayor Lopez and Councilmembers:

I am pleased to report that significant progress has been made on the cleanup and reuse of the 87-acre Campus Bay property. On January 9, 2009, the California Department of Toxic Substances Control (DTSC) released the draft cleanup plan for the Campus Bay property. This plan, officially known as the draft Feasibility Study/Remedial Action Plan (FS/RAP), is a significant step forward for the cleanup and revitalization of this important and underutilized site.

Accompanying the draft cleanup plan, DTSC provided a letter (see Attachment 1) that announced that the draft FS/RAP is available for informal review in advance of the official comment period. The letter also states that the property can be safely redeveloped. In particular, the DTSC letter states:

“DTSC feels the proposed selected remedies are reasonable and appropriate given site conditions and potential future uses identified in the draft FS/RAP. With this draft FS/RAP, the City of Richmond may choose to initiate its land use planning process with the knowledge that the property can support a variety of uses, from an environmental prospective, including residential, recreational, commercial and industrial.”

In short, the Campus Bay property has been thoroughly examined and can be cleaned up and safely put to a wide variety of uses for the benefit of the community and the region.

Some members of the community have been concerned about radiological conditions at the site. These concerns have been put to rest through extensive site investigation conducted under the

Campus Bay

2/5/2009

Page 2 of 3

regulatory direction of DTSC in consultation with the Radiologic Health Branch of the California Department of Public Health. On November 17, 2008, the Radiologic Health Branch concluded:

“There are no significant radiological issues currently present at the Zeneca/Former Stauffer Chemical Site that present a health and safety concern to workers or members of the public for any future use.”

As you know a tremendous amount of time, effort and money has been devoted to the environmental cleanup and review process. DTSC’s conclusions follow nearly a decade of site assessment, study and regulatory oversight by two state environmental agencies (see Attachment 2 for cleanup history).

More than 700 soil and groundwater samples have been collected and analyzed. Moreover, in an unprecedented commitment to public participation, the owner of the Campus Bay property, Cherokee Simeon Venture I, LLC, has funded the Community Advisory Group (CAG) for the Richmond Southeast Shoreline Area in an amount exceeding \$200,000. This represents the largest contribution by any landowner to a Community Advisory Group. We have appreciated the input the CAG has provided, which has helped us to get to this important stage where the cleanup and safe reuse of the property can be pursued.

DTSC’s release of the draft FS/RAP sets the stage for the City’s land use planning process. When the City submits the project development plans for public review, DTSC will also submit the draft FS/RAP for formal public comment. The project plans and the FS/RAP will be finalized at roughly the same time under a single Environmental Impact Report.

The cleanup and reuse of the Campus Bay site will realize the goal of revitalizing a former industrial site to serve the community and the region. Further, the Campus Bay site is located within a redevelopment district and holds the promise of generating millions of dollars for the Richmond Redevelopment Agency, so long as the site is planned responsibly and in a manner that responds to market conditions. These revenues can fund a wide variety of community improvement projects and services, including better schools and safer streets for the residents of Richmond.

We appreciate your support and interest in the Campus Bay project. If you have any questions, please feel free to contact me at (707) 558-0222. Thank you.

Sincerely,



Scott Goldie

Principal, Brooks Street

On behalf of Cherokee Simeon Venture I, LLC

Campus Bay

2/5/2009

Page 3 of 3

Cc: Bill Lindsay, City Manager, City of Richmond
Richard Mitchell, Planning and Building Services Director, City of Richmond
Alan Wolken, Redevelopment Agency Director, City of Richmond
Barbara Cook, California Department of Toxic Substances Control
Dan Schwab, Chair, Richmond Southeast Shoreline CAG
Loni Hancock, Senator, State of California
Nancy Skinner, Assemblymember, State of California
John Gioia, Supervisor, Contra Costa County
George Miller, Congressman, United States House of Representatives

Attachments.



Department of Toxic Substances Control

Linda S. Adams
Secretary for
Environmental Protection

Maureen F. Gorsen, Director
700 Heinz Avenue
Berkeley, California 94710-2721



Arnold Schwarzenegger
Governor

January 9, 2009

To All Reviewers:

Oversight of the Zeneca/Former Stauffer Chemical Site was previously transferred to the Department of Toxic Substances Control (DTSC) for further investigation and cleanup of the site consistent with a federal regulation known as the National Oil and Hazardous Substances Pollution Contingency Plan or NCP, and Chapter 6.8 of the California Health and Safety Code. As required by these regulations and under an order issued by DTSC to Cherokee Simeon Venture I, LLC, Zeneca Inc., Bayer Crop Science Inc., and the Regents of the University of California (the "Respondents"), a Remedial Investigation Report and Human Health Risk Assessment were prepared by the Respondents, and then reviewed and approved by DTSC. The next step in the process is the preparation of a Feasibility Study and Remedial Action Plan. A Feasibility Study screens and evaluates potential cleanup alternatives and compares them to each other so that an appropriate cleanup method can be selected in the Remedial Action Plan. A Remedial Action Plan explains which cleanup alternative(s) will be used to cleanup the site as well as including a summary of the site history, site description and the types of contaminants present.

Because the future use of this property has not been determined, this draft Feasibility Study/Remedial Action Plan (FS/RAP), dated 22 December 2008, contains a menu option of proposed remedies to allow for flexibility when future redevelopment of the property occurs. The City of Richmond will be overseeing the planning process that will determine the future use of the property.

DTSC feels the proposed selected remedies are reasonable and appropriate given site conditions and potential future uses identified in the draft FS/RAP. With this draft FS/RAP, the City of Richmond may choose to initiate its land use planning process with the knowledge that the property can support a variety of uses, from an environmental prospective, including residential, recreational, commercial and industrial.

As in all cases, DTSC may modify the draft FS/RAP based on comments received, information provided as part of the California Environmental Quality Act (CEQA) process, and from comments received during the formal public comment period. It is anticipated that the formal public comment period will occur simultaneously with the City of Richmond's preparation of CEQA documents associated with the redevelopment of the property. The public will be notified about public participation opportunities when this occurs.

Attachment 1

For the benefit of the Richmond community, the draft FS/RAP is being released in advance of DTSC's formal public comment period. Any comments to this document should be sent to the Respondents in care of:

Mr. Doug Mosteller
Cherokee Simeon Venture I LLC
4600 S. Ulster Street
Suite 500
Denver, CO 80237

Or via email to:

Dmosteller@cherokeefund.com

Any comments received during this informal comment period by DTSC will not be responded to by DTSC, but will be forwarded to Mr. Mosteller for the Respondents' consideration.

Attachment 2: Summary of Cleanup History

By way of background, the following is a summary of the recent cleanup history:

- 2002, Cherokee Simeon Ventures I, LLC (CSV) acquired the Campus Bay property. At this time, the prior site owner, Zeneca Inc., had spent an estimated \$20 million remediating the site. Zeneca completed cleanup of the upland portion of the property (Lots 1 and 2 and most of Lot 3) to Commercial/Industrial standards under the oversight of the Regional Water Quality Control Board (RWQCB), and had received no-further-action letters for Lots 1 and 2.
- 2004 and 2005, regulatory oversight was transferred to the DTSC in response to requests by the City, then Assemblymember Loni Hancock and community members. Since then, DTSC has required hundreds of additional soil and groundwater samples to be collected, and numerous additional studies and investigations.
- 2006, to remediate groundwater and investigate the effectiveness of in situ groundwater treatments, DTSC directed groundwater Pilot Studies to be implemented.
- 2007 and 2008, to address localized soil and potential groundwater issues, DTSC directed and CSV completed the excavation and removal of approximately 2,800 tons of soil from the Site under the Lot 1 PCB/VOC Area Remedial Action Workplan. DTSC also required extensive soil, water and other radiological assessments of the site.
- 2008 and 2009, DTSC approved several key environmental documents. Among others, these include: the Remedial Investigation reports; the Human Health Risk Assessment, and the Radiological Site Closure report.