



**POINT RICHMOND/NEIGHBORHOOD COUNCIL
MEETING**

WELCOME

**TONIGHT WE ARE DISCUSSING THE TERMINAL
ONE SITE AT THE CORNER OF DORNAN DRIVE
AND BRICKYARD COVE ROAD**



- MY NAME IS PAUL MENZIES. I AM CEO OF LACONIA.
- WE HAVE BEEN IN THE REAL ESTATE INVESTMENT AND DEVELOPMENT BUSINESS SINCE 1985.
- WE OFFICE – AND LIVE – IN THE BAY AREA.
- WE ARE THE LOCAL DEVELOPER REPRESENTATIVE FOR TERMINAL ONE DEVELOPMENT LLC.

AGENDA

1. WHY THE CURRENTLY ENTITLED MULTI-FAMILY CONDOMINIUM PROJECT IS NOT ECONOMICALLY VIABLE AND CANNOT BE BUILT.
2. PROPOSAL FOR A SINGLE-FAMILY PROJECT WHICH IS ECONOMICALLY VIABLE AND CAN BE BUILT.
3. BENEFITS TO THE CITY OF RICHMOND FROM THE SINGLE-FAMILY PROJECT.
4. SITE PLAN, ARCHITECTURAL ILLUSTRATIONS FOR THE SINGLE-FAMILY PROJECT, AND EXAMPLES OF MODERN SINGLE FAMILY HOME DESIGN.
5. REVIEW OF THE PUBLIC WATERFRONT PARK.

**THE CURRENTLY APPROVED CONDOMINIUM
PROJECT CONSISTS OF:**

- 316 UNITS TOTAL
 - 295 CONDOMINIUM UNITS
 - 21 SINGLE-FAMILY HOMES
- 5 LARGE BUILDINGS WITH A MAXIMUM HEIGHT OF 61.5 FEET.

SITE PLAN OF THE CONDOMINIUM PROJECT



ILLUSTRATIONS OF THE CONDOMINIUM BUILDINGS ALONG BRICKYARD COVE ROAD



THE DIFFICULTY OF DEVELOPING IN RICHMOND

- IN HIS E-MAIL FORUM AT THE END OF 2020,
MAYOR TOM BUTT MADE THE FOLLOWING
COMMENT:

“...RICHMOND REMAINS A CHALLENGING PLACE TO
DEVELOP BECAUSE [HOME] PRICES ARE
COMPARATIVELY LOW COMPARED TO THE REST OF
THE BAY AREA, WHILE CONSTRUCTION COSTS ARE
APPROXIMATELY THE SAME.”

DELAYED ENTITLEMENT PROCESS

- **DESPITE OUR MOST CONSCIENTIOUS EFFORTS, IT TOOK A TOTAL OF OVER 7 YEARS AND 32 PUBLIC AGENCY HEARINGS TO GET ALL OF THE NECESSARY ENTITLEMENTS FOR THE CURRENT 316-UNIT CONDOMINIUM PROJECT, AS FOLLOWS:**
 - **CITY ENTITLEMENTS AND STAGE 1 DESIGN REVIEW – 3½ YEARS.**
 - **STAGE 2 DESIGN REVIEW – 1½ YEARS.**
 - **(BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC) APPROVAL – 3½ YEARS.**

AND ALL THIS ATTENUATED PROCESS TOOK PLACE WHILE THE STATE OF CALIFORNIA HAS A HOUSING SHORTAGE OF 3.5 MILLION HOMES. (Source: Governor Gavin Newsom.)

IMPACT OF THE DELAYED ENTITLEMENT PROCESS

- FROM 2014 TO 2020, BAY AREA HOME PRICES INCREASED 56%.
- DURING THE SAME PERIOD, MULTI-FAMILY CONSTRUCTION COSTS IN THE BAY AREA INCREASED 98%.

IMPACT THE OF PANDEMIC

- CONDOMINIUM PRICES IN THE BAY AREA (AND AROUND THE NATION):
 - DROPPED SUBSTANTIALLY DURING THE PANDEMIC.
 - BUYERS ARE CONCERNED ABOUT SHARED AIR CIRCULATION AND PHYSICAL PROXIMITY OF OTHER RESIDENTS.
- BECAUSE OF THE PANDEMIC, FINANCING FOR CONDOMINIUM PROJECTS IS:
 - MUCH MORE DIFFICULT TO OBTAIN EXCEPT IN MAJOR DOWNTOWN LOCATIONS SUCH AS MANHATTAN.
 - IN MOST CASES COMPLETELY UNAVAILABLE.
 - AT THE SAME TIME, MULTI-FAMILY CONSTRUCTION COSTS HAVE CONTINUED UP TO THE STRATOSPHERE.

FACTS ABOUT THE TERMINAL ONE SITE DISCOVERED DURING THE ENTITLEMENT PROCESS.

A SOIL CONDITION ANALYSIS PREPARED BY THE GEOTECHNICAL ENGINEER FOUND THAT THE SITE IS SEISMICALLY UNSTABLE:

- THERE IS A SIGNIFICANT RISK OF LIQUEFICATION – THAT IS A CONDITION WHERE, IN AN EARTHQUAKE, THE SOIL MIXES WITH GROUND WATER AND TURNS INTO MUD.
- EQUALLY CONCERNING, THERE IS A RISK OF “LATERAL SPREADING” WHERE, IN AN EARTHQUAKE THE WHOLE SITE COULD MIGRATE TOWARDS THE BAY.
- THE WHARF IS SUBSTANTIALLY DETERIORATED AND STRUCTURALLY DEFICIENT, AND IN NEED OF MAJOR REPAIR BEFORE IT CAN SAFELY SUSTAIN ANY USE.
- THE CITY DID NOT COMPLETE THE ENVIRONMENTAL CLEANUP IN THE EARLY 2000’S AS ORDERED. CONTAMINATION REMAINS, AND THE REQUIRED CLEANUP IS FAR MORE EXTENSIVE THAN WAS ORIGINALLY THOUGHT.

THE COSTS OF REMEDIATION OF THESE ISSUES

- SEISMIC STABILIZATION OF THE SITE:
\$5-6 MILLION**
- REPAIR OF THE WHARF: \$2-3 MILLION**
- CLEAN UP OF THE SITE
CONTAMINATION: \$2-3 MILLION**

**TOTAL COST OF REMEDIATION: UP TO
\$12 MILLION**

ALL OF THESE CONDITIONS

- ARE HAZARDOUS TO PUBLIC HEALTH AND SAFETY.
- MUST BE FULLY REMEDIATED BEFORE THE SITE CAN BE PUT TO *ANY PUBLIC OR PRIVATE USE WHATSOEVER*.
- WITHOUT REMEDIATION, THE SITE AND THE WHARF WILL REMAIN AS THEY ARE – BLIGHTED AND FENCED OFF, AND THE BAY FRONT WILL NOT BE AVAILABLE FOR PUBLIC USE.

NOT ECONOMICALLY VIABLE

BECAUSE OF THE FOREGOING FACTORS, THE 316-UNIT CONDOMINIUM PROJECT IS NOT ECONOMICALLY VIABLE.

- SPECIFICALLY, THE TOTAL COST OF THE CONDOMINIUM PROJECT SIGNIFICANTLY EXCEEDS THE TOTAL REVENUE FROM SALE OF THE UNITS.**
- THIS DISCONNECT BETWEEN COSTS AND REVENUES BECAME INCREASINGLY PROBLEMATIC IN THE RUN UP TO THE PANDEMIC.**

INDEPENDENT LAND ECONOMIST REPORT

- THE CITY HIRED AN INDEPENDANT LAND ECONOMIST – LAND ECONOMICS GROUP – TO ANALYZE THE 316-UNIT CONDOMINIUM PROJECT.
- THE ECONOMIST CONFIRMED THAT THE COST OF THE CONDOMINIUM PROJECT WILL EXCEED THE REVENUES FROM SALE OF THE UNITS BY TENS OF MILLIONS OF DOLLARS.

THE CURRENT CHALLENGE

THE CURRENT CHALLENGE IS TO BUILD AN ECONOMICALLY VIABLE PROJECT WHICH CAN PAY FOR:

- THE \$10 MILLION PURCHASE PRICE OF THE LAND.**
- THE ADDITIONAL \$12 MILLION COST OF:**
 - SEISMIC SITE STABILIZATION**
 - SOIL/GROUNDWATER REMEDIATION**
 - STRUCTURAL RETROFIT OF THE WHARF**
- THE ADDITIONAL \$6 MILLION COST OF THE WATERFRONT PUBLIC PARK AND PUBLIC ACCESS IMPROVEMENTS.**

THE SOLUTION

- BUILD A SINGLE-FAMILY HOME PROJECT WITH A SUFFICIENT NUMBER OF UNITS TO ENABLE PAYMENT OF THE APPROXIMATELY **\$28 MILLION** IN COSTS REQUIRED TO:
 - PURCHASE THE LAND
 - MITIGATE THE HAZARDOUS SITE CONDITIONS
 - DEVELOP THE WATERFRONT PUBLIC PARK
- OUR CURRENT DESIGN HAS 160 HOMES AND CAN SUPPORT THOSE COSTS.

- SINGLE-FAMILY HOMES ARE THE HOME TYPE STRONGLY FAVORED BY THE POST-PANDEMIC HOME-BUYING PUBLIC.
- SINGLE-FAMILY HOMES ARE THE ONLY RESIDENTIAL FOR-SALE PRODUCT WHICH IS BOTH FINANCEABLE AND ECONOMICALLY VIABLE AT THE TERMINAL ONE SITE.
- CONSTRUCTION COSTS OF SINGLE-FAMILY HOMES ARE LOWER THAN THE CONSTRUCTION COSTS OF MULTI-FAMILY PROJECTS.

BENEFITS OF THE SINGLE-FAMILY PROJECT

- COMPLETE THE REMEDIATION OF THE RESIDUAL SOIL/GROUNDWATER CONTAMINATION (CURRENTLY THE CITY'S RESPONSIBILITY).
- DEMOLISH THE LEAD PAINT CONTAMINATED WAREHOUSE THAT IS AN "ATTRACTIVE NUISANCE" AND A THREAT TO PUBLIC SAFETY.
- REMEDIATE THE SEISMICALLY UNSTABLE TERMINAL ONE SITE WHICH IS REQUIRED BEFORE ANY PUBLIC OR PRIVATE USE WHATSOEVER CAN TAKE PLACE ON THE SITE.
- STRUCTURALLY RETROFIT THE WHARF TO REMEDIATE SEISMIC INSTABILITY.
- TRANSFORM THE BLIGHTED, CONTAMINATED AND FENCED-OFF FORMER INDUSTRIAL SITE WITH SUBSTANTIAL

LIABILITY TO THE CITY, INTO A VIBRANT RESIDENTIAL NEIGHBORHOOD.

- SUPPORT AND INCREASE ADJACENT PROPERTY VALUES BY REMEDIATING THE CURRENTLY SEISMICALLY UNSTABLE SITE.
- CREATE A NEW WATERFRONT PUBLIC PARK THAT WOULD COST THE CITY APPROXIMATELY **\$18 MILLION** TO CONSTRUCT ON A STAND-ALONE BASIS.
- PROVIDE ENHANCED PUBLIC ACCESS TO THE POINT RICHMOND SHORELINE AND THE NEW WATERFRONT PUBLIC PARK.
- GENERATE APPROXIMATELY \$17 MILLION IN SHORT REVENUE TO THE CITY, PLUS ANNUAL ONGOING PROPERTY TAX REVENUE.

SITE PLAN AND ARCHITECTURAL ILLUSTRATIONS OF THE SINGLE-FAMILY PROJECT

THE ARCHITECTURAL ILLUSTRATIONS AND SITE PLAN WE WILL NOW SHOW *ARE ILLUSTRATIVE ONLY.*

- THE FINAL APPROVED SITE PLAN AND ARCHITECTURE OF THE HOMES WILL BE DIFFERENT.
- WE WILL WORK WITH THE DESIGN REVIEW BOARD TO DESIGN HOMES WHICH ARE AESTHETICALLY PLEASING AND WHICH HOME BUYERS WILL WANT TO BUY.

SITE PLAN WITH 160 SINGLE-FAMILY HOMES (Plus 56 interior Accessory Dwelling Units)



ILLUSTRATION OF SINGLE-FAMILY HOME PROJECT AND PUBLIC WATERFRONT PARK



ILLUSTRATION OF POSSIBLE STREET SCAPE OF SINGLE-FAMILY HOME PROJECT



ILLUSTRATION OF POSSIBLE STREET SCAPE OF SINGLE-FAMILY HOME PROJECT



THE NEXT 8 PAGES SHOW SOME SINGLE-FAMILY HOME PROJECTS BY THE SAME BAY AREA OFFICE OF THE ARCHITECT WE ARE USING.

THESE ARE FOR ILLUSTRATION ONLY. AGAIN, WE WILL WORK WITH CITY STAFF AND THE DESIGN REVIEW BOARD TO DESIGN HOMES WHICH ARE AESTHETICALLY PLEASING AND WHICH HOMEBUYERS WILL WANT TO BUY.





newbury
BOULEVARD

5889

5887

5881



5893





10995

tempo

7

tempo

7

tempo

7

tempo

7

tempo

7

tempo

7





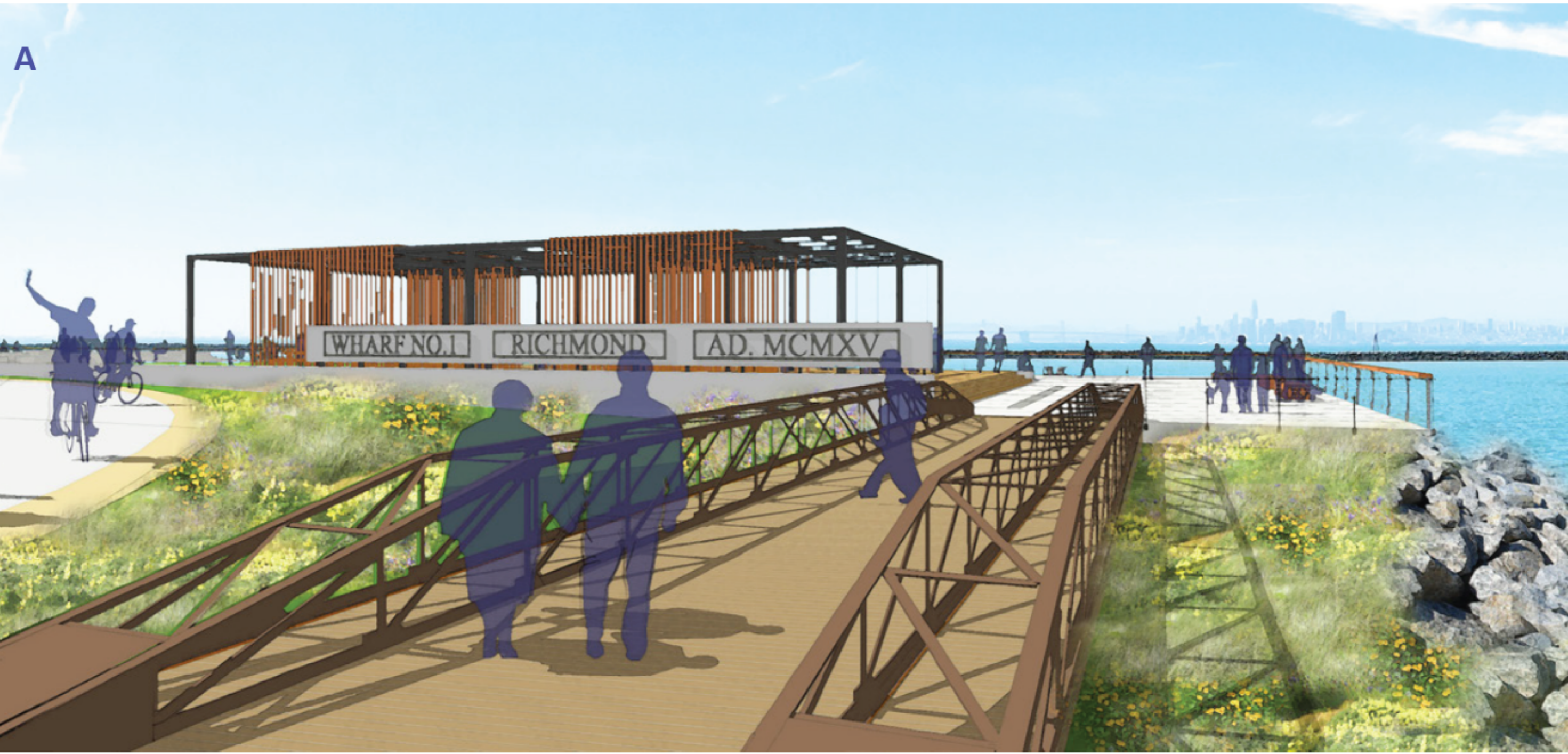


**THE NEXT 8 PAGES ILLUSTRATE THE PUBLIC WATERFRONT PARK WHICH
WILL BE BUILT AND PAID FOR BY THE DEVELOPER**









A

WHARF NO.1

RICHMOND

AD. MCMXV

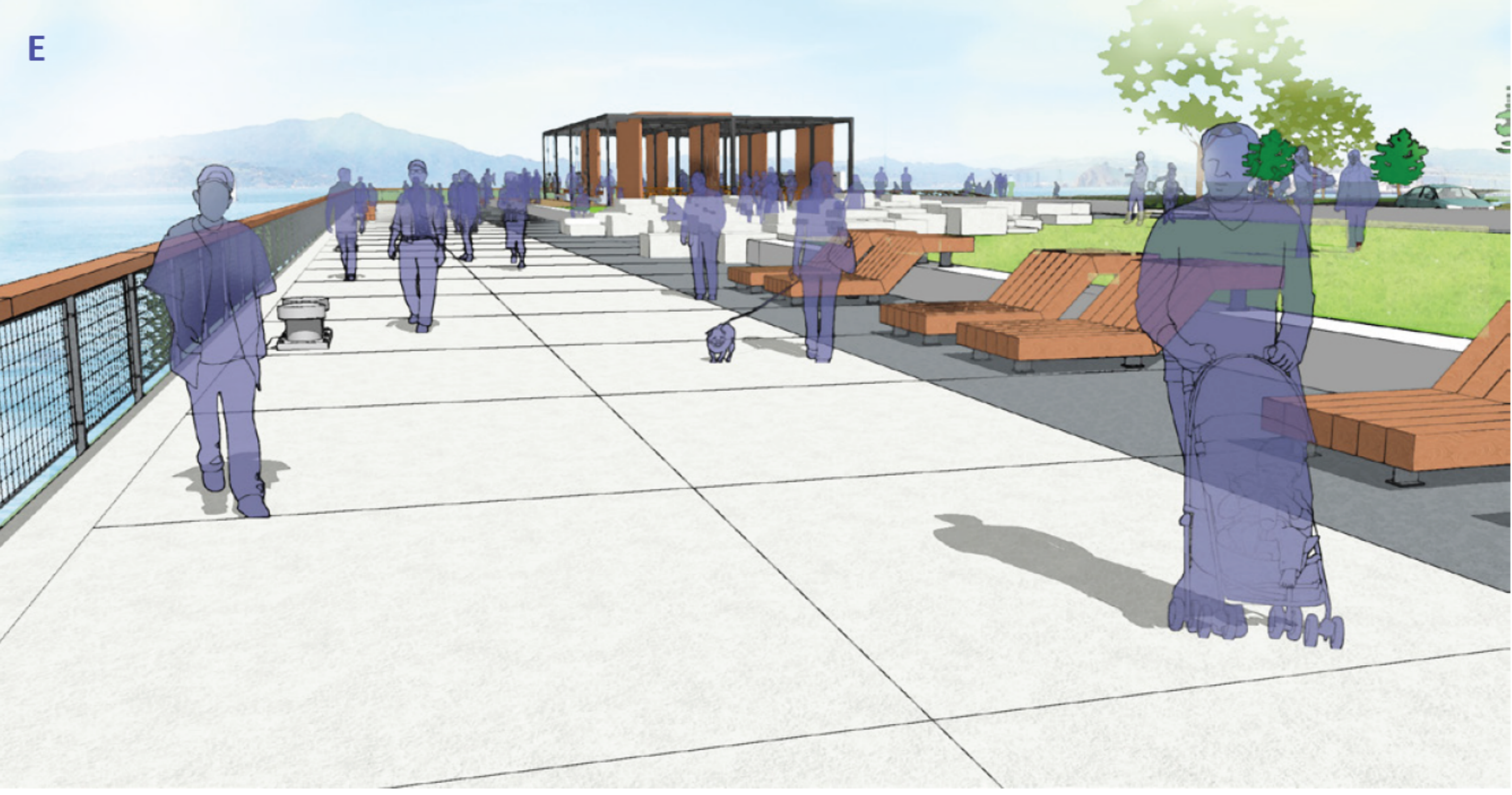
C

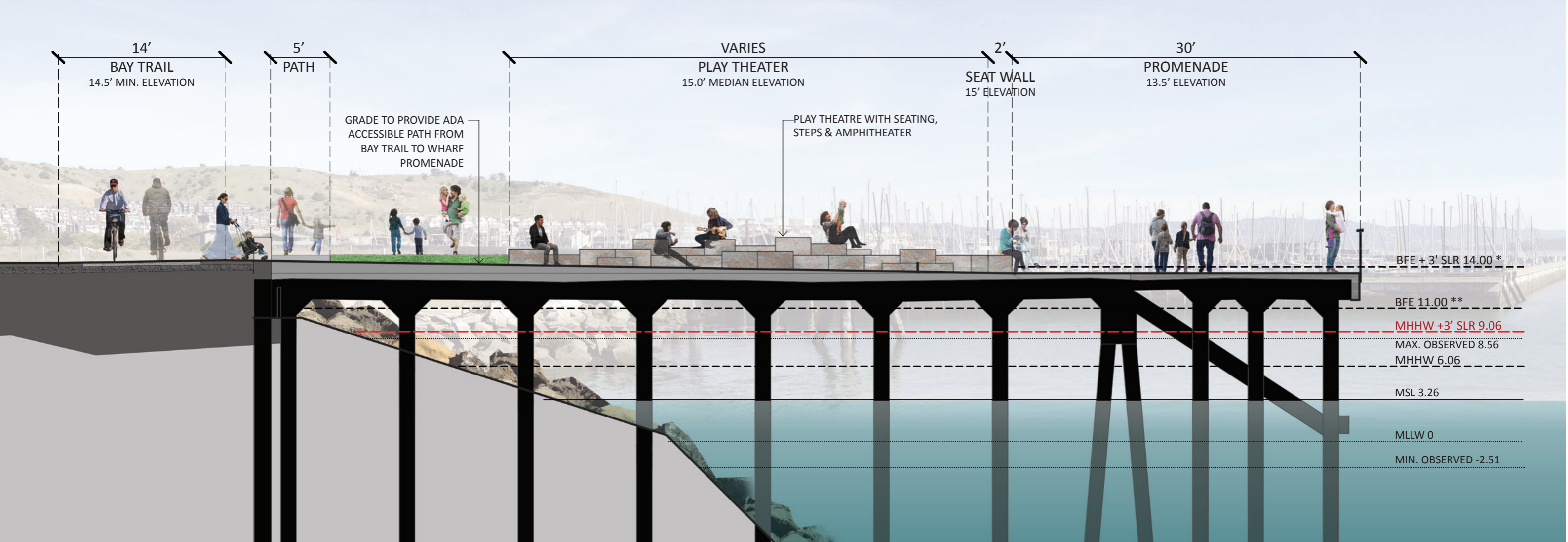


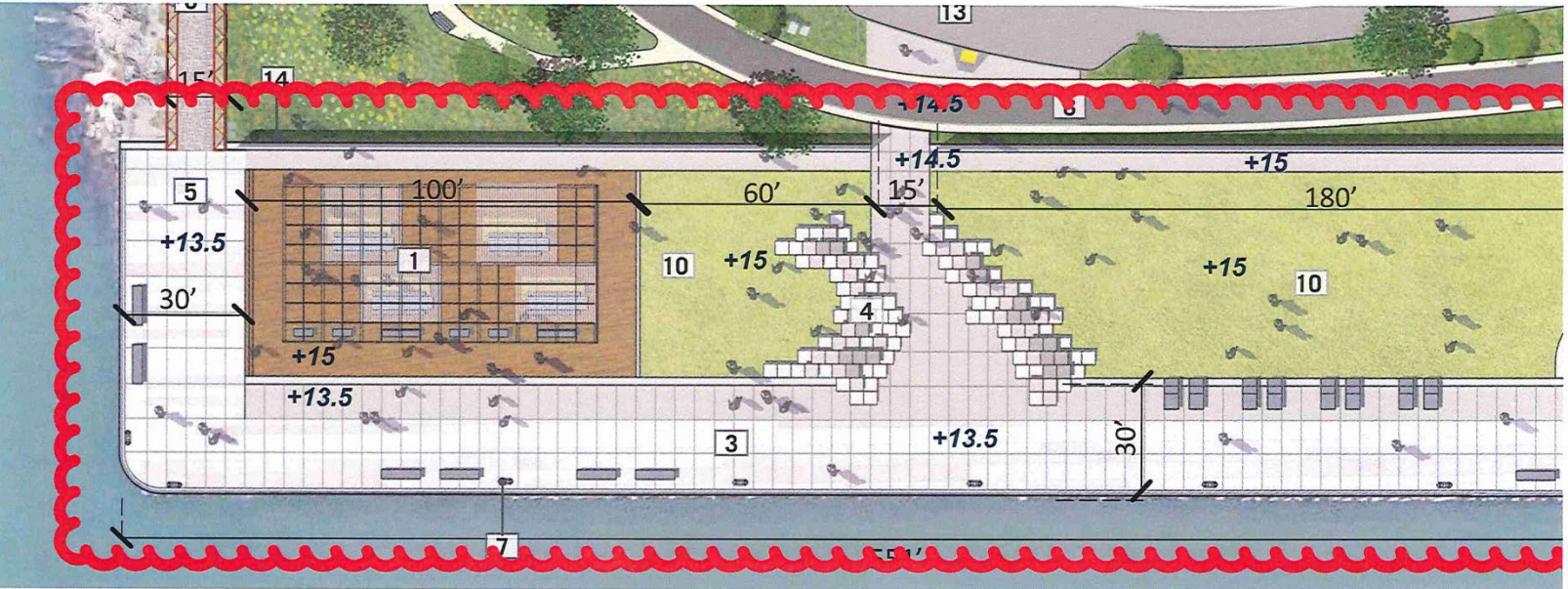
D



E







OUR REQUEST

IF YOU WOULD LIKE THE SMALLER, 160-UNIT SINGLE FAMILY PROJECT TO BE CONSIDERED BY THE CITY:

- PLEASE MAKE YOUR OPINION KNOWN TO CITY COUNCIL MEMBERS AND TO CITY STAFF.
- A LIST OF ALL OF THE EMAIL ADDRESSES AND PHONE NUMBERS OF THE CITY COUNCIL MEMBERS, THE INTERIM CITY MANAGER AND THE INTERIM CITY ATTORNEY CAN BE RECEIVED BY EMAILING [*Gbaca@LaconiaLLC.com*](mailto:Gbaca@LaconiaLLC.com).