

Richmond CHAMBER NEWS

A Richmond Chamber of Commerce Publication
Richmond, California • January 2007

RICHMOND'S CHALLENGES FOR 2007

by Jim Brumfield, Chair

It is with great pleasure that I take on the role of Chair of the Richmond Chamber of Commerce for 2007. I am honored to follow John Ziesenhenne and want to commend him for his great leadership and for making a difference for the businesses in Richmond. Without John's leadership and dedication, we wouldn't have been able to achieve the significant accomplishments of 2006.

The 2006 election brought new faces to the Richmond City Council, including a new Mayor. I want to extend congratulations to the following elected Richmond City Council members: Jim Rogers, Myrna Lopez, Tony Thurmond, Maria Viramontes and new Mayor Gayle McLaughlin. I also want to extend congratulations to Madeline Kronenberg, Audrey Miles and Charles Ramsey, elected to the WCCUSD Board.

The Chamber had many successes in 2006 of which we should be proud, including the defeat of the payroll tax, the gross receipts tax and most importantly, the defeat of Measure T. I have been a part of the business community for over twenty years in Richmond and I have learned there are many opportunities for this community. I am committed to continuing the business advocacy that shaped 2006.



Feagley Realtors opens a new office in Marina Bay.

For 2007, the Chamber will continue to advocate for businesses that contribute to the economic success of the city. We will partner with the City staff and the Richmond community to enhance economic development and growth of the City. The Chamber will encourage the City to offer incentives that will bring new businesses and keep the existing ones. We believe that Richmond can be the City of choice for new businesses and we look forward to continuing to make Richmond a place where businesses can thrive.



Wishing everyone a happy and successful new year!



Assemblywoman Loni Hancock, left, was our guest speaker at the Holiday Breakfast sponsored by Linda Reinhardt of Weststaff.

events

CALENDAR

January	February
Jan. 11 -- 5 to 7 pm Mixer, MSH Group	Feb. 2 -- 6 pm Crab Feed Richmond Auditorium
Jan 15 Office closed Holiday	Feb. 19 Office closed Holiday
Jan. 19 -- 6 pm Installation	Feb. 28 -- 7:30 am Breakfast for Business Courtyard by Marriott
Jan. 20 Board Retreat	Jan. 24 -- 7:30 am Breakfast for Business Courtyard by Marriott

chamber

MEETINGS

January	February
Jan. 2 -- 5 pm Ambassadors	Feb. 1 -- 7:30 am Board Meeting
Jan. 9 -- 7:30 am BE United	Feb. 13 -- 7:30 am BE United
Jan. 16 -- 8 am Education Committee	Feb. 15 Leadership Day
Jan. 18 Leadership Day	Feb. 20 -- 8 am Education Committee
Jan. 30 -- 8 am Government Relations	Feb. 27 -- 8 am Government Relations
Jan. 30 -- 5 pm Ambassadors	Feb. 27 -- 5 pm Ambassadors

Toastmasters meets every other Monday at noon in the Chamber Boardroom. You are invited.

flyer deadline!

The flyer deadline for inclusion in the Feb. issue is Jan. 12. Reach almost 800 businesses!
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newsletter@rcoc.com

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WELCOME **NEW** MEMBERS

Mr. Mario Paucar, President
23rd Street Richmond Merchants Association
 652 23rd Street
 Richmond, CA 94804
 (510) 292-0999
 mario@comcast.net

Ms. Natalie Pellegrini
 Business Relations Coordinator
Better Business Bureau
 1000 Broadway, Suite 625
 Oakland, CA 94607
 (888) 933-9810
 www.goldengatebbb.org

Mr. Sergio Rios, Owner
Bob's Cleaners
 777 23rd Street
 Richmond, CA 94804
 (510) 236-3471
 Srios63@sbcglobal.net

Ms. Leatrice Knox, Owner
Cotright Corners
 450 Christopher Way
 Vallejo, CA 94589
 (707) 642-6013
 Leatare-4kids@sbcglobal.net

Ms. Deborah Haley, EA, Owner
 145 Park Place
 P.O. Box 70421
 Richmond, CA 94807
 (510) 235-5592
 ddhaley@sbcbglobal.net

Ms. Velma Bagby
 Employment Program Manager II
Employment Development Department
 4017 Port Chicago Hwy, Suite 250
 Concord, CA 94520
 (925) 602-5039
 www.edd.ca.gov

Ms. Gayla Edgerly, Executive Director
Girls, Inc.
 260 Broadway
 Richmond, CA 94804
 (510) 232-5440
 wccgirls@pacbell.net
 www.girlsinccntracosta.org

Mr. Michael Anthony, Owner
Just Like New
 15501 - G #355 San Pablo Avenue
 Richmond, CA 94806
 (510) 734-7174
 justlikenewdetail@sbcglobal.net

Mr. Timothy G. Manhart, President
Merry Maids
 874 23rd Street
 Richmond, CA 94804
 (510) 231-2205
 merrymaids@lmi.net
 www.4merrymaids.com

Mr. Ben Liepman, Financial Representative
Northwestern Mutual Financial Network
 100 Pringle Avenue, Suite 10
 Walnut Creek, CA 94596
 (925) 296-5145
 www.nmfn.com/benliepman

Mr. Hugo Vega, Manager
Pepito's Deli
 1987 23rd Street
 Richmond, CA 94804
 (510) 232-7949
 www.pepitosdeli.com

Mr. Kelly Woods, President
R.K. Woods, Inc.
 1952 Wright Avenue, Suite 400
 Richmond, CA 94804
 (510) 237-3200
 www.rkwoods.com

2007 CHAIR SETS GOAL OF SMALL BUSINESS SUCCESS

by Judy Morgan, President

Welcome to our 2007 Chair, Mr. Jim Brumfield, the Community Engagement Representative at the Chevron Richmond Refinery, who brings over 20 years of community service in Richmond to his new position as head of the Chamber. Speaking for the Board and staff, we are looking forward to working with him.

Jim knows this community inside and out and has been a supporter of our non-profits for that same 20 years. He serves on many boards of directors and financially supports those organizations whose services benefit this community. Chevron has always had a major impact on our economy, providing high-paying jobs, paying a large percentage of our tax base, and supporting our charitable organizations and our schools with millions of dollars in donations and services over the years.

Chevron has a long history in this town. More than a hundred years ago, the railroad came to what would become Richmond and right on its heels came Pacific Coast Oil, soon to be Standard Oil and now Chevron. In the 1930s, it was Chevron and the railroad that kept our population employed. Chevron has often stepped up to the plate when this city needed help.

Chevron has been a constant and major contributor to the city in many ways. And now Jim will be invaluable in his role of helping the Chamber go forward, in representing all our member businesses, large, medium and small.



The chamber currently has 507 members; of that number, 237 have fewer than five employees. It is the success of these members that we will be focusing on next year, making Richmond a business-friendly city which supports our small business community which strengthens our local economy.



We warmly welcome four new Board members: Mr. Mario Paucar, Intero Real Estate and a leader in the 23rd Street Merchants Association, Mr. Thomas Bennett of the Mechanics Bank, Ms. Cheryl Maier, Executive Director of Opportunity West, and Dr. John Rampulla of Doctors Hospital. Welcome aboard — we look forward to working with you as we all work together to

SEND US YOUR PICTURES OF RICHMOND

by Michelle Itagaki,
 Director, RCVB



Here at the Richmond Convention and Visitors Bureau, we're celebrating 2007 with a **Photo Contest!** Do you have a great picture of the Red Oak Victory Ship? Or a picture of you and your family/friends enjoying the Marina Bay Trail? Visiting the Golden State Model Railroad Museum? Or a picture of your best "four-legged" friend enjoying the #1 Dog Park in America - Point Isabel? How about picnicking at Keller's Beach? We are looking for up-to-date **knock-out** pictures of things to explore, do and see right here in our backyard.

Pictures are already arriving -- be sure to send us yours soon.

The winning pictures will be featured on our website's Photo Gallery page and could be chosen to become 'downloadable screensavers' for the world to appreciate! All pictures submitted become the property of the RCVB. Photographers will be given onscreen credit. Photos must be high resolution and submitted via email in jpeg, tiff or gif format. Winners will receive special recognition! Ends 2/15/07.



NEW CONTINUED

Mr. Earl Weinstein, Fleet Manager
Michael Stead's Hilltop Ford Lincoln Mercury
 3280 Auto Plaza Drive
 Richmond, CA 94806
 (510) 222-4444
 earlsford@steadauto.com
 www.steadauto.com

11/8/06 to 12/11/06

SOLAR ENERGY IS GREENER THAN YOU THINK

by Mark Howe

When you mention solar energy to most business people, they immediately think "too expensive," "poor payback" or "a lot of hassle." Although some of this is true, the tide is turning, especially in California after last year's passage of the California Solar Initiative designed to help reduce carbon emissions caused by the generation of electricity. This new law provides a cash subsidy of around 40% of the solar installation cost which brings the cost down to a point where the payments on the system are near to the revenue earned from the electricity the system produces. When you combine this state subsidy with the newly enacted (01/01/06) 30% federal investment tax credit (ITC) and increasing electricity prices, solar systems now make a lot of sense from a green money perspective – the perspective that motivates most business people.



The first major hurdle that faces someone interested in taking advantage of this opportunity involves the building ownership: owning the building where the system will be installed is almost a requirement. This unfortunately eliminates companies that lease their premises.

On the other hand, it is very attractive to landlords who have the responsibility of providing power to their tenants and sub-bill them at cost. There are hidden costs in maintaining the master PGE account that can be recouped by owning the means of power production.

This article explores some of the challenges that a building owner faces when considering the purchase of a solar system.

First, the economics: assuming your tax position allows you to take advantage of the federal ITC of 30%, you receive the Calif. Rebate, and your internal electrical load is greater than your system's annual production, your yield on the solar investment is 7.9% in the Bay Area. This means that if you can borrow money for less than 7.9%, which should be easy, you will have a positive monthly cash flow.

Sounds good so far, but you need to keep in mind that that 30% federal ITC is not so easy to capture. First you have to have an income tax liability that exceeds the ITC amount, and if you pay Alternative Minimum Tax (AMT), as many property owners do, you cannot take advantage of the ITC which brings your yield down to 5.5%.

Another problem involves sizing your system. Under the current net metering law, if you generate more energy than you use at the site during any calendar year, PGE does not pay you for the excess – you in effect provide free power to the grid. To prevent this from occurring, size your system to be about 50% of your building's an-

nual load.

Solar systems can make the maintenance of existing roofing systems very problematic. When you have hundreds of panels on your roof and it needs to be replaced, you have to move the system, which is very expensive. I suggest installing a lifetime foam roof before the system is installed. Foam roofs cost \$3/SF.

Nonprofits, governmental agencies and school districts have been the largest entities to recently take advantage of solar energy, and yet they cannot use the federal ITC since they pay no income tax. They accomplish this feat by allowing a financial institution, which can take advantage of the ITC, to act as the owner of the system and the money the school district saves in avoided electricity costs is paid to the financial institution as a lease payment so the district eventually gets to own the system.

Solar systems for large power users can cost hundreds of thousand of dollars. This means that financing the project is a critical piece of the solar puzzle. Unfortunately, the financial community has been slow to respond to the fast changing legislative environment, which means that the system itself cannot be used to collateralize the loan. Building owners must resort to the equity they may have in their building to secure financing for the system. 100% sale lease-back transactions like school districts use are also popular in the private sector.

Don't forget the value of carbon credits that your renewable energy system generates. Green Tags are the name used to describe the tons of CO2 that your renewable energy system prevents from being emitted into the atmosphere using conventional electrical generation methods. This means that a coal-fired power plant can theoretically buy green tags to offset the CO2 it emits and thereby comply with CO2 emission requirements. There is a market for these green tags in London and one ton of CO2 sells for around 50 Euros.

The installation of a renewable energy system is a leading edge project, but with today's tax incentives it is getting to be a very attractive option.

Mark R. Howe is a CPA and the owner of MSH Group, which just completed the installation of a 97,000 kilowatt (97KW) solar system at a 67,000 sq. ft. multi-tenant industrial building located at 401 First Street in Richmond, California. MSH Group used sale lease-back financing on this \$640,000 project.

Mr. Howe has invited us to attend the unveiling of this solar installation at our Mixer on January 11th, with solar tours at 4:30 p.m. and the Mixer at 5:00. The Mixer is co-sponsored by Mt. Diablo National Bank.

NOVEMBER MIXER THE WATERSHED PROJECT

photos by Ellen Gailing



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THE CHAMBER GIVES THANKS

photos by Ellen Gailing



Mark and Susan Howe of MSH Group, the Small Business of the Year, with presenter Josh Genser of Genser and Watkins.



Julie Pledger, Ambassador of the Year



John Ziesenhenn, outgoing Chamber Chair



Cpl. Larry Lewis, Director of the Police Activities League and PAL Board President Tom Rood of PSI

chamber **ANNIVERSARIES**

Congratulations!

and happy anniversary to the following businesses for their continuous years of Chamber membership:

as of 11/10/06 to 12/7/06

- Over **50** years Mr. Don Hardison
- 41 TO 45** Graham Packaging Company
- 36 TO 40** Masterson, Calhoun & Lundberg Westaff
- 31 TO 35** East Bay Municipal Utility District
Old Republic Title Co.
Petsas & Hill, C.P.A.'s
- 21 TO 25** Frank Commercial Real Estate Services, Inc.
- 16 TO 20** Bowser Construction Co., Inc.
Richmond Art Center
- 6 TO 10** California State Automobile Association
Corporate Media Systems, Inc.
Employment and Human Services
- 1 TO 5** Alliance Property Group, Inc.
Ginger Springs Day Spa
Marina Bay Yacht Harbor
Richmond Public Library Foundation
Steve's Auto Care
Unique Printing, Copying, Desktop Publishing
Veolia Water North American Operating Services

Please patronize these businesses



January 24
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Richmond Chamber of Commerce Board Members

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| Gary Bell / First Bankers Mortgage & Realty | Cheryl Maier / Opportunity West |
| Tom Bennett / The Mechanics Bank | Judy Morgan / Richmond Chamber |
| Michele Blackwell / EBMUD | Peter Nuti / Richmond Sanitary Service |
| Tom Brafford / General Chemical Corp. | Carl Overaa / C. Overaa & Company |
| Jim Brumfield / Chevron Richmond Refinery | Mario Paucar / Interlo Real Estate Services |
| Mike Davenport / DP Security | John Rampulla, M.D. / Doctors Medical Center |
| Carla Della Zoppa / Security Pacific Real Estate | Will Rigney / AT & T |
| Jane Del Simone / WCC Adult School | Whitney Tresidder / Hilltop Mall |
| Virginia Finlay / Signature Realty Service | Tom Waller / Business Growth Solutions |
| Joshua G. Genser / Genser & Watkins | Vernon Whitmore / The Globe Newspapers |
| Alex Gomez / WCC Business Development Cntr. | John Ziesenhenn / M.A. Hays Co. |
| Julie Hadnot / Kaiser Permanente | Ex Officio |
| Peter A. Hass / Watson, Hoffe & Hass | Bruce Harter / WCCUSD |
| Jerrold Hatchett / Sims Hugo Neu | Bill Lindsay / City of Richmond |
| Mark Howe / MSH Group | McKinley Williams / Contra Costa College |