

PIPELINE

NEWS ABOUT CONTRA COSTA COUNTY'S REFINERY INDUSTRY

WINTERSPRINGSUMMERFALL 2011

LIFTING ALL BOATS

□ "I truly believe my business would fold without the refineries," says Dee Dee Estrada, owner of Hot Dogs and More, a catering and snack bar company in Martinez. "They're extremely important. They're keeping us alive."

Estrada's company, which has been in business 15 years and has 12 employees, serves workers at the Shell refinery during lunch and after work, and caters many of the refinery's community events. "We passed out over 1,500 free hot dogs during Shell's 'Community Appreciation Day' last year," says Estrada. "They do a lot of good here."



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Today, the refineries provide good-paying jobs for 4,500 local workers, and employ an additional 2,400 contractors annually. Moreover, they help support hundreds of small local companies employing thousands of local workers — from corner grocery stores and retail shops, to restaurants, service providers, gas stations and motels. Without the millions of dollars the refineries

spend locally each year, many of these companies would be in trouble.

Not surprisingly, a recent survey found that the vast majority of Contra Costa County citizens believe the refineries are good for the community and the local economy, and are an important source of jobs and tax revenue.

A POWERFUL ECONOMIC ENGINE

The refineries add \$12 billion in assessed valuation to the county's property tax rolls, and indirectly generate millions of dollars in additional tax revenue by doing business with local companies. According to an independent study commissioned in 2007 by the Contra Costa Economic Partnership, the refineries spend about \$215 million a year on contracted maintenance, which brings the county an additional \$28 million in tax revenue from contractors and local suppliers, while increasing the county's production of local goods and services by \$360 million (gross county product).

"Without the local tax revenues generated by the refineries, you take services right out of the county," says Steve Tomkovicz, owner of S&S Supplies and



"The refineries have chosen to do business with local people," says Steve Tomkovicz, owner of S&S Supplies and Solutions.

A RECENT POLL SHOWS MOST CONTRA COSTA COUNTY CITIZENS BELIEVE THE REFINERIES ARE GOOD FOR THE COMMUNITY AND THE LOCAL ECONOMY

For more than a century, Contra Costa County's four refineries have been a vital part of the local economy, providing jobs, generating revenue for services, and "rippling" their economic reach deep into the community. For example, the Tesoro refinery generates work for more than a thousand companies locally and throughout California.

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Solutions, which sells safety products, welding supplies, tools and equipment to the refineries. "We'd see services cut or eliminated — parks, police, fire, no nets on the basketball hoops, no after school programs. All these are supported by the refineries."

Tomkovicz, who started his company 28 years ago and now has 150 employees, says the refineries represent about a third of his business and "operate with state-of-the-art equipment — the safest and most environmentally sound around." He also praises their decision to contract locally for goods and services.



"They're the mainstay of our business," says Fred Glueck, general manager of Plant Reclamation.

"The refineries have chosen to do business with local people," says Tomkovicz, whose company donates generously to local schools and other community projects. "And because of that, they're making sure the taxes, profit and jobs stay in the county."

Chevron, for example, Richmond's largest employer, spent about \$44 million with Richmond-based businesses in 2009, and about \$100 million in the county overall. One of those Richmond companies is Plant Reclamation.

"We've been doing business with Chevron ever since my father started the company in 1972," says Fred



"Without the refineries, there would be many lost jobs, thousands of jobs," says Michael Dias, president of Contra Costa Electric.

Glueck, the company's general manager. "We depend heavily on Chevron's continued growth and development to fuel our own success. They're the mainstay of our business, livelihood and sustainability."

"We wouldn't be in business if it weren't for the refineries," agrees Bill Wygal, who owns Bill's Chairs for Affairs Party Rentals and Bill's Ace Hardware stores. "We probably never would have gotten started without them."

Wygal's family has been doing business in the county for 63 years and now provides jobs for 105 people. Over the past

ten years, the company has donated about \$500,000 to local schools, sports, seniors and other community efforts.

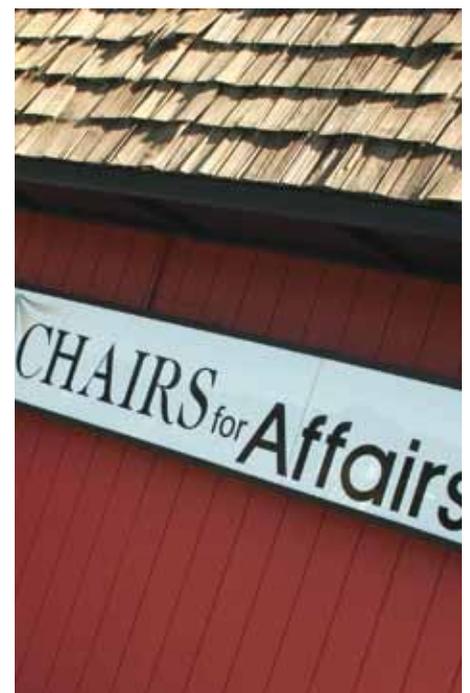
"Our business would be much lower without the refineries," says Michael Dias, president of Contra Costa Electric, which employs 350 local people. "There would be many jobs lost, thousands of jobs."

"VITAL TO OUR WELL-BEING"

Redwood Painting in Pittsburg generates more than 40 percent of its work from Bay Area refineries. Founded in 1947 and owned by George and Charles Del Monte, the company employs 100 to 120 people.



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"The refineries are vital to our well-being," says Redwood Painting superintendent Steve Jackson (left).

"The refineries create jobs for local families and are vital to our well-being," says Redwood Painting superintendent Steve Jackson. "People appreciate how they support local businesses and the volunteer work they do." The Shell refinery partners with volunteers from Redwood Painting, helping on projects like the Martinez Library, Meals on Wheels and the Boys and Girls Club.

"We're working on an event led by ConocoPhillips called 'Walk of Honor,'" says Derry Englund, who owns Englund's Catering. "It brings people together in support of our military veterans." Every December, Englund

works with Tesoro on "Operation Santa Claus" for children with parents in the military. "Showing these families they aren't forgotten is an incredible experience," says Englund, noting that Tesoro provides most of the funding.

"Every time you see a refinery-sponsored event," he says, "you always see the refinery employees spearheading the effort. They're really engaged."

In business 22 years with five full-time and several part-time employees, Englund says, "Without the refineries, we'd be doing far fewer fundraising events. We're fortunate we can partner with them." ■



"They're really engaged in the community," says Derry Englund of Englund's Catering.

THE REFINERIES

BY THE NUMBERS

0

The number of serious refinery incidents in the past decade

Source: Industrial Safety Ordinance Annual Report, Nov. 2009

3

The percentage of total Bay Area NOx emissions coming from the refineries

Source: Bay Area Air Quality Management District, Oct. 2009

88

The percentage of county citizens who believe the refineries are good for the local economy

Source: EMC Research Survey, Jan. 2011

2,400

The average number of contract workers hired by the refineries each year

4,500

The number of local workers directly employed by the refineries

12 BILLION

The number of dollars in assessed valuation the refineries add to the county's property tax rolls

CONTRA COSTA POLL

□ According to a recent survey of people living in Contra Costa County:

- 71% believe the refineries “generate significant local tax revenues”
- 71% believe the refineries “are good for the community”
- 77% believe the refineries “are one of the largest local employers”
- 88% believe the refineries “are good for the local economy”

The survey was conducted in January 2011 by EMC Research, and commissioned by the Committee for Industrial Safety. ■

