



July 19, 2010

BY E-Mail

Members of the City Council
City of Richmond
Richmond City Hall
450 Civic Center Plaza
Richmond, CA 94804

RE: Council Agenda – July 20, 2010 Meeting
Point Molate Advisory Measure

Dear City Council Members:

We understand that, based on urging from the Mayor, the City Council plans to consider placing a Point Molate Advisory question on the November ballot. We respect the right of the City Council to subject the final decisions on the project to a vote of the people once the EIR and recently commissioned public outreach process are completed. Calling the question before critical information in these reports is available is a misleading and wasteful exercise and will be of no value to the Council or the people of Richmond later when the facts are on the table.

Upstream Point Molate LLC, the Guidiville Tribe and our financial partners have invested more than five years of time and energy and millions of dollars of private funds to develop a feasible and environmentally responsible plan that will generate thousands of jobs, that will provide a sizeable economic base that will subsidize City services for years to come, and that will fully pay for the costs of converting Point Molate from a closed Navy base to a world class tourist destination. We did this with the explicit understanding that decisions about what kind of project the people of Richmond would select would be made once the project EIR was completed by the City and all relevant facts were presented. With the final project EIR expected out this fall, and a newly commissioned process under way to provide yet another opportunity for the public to identify practical alternatives, it is preposterous to ask the people of Richmond to “cast their vote” ahead of and without the benefit of this information.

We believe that calling for an advisory vote prior to the EIR being completed will accomplish nothing meaningful except to prejudice future decisions of future City Councils. It would therefore violate the spirit and implicit understandings of our Agreement, as well as the spirit of the 2006 CEQA Settlement with CESP and East Bay Regional Park District. That settlement, and the underlying LDA, which relied upon a common sense application of CEQA, required completion of the EIR before making any decision about the project. If the City

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Council can't decide on the project without a full understanding of the benefits, impacts and mitigations, how can the people of Richmond make a meaningful choice?

We understand that opponents of the project believe they have a better chance of scoring political points by contesting the project without the facts. Why else would they push for a project vote just ahead of the release of the EIR and prior to the conclusion of the public outreach process? Their unsupported allegations about excessive project impacts and claims of abundant alternatives that will achieve the City's economic, social and environmental goals are easy to make without any objective third party analysis. A premature advisory vote on the project, in the environment of a public relations campaign funded by the card clubs, who are already funding outreach around this early advisory vote, would only compound these baseless allegations and make this a useless exercise rooted in spin and deception. History has shown that when the general public is denied basic objective information, fear and rumor replace rational analysis in public decision making. That is certainly not the kind of decision making process we anticipated when we entered into our contract with the City so many years ago.

Common sense and good governance aside, the City Council has a contractual duty to follow through on the project evaluation process agreed to and publicized years ago and confirmed in our recent LDA Amendment. That agreement is to complete the EIR before reaching a decision on the project and was the fundamental basis under which we invested tens of millions of dollars to analyze and advance the project.

While I acknowledge that there may be a certain political appeal to "letting the people decide," Upstream, Guidiville and the City have previously agreed upon a decision making process and timeline which relies on the EIR and public outreach steps that we understand will not be completed until later this year. Asking the public's opinion of which way to proceed without the benefit of this analysis or even a final definition of the project itself (which is defined in the LDA as the plan selected by the City, including mitigations contained in the Certified EIR), would be prejudicial and a waste of time and expense for everyone involved.

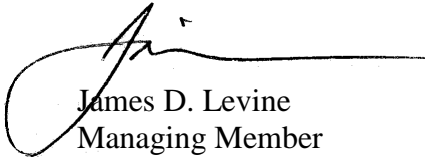
We understand that the Council may wish to turn to a vote of the people once the EIR and recently commissioned public outreach process are completed and the City has taken formal action under the LDA. If and when such a vote is taken, we would expect the City to provide an objective analysis of the project's benefits, impacts, mitigations and alternatives. Only then can the public make a reasoned judgment of the merits or flaws of the project and not have to rely on the self-interested half truths and purposeful deceptions provided by the card clubs and others with commercial or ideological objections to the project.

We, therefore, encourage you to respect and follow the process and timeline previously established in the Agreements between us and not place any advisory measure on the

November ballot or bring it up any time prior to the EIR being completed and the City having taken formal action under the LDA.

Please feel free to contact us to discuss this letter or any other aspect of the project.

Sincerely,
Upstream Point Molate LLC



James D. Levine
Managing Member

CC: Bill Lindsay
Janet Schneider
Randy Riddle
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John F. Salmon, Upstream Point Molate LLC
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