

DATE: March 15, 2005
TO: Responsible Agencies, Trustee Agencies, and Interested Persons
FROM: The City of Richmond

SUBJECT: NOTICE OF PREPARATION OF A JOINT DRAFT ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT FOR THE POINT MOLATE RESORT AND CASINO PROJECT

PUBLIC REVIEW PERIOD: March 15– April 15, 2005

The City of Richmond is the lead agency for the preparation of a Joint Environmental Impact Report/Environmental Impact Statement (Draft EIR/EIS) for the proposed Point Molate Resort and Casino Project (Proposed Project). The Project Sponsor (Upstream Point Molate LLC, Harrah's Entertainment, and the Guidiville Band of Pomo Indians) proposes to build new facilities, and improve existing buildings and facilities to construct a destination resort on the former footprint of the Naval Fuel Depot site.

The EIR/EIS is being prepared in compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The CEQA Guidelines (Section 152267) encourage cooperation between a local agency and federal agency to reduce duplication including the preparation of joint environmental documents. The federal Lead Agency for the above referenced project will be the Bureau of Indian Affairs who will have federal decision making authority over the Proposed Project. The EIR/EIS is being prepared as a condition to finalize the purchase of the land from the City, and to provide a basis for the City's discretionary decision whether to approve the Project Sponsor's Design Concept Documents. The Design Concept Documents will outline the permitted land uses and development plans for the site and may include a General Plan amendment or Specific Plan to guide development of the site. The City will not grant any final approvals related to the land transfer or the Municipal Services Agreement, or the approval of the Design Concept Documents for the project until the City has completed and certified an EIR for the Proposed Project. The Bureau of Indian Affairs will use the EIR/EIS in its decision process to either approve or disapprove the acquisition of the property in trust for the Guidiville Band of Pomo Indians. This fee-to-trust process is described in 25 CFR 151 and the acquisition is a necessary component of any proposal to allow gaming under the Indian Gaming Regulatory Act.

CEQA Guideline 15082 states that once a decision is made to prepare an EIR, the lead agency must prepare a Notice of Preparation (NOP) to inform all responsible and trustee agencies that an EIR will be prepared. The purpose of the NOP is to provide responsible agencies, trustee agencies and interested persons with sufficient information describing the Proposed Project and the potential environmental effects to enable them to make a meaningful response as to the scope and content of the information to be included in the EIR. An additional purpose of the NOP is to announce a Planning Commission and Scoping meeting to be held on March 31, 2005, at the Richmond Memorial Auditorium, 3230 MacDonald

Ave, Richmond, California. The meeting will begin at 7:00 p.m. and conclude at 9:00 p.m. or until the last public comment is received. Written comments on this NOP are due to the City of Richmond by 5:00 p.m. on April 15, 2005.

Project Site

Project Location

The project site is located in the City of Richmond, just north of the San Rafael Bridge along the shoreline of San Francisco Bay (**Figure 1**). The project site, formerly known as the Pt. Molate Naval Fuel Depot when owned by the United States Navy, encompasses approximately 290-acres of land and 120-acres of offshore area. Open space parcels bound the site on the north and south, and the Chevron-Texaco refinery to the east, with Potrero Ridge's 480-foot hillsides separating these two sites. The site is approximately one mile from Hwy 580, with direct freeway access through Western Drive, a City-owned roadway to the site (**Figure 2**).

Project Setting

Point Molate's topography ranges from sea level on the western shoreline to nearly 500 feet in elevation on the eastern ridge crest. Slopes range from moderate (0 to 10 percent) to steep (greater than 50 percent). Of the 290 terrestrial acres, approximately 90 acres, or 31 percent of the site, are developable and generally below a 15 percent slope. Almost all of these 90 "flatter" acres have been previously developed or impacted by the US Navy. A distinctive feature of the site is the approximately 1,200-foot pier that extends into the bay from the central point of the site. This pier will be used as a commuter ferry terminal for workers and visitors to the site.

The project site is currently vacant as the US Navy ceased its operations on the site on September 30, 1995. The Navy has transferred 90% of the property to the City of Richmond pursuant to the base closure EIS/EIR and the City's Base Reuse Plan. The City of Richmond has subsequently entered into a land option and sales contract with the Guidiville Band of Pomo Indians to be assigned to the Tribe by Upstream Point Molate, LLC. The City has also negotiated, but not yet signed, a form of Municipal Services Agreement (MSA) with the Tribe outlining terms for police, fire, sewer, water, payment in lieu of taxes etc. Required mitigation measures identified in the final EIS/EIR will be incorporated into the MSA as a mitigation and monitoring plan.

The Navy is funding and undertaking remaining cleanup activities at the site, in cooperation with the City of Richmond. Once complete, the land purchase option provides for the remaining 10% of the Point Molate property to be assigned to the Tribe through Upstream Point Molate, LLC.

Project Description

The project includes the development of an 182,000± square foot casino complex, which will consist of a porte cochere, main gaming hall, food and beverage services, retail space, and administration space. Approximately 61,000 square feet of this building space will be devoted to the main gaming hall, while the balance of the facility will include administration space, small retail shops, and food/beverage facilities. The project also includes the construction of up to four hotels (1,100 rooms maximum), business conference and entertainment facilities. Approximately 3,400 parking spaces will be provided with an additional 2,000 spaces in a second parking structure. The entire development will be built on land within the footprint previously used by the Navy. The project will include extensive public transit, including on-site ferry service and linkages to public bus and BART systems.

The project will reuse and redevelop the existing Winehaven Historic District in a way that will preserve its unique historic character, at the same time providing an economic reuse option that will provide the funds necessary to preserve and restore the Winehaven building, cottages and ancillary structures. Winehaven will be developed into an integrated resort and entertainment complex, with gaming, a range of restaurants and small retail shops. The 38 historic cottages on the site will be restored and used as guest suites and related facilities for one of the luxury hotels.

Additional public amenities of the project include development of the ferry terminal on the existing fueling pier (to be retrofitted for ferry service), construction of the Bay Trail, public plazas, and shoreline parks along the entire site shoreline, interior site shuttle facilities, and installation of site infrastructure for the site development. Amenities of the project will also include widening of Western Drive to 4 lanes (total). The project also includes the construction of a 300,000 square-foot retail pedestrian village (including restaurants and cafes) inland from and parallel to the shoreline.

Project Objectives

The federal land trust action and development of the proposed resort and casino project has three critical objectives: 1) to restore the Tribe's land base that was illegally terminated by the federal government over 40 years ago, and approval of the Tribe's request for a reservation proclamation pursuant to a court approved stipulation in *Scotts Valley et. al v. United States* case of September 6, 1991 (NO. C-86-3660-VRW), 2) to assist in improving the long-term economic base of both the Guidiville Band of Pomo Indians and the City of Richmond, and 3) to bring economic development opportunities to the City of Richmond consistent with the economic development objectives of the Base Closure process and federal legislation that provided for the transfer of the property from the US Navy to the City of Richmond. The new reservation land base and the new revenues would be used to strengthen the tribal government and fund a variety of programs that would improve the long-term welfare of the Tribe. Additionally, project revenues, project employment and the proposed economic development will also provide support for City of Richmond governmental purposes, create long-term employment opportunities for non-tribal members and the opportunity to purchase support goods and services within the City of Richmond in Contra Costa County. Simultaneously, the project will increase regional tourism, create new business opportunities, facilitate the early environmental clean-up of the Point Molate Property, enhance regional public transportation facilities, and increase outdoor recreational facilities and opportunities.

Environmental Effects

The City has reviewed the Point Molate Project submittals and related materials and has determined that an EIR is the appropriate environmental document for the project and that the EIR should address the following issues:

Figure 1 – Regional Location

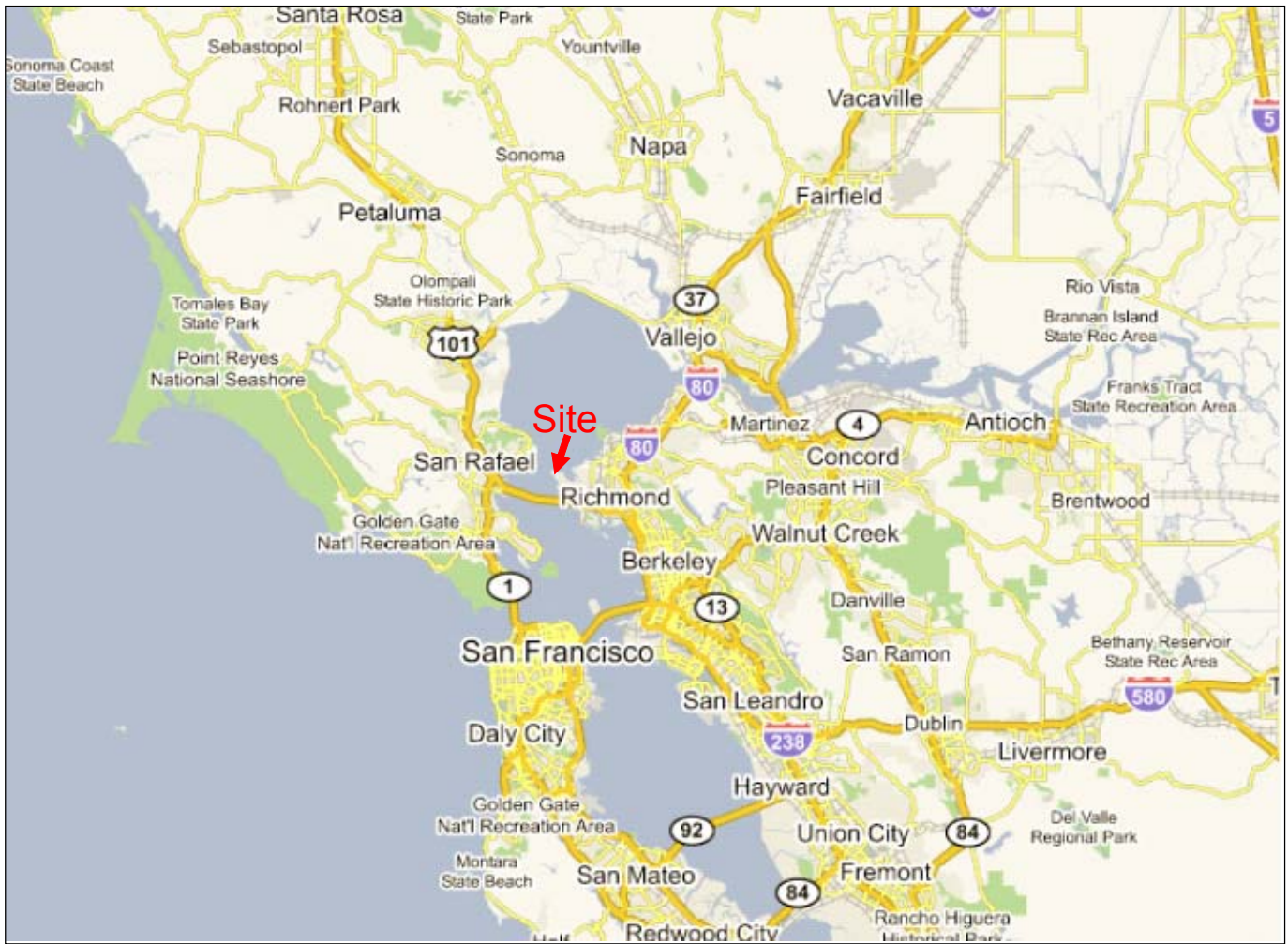
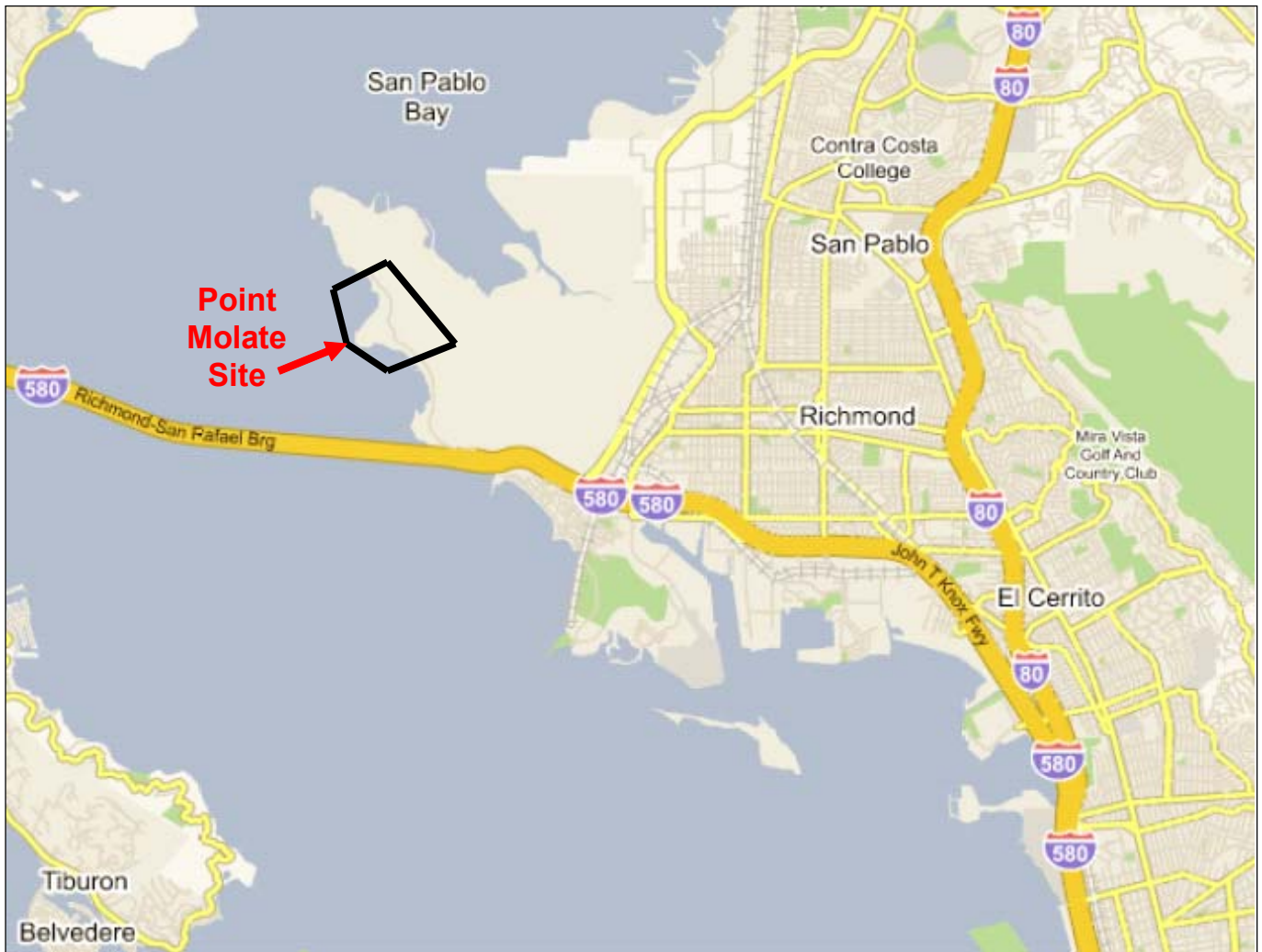


Figure 2- Vicinity Map



- *Land Use Consistency and Compatibility* – The EIR will evaluate the consistency of the Proposed Project with the adopted plans and policies of the City, including but not limited to the General Plan and Zoning Ordinance. The EIR will also analyze the Proposed Project’s compatibility with surrounding land uses.
- *Transportation and Circulation* – The EIR will include a detailed traffic study to assess the potential impacts to surrounding roadways and transportation systems.
- *Air Quality* – The EIR will address the project’s impact on regional air pollutants and their precursors as well as localized fugitive dust impacts utilizing the appropriate air quality modeling tools. The analysis will address both indirect (long-term) and any construction level (short-term) impacts.
- *Biological Resources* – The EIR will analyze the project’s short-term (construction) as well as long-term impacts on waters of the U.S. and other biological resources.
- *Cultural Resources* - The EIR will analyze the project’s short-term (construction) as well as long-term impacts on existing cultural resources.
- *Hazardous Materials* – The EIR will address potential hazards existing at the project site and potential impacts resulting from the storage and use of hazardous materials on the project site during construction and operation of the project.
- *Hydrology and Water Quality* – The EIR will analyze the project’s impacts to drainage patterns and water quality.
- *Growth Inducing, Cumulative, and Short-Term and Long-Term Effects* – The EIR will analyze growth inducing and cumulative impacts pursuant to CEQA Guidelines 15126(d) and 15130, respectively. Pursuant to CEQA Guideline 15126.2(a), the EIR will also identify direct and indirect significant effects of the project on the environment with consideration given to short-term and long-term effects.
- *Socio-economic impacts* – The EIR will analyze socio-economic impacts of the proposed project.

Discussion of Alternatives

CEQA Guideline 15126.6(a) requires that an EIR describe a range of reasonable alternatives for the project. The EIR will evaluate the comparative merits of the alternatives, including “Reduced Project” and “No Project” alternatives. Guidelines 15126(e)(1), et seq. alternatives have not yet been identified; these will be proposed and analyzed during the course of the preparation of the Draft EIR. The alternatives will be determined, in part, by public input received during the NOP comment period. To ensure that the full range of issues and alternatives related to the Proposed Project are adequately addressed and that all significant issues are identified, comments and suggestions are invited from all interested parties.

Responsible Agencies

The City anticipates that approvals for the Proposed Project may be required from the State Lands Commission, SF Bay Conservation and Development Commission, San Francisco Bay Regional Water Quality Control Board, and other agencies. These agencies will likely rely on this EIR in considering whether to grant those approvals.

NOP Responses

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice. Written comments or questions concerning the proposed EIR should be directed to the following address by 5:00 p.m. on April 15, 2005.

City of Richmond
Barry Cromartie
Planning Director, Community & Economic Development Group
1401 Marina Way South
Richmond, CA 94804