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## Megaplex a gamble for Richmond

By Katherine Tam  
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It is a plan that alternately stirs dreams of a more prosperous Richmond and fears of gambling away the community's future.

It is the bold pitch of a private developer, a small American Indian tribe eager to improve its lot and another tribe with casino experience that wants to parlay its fortunes by the Bay.

The vision is a \$1 billion megaplex of hotel-casino action, high-end shops and restaurants, a conference center, waterfront housing and tribal facilities sprawled across 85 acres at the former Point Molate Naval Fuel Depot. They hope to draw 20,000 visitors a day by bus, car and ferry lured by the glitter of as many as 4,000 slot machines — more than any casino in Las Vegas — and 1,100 hotel

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rooms. And they promise thousands of jobs and revenue to an area hungry for both.

The fears: That the casino complex will siphon money from locals who can least afford to gamble and bring crime and traffic; and if another tribe, the Scotts Valley Band of Pomo Indians, succeeds in gaining approval for a megacasino along Richmond Parkway nearby, one of the most beleaguered areas in the region could become the Bay Area's casino mecca.

Bringing the plan to reality is itself a gamble.

Developer Upstream Investments LLC and its partner, Guidiville Band of Pomo Indians, are requesting an exemption under federal law that forbids gaming on tribal land acquired after 1988. For that to happen, the federal Department of the Interior must declare Point Molate "restored Indian lands."

Few tribes have succeeded, fewer still on land this far from a tribe's historical home base — in this case, Mendocino and Lake counties.

The casino is the economic heart of the project, the developer acknowledges. Without it, dreams for a mega entertainment district generating thousands of new jobs and the promise of \$20 million a year for the city of Richmond could die.

"There are only so many things that pencil out at the end of the day," said Jim Levine of Upstream. "The easiest thing to build here is a hotel and conference center with residential, but you don't get a long-term revolution to the Richmond economy."

Locally, an environmental impact report on the hotel-casino project is expected to be released for public review by the end of the year. Public hearings, likely to be contentious, will follow next

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year.

## A polarizing force

The idea of an urban casino in Richmond, which struggles with decades-old poverty and crime, has polarized residents here. Some embrace the jobs and revenue it would bring to a city with an unemployment rate of 11.5 percent, among the highest in the Bay Area.

Eric Johnson, who owns a marina and the Galley Cafe on Western Drive near Point Molate, said Upstream offers concrete hope for revitalization.

"I came here eight years ago, and it was dilapidated property," Johnson said. "Nobody else has had a plan. Everyone keeps throwing rocks at these guys, but (the project is) going to bring jobs, business, infrastructure."

But others fear an urban casino will prey on those who can least afford to gamble and sully Richmond's waterfront without providing the financial benefits it touts.

"The casinos misrepresent the economic spillover," Richmond resident Andres Soto said. "Casino revenue goes into the pockets of financiers. It doesn't really spill over."

And casinos bring crime, Soto said.

Police calls to the nearby Casino San Pablo, run by the Lytton Band of Pomo Indians, numbered about 10 per month before expansion in August 2005, according to police logs. After the expansion, police visited the casino on average more than 100 times a month from Oct. 1, 2007, to Oct 1, 2008, for major complaints to routine security checks. According to police records, officers made 169 misdemeanor and felony arrests at the casino, which has about 1,000

gaming machines.

## An ambitious plan

Levine insists that financing for the project is solid despite the economic storm pummeling the country. The \$1 billion venture is backed by big money from the Rumsey Band of Wintun Indians, which operates the successful Cache Creek Casino Resort in Yolo County. Levine declined to disclose how much Rumsey is spending to bankroll the project.

"We have all the money for the upfront processes. We have all the equity we need for financing construction," Levine said. "We don't need Wall Street for that."

The resort would boast 150,000 square feet of gaming with as many as 4,000 slot machines, subject to a gaming compact with the state. About a third of that would be nestled in the castlelike Winehaven Building, built in 1907, along with restaurants and wine tasting. The rest of the gaming would be housed in a new building.

Two hotels would supply a combined 1,100 rooms. Historic cottages would be converted into suites. A 122,000-square-foot conference center, an entertainment center with a theater, shops and restaurants would round out the complex. Two parking structures would carry nearly 7,500 spaces.

Under one scenario, a residential neighborhood, with shuttles to and from the casino and central Richmond, would rise with 340 homes. A third of the homes would be for the tribe, the rest leased as market-rate housing.

Point Molate would become home base for Guidiville, with offices, a dance ground and roundhouse in addition to the housing.

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"For the tribe, it represents a new place where we can live, work and worship," said Michael Derry, CEO of Guidiville's economic development corporation.

By the shore would be a 35-acre park and 1.5-mile trail. The hillside, totaling 145 acres, would remain open space.

Years in the making

City officials have been working with the developer to hammer out a deal for years. The city of Richmond secured 85 percent of Point Molate's 422 acres, some of it under water, from the Navy for \$1 in 2003. City officials selected Upstream as the developer and sold the land to the company for \$50 million in 2004. Officials hope to secure the deed to the remaining 41 acres early next year, said Janet Schneider, the city's administrative chief.

Upstream and the Guidiville tribe initially teamed up with Harrah's Operating Co., but the groups parted ways because of differing visions for Point Molate. Upstream and Guidiville then turned to the Rumsey tribe to complete the trifecta.

The Navy in October provided the city with a \$28.5 million check to clean up groundwater and soil contamination. Upstream will chip in \$4 million for the rest of the cleanup and buy an insurance policy for unexpected problems that surface later, Levine said, though he added he expects no surprises.

The California Regional Water Quality Control Board will oversee cleanup, which worries environmentalists who say the agency botched cleanup of the contaminated Zeneca site in south Richmond.

Levine rattles off numbers for what he says the community would gain: as many as 11,000 temporary construction-related jobs; about 3,800

permanent on-site jobs; 40 percent of on-site jobs earmarked for Richmond residents, under a 2004 agreement with the city; \$20 million a year to city coffers over two decades; and millions in ripple-effect spending.

Traffic plans call for widening the road leading to Point Molate and building a new Interstate 580 ramp leading to and from the casino, Levine said. Discussions are under way for increased AC Transit bus service and for shuttles to and from the Richmond BART station. Ferry service, possibly subsidized by the project, would bring as many as 5,000 visitors a day from San Francisco, Marin County and Vallejo.

City leaders are eager to see a new economic engine rise at Point Molate, but exactly what that would look like has proved divisive.

Mayor Gayle McLaughlin opposes a casino: "There's a lot of trying to make it seem green, but if you put solar panels on the roof and you're promoting a casino that doesn't produce a product — people leave their money there. I really think we have an opportunity to make Point Molate a positive place for open space and healthy development."

The 2004 land-sale agreement to Upstream acknowledges a casino could fail to gain federal and state approvals, and it provides 120 days to negotiate an alternative development proposal.

Councilman Nat Bates, who supports an entertainment resort with a casino, doesn't see the land sitting vacant.

"There's still opportunity for hotels and shops and so forth. There's housing. There's the tremendous view of the Bay," Bates said. "If the casino is a go, the benefit will be much more tremendous."

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**PROPOSED HOTEL-CASINO RESORT** 145 acres of hillside open space with trails, picnic areas and restrooms 35-acre Shoreline Park and construction of a 1.5-mile segment of the San Francisco Bay Trail 150,000 square feet of gaming with 4,000 slot machines 122,000-square-foot conference center 48,000-square-foot entertainment center 300,000 square feet of restaurants and shops connecting the two hotels 1,100 rooms in two hotels, of which as many as 50 units would be reserved for tribal housing; historic Winehaven cottages would be converted into luxury hotel guest suites Eight-story parking structure for 5,000 cars, plus a 2,500-space underground parking structure incorporated into one of the hotels 340-unit residential neighborhood for tribal and market-rate housing The Guidiville Band of Pomo Indians would have offices, dance grounds, a roundhouse and housing

**HISTORY OF POINT MOLATE 1907-1919:** The large winery Winehaven operates successfully until prohibition shuts its doors  
**1920s to 1930s:** Winehaven sits vacant  
**1940s:** Land becomes Point Molate Navy Fuel Depot  
**1995:** U.S. Navy closes Point Molate  
**2003:** City of Richmond secures deed to 85 percent of the land from the Navy for \$1  
**2004:** City officials select Upstream Investments LLC as developer and sells land to company for \$50 million; upstream pitches

a resort-style casino with partners Guidiville Band of Pomo Indians and Harrah's, which later separates from the project. **2008:** City officials work to secure the deed to the remaining 41 acres of land at Point Molate and hope to lay claim to it early next year

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