



C A R U S O
A F F I L I A T E D

RICK J. CARUSO
CHIEF EXECUTIVE OFFICER

July 7, 2006

Councilmember Jewel Okawachi
Albany City Hall
1000 San Pablo Avenue
Albany, CA 94706

Dear Councilmember Okawachi,

As you are aware, since last January, myself, and representatives from my company and Golden Gate Fields have been meeting with community members throughout Albany, in both formal and informal settings, to understand their vision for the waterfront and to incorporate their ideas into our proposal. We are grateful for the time you and the rest of the community have taken to share your views. In this effort, I believe, we share the same goal –to do our best to listen and respond to the community’s input regarding the waterfront, and to develop a plan that accurately reflects those ideas and concerns. The challenge, as you well know, is clearly discerning what those views are, and how they can be realistically accomplished to the benefit of everyone in Albany.

In a resolution adopted on May 1st, City Council suggested that instead of a typical environmental review, Albany undertake a City-directed planning process, the cost of which would be paid for by Caruso and Golden Gate Fields. One objective of this City-directed planning process was to avoid the confusion and inefficiency of competing proposals for the waterfront. We were asked, and we agreed, to refrain from submitting our development application, to allow the City time to explore the idea of a planning process. Proponents of the “Waterfront Specific Plan Initiative” were also asked to hold off submitting their signatures for verification for the same reasons. As we know, the latter request was rebuffed and initiative proponents have already submitted their signatures to qualify the initiative for the ballot. We respect the City’s interest in developing a City-directed planning process, and we agreed to participate in discussions with the City staff and its legal counsel to try to devise a process that would fulfill the city’s interests while meeting the legal requirements of the California Environmental Quality Act (CEQA). Without a solid foundation of CEQA compliance, we all face the likelihood that our collective efforts will be successfully challenged in court. That is an outcome that benefits no one.



After much discussion and research we have come to the conclusion that the process as proposed by the City, while well intentioned, cannot meet the requirements of CEQA (for reasons explained in detail in the enclosed letter from our land use counsel). To proceed according to the law we must submit a development application and have the project it describes subjected to environmental review. At the same time, we believe the City can achieve the objectives it set for the planning process, and have the ability to choose the best project alternative without running afoul of CEQA. Our project proposal would be analyzed in an EIR that includes a number of other proposals that would be fully analyzed as "Project Alternatives".

Those Alternatives should include an Alternative representing the broadly circulated proposal by the Citizens for Eastshore Parks, as well as the "No Project" Alternative. Equally important, Caruso and Golden Gate Fields will agree to fund a City-facilitated public visioning-process that would produce two additional alternative proposals to be analyzed in the EIR. The public would have a similar role as in the City's proposed planning process; City Council would retain the option of rejecting the Caruso Project in favor of a publicly-formulated alternative, or of no project at all. But the EIR process would stay within legally supportable CEQA parameters such that when the City Council selects a project, it may do so without the concern that its selection is likely to be invalidated by the courts.

We have and will continue to appreciate the opportunity to work closely with you and the community on this matter. We believe strongly that the EIR process we have described will provide maximum opportunity for community input within a legally defensible framework.

Sincerely,

Rick J. Caruso