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July 19, 2022

Terranea Resort
100 Terranea Way
Rancho Palos Verdes, CA 90275

Lowe
11777 San Vicente Blvd #900
Los Angeles, CA 90049

JC Resorts
533 Coast Boulevard South
La Jolla, CA 92037

**Open Letter to Terranea “Eco-Resort” Owners Lowe and JC Resorts:
Stop your top execs from funding climate change deniers**

Dear Terranea, Lowe and JC Resorts:

Terranea Resort, a sprawling resort complex located along an environmentally sensitive stretch of the Pacific Ocean in Southern California, prominently markets itself as “eco-friendly.” Indeed, your company uses the phrase “eco-friendly” or “eco resort” numerous times on its websites.ⁱ For example, the resort claims broadly that: “Since its inception, Terranea has remained committed to minimizing its environmental footprint by integrating transparent eco-friendly practices throughout the resort, including—but not limited to—those that protect open space, improve wildlife habitats, and enhance local water quality.”ⁱⁱ

But when we follow the money, we see a different picture. Terranea is owned by a joint venture comprised of real estate investment firm Lowe (formerly Lowe Enterprises) and resort management company JC Resorts.ⁱⁱⁱ While Terranea Resort marketing materials employ lofty “eco-friendly” rhetoric, since 2012, Lowe and JC Resorts executives have contributed over \$2 million to anti-environment Republicans like House Minority Leader Kevin McCarthy and Donald Trump and conservative causes like the Koch Brothers’ Americans for Prosperity PAC.

Contributions to Anti-Environment Politicians and Causes

Analysis of Federal Elections Commission records shows that since 2012, Lowe Chairman and Founder Robert J. Lowe Sr. and his son, Lowe Co-CEO Robert J. Lowe Jr contributed \$1.38 million to Republican or conservative candidates and Political Action Committees. This amounts to 95% of the total political contributions made by the Lowe executives during this period; the remaining 5% went to corporate lobbying organizations and Arizona Democratic Senator Kyrsten Sinema.^{iv}

House Minority Leader Republican Kevin McCarthy is the largest recipient of Lowe executives’ largesse, receiving \$189,800 since 2012.^v McCarthy received a 4% lifetime score from the League of Conservation Voters^{vi} and has opposed the Biden Administration’s efforts to move the country away from fossil fuels. He called President Biden’s executive order pausing new oil and gas leases “a political stunt crafted to pacify the radical, left-wing of his party [that] will cause overwhelming devastation to California’s energy industry, potentially jeopardizing more than 360,000 oil and natural gas-related jobs.”^{vii} Opensecrets reported that over his career, McCarthy has received over \$2.3 million in oil and gas industry contributions over his career and over \$4.1 million in energy and natural resource industry contributions.^{viii}

Robert J. Lowe Sr. also contributed \$50,000 to the Koch Brothers' Americans for Prosperity Action (AFPA) from October 9, 2020 through October 1, 2021.^{ix} According to the Center for Media and Democracy, AFPA is the "electoral arm" of the Koch-funded Americans for Prosperity ("AFP"),^x stating: "AFP's messages are in sync with those of other groups funded by Charles Koch—opposing labor unions, health care reform, stimulus spending, *and any effort to combat climate change.*"^{xi}

Other top recipients of contributions from Robert Lowe Jr. and Robert Lowe Sr. include the following:

- Republican Senators Kelly Loeffler and David Perdue received \$29,300 and earned lifetime scores of 20%^{xii} and 4%^{xiii}, respectively, from the League of Conservation Voters.
- Republican Senator Lindsey Graham-affiliated Security is Strength PAC, Team Graham, Inc and Graham Majority fund received \$26,800 and Graham earned a 15% lifetime score from the League of Conservation Voters.^{xiv}
- Republican Senator Tim Scott and the Scott-affiliated Opportunity Matters Fund received \$23,300 and Scott earned a 6% lifetime score from the League of Conservation Voters.^{xv}
- Republican Senator Jerry Moran and the Moran Victory Committee PAC received \$20,200 and Moran earned an 9% lifetime score from the League of Conservation Voters.^{xvi}

Federal Elections Commission records show that since 2012, JC Resorts Chairman Paul Reed contributed \$72,250 to Republican candidates and conservative Political Action Committees.^{xvii}

Contributions from Paul Reed included \$16,600 to Donald Trump. According to *Time Magazine*, "Trump falsely called climate change a 'hoax' invented by China, incorrectly suggested that wind turbines cause cancer and dismissed a landmark scientific report produced by the federal government's own scientists."^{xviii} The *New York Times* reported that "the damage done by the greenhouse gas pollution unleashed by President Trump's rollbacks may prove to be one of the most profound legacies of his single term."^{xix}

Further, a group titled "Paul & Belle Reed; Kathryn Colachis; & affiliated entities JC Resorts; JC Affiliates LLC; Rancho Bernardo Inn; and Surf & Sand(Paul Reed)" contributed \$600,000 to the campaign against commercial property tax initiative Proposition 15 in September and October 2020.^{xx} Proposition 15 was supported by Sierra Club California, the California League of Conservation Voters and the National Resources Defense Council (NRDC).^{xxi} NRDC stated in 2020 that it "supports the passage of this initiative, which would provide more stable funding for K–12 schools and community colleges, giving the state more flexibility during economic downturns and the ability to increase funding for environmental protection and enforcement, health care, and other core priorities."^{xxii} Voters narrowly defeated Proposition 15 in November 2020 by a margin of 52% to 48%. The JC Resorts group mentioned above and other opponents of the initiative spent a total of \$73.6 million to defeat it.^{xxiii}

A Model of Sustainability?

Terranea states that it has "eco-friendly" practices that "enhance local water quality"^{xxiv} and "improve wildlife habitats."^{xxv} Consider the following:

- **Fecal Coliform in Ocean Water:** Fecal coliforms are used as an indicator of possible sewage because they are commonly found in human and animal feces.^{xxvi} Data from Los Angeles Sanitation Districts show fecal coliform levels from 2009 through 2019 were higher at the ocean water at Long Point, which is located directly adjacent to Terranea, than at neighboring sites.

From 2009 (the year the Terranea opened) to 2019, the average fecal coliform levels found in samples at the Long Point site were on average 174% and 270% higher, respectively, than at Abalone Cove and Portuguese Bend, the two closest sites where samples were taken.^{xxvii} The Palos Verdes Peninsula Watershed Management Group stated in a 2019 report created in compliance with the Clean Water Act:

The rare dry weather exceedances of the bacterial objectives at [Malaga Cove, Long Point, and Portuguese Bend] shown in Table 2-9 are likely attributed to natural causes, including, but not limited to: the presence of recreational swimmers, ocean debris, birds, animal carcasses (i.e. birds, marine mammals, etc.), heavy surf, increased wave height, and wind speed. [Long Point] is also directly adjacent to the Terranea Resort in Rancho Palos Verdes, which subsequently increases the ocean users and generated pollutants. The City of Rancho Palos Verdes has been in correspondence with the Terranea Resort to solve [Best Management Practices] maintenance issues onsite.^{xxviii}

- **Animal Trapping at Terranea:** According to animal trapping records, approximately 70 raccoons were trapped at the Terranea property, including 3 mother raccoons and their babies, between January 31, 2015 and December 17, 2017. While the number of baby raccoons removed in each instance is not readily clear from the trapping records, the fact that the resort was charged \$400 for each raccoon family eviction with a standard price of \$75 per raccoon suggests that multiple raccoon babies may have been removed during the family trappings.

The Wrong Side of History

Over the last ten years, political donations by key employees of Terranea’s ownership group have placed them on the wrong side of history. As environmental advocacy and social justice organizations, we spend every waking moment fighting for a better planet against the vigorous opposition of politicians like Kevin McCarthy and Donald Trump. It is unconscionable that top executives from companies that make money from a resort marketed as “eco-friendly” would support these politicians’ retrograde agenda.

We, the undersigned, call on Terranea’s owners Lowe and JC Resorts to immediately stop their leaders from making donations to Donald Trump, Kevin McCarthy and Republicans like them who are standing in the way of our fight against global climate change.

Sincerely,

CA Environmental Voters (League of Conservation Voters),
Communities for a Better Environment,
LAANE,
Labor Network for Sustainability,
Physicians for Social Responsibility,
Sierra Club Angeles Chapter,
Sunrise Movement Los Angeles,
UNITE HERE Local 11



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- ⁱ See, e.g., <https://www.terranea.com/resort/sustainability>; <https://www.terranea.com/destination-earth>; <https://www.terranea.com/resort/fact-sheet>; <https://www.coralreefhospitality.com/portfolio/terranearesort>.
- ⁱⁱ Terranea website, <https://www.terranea.com/resort/sustainability>
- ⁱⁱⁱ Terranea website, <https://www.terranea.com/resort>.
- ^{iv} Data compiled from Federal Elections Commission with recipients classified by Opensecrets.org, available for download by cycle at: <https://www.opensecrets.org/orgs/lowe-enterprises/recipients?id=D000035469>.
- ^v This figure includes contributions to the McCarthy-affiliated McCarthy Victory Fund Majority Cmte PAC and McCarthy Victory Fund 2014.
- ^{vi} League of Conservation Voters Scorecard, <https://scorecard.lcv.org/moc/kevin-mccarthy>
- ^{vii} “Big Oil’s Capitol Hill Allies,” Public Citizen, <https://www.citizen.org/article/big-oils-capitol-hill-allies/>
- ^{viii} Opensecrets, Rep. Kevin McCarthy, <https://www.opensecrets.org/members-of-congress/kevin-mccarthy/industries?cid=N00028152&cycle=CAREER>
- ^{ix} Data from Federal Elections Commission
- ^x “Koch Group Americans for Prosperity Action Spends \$6.5 Million on Door-to-Door Canvassing,” Center for Media and Democracy, Sept. 22, 2020, <https://www.exposedbycmd.org/2020/09/22/koch-group-americans-for-prosperity-action-spends-6-5-million-on-door-to-door-canvassing/>.
- ^{xi} *Id.*
- ^{xii} League of Conservation Voters, Scorecard, <https://scorecard.lcv.org/moc/kelly-loeffler>.
- ^{xiii} League of Conservation Voters, Scorecard, <https://scorecard.lcv.org/moc/david-perdue>.
- ^{xiv} League of Conservation Voters, Scorecard, <https://scorecard.lcv.org/moc/lindsey-o-graham>.
- ^{xv} League of Conservation Voters, Scorecard, <https://scorecard.lcv.org/moc/tim-scott>.
- ^{xvi} League of Conservation Voters, Scorecard, <https://scorecard.lcv.org/moc/jerry-moran>.
- ^{xvii} Data from Federal Elections Commission.
- ^{xviii} “Donald Trump Called Climate Change a Hoax. Now He’s Awkwardly Boasting About Fighting It,” TIME Magazine, July 8, 2019, <https://time.com/5622374/donald-trump-climate-change-hoax-event-f>
- ^{xix} “What Will Trump’s Most Profound Legacy Be? Possibly Climate Damage,” New York Times, Dec. 3, 2020, <https://www.nytimes.com/2020/11/09/climate/trump-legacy-climate-change.html>.
- ^{xx} Data from California Secretary of State, <https://powersearch.sos.ca.gov/advanced.php>.
- ^{xxi} Yes on 15, Proposition 15 Supporters, <https://www.yes15.org/who-supports>
- ^{xxii} Natural Resources Defense Council, NRDC Endorsement of Proposition 15, <https://www.nrdc.org/experts/victoria-rome/nrdc-announces-support-californias-proposition-15>
- ^{xxiii} Proposition 15 Spending, Ballotpedia, [https://ballotpedia.org/California Proposition 15, Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative \(2020\)](https://ballotpedia.org/California Proposition 15, Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative (2020))
- ^{xxiv} Terranea website, <https://www.terranea.com/resort/sustainability>
- ^{xxv} *Id.*
- ^{xxvi} U.S. Environmental Protection Agency, “What are fecal bacteria and why are they important?,” <https://archive.epa.gov/water/archive/web/html/vms511.html>.
- ^{xxvii} These figures were calculated by UNITE HERE Local 11 based on raw data obtained from Los Angeles Sanitation Districts in April 2021, using fecal coliform levels from dates when measurements for all three sites met minimum detection limits as indicated by Los Angeles County Sanitation Districts.
- ^{xxviii} Palos Verdes Peninsula Watershed Management Group, ENHANCED WATERSHED MANAGEMENT PROGRAM (WEMP), April 2019, pp. 2-14, 2-16, https://www.waterboards.ca.gov/losangeles/water_issues/programs/stormwater/municipal/watershed_management/palos_verdes/PVP_EWMP_Revised_2019_04_05.pdf.