

March 27, 2007

the foreseeable future, that is, the next 20 to 30 years. In addition, Chairperson Gage expresses interest in pursuing property negotiations with the City of San Jose, including property exchanges and joint ventures. He speaks in favor of evaluating revenue-generating opportunities subsequent to negotiating the potential land purchases, and Mr. Kutras concurs. Discussion ensues between Chairperson Gage and Mr. Kutras regarding the complexity of future growth issues facing the County, including capacity issues in the Criminal Justice System that may lead to the construction of a new jail and court facility. Chairperson Gage advises that one-time funds should be used for one-time investments conducive to the future development needs of the County, as opposed to ongoing projects.

At the request of Supervisor Yeager, Edward Shikada, Deputy City Manager, City of San Jose, provides a brief update regarding the position of the City of San Jose. Mr. Shikada advises that, to date, discussions have focused on the parking lot south of Mission Street as possible surplus property, noting that the City of San Jose recognizes that the parking lot is only a small portion of the overall property. Mr. Shikada expresses an interest in collaborative efforts between the County and City of San Jose relating to asset-development opportunities for both jurisdictions. Mr. Shikada acknowledges a suggestion by Supervisor Kniss to convey to the City of San Jose the interest expressed by the Board today regarding future development of the greater County Civic Center area.

On motion of Supervisor Kniss, seconded by Supervisor Alvarado, it is unanimously ordered on roll call vote that preparation of a work plan further defining potential development scenarios relating to the former City Hall and Army Reserve properties, including growth needs of the County in the foreseeable future, that is, in the next 20 to 30 years; consideration of the establishment of a special committee to expedite the process; cost-benefit analyses; timelines; financing options, including those for State funding possibilities; and, revenue-generating options, including those for housing and mixed-use projects, be referred to the Administration for report to the Board in May 2007.

10. The Board considers a memorandum from Peter Kutras, County Executive, Office of the County Executive, dated March 27, 2007, under advisement from the August 29, 2006 meeting (Item No. 17), recommending that the Administration be directed to develop and issue a Request for Proposals for developer teams to prepare proposed development scenarios for all or part of the Fairgrounds property in accordance with Board direction.

(Chairperson Gage leaves his seat at 11:07 a.m.)

Mr. Kutras provides a brief overview of the report, clarifying the desire of the Administration to receive specific Board input regarding the various development scenarios for the 150-acre County Fairgrounds property. He expresses support for a theater venue, advising of the need for a regional theater and noting that an option for a theater venue is included in the report.

(Chairperson Gage takes his seat at 11:09 a.m.)

Patrick Love, Director, Asset and Economic Development, Office of the County Executive, provides an overhead presentation on compatible land-use options for the County Fairgrounds property, including the Fairgrounds Revitalization Project; sale or lease of all of the land to a developer; development of the Tully Road parking lot as a stand-alone project; mixed-use development of the 136-acre Fairgrounds property, including housing, commercial, retail, light industrial, entertainment and public use, without optional development of the Tully Road parking lot; commercial development along Monterey Road, public use of the remainder of the Fairgrounds property, and optional development of the Tully Road parking lot; housing development along Umbarger Road, public use of the remainder of the Fairgrounds property, and optional development of the Tully Road parking lot; commercial development along Monterey Road, housing development on the remainder of the property, and optional development of the Tully Road parking lot; commercial development along Monterey Road, housing development along Umbarger Road, public use of the remainder of the property, and optional development of the Tully Road parking lot; and, commercial development along Monterey Road, housing development and public use of the remainder of the property, and optional development of the Tully Road parking lot.

(Supervisor Yeager leaves his seat at 11:11 a.m.)

Mr. Love advises of upcoming plans by the City of San Jose to develop a senior housing project along a portion of Tully Road, and of an interest on the part of the City of San Jose to exchange the former City Hall property for the 14-acre Tully Road parking lot, noting that the City of San Jose may be interested in locating a fire training center at the site. Mr. Love concludes by reiterating that the intent of the presentation is to receive feedback from the Board regarding future developmental

plans for the County Fairgrounds property.

(Supervisor Yeager takes his seat at 11:13)

(Supervisor McHugh leaves his seat at 11:13 a.m.)

Supervisor McHugh requests that the Administration prepare information relating to the establishment of an ad hoc committee to collaborate with the City of San Jose regarding the feasibility of land-use options for the County Fairgrounds property. In addition, Supervisor McHugh expresses support for public use of the County Fairgrounds property, residential housing development along Umbarger Road, and commercial development along Monterey Road. He also requests an update of events at the Santa Clara County Fairgrounds for the past two years, including date of the event, name of the event, estimate of the number of attendees, area used, and whether or not the area used was covered or open. In response to an inquiry by Supervisor McHugh, Mr. Love advises of new commercial development, including a Home Depot, Target and other major retailers, in the general vicinity of the County Fairgrounds property.

(Supervisor McHugh takes his seat at 11:16 a.m.)

Supervisor Alvarado expresses support for the Fairgrounds Revitalization Project, concurring with Mr. Kutras that a theater venue at the Fairgrounds remains as viable a consideration today as when the Project was initially approved by the Board several years ago. She advises of the value of a regional theater in terms of future revenue-generating possibilities, particularly in light of the budget-deficit situation. Supervisor Alvarado notes that the County Fairgrounds property is unique in that the land is the last major, open-space area in the County and, as such, should be used in such a way as to continue to enrich the lives of the members of the community.

Supervisor Alvarado raises questions concerning future compatibility issues regarding the development of the Tully Road parking lot, including the possibility of using the site for a fire training center. Mr. Love responds that it will be necessary to consider development of the Tully Road parking lot in conjunction with the overall land-use plan for the County Fairgrounds. Supervisor Alvarado also speaks in favor of mixed-use opportunities at the Fairgrounds, including multi-cultural festivals, family-oriented events, commercial and residential housing development, and various

other community and regional activities.

(Supervisor Kniss leaves her seat at 11:25 a.m.)

In addition, Supervisor Alvarado comments regarding the marketability and sponsorship aspects of asset development at the Fairgrounds. She highlights the fact that the development project should promote the cultural attributes of the area and single out Santa Clara County as one of the unique places to visit in the State of California. Supervisor Alvarado moves to develop and issue a Request for Proposals for developer teams to prepare proposed development scenarios for all or part of the Fairgrounds property, and Supervisor McHugh seconds the motion.

(Supervisor Kniss takes her seat at 11:28 a.m.)

Supervisor Kniss also expresses support for mixed-use opportunities at the County Fairgrounds, noting that the Fairgrounds property is a significant asset that offers numerous revenue-generating opportunities. Supervisor Kniss speaks in favor of developing a County landmark, comparing the Santana Row development project located on Stevens Creek Boulevard in the City of San Jose to the type of project that could be developed on the County Fairgrounds property. Supervisor Kniss comments regarding the interest expressed by the City of San Jose to acquire the Tully Road parking lot and, in response to an inquiry by Supervisor Kniss, Mr. Kutras responds that the City has also expressed an interest in relocating Fire Station 26, currently on Monterey Road, to the Tully Road property along with the fire training center. Mr. Kutras further comments regarding the bus yard situated behind the Tully Road parking lot, noting that residential housing in the immediate area may not be a compatible use. Mr. Kutras clarifies that it is uncertain at the present time whether or not the City of San Jose remains interested in the Tully Road parcel.

Supervisor Yeager comments that the City of San Jose Fire Department utilizes the fire training center to hold meetings and conduct training sessions, noting that the various functions generally create minimal noise. In response to an inquiry by Supervisor Yeager, Mr. Love advises that the County has land-use authority over the public use of the Fairgrounds property, however, the City of San Jose has jurisdiction over mixed-use, commercial or residential development. Supervisor Yeager expresses support for mixed-use development, and speaks in support of expediting actions and prioritizing issues.

In response to an inquiry by Supervisor Yeager, Mr. Kutras advises that the County Park Fund is allocated to regional park assets, as opposed to the City Park Fund which is allocated to urban park assets. Discussion ensues between Supervisor Yeager and Mr. Kutras regarding the feasibility of using a combination of City and County Park Funds, and Mr. Kutras indicates he will explore the possibility. Supervisor Alvarado notes there are significant resources currently available in the State Park Fund in the event a park option is pursued. Supervisor Yeager inquires regarding the viability of the County Fair, and Mr. Kutras indicates that the County Fair is a consideration in the land-use options, noting his opposition to purchasing additional land in order to recreate the County Fair elsewhere. Discussion ensues between Supervisor Yeager and Chairperson Gage regarding the value of the annual County Fair to the public, and Chairperson Gage reiterates the significance of developing compatible projects on the Fairgrounds property.

Supervisor Alvarado expresses a desire to work with the City of San Jose on the County Fairgrounds Project, advising that both jurisdictions should endeavor to do what is best for the community. Discussion ensues between Supervisor Alvarado and Mr. Kutras regarding the development process, and Mr. Kutras suggests that the next step be to return to the Board with additional information regarding a Request for Proposals for developer teams to prepare proposed development scenarios for mixed- and revenue-generating uses of all or part of the Fairgrounds property. Chairperson Gage requests public comment.

Mary Bartlett, Hans Toensfeldt, John Haggerty, Jan Carey, and Luis Gonzalez, concerned citizens, express support for mixed-use events at the County Fairgrounds, including the annual County Fair; a regional theater venue; and, multi-cultural and educational activities, for example, the Santa Clara County 4-H Club. Mr. Haggerty suggests that the Board appoint residents to a committee to prepare recommendations regarding the development of the County Fairgrounds property. Ms Carey comments regarding the benefits of monolithic-dome technology in the construction of a regional theater, noting that monolithic domes are cost effective.

On motion of Supervisor Alvarado, seconded by Supervisor McHugh, it is unanimously ordered on roll call vote that preparation of information relating to the development of a Request for Proposals for developer teams to prepare proposed development scenarios for mixed- and revenue-generating uses of all or part of the Fairgrounds property, be referred to the Administration for report to the Board in May

2007.

Further, on motion of Supervisor Alvarado, seconded by Supervisor McHugh, it is unanimously ordered on roll call vote that preparation of information regarding the establishment of an ad hoc committee to address land-use options for the County Fairgrounds property with the City of San Jose, be referred to the Administration for report to the Board on date uncertain.

In addition, on motion of Supervisor Alvarado, seconded by Supervisor McHugh, it is unanimously ordered on roll call vote that preparation of a status report relating to events at the Santa Clara County Fairgrounds for the past two years, including date of the event, name of the event, estimate of the number of attendees, area used, and whether or not the area used was covered or open, be referred to the Administration for report off agenda.

On order of the Chairperson, there being no objection, the meeting is recessed at 12:00 p.m. to 1:30 p.m., this date.

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- . The Board reconvenes at 1:32 p.m. with Chairperson Gage, Supervisors Alvarado, McHugh, Yeager, and Phyllis Perez, Clerk of the Board, present. Supervisor Kniss takes her seat at 1:34 p.m.
- \* 11. On recommendation of Luke Leung, Deputy County Executive, Employee Services Agency, as noted in memorandum dated March 27, 2007, and on motion of Supervisor McHugh, seconded by Supervisor Alvarado, it is unanimously ordered on roll call vote of four to zero, with Supervisor Kniss absent, that the extra-help usage status report be accepted for the first two quarters of Fiscal Year 2007.