

36. The Board considers a memorandum from Peter Kutras, County Executive, Office of the County Executive, dated May 22, 2007, recommending that report, under advisement from the March 27, 2007 meeting (Item No. 10), be accepted relating to the issuance of a Request for Developer Qualifications and Proposals (RFQ/RFP) for the potential development of the County Fairgrounds Property. Mr. Kutras comments regarding the land use options for the Fairgrounds property, including housing, commercial development, mixed-use, and continued public use. He clarifies that a portion of the property will be maintained for historical community purposes and public use.

Mr. Kutras advises that the development process is comprised of both a qualifications and proposal phase, noting that the proposal phase will address fixed scenarios for housing development on Umbarger Road, commercial development on Monterey Road, continued public use in the central core area of the Fairgrounds, and developer recommendations for the best use of the Tully Road parking lot. Mr. Kutras advises that the developers will also be required to submit a "blank canvas" scenario for the continued public use of a portion of the Fairgrounds as a gathering place for community festivals and similar events, noting the requirement that the scenario meets the needs of the County for new and sustainable long-term revenue. Mr. Kutras comments regarding timelines and advises that, if the negotiations are successful, the Administration anticipates a final recommendation to the Board in Spring 2008.

In response to a request by Chairperson Gage regarding the infrastructure work underway at the Fairgrounds, Mr. Kutras indicates that approximately \$4 million was previously allocated to the work, and that he will provide the Board with an off-agenda report on the status of the various projects.

Supervisor McHugh comments regarding the need to include in the Request for Proposals (RFP) suggestions from the developers for operational revenue enhancements during the development phase, including revenue-generating opportunities at the community festivals and the other public events. Patrick Love, Director, Asset and Economic Development, Office of the County Executive, advises that the request can be incorporated into the RFP.

Discussion ensues between Supervisor Alvarado and Mr. Kutras regarding the Fairgrounds qualification and proposal phases, and Supervisor Alvarado expresses support for a timely process to ensure maximum revenue to the County. Mr. Kutras comments regarding the need for a thorough and transparent process, and timing

issues relating to requirements of the California Environmental Quality Act (CEQA) and Environmental Impact Report (EIR).

Supervisor Yeager comments regarding his desire to seek development proposals from both national and local developers. Discussion ensues between Supervisor Yeager and Mr. Love regarding the RFQ/RFP notification process, and Mr. Love indicates that the job prerequisites do not exclude national developers.

Supervisor Kniss expresses support for the flexibility granted developers in the "blank canvas" scenario. Discussion ensues between Supervisor Kniss and Mr. Love regarding the benefit of long-term leases with respect to commercial development and rental housing. Supervisor Kniss expresses support for retaining ownership of the Fairgrounds property, as opposed to selling the land.

On motion of Supervisor Alvarado, seconded by Supervisor McHugh, it is unanimously ordered on roll call vote that the Administration be directed to issue an RFQ/RFP for developer teams to propose development scenarios for the County Fairgrounds property, incorporating operational revenue enhancements for public events during the development phase and seeking proposals from both national and local developers, for subsequent evaluation and selection by the Administration and recommendation to the Board.

Also, on motion of Supervisor Alvarado, seconded by Supervisor McHugh, it is unanimously ordered on roll call vote that preparation of information relating to the project status of the infrastructure work underway at the County Fairgrounds be referred to the Administration for report off agenda.

(Supervisor Alvarado leaves her seat at 11:39 a.m.)

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