

County of Santa Clara
Board of Supervisors
Supervisorial District Two
Supervisor George Shirakawa




BOS2-060909-1

Reviewed by: Eddie Garcia
Chief Board Aide

DATE: June 9, 2009

TO: Board of Supervisors

FROM: 
George Shirakawa
Supervisor, District 2

SUBJECT: Santa Clara County Fairgrounds

RECOMMENDED ACTION

Consider recommendations relating to future planning and development at the Santa Clara County Fairgrounds property.

Possible action:

- a. Adoption of a resolution of the Board of Supervisors of the County of Santa Clara Determining that the Fairgrounds Property is Necessary for the County's use.
- b. Convene an Ad Hoc Committee of stake holders to provide a list of recommendations for possible future uses and re-development at the fairgrounds site.

FISCAL IMPLICATIONS

Fiscal implications could be future positive revenue generation from the redevelopment of the Fairgrounds site.

CONTRACT HISTORY

The Santa Clara County Board of Supervisors has identified the fairgrounds property as a land resource with an abundance of opportunity to produce a positive ongoing revenue stream as well as to create a better venue and facilities for community uses.

As early as the beginning part of the 1990s, the Fairgrounds property has been subject to a number of redevelopment proposals that have included theater and concert venues, sporting venues, auto racing, housing, and other public benefits uses such as health services. To date, over 500 units of housing, consisting of senior affordable, multi-family affordable and market rate products, have been developed adjacent to the new County health facility. After further analysis of the remaining 150 + acres coupled with the historically low land values in the area, the surplus of the County Fairgrounds land would not be economically prudent and could lead to the potential loss of future ongoing revenue to the County.

REASONS FOR RECOMMENDATION

The sale of any surplus property at the fairgrounds would not be a viable revenue generating option given the largest drop in land values we have seen in the last two generations. In addition, property sales would provide just a one time-revenue benefit to the County and could result in the loss of potential ongoing revenue over time. Furthermore, the sale of property would also result in a permanent loss of community resources (community meeting space, cultural events, working agriculture and live stock venues for example) that are currently being provided by the current fairgrounds venue. Without viable options to replace and/or restore these venues, poor planning could further exacerbate the lack of community venues and open space in our urban core.

As described above, in view of the Board's need to look at ways to develop our property in a manner that would be a benefit to the community as well as a way to generate ongoing fiscal support to the County, it is recommended that the Board adopt the Resolution Determining that the Fairgrounds Property is Necessary for the County's use and thus will not be surplus.

The instability of the economic conditions facing Santa Clara County has created the need to thoroughly study all new future uses for the Santa Clara County Fairgrounds. Given the conditions that lay before us, it is my recommendation to study the best possible land uses and activities for the fairgrounds site. The fairgrounds have been subjected to many plans in past years that have included a concert venue, NASCAR, horse racing and mixed-use development proposals.

From my experience as a former vice mayor of the City of San Jose and city councilmember who represented the area surrounding the fairgrounds, I strongly believe that the County must have a thorough outreach process that solicits input from the community before engaging in any development proposals.

An ad hoc committee of key stakeholders that would be tasked to create the framework for re-development and provide County staff with direction on future development and uses for the fairgrounds is a critical element to any outreach effort. Investing the time to convene a diverse coalition of stakeholders with a common goal of making recommendations that will be in the best interest of the County would provide the basis for outcomes that could be supported by a broad spectrum of constituencies.

The ad hoc committee's work will be narrow in scope tasked to (1) review and analyze current and past fairgrounds proposals, (2) hold public hearings to determine community needs, and (3) provide the Board with policy recommendations on future re-development at the fairgrounds. As chair of the ad hoc committee, I will ensure a transparent and efficient process.

BACKGROUND

Since the 1990s, the Santa Clara County Board of Supervisors has sought to evaluate and ultimately act on the best possible community and land uses for the Santa Clara County Fairgrounds site. The outcomes of these efforts have been

to develop updated facilities for community uses as well as revenue generating opportunities that would benefit the County well into the future.

On May 22, 2007 the Board authorized staff to begin a developer selection process via Request for Proposal (RFP) for the Santa Clara County Fairgrounds property. The Fairgrounds site is approximately 136 acres with the adjacent parking lot across the street on Tully Road being approximately 14 acres. The RFP included both sites as part of the development proposals. The RFP was released in late December of 2007 culminating with the selection of the team that ranked first in the RFP process. In September of 2008, the Board of Supervisors authorized the County Executive to negotiate and execute an exclusive negotiating agreement (ENA) with Catellus. In December of 2008 the County Executive executed an ENA with Catellus, contingent on the Board making a surplus property determination as required by state law.

Also, pursuant to Board direction, staff conducted a public outreach process to determine the public's current and desired uses of the Fairgrounds. At the conclusion of the this process, the results of the outreach would be brought to the Board and the Board would consider the amount of Fairgrounds property to be designated as surplus. State law defines surplus property as land "that is determined to be no longer necessary for the agency's use".

In a letter dated April 8, 2009, Catellus formally terminated the ENA. With Catellus' termination of the ENA, this surplus property determination has never been brought to the Board.

CONSEQUENCES OF NEGATIVE ACTION

Consequences of a negative action by the board will result in a continued "limbo stage" of the Fairgrounds. In addition, future revenue generation for the County will be compromised.

STEPS FOLLOWING APPROVAL

Direct the County Executive to work with the District 2 Supervisor George Shirakawa to coordinate the Ad Hoc committee as described in this memo.

ATTACHMENTS

- County Property Resolution
- Proposed Ad Hoc Committee

DISTRICT TWO - COUNTY OF SANTA CLARA
MEMORANDUM

TO: Board of Supervisors

FROM: Supervisor Shirakawa

SUBJECT: Proposed Santa Clara County Fairgrounds Ad Hoc Committee
DATE: June 9, 2009

APPROVED:

DATE:

The committee will comprise of 15 members representing following stake holders:

1. Santa Clara County Supervisor District 2 (George Shirakawa)
2. Representative from Franklin McKinley School District
3. San Jose City Councilmember District 7 (Madison Nguyen)
4. Representative from the Fairgrounds Management Corporation
5. Representative from the Santa Clara/San Benito County Building Trades
6. Representative from the San Jose/Silicon Valley Chamber of Commerce
7. Representative from the Seven Trees Neighborhood Association
8. Representative from Maranatha Christian Center
9. Representative from Santa Maria Goretti PACT
10. Representative from Chateau La Salle Mobile Home Park
11. Representative from County Fair Mobile Home Park
12. Representative from the Tully/Senter Strong Neighborhood Initiative
13. McLaughlin Corridor Neighborhood Association
14. Spartan Keys Strong Neighborhood Initiative
15. Willow Glen Neighborhood Association

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA CLARA DETERMINING THAT THE FAIRGROUNDS
PROPERTY IS NECESSARY FOR COUNTY USE**

WHEREAS, the County of Santa Clara owns approximately 136 acres of real property, generally bounded by Tully Road, Umbarger Road and Monterey Highway, and an approximately 14-acre parcel of property across Tully Road (collectively, "Fairgrounds Property") that the County has used for various public uses, including the annual County Fair and other community festivals and events; and

WHEREAS, on May 22, 2007, the Board authorized staff to select a developer to assist the County in planning the development of the County Fairgrounds for uses that may include continued public use and mixed retail/residential development; and

WHEREAS, on September 9, 2008, the Board authorized the County Executive to negotiate and execute an exclusive negotiating agreement (ENA) with Catellus, the first-ranked firm in the developer selection process and, pursuant to that authority, in December 2008, the County Executive executed an ENA with Catellus, contingent on the Board making a surplus property determination as required by state law; and

WHEREAS, by letter dated April 8, 2009, Catellus formally terminated the ENA; and

WHEREAS, also pursuant to Board direction, staff conducted a public outreach process to determine the public's current and desired uses of the Fairgrounds; and

WHEREAS, the ENA provided that, at the conclusion of the public outreach process, the results would be brought to the Board and the Board would consider whether all or some of the Fairgrounds property was surplus and available for development by Catellus; and

WHEREAS, state law defines surplus property as land "that is determined to be no longer necessary for the agency's use"; and

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Adopted

WHEREAS, With Catellus' termination of the ENA, this surplus property determination has never been brought to the Board;

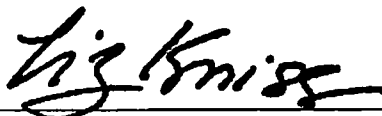
NOW, THEREFORE, BE IT RESOLVED that the Santa Clara County Board of Supervisors hereby determines that the Fairgrounds Property is necessary for County use and it is not surplus within the meaning of Government Code section 54221.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara on JUN 09 2009 by the following vote:

AYES: CORTESE, GAGE, KNISS, SHIRAKAWA, YEAGER

NOES: ~~None~~

ABSENT: ~~None~~



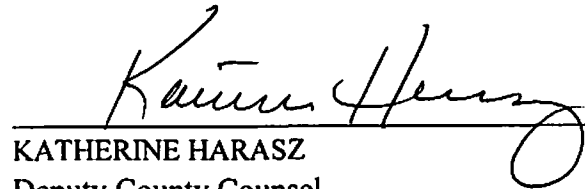
LIZ KNISS, President
Board of Supervisors

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.
Attest:



MARIA MARINOS
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:



KATHERINE HARASZ
Deputy County Counsel