

## Fairgrounds Development

City Point Person – **Ed Shikada**, Deputy City Manager

County Point Persons – **Pete Kutras**, County Executive, and **Patrick Love**, Asset and Economic Development Director

**Est. Completion Date:** Request for Qualifications (RFQ) phase was completed in November 2007. The Request for Proposals (RFP) phase was completed in July 2008. Public outreach and development approvals for a portion of the Fairgrounds are expected to be completed in 2010. Actual development may begin in 2010 and take several years to complete.

**Synopsis:** The County has initiated a developer RFQ/RFP process for the development of the County Fairgrounds property, based on direction from the Board on May 22, 2007. The RFQ Phase completed in November 2007. The RFP was issued on January 31, 2008. Developer proposals were submitted on April 25, 2008. Initial interviews were conducted on June 13 and 16, 2008. Final interviews with the short-listed firms will be held on July 18, 2008. The team featuring Catellus has emerged as the number one recommended developer. The County and City worked cooperatively throughout the selection process.

As property owner, the County's development criteria are the highest and best uses to achieve a long-term continuing stream of new revenues for the County through commercial development, housing, mixed-use, and continued use of part of the Fairgrounds for historical uses such as public gatherings and community festivals. The County is in the process of refining its preliminary vision for the property, after which the City public outreach and development applications processes would begin. The City will be the Lead Agency for CEQA and the County will be a Responsible Agency.

### **County View:**

On March 27, 2007, the County Executive presented to the Board some conceptual land use options for the potential future development of the Fairgrounds property. On May 22, 2007, the County Executive reported back to the Board with the elements that would be included in a subsequent developer RFQ/RFP, and the Board authorized the County Executive to initiate such a RFQ/RFP process. The process is being done in two steps: 1) an RFQ, which was completed in November 2007 and then 2) an RFP. During the RFQ phase, developers were pre-qualified according to relevant experience, financial capability, and other criteria. In the RFP phase, the pre-qualified developers are invited to submit proposals responding to specific elements of the RFP, including housing, commercial development, mixed use, and continued public use. Criteria for housing development will include the requirement that at least 30% of any affordable rental housing is affordable to persons of very low income, defined as 50% or less of Santa Clara County median income, and that at least 20% for any for-sale housing would be deed-restricted below market rate.

The RFQ was issued July 16, 2007. Developer qualification submittals were received by August 30, 2007. Evaluation of the developer qualifications was completed in November 2007. The County issued an RFP to qualified developers on January 31, 2008. The first round of developer interviews was held on June 13 and 16, 2008. Final interviews were held on July 18, 2008. The Catellus team emerged from the competition as the number one recommended developer.

The County hosted two preliminary public “open-house” style briefings at the Fairgrounds on August 13 and 21 to inform the community about the status of the project and to obtain comments. There was a public workshop regarding the development on August 26, 2008, as part of the regular Board meeting. It was emphasized that this is the very beginning of a long process during which there will be many opportunities for public input. More than 30 public speakers, mostly representing current user groups of the Fairgrounds, presented their requests for continuation of their respective activities. On September 9<sup>th</sup>, the Board is expected to consider delegating the authority to the County Executive to negotiate and execute an Exclusive Negotiating Agreement (ENA) with the Catellus team.

The selected developer will have responsibility to work with the City throughout an extensive public outreach process, obtain CEQA approval from the City, obtain all required entitlements from the City, and ultimately finance the development. The County’s goals for the Fairgrounds property are to develop the property for the highest and best use and to provide the County with a continuing stream of new revenue, consistent with the criteria directed by the Board on May 22, 2007, as discussed above. The County continues to work cooperatively with the City as this process unfolds, with the direct involvement of a Deputy City Manager and the Planning and Development Department, Building and Code Enforcement (PBCE).

**City View:** County CEO staff has maintained ongoing contact with City CMO and Planning staff (Ed Shikada and Laurel Prevetti). The CMO collaborated with the County through the developer selection/RFP process. Given opportunities and implications of potential private development of a portion of the Fairgrounds, City staff will work with the County to develop a work plan that outlines the steps and timelines for the business transaction and entitlement processes. Of particular criticality is the approach to community engagement, and how this will factor into the evaluation of development concept, fiscal impact, and environmental impact analyses. City staff will continue to work with the County on this effort and will keep the City Council apprised as the process progresses.

# Santa Clara County Fairgrounds Development



## **San Jose City Council, Redevelopment Agency and Santa Clara County Board of Supervisors Joint Meeting**

September 15, 2008

# Fairgrounds Site



# Background



- Master Planning since 1998
- Previous Fairgrounds Revitalization Project
- Settlement of Lawsuit in 2006
- Board Discussion of Fairgrounds Development – Reaffirmed Board Vision  
(Vision= on-going financial return, housing, commercial development, mixed-use and continued public use--  
March 27, 2007)

# Developer Selection Process



- Board Authorization for RFP/RFQ May 22, 2007

Purpose: To select a developer to propose development of the Fairgrounds for housing, commercial development, mixed-use, and continued public use for events traditionally held there

- RFQ Issued July 16, 2007

- RFQ Responses Received August 30, 2007

Seventeen qualification packages were received and reviewed by independent panel. All 17 were subsequently pre-qualified to continue with RFP process. One developer withdrew, and one combined with another, so 15 teams were eligible.

# Process (cont.)



- RFP Issued January 31, 2008
- RFP Proposals Received April 8, 2008  
Six development teams submitted proposals.  
An independent review panel (Comprised of a Deputy City Manager, two land-use attorneys, outreach expert, and economist) reviewed them

# Process (cont.)



- First Round of Interviews      June 13 & 16, 2008
- Short List of Developers      July 10, 2008
- Final Interviews      July 18, 2008  
    Catellus ranked first

# Initial Community Outreach



- Community Open House Meetings-  
August 13 and 21, 2008
- Board of Supervisors Workshop-  
August 26, 2008
- Evening Board of Supervisors Workshops-  
Fall, 2008
- Notifications used: flyer, ad, City and County email lists, newsletters, newspaper and TV coverage, individual phone calls

# Future Community Outreach



- Project Website- Regularly updated starting in early Fall, 2008
- Project Materials in English, Spanish and Vietnamese- Beginning Fall, 2008
- Series of Community Land Planning Meetings- Beginning Winter, 2009

# Process and Schedule



- Refinement of Board Vision- Fall '08 (Board Workshops and community outreach)
- Board Considers Filing Development Application(s) with City- Early '09
- Land Use Workshops with the Community- Winter/Spring '09
- Discussion of Draft Land Use Plan by Board and City Council, respectively - Spring '09

# Roles After Development Application(s) are Filed with City

- City manages the outreach process with Catellus and County participation
- City has entitlement authority-- housing and commercial development to be annexed to the City
- County retains jurisdiction over continued public use land and facilities
- City is the Lead Agency for CEQA, and County is a Responsible Agency

# Catellus -- Master Developer



- Numerous high quality projects in Bay Area (Mission Bay, Pacific Commons, Alameda Landing)
- Global company with impressive financial capacity and strength
- Enormous mixed-use and public-private development experience
- Proven credentials in community outreach and sustainability

# Development Applications



- General Plan Amendment
- Zoning
- Planning Permits
- Building Permits

# Key Issues Ahead



- Land Use Plan
- Community Engagement Process
- Fiscal Effects/Revenue Issues for County and City
- Environmental Impact Analysis