



County of Santa Clara
Office of the County Executive

78286 A

DATE: September 29, 2015

TO: Board of Supervisors

FROM: Gary A. Graves, Chief Operating Officer
 Bruce Knopf, Asset and Economic Development Director
 Jeffrey D Draper, Director, Facilities and Fleet

SUBJECT: Fairgrounds Master Planning Status Report

RECOMMENDED ACTION

Consider recommendations relating to Fairgrounds Master Planning. (Offices of the County Executive and Facilities and Fleet Department)

Possible action:

- a. Receive report from Office of the County Executive and Facilities and Fleet Department relating to the status of the master-planning process for the Fairgrounds and provide direction regarding conclusions and recommendations offered by the Consultant Team, Johnson Consulting.
- b. Consider additional survey work as part of community outreach, and provide direction to Administration regarding those components to include in a draft random sample survey instrument to be presented for approval at a subsequent meeting.
- c. Provide direction to Administration regarding proposed next steps.

COMMITTEE RECOMMENDATIONS

At its meeting of August 13, 2015, Administration presented a quarterly status report to Finance and Government Operations Committee (FGOC). FGOC received the report and directed Administration to report to the Board on September 29, 2015, relating to opportunity costs of Fairgrounds development options; an analysis of the commercial and residential value of the property; clarification from the City of San Jose relating to residential land designation through the Envision San Jose 2040 General Plan; analysis of potential community benefits of temporarily land banking the property for the foreseeable future; describing implications of developing a Fairgrounds master plan at a different location including subsequent options for land development on the current site; providing options relating to long term revenue generation through the use of underutilized parcels including

options relating to land acquisition in the surrounding area; and providing further analysis relating to public outreach.

FISCAL IMPLICATIONS

There will be no fiscal impact from receipt of this Report. Additional information is required regarding potential survey work and next steps in order to evaluate possible future fiscal impacts.

REASONS FOR RECOMMENDATION

On March 14, 2013, FGOB requested Administration to suggest a process and identify resources to improve the County Fairgrounds property, one of the larger contiguous sites in Silicon Valley (approximately 150 acres). In recognition of its value and its generally underutilized condition, the County has undertaken several efforts over the last 20 years to attempt to improve the property. Former efforts to develop strategies for the Fairgrounds have been characterized as having lacked transparency and adequate public involvement. The Board has been very clear at the outset of the current process about the need to provide for extensive community involvement. As a first step, Administration proposed, and on May 5, 2014, the Board approved issuance of an RFQ/RFP for a consultant team, to advise the County on community engagement, Fairgrounds operations, land economics, and land use planning in connection with the Board developing a vision for the future of both the Fairgrounds property and the Santa Clara County Fair. The first stage of a contract was awarded to C. H. Johnson Consulting Inc. by the Board on September 9, 2014.

On February 24, 2015, the Board received an Existing Conditions briefing and report from the Consultant Team (#75166).

The attached Market Opportunities Report and its Appendices summarize the findings and results of the current consulting assignment. At the meeting of September 29, 2015, the Consulting Team will present an overview of their findings and be available for questions (Attachment – Presentation).

Outreach

The outreach effort, led by Group 4 Architecture, initiated an extensive community outreach process, one that sought public input early and was intended to be part of an ongoing process that will provide opportunity for community involvement throughout the entire effort. The engagement process has attempted to cover all areas of the County and, through the use of in-person translators and translated survey questions, has striven to reach major segments of our ethnically diverse population. It is the Administration's intent to ensure that the County decision making process continues to provide ongoing opportunity for community involvement.

Since presenting the Existing Conditions report to the Board, Group 4 conducted additional community kiosks in heavily trafficked outdoor venues such as Boogie on the Avenue in Campbell, the Family Parade in Mountain View and the Mushroom Mardi Gras Festival in Morgan Hill. On-line survey responses have been used as well to reach a geographically wider audience. Approximately 2,700 individuals have provided input at community event kiosks, and 2,800 individuals have participated in the on-line survey. While the community

outreach has been extensive, there have been concerns that the results may not accurately reflect views held by a broader sample of County residents, because the survey methods did not utilize statistically rigorous, random sampling methodology. Questions were raised at the August 13, 2015 FGOC meeting, for example, regarding the extent to which these community responses accurately represent views held by residents county-wide or across individual supervisorial districts. In its motion to receive the Fairgrounds Quarterly Update, FGOC directed Administration to provide further analysis regarding community outreach.

Statistically Reliable Surveys

A statistically reliable, random survey can take many forms. It can be implemented in person, by mail, over the telephone, or using the Internet. Cost varies based on the type of survey, the number of individuals taking the survey, and the number and types of questions asked. The first question to be addressed is whether to conduct the survey county-wide or on a district-by-district basis. Sample sizes often range between 400 and 1,500 depending on desired level of accuracy. Using smaller sample sizes at the lower end of this range have lower levels of accuracy, but still fall within industry standards. This would be an appropriate means to manage cost if sampling is needed on a district-by-district basis. If the survey is conducted on a county-wide basis, a larger sample size would be recommended to ensure a higher level of accuracy.

The second factor is to select a means by which the survey is to be conducted: in-person, by telephone, by mail, or by mail invitation with completion of the survey online. Telephone surveys are most commonly used, both as the lowest cost alternative, and because they provide the shortest turnaround.

If the Board desires to conduct additional surveys of this nature, a proposed survey design including formulation of questions, method of implementation, and proposed cost would be brought back to the Board for approval through FGOC.

Consultant Report: Highlights

Market Opportunities

The Consulting Team assessed the market opportunity for commercial uses for all or some portion of the Fairgrounds, including office, retail, industrial, hotel, and residential. While the highest returns today in the market generally are for either for-sale or multi-family market rate housing, the City of San Jose is not inclined to support entitlement changes required for market-rate housing on this site at this time. Because non-governmental uses such as market-rate housing require entitlement approval by the City, housing is not considered to be a viable option at this time.

The second highest revenue-yielding use in the overall San Jose market is for campus style office, but early market research indicates that this is not a preferred location for such a use. Access is poor, with no immediate freeway adjacency and no transit nodes within easy walking distance (CalTrain, light rail, BART). The area surrounding the Fairgrounds has no landmark signage to offer, and there are no other high-image corporate tenants in the immediate area, and thus no synergies.

The commercial uses that the Consultant Team believes could be market-supported on the property at the present time are some neighborhood-serving retail, other retail that does not compete directly with the Plant (a large nearby retail center), commercial recreational uses that complement the public space uses, and potentially, a hotel use.

Prospective Users

The Consulting Team conducted one-on-one interviews with individual stakeholders who wanted to expand on their concepts for utilizing some portion of the Fairgrounds land. Seven different firms/organizations were interviewed. While all but two indicated they would be able to make some level of lease payment, generally in the \$6,000-12,000 per acre range, those amounts are dependent upon refinement of project cost estimates, the amount of capital that will ultimately be invested, and future negotiations.

Fairgrounds Management and Operations

In the current report, the Consultant Team provided expanded detail regarding their February 2015 observations: that an events facility at the Fairgrounds could be successful at various sizes from roughly 30 acres to over 90 acres, with a recommended size at approximately 60 acres or larger (which would include parking, some of which may be shared, and by using existing built infrastructure). Revamping the aesthetics of the grounds, allowing for the potential future addition of a 100,000+ square foot expo hall, and dedicating a source of capital improvement funding (for example, dedicating some portion of future development revenues from Fairgrounds land) are all part of the Consultant Team's comments.

Hypothetical Land Use Allocation Diagrams

The attached Report also includes hypothetical diagrams to show possible division of the Fairgrounds acreage between Fairgrounds/event facilities and potential private development. Appendix 5 to the Report contains four illustrations, representing the amount of land that each of the different alternative sizes of Fairgrounds would require (current 40, 30, 60 and 90 acres). The diagrams are intended as samples of a broad array of possible land configurations at each of those sizes, and are not intended to represent recommended allocations of specific land parcels. Location and configuration of community and private parcels will depend on additional land planning work and/or on the details of future use proposals that the County may receive.

Master Plan

The Administration is working toward development of a Master Plan and a point at which a request (or requests) for proposals (RFP) could be brought forward for Board consideration. A vision for the Master Plan must reflect a balance from among competing priorities. The relative success of an RFP process would depend on the extent to which public goals and objectives are clearly defined, as well as being able to identify the criteria by which proposals would be evaluated.

To that end, a number of issues will need to be addressed. Primary questions and their status are listed below:

- A. Existing Conditions: The first segment of an existing conditions report was provided to the Board February 24, 2015. The attached Report completes the work of documenting environmental, historic and existing economic conditions.

STATUS: Report Completed

- B. Evaluation of Fairgrounds Operation: Report completed reviewing fairgrounds operations nationally and at Santa Clara County.

STATUS: Next step would entail obtaining more specific cost/benefit analysis on suggested ways to improve operations of the existing facility.

- C. Flexibility and Timing of Decisions: The most successful Master Plans and development projects are those that provide flexibility to respond to changing market conditions and opportunities over the long term.

STATUS: Ongoing. Exploration of ways to increase flexibility into any development plan is an ongoing discussion integral to all of the approaches outlined in this memo.

- D. Land Use Policy:

1. The City of San Jose has land use and zoning jurisdiction over uses that fall outside those required for the County's own governmental use. The City recently adopted a new General Plan, Envision San Jose 2040. Generally speaking, general plans are updated every ten years. San Jose is currently undergoing its first four-year review of the plan since its adoption.

The majority of the Fairgrounds is unincorporated land, and is mostly designated Open Space, Parklands and Habitat in the General Plan (GP). The Tully parking lot is incorporated, and has a Light Industrial GP designation, and Light Industrial/Heavy Industrial zoning. In an effort to improve its jobs housing balance, Envision 2040 prioritizes the development of employment generating uses and only allocates limited amounts of new residential development to designated Urban Village areas. The Fairgrounds is not located within an Urban Village area.

STATUS: Administration continues to engage the City of San Jose to determine what combination of non-governmental uses could be accommodated on-site. In particular, Administration continues to seek clarification from the City relating to receptivity regarding potential residential uses under the current or future general plans.

Administration is engaging thought leaders, such as SPUR, to assist with evaluating long-term land use trends in the area, including formulating criteria that could be used to assess options for development. Evaluating community benefits by temporarily land banking the property is among the options for consideration.

2. Transportation: As has been discussed, the Fairgrounds is situated between two major freeways, but is not well served by convenient rapid public transportation.

STATUS: Engage VTA and the City of San Jose in joint long-range planning of possible future transportation solutions for this area.

3. Specific Site Land Plans: Specific site scenarios could be developed once preference is indicated regarding the range of potential uses and the time frame for planning. Administration understands the Board's desire to be presented with a wide range of options, and thus further information is needed before initiating land planning work. Specifically and in addition to relevant factors listed above, further discussion is needed regarding the following:
 - i. Pros and Cons of uses that would be considered acceptable "temporary land banking uses for the foreseeable future."
 - ii. A decision tree that presents a tiered approach to reinvestment options for the existing Fairgrounds improvements:
 - a. Minimal investment addressing deferred maintenance.
 - b. Moderate to high investment in amenities and improvements that would increase the competitiveness of existing facilities. For example, bringing existing buildings and grounds up to industry standards.
 - c. Significant investment over the long term including an estimate of the cost to construct and operate a 100,000 square foot future expo hall pursuant to the Consultant Team's recommendation.

STATUS: Pending further Board direction in general, work can nonetheless be undertaken to estimate the cost of Minimal, Moderate-to-high, and Significant reinvestment in the public venues located at the Fairgrounds.

- E. Parcel Assembly: The Board has enquired about the opportunity to acquire and consolidate adjacent parcels. There are a small number of land parcels that adjoin the main Fairgrounds site. Over the last ten-plus years, Administration has attempted communication with some of these owners regarding interest in selling property to the County. None of the owners have expressed any interest in selling their property and all of the parcels are occupied by existing businesses. It should also be noted that the County is at a disadvantage in assembling land, in that negotiations are more public than with a private buyer, decisions take longer, and the County cannot pay more than fair market value.

STATUS: Ongoing. Administration will continue to investigate whether any of the adjoining property owners will consider selling their property to the County and report any changes to the Board.

- F. Current and Interested Users: Many interested users have provided proposals for their investment or expanded investment at the Fairgrounds.

STATUS: Pending issuance of a formal RFP. When the County issues an RFP and receives formal proposals, it will then be possible to provide the Board with an analysis of the impact from either a reduced or an expanded Fairgrounds on these interested users.

- G. Sources of Investment Capital: To date, the Board has been unwilling to invest General Fund monies to subsidize ongoing operations of the Fairgrounds. If a decision is made to continue using some portion of the Fairgrounds as an event facility, a decision will need to be made to identify sources of capital investment to solve deferred maintenance issues, and to kick-start and/or to sustain renovation of the Fairgrounds property and its existing improvements.

Over the last fifteen years the County has demolished various structures in preparation for Fairgrounds redevelopment. Similarly, portions of the Fairgrounds lands have been ground-leased for affordable housing development and the revenue stream (approximately \$1M/year) has augmented the General Fund to support delivery of needed programs and services: workshop participants have commented that little if any of this revenue was used for reinvestment in Fairgrounds maintenance. At the same time, deferred maintenance of the aging facility impairs the ability of the County Fairgrounds to successfully compete as an event rental facility.

STATUS: Pending direction from the Board.

Next Steps

Based on Board direction, prepare and bring additional scope of work and budget to the Board for consideration.

CHILD IMPACT

The recommended action impacts the Every Child Safe, Every Child Health, Every Child Successful in Learning and Every Child Successful in Life indicators. The report on the status of the County's investment in the Fairgrounds keeps the Board informed of potential opportunities and constraints in maximizing its value. This knowledge positively impacts children and youth by giving the Board updated information that may be used to improve all citizens access to County services.

SENIOR IMPACT

The recommended action positively impacts seniors by giving the Board updated information that may be used to improve all citizens' access to County services.

SUSTAINABILITY IMPLICATIONS

The recommended action would give the Board updated information that may be used to improve the sustainability of our community.

BACKGROUND

On May 5, 2014, the Administration issued an RFQ/RFP for a consultant or consultant team to advise the County on Fairgrounds operations, land economics and land use planning in connection with the Board developing a vision for the future of both the Fairgrounds property and the Santa Clara County Fair. A contract was awarded to C. H. Johnson Consulting Inc. by the Board on September 9, 2014 as the prime consultant for the Fairgrounds Master-planning effort. In a presentation to the Board of Supervisors on February 24, 2015, C. H. Johnson and its team of consultants reported the results of the first part of their assignment, reflecting outreach efforts to that time, an Existing Conditions report, and a preliminary review of the Fairgrounds operations.

The Board of Supervisors conducted a workshop on May 20, 2014 to consider draft Guiding Principles for the visioning effort. The following eight Guiding Principles were considered and supported by the Board to direct the development of community outreach, analytical studies, creation of options and concepts, and possible future master planning for the Fairgrounds property.

TRANSPARENCY

The process of planning for the future of the Santa Clara County Fairgrounds shall be conducted with the maximum amount of visibility to the various stakeholders with interest in the Fairgrounds, to the neighbors surrounding the Fairgrounds, and to the general public.

INCLUSION

Throughout the process of research and development of alternatives, every effort shall be made to assure that all interested parties have an opportunity to have their voices heard, and their opinions and advice included in the reporting and consideration of alternatives.

HERITAGE

Planning for the future of the Fairgrounds shall be done in a manner that is respectful of the history, traditions and agricultural heritage of this cherished community asset, without compromising the future needs of the County.

COMMUNITY

Consideration shall be given to existing community utilization of the Fairgrounds. Planning will include an analysis of programs and functions that may be impacted by changes in the design or utilization of parts of the Fairgrounds and what options there are through either alternative methods or locations for accommodating those functions.

ECONOMIC GROWTH

Plan the future uses of the Fairgrounds property in such a way as to create and support economic growth.

MAXIMIZATION

The goal of the master-planning effort shall be to maximize the overall usefulness of the County Fairgrounds in meeting the mission of the County. The objective is to achieve the optimum balance between on-site services to the community, such as the County Fair and community event programming, and revenue generation to sustain high-priority County programs.

OPEN SPACE AND RECREATION

Any and all proposals for alternative uses for any portion of the Fairgrounds shall include a component of open space and recreational use, available to the adjoining neighborhoods and to Santa Clara County residents wherever they may reside.

LONG HORIZON

The County has a long-term focus on this treasured resource and seeks to preserve its ownership and control of the property. Therefore, long-term leasing of any portion of the Property not currently needed will be given preference over the sale of land.

The Board awarded a contract to C. H. Johnson Consulting Inc. on September 9, 2014 as the prime consultant to assist with the Fairgrounds visioning process.

The core team consists as follows:

C. H. Johnson Consulting Inc., Prime Consultant and Primary for Fairgrounds operations

Group 4 Architecture, Primary for project outreach, public interface and community engagement

SWA Group, Primary for physical options analysis and place-making, manages technical team

Economic and Planning Systems (EPS), Local counterpart to Johnson on economic and development issues

In addition the following sub-consultants provide technical support on an as-needed basis:

BKF Engineering, civil engineering and survey

ARUP, transportation, energy, water and waste issues

Garavaglia Architecture, historic resources

David J. Powers and Associates, environmental constraints and opportunities

LINKS:

- Linked To: 78071 : 78071

Fairgrounds Management Corp Agenda Update

- Linked To: 77718 : 77718
FGOC Agenda Update
- Linked To: 75166 : 75166
Phase 1 Report to BOS

ATTACHMENTS:

- Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (PDF)
- SCCFG Market Opportunities Report FINAL 091715 (PDF)
- Appendix 1_Existing Economic Conditions (PDF)
- Appendix 2_Outreach Results (PDF)
- Appendix 3_Environmental Conditions (PDF)
- Appendix 4_Historical Findings (PDF)
- Appendix 5_Hypothetical Land Use Allocation Diagrams(PDF)



CONSULTANTS' REPORT

Board of Supervisors Meeting, September 29, 2015

Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :

- **Introductions:**

 - Charles Johnson, President, Johnson Consulting
 - James Musbach, Managing Principal, EPS

- **Overview of Presentation:**

 - Guiding Principles
 - Outreach Efforts
 - Fairground Operations
 - Commercial Land Uses
 - Uses Offered by Stakeholders
 - Principles for Self-Sufficiency

- Transparency
- Inclusion
- Heritage
- Community
- Economic Growth
- Maximization
- Open Space And Recreation
- Long Horizon

Community Kiosk



Kiosk appearances, 2014-2015

- Day of the Dead, 10/25
- Home & Garden, 10/25-6
- Berryessa Library, 11/7
- Community Meeting, 11/12
- Tully Library, 11/18
- Christmas in the Park, 12/18
- Tet Festival, 2/21
- Spring Family Parade, 4/25
- Boogie by the Avenue, 5/16
- Mushroom Mardi Gras, 5/23

2763 participants

Online Survey

Santa Clara County Fairgrounds Vision Planning Survey Round 1



Survey Statistics

- 15 Questions
- 3 Languages (English, Spanish, Vietnamese)
- Still open, still active

2815 participants

TOTAL: 5578 PARTICIPANTS

ALTERNATIVE SIZED FAIRGROUND OPERATIONS

	0-Acres	30-Acres	60-Acres	90-Acres
Caveats	County Fair & Community Events must relocate	Shared parking w/Tully	Includes Tully Parking	Includes Tully Parking
Analog	Aksarben	Current Fairgrounds (slightly smaller)	San Mateo Events Center	Alameda County Fairgrounds (slightly larger)
Conclusions	<ul style="list-style-type: none"> Maximizes available real estate for non-Fairgrounds uses 	<ul style="list-style-type: none"> Must exploit current buildings Can be self-sufficient “Pocket Fairgrounds” 	<ul style="list-style-type: none"> Small for fully functional Fairgrounds Misses larger opportunities. Can be self-sufficient 	<ul style="list-style-type: none"> Appropriate for full Fairgrounds operation Allows for future Expo Hall development. Can be self-sufficient
Available Real Estate	150 acres	120 acres	90 acres	60 acres

Fairgrounds completely redeveloped into commercial mixed-use development.

Four day western festival featuring the Douglas County Fair, AKSARBEN Stock Show Rodeo moved to Downtown Omaha, and hubs around Century Link Arena – proximity to Downtown arena makes this possible



Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :



Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :



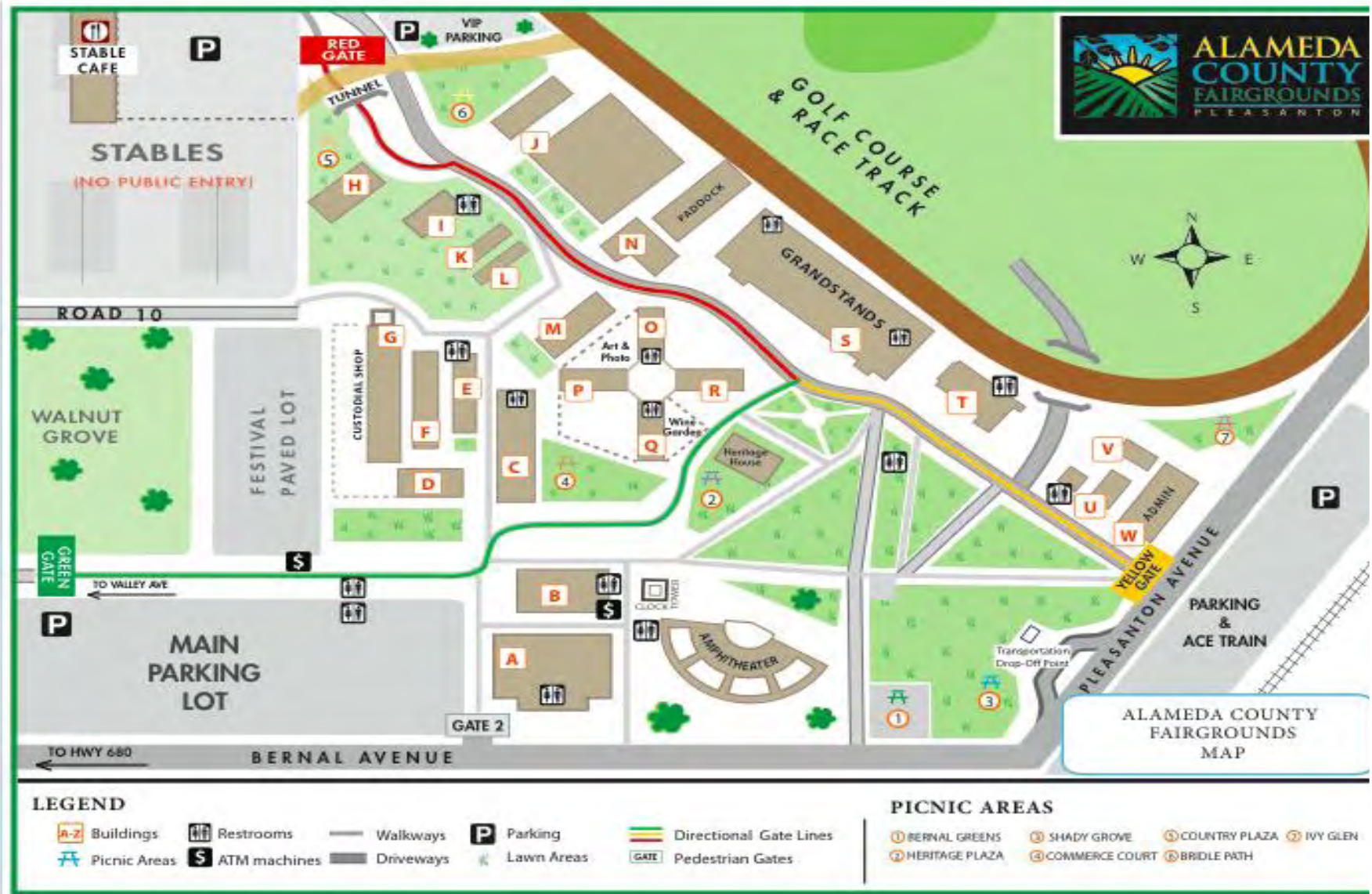
Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :

ALAMEDA COUNTY FAIRGROUNDS

100 ACRES Net Equivalent*

16.a

* 267 acres but includes mile long track & golf course



Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :

Annual Lease Revenue Estimates by Land Use Category

Land Use Category	Land Value per Acre	Annual Lease Revenue (per Acre)	
		(at 6% yield)	(at 7% yield)
Currently Demonstrating Market and Entitlement Support			
Commercial Recreation	\$150,000	\$9,000	\$10,500
Hotel	\$875,000	\$52,500	\$61,250
Retail	\$1,000,000	\$60,000	\$70,000
Currently Lacking Market and/or Entitlement Support			
Industrial	\$500,000	\$30,000	\$35,000
Office	\$2,700,000	\$162,000	\$189,000
Residential (Multifamily)	\$3,500,000	\$210,000	\$245,000

Sources: CoStar Group; Economic & Planning Systems, Inc.

Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :

USES OFFERED BY STAKEHOLDERS

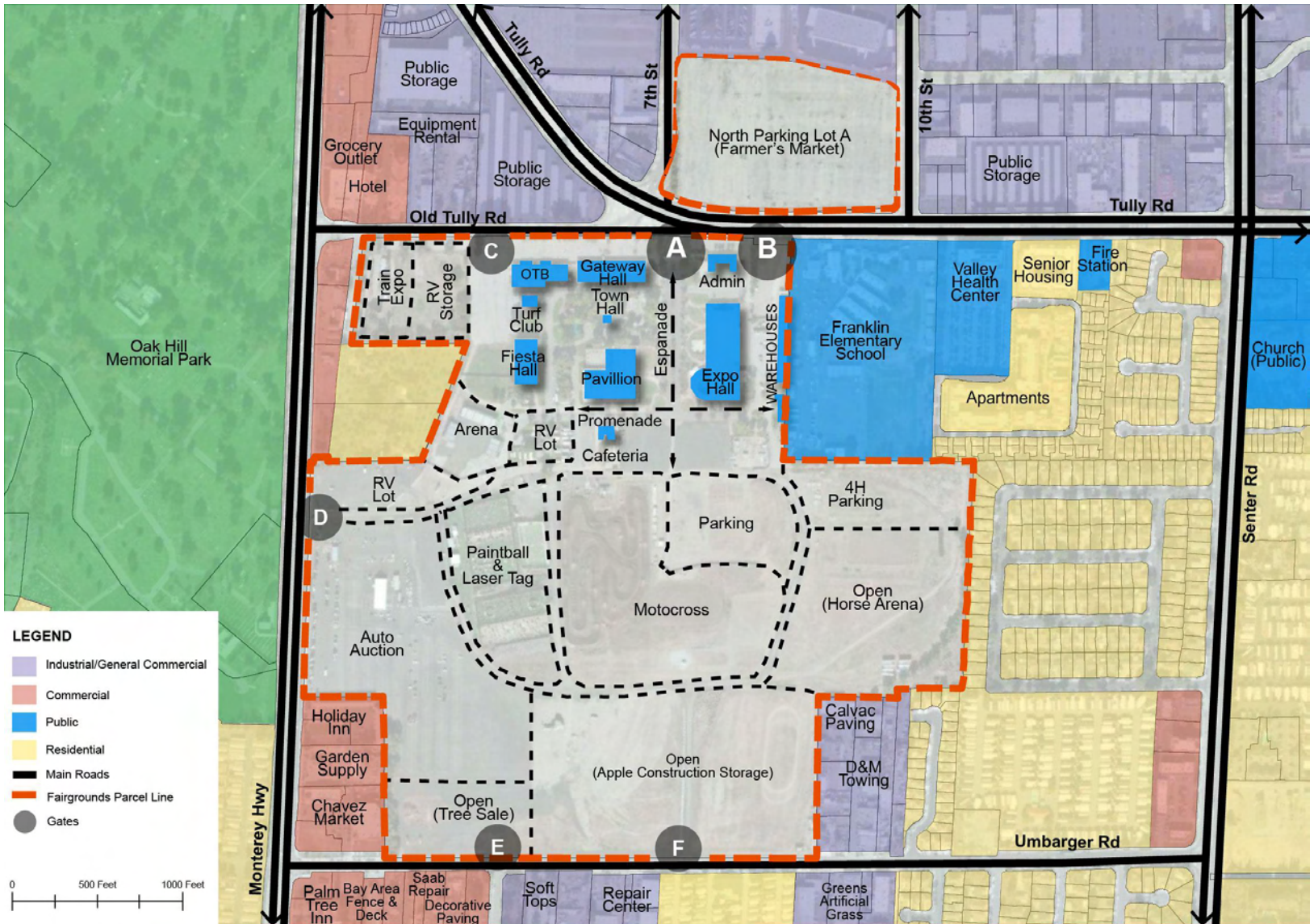
Attachment: Fairgrounds Report - Board of Supervisors 9_29_15 Presentation (78286)

Potential Stakeholder	Acres Requested	Estimated Annual Rent	Estimated Annual Rent per Acre
California Trolley and Railroad Corporation	2 to 3	\$0	
Santa Clara Paintball/ Laser Tag	10 to 20	> \$120,000	> \$6,000 to \$12,000
Cambrian Go-Carts	30	eventually \$360,000	\$12,000
San Jose Giants	66	unknown, but > \$0	unknown
Bay Area Curling	1	unknown, but > \$0	unknown
Berryessa Flea Market ("Core Operation")	at least 50 acres	\$300,000	\$6,000
Farmers Market			
Oak Hill Memorial Park [1]		n/a	

[1] The Cemetery has approximately 10 years remaining of expansion capacity. Cemetery would like about 15 to 20 acres on the Fairgrounds site. The Cemetery would need to buy the land; even a very long-term lease is not a possibility.

Source: Stakeholder Interviews Conducted by EPS and Johnson Consulting.

SANTA CLARA COUNTY FAIRGROUNDS NEARBY USES



Attachment: Fairgrounds Report _ Board of Supervisors 9_29_15 Presentation (78286 :

- Expand Board of Directors
- Allow FMC to program more aggressively
- Lengthen Fair to two weekends and add contemporary elements
- Develop sponsorship and advertising revenue streams
- Prioritize deferred maintenance
- Allow Fairgrounds to keep revenue to re-invest onsite
- Establish Common Area Maintenance Fee to be paid by tenants

Santa Clara County Fairgrounds

Market Opportunities Final Report

September 17, 2015



San Jose, California

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

SANTA CLARA COUNTY FAIRGROUNDS
MARKET OPPORTUNITIES
FINAL REPORT

Prepared for:

County of Santa Clara, California
Office of the County Executive

Prepared by:

Johnson Consulting
Group 4 Architecture
Economic & Planning Systems
SWA
BKF Engineers
ARUP
Garavaglia Architecture
David J. Powers & Associates

September 17, 2015

Table of Contents

- INTRODUCTION** 1
- I. PURPOSE**..... 1
- II. GUIDING PRINCIPLES**..... 2
- III. PROJECT BACKGROUND**..... 4
 - A. History of the Site**..... 5
 - B. Revitalization Projects**..... 6
- EXISTING CONDITIONS** 10
- I. URBAN CONTEXT**..... 10
 - A. Land Use & Ownership** 10
 - B. Community Character**..... 11
 - C. Economic and Demographic Setting** 12
 - Population and Housing 13
 - Market Context 14
- II. FAIRGROUNDS FACILITIES** 15
 - A. Existing Facilities** 15
 - Outdoor Facilities..... 16
 - Building Facilities..... 18
 - B. Facilities Assessment**..... 20
 - Pavilion Hall 20
 - Exposition, Gateway, and Fiesta Hall Structures..... 25
- III. SITE CHARACTER**..... 30
 - A. Visual & Aesthetic Features** 30
 - B. Cultural Features** 33
 - Historic Resources..... 33
 - Archaeological Resources..... 35
 - C. Environmental Features** 36
 - Physical Conditions..... 36
 - Biological Resources 39
- IV. TRANSPORTATION & PARKING** 41
 - A. Regional Transportation & Mobility Overview** 41
 - Background and Regulatory Context..... 41
 - Roadways and Congestion..... 42
 - Transit..... 43
 - B. Site Transportation & Mobility Context**..... 44
 - Roadways and Congestion..... 47

Transit47

C. Bicycle and Pedestrian Circulation50

D. Parking.....52

V. PUBLIC UTILITIES and SERVICES.....53

A. Utilities53

Water Services.....53

Wastewater54

Storm Drainage55

Dry Utilities-Gas and Electric55

B. Public Services.....56

Fire Services.....56

Police Protection Services.....56

Schools.....56

Parks.....57

Recreation60

Libraries.....61

VI. FAIRGROUNDS OPERATIONS.....61

A. Management Structure.....61

B. Demand Summary61

C. Revenue and Expenses.....64

OUTREACH SUMMARY67

OPPORTUNITIES ANALYSIS69

I. REGIONAL AND EXAMPLE FAIRGROUNDS.....69

A. Regional Facilities72

B. National and Canadian Example Facilities.....86

C. Proposed Facilities97

D. Redeveloped Facilities.....98

II. OPPORTUNITIES FOR NON-FAIRGROUNDS USES.....99

A. Market Research and Land Values99

B. County, City, Community and Developer Perspectives102

III. INSIGHTS FROM INTERVIEWS104

A. Summary of Interviews.....104

B. Specific Opportunities – Existing Tenants107

C. Specific Opportunities – Potential Stakeholders108

IV. SUMMARY113

INDICATED STRATEGY114

I. FAIRGROUNDS USES114

II. NON-FAIRGROUNDS USES 114

III. NEXT STEPS 116

List of Figures

Figure 1.1: View of Fairgrounds 1

Figure 1.2: Planning Process 2

Figure 1.3: Site Photo Looking North towards the Main Entrance..... 4

Figure 1.4: Site Photo Looking South 4

Figure 1.5: Regional Context..... 5

Figure 1.6: County Fair Posters 6

Figure 1.7: Historical Timeline..... 8

Figure 2.1: San Jose General Plan Land Uses 10

Figure 2.2: Adjoining Uses..... 11

Figure 2.3: Community Character 12

Figure 2.4: Greater Fairgrounds Neighborhood..... 13

Figure 2.5: Site Uses..... 15

Figure 2.6: Fairgrounds Map 16

Figure 2.8: Building Facilities 19

Figure 2.9: Pavilion Hall Exterior and Interior 21

Figure 2.10: Pavilion Hall Floor Plan 21

Figure 2.11: Exposition Hall..... 25

Figure 2.12: Exposition Hall Floor Plan 25

Figure 2.13: Gateway Hall..... 26

Figure 2.14: Gateway Hall Floor Plan 26

Figure 2.15: Fiesta Hall 27

Figure 2.16: Fiesta Hall Floor Plan..... 27

Figure 2.17: Event Parking Looking East towards Senior Housing 31

Figure 2.18: Gate D/Western Entrance 32

Figure 2.19: Gate E/Southern Entrance 32

Figure 2.20: Gate F/Southern Entrance Looking North..... 33

Figure 2.21: Historical View (1920)..... 34

Figure 2.22: Historical View (1941)..... 34

Figure 2.23: Historical View (1950)..... 35

Figure 2.24: Site Topography 37

Figure 2.25: Overflow Parking and Storage Area 37

Figure 2.26: Motocross Area 38

Figure 2.27: Near Motocross Area Looking East 38

Figure 2.28: Tree Grove 39

Figure 2.29: Mature Oak Trees Behind Expo Hall 40

Figure 2.30: Swale along Eastern Edge 40

Figure 2.31: Road Network 41

Figure 2.32: Regional Roadway Congestion 43

Figure 2.33: Regional Transit Connections 44

Figure 2.34: Main Entrance to Fairgrounds..... 45

Figure 2.35: Tully Rd. with a Concrete Median 46

Figure 2.36: Two Way Umbarger Rd. on the Southern Edge of Fairgrounds 46

Figure 2.37: Monterey Rd. Western Edge of Fairgrounds..... 46

Figure 2.38: Existing Traffic Conditions..... 47

Figure 2.39: Local Transit Context..... 49

Figure 2.40: Local Transit Stop Conditions..... 50

Figure 2.41: Bicycle & Pedestrian Diagram 51

Figure 2.42: Bike & Pedestrian Conditions 52

Figure 2.43: Public Utilities at the Fairgrounds54
 Figure 2.44: Existing and Proposed Open Space in South San Jose Planning Area57
 Figure 2.45: Fairgrounds Utilization Chart.....62
 Figure 2.46: Fairgrounds Attendance Chart.....63
 Figure 4.1: San Mateo Event Center73
 Figure 4.2: Alameda County Fairgrounds78
 Figure 4.3: Cal Expo.....80
 Figure 4.4: Sonoma County Fairgrounds.....84
 Figure 4.5: Eastern States Exposition88
 Figure 4.6: Proposed Hotel and Casino New England.....89
 Figure 4.7: Osceola Heritage Park.....92
 Figure 4.8: Osceola Heritage Park Demand Schedule93
 Figure 4.9: Portland Expo Center95
 Figure 4.10: Portland Expo Center Events by Event Type96
 Figure 4.11: Proposed Mid-South Fairgrounds Redevelopment.....97
 Figure 4.12: AKSARBEN Redevelopment98

List of Tables

Table 2.1: Primary Outdoor Areas.....18
 Table 2.2: Summary of Existing Buildings.....19
 Table 2.3: Existing Levels of Services of Freeway Segments48
 Table 2.4: Park Acreage Inventory.59
 Table 2.5: Fairgrounds Events by Type and Location62
 Table 2.6: Fairgrounds Largest Events by Number of Cars Parked64
 Table 2.7 Fairgrounds Revenue and Expense Statement65
 Table 4.1: Key Characteristics of Regional and Comparable Facilities and Markets70
 Table 4.2: Key Characteristics of Regional and Comparable Facilities and Markets71
 Table 4.3: San Mateo Event Center Summary of Exhibit and Meeting space72
 Table 4.4: San Mateo Event Center Demand Schedule74
 Table 4.5: San Mateo Event Center Revenue and Expense Statement75
 Table 4.6: Alameda County Fairgrounds Summary of Exhibit and Meeting Space77
 Table 4.7: Cal Expo Revenue and Expense Statement81
 Table 4.8: Sonoma County Fairgrounds Summary of Exhibit and Meeting Space83
 Table 4.9: Sonoma County Fairgrounds Revenue and Expense Statement85
 Table 4.10: Eastern States Exposition Revenue and Expense Statement90
 Table 4.11: Osceola Heritage Park Revenue and Expense Statement93
 Table 4.12: Portland Expo Center Summary of Exhibit and Meeting Space.....94
 Table 4.13: Portland Expo Center Demand Schedule.....95
 Table 4.14: Portland Expo Center Revenue and Expense Statement.....96
 Table 4.15: Annual Lease Revenue Estimates by Land Use Category102
 Table 4.16: Annual Lease Revenue Estimates by Specific Commercial Recreation Stakeholder112
 Table 4.17: Summary of Development Precedents.....113

Technical Appendices

Appendix I: *Existing Economic Conditions (Memorandum)*

Appendix II: *Community Outreach Results*

Appendix III: *Environmental Conditions*

Appendix IV: *Historical Findings (Memorandum)*

Appendix V: *Hypothetical Land Use Allocation Diagrams*

INTRODUCTION

I. PURPOSE

The County of Santa Clara has embarked on a multi-phase, community-based planning effort to develop a vision for the future of the Santa Clara County Fairgrounds, a 150-acre County-owned property located in San Jose, California. The figure below shows an aerial view of the fairgrounds holdings, which is located in the relative geographic center of the City of San Jose, directly south of downtown San Jose, and immediately south of the Tully Road/Monterey Road intersection.

Figure 1.1: View of Fairgrounds



This first, visioning phase of the planning effort includes three key work components:

1. A consolidation of existing background information on the Fairgrounds property, including an overview of current land uses and the County Fair and Fairgrounds operations, along with existing economic and demographic conditions, natural features, and transport and infrastructure facilities.
2. An inclusionary, multi-layered process for community input and involvement engaging the local community, stakeholders, businesses, and government partners, and
3. A market study addressing possibilities for expanded existing and new uses at the Fairgrounds, including both event-related and other real estate opportunities.

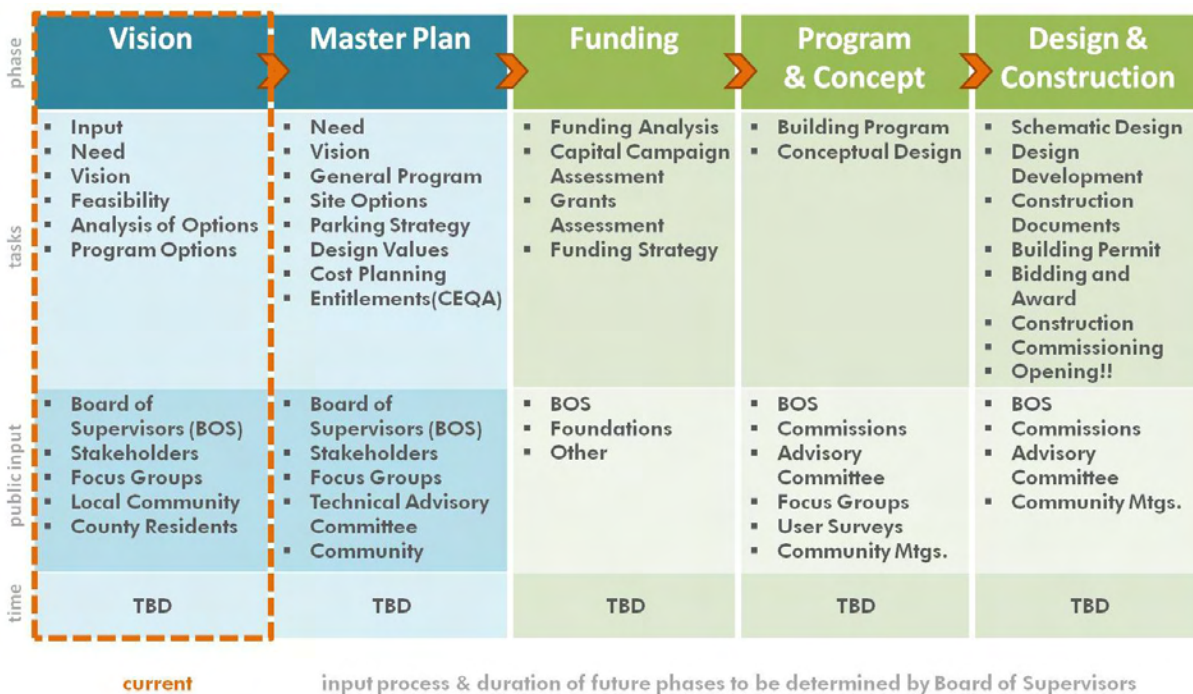
The County is being very deliberate and careful in how it may move forward with the site, and may do nothing at all at this point in time. Together, these work efforts will provide a consolidated basis

for understanding the strengths, weaknesses, and opportunities that exist at the Fairgrounds property within its urban and regional context, thereby allowing for an informed set of possible options for the site. It is noted that this report does not present specific land use recommendations but rather, it describes a range of opportunities from a market perspective. This is a fact finding study. The County has many options open to it, ranging from doing nothing, to reinvigorating the Fairgrounds, of a certain size, to commercializing/ monetizing the entire site. County staff is now looking to the Board of Supervisors (BOS) for guidance in framing the regulatory, organizational, funding and political conditions that will be part of determining future uses on the Fairgrounds site.

At a later stage, and if so directed by the County Board of Supervisors, the options can lead to a compelling master plan that provides multiple benefit to the community, the City of San Jose, Santa Clara County, and the various constituencies that may be served by, or are located on, the property.

The following figure shows the current visioning phase within the overall planning effort.

Figure 1.2: Planning Process



II. GUIDING PRINCIPLES

Prior to initiating the visioning process, the County Board of Supervisors accepted the following Guiding Principles to direct the development of community outreach, analytical studies, creation of options and concepts, and possible future master planning for the Fairgrounds property.

TRANSPARENCY

The process of planning for the future of the Santa Clara County Fairgrounds shall be conducted with the maximum amount of visibility to the various stakeholders with interest in the Fairgrounds, to the neighbors surrounding the Fairgrounds, and to the general public.

INCLUSION

Throughout the process of research and development of alternatives, every effort shall be made to assure that all interested parties have an opportunity to have their voices heard, and their opinions and advice included in the reporting and consideration of alternatives.

HERITAGE

Planning for the future of the Fairgrounds shall be done in a manner that is respectful of the history, traditions and agricultural heritage of this cherished community asset, without compromising the future needs of the County.

COMMUNITY

Consideration shall be given to existing community utilization of the Fairgrounds. Planning will include an analysis of programs and functions that may be impacted by changes in the design or utilization of parts of the Fairgrounds and what options there are through either alternative methods or locations for accommodating those functions.

ECONOMIC GROWTH

Plan the future uses of the Fairgrounds property in such a way as to create and support economic growth.

MAXIMIZATION

The goal of the master-planning effort shall be to maximize the overall usefulness of the County Fairgrounds in meeting the mission of the County. The objective is to achieve the optimum balance between on-site services to the community, such as the County Fair and community event programming, and revenue generation to sustain high-priority County programs.

OPEN SPACE AND RECREATION

Any and all proposals for alternative uses for any portion of the Fairgrounds shall include a component of open space and recreational use, available to the adjoining neighborhoods and to Santa Clara County residents wherever they may reside.

LONG HORIZON

The County has a long-term focus on this treasured resource and seeks to preserve its ownership and control of the property. Therefore, long-term leasing of any portion of the Property not currently needed will be given preference over the sale of land.

Figure 1.3: Site Photo Looking North towards the Main Entrance



Figure 1.4: Site Photo Looking South



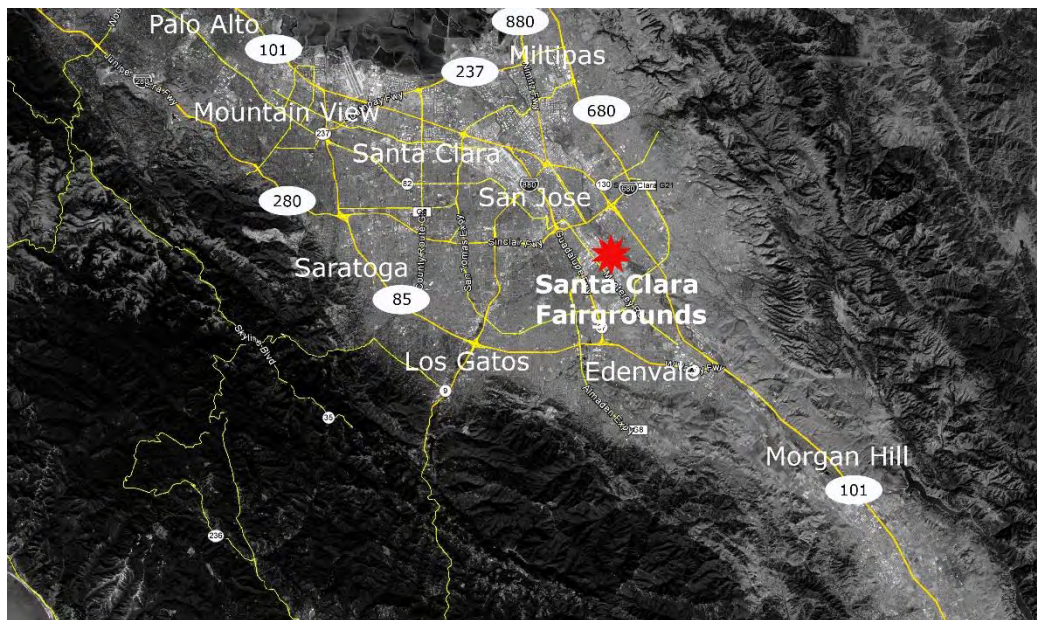
III. PROJECT BACKGROUND

The approximately 150-acre Fairgrounds site is located in the relative geographic center of the City of San Jose, south of downtown San Jose and immediately south of the Tully Road/Monterey Road intersection. The Fairgrounds comprises approximately 150 acres of land, consisting of

approximately 136 acres of unincorporated land located at 344 Tully Road (APN 497-38-001) and an additional 14 acres across Tully Road, known as the North Parking Lot A (APN 477-21-089), which is located within the City of San Jose.

The Fairgrounds is one of the larger contiguous sites in Silicon Valley. As described below, in recognition of its value and its generally underutilized condition, the County has undertaken several efforts to improve the property over the last 20 years.

Figure 1.5: Regional Context



A. History of the Site

The initial 97 acres of the current Santa Clara County Fairgrounds was acquired from the Macomber family in October, 1940. The first County Fair was held there in 1941, and additional parcels were acquired over time (see Figure 1.7 Historical Timeline).

At its peak the Fairgrounds consisted of almost two hundred acres. Today, it consists of approximately 150 acres, of which 136 acres lie on the south side of Tully Road and the remainder to the north. Other acreage has been repurposed over time, most recently for affordable residential housing for both families and seniors (see Figure 2.2 Adjoining Uses). As a result of previous attempts to redevelop all or parts of the property, many of the earlier Fairgrounds structures were demolished, and much of the land is currently unused or used for short-term, temporary uses, as a way to earn revenue for the grounds' operation and upkeep.

At the height of its popularity as a central County site for hosting public and private events in the 1970's, over 1.4 million people per year passed through the Fairgrounds' front gates. With

competition from other venues and a deterioration of the Fairgrounds infrastructure and funding base, these figures declined throughout the 1990's and in 2003 attendance had dropped to slightly over 850,000. The Fairgrounds declined throughout the 1980's and 1990's, both in its physical infrastructure causing a reduction in its revenues from events. In 1994, the financial condition deteriorated to the point where the Fair Association filed for bankruptcy. In 1995, the Board of Supervisors formed a new governance structure for the Fairgrounds, the Fairgrounds Management Corporation (FMC). The FMC is a nonprofit, public benefit corporation, legally separated from the County.

Figure 1.6: County Fair Posters



Source: History San Jose Archives.

B. Revitalization Projects

In 1997, the Board acknowledged the need for significant revitalization of the Fairgrounds, and the County began planning a revitalization project. The FMC issued a request for proposals (RFP) for consultants and selected The A&M Group to prepare the Fairgrounds Revitalization Plan. The Santa Clara County Revitalization Plan, dated May 1998 and accepted by the Board in June 1998 (see: 1998-05-00 Santa Clara County Revitalization Plan, May 1998), called for a Fairgrounds Theater (or concert venue), a new Expo Center, a community recreation facility, infrastructure improvements, and future disposition of the Tully Road parking lot.

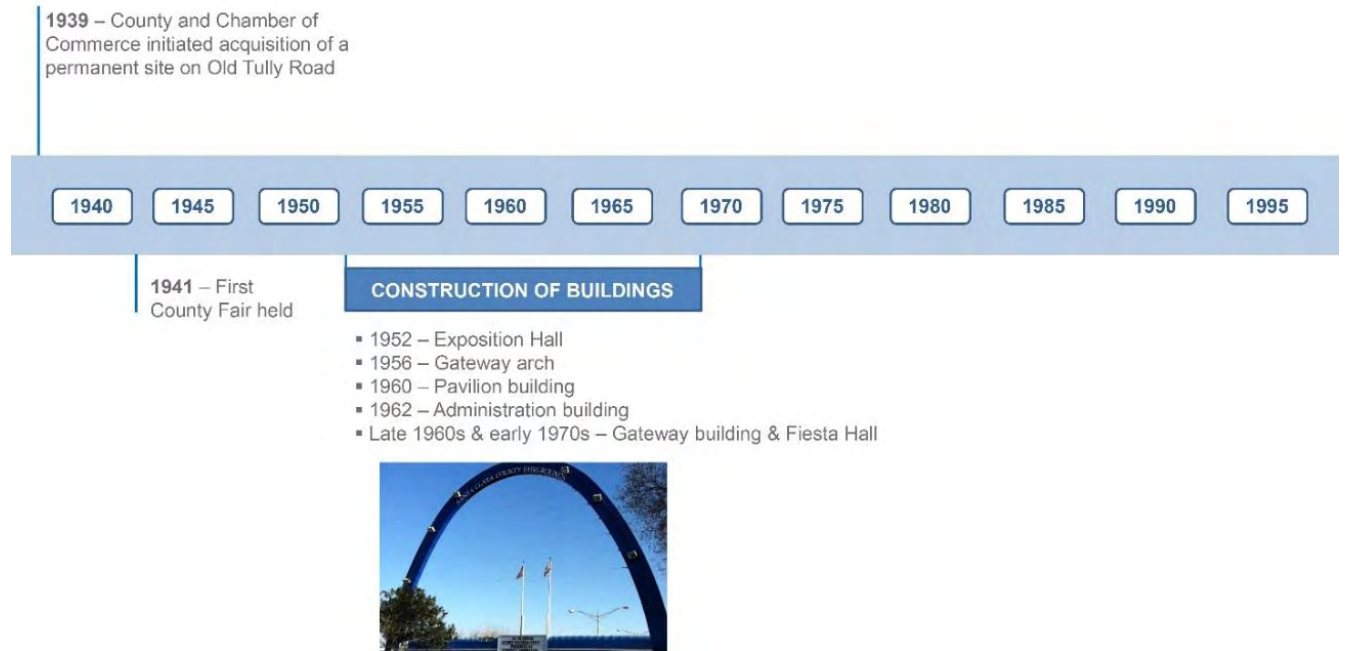
The County Board of Supervisors formally adopted the Final Environmental Impact Report (EIR) by Resolution on April 18, 2000 and approved the Revitalization Project, including the Fairgrounds Theater Project. The Board also approved a long-term Ground Lease between the County and the House of Blues Concerts, Inc. for the development and operation of the new theater. A downturn in the economy and a lawsuit by the City of San Jose, however, undermined the financial viability of the project, causing the Board to cancel the project in August 2006 rather than provide a required \$15 million of additional County General Funds.

On May 22, 2007, the Board directed the administration to issue a Request for Qualifications/ Request for Proposals (RFQ/RFP) for national and local developer teams to propose scenarios for the Fairgrounds property, incorporating operational revenue enhancements for public events during the development phase. The selected team, led by Catellus Development, entered into an Exclusive Negotiating Agreement (ENA) with the County in December 2008. By April 2009, however, the economy had deteriorated and Catellus cancelled the ENA.

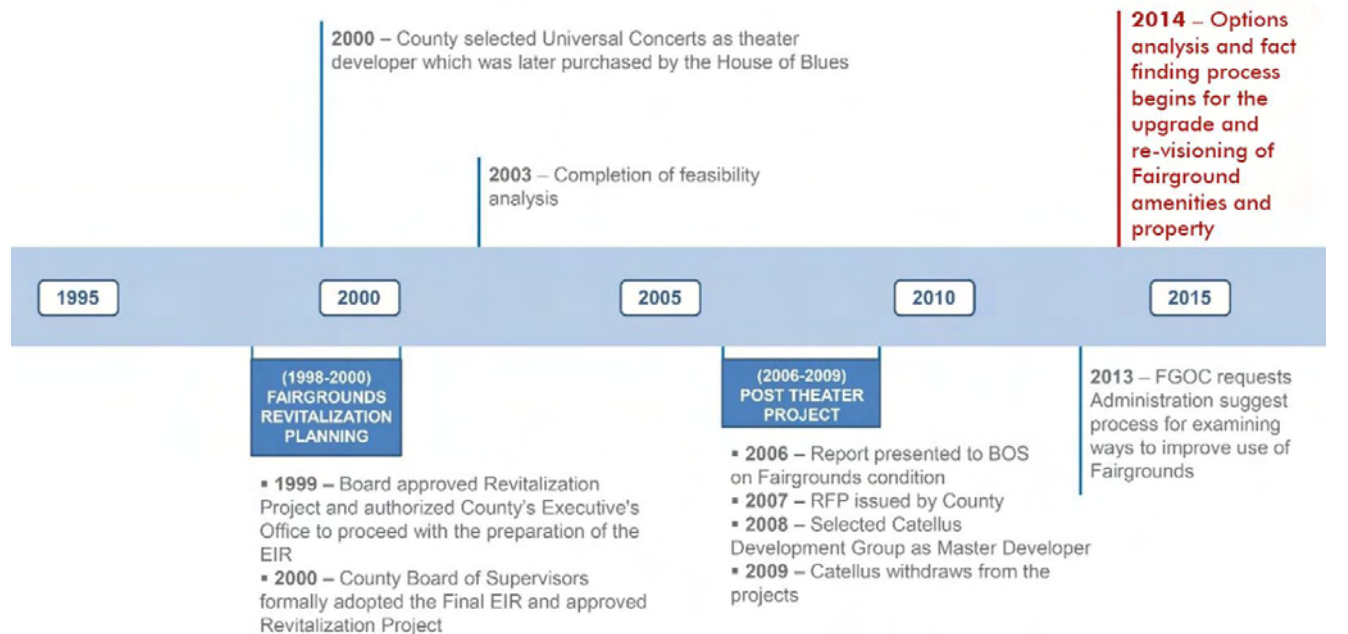
In March, 2013, the Finance and Government Operations Committee (FGOC) of the Board of Supervisors directed the Administration to suggest a process for examining ways to improve the use of the Fairgrounds. On April 29, 2014, the Board authorized the release of a Request for Proposals for consulting services. The initial task is a site characterization and fact-finding study and identification of a range of strategic-level development opportunities. This phase is based upon substantial primary research by both Fairgrounds and real estate consulting expertise, and consideration of previous studies and reports, enhanced with selected new information to serve as the foundation for subsequent phases of the planning process as outlined in Figure 1.2.

The following figure provides an historical timeline of activities associated with the Fairgrounds.

Figure 1.7: Historical Timeline



1939-1995



1995-present

The balance of this report focuses upon fact-finding information about the fairgrounds industry, current fairgrounds operations, and the real estate market potential for the site. Full reports regarding these analyses are found in the appendices to this report, along with reports detailing the substantial public outreach and site planning options work undertaken as part of this study, which provide supplemental information, facts and perspectives about the Fairgrounds site.

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

EXISTING CONDITIONS

I. URBAN CONTEXT

A. Land Use & Ownership

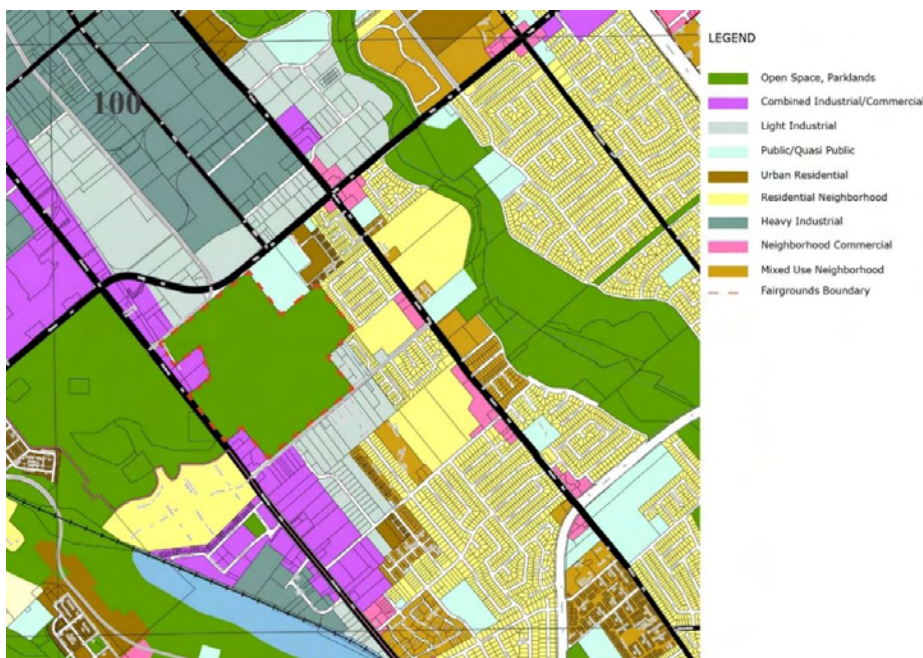
The Fairgrounds is an unincorporated area of land, owned by the County of Santa Clara. As such, public uses of the site are under the jurisdiction of the County. The following excerpt is from the County's General Plan:

The Fairgrounds site has been undergoing development since 2004. In 2008 twelve acres of land on the northern corner of the site were annexed into the City of San Jose and were used to develop almost 500 below-market-rate rental, as a joint action by the Housing Authority of the County of Santa Clara, ROEM Development Corporation, the County of Santa Clara (as owner of the land), and the City of San Jose (as the land use authority). The City of San Jose prepared all plans for the development, and processed all permits.

The County retained the balance of the site and continues to consider options for potential use and development of the site.

The City of San Jose General Plan designates the Fairgrounds as OHPS- Open Space, Parklands, and Habitat (see Figure 2.1: San Jose General Plan Land Uses). The main Fairgrounds property, south of Tully Road, is zoned for Public use. The 15-acre parcel north of Tully Road is zoned Light Industrial.

Figure 2.1: San Jose General Plan Land Uses



Source: City of San Jose

Figure 2.2: Adjoining Uses

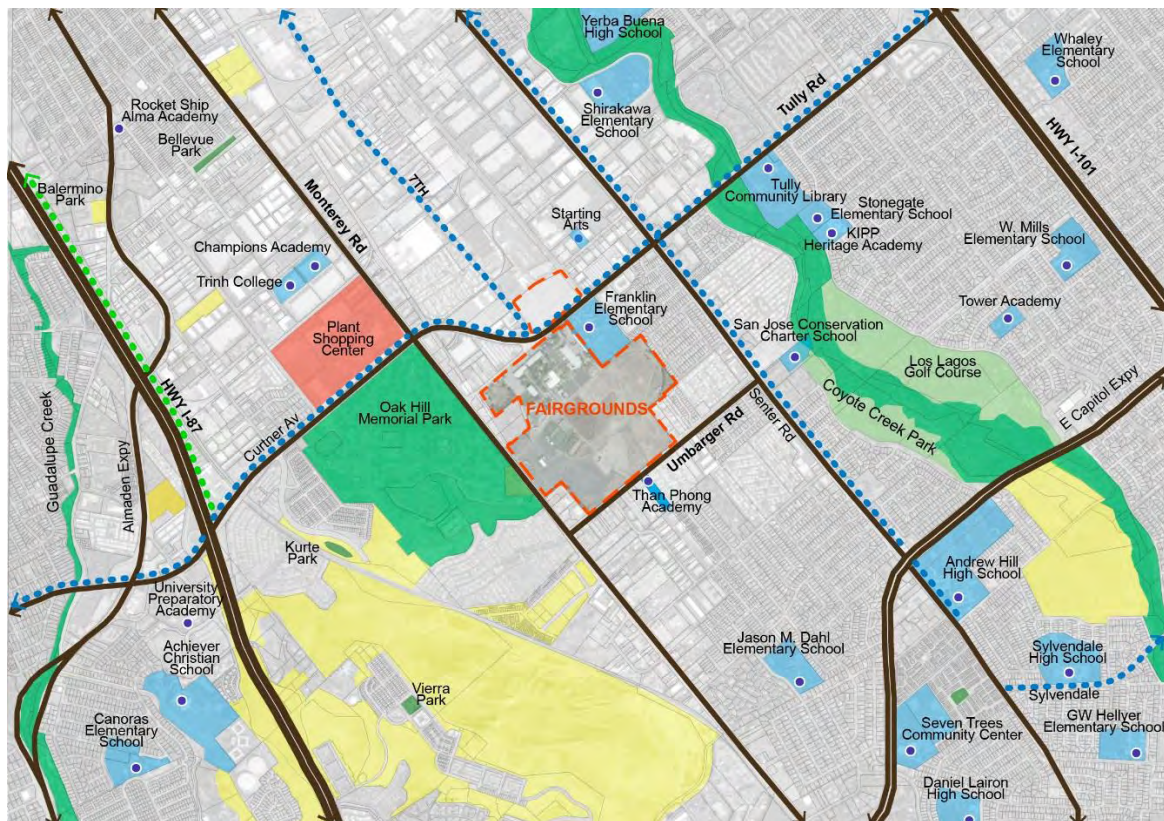
B. Community Character

Properties surrounding the property include a diverse mix of uses (see Figure 2.2: Adjoining Uses). Parcels to the north, along Tully Road, are primarily occupied by commercial and industrial development. Franklin McKinley Elementary School is located adjacent to the northeastern corner of the Fairgrounds property. Residential neighborhoods occupy most of the lands immediately east of the Fairgrounds, with the Coyote Creek Park corridor beyond. A mix of residential, light industrial, and commercial development lies to the south. Commercial development borders much of Monterey Road, with the Oak Hill Memorial Park cemetery and additional residential development further to the west.

Community destinations and services include the Plant Shopping Center at the northwest intersection of Curtner Avenue and Monterey Road, the Coyote Creek Park that runs north-south to the east of the Fairgrounds, and numerous public and charter schools (see Figure 2.3: Community Character).

The Fairgrounds is surrounded by a fence and does not currently act as public community open space, nor does it provide connectivity between land uses in the area. Land use compatibility or incompatibility from redevelopment of the site will be dependent on project-specific design plans.

Figure 2.3: Community Character



C. Economic and Demographic Setting

The following section summarizes information on the economic and demographic setting of the Fairgrounds project. More detailed information may be found in Appendix I: *Existing Economic Conditions Report*.

For purposes of this report, the “Greater Fairgrounds Neighborhood” is defined as all development bounded by 280 to the north, Capitol Expressway to the south, Highway 87 to the west and U.S. Route 101 to the east (see Figure 2.4: Greater Fairgrounds Neighborhood).

Figure 2.4: Greater Fairgrounds Neighborhood

Population and Housing

The Fairgrounds is located in the relative geographic center of the City of San Jose, approximately 3.5 miles south of downtown San Jose. San Jose is the largest city in the San Francisco Bay area and the third largest city in California (see Figure 1.5: Regional Context – Section I: Introduction). It has experienced substantial growth over the past few decades, adding more than 500,000 residents between 1970 and 2010, more than doubling its 1970 population.

According to California Department of Finance estimates for 2014, San Jose has a population of 1,000,536 persons. As of 2014, the City of San José has approximately 323,203 households with an average of 3.18 persons per household¹ and 505,571 persons in the workforce (which is an average of 1.56 employed residents per household.²

Currently, there are no people or houses permanently located on the Fairgrounds site that would be displaced by redevelopment activities, other than the short-term RV area. Impacts from

¹ California Department of Finance *Table 2: E-5 City/County Population and Housing Estimates*. January 1, 2014. Available at: <http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>. Accessed August 11, 2014.

² U.S. Census. *2008-2012 American Community Survey 5-Year Estimates*. 2012. Available at: http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1&prodType=table. Accessed August, 2014.

redevelopment of the site to population growth in the area would be dependent on the type of development proposed.

The following key points regarding population are described more fully in Appendix I: *Existing Economic Conditions*.

- The Greater Fairgrounds Neighborhood is generally a younger population, consisting of more families and a higher proportion of renters than the City of San Jose and Santa Clara County as a whole.
- The Greater Fairgrounds Neighborhood has a higher proportion of Hispanic and Asian residents than the City and County.
- Household incomes in the Greater Fairgrounds Neighborhood are notably lower than in the City and County. The Greater Fairgrounds has a median income of \$60,105, compared with \$79,447 for the City of San Jose and \$87,648 in Santa Clara County.
- Workforce educational attainment in the Greater Fairgrounds Neighborhood is notably lower than in the City and County.
- There are approximately 21,050 jobs located in the Greater Fairgrounds Neighborhood, the majority of which are focused in the construction, manufacturing, retail, and transportation and warehousing industry sectors.
- There are approximately 28,150 employed residents living in the Greater Fairgrounds Neighborhood, the majority of whom are employed in manufacturing, retail, health care and social assistance, as well as professional, scientific and technical services.

Market Context

The City of San Jose and the Silicon Valley Region as a whole has experienced rapid growth in terms of population and jobs over the past few decades. However, since 2000, the Greater Fairgrounds Neighborhood has outpaced the City of San Jose and Santa Clara County in population and household growth (see Appendix I, Table 1). Although the Greater Fairgrounds Neighborhood has experienced a 12 percent increase in median household income over that same period, income growth has lagged behind both the City of San Jose (13 percent) and Santa Clara County (18 percent).

The following key points regarding market context are described more fully in Appendix I.

- Aside from The Plant, the retail power center at the corner of Curtner Avenue and Monterey Highway, there are no other existing large commercial developments in the immediate proximity of the Fairgrounds.
- Large existing office development in the City of San Jose is primarily located in either Downtown San Jose, within the “Golden Triangle,” or within the Edenvale area located to the south of the Fairgrounds. The Golden Triangle refers to the area bounded by Highways 101, 237 and 880 in the northern portion of San Jose and the eastern portion of Sunnyvale. The Edenvale area of San

Jose is located in the southeastern portion of the City and contains a substantial amount of office and industrial uses.

- The City of San Jose’s commercial and residential apartment pipeline is similarly focused in the downtown area and North San Jose.

II. FAIRGROUNDS FACILITIES

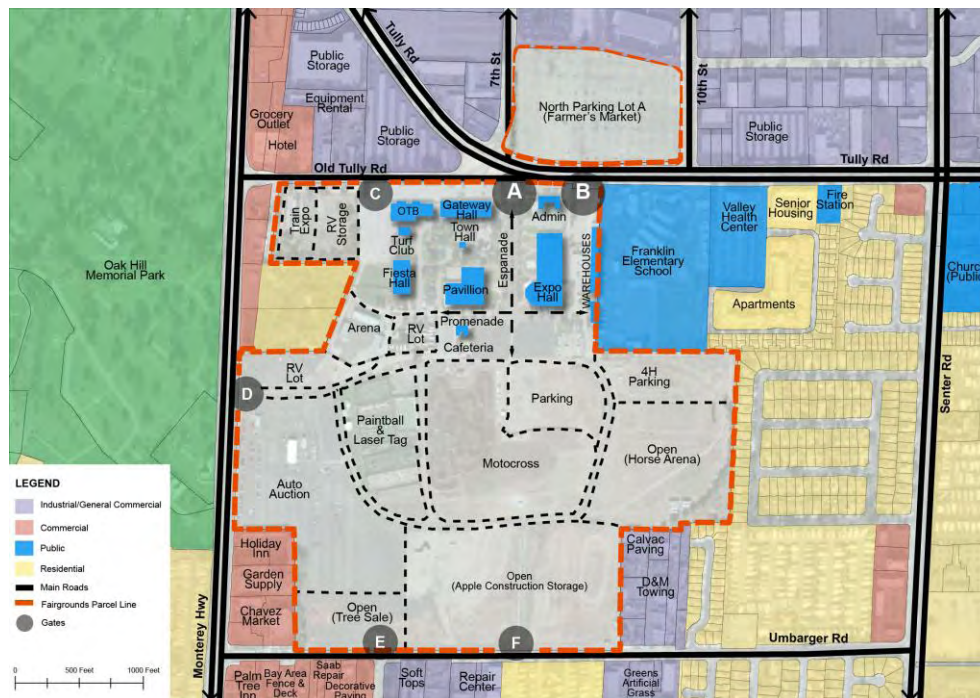
The paragraphs below summarize existing operations at the Fairgrounds, including management structure, and information on existing facilities and activities gathered to date.

A. Existing Facilities

Fairgrounds facilities consist of approximately 167,000 square feet of indoor building space, 20 acres of lawn and paved outdoor spaces, and 40 acres of parking (see Figures 2.5: Site Uses and 2.6: Fairgrounds Map).

The primary Fairgrounds venues, including the concert arena and a complex of six event halls, are concentrated in the northern portion of the site adjacent to Tully Road. Main entrances to the Fairgrounds (Gates A, B, and C) are likewise located along Tully Road. Gate D provides access from Monterey Road into the Paintball, RV Lot, Auto Auction, and other destinations within the middle portion of the site, while Gates E and F provide access from Umbarger Road into the southern areas.

Figure 2.5: Site Uses



Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Figure 2.6: Fairgrounds Map



Source: TheFairgrounds.org

Outdoor Facilities

In addition to the buildings described below, the Fairgrounds includes outdoor event-related facilities including an outdoor arena and a complex of six event halls in the northern portion of the site adjacent to Tully Road, an animal storage area in the central eastern portion of the site, a motocross course in the approximate center of the site, and a paintball/laser tag facility in the central western portion of the site. The site also has open areas not designated for a specific use (see Table 2.1: Primary Outdoor Areas).

Most of the landscaping on the Fairgrounds property, including 70 mature landscaping trees, is located in the northern portion of the site in the areas surrounding the event halls.

Three main axes provide orientation and circulation within the Fairgrounds. The north-south Esplanade serves as the main processional route, while Fiesta Lane and the Promenade serve for east-west circulation (see Figure 2.7: Core Area). A well maintained but aging tree grove behind the Pavilion Hall provides shade and biodiversity (see Figure 2.28 Tree Grove). A lawn area between the Fiesta Hall and the Arena is used for children performances.

Figure 2.7: Core Area



Table 2.1: Primary Outdoor Areas

Outdoor Use Area	Approx. Acres*
4H Parking	4.3
Horse Arena	11.0
Temporary Construction Staging Area	20.0
Trees Sale Lot	4.5
Auto Auction	15.0
Laser Tag & Paintball	8.0
Event Parking	5.3
Motor cross	9.0
RV Parking	3.0
Amphitheater	3.0
Grounds for Children Performances	2.0
Gathering area outside the Cafeteria	1.0
Promenade	3.3
Esplanade	3.3
Fiesta Procession Lane & Tree Grove	3.0
Parking Lot Behind Fiesta Hall	2.0
RV Storage	2.0
Train Storage	2.0
Main Entrance Plaza	2.0
Farmer's Market/Parking Lot	13.0

**Note: Measurements were approximated using Google Earth polygon measure tool*

Building Facilities

The Fairgrounds buildings include six event halls and the arena, as described below (see Figure 2.8: Building Facilities and Table 2.2: Summary of Existing Buildings).

In general, the building facilities at the Fairgrounds are in a deteriorated condition and remain un-renovated³. Outdated building designs, including insufficient size and awkward shape, as well as inefficient site layout, affect the potential for competing with other trade and convention venues or attracting large crowds and customers.

³County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

Figure 2.8: Building Facilities



Table 2.2: Summary of Existing Buildings

Santa Clara County Fairgrounds Summary of Existing Facilities				
	Size (SF)	Capacity (# of Persons)		
		Reception	Banquet	Sports/ Entertainment
Events Facilities				
Exposition Hall	45,000	4,850	3,000	-
Pavilion Hall	33,042	2,200	3,000	-
Gateway Hall	20,000	2,100	1,258	-
Fiesta Hall	10,000	1,000	424	-
Cafeteria	2,700	150	100	-
Town Hall	2,700	150	100	-
Arena	-	-	-	5,500
Additional Facilities				
Fair Downs Off Track Betting (OTB) and Turf Club				
Source: Santa Clara County Fairgrounds, Johnson Consulting				

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

- **Exposition Hall** is 45,000 square feet and has a maximum capacity of 4,850, or 3,000 dining. The ceiling height is 29.5 feet. In addition to the main room, the building has office space, green rooms, and a sports bar. Recommended uses for this facility include trade and home shows, concerts and performances, and large public and private gatherings.
- **Pavilion Hall** is 33,042 square feet and has a maximum capacity of 3,000, or 2,200 dining. The ceiling height is 18 feet. In addition to the main room, the building has office space, a 60 foot x 80 foot dance floor and a 10,000 square feet patio. Recommended uses for this facility include trade and home shows, concerts and performances, pet shows, collectible shows, sales, and retirement parties.
- **Gateway Hall** is 20,000 square feet and has a maximum capacity of 2,100 or 1,258 dining. The ceiling height is 12 feet. In addition to the main room, the building has office space, and a box office ticket window. Recommended uses for this facility include corporate and group meetings, educational and training classes, and large parties.
- **Fiesta Hall** is 10,000 square feet and has a maximum capacity of 1,000, or 424 in a dining setup. The ceiling height is 18 feet. Recommended uses for this facility include Quinceañeras, receptions, and bridal showers.
- The **Cafeteria** is 2,700 square feet and has a maximum capacity of 150, or 100 dining. The ceiling height is 9 ½ feet. In addition to the main room, this building has a 470 square feet patio. Recommended uses for this facility include small family parties, and Christenings.
- **Town Hall** is 2,700 square feet and has a maximum capacity of 150, or 100 dining. The ceiling height is 11 feet. In addition to the main room, this building has a 470 square feet patio. Recommended uses for this facility include bridal showers and birthday parties.
- The **Arena**, is an outdoor venue with seating for 5,500 people and includes a 3,000 square feet event floor. The Arena is adjacent to the Fairgrounds parking area and also has ticket booths. Recommended uses for the Arena include concerts, rodeos, motorsport events, religious gatherings and revivals, equestrian events, and graduations.

B. Facilities Assessment

Pavilion Hall

The Pavilion structure was constructed in 1961 as part of the fairgrounds complex as a multi-use pavilion structure. The original “L” shaped plan remains unchanged to the present. The “Patio” portion of the building appears to be a later addition. See Figure 2.9 and Figure 2.10 below.

Figure 2.9: Pavilion Hall Exterior and Interior



Figure 2.10: Pavilion Hall Floor Plan

PAVILLION
33,000 sq. ft. (rentable area)



Source: TheFairgrounds.org

Architecture: This building was created as an exhibition pavilion, and like many buildings of the 1960's, has its stylistic roots in the International Style that was both popular and seen as

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

progressive, including prominent American architect Edward Durrell Stone's USA Pavilion at Expo 58 in Brussels, Belgium and U.S. Embassy building in New Delhi, India in 1959. The basic building organization is as an "L", with one long leg fronting along the Fairgrounds Esplanade and the other long leg helping to create an alley between the Pavilion and the grandstands of the former racetrack, now the area used for carnival rides during fair events. The public space of the building is simple, open and designed to be flexible to hold a number of different types of events, and is supported on the interior portion of the "L" plan by a support core that includes restrooms, concessions, and a mezzanine with mechanical and other support spaces. The western side of the Pavilion supports service delivery of large objects directly into the main hall area through a single large coiling steel door.

Exterior Finishes: The exterior of the building is primarily painted steel, concrete and masonry. The painted concrete is in fair condition, and the painted steel and masonry has notable peeling and chipping that is exposing the underlying material to the elements and causing the loggia framing to rust in many locations. The roof appears to be a simple low-slope built up roof with perimeter drainage at the exterior walls. Evidence of water ponding on the roof near drain areas is seen in aerial photograph review, indicating potential issues with drainage and/or lack of proper overflow drains.

Interior finishes: The interior of the public space is primarily painted concrete and an exposed painted concrete floor. The concrete floor slab coating is showing signs of wear in numerous locations. A portion of the concrete floor slab is depressed to allow for a flush transition to a wood strip floor to be used for dancing and other events. The wood floor has received the same coating as the concrete floor, and shows significant signs of wear and failure. The public space ceiling is comprised of 12x12 glue up ceiling tiles that appear to be original. Some walls have surface-mounted acoustic panels to assist with sound attenuation.

Restroom finishes are limited to ceramic wall tile that appears to be original and a monolithic floor coating that is the same as in the public space. The floor coating in the restrooms has numerous failure locations.

Structure: The building appears to be a concrete structure, likely tilt-up, with perimeter steel and masonry screening elements that create an exterior loggia that wraps the building. The lack of interior columns indicates a long-span roof structure with spans of approximately 100'. Given the distance and the lack of heavy mechanical equipment on the roof, it is expected that the long spans are achieved by pre-engineered metal trusses. The roof structure supports a ceiling system that includes drywall and 12x12 tiles, as well as surface mounted fluorescent lighting fixtures and HVAC equipment. The adjacent and attached patio structure is a wood framed flat roof supported by tubular steel columns.

The loggia screen is supported by wide-flange columns and beams, which support and constrain the precast perforated masonry screen elements that comprise the majority of the façade. Supporting

opaque areas of the screen appear to be faced with cementitious plaster in some locations and white ceramic tile at corner bays. It is assumed, based on experience with similar masonry screens on other structures, that the precast masonry units are unreinforced and therefore susceptible to failure under seismic forces, especially out of plane forces. The steel members of the loggia have no visible cross bracing, leaving it vulnerable to racking during seismic activity. It is not anticipated that the infill masonry will provide any meaningful seismic resistance to the racking of the primary loggia frame during an earthquake.

Historically, structures like the Pavilion that have massive exterior walls and lightweight roofs are prone to seismic failure at the connection points between the roof and the wall. Additionally, the asymmetric layout of the building itself with its “L” configuration concentrates seismic stresses at the interior corner of the “L” which can overload the wall to roof and wall to wall connections in this area. The extent of structural deficiencies cannot be determined without significant analytical analysis, but it is assumed based on the date of construction and the visual observation that the structure does not comply with current building codes.

Mechanical: Two ground-mounted air cooled chillers are located in a mechanical yard on the north side of the structure and provide the cooling to facility. It appears that the cooling system may not be part of the original construction, but rather an expansion of the original heating system, due to the location of the chillers themselves and exterior routing of chilled water supply and return lines, including over the patio area roof which is not believed to be original. This is supported by satellite photo analysis that indicates that the chillers were installed in 2008. The original HVAC distribution system continues to be used to the present. Conditioned air is supplied overhead through ceiling diffusers and air is returned through wall grilles directly into mechanical spaces in the mezzanine area within the building’s support core.

Plumbing: Plumbing is centered within the building core support zone on the interior of the “L”, including large public restrooms and limited concessions areas. The restrooms themselves generally appear to date from the original construction, with limited modifications made over time to improve accessibility.

Electrical /Lighting: There is limited exterior lighting, primarily in the form of modified “cobra-head” streetscape fixtures that have been mounted along the top of the loggia screen wall along the eastern façade that faces the Esplanade. There is no lighting in the loggia itself. Interior lighting in public spaces is accomplished via large surface mounted fluorescent fixtures. The interior light scheme was originally supplemented by an extensive system of track-style lighting. There are currently no lighting fixtures that are utilizing the track system. From observation, it appears that supplemental lighting needs are currently being addressed via floor and wall-mounted convenience power locations. Convenience power is primarily located around the perimeter at columns and at selected floor boxes in the middle of the public area.

Life Safety: The building is equipped with a fire sprinkler system and illuminated exit signage above doors. Wall-mounted fire extinguishers are located and signed along interior walls. The public spaces are served by a limited amount of wall-mounted emergency lighting “bug eye” fixtures with internal battery backup, and no emergency power generator or lighting inverter was observed. No fire alarm control panel, pull stations, horn-strobe units or other fire alarm devices were observed. Exterior exit doors from the public main hall are numerous and well-distributed around the building perimeter and are equipped with panic hardware.

Accessibility: This building was constructed prior to the enactment of accessibility codes. Accessibility upgrades have been performed in the public restrooms, but those upgrades have since been superseded by current ADA standards for lavatories, urinals and accessible water closets and their associated compartments. The grade change from the Esplanade is accommodated only by stairs and not an accessible ramp to allow the public into the building through the “main entry”. Some of the other entry points to the building are at grade. Existing rollup concession windows provide limited opportunity for accessible access via “side approach”, as there is no available knee clearance for front approach.

Hazardous Materials: It is not known if a hazardous materials survey and abatement has been done for this building as part of a previous study. Based on the age of construction and materials observed in the building, if the building has not been previously abated then it would be common to expect there to be lead paint in various locations within the building, including metal doors and door frames as well as exposed exterior columns like those in the loggia. It would also be common to expect to find asbestos in the mastic of the glue up ceiling tiles and any floor tiles in support spaces as well as the sheetrock joint compound in support spaces and above the ceiling. If there is spray-on fireproofing above the ceiling, this is another area where asbestos would be expected to be encountered, as well as potentially in the built-up roofing material.

Summary Bullets:

- Structure – significant anticipated seismic deficiencies between roof-wall and wall-wall connections and in loggia screen construction.
- Mechanical – New air conditioning system using original distribution system.
- Plumbing – original system, likely nearing end of life
- Electrical/Lighting – Limited exterior lighting for safety, inflexible interior lighting system, limited points of connection and capacity for convenience power within the Main Hall
- Life Safety – Fire sprinkler system installed, no fire alarm system.
- Accessibility – Restrooms and public spaces are not fully compliant with current standards. Exterior access to main entry doors is only via stairs. None of the buildings have concourses sufficient for the building populations and up to modern standards.
- Hazardous materials – anticipated due to age of building. Likely to be extensive.

Exposition, Gateway, and Fiesta Hall Structures

The Exposition, Fiesta and Gateway Hall structures were all constructed as parts of the original 1940 master plan for the fairgrounds complex. All of these structures were completed by 1972, the first to completion was the Exposition Hall which was finished in 1952. The next to be completed was the Fiesta Hall in 1961, its original use was to facilitate youth activities. The plans remain unchanged from the original for all three buildings. See images on Figures 2.11 - 2.16 below.

Figure 2.11: Exposition Hall

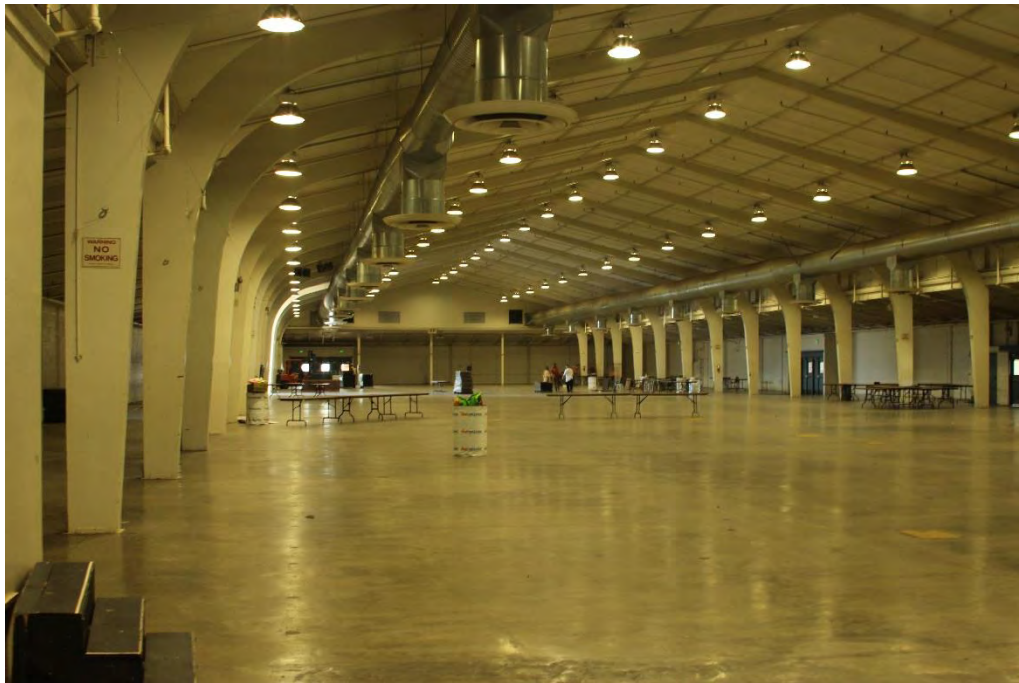
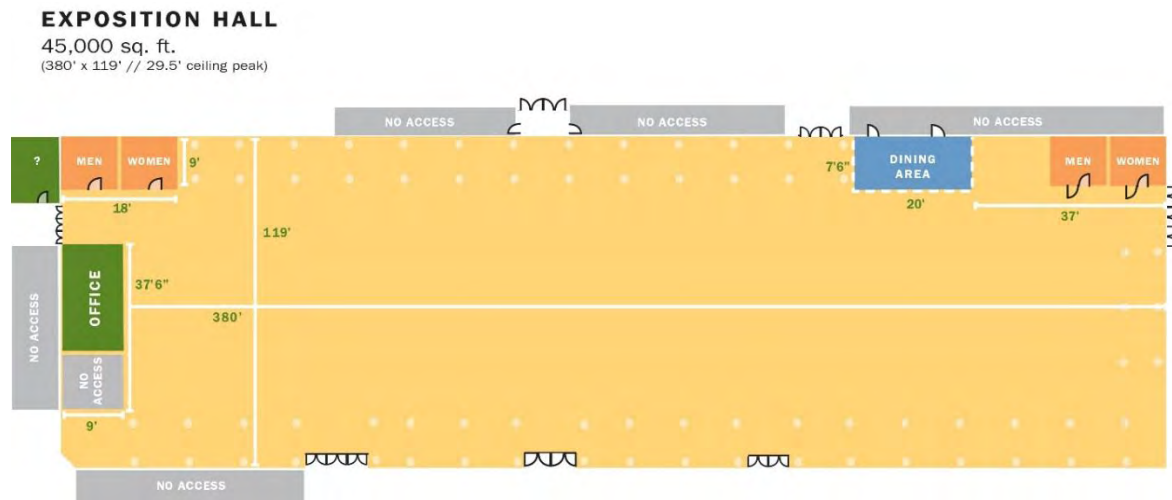


Figure 2.12: Exposition Hall Floor Plan



Source: TheFairgrounds.org

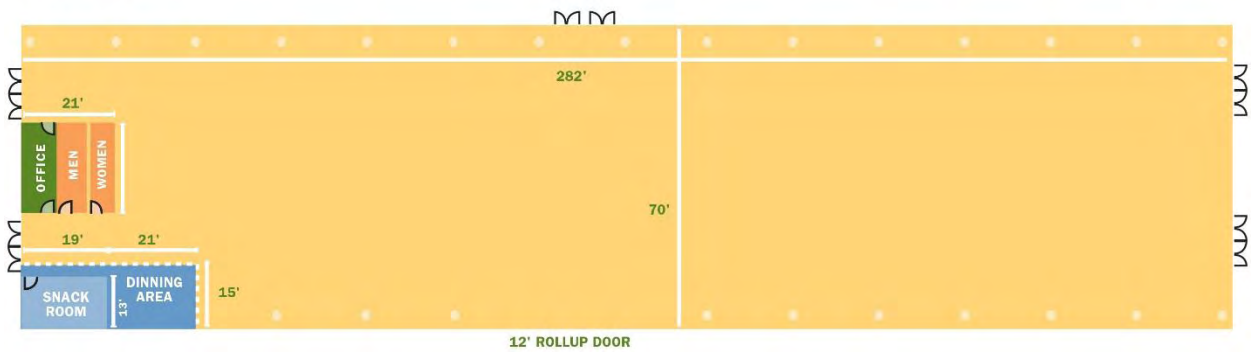
Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Figure 2.13: Gateway Hall



Figure 2.14: Gateway Hall Floor Plan

GATEWAY HALL
18,700 sq. ft.



Source: TheFairgrounds.org

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

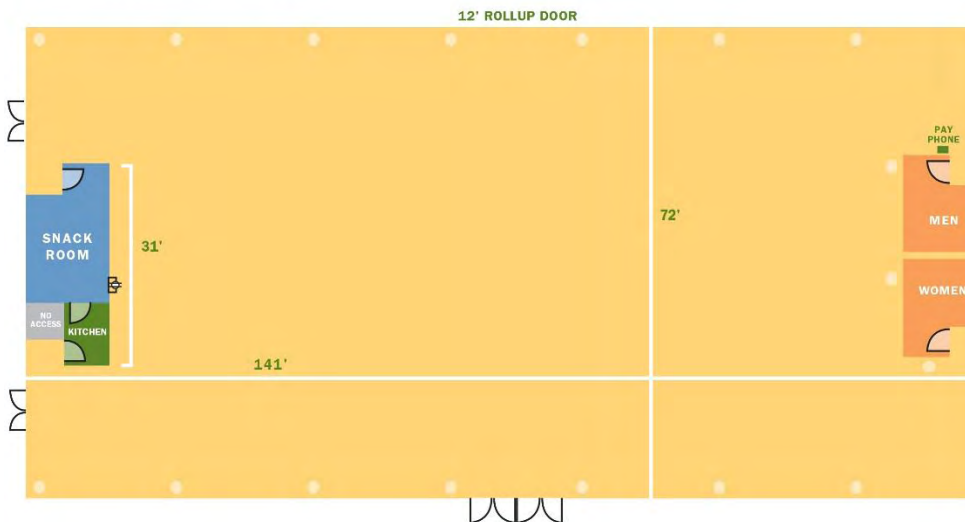
Figure 2.15: Fiesta Hall



Figure 2.16: Fiesta Hall Floor Plan

FIESTA HALL

10,000 sq. ft. (rentable)



Source: TheFairgrounds.org

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Exterior Finishes: The exterior of the Fiesta and Gateway halls are primarily tilt up concrete. The rock aggregate textured concrete of the Fiesta Hall is in fair condition. The exterior of the exposition hall is primarily masonry, with wood shingling in the above and below the gates of the stables. For both the Exposition and Gateway hall there is moderate chipping and peeling for the painted exterior surfaces, exposing the underlying material to the elements. The Fiesta and Gateway halls appear to have simple low-slope built up roofs with perimeter drainage. Satellite imagery shows evidence of pooling on the edges of the gateway hall roof which indicates the locations for drainage spouts may be inadequate for this structure. The exposition hall has a composition roof that is much larger roof with adequate slope.

Interior Finishes: The flooring for the public areas within these structures is mostly exposed polished concrete. The concrete floor slab coating is showing signs of wear in numerous locations notably at the main entrances and at other points of egress on the sides. The ceilings are primarily acoustic tile above exposed rafters with the exception the entire Fiesta Hall and the side bay ceilings of the Exposition Hall, these are painted wood deck. Due to the suspended mechanics there are acoustic tiles with significant damage disbursed throughout the gateway hall ceiling. These may be locations where tile replacement is difficult or impossible without complete removal of ceiling mounted equipment.

Restroom finishes are limited to original ceramic tile for walls and floors. For the Fiesta hall, restroom floors appear to be also original but monolithic similar to the main hall. The floor coatings here have numerous failure locations. The ceilings in the bathrooms are the original gypsum board, with wood deck for the Expo Hall.

Structure: For the Fiesta and Gateway Halls the armature is comprised of concrete walls, likely tilt-up. The roof support for these buildings is integrated into the tilt-up system as site cast columns inset into the exterior walls. The roof support columns are free standing on the ends of the structure for both the Fiesta and Gateway Halls. These columns collect the load transferred from the roof via wooden girders that span the width of the halls. The girders cantilever past the front and back walls of the hall and support the roof overhangs on all sides for both buildings. These are roof structures that support lighting fixtures and fire suppression equipment. In the Gateway hall, the roof structure supports the additional weight of PA speakers and area heaters. The roof for the expo hall comprises arching concrete girders that span the width of the main hall's central bay.

Historically, structures like both the Fiesta and Gateway Halls which consist of massive exterior walls and lightweight roofs are prone to seismic failure at the connection points between the roof and the wall. The extent of structural deficiencies cannot be determined without significant analytical analysis, but it is assumed based on the date of construction, and visual observation, that these structures do not comply with current building codes.

Mechanical: The Fiesta and Gateway Halls do not have an active cooling system. These halls are cooled by roof mounted exhaust fans that circulate cool air in from the outside at door level while pushing out hotter air through the top. The Exposition Hall has an active cooling system comprised of two units each at the terminus of long ducts that extend down the length of the hall. The cooling equipment for this building is in new condition.

Heating equipment for the Fiesta Hall is housed in cores above the restrooms, which are at both ends hot air is supplied to the space through 24 diffusers. In the gateway hall there are electric heaters attached to the ceiling, each separated at 24' intervals.

Plumbing: Plumbing is concentrated at both ends main hall for both the Exposition and Fiesta Halls, and in a corner of the Gateway Hall. The restrooms themselves generally appear to date from the original construction for each building, with limited modifications made over time to improve accessibility.

Electrical /Lighting: There is ample exterior lighting for both the Fiesta and Gateway halls, primarily in the form of modified fluorescent fixtures that have been mounted under the cantilevered roof on all sides. Interior lighting in public spaces is accomplished via large fluorescent fixtures, these are ceiling mounted in the Fiesta Hall, and suspended from the girders in the gateway hall. The exposition hall is illuminated by large ceiling mounted flood lamps that are in new condition. Convenience power is located around the perimeter for each building

Life Safety: Each building is equipped with a fire sprinkler system and illuminated exit signage above doors. Wall-mounted fire extinguishers are located and signed along interior walls. The public spaces are served by a limited amount of wall-mounted emergency lighting "bug eye" fixtures with internal battery backup, and no emergency power generator or lighting inverter was observed. No fire alarm control panel, pull stations, horn-strobe units or other fire alarm devices were observed. Exterior exit doors from the main halls are numerous and distributed around the building perimeter at the corners and are equipped with panic hardware.

Accessibility: These halls were constructed prior to the enactment of accessibility codes. Accessibility upgrades have not been performed in the restrooms, urinals, accessible water closets and their associated compartments. Grade changes to each entrance of the Fiesta hall are facilitated only by stair, these options are not compliant for ADA egress standards.

Hazardous Materials: It is not known if a hazardous materials survey and abatement has been done for any of these buildings as part of a previous study. Based on the age of construction and materials observed in the buildings, if the building has not been previously abated then it would be common to expect there to be lead paint in various locations, including metal doors and door frames as well as exposed exterior columns. If there is spray-on fireproofing above the ceiling, this would be an area where asbestos would be expected to be encountered, as well as potentially in the built-up roofing material for the Fiesta and Gateway Halls.

Summary Bullets:

- Structure – significant anticipated seismic deficiencies between roof-wall and wall-wall connections for Fiesta and Gateway Halls.
- Mechanical – New air conditioning system using original distribution system for Exposition Hall.
- Plumbing – original system, likely nearing end of life for each building
- Electrical/Lighting – Limited exterior lighting for safety, inflexible interior lighting system, limited points of connection and capacity for convenience power within the Main Halls
- Life Safety – Fire sprinkler system installed in each building, no fire alarm system.
- Accessibility – Restrooms and public spaces are not fully compliant with current standards. Exterior access to main entry doors is only via stairs at Fiesta Hall.
- Hazardous materials – anticipated due to age of buildings. Likely to be extensive.

III. SITE CHARACTER

This subsection describes the physical and cultural character of the Fairgrounds site. Additional information on environmental factors such as noise, air quality, and hazardous materials is provided in Appendix III: *Environmental Conditions*.

The information below provides a general level of detail, as appropriate for the conceptual nature of options to be prepared as part of the County's visioning process. More detailed environmental analyses will be undertaken for specific project alternatives that may be developed in the future, as required under the provisions of the California Environmental Quality Act (CEQA).

In summary, based on preliminary review of existing information:

- The Fairgrounds is an infill site surrounded by a mix of uses, including sensitive uses such as housing and schools.
- There are some toxic air contaminant generators in the vicinity, at a level to be expected for an urbanized location.
- Traffic and available roadway capacity are constrained in the vicinity of the site.
- There is potential for historic structures on-site.
- Future construction disturbance (dust, noise and disturbance to neighbors) will need to be addressed during the environmental analysis phase.

A. Visual & Aesthetic Features

The Fairgrounds property is generally flat. Views of the Fairgrounds property from public vantage points in the area are limited and often screened by buildings, fences, and vegetation. Typically, sections of the Fairgrounds property can be seen from areas along adjacent roadways (see Figures 2.20 – 2.22: Site Photos).

As described above, the Fairgrounds is located within an urbanized district with a variety of land uses (see Figure 2.3: Community Character). To the north, commercial and industrial development is characterized by one- and two-story buildings and associated parking lots and storage structures. Nearby residential development includes mixed densities, with single-family and multi-family development of one- and two-story buildings, and mobile home neighborhoods. Industrial development to the east and south is generally characterized by large one- and two-story warehouse and industrial office buildings. Small one-story automotive businesses are located adjacent to the south side of Umbarger Road.

West of the Fairgrounds property is a landscaping business and other commercial development. Further west of Monterey Road lies the open, green areas of Oak Hill Memorial Park cemetery and additional residential development, including a two-story multi-family development and a mobile home neighborhood. The Fairgrounds abuts the southern and western borders of Franklin McKinley Elementary School, with its larger scale institutional buildings (see above Figures 2.2: Adjoining Uses, and Figure 2.5: Site Uses).

Figure 2.17: Event Parking Looking East towards Senior Housing



Figure 2.18: Gate D/Western Entrance



Figure 2.19: Gate E/Southern Entrance



Figure 2.20: Gate F/Southern Entrance Looking North

B. Cultural Features

This section provides a summary of the historic and archaeological features of the Fairgrounds. A more full description is provided in Appendix IV: *Memo Regarding Historical Findings*.

Historic Resources

Although the Exposition Hall was constructed in 1952, a prior review of the building found that the structure does not possess the integrity, architectural significance or historical associations to meet the criteria for eligibility for the National Register.⁴ The Pavilion Hall was constructed in 1960, the Administration Building was constructed in 1962, and the Gateway Hall and Fiesta Hall were constructed in the late 1960's to early 1970's. The arch that marks the main pedestrian entrance onto the Fairgrounds was constructed in 1956.⁵ Several structures on the site are considered or may soon be considered potentially historic in age. Prior to future redevelopment of the site, the age of

⁴ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

⁵ County of Santa Clara. *Chronology and Annotated Bibliography of Fairground Revitalization Initiatives*. Revised July 2013. Available at:

<http://www.sccgov.org/sites/faf/cp/mp/fg/Documents/Chronology%20of%20Fairgrounds%201800%20-%202013%20Rvsd%20v10.pdf>. Accessed October 3, 2014.

all structures which may be affected by redevelopment activities must be evaluated. Any structure over 50 years in age will need to be evaluated for eligibility for listing on the local, State and/or National Registers.

Figure 2.21: Historical View (1920)



Source: History San Jose.

Figure 2.22: Historical View (1941)



Source: History San Jose.

Figure 2.23: Historical View (1950)

Source: History San Jose.

Archaeological Resources

The Fairgrounds are located on level terrain between hills and Coyote Creek, which is an environmental setting where Native American archaeological sites in Santa Clara County have been found. The soils found near Coyote Creek, approximately one mile east of the Fairgrounds, are known to have contained aboriginal artifacts and skeletal remains of Costanoan Indians.

Historical maps and literature identify roads as well as several buildings along Monterey Highway and Tully Road, both adjacent to and within the Fairground boundaries, dating from as early as 1884. The presence of historic roads and structures adjacent to and within the Fairground boundaries may indicate potential for historic archaeological resources which could yield important historical information. Historic archaeological resources may include, but are not limited to, stone or adobe foundations or walls, structures and remains with square nails, and/or refuse deposits such as old wells and privies.⁶

⁶ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

In summary, no recorded prehistoric or historic archaeological sites have been identified on the Fairgrounds. However, the Northwest Information Center has concluded that there is a high potential for Native American sites within the area. A 1999 review of records concluded that there is a high possibility of identifying historical cultural resources on the site due to known historical land uses adjacent to and within the Fairground boundaries.⁷

C. Environmental Features

This section summarizes the environmental characteristics of the Fairgrounds site. Additional information is provided in Appendix III: *Environmental Conditions*.

Physical Conditions

The Bay Area has a subtropical Mediterranean climate, offering significant opportunity for year-round outdoor activities. The daily average temperatures in the City of San Jose range from 50F in the winter to about 70F in the summer. For the majority of the year the prevailing winds are from the north-west and north. In the winter there are also significant south-easterly winds.

The Fairgrounds site slopes gently from the south-western corner of the site (el. 140 ft.) to the lowest point (+120 ft.) in the north-eastern corner of the Fairgrounds, a slope of about 6% (see Figure 2.24: Site Topography). The natural topography has been modified by a variety of uses; for example, the motocross venue includes a variety of constructed mounds and berms (see Figure 2.25 – 2.29: Site Photos).

An area between the 4K parking and Horse Arena often becomes flooded during rain events due to the variations in the topography. Site grading is currently underway in this area in order to remediate the flooding problem.

⁷ Ibid.

Figure 2.24: Site Topography



Figure 2.25: Overflow Parking and Storage Area



Figure 2.26: Motocross Area



Figure 2.27: Near Motocross Area Looking East



While the native underlying soils on the site are fertile in their undisturbed state, the site has not been used for agricultural purposes for over fifty years and is surrounded by industrial, commercial, and residential uses. Appendix III provides additional information on soils.

Biological Resources

The Fairgrounds are designated as Golf Courses/Urban Parks and Urban-Suburban in the Santa Clara Valley Habitat Conservation Plan (HCP). The site is in Urban Fee Zone B (Agricultural and Valley Floor Lands) and will be required to pay appropriate fees at the time of future development. The HCP does not identify the site as supporting sensitive habitat, or protected plant and animal species.⁸ Pursuant to the HCP, no site-specific biological surveys are required, but any future project would be required to pay nitrogen deposition fees commensurate with the net increase in daily traffic associated with the project. With the payment of applicable fees, the redevelopment of the Fairgrounds site will not conflict with the HCP.

There is no area on the Fairgrounds that is mapped as a current or historical wetlands site.⁹

Figure 2.28: Tree Grove



⁸ Habitat Agency. *Habitat Conservation Plan Geobrowser*. Available at: <http://www.hcpmaps.com/habitat/>. Accessed October 6, 2014.

⁹ United States Department of Fish and Wildlife. <http://www.fws.gov/wetlands/Data/Mapper.html>

Figure 2.29: Mature Oak Trees Behind Expo Hall



Figure 2.30: Swale along Eastern Edge



IV. TRANSPORTATION & PARKING

This chapter addresses transportation issues including regional roadways and transit, site area vehicular and pedestrian/bicycle circulation, and parking facilities and conditions.

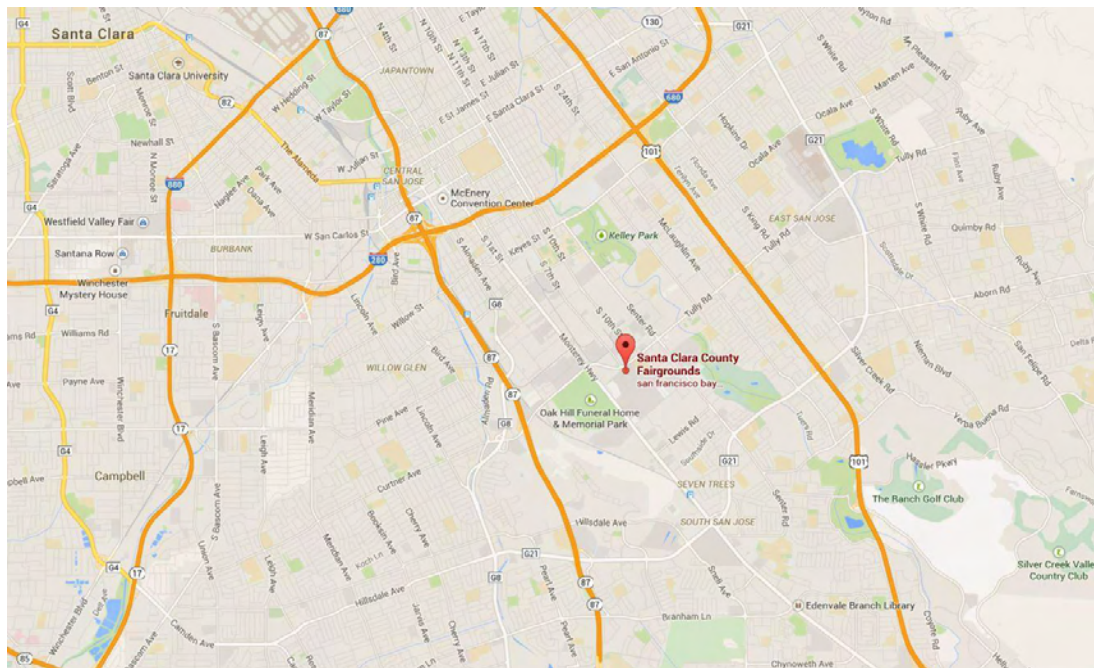
Traffic conditions are evaluated using level of service (LOS).¹⁰ Level of service is a qualitative description of operating conditions ranging from LOS A, or free-flow conditions with little or no delay, to LOS F, or jammed conditions with excessive delays.

A. Regional Transportation & Mobility Overview

Background and Regulatory Context

The Fairgrounds site is situated near the geographic center of San Jose, between California Highway 87 and US-101. Monterey Road/South 1st St provides a direct route to Downtown San Jose. Curtner Avenue/Tully Road provides access to Highways 87 and 101, thereby linking the site via the regional freeway network to peninsula destinations, Oakland and Berkeley to the north, and south to the Central Valley (see Figure 2.31 Road Network)

Figure 2.31: Road Network



Source: Google Maps

¹⁰ The State and the Santa Clara Valley Transportation Authority (VTA) are currently in the process of revising the methodology and thresholds under CEQA for traffic analyses to be based on vehicle miles traveled (VMT) rather than LOS. Depending upon the ultimate timing of the environmental review for a future development proposal, it is likely that analysis of VMT, in addition to LOS, will be required.

The following regional planning agencies and ongoing development projects have guided the development of the transportation system around the Fairgrounds site and will continue to influence the system going forward:

San Jose Envision 2040 General Plan: The General Plan is a comprehensive road map that guides land use and infrastructure growth within the City through 2040. The General Plan’s transportation element identifies the functional classification of the city’s roadway, transit, bicycle and pedestrian network and provides guidance on design and implementation. Monterey Road has been designated by the city as a “Grand Boulevard,” which indicates its function as a major transportation corridor. The City’s Grand Boulevards prioritize transit over other travel modes and are intended to feature enhanced landscaping, distinctive and attractive lighting, and identification banners. The remaining streets surrounding the site have been identified in the plan as “City Connector Streets,” which prioritize all travel modes equally.

Valley Transportation Plan 2040 (VTP 2040): The Valley Transportation Plan 2040, which is currently under development by the Santa Clara Valley Transportation Authority (VTA), provides a long-range vision for the transportation system in Santa Clara County. VTA is responsible for providing local public transit service, congestion management, countywide transportation planning and programs, and administers the Santa Clara County’s regional transportation sales tax measures. The VTP 2040 identifies a list of highway, local street network, transit, pedestrian, and bicycle projects for the County and prioritizes them. It also provides cost estimates and recommendations for implementation. In the vicinity of the Fairgrounds site, the plan recommends a few small capital projects to improve signal timing and progression along Monterey Road.

Communications Hill Specific Plan: The Communications Hill Specific Plan area comprises approximately 900 acres of land south of Curtner Ave and east of Highway 87. The buildout of the Specific Plan will consist of approximately 2,300 residential units and over 60,000 square feet of commercial/retail uses. The Specific Plan’s Environmental Impact Report (EIR) has identified a series of transportation mitigation measures that are required with the buildout of the development. These measures include the widening of portions of Curtner Avenue and improvements to several intersections near Highway 87 and the Almaden Expressway.

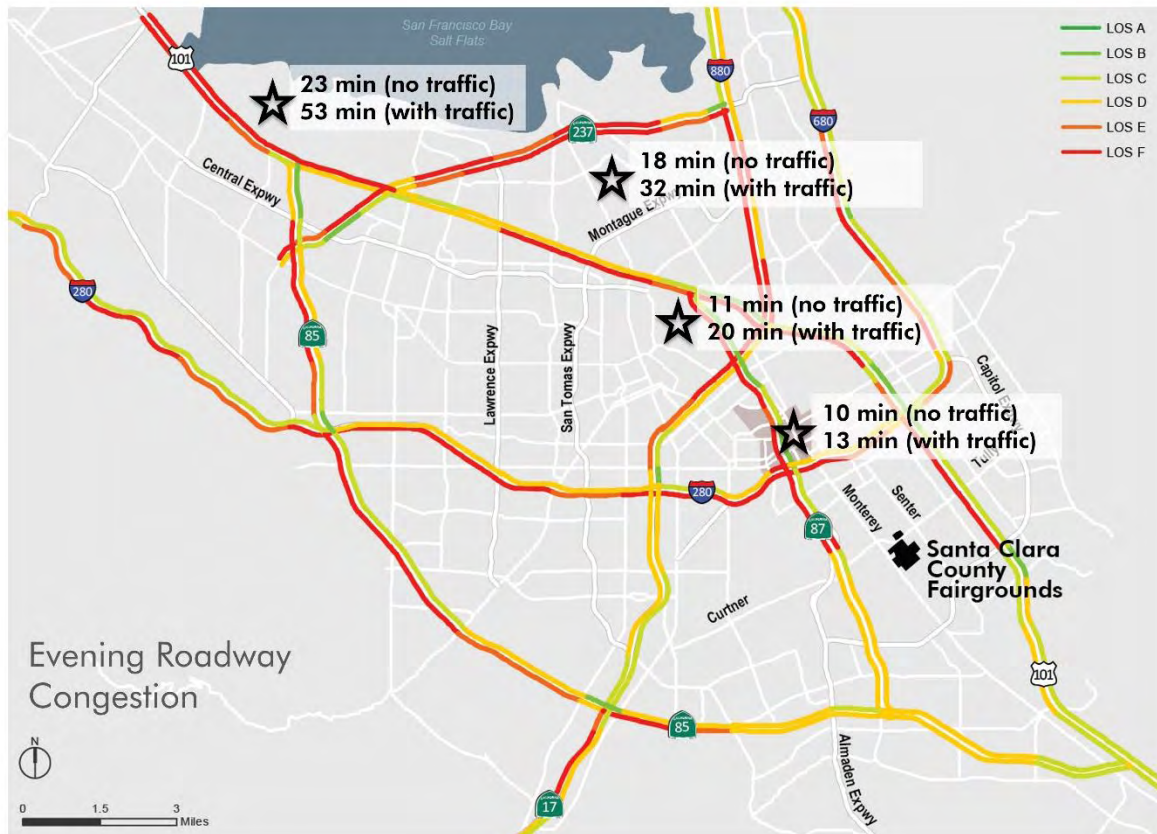
Roadways and Congestion

The site’s location relative to the highway network provides convenient access to significant regional population centers. The regional highway network can be very congested and experience significant delays as previously discussed. Traffic conditions are typically evaluated using level of service (LOS) measures. Level of service is a qualitative description of driving operating conditions ranging from LOS A, or free-flow conditions with little or no delay, to LOS F, or heavily congested conditions with excessive delays. The methodology for estimating LOS is published in the Highway Capacity Manual (Transportation Research Board, 2000).

Figure 2.32: Regional Roadway Congestion shows roadway LOS conditions for regional freeways and arterial streets on a typical weekday evening based on measured speeds. This figure also shows estimated travel times with and without traffic for a number of key destinations from the Fairgrounds.

Traffic conditions near the Fairgrounds are particularly congested in the direction away from Downtown San Jose and Silicon Valley, as expected for an evening commute. The impact on access to destinations near the site can be dramatic, more than doubling travel time from the site. Traffic generated by any future development on the Fairgrounds site will affect City of San Jose roadways, which has established 'D' as the minimum acceptable level of service at signalized intersections.

Figure 2.32: Regional Roadway Congestion



Source: 2013 Santa Clara County Congestion Management Plan

Transit

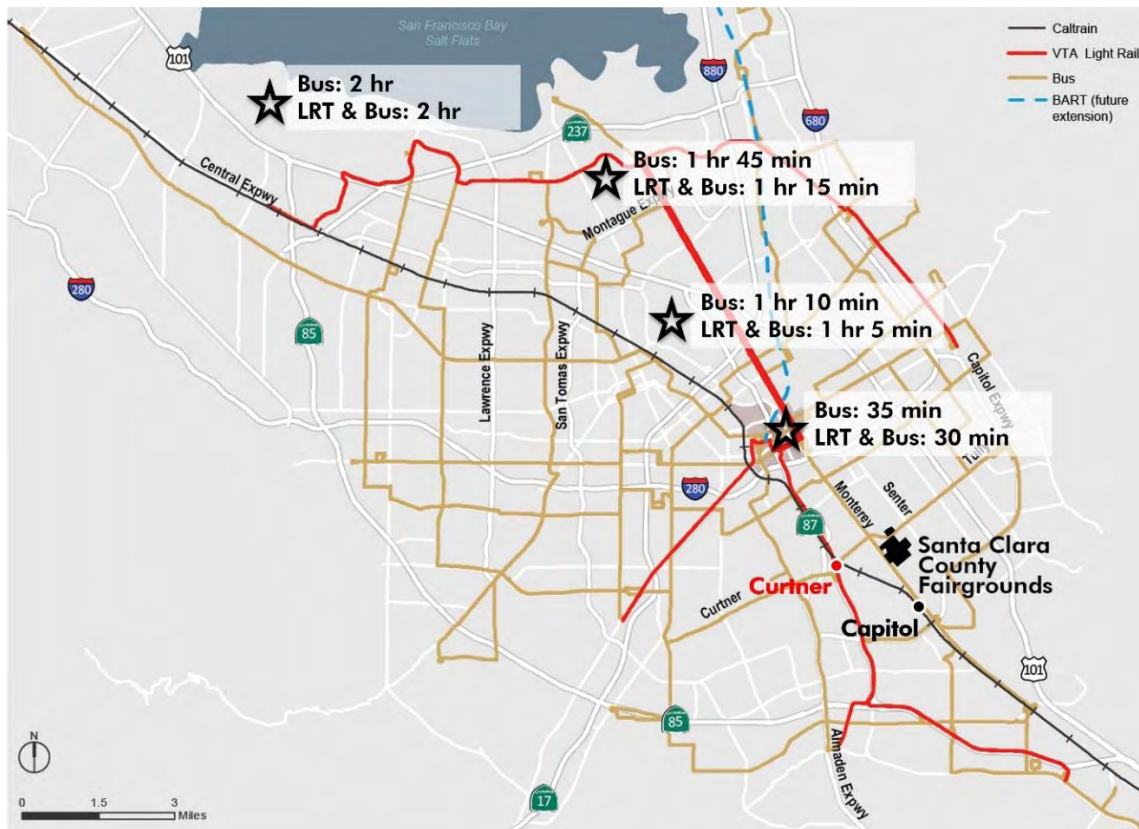
Figure 2.33: Regional Transit Connections shows the transit system serving the Fairgrounds site. VTA operates both light rail (LRT) and bus service throughout the county, and both services are offered near the site. LRT service to Curtner Station (at Curtner Ave and Highway 87) operates on a schedule

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

of about 10-15 minutes between trains. The VTA bus network is much more extensive, and both local and express bus service is available immediately adjacent to the site. Bus service quality varies by route, but some destinations (such as Downtown San Jose) are served by multiple routes along the same roadways, making service to those places more robust.

In addition to VTA service, Caltrain commuter rail is also located near the site; Capitol Station is located south of the site on Monterey Road, approximately 1.2 miles from the Fairgrounds. Caltrain service is fairly limited, with just six trains arriving during weekday commute hours. Finally, an extension of Bay Area Rapid Transit (BART) service is currently under construction to Berryessa Station, northeast of Downtown San Jose, with an option to extend service into Downtown itself. BART service is not currently planned for extension to close proximity of the Fairgrounds.

Figure 2.33: Regional Transit Connections



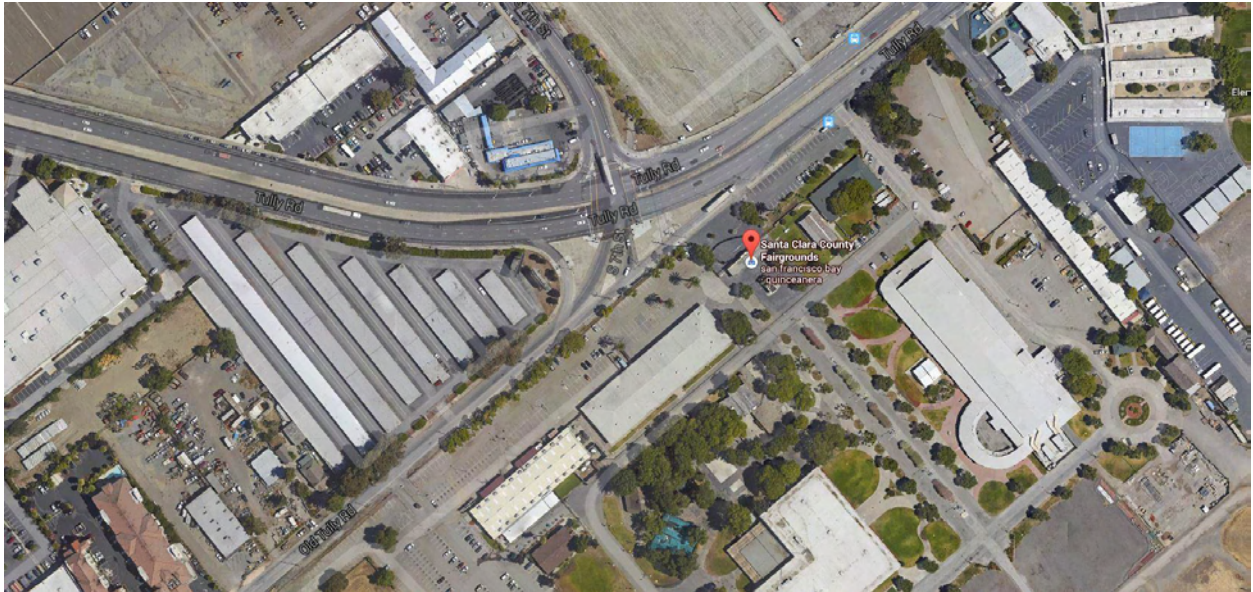
Source: 2013 Santa Clara County Congestion Management Plan

B. Site Transportation & Mobility Context

The site currently has access from all three streets serving all areas of the fairgrounds. The main entrance is located on Tully Road with an overflow parking lot located across the street from the

entrance bound by 7th Street, 10th Street and Tully Road. There is a “pork-chop” island located at the intersection of Tully Road, Old Tully Road and 7th Street that directs pedestrian and vehicular traffic to the site entrance (see Figure 2.34: Main Entrance to Fairgrounds). Umbarger Road is currently unimproved with access through gates located along the fence. There is also access along Monterey Road with driveway aprons in the existing curb and sidewalk.

Figure 2.34: Main Entrance to Fairgrounds



Roadways that border portions of the Fairgrounds site include Tully Road and Old Tully Road to the north, Umbarger Road to the south, and Monterey Road to the east. In the vicinity of the project site, Tully Road is an east/west two-way arterial with five vehicle lanes, a concrete median, and sidewalks and bike lanes on both sides (see Figure 2.35: Tully Rd.). Old Tully Road branches off of the south side of Tully Road. Old Tully Road is an east/west two-lane street with partial bike lanes and sidewalks. Umbarger Road is an east/west two-way street with two vehicle lanes and no median, sidewalks or bike lanes (see Figure 2.36: Umbarger Rd.). Monterey Road is a north/south two-way arterial with six lanes, a vegetated median, and sidewalks and bike lanes on both sides (see Figure 2.37: Monterey Rd.). Access to the Fairground parking areas are from Tully Road and Monterey Road.

Figure 2.35: Tully Rd. with a Concrete Median



Figure 2.36: Two Way Umbarger Rd. on the Southern Edge of Fairgrounds



Figure 2.37: Monterey Rd. Western Edge of Fairgrounds



Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Roadways and Congestion

The local roadway system operates reasonably well on streets surrounding the Fairgrounds. This is in contrast to the regional freeway system, which experiences relatively high levels of congestion. Figure 2.38: Existing Traffic Conditions shows the existing AM and PM peak hour intersection LOS for key gateways around the Fairgrounds site. Most intersections operate at LOS C or better, with a few locations on Curtner Avenue and Tully Road experiencing LOS D conditions. All of these results are within the City’s LOS D operating threshold. LOS D represents a condition with modest levels of congestion and queuing, but are fairly typical for a fully-developed urban region such as the Bay Area. The LOS C and D conditions do not pose any significant constraint or impediment to auto access to the Fairgrounds.

Figure 2.38: Existing Traffic Conditions



Source: 2013 2014 Communications Hill 2 Project EIR (LOS data)

Traffic conditions on nearby freeway segments vary more than local streets, with some segments operating at LOS F during the morning and/or evening peak hours. Table 2.3 provides detail on conditions on these nearby segments.

Transit

The Fairgrounds site has numerous transit alternatives available nearby, including commuter rail, LRT, and bus service (see Figure 2.39: Local Transit Context). While several rail transit options are

available, there are important considerations for their utility to the Fairgrounds. Caltrain commuter rail service has a station on Monterey Road one mile from the edge of the site (Capitol Station). Unfortunately, service to this station in 2014 is infrequent, with only six trains offered during weekday commute hours (three northbound, three southbound) and no weekend service. Further, the station is beyond what is considered a “walkable” 1/2-mile distance from the edge of the site. VTA LRT offers significantly better service to the nearest station to the Fairgrounds (Curtner Station), operating throughout the day at 10-15 minute headways. However, Curtner Station is also located over a mile from the site.

Table 2.3: Existing Levels of Services of Freeway Segments

Freeway Segment		Direction	Peak Hour	Mixed-Flow Lanes	HOV Lane
				LOS	
US 87	Capitol Expressway to Curtner	NB	AM	F	F
			PM	D	A
	Curtner to Almaden Rd	NB	AM	F	F
			PM	D	B
	Almaden Rd to Curtner	SB	AM	B	A
			PM	E	D
Curtner to Capitol Expressway	SB	AM	C	A	
		PM	D	C	
US 101	Capitol Expressway to Tully Rd	NB	AM	F	D
			PM	C	B
	Tully Rd to Story Rd	NB	AM	F	F
			PM	C	A
	Story Rd to Tully Rd	SB	AM	C	A
			PM	F	D
Tully Rd to Capitol Expressway	SB	AM	C	A	
		PM	F	D	
US 280	SR 87 to 10th St	EB	AM	C	--
			PM	F	--
	10th St to McLaughlin Ave	EB	AM	C	--
			PM	D	--
	McLaughlin Ave to US 101	EB	AM	B	--
			PM	D	--
	US 101 to McLaughlin Ave	WB	AM	F	--
			PM	C	--
	McLaughlin Ave to 10th St	WB	AM	F	--
			PM	D	--
	10th St to SR 87	WB	AM	F	--
			PM	D	--

VTA bus service is significantly more convenient to the Fairgrounds, with four routes immediately adjacent to the site (Routes 26, 66, 68, and 304), and a fifth route within a 1/2 mile walk (Route 73). Routes 66, 68, and 304 all run along Monterey Road, and each offers 15-30 minute headways. These routes overlap for a portion of their route, allowing destinations such as Downtown San Jose to have more frequent service.

VTA has one of its major bus maintenance yards directly adjacent to the 14-acre Fairgrounds parcel on the North side of Tully Road. Its presence impacts on the local roadway system, and offers the potential for additional public transit cooperation.

Beyond the frequency of transit service, the quality of transit amenities varies widely as well. LRT and Caltrain customers face stations that are difficult or unsavory to access, with Curtner Station accessed under the Highway 87 overpass and Capitol Station accessed only by crossing a seven lane arterial roadway. Some VTA bus stops have proper setbacks from roadways and include shelter and seating, but others are simply a sign or bench in the middle of the sidewalk, adjacent to fast-moving traffic. Figure 2.40: Local Transit Stop Conditions illustrates examples of the varying transit stop conditions near the site.

Figure 2.39: Local Transit Context



Figure 2.40: Local Transit Stop Conditions

C. Bicycle and Pedestrian Circulation

The urban context surrounding the Fairgrounds site provides amenities for both pedestrians and cyclists. The site is well-connected to San Jose's bicycle network, and pedestrian facilities connect the site to the immediate street network. Nevertheless, the size and character of the streets, sidewalks, and parking-dominated site design make much of the surrounding area feel automobile-oriented and unwelcoming for people accessing the Fairgrounds site on foot or by bicycle. Figure 2.41 identifies key bicycle and pedestrian challenges and Figure 2.42 illustrates examples of bicycle and pedestrian conditions near the site.

Bicycle routes are located along major roadways, including Curtner Avenue/Tully Road, Monterey Road, 7th Street, and Senter Road. These bicycle facilities consist predominantly of lanes without safety buffers from adjacent traffic. Monterey Road north of Curtner has buffered bike lanes. The nearby Coyote Creek path includes an off-street bicycle route that connects Tully Road south to Capitol Expressway and beyond. Curtner Avenue/Tully Road, 7th Street, Senter Road, Monterey, and the Coyote Creek trail are all considered part of the county bikeway network.

Pedestrian facilities surrounding the Fairgrounds also vary. Most routes have sidewalks immediately adjacent to the roadways, without safety buffers from adjacent traffic. Some routes, such as Old Tully Road and Umbarger Road, have discontinuous sidewalks or none at all. In addition, several key intersections present challenges to safe crossing, requiring pedestrians to cross 7-8 lanes and over 120 feet in some instances, such as at the Monterey Road/Tully Road intersection. The Tully/Old

Tully/7th Street intersection requires pedestrians walking from Curtner VTA station to cross three road segments and two large concrete “islands” before reaching the entrance to the Fairgrounds, a distance of over 300 feet.

Sidewalk, curb and gutter currently exists on Monterey Highway and Old Tully Road. They do not exist on the Umbarger Road side of the site, which remains relatively unimproved beyond the edge of street asphalt.

Figure 2.41: Bicycle & Pedestrian Diagram

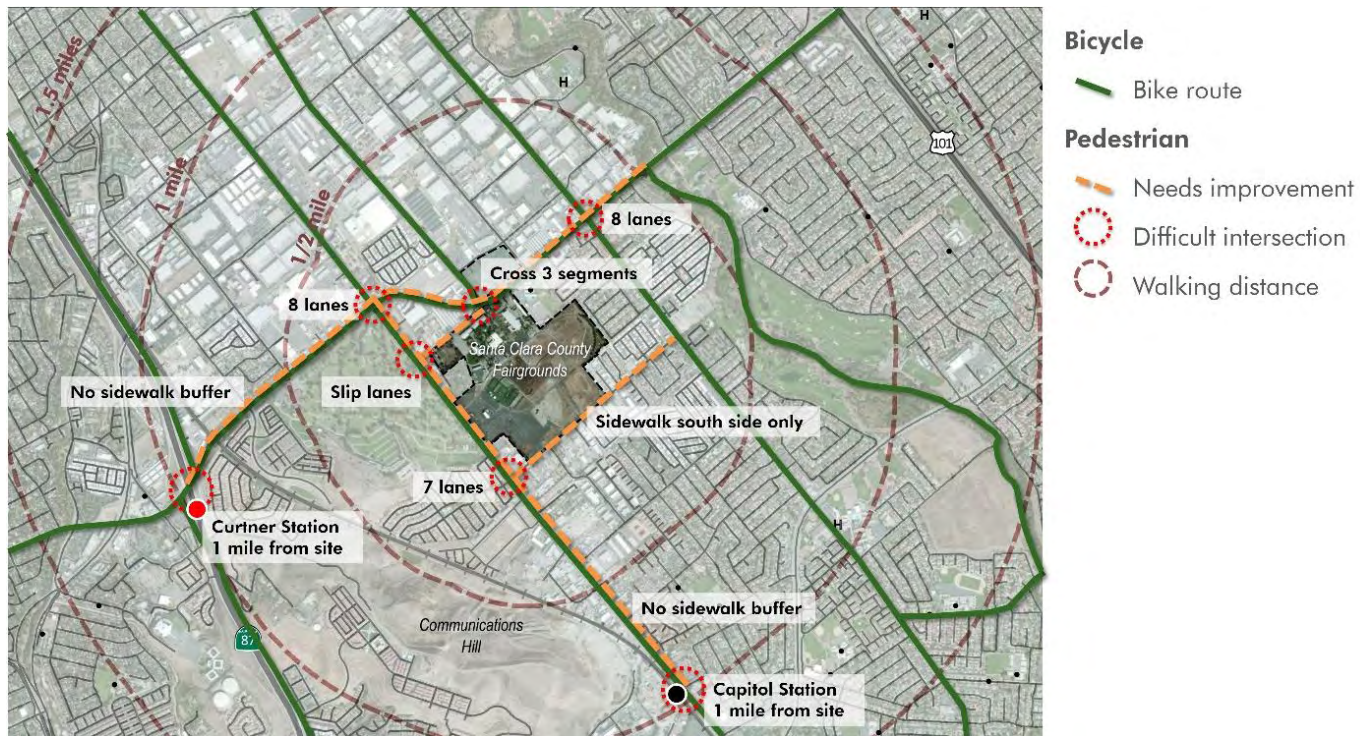


Figure 2.42: Bike & Pedestrian Conditions



D. Parking

Dedicated off-street parking at the Fairgrounds events area (e.g, Bingo, off-track betting) is currently provided in several large surface lots accessed from Old Tully Road. For other uses on the Fairgrounds site that are not related to the events area (e.g, paintball), dedicated off-street parking is provided per parking ratios identified in the City’s Municipal Code.

On-street parking is provided on streets surrounding the Fairgrounds, including Old Tully Road, Senter Road, and Umbarger Road. Field observations indicate that parking utilization for typical events at the Fairgrounds are not an issue and that there is plenty of available off-street supply.

For large special events such as the Santa Clara County Fair, there is an estimated 40 acres of parking on the Fairgrounds site, which includes the existing surface lots and temporary locations. This amount of space would generate approximately 5,000 to 6,000 parking spaces.

V. PUBLIC UTILITIES and SERVICES

A. Utilities

Water Services

Water service in the project area is provided by the San José Water Company (SJWC), which is the largest private water retailer in the city. SJWC obtains its potable water supply through groundwater, imported treated water, and local surface water (collected and stored in reservoirs), with an average of 55 percent purchased from the SCVWD.¹¹ Approximately 53 percent of the SCVWD's water supply is imported water from the Sacramento-San Joaquin Delta. During droughts, the SJWC has a Water Shortage Contingency Plan that entails specific actions for prohibiting certain uses of water and provides enforcement mechanisms.

According to the 1999 EIR that was prepared for the site, the main water distribution network serving the project site consists of a 6-inch line parallel to Umbarger Road, a 12-inch line parallel to Monterey Highway, and 12-inch and 16-inch lines along Tully Road. The lines serving the interior of the site are more than 50 years old. Recycled-water main lines are located in the central portion of the site. In 1999, the water demand from the Fairgrounds was estimated to be about 0.046 MGD.¹² Recycled water pipelines are located adjacent to the site in Tully Road.¹³ Figure 2.43: Public Utilities at the Fairgrounds below show the location of water lines and other types of utilities.

Existing water pipes are located on Old Tully Road, Monterey Road and Umbarger Road. From City block maps the existing line sizes are as follows:

- Old Tully Road: 12-inch
- Monterey Road: 12-inch
- Umbarger Road: 6-inch

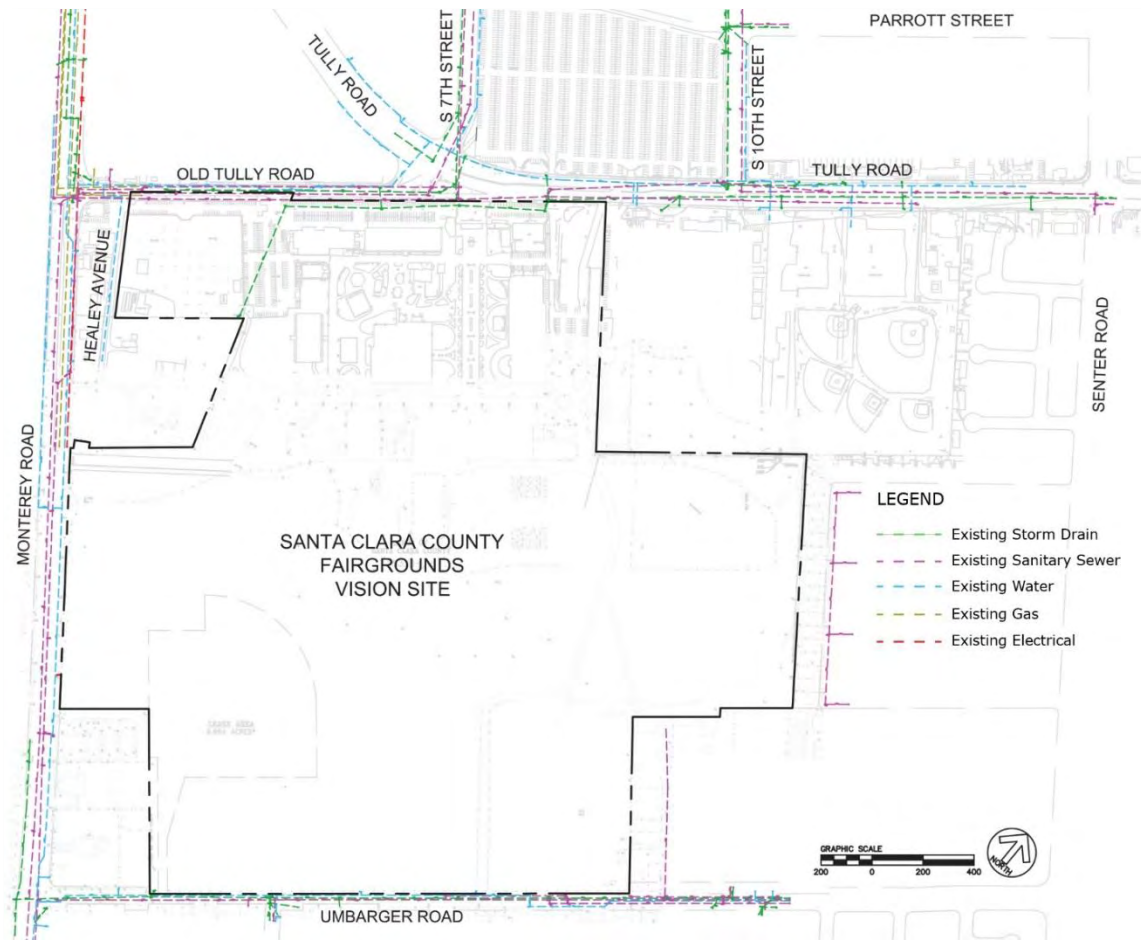
The site is currently served by a lateral coming off Old Tully Road.

¹¹ San José Water Company. *City of San José 2040 General Plan Water Supply Assessment*. 2010.

¹² County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

¹³ City of San José. *Recycled Water Pipeline System*. July 2011. Available at: <https://www.sanjoseca.gov/DocumentCenter/View/4692>.

Figure 2.43: Public Utilities at the Fairgrounds



Wastewater

The Santa Clara County Sanitary District No. 2-3 (District 2-3) provides wastewater collection services in the vicinity of the Fairgrounds site. District 2-3 maintains a sewage collection and transport system, and contracts with the San Jose/Santa Clara Regional Wastewater Facility (Facility) for treatment. In 1999, District 2-3 handled 1.56 million gallons/day (MGD) or 557 million gallons (MG) of sewage annually. District 2-3's contracted capacity allotment from the Facility was 2.27 MGD leaving an available capacity of approximately 0.71 MGD. The total wastewater generated from the Fairgrounds was estimated at 0.037 MGD or 0.9 MG annually.¹⁴

According to the 1999 EIR that was prepared for the site existing sanitary sewer lines are located Old Tully Road, Monterey Road and Umbarger Road. From City block maps the existing line sizes are as follows:

¹⁴ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

- Old Tully Road: 54-inch, 15-inch, and 10-inch
- Monterey Road: 54-inch and 15-inch
- Umbarger Road: 8-inch

The site is currently served by 6-inch and 8-inch laterals coming off Old Tully Road (see Figure 2.43: Public Utilities at the Fairgrounds).

Storm Drainage

The Fairgrounds site is located within the alluvial plains of the Santa Clara Valley, bounded by the Santa Cruz Mountains to the west and the Diablo Range to the east. The site is in the Coyote Creek watershed. Coyote Creek flows in a northerly direction to the San Francisco Bay.

The site currently sheet flows from the south west corner towards the north eastern corner. There is currently a low area around the north eastern corner of the site with the storm water eventually releasing through the main entrance on Old Tully Road. Refer to Figure 2.43: Public Utilities at the Fairgrounds.

A 24-inch Reinforced Concrete Pipe (RCP) runs from the existing Fair Family Picnic Area northwards to Tully Road at the main gate.¹⁵ According to the 1999 EIR that was prepared for the site, the 24-inch RCP extends along Tully Road, up to 500 feet east of 10th Street. A 36-inch RCP runs from this point to eventually reach Coyote Creek. In 1999, the 36-inch line leading to Coyote Creek was at capacity, and therefore, may need to be up-sized or replaced to accommodate additional development in the area.¹⁶

Dry Utilities-Gas and Electric

Existing gas and electric lines are located Old Tully Road, and Monterey Road. From City block maps the existing gas line sizes are as follows:

- Old Tully Road: 10-inch
- Monterey Road: 10-inch
- The site is currently served by laterals coming off Old Tully Road.

¹⁵ City of San Jose Department of Public Works. Stormwater, water, and sanitary sewer maps. Available at: <https://cpms.sanjoseca.gov/emap/>. Accessed October 7, 2014.

¹⁶ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

B. Public Services

Fire Services

The Santa Clara County Fire Marshall's Office is responsible for fire prevention services at the Fairgrounds. The Fire Marshall's Office issues special event permits, conducts annual inspections, and ensures that Fairground facilities meet County standards for fire protection, water supply, and fire department access.¹⁷

In 1977, the Santa Clara County Fire Department contracted with the cities of Campbell, Milpitas, San Jose, and Santa Clara to service portions of the Department referred to as "Zone 1".¹⁸ The City of San Jose Fire Department (SJFD) provides fire services for a majority of the unincorporated areas in the eastern part of County Fire areas, including the Fairgrounds. The SJFD responds to fires, hazardous materials spills, and medical emergencies (including injury accidents). The closest station to the Fairgrounds is Station No. 26 located at 528 Tully Road, approximately 0.25 miles east of the project site.

Police Protection Services

Police protection services for the vicinity around the Fairgrounds are provided by the Santa Clara County Sheriff Office and private contractors. In addition to routine patrolling by the County Sheriff's Office, additional security is hired during events at the Fairgrounds. Off-duty County Sheriff's Office deputies are hired by FMC to provide security services during the annual fair and are contracted directly by event promoters for all other events at the Fairgrounds.¹⁹ Currently, the Sheriff's Office has 1,725 employees. Of those employees, 1,299 of them are sworn law enforcement officers.²⁰ The Sheriff headquarters are located at 55 West Younger Avenue in the City of San Jose, approximately 4.50 miles north of the Fairgrounds.

Schools

The project site is located in the Franklin McKinley School District. Based on the current attendance service area maps, if residential development were placed on the Fairgrounds site, students would most likely attend Franklin McKinley Elementary School (Grades K - 6), Bridges Academy (Grades 7 - 8),²¹ and Yerba Buena High School.²² It should be noted that, in the event residential uses are

¹⁷ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

¹⁸ Santa Clara County Fire Department. *Department History Overview*. Available at: http://www.sccfd.org/history_department.html. Accessed October 6, 2014.

¹⁹ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

²⁰ Santa Clara County Sheriff Office. *Department Overview*. Available at: <http://www.sccgov.org/sites/sheriff/Pages/overview.aspx>. Accessed October 6, 2014.

²¹ Franklin McKinley School District. *Franklin McKinley SD School Finder*. Available at: <http://www.schvision.com/schoolfinder2/FMSD/>. Accessed October 3, 2014.

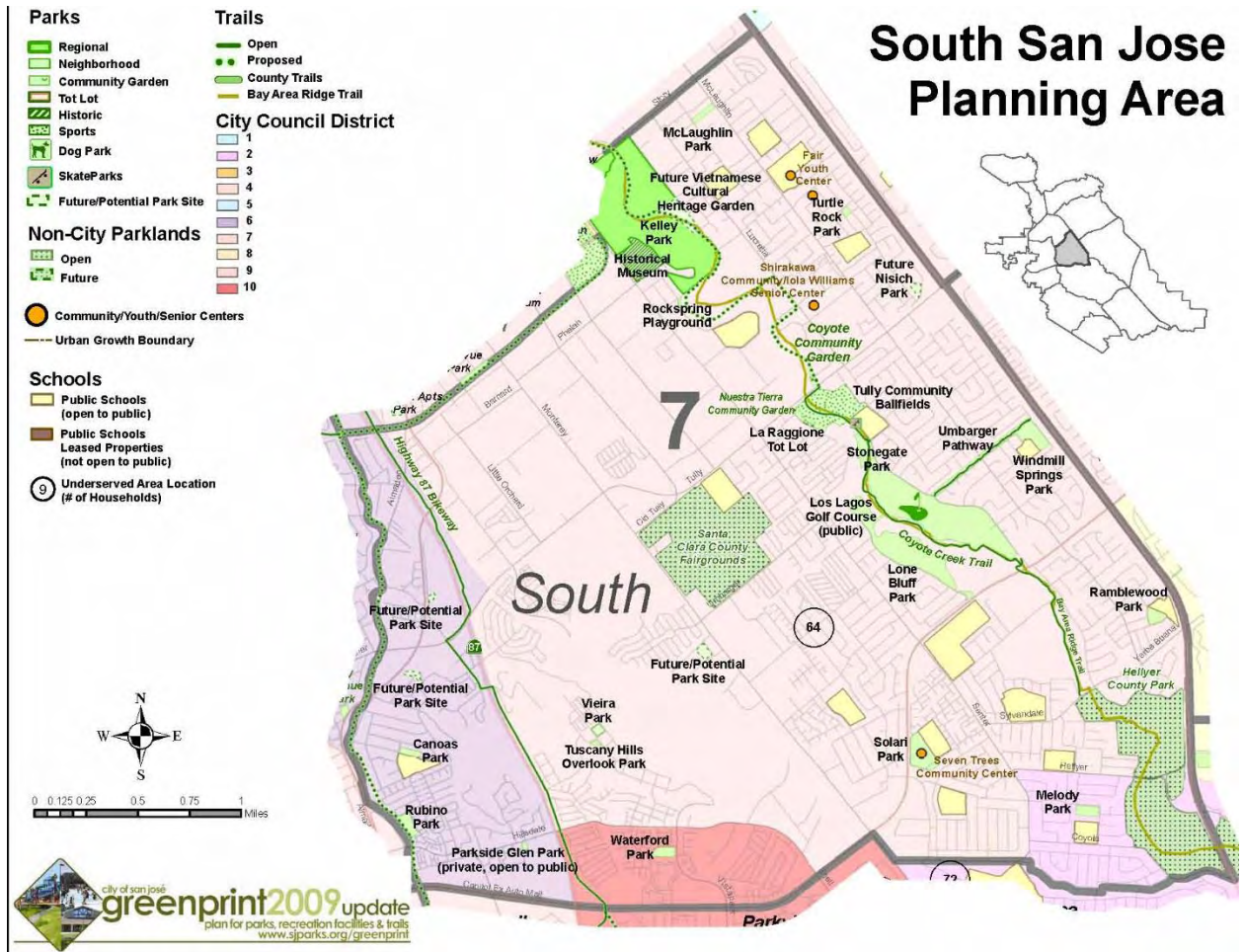
²² East Side Union High School District. 2013. *Attendance Area Locator Map*. Available at: <http://www.esuhdsd.org/Community/School-Boundaries/index.html>. Accessed October 6, 2014.

ultimately proposed on the Fairgrounds site in the future, the school districts would need to be consulted to determine whether: 1) these existing facilities could accommodate the additional students; 2) whether additional capacity would be needed at these school facilities; 3) whether students would be reassigned elsewhere to make room for the additional students; or 4) some combination of these.

Parks

The City of San Jose provides and maintains developed parkland and open space to serve its residents. Residents of San José are served by regional and community park facilities, including regional open space, community and neighborhood parks, playing fields and trails. The City's Department of Parks, Recreation, and Neighborhood Services is responsible for development, operation, and maintenance of all City park facilities. The City park nearest to the Fairgrounds is Coyote Creek Park, located 0.50 miles to the east. Figure 2.44 and Table 2.4 below show the location and size of existing and proposed parks and open space in more detail.

Figure 2.44: Existing and Proposed Open Space in South San Jose Planning Area.



Source: San Jose Department of Parks, Recreation and Neighborhood Services. 2009 Greenprint Update.

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Table 2.4: Park Acreage Inventory.**South San Jose Planning Area**

<u>Existing Parks</u>	<u>Total Acreage</u>	<u>Developed Acres</u>	<u>Open Space Acres</u>	<u>Undeveloped Acres</u>	<u>Council District</u>
Canoas Park	3.8	3.8	0	0	6
Carroll Property	13.0	0	0	13.0	7
Hellyer Park (county)	10.0	10.0	0	0	7
Kelley Park (*)	5.0	5.0	0	0	7
La Raggione Tot Lot	0.4	0.4	0	0	7
Lone Bluff Park	0.5	0.5	0	0	7
Melody Park	4.0	4.0	0	0	7
McLaughlin Park	2.1	2.1	0	0	7
Ramblewood Park	9.3	7.0	2.3	0	7
Rock Springs Playground	1.7	1.7	0	0	7
Rubino Park	3.3	3.3	0	0	6
Solari Park	7.8	7.8	0	0	7
Stonegate Park	4.0	4.0	0	0	7
Tully Road Ballfields	11.0	11.0	0	0	7
Turtle Rock Park	1.1	1.1	0	0	7
Umberger Walkway	8.3	8.3	0	0	7
Vieira Park	1.0	1.0	0	0	7
Vieira Park Overlook	0.3	0.3	0	0	7
Waterford Park	2.8	2.8	0	0	7
Windmill Springs Park	8.3	3.5	0	4.8	7
Trail: Coyote Creek	9.0	4.9	0	4.1	7

<u>Existing Parks</u>	Total Acreage	Developed Acres	Open Space Acres	Undeveloped Acres	Council District
Trail: Highway 87 Bikeway	2.8	2.8	0	0	6 & 7
Solari Community Center	0.5	0.5	0	0	7
Shirakawa Community Center	2.6	2.6	0	0	7
Fair Youth Center	0.1	0.1	0	0	7
Coyote Community Garden	1.0	1.0	0	0	7
Nuestra Tierra Community Garden	5.0	5.0	0	0	7
Fair Swim Center	4.5	4.5	0	0	7
Sub-Total	105.6	81.4	2.3	21.9	
<u>Secured Parks</u>					
Future Park (Evans Lane)	1.0	0	0	1.0	6
Future Park (Goble Lane)	2.0	0	0	2.0	7
Future Nisich Park	1.3	0	0	1.3	7
Future Park (Scottish Rite)	1.2	0	0	1.2	6
Sub-Total	5.5	0	0	5.5	
<u>Potential Parks</u>					
Potential Parks (Communications Hill)	12.0	0	0	12.0	7
Potential McLaughlin Park site	3.0	0	0	3.0	7
Trail: Proposed Three Creeks Trail (half of land) (aka Willow Glen Spur from Hwy 87 to Senter)	2.5	0	0	2.5	3 & 7
Sub-Total	17.5	0	0	17.5	
<u>To be Determined Parks</u>					
None					
Total	128.6	81.4	2.3	44.9	

	Total Acreage	Developed Acres	Open Space Acres	Undeveloped Acres	Council District
Citywide/Regional					
Kelley Park (*)	162.0	62.0	0	100.0	7
Happy Hollow Park/Zoo (12 ac.)					
Japanese Friendship Garden (7 ac.)					
Leininger Center					
History Park (15 ac.)					
Coyote Creek Park Chain (*)	196.1	146.1	50.0	0	7
Los Lagos Golf Course (179.5 ac.)					
Total	358.1	208.1	50	100.0	

Source: City of San Jose Greenprint. 2009 Strategic Plan Update.

Recreation

The City of San Jose owns and maintains approximately 3,435 acres of parkland, including neighborhood parks, community parks, and regional parks. The City also has 25 community centers, 12 senior centers, and 14 youth centers, though some are temporarily closed due to budget constraints. Other recreational facilities include six public skate parks and over 54 miles of trails.

As discussed above, the nearest San Jose City Park to the Fairgrounds is Coyote Creek Park, located 0.50 miles to the east. The Fairgrounds site itself is an urban recreational use facility. The site hosts the annual Santa Clara County Fair and current uses include motocross, laser tag, paintball, and an outdoor concert facility. The Fairgrounds site has six buildings which can be rented for private and public events.

Libraries

The San Jose Public Library System consists of one main library and 19 open branch libraries. The Dr. Martin Luther King Jr. Main Library is located in Downtown San José, approximately 2.80 miles north of the Fairgrounds. The nearest branch library to the site is the Tully Community Branch Library located at 880 Tully Road, approximately 0.80 miles east.

VI. FAIRGROUNDS OPERATIONS

A. Management Structure

The Santa Clara County Fairgrounds Management Corporation (FMC), a California 501(c)(3) Non-Profit Public Benefit Corporation, is responsible for the day-to-day operation of the Fairgrounds and promotion of the annual County Fair. As defined by Santa Clara County, the primary purposes of the FMC are to “provide cultural, educational and recreational events for those in the County of Santa Clara through the planning, fundraising, production and management of the Santa Clara County Fairgrounds”. The FMC directly employs a year round, full-time staff of approximately 40 employees, (these are not employees of the County) and approximately 400 temporary employees and 200 volunteers during the annual County Fair.

A five-member Board of Directors oversees the FMC. Each member represents one of the County’s five supervisorial districts, as is appointed by the Supervisor responsible for that district. Appointments are made annually.

B. Demand Summary

The annual County Fair is a 4-day event that attracted 35,000 attendees in 2015, including 26,546 paid attendee, up 40 percent over 2014 paid attendance. Information from the FMC indicates that the popularity of the Fair has declined from a peak attendance of 100,000 visitors, in part attributed to the shortening of the Fair, due to limited funds, and also partially due to an inability to successfully appeal to the County’s increasingly urban and diverse population. Notwithstanding this, it is understood that there has been positive growth in attendance over the past 3 years.

In addition to the annual County Fair, the Fairgrounds hosts a number of annual events. Table 2.5: Fairgrounds Events presents a summary of events at the Fairgrounds, organized by type and location. Figure 2.45 shows total utilization, measured in days. It is noted that this measure is modular, meaning that each facility at the fairgrounds is available for utilization year-round, and if

one event utilizes two facilities that is counted as two utilization days (e.g., if an event utilizes the Expo Hall and Pavilion for one day, that is counted as two modules and therefore two utilization days; if the event runs for two days that is counted as two modules, over two days, which is a total of four utilization days). As such, total utilization can, and does, exceed 365 days.

Table 2.5: Fairgrounds Events by Type and Location

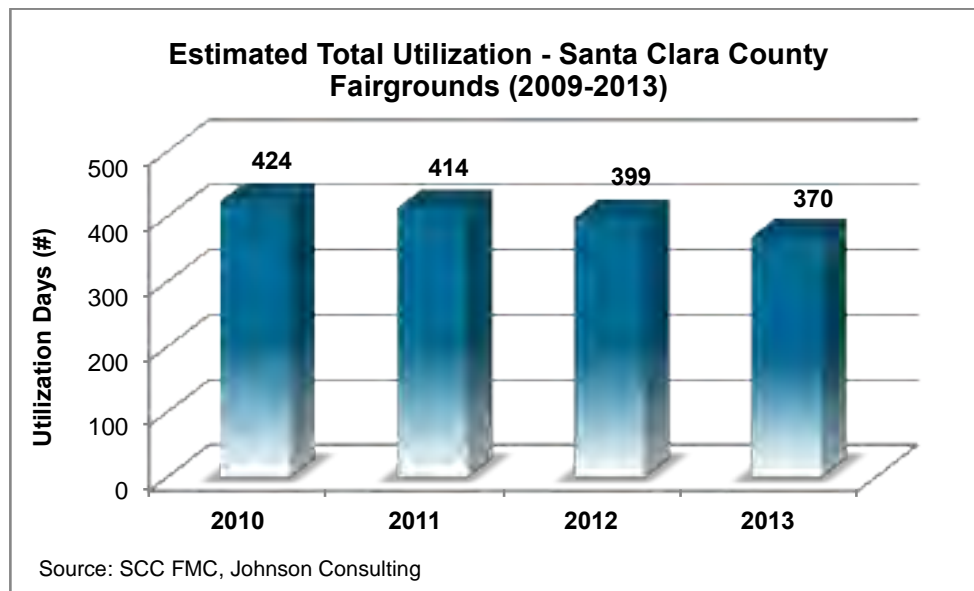
Events by Type and Location* - Santa Clara County Fairgrounds (2014)						
Facility	Tradeshows	Concerts/ Entertainment**	Festivals/ Cultural Events	Private Events	TOTAL EVENTS	% OF EVENTS
Expo Hall	13	8	4	2	27	18%
Pavilion Hall	7	5	9	3	24	16%
Gateway Hall	8	1	4	9	22	14%
Fiesta Hall	4	0	5	19	28	18%
Town Hall	0	0	2	9	11	7%
Café	1	0	3	12	16	10%
Other	4	10	9	3	26	17%
TOTAL EVENTS	37	24	36	57	154	-
% OF EVENTS	24%	16%	23%	37%	-	-

* Does not account for multi-day events

** Includes 5K events

Source: SCC FMC, Johnson Consulting

Figure 2.45: Fairgrounds Utilization Chart



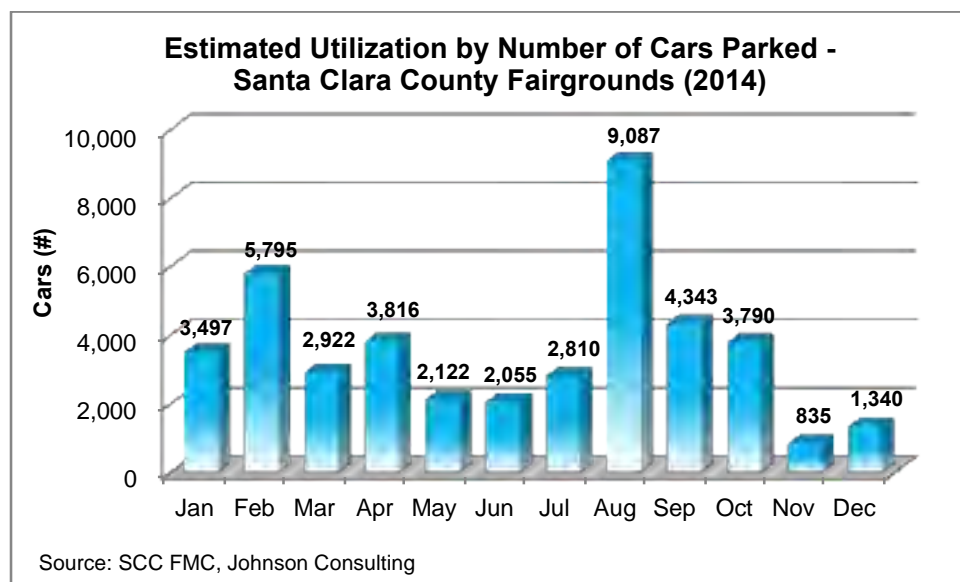
Note: see explanation of utilization in text, above.

Overall attendance figures are not maintained by the FMC, however some building and event-specific data is summarized as follows:

- Fair Downs Off Track Betting (OTB): Operates 5 days per week and attracts 60,000 visitors per annum.
- Bingo: Introduced 2 nights per week in December 2013 and attracted a total of 15,000 persons in 2014.
- 5K Events: 8 races at the Fairgrounds in 2014 attracted a total of 70,000 participants.

The FMC maintains a record of cars parked during events held at the Fairgrounds (excluding parking associated with the visitors to the OTB and Anchor Tenants, and participants in Bingo). In 2014, a total of 42,414 cars were parked at the Fairgrounds during events, equating to an average 884 cars per week. Figure 2.46 shows the total number of cars parked at the Fairgrounds, by month, during events at the Fairgrounds.

Figure 2.46: Fairgrounds Attendance Chart



In 2014 the total number of cars parked at the Fairgrounds peaked during August at 9,087 cars, reflecting attendance at the Annual Fair (3,066 cars), along with two other events that also attracted a high volume of visitors and cars - Pop Warner (2,086 cars) and a 5K Run (1,775 cars). Table 2.6 summarizes the events that recorded the highest number of cars parked at the Fairgrounds in 2014 (1,000+ cars).

Table 2.6: Fairgrounds Largest Events by Number of Cars Parked

Largest Events by Number of Cars Parked - Santa Clara County Fairgrounds (2014)		
Event	Month	Cars (#)
2014- County Fair	Aug	3,066
Return of Dinosaur	Apr	2,422
Pop Warner	Aug	2,086
Vietnamese New Year Festival	Feb	2,000
ROC 5K Run	Aug	1,775
Trade Show	Jan	1,645
1N3 LLC - Black Light 5K	Feb	1,637
Cinco De Mayo	May	1,561
Pashchimi Durga Puja	Sep	1,452
SCV Kennel Club	Feb	1,092
Art Party	Sep	1,044
Foam Glow 5K Run	Jul	1,021
Home and Garden Show	Oct	1,000
Home and Garden Show	Feb	1,000

Source: SCC FC, Johnson Consulting

The Fairgrounds is home to several tenants that provide rental income to the Fairgrounds on a continuing basis, as follows:

- Farmers Market: Year-round on Wednesdays, Fridays and Sundays; average of 150 total stalls.
- Santa Clara Paintball and Laser Tag: Utilizes 10 acres at the Fairgrounds and looking to invest in new facilities to grow their business.
- 408 MX: Regular motocross and BMX practice and racing events.
- Brashers San Jose Auto Auction: Held year-round, every Thursday at the Fairgrounds.
- Dog Training: Santa Clara Dog Training and Town and Country Dog Training.
- RV and Boat Storage
- RV Park

C. Revenue and Expenses

Table 2.7 shows the FMC's financial statements for 2013 and 2014.

Table 2.7 Fairgrounds Revenue and Expense Statement

Santa Clara County Fairgrounds FMC		
Revenue & Expense Statement (2013-2014) (\$000)		
	2013	2014
Revenues		
Fair Downs OTB		
Admissions	\$252	\$231
Form Sales, etc.	163	163
Commissions	980	966
Lottery Revenue	5	5
ATM Commissions	26	28
Other Income	9	6
Total Fair Downs Revenue	\$1,435	\$1,399
Events		
Building Rental	\$275	\$391
Anchor Tenants	701	1,005
Parking	282	387
RV Parking	169	204
Other Revenue	353	313
New Events Activities*	-	35
Hosted Events	58	1,076
Total Events Revenue	\$1,839	\$3,410
County Fair Revenue	\$301	\$378
Other Income		
Catering Commissions	\$65	\$55
Other Income	9	40
Total Other Income	\$74	\$95
Total Revenue	\$3,649	\$5,283
Expenses		
Costs of Staging Events & Activities	\$2,131	\$3,318
Contribution from Profit Centers	\$1,518	\$1,965
Expenses of Maintaining Facilities	\$1,020	\$1,088
Management & Admin Expenses	\$805	\$831
Total Costs & Operating Expenses	\$3,956	\$5,236
Net Income (Loss)	(\$307)	\$47

* Includes RV Storage

Source: Santa Clara County Fairgrounds FMC, Johnson Consulting

As shown, the FMC operated at a net profit of \$47,000 in 2014, compared to a net loss of (\$307,000) in 2013. Key observations relating to the Fairgrounds main revenues and expenses include:

- For many years, the Fair Downs OTB substantially supported operations at the Fairground. However, a decline in horse racing in California has resulted in reduced revenues from the OTB. In 2014, the FMC reduced operating expenses for the OTB to help better align them with operating revenues.
- The annual County Fair incurred a loss of approximately (\$154,000) in 2013. In 2014 total Fair revenue increased to \$378,000, from \$301,000 in 2013. Data for the 2015 Fair will be reported in the FMC's August 2015 Financial Statement, which was not yet available at the time of this report.
- Year-round events and revenues from anchor tenants represent the largest profit center for the Fairgrounds, achieving gross revenues of \$3.4 million in 2014, up from \$1.8 million in 2013.

FMC receives no public subsidy for operations of the Fairgrounds. All funds required for maintenance and improvements to the site are generated from operating revenues, resulting in significant deferred maintenance issues for all facilities. Some land, formerly held by the Fairgrounds was repurposed to elderly and low-income family housing. Net income from this land does not revert back to the fairgrounds, but is part of the County's General Fund.

Most recently, the FMC has created a "Friends of the Fair Foundation" 501(c)(3) non-profit, charitable organization to raise funds each year to support agricultural heritage and traditions of Santa Clara County. Very little funding has been achieved by this organization to date, but there is hope for its success in the future.

Compared to other fairgrounds, Santa Clara's is in a comparatively compromised position. No reinvestment in facilities has occurred for a generation or more. Moreover the management team has been affected by uncertainty of its future, hindering long-range strategic thinking.

OUTREACH SUMMARY

Between October 2014 and June 2015, Group 4 Architecture, Research + Planning (Group 4) conducted outreach and engagement to thousands of Santa Clara County residents and users of the County Fairgrounds. Ten event kiosks at various local and county markets, meetings, and festivals, and an online survey accessed by the Santa Clara County website, prompted over 5500 people to express their favorite uses of the Fairgrounds and their aspirations for a renovated Fairgrounds site, future uses and neighborhood amenities. More detailed information may be found in Appendix II: Santa Clara County Fairgrounds Community Outreach Results.

Community-focused kiosks solicited feedback by prompting passersby to place stickers on their preferences from among a menu of concept and event images. The demountable structures were present at ten events throughout the County, and in each of the County's five districts, including: Day of the Dead in Downtown San Jose, October 25, 2014; the Home and Garden show at the Fairgrounds, October 25 – 26; the Berryessa Library, November 7; a Community Meeting at the Fairgrounds, November 12; the Tully Library near the Fairgrounds, November 18; Christmas in the Park in Downtown San Jose, December 18; the Vietnamese Tet Festival at the Fairgrounds, February 21, 2015; the Mountain View Spring Family Parade, April 25; Boogie in the Avenue in Campbell, May 16; and Morgan Hill's Mushroom Mardi Gras, May 23. At each event, Group 4 staff was on hand to guide participation and raise awareness of the study. The kiosks captured a robust cross-section of Santa Clara County residents, couples, and families, young and old, and from many ethnic backgrounds.

The online Fairgrounds Vision Planning Survey asked 12 questions relating to use and vision for the Fairgrounds, preferences of activities, other fairgrounds visited, and basic demographic information (age, zip code), including a free response option for most questions. The survey was accessed from the County website, and available in English, Spanish, and Vietnamese. As of July 1, 2015, 2829 people had responded; each County district was healthily represented (totaling 1704 responses), as were residents from surrounding counties stretching from Santa Cruz to Sacramento.

The most popular options for future use of underutilized Fairgrounds land, netting over 1500 votes each, were Playspaces, Passive Use Park space, and Active Park space (Trails). Active Park space (Sports) and Community Centers logged around 950 and 850 votes, respectively; Neighborhood Retail, Housing, and Café each netted more than 500 votes. The four most popular choices were all Parks & Recreation oriented, from among a dozen options including Community, Residential Housing, Office, Industrial, and Retail themes.

The most popular desired Fairgrounds use was the County Fair, collecting about 2100 votes – followed by Concerts/Entertainment with 1500 votes, Farmers Market / Community Garden with 1350 votes, and Paintball and Motocross both with over 1000 votes. Animal Shows, Education

Events, Special Events, Trade Shows, and Rodeo/Equestrian made the Top 5 Event Preferences lists as sorted by District.

Online survey results found the most popular Fairgrounds uses to be the County Fair, Paintball, Special Events, and Motocross. Most desired amenities were found to be Active Use Park Space, Passive Use Park Space, a Café, Community Centers, and Art and Play Spaces.

Regarding the impression on the condition of the Fairgrounds, between the options of Excellent, Good, Fair, and Poor, the most popular choice was Good, followed by Fair. Open responses noted repeatedly that the facilities were “a bit dated,” that “all the bathrooms need to be redone,” or that the Fairgrounds were “a ghost of [its] former self,” but that popular events detracted from the negative impression.

OPPORTUNITIES ANALYSIS

I. REGIONAL AND EXAMPLE FAIRGROUNDS

In order to understand the market opportunity for improvements to the Santa Clara County Fairgrounds, this section presents case study profiles of a set of regional and national comparable facilities. The key operating characteristics of these facilities are provided in the following profiles, and include:

- Size and character of facility program spaces.
- Recent and/ or planned expansions.
- A demand and financial profile, including the number and types of events and operating revenues and expenses, where available.

Information about event demand and the financial performance of comparable facilities provides insight into the general parameters within which an improved Fairgrounds can reasonably expect to operate.

The following tables (Table 4.1 and 4.2) summarize the key attributes of the example facilities identified as part of this analysis. Not included in the tables is AKSARBEN in Omaha, NE, which is profiled later in this section. It provides an example of fairgrounds land that was commercially repurposed and the Fair relocated to various facilities in downtown Omaha.

Table 4.1: Key Characteristics of Regional and Comparable Facilities and Markets

Key Characteristics of Regional and Comparable Facilities and Markets (Excludes Proposed Facilities)								
	Santa Clara County Fairgrounds	San Mateo Event Center	Alameda County Fairgrounds	Cal Expo	Sonoma County Fairgrounds	Eastern States Exposition	Osceola Heritage Park	Portland Expo Center
Location								
Location	San Jose, CA	San Mateo, CA	Pleasanton, CA	Sacramento, CA	Santa Rosa, CA	West Springfield, MA	Kissimmee, FL	Portland, OR
Metropolitan Area	San Jose-Sunnyvale-Santa Clara	San Francisco-Oakland-Hayward	San Francisco-Oakland-Hayward	Sacramento-Roseville-Arden-Arcade	Santa Rosa	Springfield	Orlando-Kissimmee-Sanford	Portland-Vancouver-Hillsboro
Metropolitan Area Population (2014)	1,904,070	4,456,941	4,456,941	2,201,121	493,218	627,082	2,242,064	2,296,285
Ranking	5	1	1	4	7	6	3	2
Metropolitan Area GDP (2013) (\$ million)	\$196,829	\$388,272	\$388,272	\$108,165	\$21,880	\$24,360	\$110,443	\$163,692
Ranking	2	1	1	5	7	6	4	3
Attributes								
Size (acres)	150	48	267	350	110	175	120	53
Ranking	4	8	2	1	6	3	5	7
Largest Facility (SF)	45,000	104,900	32,500	98,000	44,000	123,000	47,850	330,000
Ranking	6	3	8	4	7	2	5	1
Events and Attendance*								
# Events (per annum)	154	67	350	-	-	120	300	154
Total Attendance (per annum)	-	-	3,000,000	-	300,000	1,100,000	400,000	466,213
Annual Fair	✓	✓	✓	✓	✓	✓	✓	-
Revenue and Expenses								
Net Operating Income (Loss) Before Subsidy	(\$301,000)	\$611,000	-	\$668,000	\$352,000	\$789,000	(\$4,000,000)	(\$1,800,000)

* Debt Service included in financials for PEC

Source: Relevant Facilities, JohnsonConsulting

Table 4.2: Key Characteristics of Regional and Comparable Facilities and Markets

Key Characteristics of Regional and Comparable Facilities and Markets (Excludes Proposed Facilities)								
	Santa Clara County Fairgrounds	San Mateo Event Center	Alameda County Fairgrounds	Cal Expo	Sonoma County Fairgrounds	Eastern States Exposition	Osceola Heritage Park	Portland Expo Center
Attributes								
Expo Hall	✓	✓	✓	✓	✓	✓	✓	✓
Wagering	✓	✓	✓	✓	✓	-	-	-
Casino	-	-	-	-	-	-	-	-
Meeting/ Banquet Space	✓	✓	-	-	-	-	✓	✓
RV Park	✓	✓	-	✓	✓	✓	✓	-
Storage Facility	✓	✓	-	-	-	-	-	-
Amphitheater	✓	-	✓	✓	-	-	-	-
Horse Track	-	-	✓	✓	✓	-	-	-
Golf Course	-	-	✓	-	✓	-	-	-
Permanent Barns/ Stables	✓	-	✓	-	✓	✓	✓	-
Soccer Pitch	-	-	-	✓	-	-	-	-
Baseball Stadium	-	-	-	-	-	-	✓	-
Waterpark	-	-	-	✓	-	-	-	-
Monorail	-	-	-	✓	-	-	-	-
Covered Arena	✓	-	-	✓	✓	✓	✓	-
Motocross	✓	-	-	-	-	-	-	-
Paintball/ Laser Tag	✓	-	-	-	-	-	-	-
Wildlife Habitat	-	-	-	-	-	✓	-	-
Light Rail	-	-	-	-	-	-	-	✓
Park and Ride	-	-	-	-	-	-	-	✓

Source: Relevant Facilities, JohnsonConsulting

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning

A. Regional Facilities

1. San Mateo Event Center – San Mateo, CA

LOCATION: Situated between San Francisco and San Jose, within 10 minutes (drive time) of San Francisco International Airport, the San Mateo (County) Event Center (SMCEC) has been home to the San Mateo Fair since 1938, and has since undergone numerous renovations and expansions.

OWNERSHIP/ MANAGEMENT: The SMCEC is owned by San Mateo County and operated by San Mateo County Exposition and Fair Association (the “Association”), a non-profit organization, under an agreement dating back to 1939. The Association retains all revenues generated from the County Fair and Event Center building rentals and activities. A 7-member Board of Directors governs the SMCEC. SMCEC employs a staff of 40 people year-round.

FACILITIES: The 48-acre SMCEC campus comprises 7 buildings, along with 6,000 car parking spaces. Table 4.3 provides a breakdown of facilities at the SMCEC.

Table 4.3: San Mateo Event Center Summary of Exhibit and Meeting space

San Mateo Event Center					
Summary of Exhibit and Meeting Space					
	Size (SF)		Capacity (# of Persons)		
	Individual (Smallest)	Combined (Largest)	Theater	Banquet	Exhibits (# of Booths)
Exhibit Halls					
Expo Hall	104,900	-	7,500	6,000	576
Fiesta Hall	34,200	-	2,400	2,280	196
Jockey Club*	15,680	-	1,250	1,056	101
Cypress Hall	15,680	-	1,250	1,056	101
Redwood Hall	1,400	-	550	466	75
Sequoia Hall	6,500	-	425	350	38
Meeting Pavillion	6,500	-	425	350	38
Subtotal Exhibit Hall SF		184,860			
Meeting Rooms					
Number of Rooms	3	3			
Smallest Room	3,600	-	350	225	-
Largest Room	-	4,800	-	-	-
Subtotal Meeting Room SF		12,600			
Total		197,460			

* On-site satellite wagering facility that opened in 2008 and is managed by the Association.

Source: San Mateo Event Center, Johnson Consulting

In addition to exhibit and meeting space, the SMCEC is home to The Jockey Club, which is a satellite gaming facility that opened in 2008.

Figure 4.1 provides an overview of facilities at the SMCEC.

Figure 4.1: San Mateo Event Center



Commercial and residential uses have been developed on adjoining parcels (former Baymeadows Race Track), including thousands of residential dwellings and 1.5 million square feet of commercial and office space. All new development has sold out.

DEMAND SCHEDULE: In addition to the annual Fair, the SMCEC hosts a variety of year-round events including meetings, concerts, sporting events, trade shows, and other social events. Table 4.4 provides a breakdown of event data for the facility, by event type, representative of a typical year.

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Table 4.4: San Mateo Event Center Demand Schedule

San Mateo Events Center Demand Schedule (Most Recent Year)		
	# Events	# Event Days
Consumer Shows	29	97
Miscellaneous	20	93
Tradeshows	6	16
Fair	1	9
Receptions	7	7
Meetings	2	2
Conferences	1	1
Banquets	1	1
TOTAL	67	226

Source: San Mateo Events Center, Johnson Consulting

REVENUE & EXPENSES: The following table provides SMCEC’s revenue and expense statements for 2012-2013.

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

Table 4.5: San Mateo Event Center Revenue and Expense Statement

San Mateo Event Center		
Revenue & Expense Statement (2012-2013) (\$'000s)		
	2012	2013
Operating Revenues		
Admissions to Ground (Fair)	\$563	\$670
Commercial Spaces (Fair)	155	186
Concessions (Fair)	383	497
Exhibits (Fair)	47	53
Satellite Wagering	3,104	3,009
Fair Attractions	-	29
Miscellaneous Fair	374	437
Rental Revenue (Non-Fair)	4,001	4,072
Prior Year Revenue Adjustments	14	(63)
Other Operating Revenue	51	62
Total Operating Revenues	\$8,694	\$8,953
Operating Expenses		
Administration	\$1,378	\$1,385
Maintenance and General Operations	2,523	2,586
Publicity Fair	349	425
Attendance Operations (Fair)	329	364
Miscellaneous Fair	100	89
Premiums (Fair)	61	57
Exhibits (Fair)	309	327
Non-Fair Rental Expenses	997	973
Satellite Wagering	1,479	1,507
Fair Entertainment	525	555
Equipment (Funded by Fair)	109	78
Prior Year Expense Adjustments	(10)	(19)
Cash (Over/Under)	0	1
Other Operating Expense	57	16
Total Operating Expenses	\$8,205	\$8,343
Total Operating Income (Loss)	\$489	\$611

Source: San Mateo Event Center, Johnson Consulting

As shown, the SMCEC operated at a net operating profit of \$610,601 in 2013, with non-Fair rental revenues (\$4.1 million) and the Jockey Club satellite wagering facility (\$3.0 million) being the largest revenue generators, followed by Fair-related revenues, which totaled \$1.8 million, equating to 21 percent of overall revenues. The largest expenses relate to maintenance and general operations (\$2.6 million), the Jockey Club (\$1.5 million) and administration, including salaries, wages, and benefits (\$1.4 million). In 2013, Fair-related expenses amounted to \$1.9 million (comprised of

Publicity Fair, Attendance Operations, Miscellaneous Fair, Premiums, Exhibits, Fair Entertainment and Equipment), representing 22.7 percent of total expenses. The Fair generated \$1.87 million in revenues, so effectively broke even.

FUNDING: The Association receives no operating subsidies from San Mateo County, relying on income generated from activities at the SMCEC for all of its operational needs, except for capital improvement projects over \$100,000 USD, the costs of which are shared with the County. Other parties, not the Fairgrounds, received the proceeds when the Baymeadows Racetrack was sold.

OBSERVATIONS: The SMCEC shares similarities with SCC Fairgrounds, geographically, and as it presents an example of a traditional fairgrounds facility in a suburban setting. The SMCEC campus is very small and this does impact the ability to host a series of concurrent events, such as festivals and fairs. Further, the venue's land was reduced substantially when Baymeadows Racetrack was redeveloped for commercial and residential development. Given the way the real estate ownership was held, the SMCEC received none of the money generated by the redevelopment of the racetrack.

2. Alameda County Fairgrounds – Pleasanton, CA

LOCATION: Situated approximately 26 miles to the north of Mineta San Jose International Airport, Alameda County Fairgrounds (ACF) has been home to the Alameda County Fair since 1912 (the Fair itself originated in 1859).

OWNERSHIP/ MANAGEMENT: The ACF is owned by Alameda County and operated by the Alameda County Fair Association (the "Association"), a 501(c)(3) private, non-profit organization. The mission of the Association is "to assure the long-term viability of the ACF, present an exceptional Annual Fair, which celebrates the heritage and diversity of Alameda County, and provide year-round opportunities for facility usage." The Association receives no funding from tax revenues. A 26-member Board of Directors governs the ACF and the Annual Fair, including 16 elected representatives and 10 appointed representatives, each serving a maximum term of 12 years.

FACILITIES: The 267-acre ACF campus comprises 10 buildings, along with 10,000 car parking spaces. Table 4.6 provides a breakdown of facilities at the ACF.

Table 4.6: Alameda County Fairgrounds Summary of Exhibit and Meeting Space

Alameda County Fairgrounds Summary of Exhibit and Meeting Space						
	Size (SF)		Capacity (# of Persons)			
	Individual (Smallest)	Combined (Largest)	Banquet	Theater	Classroom	Reception
Exhibit Halls						
Building A	32,500	-	2,000	3,000	2,000	3,500
Building B	16,000	-	1,000	2,000	1,100	2,000
Building C	14,100	-	800	1,000	900	1,700
Building P	7,776	-	500	800	330	800
Building R	6,048	-	400	700	400	700
Building O	6,048	-	400	700	224	700
Building D	6,000	-	500	750	400	750
Building T	5,000	-	300	-	-	-
Building N	1,368	-	75	-	-	100
Subtotal Exhibit Hall SF		94,840				
Other Facilities						
Directors Lounge (above Grandstand)	-	-	100	-	-	150
Satellite Facility	3,600	-	565	-	200	-
Building J (Open-Air Pavilion)	44,000	-	-	-	-	-
Amphitheater	1,200*	-	-	2,700	-	-
Total		150,000+				

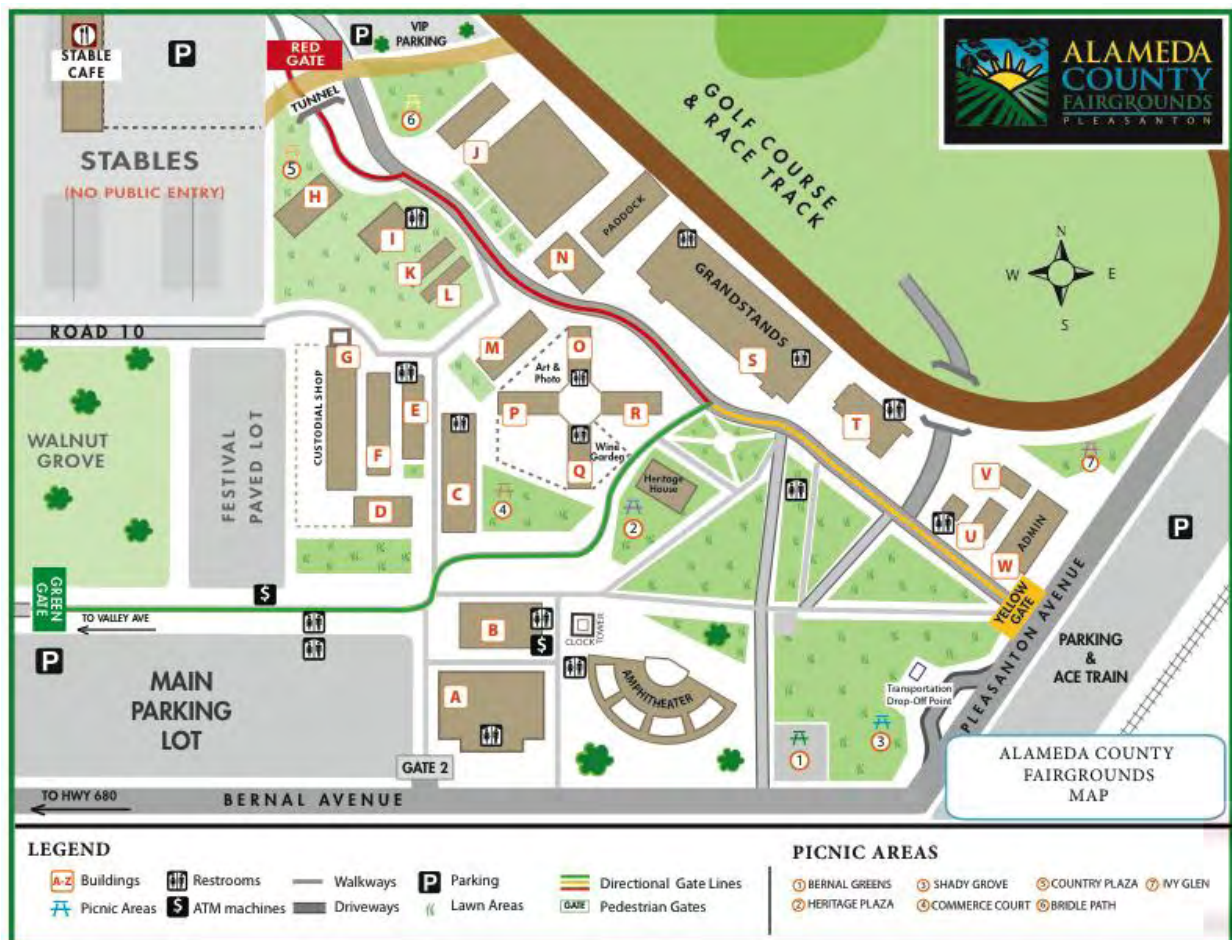
* Stage

Source: Alameda County Fairgrounds, Johnson Consulting

In addition to the facilities listed above, the broader ACF site includes the oldest 1-mile horse race track in North America, dating back to 1958, an off-track betting facility, golf course and driving range, an RV park, and RV and boat storage facilities.

Figure 4.2 provides an overview of facilities at the ACF.

Figure 4.2: Alameda County Fairgrounds



DEMAND SCHEDULE: The ACF hosts around 350 events annually, attracting in excess of 3 million visitors. Information from facility management indicates that, in addition to the Fair, the most popular types of events at the ACF include trade shows, corporate and team building events, particularly in summer, and 5K running events. The ACF does not host a farmers or flea market.

REVENUE & EXPENSES: No information relating to the ACF's revenues and expenses was made available by facility management.

FUNDING: The Association receives no funding from tax revenues, relying on income generated from activities at the ACF for all of its operational needs.

OBSERVATIONS: The ACF is an attractive facility that is self-sufficient. In addition to a popular annual Fair, the ACF utilizes online marketing and the active promotion of events and the ACF in the community to draw year-round visitation. Management of the ACF also dedicate significant time and resources to exploring and understanding niche markets, with education being one area where they

have been able to capture a new, and expanding, market segment. A substantial part of the ACF site is occupied by the racetrack and stables operation. The true Fairgrounds, excluding these uses and park space, occur on closer to ±60 acres. As revealed through our interviews, equestrian events, stabling operations and a racetrack function are not seen as Santa Clara County's market anymore, making what would be a sizeable amount of required land available for other uses. Hence, 60 acres should be sufficient for a Fairgrounds in Santa Clara.

3. Cal Expo – Sacramento, CA

LOCATION: Located to the northeast of downtown Sacramento, off Interstate Highway 80, Cal Expo has been home to the California State Fair since 1968 (the Fair itself originated in 1854). It is also home to the County Fair, which is considering moving to another location.

OWNERSHIP/ MANAGEMENT: Cal Expo is owned by the State of California and operated by the California Exposition and State Fair, an independent state agency that is governed by an 11-member appointed Board of Directors. Daily operations are overseen by a permanent staff of approximately 55 persons, with around 2,000 temporary employees hired during the State Fair. Ovations serves as Cal Expo's exclusive caterer.

FACILITIES: Facilities at the 350-acre Cal Expo campus include:

- Buildings A & B: Two identical, interconnected buildings offering 27,700 square feet of exhibit space on the main floor and 8,600 square foot mezzanines, with a shared lobby, concession stand and restrooms. Buildings A and B, which each have capacity for 161 10' by 10' trade show booths, are frequently utilized for trade and consumer shows.
- Building C: 28,000 square foot of exhibition space, accommodating 130 trade show booths. Building C is frequently utilized for conventions, banquets, trade and consumer shows, dances and sporting events, and can be used in conjunction with Building D to create 48,000 square feet of event space.
- Building D: 20,000 square feet of exhibition space, accommodating 100 trade show booths. Building D, which can be used in conjunction with Building C, is regularly utilized for trade and consumer shows, conventions, and banquets.
- The Pavilion: 98,000 square feet of exhibition space, utilized for major trade and consumer shows, festivals, dances, and sporting events.
- Expo Center: Offers 58,870 square feet of space that can be subdivided into 8 sections, ranging from 5,848 to 7,934 square feet. The entire space has capacity for 287 trade show booths and is regularly used for car shows, trade and consumer shows, art exhibits, fundraisers, banquets, meetings, and conventions.
- The Cove: An outdoor amphitheater that accommodates up to 4,100 guests, in non-permanent seating, and has additional space for standing spectators. The Cove features a 1,920 square foot covered stage, and is regularly utilized for concerts, graduations, award ceremonies, and meetings.

Table 4.7: Cal Expo Revenue and Expense Statement

California Exposition & State Fair Revenue & Expense Statement (2012-2013) (\$'000s)		
	2012	2013
Operating Revenues		
Fair		
Admissions	\$4,417	\$4,617
Parking	1,558	1,515
Racing Programs	48	51
Mono Rail	201	172
Food & Beverage	1,710	1,778
Carnival	1,634	1,646
Raging Waters	50	55
Commercial Exhibitors	1,492	1,552
Entry Fees	331	322
Novelties	42	44
Trailer Space	15	15
S.F. Racing	844	787
Sponsorships	2,131	2,193
Wine Ads	226	216
RV Park	81	76
Partnerships - Exhibits/ Ag	156	92
Concert Merchandise	10	9
Concert Seating (Gold Circle)	141	181
Miscellaneous	118	68
Subtotal Fair Revenue	\$15,207	\$15,387
Interim Events		
Expo Events	\$3,415	\$3,556
July 4th	107	40
Harness	2,171	180
Raging Waters	252	255
Simulcast	975	975
Message Board Ads	270	260
RV Park/ Trailer Park	562	575
ATM Commissions	68	67
Miscellaneous	53	25
Subtotal Interim Events Revenue	\$7,873	\$5,934
Other Revenues		
Fairs & Expositions/ CARF/ .33 Funds/ Grants	\$14	\$0
Reimbursements	1,600	1,396
Subtotal Other Revenue	\$1,614	\$1,396
Total Operating Revenues	\$24,694	\$22,716
Operating Expenses		
Operating Expenses	\$23,763	\$22,048
Total Operating Expenses	\$23,763	\$22,048
Total Operating Income (Loss)	\$931	\$668

Source: California Exposition & State Fair, Johnson Consulting

As shown, Cal Expo operated at a net income of \$668,000 in 2013, representing a decrease from the profit achieved in 2012 (\$931,000). Fair revenues (\$15.4 million in 2013) are the largest revenue generator, specifically admissions (\$4.6 million) and sponsorships (\$2.1 million).

FUNDING: Cal Expo is a self-sufficient operation that receives no government funding or subsidy, although it is understood that the venue has received State and local grants for capital projects on various occasions.

OBSERVATIONS: Cal Expo is example of a popular fairgrounds in an urban setting. Being the sanctioned State Fair in California gives the entire complex an official imprimatur and reduces controversy about its function, role and future. The venue has still had its share of controversy regarding existing arena operations and was considered as a site for Sacramento’s new arena, although the new arena will now be located in downtown Sacramento.

4. Sonoma County Fairgrounds – Santa Rosa, CA

LOCATION: Situated in downtown Santa Rosa, at the northwestern gateway to the Sonoma and Napa Valley wine regions, Sonoma County Fairgrounds (SCF) has been home to the Sonoma County Fair since 1936. Original facilities at the SCF included a racetrack and exposition hall.

OWNERSHIP/ MANAGEMENT: The SCF is owned by Sonoma County and operated by the Sonoma County Fair and Exposition, Inc. (the “Corporation”), a 501(c)(3) corporation. The mission of the Corporation is “to operate the Sonoma County Fairgrounds for the County of Sonoma.” A 14-member Board of Directors governs the SCF and the annual Fair. The SCF is staffed by 26 full-time equivalent (FTE) staff year-round, all of whom are employees of the County. During the annual Fair, the SCF employs around 700 staff.

FACILITIES: The 110-acre SCF campus comprises 6 meeting and exhibit halls, an open-air amphitheater, and 2 open-air arenas. Table 4.8 provides a breakdown of facilities at the SCF.

Table 4.8: Sonoma County Fairgrounds Summary of Exhibit and Meeting Space

Sonoma County Fairgrounds Summary of Event Space				
	Size (SF)*		Capacity (# of Persons)	
	Individual (Smallest)	Combined (Largest)	Theater	Banquet
Indoor Facilities				
J.T. Grace Pavilion	44,000	-	4,400	2,800
E.L. Finley Hall	12,000	-	1,200	747
V.G. Garrett Building	12,000	-	1,200	747
E.C. Kraft Building	10,280	-	1,028	480
Hall of Flowers	24,000	-	2,400	1,800
Showcase Café (& Kitchen)	7,000	-	700	328
Meeting Pavillion	4,250	-	425	350
Subtotal Indoor Facilities SF	113,530			
Arenas/ Amphitheaters				
Chris Beck Arena	-	-	3,000	-
Warm-Up Arena	-	-	-	-
Community Theater	-	-	2,500	-
Total	113,530+			

* Estimated

Source: Sonoma County Fairgrounds, Johnson Consulting

In addition to the facilities listed above, the broader SCF site includes a horse racing track, the 'Jockey Club' off-track betting, golf course, and RV park.

Figure 4.4 provides an overview of facilities at the SCF.

Figure 4.4: Sonoma County Fairgrounds



DEMAND SCHEDULE: Annual events at the SCF include the 16-day Sonoma County Fair, which includes a 13-day race meet, the Sonoma Valley Harvest Fair, and a Wine Festival/ Grape Stomping event. On average, the Fair attracts in excess of 300,000 persons annually.

REVENUE & EXPENSES: The following table provides SCF's revenue and expense statements for 2012-2013.

Table 4.9: Sonoma County Fairgrounds Revenue and Expense Statement

Sonoma County Fairgrounds Revenue & Expense Statement (2012-2013) (\$'000s)		
	2012	2013
Operating Revenues		
Fair		
Admissions	\$1,590	\$1,645
Commercial Space	409	413
Carnival	765	685
Concessions	1,073	1,169
Exhibits	82	77
Racing	1,826	1,817
Attractions	376	361
VIP Tent	39	31
Sponsorships	238	292
Parking	435	465
Miscellaneous	85	100
Subtotal Fair Revenue	\$6,918	\$7,055
Interim		
Building Rental	\$335	\$233
Facility Rental	146	131
Long Term Rentals	97	98
RV Park	187	203
Equipment Rental	135	127
Parking Revenue	214	293
Utility Reimbursement	4	5
Costs Recovered	23	24
Concessions	235	250
Other Revenues	97	91
Subtotal Interim Revenue	\$1,473	\$1,455
Satellite Wagering	\$455	\$444
Harvest Fair	179	158
Miscellaneous Non-Fair	1,376	48
Prior Year Revenue Adjustments	2	13
Total Operating Revenues	\$10,404	\$9,175
Operating Expenses		
Administration	\$1,264	\$1,205
Maintenance	2,014	1,918
Fair		
Publicity	\$353	\$320
Attendance	500	488
Premiums	296	298
Hall of Flowers	244	254
Exhibits	594	589
Miscellaneous Fair	179	158
Racing	1,172	1,196
Attractions	1,059	776
Subtotal Fair Expenses	\$4,396	\$4,080
Interim	\$1,258	\$1,188
Golf Course	7	-
Satellite Wagering	329	306
Harvest Fair	179	158
Harvest Fair Allocated Expenses	(65)	(56)
Prior Year Expense Adjustments	6	2
Other - Interest Expense	42	22
Total Operating Expenses	\$9,430	\$8,823
Total Operating Income (Loss)	\$974	\$352

Source: Sonoma County Fairgrounds, Johnson Consulting

As shown, the SCF operated at a net income of \$352,000 in 2013, down from a net operating profit of \$974,000 in 2012. Fair revenues (\$7.1 million in 2013) are the predominant revenue generator, driven primarily by racing (\$1.8 million), admissions (\$1.7 million), and concessions (\$1.2 million). The Fair generated a net profit of close to \$3.0 million in 2013.

FUNDING: The Corporation receives no subsidy from the General Fund, relying on income generated from activities at the SCF for all of its operational needs. Donations, sponsorships and naming rights revenues are raised through the Sonoma County Fair Foundation, which is a 501(c)(5) not-for-profit organization. The Foundation, whose mission is “to raise and steward funds to support facility improvements and special projects of the Sonoma County Fair”, has set a fundraising goal of \$1.9 million for 2015.

OBSERVATIONS: SCF is a smaller fairgrounds that successfully attracts a number of major events annually and leverages the characteristics and assets of the region. The various wine and food festivals match the area’s economy. As in Alameda, the net fairgrounds, excluding the horse track and animal barns is closer to 50 to 75 acres, reinforcing indicated needs in Santa Clara for 60 acres.

B. National and Canadian Example Facilities

1. Eastern States Exposition – West Springfield, MA

LOCATION: Located in West Springfield, Massachusetts, along the Westfield River, the Eastern States Exposition (ESE) was established in 1916 on a 175-acre site. The ESE is home to The Big E, which is the largest annual fair in the Northeast.

OWNERSHIP/ MANAGEMENT: The ESE is owned by the Commonwealth of Massachusetts and operated by the Eastern States Exposition Foundation (ESEF), which is organized as a not-for-profit educational institution. The ESEF comprises a 6-member Board of Directors, consisting of volunteer representatives of the civic, business, and agricultural communities of each of the New England states.

FACILITIES: Several buildings located at the ESE serve to promote the history of the region and include two year-round attractions - Storowton Village Museum and Storowton Tavern. During The Big E, the replica statehouse buildings, each representing a respective New England state, serve as temporary historic attractions. Other buildings continue to serve their educational purposes, including the Horace A. Moses Building, the birthplace of Junior Achievement, and New England Center, used by many youth organizations like FFA (formerly Future Farmers of America), 4-H, and the Boy and Girl Scouts.

The ESE also offers many event facilities, which include:

Multi-Purpose Venues:

- **Better Living Center:** This is ESE’s largest building at 123,000 square feet. The air-conditioned facility is often utilized for tradeshow.

- **Young Building:** The Young Center offers 55,000 square feet of exhibit space. The building also features three conference rooms and a restaurant with seating for 250. Located next to the Better Living Center, the Young Center is connected to the adjacent building via a walkway and the two buildings are often rented together. Typical events held at the Young Center include antique and collectible shows, college fairs, and craft shows.
- **Mallary Complex:** The Mallary Complex offers flexible meeting space, with two exhibit halls (each at 54,000 square feet). This facility is utilized for agricultural shows and sales and youth fairs. It is also used in conjunction with other ESE building for larger trade shows and equestrian events.
- **Stroh Building:** With 28,000 square feet of exhibit space, the Stroh Building is utilized for craft shows. It is also utilized in conjunction with other ESE building for larger events.

Arenas:

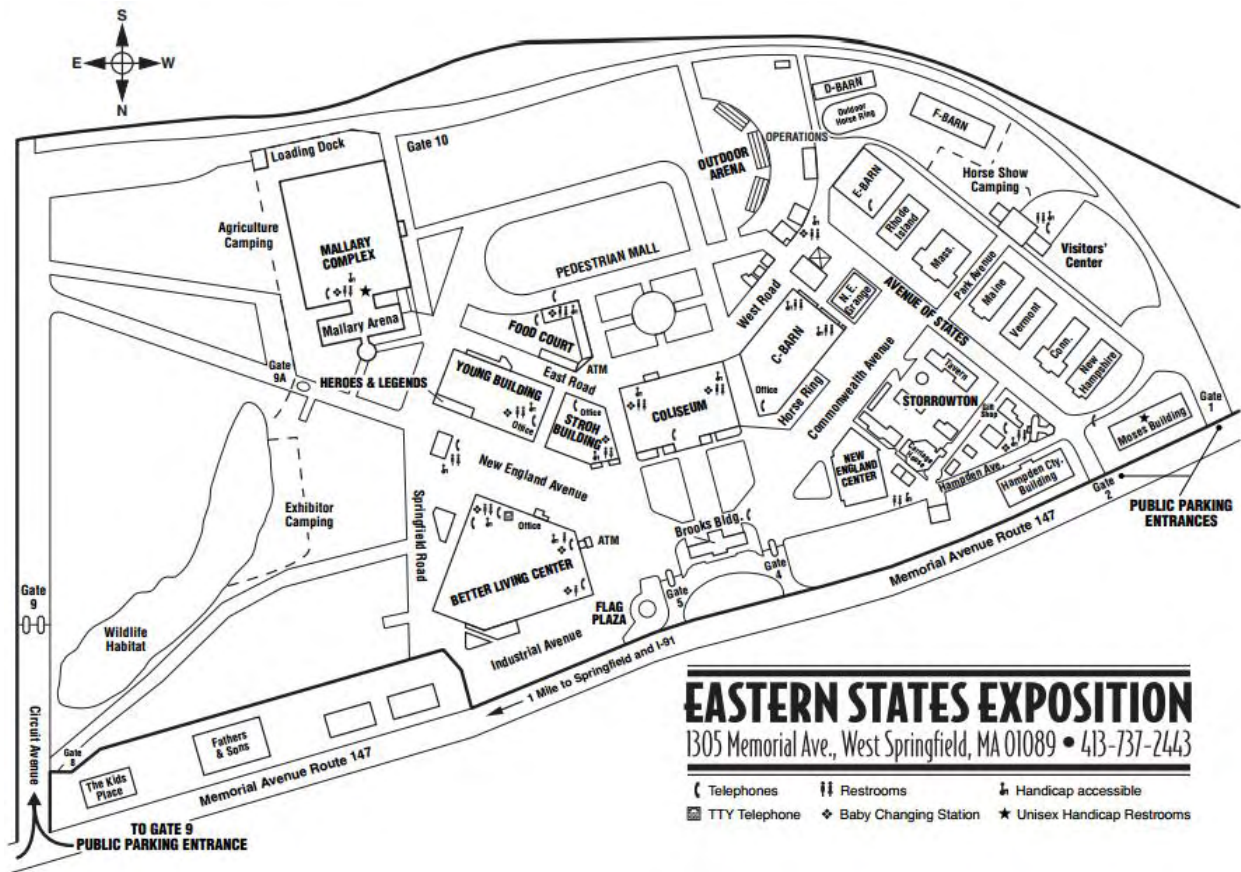
- **Coliseum:** The Coliseum features a 10,725 square foot arena floor with fixed seating for 5,000 spectators. The arena was added in 2011 at a cost of \$2.2 million. The expansion also included an overhead canopy connecting the Coliseum to the C-Barn, so that competitors may practice, as well as enter and exist, under a covered roof. Typical events held at the Coliseum include symphony presentations, archery competitions, equestrian events, and a three-ring circus.
- **Mallary Complex Arena:** In addition to the facilities described above, the Mallary Complex includes a 21,400 square foot arena floor.
- **Xfinity Arena:** The Xfinity Arena is an open-air venue, seating over 6,000 people. It serves as a venue for ticketed and free performances during The Big E.

Barns:

- **C-Barn:** The C-Barn is the main barn utilized by the ESE Horse Show and other year-round equine events.
- **D-Barn:** The D-Barn hosts a variety of horse shows, including The Big E Draft Horseshow, where teams from all over the U.S. and Canada compete in a four-day event.
- **E-Barn:** The E-Barn is used for smaller exhibits, including the FAA exhibits during The Big E.
- **F-Barn:** The F-Barn serves as an auxiliary barn and has 100 horse stalls.

Figure 4.5 provides a pictorial overview of facilities at the ESE.

Figure 4.5: Eastern States Exposition



In 2013, Hard Rock International submitted an application to develop \$700-\$800 million Hard Rock Hotel and Casino New England on the ESE site. The proposal related to a 100,000 square foot casino and resort, including a 260-room hotel, 100,000 square feet of retail space, and a 3,500-seat entertainment venue. Figure 4.6 shows the proposed development.

Figure 4.6: Proposed Hotel and Casino New England

Source: Sasaki International

Although the proposal was rejected by West Springfield voters, the proposed plan is reflective of synergies that exist between fairgrounds and gaming and entertainment facilities.

DEMAND SCHEDULE: In 2013, the ESE hosted 120 shows and events. Excluding The Big E, total attendance at non-fair shows and events was approximately 1.1 million persons. The Big E itself drew 1.4 million visitors during the 17-day fair. Because of its theme to celebrate New England culture, The Big E attracts visitors from across the region, with over half (50.3 percent) of its attendees coming from Connecticut (adjacent to the Connecticut State line). Massachusetts residents represented 37.8 percent of attendees and residents of New York and other New England states represented an additional 9.8 percent of visitors. The remaining 2.1 percent of visitors lived outside of New England.

REVENUE & EXPENSES: In 2013 the ESE recorded a net operating income of \$789,576, representing a decrease over 2012 when it recorded a net operating income of close to \$3.0 million, before depreciation and amortization. The Fair represents approximately 80 percent of ESE's total annual revenues. According to the ESE, The Big E alone has created 2,800 full-time jobs in Hampden County. On an annual basis The Big E contributes nearly \$225 million in economic output and creates 3,500 temporary jobs. As a non-profit organization, the ESE also receives contributions to support its operations and uses its revenue to support educational programming. Over 90 percent of its expenses are related to programs.

Table 4.10: Eastern States Exposition Revenue and Expense Statement

Eastern States Exposition Revenue & Expense Statement (2012-2013) (\$'000s)		
	2012	2013
Operating Revenues		
Program Services Revenue	\$15,161	\$16,701
Net Rental Income (Loss)	(156)	(1,384)
Investment Income (Loss)	37	9
Miscellaneous Revenue	13	26
Total Operating Revenues	\$15,055	\$15,352
Operating Expenses		
Wages, Salaries and Benefits	\$3,922	\$6,642
Program and Special Events	2,492	2,451
Service Contracts	1,853	1,986
Professional Services	132	54
Advertising and Promotion	781	794
Administration	995	725
Insurance	188	242
Miscellaneous Expenses	1,726	1,667
Total Operating Expenses	\$12,090	\$14,562
Total Operating Income (Loss)	\$2,965	\$790
Interest	349	376
Depreciation, Depletion and Amortization	1,431	1,606
Total Income (Loss)	\$1,185	(\$1,192)

Source: Eastern States Exposition, Johnson Consulting

FUNDING: MassDevelopment issued an \$8.9 million tax-exempt bond on behalf of ESE to help finance the construction of the Coliseum's arena. Additionally, the ESE maintains a capital budget of approximately \$1.1 million annually.

OBSERVATIONS: Built to develop and showcase New England agriculture in 1916, the ESE offers the region a strong sense of tradition, and the facilities support educational programming for youths. As a non-profit organization, the ESE benefits from private donations and contributions. Its civic orientation has won the ESE acclaim, reflected in high attendance levels at The Big E, and its ability to draw individuals from across the region. While much of its prominence and revenue is the result of the Fair, the ESE does operate year-round facilities to attract visitors even during winter months.

2. Osceola Heritage Park – Kissimmee, FL

LOCATION: Situated approximately 3 miles to the east of downtown Kissimmee, just off the Florida Turnpike, Osceola Heritage Park (OHP) opened in 2003.

OWNERSHIP/ MANAGEMENT: OHP is owned by Osceola County and privately managed by SMG. The facility employs a permanent staff of 24 persons. The mission of OHP is “to be a vital community partner and economic generator by presenting a diverse entertainment schedule, increased employment opportunities, and providing the highest quality of customer service to clients”.

FACILITIES: Existing facilities on the 120-acre site include:

- **Silver Spurs Arena:** 33,946 square foot arena floor that can accommodate 168 10’ by 10’ exhibit booths. Maximum seating capacity of 11,400 spectators, including 13 luxury suites.
- **Exhibition Building:** 47,850 square feet of clearspan exhibit space, divisible into two sections of 26,100 square feet and 21,750 square feet. The Building also includes 5,040 square feet of meeting space.
- **Kissimmee Valley Livestock Show Pavilion:** Includes a show ring with a 6,000 square foot arena floor and 760 permanent seats, a 1,500 square foot multi-purpose room, and a 17,500 square foot barn and animal holding area. The Pavilion is utilized during the Osceola County Fair, as well as for animal shows and clinics, trade shows, livestock shows and sales, and outdoor sales throughout the year.
- **Osceola County Stadium:** Originally opened in 1984 and expanded in 2003, the 5,300-seat Stadium includes separate major and minor league clubhouses and state-of-the-art training facilities. The Stadium is home to the Houston Astros Spring Training, which has a lease agreement through 2017, at which time it is understood the team will relocate to a new facility in West Palm Beach.
- **Heritage Club:** New 3,500 square foot meetings and event space that opened in 2014.
- **United States Specialty Sports Association (USSSA) Headquarters:** One of the largest youth sports organizations in the U.S.
- **University of Florida Extension Services:** Includes a 5,040 square foot conference room, divisible into 3 sections, that is typically used for seminars, small functions, plant and food clinics, banquets, dances, and product launches.
- **Baseball Fields:** 5 full-size baseball practice fields and 2 half-size practice fields.
- **Parking:** 4,500 surface parking spaces.
- **RV Park:** 50 hookups.

Figure 4.7 provides an overview of facilities at OHP.

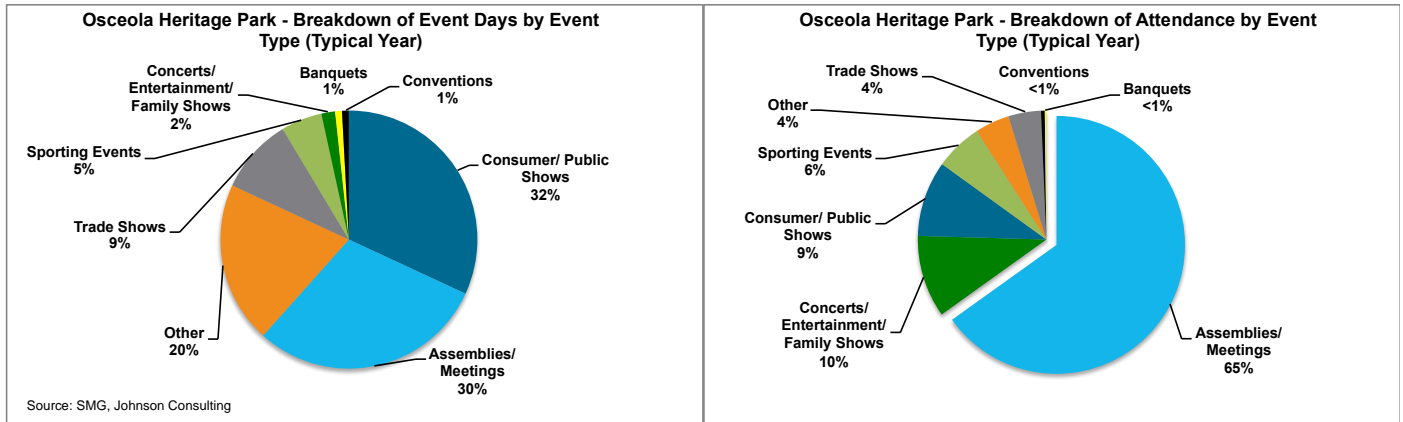
Figure 4.7: Osceola Heritage Park



DEMAND SCHEDULE: OPH hosts around 400,000 visitors annually, including close to 100,000 people who attend the annual 10-day Osceola County Fair held in February. Kissimmee Valley Livestock Show and Fair, Inc., sponsors the Fair in association with the Florida State Department of Agriculture, University of Florida Cooperative Extension Services, and the Board of County Commissioners of Osceola County. OPH is also home to the Silver Spurs Rodeo, which attracts close to 700 horses on an annual basis.

Figure 4.8 provides a breakdown of typical non-Fair events and attendance at the OPH.

Figure 4.8: Osceola Heritage Park Demand Schedule



REVENUE & EXPENSES: The OHP typically operates at a net deficit of approximately (\$3.0) million, before operating support. Table 4.11 provides a breakdown of revenues and expenditures at the facility between FY 2012 and FY 2014

Table 4.11: Osceola Heritage Park Revenue and Expense Statement

Osceola Heritage Park Revenue & Expenses (2012-2014) (\$'000s)			
	FY 2012	FY 2013	FY 2014
Revenues			
Charges for Services	\$1,757	\$1,812	\$1,857
Miscellaneous Revenues	0	1	-
Total Revenues	\$1,757	\$1,813	\$1,857
Expenditures			
Operating Expenses	\$4,649	\$4,804	\$5,093
Capital Outlay	97	57	92
Total Expenditures	\$4,746	\$4,861	\$5,186
Total Operating Income (Loss)	(\$2,989)	(\$3,048)	(\$3,329)

Source: Osceola Heritage Park, Johnson Consulting

FUNDING: OHP capital costs and operating deficit is funded by a dedicated 6 percent Tourist Development Tax charged to visitors staying in Osceola County lodging facilities.

OBSERVATIONS: OHP is an example of a successful Fairgrounds facility that seamlessly integrates professional and amateur sports uses with traditional Fairgrounds uses. In recent years, OHP has contemplated upgrades and expansion to add more stables and other facilities for livestock, and enhanced amenities for exhibits and trade shows.

3. Portland Expo Center – Portland, OR

LOCATION: Located in Portland, with easy access to the mass transit system (it is a Park and Ride location), the Portland Expo Center (PEC) opened in 1965. Since then, the PEC has undergone a number of expansions and renovations to become Oregon’s largest multi-purpose facility.

OWNERSHIP/ MANAGEMENT: The PEC is owned by the Metro regional government and managed by the Metropolitan Exposition Recreation Commission, which is a 7-member advisory committee comprised of business and community leaders who set the strategic business direction for this facility and for the Oregon Convention Center. The PEC employs 13 full-time staff.

FACILITIES: The 53-acre PEC campus comprises 5 interconnected buildings offering 330,000 square feet of multi-use exhibition space, 10 meetings rooms, and on-site parking for 2,200 vehicles. Table 4.12 provides a breakdown of meeting and event space at the PEC.

Table 4.12: Portland Expo Center Summary of Exhibit and Meeting Space

Portland Expo Center Summary of Exhibit and Meeting Space					
	Size (SF)		Capacity (# of Persons)		
	Individual (Smallest)	Combined (Largest)	Theater	Classroom	Banquet
Exhibit Halls					
Hall A	48,000	-	2,726	1,680	1,860
Hall B	36,000	-	2,700	1,656	1,440
Hall C	60,000	-	4,736	3,000	2,880
Hall D*	72,000	-	7,000	3,208	4,620
Hall E**	108,000	-	9,000	5,280	6,240
Subtotal Exhibit Hall SF	324,000				
Meeting Rooms					
Number of Rooms	10	5			
Smallest Room	204	-	25	12	12
Largest Room	-	2,380	300	156	160
Subtotal Meeting Room SF	4,903				
Total	328,903				

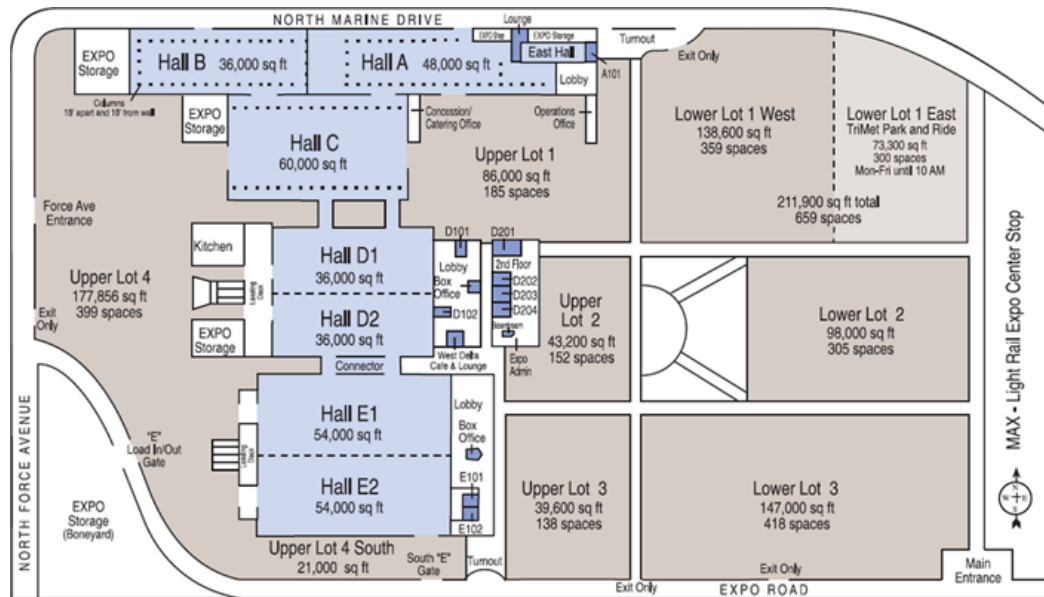
* Divisible into 2 sections of 36,000 SF each

** Divisible into 2 sections of 54,000 SF each

Source: Portland Expo Center, Johnson Consulting

Figure 4.9 provides an overview of facilities at the PEC.

Figure 4.9: Portland Expo Center



There is an adjacent motor speedway and park, and about half a mile away, is an equestrian venue. These are operated independently from the PEC, but do jointly host events and share land for overflow parking with each other.

DEMAND SCHEDULE: In 2014, the PEC attracted 466,213 attendees to 154 events. This represents an improvement over 2013, when the facility hosted 110 events and 429,613 attendees. Since 2010, the number of events held at the PEC has increased at an average annual rate of 12.0 percent, with total attendance increasing by 2.6 percent per annum. Table 4.13 provides a breakdown of events and attendance at the PEC between 2010 and 2014.

Table 4.13: Portland Expo Center Demand Schedule

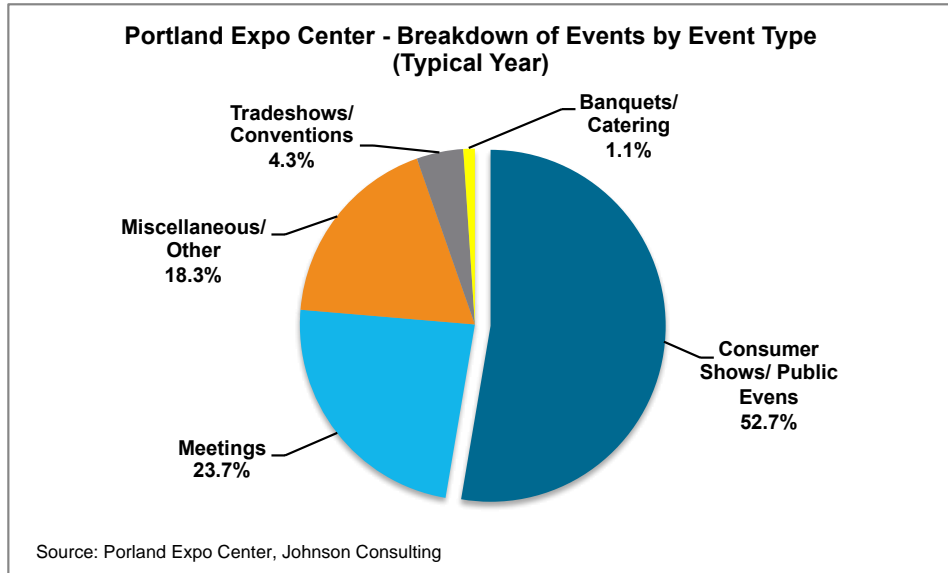
Portland Expo Center Demand Schedule (2010-2014)		
	# Events	Attendance
2010	98	420,616
2011	93	390,333
2012	114	506,508
2013	110	429,613
2014	154	466,213
CAGR*	12.0%	2.6%

* Compounded Annual Growth Rate

Source: Portland Expo Center, Johnson Consulting

In a typical year, the majority of events (52.7 percent) held at the PEC are consumer shows and public events, with the next highest proportion of events typically relate to meetings (23.7 percent). The ability to attract meetings reflects the most recent expansion, which provided a ballroom and meeting space and an upgraded appearance. The following figure provides a typical breakdown of events, by event type, at the PEC.

Figure 4.10: Portland Expo Center Events by Event Type



REVENUE & EXPENSES: Table 4.14 presents the PEC’s estimated operating revenues and expenses for FY 2013-2014.

Table 4.14: Portland Expo Center Revenue and Expense Statement

Portland Expo Center		
Estimated Revenue & Expenses (2013-2014) (\$'000s)		
	2012-13	2013-14
Operating Revenues	\$5,800	\$6,570
Operating Expenditures	4,380	4,720
Total Operating Income (Loss)	\$1,420	\$1,850

Source: Portland Expo Center, Johnson Consulting

As shown, the PEC operated at a net income of \$1.8 million in 2013-14, before other expenses. This represents an increase over 2012-13, when the facility recorded a net income of \$1.4 million. The venue is operated with the Oregon Convention Center, so much of the administration functions are carried on in that operation.

FUNDING: The PEC has realized net operating income for the last four years and receives no additional funding or revenue support, such as transient lodging tax, contributions or government support. However, the most recent capital facilities were funded from these sources.

OBSERVATIONS: The divisible exhibit space at the PEC creates flexibility and allows for the creation of ballroom space. The venue is a location for a Park and Ride hub because the area's light rail system terminates at these grounds. The system is well utilized by both event attendees and the Park and Ride function.

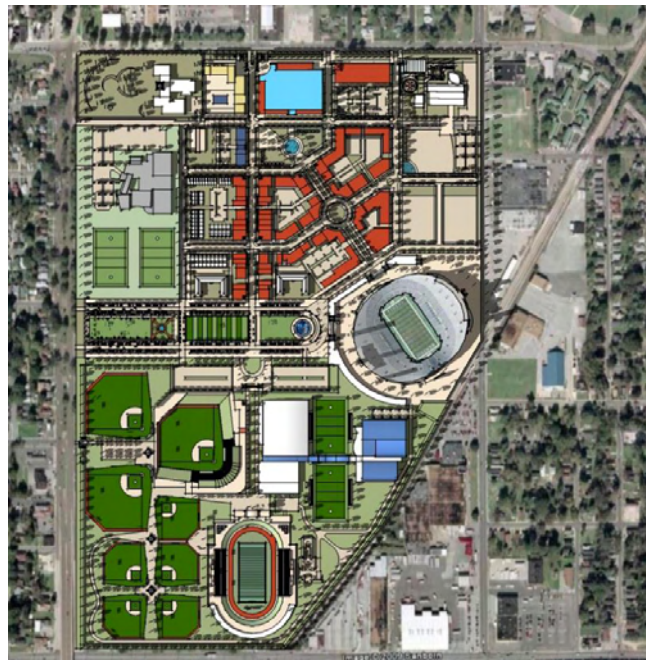
C. Proposed Facilities

1. Mid-South Fairgrounds Redevelopment – Memphis, TN

OVERVIEW: The Mid-South Fairgrounds surround the site of Liberty Bowl Stadium, which is home to the University of Memphis football program. Current uses on the Fairgrounds site include The Children's Museum of Memphis, Salvation Army of Memphis Kroc Center, Fairview Middle School, and the Mid-South Coliseum.

Johnson Consulting was retained by O.T. Marshall Architects to evaluate the feasibility of developing a sports-related, mixed-use project on the 170-acre Fairgrounds site. It was proposed that 65 acres be dedicated to sports-related venues and attractions and approximately 400,000 square feet be developed as themed retail space. Figure 4.11 shows the proposed development plan. The Liberty Bowl Grounds, opening of the Kroc Center and redevelopment of the school on the property have already occurred.

Figure 4.11: Proposed Mid-South Fairgrounds Redevelopment



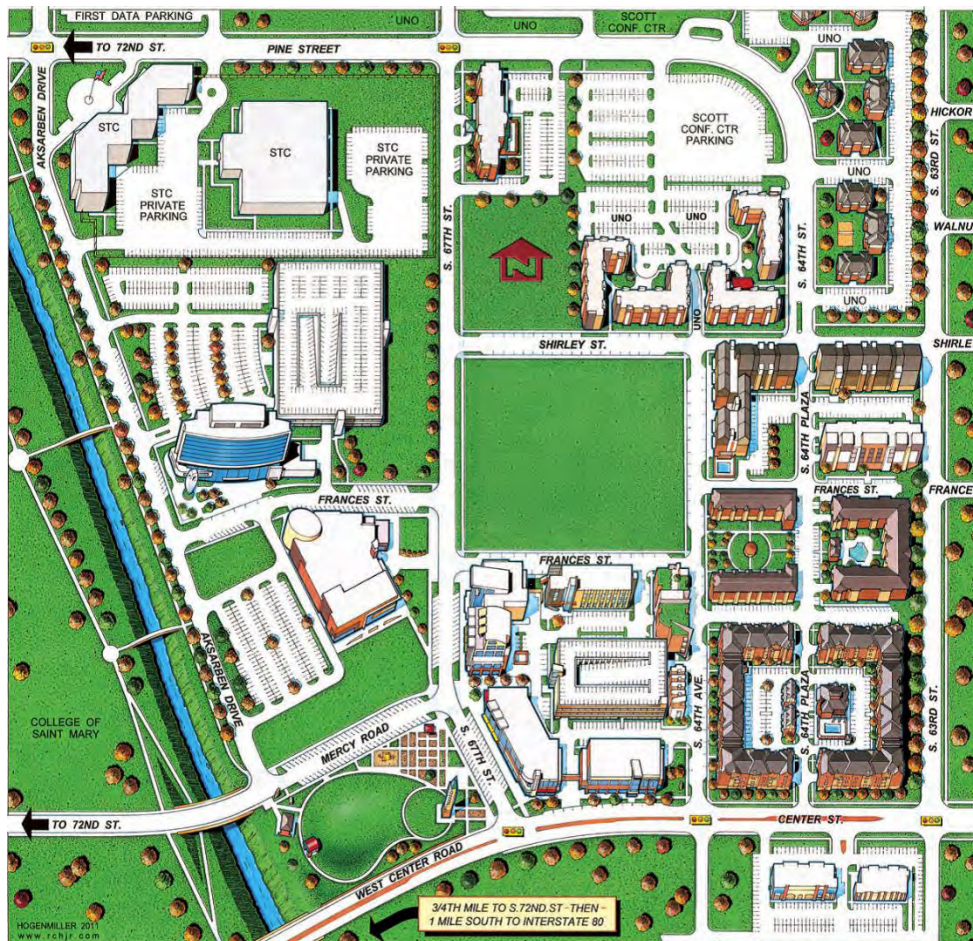
OBSERVATIONS: Although the development involves the repurposing of the Fairgrounds, Mid-South Fairgrounds is demonstrative of the synergies that exist between Fairgrounds uses and sports and recreation uses.

D. Redeveloped Facilities

1. AKSARBEN – Omaha, NE

OVERVIEW: Situated in Midtown Omaha, AKSARBEN relates to the redevelopment of the former Ak-Sar-Ben racetrack and coliseum, which were demolished in 2005. The main element of the redevelopment project – AKSARBEN Village – occupies 80 acres of the property and comprises more than one million square feet of retail, entertainment, office, residential (500+ apartments) and hotel space (135-room Marriott), along with a 4.5-acre park. The vision for the project was to create a “live-work-play” environment. Figure 4.12 provides an overview of AKSARBEN Village.

Figure 4.12: AKSARBEN Redevelopment



To the north of the Village, the University of Nebraska-Omaha (UNO) has built their AKSARBEN Campus, including ten 3-story dormitory buildings. A new \$87.9 million arena is scheduled to open in 2015.

OBSERVATIONS: The Douglas County Fair that was held at AKSARBEN has been modified, because its grounds have been placed into commercial use. It has relocated to Downtown Omaha, and anchors out of the Verizon Arena, but is a full festival held in the downtown area. It is held with the AKSARBEN Stock Show & Rodeo. City Officials have declared the AKSARBEN Stock Show & Rodeo the “Official Community Celebration of Omaha” where attendees are provided with a unique mixture of Championship competition and family entertainment activities.

The AKSARBEN Stock Show & Rodeo is produced by and benefits the AKSARBEN Foundation, one of the top philanthropic organization for the region’s corporate and community leaders.

II. OPPORTUNITIES FOR NON-FAIRGROUNDS USES

A. Market Research and Land Values

This subsection summarizes the Consultant Team’s market research and land value estimates as of Spring 2015. The land value estimates are based on data reported by CoStar Realty Information (CoStar) and represent land values in the larger San Jose market area, as there were not enough transactions in the vicinity of the Fairgrounds to generate a representative estimate. The research consisted of identifying vacant land transactions, sorting by underlying zoning, and estimating average values per acre. The per acre values are used to estimate how much annual ground rent may be achievable based on a yield assumption of 6 to 7 percent.

1. Multifamily Residential

The market research and land value estimates are focused on multifamily rental residential product rather than for-sale product, because the County Supervisors have expressed a strong preference to offer any surplus land through a ground lease rather than through a fee simple sale, and developing and marketing single family residential product when the land is subject to a ground lease is not viable.

- Multifamily residential land values are approximately \$3.5 million per acre in the larger San Jose market, which could be expected to yield an annual ground rent of \$210,000 to \$245,000 per acre. However, a 9.8-acre transaction of fully entitled residential land on Communications Hill, near the Fairgrounds, sold for < \$2 million per acre, which may be a more realistic reflection of the Fairgrounds market area.
- There is a significant amount of new residential construction either planned or underway in the vicinity. A second phase of development at Communications Hill is expected to include 2,200 new residential units as well as retail, parks, trails and a new school.

- With the City of San Jose’s new General Plan, San Jose 2040, there is no housing allocated to the Fairgrounds area. Any housing developed at the Fairgrounds would have to be reallocated away from some other area in the City, which the City is unlikely to approve. Market rate housing would encounter regulatory and political barriers and is not on the City’s priority list. Housing is a fiscal consideration for the City; the City is prioritizing development that will achieve a more fiscally beneficial jobs/housing balance in the City.
- While there is strong demand for affordable housing, it would not generate the land value being sought.

2. Retail

- Retail land values are approximately \$1,000,000 per acre in the larger San Jose market area, which could be expected to yield an annual ground rent of \$60,000 to \$70,000 per acre.
- Monterey Road is evolving into a strong performing retail corridor, although development is still spotty and the underdeveloped and undeveloped stretches are “gritty.” The corridor is auto-oriented with large parcels that can make the street feel uninviting.
- Existing retail development includes The Plant, a popular regional shopping center (the approval of which consumed a large share of allowable trips in the area), Chavez Market, and the Grocery Outlet.
- The Sun Garden Center at 1600 Monterey Road includes a Walmart Neighborhood Market and is now open. Phase II of construction is underway.
- If the Fairgrounds site were to include any new retail development intended to serve the broader area, frontage along Monterey would be desirable.
- Retail that complements any new development on the site would be appropriate, assuming it is targeting different types of retail than what is offered at The Plant.

3. Office

- Office land values are approximately \$2.7 million per acre in the larger San Jose market area, which could be expected to yield an annual ground rent of \$162,000 to \$189,000 per acre.
- The site is not likely to be attractive to an office user looking to establish a campus-like presence in the City of San Jose or the area more generally given the access challenges and the lack of prominent visibility.
- From the perspective of a potential office tenant, there are limited amenities in the area, particularly in terms of transit and direct freeway access and proximity to class A hotel rooms. Although The Plant is nearby, it is not close enough to walk for a quick coffee break, and the lack of visibility and the perception of the area are additional challenges for an office user. Any new significant office development would need to be almost fully self-contained, providing at least some employee amenities on-site would be necessary.

4. Industrial

- “Industrial” broadly includes a full range of uses from heavy manufacturing to light industrial assembly uses.
- Industrial land values are approximately \$500,000 per acre in the larger San Jose market area, which could be expected to yield an annual ground rent of \$30,000 to \$35,000 per acre.
- The area is currently one of the City’s more heavy industry and manufacturing-intensive areas.
- From an economic development perspective, industrial users, such as machine shops and assembly and contract manufacturers, offer good paying, non-high-tech jobs that do not necessarily require college degrees, and these jobs are part of the high-tech supply chain and support the high-tech industry.
- Given the current supply of underutilized industrial space in the area, it is unlikely that a developer or end user would invest in new industrial construction.
- Industrial uses may conflict with recreational and exhibition uses associated with the Fairgrounds site.

5. Hotel

- The “Hotel” category broadly contemplates a full range of types of accommodations from motels to national flag-operated hotels.
- Hotel land values are approximately \$875,000 per acre in the larger San Jose market area, which could be expected to yield an annual ground rent of \$52,500 to \$61,250 per acre.
- There are several hotel/motels in the area of varying quality, but, in general, the City and County are under supplied in the lodging land use.

6. Commercial Recreation

- Commercial Recreation uses include “pay-to-play” uses, such as youth sports fields, paint ball, go carts, and curling, several of which are described in more detail in the subsequent section of this memo. With respect to the estimated lease revenue reported below, this use type does not include a professional sports stadium.
- In most cases, these uses appear consistent with the County’s guiding principles for the Fairgrounds of “Community” and “Open Space and Recreation.”
- Of the potential commercial recreation operators, all expressed an ability to pay at least some ground rent. Annual ground rent would be in the range of \$5,000 to \$15,000 per acre.

Table 4.15: Annual Lease Revenue Estimates by Land Use Category
Annual Lease Revenue Estimates by Land Use Category

Land Use Category	Land Value per Acre	Annual Lease Revenue (per Acre)	
		(at 6% yield)	(at 7% yield)
Currently Demonstrating Market and Entitlement Support			
Commercial Recreation	\$150,000	\$9,000	\$10,500
Hotel	\$875,000	\$52,500	\$61,250
Retail	\$1,000,000	\$60,000	\$70,000
Currently Lacking Market and/or Entitlement Support			
Industrial	\$500,000	\$30,000	\$35,000
Office	\$2,700,000	\$162,000	\$189,000
Residential (Multifamily)	\$3,500,000	\$210,000	\$245,000

Sources: CoStar Group; Economic & Planning Systems, Inc.

B. County, City, Community and Developer Perspectives

This subsection summarizes the perspective of the County BOS, as communicated through the Fairgrounds Guiding Principles document, City of San Jose Economic Development and Planning staff, community outreach process (summarized in a separate document), and local developers.

1. County Perspective

The BOS has prepared a list of “Guiding Principles” for master planning the Fairgrounds, which were described in the Introduction to this report.

2. City Perspective

It is expected that any non-Fairgrounds and non-Public uses will require City of San Jose entitlement approvals as non-Fairgrounds uses likely will be annexed into the City and the City will be responsible for providing public services. An interview with the City’s Economic Development and Planning Departments confirmed several of the City’s objectives and identified potential constraints:

Retail Commercial: Monterey Road is evolving into a strong performing retail corridor, although development is still spotty and the underdeveloped and undeveloped stretches are “gritty.” The corridor is auto-oriented with large parcels that can make the street feel uninviting. Existing retail development includes The Plant, a popular regional shopping center (the approval of which consumed a large share of allowable trips in the area), Chavez Market, and the Grocery Outlet. If the Fairgrounds site were to include any new retail development intended to serve the broader area, frontage along Monterey would be desirable.

Industrial: The area is one of the City’s more heavy industry and manufacturing-intensive areas. From an economic development perspective, industrial users, such as machine shops and assembly and contract manufacturers, offer good paying, non-high-tech jobs that do not necessarily require college degrees. Furthermore, these jobs are part of the high-tech supply chain and support the high-tech industry. Currently the City’s industrial vacancy rate is too low—around 4 percent. It should be around 6 percent to 7 percent. The City is also undersupplied in mini-storage, representing a potential short and/or long term use.

Housing: With the new General Plan, San Jose 2040, there is no housing allocation for the Fairgrounds area. Any housing developed at the Fairgrounds would have to be reallocated away from some other area in the City, which the City is unlikely to approve. Market rate housing would encounter regulatory and political barriers and is not on the City’s priority list. Housing is a fiscal consideration for the City; the City is prioritizing development that brings fiscal benefits without the high service costs associated with housing. That said, there is a significant amount of new residential construction either planned or underway in the vicinity, with a focus on high-density housing within walking distance of a transit node. A second phase of development at Communications Hill is expected to include 2,200 new residential units as well as retail, parks, trails and a new school.

Accommodations: There are several hotel/motels in the area of varying quality, but, in general, the City and County are under supplied in the lodging land use.

Relationship to Downtown San Jose: Although the Fairgrounds site is very near Downtown, the two areas do not relate to one another. The City is unlikely to want to approve anything on the Fairgrounds site that could jeopardize the City’s Downtown revitalization efforts.

3. Community Perspective

As summarized in Section 3 of this report, the community survey respondents have indicated clear priorities for the Fairgrounds Site. It is clear that there is great affection for the Fairgrounds and the County Fair. The community recognizes that investment in the facilities and grounds at the Fairgrounds will require sources of revenue that have not yet been identified and that improved facilities will command higher rental rates, impacting the area’s supply of low-cost event space.

The area is underserved in terms of neighborhood-serving retail, although regional retail and big box retail also made the list of community priorities. Employment uses such as industrial green tech and workplace were noted as well. Housing in general was mentioned with some frequency, although low income housing, and multifamily apartment housing are much lower in priority.

Through leases and/or revenue sharing arrangements, non-Fairgrounds uses represent the greatest potential to generate the revenue necessary to help support the public uses that the Community wants. While this visioning process considered the full range of revenue-generating uses for which there is market support, there may be some uses that are incompatible with the regulatory and political framework in place.

4. Developer Perspectives

The impression of the developers interviewed was that though this site is about the size of the Apple II site, big companies are not likely to be interested as there is no “front door” or entry statement and no elegant way to get from the freeway. With limited amenities in the area, particularly in terms of transit and direct freeway access and proximity to Class A hotel rooms, the site would need to be almost fully self-contained.

As a residential location, this is a “B” location. Apartment developers may be interested in a long-term lease, and there may be a few privately held development companies active in the South Bay who would be candidates. If residential development were to be allowed, the developer would need a critical mass to create a stand-alone neighborhood—approximately 200 units, 20 to the acre on 10 acres with multiple product types. As for retail, developers perceive that The Plant shopping center absorbed demand for retail uses in the short- to mid-term, although there could be some demand for additional retail to support new housing. Incubator space or small-scale manufacturing is likely to go into existing, single-story tilt up space—which is abundant in the South Bay—rather than newly constructed space at the Fairgrounds site.

The brand of the San Jose Giants fits well with the old Fairgrounds and could be a great anchor use—a destination location that could be further augmented by joint development and management of a sports field complex with supporting retail, restaurant and entertainment uses. This location would benefit from the kind of draw that the SJ Giants would offer.

III. INSIGHTS FROM INTERVIEWS

There is tremendous interest in, and hope for, the future of the Fairgrounds. Current users of the Fairgrounds are concerned about it being completely redeveloped since it serves an important role in the community by providing event space that is lower in cost than other facilities in the region, and for many events provides a mix of indoor and outdoor spaces that are simply not available elsewhere. Several groups indicated that if this space goes away, so would their event. Given how prior efforts to redevelop the Fairgrounds ensued, these fears are not unwarranted. Hence, the BOS requested that the Consulting Team speak to and considers the opinions of current users, stakeholders and management. Interviews conducted complement the other outreach tools used by the Consulting Team to listen to County residents and stakeholders.

A. Summary of Interviews

The Consulting Team conducted a variety of interviews in person and over the telephone. Notable individuals, groups and organizations interviewed included (it is noted that several other individuals, groups and organizations were contacted but either did not respond or declined our invitation):

- Fair Management Corporation Board (FMCB) Members
- Fair Management Corporation Staff (FMCS)

- County Staff
- City of San Jose Staff
- Santa Clara Convention and Visitors Bureau
- Members of the development and business community
- Show promoters and organizers from a wide array of event types
- Current tenants of the Fairgrounds
- Potential stakeholders that have expressed interest in the Fairgrounds site.

The above groups represent a broad spectrum of the Santa Clara County cultural, recreational, business, hospitality and tourism sectors, who are familiar with the market area and the role the Fairgrounds plays in the community. The key issues and observations identified by existing and potential users of the site are summarized below.

1. General

- The condition of the Fairgrounds has deteriorated over the years due to a lack of reinvestment into upkeep of the facilities and grounds.
- A sufficient resource base has not been earned nor provided to maintain the Fairgrounds at, or better than, industry standards.
- Off-Track Betting has traditionally been one of the more significant revenue generators for the Fairgrounds. There have been declines in revenue over the past few years and FMC management believes declines will continue.
- County disclosure requirements have prevented FMC from achieving market-based lease rates for some tenants since lease agreements are public information.
- Given the County Supervisor term lengths, FMC Board appointments change and are of short duration. Longer-term Board appointments may provide more stability in oversight of the Fairgrounds.
- There needs to be clearer lines of communication between FMCS, FMCB and the County.
- The decline of the Fairgrounds accelerated when some of the facilities were demolished. This lead to the need to bring in tenants to replace the revenue lost from facility rental.
- The annual Fair has declined in attendance and its short duration increased the annual loss. Key comments included concerns with the perception of the grounds not being safe, the programing strategy for the Fair, and declining interest in the Fair because it has eroded as a product and has not changed to meet its current market.
- There is wide variation in the perceived amount of land needed for Fairgrounds purposes.
- Many uses desired by interviewees require capital investment and incur operating expenses, but do not earn sufficient revenue to pay for themselves. There is an unrealistic expectation/hope that assets and amenities can be provided, without recognition of the funding required to provide them.

2. Stakeholders

- A significant number of groups stated that without the Fairgrounds they would not be able to continue their event or organization.
- Cost of other venues in the region is much more expensive than the cost of having an event at the fairgrounds. The tradeoff is that the state of repair of facilities at the Fairgrounds is in decline.
- There is hesitancy to invest in or expand events/facilities due to the undetermined future of the Fairgrounds.
- For events that use the parking lot as event space, such as the Farmers Market, the quality of the parking surface needs to improve and availability policy needs to be better defined.
- The events held at the Fairgrounds are a benefit to the community and important to the rich social and cultural fabric of the County.
- There are a very limited number of venues in the region that allow animal events. The Fairgrounds is important since it can host events with animals.
- The San Jose Giants expressed an interest in developing a new baseball stadium and tournament complex on a portion of the Fairgrounds site. The organization expressed an interest in working closely with the County and community to develop a project that is an asset to the community. Response from the stakeholders at the stakeholder meeting was positive, especially if the concept would add more recreational and entertainment options.
- Other sports (soccer) state there is an urgent need for fields in this area of the County.
- Paintball International desires to expand their footprint on the Fairgrounds site. It is actively looking at other sites in the region for alternative expansion sites.
- Existing show promoters say they can expand current events and add more events if better facilities were provided. Further, if management and the Board asked, many show managers and exhibitors would donate skills and resources to arrive at a better product.

3. Facility-Related

- A number of groups stated that without the Fairgrounds they would not be able to continue their event.
- Some of the buildings are still useable, but need sprucing up and modern public elements.
- New or upgraded facilities are desired but there was hesitancy in paying increased rental rates for better facilities. Bathroom improvements were stated as the most urgent.
- There needs to be better physical organization of the Fairgrounds with more green space that is accessible.
- It was stated that there is a lack of recreation and cultural facilities in the community and people interviewed hope to have recreational facilities on the fairgrounds site.

B. Specific Opportunities – Existing Tenants

The Consulting Team spoke with the following current users of the Fairgrounds site:

- Operators of the Farmers Market on the parking lot across Tully Road
- Paintball International, which operates Santa Clara Paintball
- California Trolley and Railroad Corporation
- Existing tradeshow, consumer show, festival and art show producers
- Staff at the Fairgrounds who create the annual Fair and market new and recurring events

1. Farmers Market

The Farmers Market lease is with the FMC for half of the parking lot across Tully Road but expansion, which is feasible from an operational standpoint, would require the remainder of the lot. Management of the Farmers Market has invested in lighting, even though the lease term is only three years. It is understood that Management would make more investments, such as pothole repair and general grounds improvements, with a longer-term lease.

The Farmers Market is a combined farmers market and flea market concept that operates on Wednesdays and Sundays and has been operating for the past four years.

In order to keep the market's vendors, consistency of operation is important. Management would not want to change the market's location to anywhere else on the Fairgrounds site, but believes the operation is well-established enough that it could move; it is more important to have a sufficient amount of space.

2. Santa Clara Paintball

Paintball is a popular activity and a revenue generator, and the use is compatible with a broader youth sports/activity concept. Santa Clara Paintball opened in 2003 and now serves about 1,000 players per week; a typical Saturday might see 500 people. According to Management, the facility is "the most played at" in Northern California.

Santa Clara Paintball wants to be the destination for paintball, laser tag, slides, rock climbing, water features, ropes course, bouncy houses, etc. They would like 10 to 20 acres, although they have indicated that they will work with what they are provided. Management is envisioning \$6 million to \$10 million in capital investment, and would like a 20-year lease. According to management, with reinvestment, Santa Clara Paintball could rise to the quality of the Hollywood Sports Park in Bellflower.

Because Paintball wants to be the destination on the Fairgrounds site, they would like visibility. They are happy to share facilities (e.g., food /lounge space) and parking, if it makes sense operationally and economically. Other complementary uses could include meeting space and party space.

Santa Clara Paintball currently pays approximately \$10,000 per month for the land that they are on (the lease amount varies in the winter/summer months). With investment, their operation would grow, and presumably, their ground lease rent payments could grow too.

3. California Trolley and Railroad Corporation

The California Trolley and Railroad Corporation cannot develop a museum at this location (the track continuity to/from the site has been broken) but they would like to keep their current acreage (approx. 2 to 3 acres) for their restoration work. They would like improved fencing, dusk to dawn lighting, a cover for their locomotive (which belongs to the County), general theft protection, and illegal dumping prevention support. They could run a track around the perimeter of the Fairgrounds and help move people around during the Fair and/or other events. They cannot pay any rent but they do believe that they make a historical contribution to the site.

C. Specific Opportunities – Potential Stakeholders

The Consulting Team engaged in two rounds of stakeholder interviews with organizations that are interested in using a portion of the Fairgrounds land not needed for the Fairgrounds operations. In most cases, these entities are interested in relocating their current operations to the Fairgrounds site. In some cases, potential stakeholders reported their acreage requests and land rent assumptions, which are documented below and on Table 3.16 (below). Potential stakeholders include the following:

- Representatives of the San Jose Giants (also present were representatives of the San Francisco Giants)
- Management of the Berryessa Flea Market
- Management of the Oak Hill Memorial Park (SCI Management)
- Management of Cambrian Go-Carts
- Management of Bay Area Curling

1. San Jose Giants

The San Jose Giants are currently classified as “High A” and they are in their 28th year as an affiliate in San Jose. The team is wholly owned by the San Francisco Giants. The Team’s objectives are to develop talent, immerse the Bay Area in the “Giants” brand, and to offer a fun, affordable, family-friendly activity. The Team plays at Municipal Stadium, which was built in 1942; the stadium is in declining repair and no longer meets industry standards. The San Jose Giants’ lease is with the City and has another four years on it (current lease is a five-year lease). According to the representatives interviewed, the Team is very committed to San Jose.

The Team has a loyal fan base (approximately 300,000 visitors per year) but it has outgrown Municipal Stadium. The San Jose Giants are interested in developing a new stadium plus a youth

sports complex to complement the stadium—similar to the ESPN Wide World of Sports Complex in Orlando.

Their proposal is 14 acres for the ballpark plus retail (they could go a bit smaller on this component) and 52 acres for the sports complex. The sports complex anticipates six baseball fields and eight soccer fields. Six baseball fields is the minimum needed to operate a tournament. They could reduce the number of soccer fields—perhaps to four or six. The soccer fields are more flexible than the baseball fields in terms of other sports activities that can be played on the fields. Revenue-generating amenities could include: sports bar, merchandise outlet, batting cages, kids’ pavilion. Parking would fit in with other uses.

They estimate that their capital investment will be approximately \$85 million to \$100 million that they would fund without public money. The stadium would cost approximately \$50 million to \$65 million. Each sports field would cost about \$2.5 million. Their operations would be economically self-sufficient, including debt service and lease payments, although they have not indicated a lease payment amount.

The San Jose Giants seem like a good fit for the site and their objectives are consistent with many of the County’s goals for the site. Their ability to bring capital to the deal will be key.

2. Berryessa Flea Market

With arrival of BART, the Berryessa Flea Market’s current site has become valuable for housing and/or other higher intensity uses, and the owners of the Berryessa Flea Market are looking for a new location. They have stated it could operate efficiently on approximately 45 acres, some of which could include shared facilities with the Fairgrounds. The Berryessa Flea Market’s timing is flexible. The Berryessa Flea Market could be more than a tenant; they could bring management expertise and help with infrastructure improvements.

The Berryessa Flea Market has 100 acres at their current site (site was 120 acres but they sold 20 acres for residential development). The Berryessa Flea Market is a major institution in the area. They put on a regular calendar of events. Such events include: salsa, health fairs, music, kids activities, crafts, street soccer, other sports, etc. Produce row is a big attraction at the Berryessa Flea Market. The Berryessa Flea Market is used to sponsoring, promoting and managing events and mentioned that they (i.e., the Berryessa Flea Market) could manage the Fairgrounds.

The Berryessa Flea Market believes the Fairgrounds is in the perfect demographic zone for them with good vehicular access. They think it is a better location than their current location. The Berryessa Flea Market has responded to previous Fairgrounds planning processes, since 1991—they were part of the KB Homes proposal that incorporated the promenade – they like the idea of a central street.

The Berryessa Flea Market is primarily a weekend business although they operate (or would like to operate) a smaller market on Wednesdays and Fridays. Regardless, space is available for other uses

during the week. They operate 52 weeks per year. As such, the Berryessa Flea Market believes these activities are compatible with the Fair's activities and that the Fair could be better with them involved. The Berryessa Flea Market believes it is compatible with the concept outlined by the San Jose Giants, but they are direct competitors of the current Farmers Market operation.

They would like to use some if not all of the existing facilities on occasion - they are flexible on this point and it would depend on the specific terms that can be agreed to. The Berryessa Flea Market would then be a part of maintaining, enhancing and generally improving the Fairgrounds. Critical infrastructure improvements would need to include new bathrooms and the smaller food outlets and the Central Park promenade.

In both interviews with the Berryessa Flea Market, management indicated that they are prepared to be very flexible. Their preliminary concept is to overlay their operations on the existing Fairgrounds acreage by setting up vendors within the existing circulation layout, under the trees, adjacent to the buildings, etc. They would want to contribute to some "sprucing" of the landscape and the restrooms, if not more. Taking vacant land is also an option but a more expensive option as the vacant land does not come with any of the existing infrastructure (restrooms, paving, landscaping, etc.). Their "core" operation would require 50 acres (overlaid on the existing Fairgrounds). This includes their vending area and parking (approximately 25 acres of parking and 25 acres of selling area.)

They are willing and interested in taking on as much management (i.e., event programming) as would be helpful. They do not believe they can accommodate the existing farmers' market, as they are direct competitors with different standards of operation. The Berryessa Flea Market operates all day on Wednesdays, Fridays, Saturdays and Sundays. They would want a 20-year lease. With their core operation (150 vendors), they have stated that they can pay approximately \$300,000 per year. This could grow to more than \$1 million per year if/when they move their whole operation. The lease amount would depend on the level of capital improvements they make and would need to be negotiated.

3. Oak Hill Memorial Park

The Oak Hill Memorial Park site is about 350 acres and it has been in operation since 1851. It is a heritage cemetery where many prominent, local figures are buried (including members of the Donner Party). The Cemetery is owned and operated by SCI Management, which is an international (US and Canada), publicly-traded company. They are experts in cemetery planning and development. SCI acquired the Oak Hill Memorial Park in the 70s.

The Cemetery has approximately 10 years remaining of expansion capacity. The Cemetery would like about 15 to 20 acres on the Fairgrounds site. SCI would need to figure out how to get across the street—crosswalk, tunnel, bridge. It doesn't matter where on the Fairgrounds site they are located so long as there is some frontage and access on Monterey that relates to the existing Cemetery land. The amount of acreage needs to make economic sense; it needs to be worth it for them to make

whatever improvements necessary to get across the street. Purchasing the 14-acre parking lot is of some interest to SCI although it is not their first choice.

The Cemetery would need to buy the land; for legal and ethical reasons, even a very long-term lease is not a possibility. That said, there are a number of ways to structure the deal so that there is a regular source of revenue that comes off the deal: they could finance the purchase or there could be options and incremental take-downs. However, the intent has to be very clear: as the space is needed, the Cemetery will take the land back and use it. SCI indicated they are willing to be creative so long as the intent is clearly understood.

Because SCI will not need the land for approximately 10 years, they are open to interim uses so long as they can avoid the “political” problem of having it look like the Cemetery is taking land away from a popular community use, such as little league (even if all the legal protections are in place). Interim uses that could work include: trails, nurseries, temporary storage, golf driving range, batting cages, put-put golf, and paintball. SCI is not opposed to a flea market, but it would need to be a partnership that works for both. Cemetery is willing to install and maintain green space. Some supporters of expansion have suggested the Cemetery could act as a “buffer”.

An agreement with SCI would require a sale, but with creative financing, the deal could result in residual revenue for the County. In addition, a range of interim uses (appropriate to the vision for the Fairgrounds) are acceptable to SCI, and the land could be developed to feel like open space to the public.

4. Cambrian Go-Carts

Cambrian Go-Carts represents that it needs about 30 acres—in a rectangular form—to operate. Management has been sketching plans that are 1,000 feet x 1,500 feet. The total acreage could be reduced if shared parking were a possibility. Thirty acres includes the tracks, facilities, parking and RV parking around the perimeter. On-site facilities would include a restaurant, some retail, a children’s play structure, and classrooms. Management is proposing \$8 million to \$10 million in capital investment and would require a minimum of a 10-year lease with a two+ 10-year options. Management believes the business would be financially sustainable quickly and would be able to pay a ground lease—eventually \$30,000 per month.

5. Bay Area Curling

Bay Area Curling is looking for a permanent, dedicated curling facility. They need about one acre on which to construct a 15,000-square foot building. Of the 15,000-square foot building, approximately 10,000 square feet would be dedicated to ice. The ice portion needs to be rectangular—70 feet x 150 feet with a 20-foot high ceiling. They could share parking, which might reduce their acreage need. They can open the ice to public skating in December. They are looking at a capital investment of approximately \$1 million (assumes they go with a very efficient, already designed structure that meets international standards). With manageable land and building costs, they believe they can be

cash-flow positive in two years. The organization has indicated that they need long term certainty—the very minimum lease term would be 10 years. There could be some sharing of food/concession revenue.

Table 4.16: Annual Lease Revenue Estimates by Specific Commercial Recreation Stakeholder

Potential Stakeholder	Acres Requested	Estimated Annual Rent	Estimated Annual Rent per Acre
California Trolley and Railroad Corporation	2 to 3	\$0	\$0
Santa Clara Paintball/ Laser Tag	10 to 20	> \$120,000	> \$6,000 to \$12,000
Cambrian Go-Carts	30	eventually \$360,000	\$12,000
San Jose Giants	66	unknown, but > \$0	unknown
Bay Area Curling	1	unknown, but > \$0	unknown
Berryessa Flea Market ("Core Operation")	at least 50 acres	\$300,000	\$6,000
Farmers Market			
Oak Hill Memorial Park [1]		n/a	n/a

[1] The Cemetery has approximately 10 years remaining of expansion capacity. Cemetery would like about 15 to 20 acres on the Fairgrounds site. The Cemetery would need to buy the land; even a very long-term lease is not a possibility.

Source: Stakeholder Interviews Conducted by EPS and Johnson Consulting.

IV. SUMMARY

Based upon our analysis of market and industry trends, and best practices observed at regional and comparable facilities, there are a variety of opportunities available to the County as it relates to the future of the Fairgrounds. These range from maintaining the status quo, with or without pursuing other real estate development on land parcels not currently utilized for fairgrounds activities, to removing the fairgrounds functions completely and repurposing the site. The following table summarizes precedents set by a selection of regional and national fairgrounds.

Table 4.17: Summary of Development Precedents

	0-Acres	30-Acres	60-Acres	90-Acres
Caveats	-	Shared parking w/Tully	Includes Tully Parking	Includes Tully Parking
Analog	Aksarben	Current Fairgrounds (slightly smaller)	San Mateo Events Center	Alameda County Fairgrounds (slightly larger)
Conclusions	<ul style="list-style-type: none"> ▪ Maximizes available real estate 	<ul style="list-style-type: none"> ▪ Must exploit current buildings ▪ Can be self-sufficient ▪ “Pocket Fairgrounds” 	<ul style="list-style-type: none"> ▪ Small for fully functional Fairgrounds ▪ Misses larger opportunities. ▪ Can be self-sufficient 	<ul style="list-style-type: none"> ▪ Allows for future Expo Hall development. ▪ Can be self-sufficient
Available Real Estate	150 acres	120 acres	90 acres	60 acres

Appendix V: *Hypothetical Land Use Allocation Diagrams* provides hypothetical site plans for the Fairgrounds based upon these precedents.

INDICATED STRATEGY

I. FAIRGROUNDS USES

1. It is clear that there is great affection for the Fairgrounds and the County Fair throughout the County. When asked what non-Fairgrounds uses the Community finds appealing, parks, recreation and play spaces and community spaces lead the list. The community recognizes that investment in the facilities and grounds at the Fairgrounds will require sources of revenue that have not yet been identified and that improved facilities will require higher rental rates.
2. Based upon an interpolation of non-racetrack/ non-equestrian components of the other fairgrounds, approximately 60 acres is needed to provide for green space, buildings, carnival elements, parking and administrative space to operate an urban fairgrounds.
3. Complete revamping of the aesthetics of the grounds, creating green space and amenities for use by visitors to the grounds is warranted and desired.
4. Someday in the future, consideration should be given to providing one new expo building, with a minimum of 100,000 square feet of space and with expansion potential. No other fairgrounds in this region have a facility of this size, and industry trends and best practices reveal that a large single building supported by multiple other buildings (currently in place) is most appropriate.
5. A willingness to create a funding mechanism to support the capital improvements of the grounds. One tool would be tying profits from excess land under the current purview of the FMC Board to future capital improvements on the dedicated fairgrounds project component. A multitude of other funding strategies to support capital improvement exists, combined with earned revenue and philanthropic giving.

II. NON-FAIRGROUNDS USES

1. From a place-making perspective, the potential for non-Fairgrounds uses represents an opportunity to create an asset that is more significant than the sum of its parts. Other uses can complement the Fairgrounds and bring energy and vitality to the area and, if recommended by the Board of Supervisors, to generate revenue to support the Fairgrounds uses.
2. Through leases and/or revenue sharing arrangements, non-Fairgrounds uses represent the greatest potential to generate the revenue necessary to help support the public uses that the Community wants, or for other County purposes. While this Market Opportunities report considers the full range of revenue-generating uses for which there is likely market support, there may be some uses that are incompatible with the regulatory and political framework in place.
3. Identifying a mechanism by which some, if not all, of the revenue generated by non-Fairgrounds uses can be retained by the Fairgrounds to support the capital improvements needed and generate a revenue stream to fund operations and maintenance of the site would help to make the tradeoffs between revenue generating uses and public uses more transparent and supported.

4. Of the land uses evaluated for revenue generating potential, market-rate, multifamily residential housing likely would yield the most annual revenue (i.e., ground lease rent), followed by office and then retail.
5. Market-rate housing would encounter regulatory and political barriers and is not consistent with the City of San Jose's General Plan. Housing is a fiscal consideration for the City; the City is prioritizing development that brings fiscal benefits without the high service costs associated with housing. While there is strong demand for affordable (low income) housing, it would not generate the land value being sought.
6. If the Fairgrounds site were to include any new retail development intended to serve the broader area, frontage along Monterey would be desirable. Retail that complements any new development on the site would be appropriate, assuming it is targeting different types of retail than what is offered at The Plant, a nearby retail center that has been very successful.
7. The site is not likely to be attractive to an office user looking to establish a campus-like presence in the City of San Jose or the area more generally given its access challenges and lack of prominent visibility.
8. There are several existing non-Fairgrounds-related uses on the site that would like to remain and/or expand, with varying revenue-generating potential. For example, Santa Clara Paintball would like additional acreage and would like a long-term lease to justify the capital improvements that would allow them to grow their business and, presumably, pay more for the land through a ground lease. The California Trolley and Railroad Corporation would like to remain in their current location and continue to provide opportunities for the public to learn more about the history of rail in the area, but they cannot pay rent.
9. There are many potential uses that would like to be considered for the site and could be interested in potentially responding to a developer solicitation request for the site. The San Jose Giants, the Berryessa Flea Market and Cambrian Go-Carts have expressed interest in the site and would expect to pay ground rent.
10. A youth sports/activity complex, perhaps anchored by the San Jose Giants could be considered. Santa Clara Paintball and/or other commercial recreation opportunities could be a compatible uses. A hotel could be appropriate in this alternative. Given the young, family-oriented demographic of the area and the lack of open park space, this alternative meets several of the County's objectives. A sports and recreation complex could be attractive for both residents and visitor-based economic development.
11. A mixed-use rental residential and retail development, including a community park/garden and potentially a hotel use could be feasible. While this alternative would be a positive revenue generator, the residential portion currently would face opposition from the City.
12. Any mix of market-supportable uses is potentially feasible if the mix of uses is balanced so that the revenue generating uses are sufficiently sized to subsidize the uses that do not generate revenue but otherwise meet the County's guidelines.

III. NEXT STEPS

Based upon the preceding analysis of existing conditions and market opportunities, it is apparent that the County has many options open to it, ranging from doing nothing, to reinvigorating the Fairgrounds, of a certain size, to offering the entire site for commercial development. Following this report to the Board of Supervisors (BOS), and depending on the Board’s guidance and direction, a logical next step would be to seek fully prepared ideas with financial parameters via an RFP process. If an events facility and its associated land is to be retained at this site, either with or without the County Fair, further strategy development for that operation is also required.

Attachment: SCCFG Market Opportunities Report FINAL 091715 (78286 : Fairgrounds Master Planning Status Report)

DRAFT MEMORANDUM

To: Johnson Consulting (CHJC)

From: James Musbach, Ashleigh Kanat and Walker Toma

Subject: Analysis of Existing Economic Conditions of the Santa Clara County Fairgrounds Neighborhood; EPS #141070

Date: November 5, 2014

The Economics of Land Use



This memorandum provides an overview of the existing economic conditions for the area surrounding the Santa Clara County Fairgrounds site. In this effort, EPS has evaluated the demographic and real estate characteristics of the neighborhood immediately adjacent to the Fairgrounds site as well as the City of San Jose and Santa Clara County, for comparison purposes.

Santa Clara County Fairgrounds Context

The approximately 150-acre Fairgrounds site, which is owned by the County, is located in the relative geographic center of the City of San Jose, directly south of downtown San Jose, and immediately south of the Tully Road/Monterey Road intersection. The Fairgrounds site is designated OPHS- Open Space, Parklands, and Habitat in the San Jose General Plan and is comprised of 167,000 square feet (square feet) of indoor spaces, 20 acres of lawn and paved outdoor space, and 40 acres of parking.¹

The immediate surroundings of the Fairgrounds includes commercial and industrial development to the north, residential and light industrial development to the east and south, and commercial development adjacent to the west. Further west, on the west side of Monterey Road is a cemetery and residential development. The Fairgrounds are adjacent to the southern and western borders of Franklin McKinley Elementary School, which is located adjacent to the northeastern corner of the Fairgrounds property.

Economic & Planning Systems, Inc.
 One Kaiser Plaza, Suite 1410
 Oakland, CA 94612
 510 841 9190 tel
 510 740 2080 fax

Oakland
 Sacramento
 Denver
 Los Angeles

www.epsys.com

¹ From *Santa Clara County Fairgrounds Existing Environmental Conditions Memo* prepared by David J. Powers & Associates in 2014. Acreages and square footages to be confirmed.

San Jose is the largest city in the San Francisco Bay area and the third largest city in California. San Jose has experienced tremendous growth over the past few decades, adding more than 500,000 residents between 1970 and 2010, more than doubling its 1970 population. In that **same period, median household income in today's dollars has grown by nearly \$25,000 or roughly 40 percent.**

While San Jose's **job growth has** similarly been robust since 1970, and since the recession, the City's has boasted one of the strongest job markets in the country,² the jobs-to-employed-resident ratio in the City remains at approximately .9.³ One of the major goals expressed in the **City's General Plan is to increase the jobs-to-employed residents ratio to 1.3**, which will require a greater emphasis on attracting new jobs to the city in the future.⁴

Growth trends in San Jose have paralleled other areas of the Silicon Valley region, which is widely recognized worldwide as the leader in technological innovation and progressive corporate culture. Silicon Valley is home to the headquarters of numerous internationally prominent information technology companies such as Apple, Hewlett Packard, Google, Facebook, and Intel. Many of these technology giants including Cisco, Adobe, Dell, and EBay are located in the City of San Jose, primarily in the Downtown and northern areas of the City. The region supports 1.3 million jobs, 36 percent of total jobs in the Bay Area.

Greater Fairgrounds Neighborhood

For purposes of this analysis, and in an attempt to better evaluate the local context in which the Fairgrounds is located, EPS has defined the "Greater Fairgrounds Neighborhood" as all development bounded by 280 to the north, Capital Expressway to the south, Highway 87 to the west and U.S. Route 101 to the east, as shown in **Figure 1** below.

² Hepler, L. (2013). San Jose No. 10 market nationwide for job growth. Silicon Valley Business Journal.

³ LED OntheMap.

⁴ City of San Jose's *Envision San Jose 2040*.

Figure 1 Greater Fairgrounds Neighborhood



The Greater Fairgrounds Neighborhood is adjacent to the East San Jose and Evergreen neighborhoods to the east, the Blossom Valley and Cambrian Park neighborhoods to the south, Willow Glen to the west and Downtown San Jose to the north. The Greater Fairgrounds Neighborhood, while less affluent than the City as a whole, abuts both the desirable Willow Glen neighborhood to the west and Downtown San Jose to the north, which is forecasted to undergo significant residential and commercial development activity in the coming years.

Key Findings

Demographics

- **The Greater Fairgrounds Neighborhood is younger, consists of more families and has a higher proportion of renters than the City of San Jose and Santa Clara County.** The Greater Fairgrounds Neighborhood consists of 50 percent renter-occupied households, compared to 41 percent for the City of San Jose and 42 percent for Santa Clara County. Forty-four percent of households in the Greater Fairgrounds Neighborhood have children and the average household size is 3.46. The City of San Jose and Santa Clara County, comparatively, consist of 40 and 38 percent family households with children and average household sizes of 3.15 and 2.96, respectively. The median age of Greater Fairgrounds Neighborhood residents is 33 compared with 36 in the City and 37 in the County, and there are a greater number of residents under the age of 25 when compared with both the City as a whole and Santa Clara County.
- **The Greater Fairgrounds Neighborhood has a higher proportion of Hispanic and Asian residents than the City and County.** The Greater Fairgrounds is composed of larger Asian (35 percent) and Hispanic (48 percent) populations than the City (32 percent Asian and 34 percent Hispanic) and the County (32 percent Asian and 27 percent Hispanic). White residents (including White with Hispanic Origin) make up 32 percent of the Greater Fairgrounds in comparison to the City of San Jose (43 percent) and County (47 percent).

- **Household incomes in the Greater Fairgrounds Neighborhood is notably lower than in the City and County.** The Greater Fairgrounds has a median income of \$60,105, compared with \$79,447 for the City of San Jose and \$87,648 in Santa Clara County.
- **Workforce educational attainment in the Greater Fairgrounds Neighborhood is notably lower than in the City and County.** While the Greater Fairgrounds Neighborhood workforce is very educated in comparison to the State or the United States as a whole, the area's workforce possesses lower educational attainment than City of San Jose as a whole and Santa Clara County. Over 17 percent of workers in the Greater Fairgrounds Neighborhood have not completed high school and approximately 47 percent have a college degree of some kind. In comparison, less than 10 percent of San Jose workers and less than 9 percent of Santa Clara County workers do not have a high school diploma, while nearly 60 percent of San Jose workers and roughly 61 percent of Santa Clara County workers have a post-secondary degree.
- **There are approximately 21,050 jobs located in the Greater Fairgrounds Neighborhood, the majority of which are focused in the construction, manufacturing, retail, and transportation and warehousing industry sectors.** Within the Greater Fairgrounds Neighborhood, approximately 15 percent of the total jobs are in the construction sector, 14 percent in manufacturing, 11 percent in retail, and 10 percent in transportation and warehousing. The share of Professional, Scientific, and Technical Services industry jobs is substantially less in the Greater Fairgrounds Neighborhood than in the City and County.
- **There are approximately 28,150 employed residents living in the Greater Fairgrounds Neighborhood, the majority of whom are employed in manufacturing, retail, health care and social assistance, as well as professional, scientific and technical services.** Of the employed residents living in the Greater Fairgrounds Neighborhood, 16 percent work in manufacturing, 11 percent work in retail, 11 percent work in health and social assistance and 10 percent work in professional, scientific and technical services. The composition of workers in the Greater Fairgrounds Neighborhood closely resembles that of the City of San Jose as a whole.

Market Context and Development

- **In the immediate proximity of the Fairgrounds (within the identified Greater Fairgrounds Neighborhood), aside from the retail power center called The Plant, located at the corner of Curtner Avenue and Monterey Highway, there are no other existing large commercial developments.⁵** There has been only one new commercial development exceeding 25,000 square feet and no new residential apartment projects exceeding 200 units built in the Greater Fairgrounds Neighborhood during the past five years.
- **Large existing office development in San Jose is primarily located in either Downtown San Jose or within the "Golden Triangle," referring to the area bounded by Highways 101, 237 and 880 in the northern portion of San Jose and the eastern**

⁵ For the purposes of this analysis, large commercial developments are defined as office projects of greater than 250,000 square feet and retail centers defined as "Power Centers" by CoStar.

portion of Sunnyvale. Existing retail power centers are located throughout the County along major highways including 880, 101, 280 and 85.

- **Recently built residential apartment and commercial retail and office development in the City of San Jose has been focused primarily in Northern San Jose, with significant development at the former IBM site in Southern San Jose.** Within the past five years, most of the residential and commercial development has been concentrated along the 280 corridor from Downtown San Jose west towards Campbell as well as within the Golden Triangle in the northern portion of San Jose. There has also been significant development at the former IBM site in Southern San Jose.
- **The City of San Jose's commercial and residential apartment pipeline is similarly focused in the downtown area and North San Jose.** The development pipeline concentrates further north and east than recently built projects, with a greater focus on the 101 and 880 corridors than the 280 corridor. A majority of the major projects in the San Jose's pipeline are residential apartments, which are clustered in the Golden Triangle and Downtown San Jose.

Demographics

As noted, the City of San Jose (and the Silicon Valley Region as a whole) has experienced rapid growth in terms of population and jobs over the past few decades. However, since 2000, the Greater Fairgrounds Neighborhood has outpaced the City of San Jose and Santa Clara County in population and household growth as shown in **Table 1** below. Although the Greater Fairgrounds Neighborhood has experienced a 12 percent increase in median household income over that same period, income growth has lagged behind both the City of San Jose (13 percent) and Santa Clara County (18 percent).

Table 1 Population, Household and Household Income Change 2000 - 2013

Item	2000	2010	2013	% Change (2000 - 2013)
Population				
Greater Fairgrounds	74,876	82,777	85,354	14%
City of San Jose	904,910	945,942	975,479	8%
Santa Clara County	1,682,590	1,781,642	1,837,107	9%
Households				
Greater Fairgrounds	19,699	23,974	24,656	25%
City of San Jose	279,952	301,346	309,925	11%
Santa Clara County	565,873	604,204	621,407	10%
Median Household Income				
Greater Fairgrounds	\$53,642	\$56,038	\$60,105	12%
City of San Jose	\$70,281	\$72,990	\$79,447	13%
Santa Clara County	\$74,522	\$79,455	\$87,648	18%

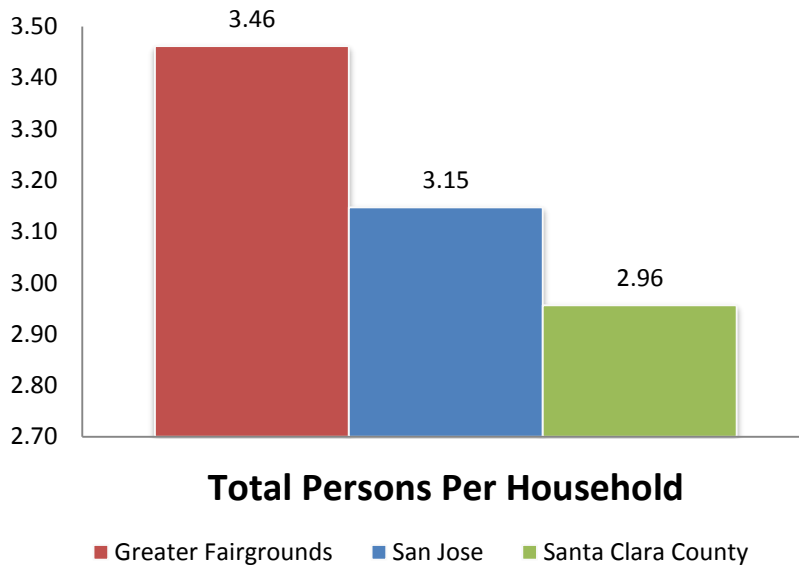
Sources: US Census; AGS, Economic & Planning Systems, Inc.

Population and Households

The Greater Fairground Neighborhood has a population of approximately 85,354 residents spread across 24,656 households, representing roughly 9 percent of the City of San Jose’s population and 7 percent of total households. The average household size is 3.46, significantly larger than both the City of San Jose (3.15) and Santa Clara County (2.96) as shown in **Figure 2**. The median age for the Greater Fairgrounds population is 33.4, which is lower than both the City (35.8) and County (36.8).

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)

Figure 2 Persons per Household by Geography



While the Greater Fairgrounds Neighborhood has maintained a considerably larger average household size since 2000 than both the City and County, as shown in **Table 2** below, the Greater Fairgrounds Neighborhood has also seen the largest decrease in average household size over that same time period.

Table 2 Average Household Size 2000 - 2013

Item	2000	2010	2013	% Change (2000 - 2013)
Average Household Size				
Greater Fairgrounds	3.80	3.45	3.46	-9%
City of San Jose	3.23	3.14	3.15	-3%
Santa Clara County	2.97	2.95	2.96	-1%

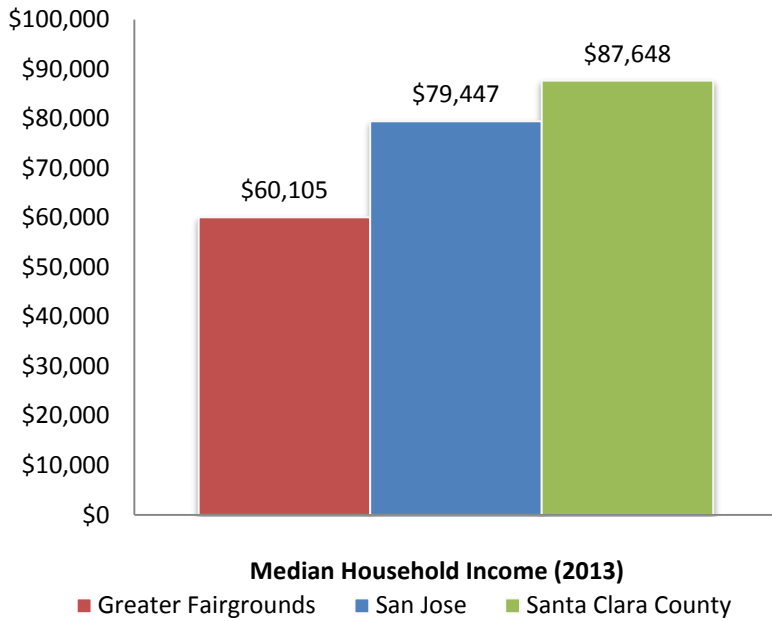
Sources: US Census; AGS, Economic & Planning Systems, Inc.

Household Income and Household Status

As illustrated in **Figures 3** and **4**, the Greater Fairgrounds Neighborhood has a considerably lower in median income (\$60,105) than both the City (\$79,447) and the County (\$87,648).

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)

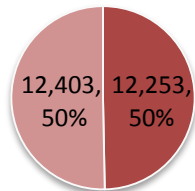
Figure 3 Median Household Income by Geography



In addition, the Greater Fairgrounds Neighborhood consists of a higher proportion of renters (50 percent) than the City (41 percent) and the County (42 percent), as shown in **Figure 4** below.

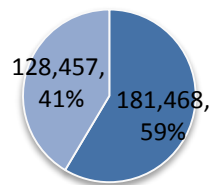
Figure 4 Households by Occupancy Status (2013)

Greater Fairgrounds Neighborhood



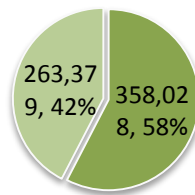
■ Owner-Occupied ■ Renter-Occupied

City of San Jose



■ Owner-Occupied ■ Renter-Occupied

Santa Clara County



■ Owner-Occupied ■ Renter-Occupied

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)

Race and Ethnicity

Regarding racial and ethnic composition, the Greater Fairgrounds Neighborhood has a lower percentage of white residents (32 percent) than the City (43 percent) and County (47 percent) and a higher proportion of residents classifying their race as "Other" (24 percent) than the City and County (16 percent and 12 percent, respectively) as illustrated in **Table 3**.

Table 3 Race and Ethnicity

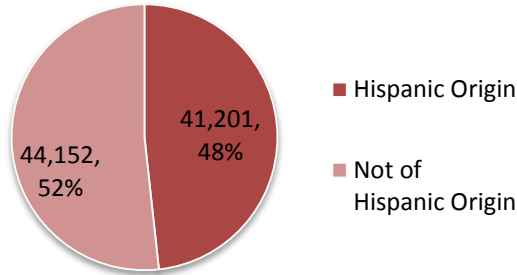
Item	Greater Fairgrounds		San Jose		Santa Clara County	
	2013	%	2013	%	2013	%
Population by Race						
White	27,611	32%	419,304	43%	862,934	47%
Black	2,625	3%	31,067	3%	47,936	3%
American Indian, Eskimo, Aleut	964	1%	8,585	1%	13,390	1%
Asian	29,937	35%	310,196	32%	587,916	32%
Hawaiian/Pacific Islander	346	0%	4,151	0%	7,273	0%
Other	20,262	24%	153,542	16%	227,642	12%
Two or More Races	<u>3,610</u>	<u>4%</u>	<u>48,636</u>	<u>5%</u>	<u>90,016</u>	<u>5%</u>
Total	85,355	100%	975,481	100%	1,837,107	100%
Hispanic Origin						
Hispanic Origin	41,201	48%	329,748	34%	503,466	27%
Not of Hispanic Origin	<u>44,152</u>	<u>52%</u>	<u>645,731</u>	<u>66%</u>	<u>1,333,641</u>	<u>73%</u>
Total	85,353	100%	975,479	100%	1,837,107	100%

Sources: Applied Geographic Solutions, Inc. (AGS); Economic & Planning Systems, Inc.

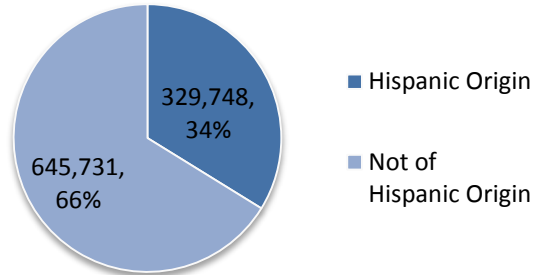
Perhaps the most significant disparity between the Greater Fairgrounds Neighborhood and both the City and County is the higher proportion of residents of Hispanic origin in the Greater Fairgrounds (48 percent) than the City or County (34 percent and 27 percent, respectively). This contrast is illustrated in **Figure 5** below.

Figure 5 Hispanic Origin by Geography (2013)

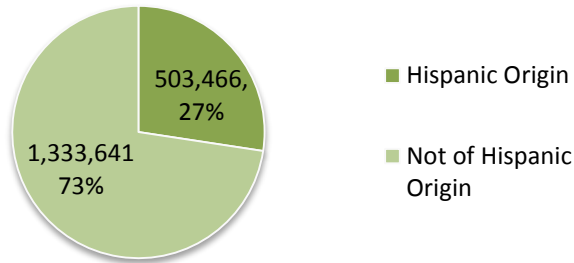
Greater Fairgrounds



City of San Jose



Santa Clara County



In summary, the Greater Fairgrounds Neighborhood consists of a younger, lower income population that is more likely to rent and have larger households than both the City of San Jose and Santa Clara County. Residents are more likely to be of Hispanic Origin, Asian or classify their race as "Other," which speaks to the greater racial and ethnic diversity in the neighborhood in comparison to the City and County. An overview of the demographics for the three geographies referenced is shown in **Table 4** below.

Table 4 Demographic Overview

Item	Greater Fairgrounds		San Jose		Santa Clara County	
	2013	%	2013	%	2013	%
Population						
Total Population	85,354		975,479		1,837,107	
Households	24,656		309,925		621,407	
Persons per Household	3.46		3.15		2.96	
Households by Occupancy Status						
Owner-Occupied	12,253	50%	181,468	59%	358,028	58%
Renter-Occupied	<u>12,403</u>	<u>50%</u>	<u>128,457</u>	<u>41%</u>	<u>263,379</u>	<u>42%</u>
Total	24,656	100%	309,925	100%	621,407	100%
Family Households						
Non-Family Households	6,589	27%	84,440	27%	182,577	29%
Family Households	18,068	73%	225,481	73%	438,830	71%
Family Households w/ Children	10,910	44%	125,067	40%	236,837	38%
Family Households w/o Children	7,158	29%	100,414	32%	201,993	33%
Average Household Income (\$2013)	\$70,912		\$98,154		\$111,918	
Median Household Income (\$2013)	\$60,105		\$79,447		\$87,648	
Population by Age						
Under 18 Years	22,125	26%	252,954	26%	463,216	25%
19 to 24 Years	8,701	10%	78,140	8%	137,676	7%
25 to 39 Years	21,202	25%	219,665	23%	408,458	22%
40 to 59 Years	21,708	25%	272,626	28%	521,391	28%
60 and Older	<u>11,619</u>	<u>14%</u>	<u>152,092</u>	<u>16%</u>	<u>306,366</u>	<u>17%</u>
Total	85,355	100%	975,477	100%	1,837,107	100%
Median Age	33.4		35.8		36.8	
Population by Race						
White	27,611	32%	419,304	43%	862,934	47%
Black	2,625	3%	31,067	3%	47,936	3%
American Indian, Eskimo, Aleut	964	1%	8,585	1%	13,390	1%
Asian	29,937	35%	310,196	32%	587,916	32%
Hawaiian/Pacific Islander	346	0%	4,151	0%	7,273	0%
Other	20,262	24%	153,542	16%	227,642	12%
Two or More Races	<u>3,610</u>	<u>4%</u>	<u>48,636</u>	<u>5%</u>	<u>90,016</u>	<u>5%</u>
Total	85,355	100%	975,481	100%	1,837,107	100%
Hispanic Origin						
Hispanic Origin	41,201	48%	329,748	34%	503,466	27%
Not of Hispanic Origin	<u>44,152</u>	<u>52%</u>	<u>645,731</u>	<u>66%</u>	<u>1,333,641</u>	<u>73%</u>
Total	85,353	100%	975,479	100%	1,837,107	100%

Sources: Applied Geographic Solutions, Inc. (AGS); Economic & Planning Systems, Inc.

Jobs and Employment

According to American Community Survey (via LED OnTheMap), the Greater Fairgrounds Neighborhood contains 21,055 jobs. As shown in **Table 5** below, the largest employment sectors in the area are Construction (15 percent), Manufacturing (14 percent), Retail Trade (12 percent), Transportation and Warehousing (10 percent) and Other Services (8 percent). In comparison, both the City and County feature a significant proportion of jobs in higher wage and educational attainment sectors such as Professional, Scientific and Technical Services (10 percent and 14 percent, respectively) and Health Care and Social Assistance (10 percent for both the City and the County).

Table 5 Largest Industry Sectors by Geography (2011)

Greater Fairgrounds		City of San Jose		Santa Clara County	
Sector	%	Sector	%	Sector	%
Construction	14.7%	Manufacturing	16.2%	Manufacturing	18.9%
Manufacturing	13.6%	Retail Trade	10.3%	Retail Trade	8.8%
Wholesale Trade	6.0%	Professional, Scientific, and Tech. Svs.	10.3%	Professional, Scientific, and Tech. Svs.	13.8%
Retail Trade	11.8%	Admin. & Support, Waste Mgmt.	7.3%	Educational Services	8.5%
Transportation and Warehousing	9.5%	Educational Services	8.0%	Health Care and Social Assistance	9.7%
Other Services (excluding Pub. Adm.)	7.6%	Health Care and Social Assistance	10.1%	Accommodation and Food Services	6.3%

Source: LED OnTheMap.

While both the City of San Jose and Santa Clara County have seen a reduction in total primary jobs between 2002 and 2011, the Greater Fairgrounds Neighborhood has experienced a far more significant reduction. As shown in **Table 6** below, between 2002 and 2011, the Greater Fairgrounds Neighborhood has lost over 3,000 jobs or approximately 13 percent of total jobs. Comparatively, the City of San Jose and Santa Clara County have seen relatively no change in the number of total jobs over that same period.

Table 6 Total Jobs by Geography 2002 - 2011

Geography	2002	2011	% Change
Greater Fairgrounds Neighborhood	24,298	21,055	-13%
City of San Jose	337,513	335,055	-1%
Santa Clara County	807,131	804,359	-0.3%

Source: LED OnTheMap.

Although many of the industry sectors in the Greater Fairgrounds Neighborhood that were prominent in 2002 remain so in 2011, as **Table 7** illustrates, the area has experienced a reduction in construction, manufacturing, wholesale trade and transportation and warehousing jobs, while seeing an uptick in retail trade and other services.

Table 7 Greater Fairgrounds Industry Composition 2002 - 2011

Sector	2002		2011	
	Count	%	Count	%
<u>Largest Industries</u>				
Construction	3,886	16%	3,086	15%
Manufacturing	4,020	17%	2,858	14%
Wholesale Trade	1,969	8%	1,255	6%
Retail Trade	2,378	10%	2,480	12%
Transportation and Warehousing	2,572	11%	2,008	10%
Other Services (excluding Pub. Adm.)	1,184	5%	1,595	8%
All Sectors	24,298	100%	21,055	100%

Source: LED OnTheMap.

Other differences between the jobs composition in the Greater Fairgrounds Neighborhood and the City and County is the higher proportion of male workers (63 percent compared with 53 percent and 55 percent, respectively) and a higher number of workers over the age of 55 (21 percent of the Greater Fairgrounds Neighborhood workforce compared with 20 percent for the City and 19 percent for the County). A comprehensive overview of jobs in the three referenced geographies, including the figures cited in the paragraphs above, is shown in **Table 8**.

Table 8 Employment Overview

Item	Greater Fairgrounds		City of San Jose		Santa Clara County	
	2011	%	2011	%	2011	%
Total Employed Residents in Selected Area	28,141	100.0%	380,056	100.0%	708,331	100.0%
Total Primary Jobs in Selected Area	20,209	100.0%	335,055	100.0%	804,359	100.0%
Jobs by Worker Age						
Age 29 or younger	3,945	19.5%	64,387	19.2%	149,732	18.6%
Age 30 to 54	12,074	59.7%	205,648	61.4%	505,248	62.8%
Age 55 or older	<u>4,190</u>	20.7%	<u>65,020</u>	19.4%	<u>149,379</u>	18.6%
Total	20,209		335,055		804,359	
Jobs by Earnings						
\$1,250 per month or less	3,936	19.5%	52,945	15.8%	109,432	13.6%
\$1,251 to \$3,333 per month	7,268	36.0%	91,557	27.3%	193,396	24.0%
More than \$3,333 per month	<u>9,005</u>	44.6%	<u>190,553</u>	56.9%	<u>501,531</u>	62.4%
Total	20,209		335,055		804,359	
Jobs by NAICS Industry Sector						
Agriculture, Forestry, Fishing and Hunting	13	0.1%	427	0.1%	2,692	0.3%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	106	0.0%	255	0.0%
Utilities	43	0.2%	1,919	0.6%	3,329	0.4%
Construction	3,052	15.1%	15,356	4.6%	28,962	3.6%
Manufacturing	2,840	14.1%	54,416	16.2%	151,820	18.9%
Wholesale Trade	1,239	6.1%	16,406	4.9%	39,747	4.9%
Retail Trade	2,207	10.9%	34,363	10.3%	70,659	8.8%
Transportation and Warehousing	2,007	9.9%	8,559	2.6%	12,346	1.5%
Information	888	4.4%	6,483	1.9%	36,127	4.5%
Finance and Insurance	96	0.5%	10,003	3.0%	19,220	2.4%
Real Estate and Rental and Leasing	292	1.4%	5,866	1.8%	11,818	1.5%
Professional, Scientific, and Technical Services	1,012	5.0%	34,491	10.3%	111,019	13.8%
Management of Companies and Enterprises	158	0.8%	4,603	1.4%	9,834	1.2%
Administration & Support, Waste Management and Remediation Services	1,131	5.6%	24,462	7.3%	46,804	5.8%
Educational Services	953	4.7%	26,724	8.0%	68,036	8.5%
Health Care and Social Assistance	1,213	6.0%	33,704	10.1%	78,120	9.7%
Arts, Entertainment, and Recreation	174	0.9%	5,386	1.6%	10,910	1.4%
Accommodation and Food Services	1,174	5.8%	22,366	6.7%	50,900	6.3%
Other Services (excluding Public Administration)	1,517	7.5%	14,818	4.4%	30,151	3.7%
Public Administration	<u>200</u>	1.0%	<u>14,597</u>	4.4%	<u>21,610</u>	2.7%
Total	20,209		335,055		804,359	
Jobs by Worker Educational Attainment						
Less than high school	3,491	17.3%	32,520	9.7%	68,194	8.5%
High school or equivalent, no college	3,369	16.7%	41,554	12.4%	92,801	11.5%
Some college or Associate degree	5,149	25.5%	77,437	23.1%	178,868	22.2%
Bachelor's degree or advanced degree	4,255	21.1%	119,157	35.6%	314,764	39.1%
Educational attainment not available (workers aged 29 or y)	<u>3,945</u>	19.5%	<u>64,387</u>	19.2%	<u>149,732</u>	18.6%
Total	20,209		335,055		804,359	
Jobs by Worker Sex						
Male	12,786	63.3%	179,148	53.5%	443,191	55.1%
Female	<u>7,423</u>	36.7%	<u>155,907</u>	46.5%	<u>361,168</u>	44.9%
Total	20,209		335,055		804,359	

Source: LED OnTheMap.

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)

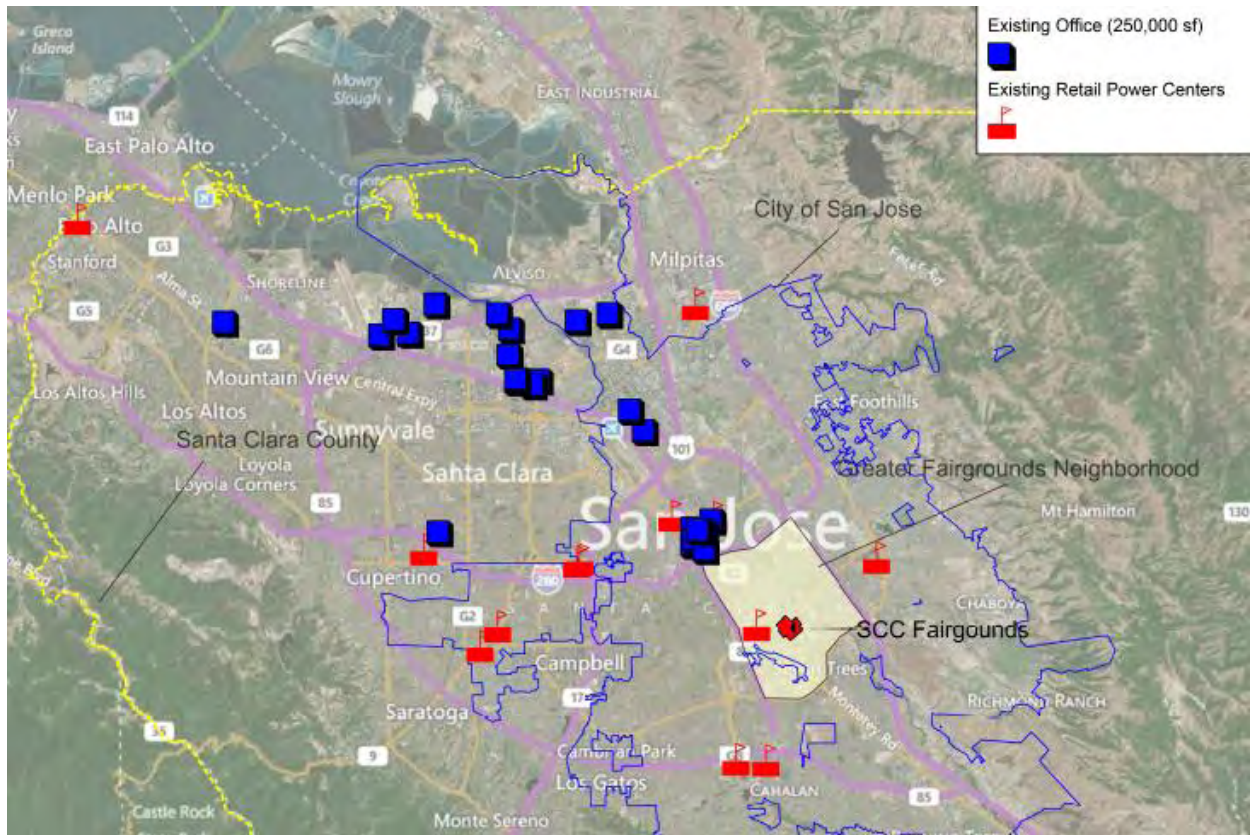
Market Context

As noted in the sections above, the Greater Fairgrounds Neighborhood is located in the relative geographic center of the City of San Jose, immediately to the south of Downtown. While the City of San Jose has experienced tremendous growth since the 1970s, and is home to numerous technology giants such as Cisco, EBay and Intel, on average, residential and commercial land values in the City have long been exceeded by smaller Silicon Valley jurisdictions to the west and northwest such as Sunnyvale, Mountain View, Palo Alto, Cupertino, Menlo Park, Los Gatos and San Mateo.

Existing Development

The Greater Fairgrounds Neighborhood, as defined in this memorandum, comprises approximately ten square miles of residential, commercial, institutional, and other public uses or approximately 6 percent of the total land area in the City of San Jose. The sections below provide a brief overview of the existing commercial (office, retail, and industrial) and residential (multifamily) development in the Greater Fairgrounds Neighborhood, the City of San Jose, and Santa Clara County. An overview of existing large-scale office (greater than 250,000 square feet) and existing retail power centers in Santa Clara County is shown below in **Figure 6**.

Figure 6 Existing Large Santa Clara County Commercial Development



Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)

Office

There is currently no Class A office space and very little (approximately 151,000 square feet) Class B office space in the Greater Fairgrounds Neighborhood. The City of San Jose possesses nearly 10 million square feet of Class A office space and over 19 million square feet of Class B office space, while Santa Clara County has over 23 million square feet of Class A office and over 62 million square feet of Class B office. However, despite the limited office inventory in the Greater Fairgrounds Neighborhood, the area has shown significantly lower vacancy rates (2 percent average) than both the City of San Jose (16 percent average for Class A and 12 percent average for Class B) and Santa Clara County (15 percent average for Class A and 12 percent average for Class B) over the past 18 years. Furthermore, while there is minimal data from which to compare, recent rental activity suggests that office in the Greater Fairgrounds Neighborhood has consistently outperformed office in the City as a whole as shown below in **Table 9**.

Table 9 Class A and B Office Overview

Year	Vacancy Rates					Lease Rates				
	Class A		Class B			Class A		Class B		
	San Jose	Santa Clara County	Greater Fairgrounds	San Jose	Santa Clara County	San Jose	Santa Clara County	Greater Fairgrounds	San Jose	Santa Clara County
1997	2.9%	4.5%	0.9%	3.0%	2.8%	\$27.43	\$28.05	-	\$18.98	\$20.09
1998	14.2%	10.0%	0.8%	4.7%	4.9%	\$35.05	\$36.48	-	\$26.42	\$32.51
1999	7.1%	6.0%	0.8%	5.4%	3.3%	\$35.39	\$38.15	-	\$29.79	\$35.52
2000	1.4%	0.9%	0.0%	2.2%	2.1%	\$54.89	\$52.42	-	\$40.33	\$47.71
2001	11.9%	12.4%	0.0%	14.0%	14.6%	\$44.46	\$42.63	-	\$38.04	\$39.23
2002	20.4%	23.1%	0.0%	16.4%	18.6%	\$35.44	\$33.86	-	\$27.81	\$29.28
2003	21.0%	22.2%	0.8%	14.9%	19.5%	\$29.60	\$28.28	-	\$22.60	\$22.89
2004	19.4%	17.2%	1.1%	14.8%	17.2%	\$26.67	\$26.49	-	\$18.16	\$21.47
2005	19.0%	18.1%	3.4%	14.9%	13.7%	\$27.86	\$25.60	-	\$19.19	\$21.47
2006	17.0%	14.2%	1.3%	13.4%	12.8%	\$26.30	\$25.20	-	\$18.92	\$20.29
2007	14.0%	11.8%	2.0%	12.5%	11.8%	\$29.53	\$32.30	-	\$21.38	\$25.45
2008	17.8%	19.8%	3.6%	12.4%	11.9%	\$34.63	\$35.78	\$25.50	\$22.76	\$28.32
2009	24.6%	26.6%	2.0%	14.5%	14.1%	\$29.77	\$29.98	\$11.88	\$20.73	\$23.49
2010	24.6%	25.3%	4.5%	17.6%	14.3%	\$29.17	\$28.37	\$21.00	\$19.37	\$24.36
2011	21.6%	25.1%	2.1%	15.2%	12.2%	\$27.89	\$31.38	\$21.00	\$20.62	\$25.56
2012	18.6%	16.6%	3.3%	14.6%	11.3%	\$29.15	\$31.63	-	\$23.42	\$28.57
2013	15.2%	11.8%	1.7%	14.0%	10.8%	\$30.25	\$34.16	-	\$25.01	\$30.30
2014Q3	<u>14.2%</u>	<u>10.4%</u>	<u>0.6%</u>	<u>14.7%</u>	<u>10.7%</u>	<u>\$31.07</u>	<u>\$37.84</u>	<u>\$34.20</u>	<u>\$25.79</u>	<u>\$31.89</u>
Average (1997 - 2014 Q3)	15.8%	15.3%	1.6%	12.2%	11.5%	\$32.47	\$33.26	\$22.72	\$24.41	\$28.24

Source: CoStar; Economic & Planning Systems, Inc.

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status

Retail

The Greater Fairgrounds Neighborhood currently features approximately 3.4 million square feet of retail and a 2.8 percent retail vacancy rate. Average triple net rents in the Fairgrounds area are currently \$24 per square foot per year, significantly lower than its recent peak of over \$36 per square foot in 2010. Inventory in the Fairgrounds area increased considerably in 2008 following the opening of The Plant and vacancy rates increased following the financial crisis, peaking at 8 percent in the second quarter of 2011. In comparison, the City of San Jose currently has nearly 36 million square feet of retail and a 3.2 percent vacancy rate. While the Greater Fairgrounds Neighborhood has seen rents decrease since 2010, triple net retail rents in the City as a whole have remained relatively flat since 2006, and currently average \$28 per square foot. There are over 76 million square feet of retail throughout Santa Clara County with retail vacancy currently 3.5 percent and rents averaging \$28 per square foot.

As shown in **Table 10** below, since 2006, vacancy rates in the Greater Fairgrounds Neighborhood have been consistently lower than the City of San Jose and Santa Clara County. While rental rates over the past two years in the Greater Fairground Neighborhood have lagged behind those in the City and County, since 2006, rents have averaged slightly higher at an average of \$27.83 per square foot compared to \$27.25 per square foot for the City and \$27.11 for the County.

These data points suggest that the retail market in the Greater Fairgrounds Neighborhood, which comprises **approximately 10 percent of the City's overall square footage**, is relatively strong in comparison to the City and County.

Table 10 Retail Market Overview

Year	Inventory			Vacancy			Retail Rents		
	Fairgrounds	San Jose	Santa Clara County	Fairgrounds	San Jose	Santa Clara County	Fairgrounds	San Jose	Santa Clara County
2006	2,515,957	33,177,556	74,808,937	3.6%	5.7%	5.4%	\$26.35	\$27.69	\$28.48
2007	2,680,678	33,460,708	33,460,708	1.8%	3.3%	3.5%	\$16.09	\$29.41	\$28.24
2008	3,220,149	34,198,871	34,198,871	4.6%	3.9%	4.3%	\$28.96	\$27.70	\$27.47
2009	3,254,148	34,082,610	34,082,610	5.0%	5.8%	6.4%	\$36.19	\$26.22	\$26.13
2010	3,255,123	34,442,563	34,442,563	4.9%	5.9%	6.3%	\$35.56	\$27.19	\$26.63
2011	3,381,093	34,543,622	34,543,622	4.5%	5.4%	5.5%	\$30.85	\$25.26	\$25.55
2012	3,371,699	34,292,942	34,292,942	4.1%	4.7%	5.3%	\$26.91	\$25.63	\$26.34
2013	3,369,901	34,397,143	34,397,143	3.1%	4.0%	4.3%	\$25.80	\$27.84	\$26.87
2014 Q4	3,369,901	34,632,076	34,632,076	<u>2.8%</u>	<u>3.2%</u>	<u>3.5%</u>	<u>\$23.78</u>	<u>\$28.27</u>	<u>\$28.31</u>
Average (2006 - 2014)				3.8%	4.7%	4.9%	\$27.83	\$27.25	\$27.11

Sources: CoStar; EPS.

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status

Industrial

As illustrated in **Table 11**, the Greater Fairgrounds Neighborhood currently contains approximately 13 million square feet of industrial space, which is over 30 percent of the Citywide inventory. The vacancy rate for the Greater Fairgrounds Neighborhood is currently roughly 4 percent, slightly below the approximately 5 percent vacancy found in the City of San Jose and Santa Clara County. Industrial rents in the Greater Fairgrounds Neighborhood currently sit at approximately \$7.50 per square foot per year, slightly less than the City of San Jose (\$7.76 per square foot) and considerably less than the County (\$8.52). Since 1997, while the Greater Fairgrounds Neighborhood's share of total San Jose industrial inventory has increased (20 percent in 1997 to 27 percent in the fourth quarter of 2014), vacancy rates have remained relatively flat and rental rates have generally been below the citywide average. Both the Greater Fairgrounds Neighborhood and San Jose have generally maintained lower rents and higher vacancy than the County as a whole.

Table 11 Industrial Market Overview

Year	Inventory (Sq.Ft.)			Vacancy Rates			Industrial Rents (per Sq. Ft. per Year)		
	Fairgrounds	San Jose	Santa Clara County	Fairgrounds	San Jose	Santa Clara County	Fairgrounds	San Jose	Santa Clara County
1997	12,513,689	46,591,408	97,785,207	5%	4%	3%	\$6.93	\$7.02	\$7.11
1998	12,834,778	46,801,870	98,750,960	6%	4%	4%	\$7.71	\$8.05	\$8.64
1999	12,820,325	46,684,026	98,678,931	6%	4%	4%	\$7.29	\$8.66	\$9.18
2000	12,915,660	46,884,586	98,736,942	4%	3%	3%	\$9.19	\$14.84	\$13.55
2001	13,325,089	47,274,635	99,601,840	5%	6%	7%	\$9.59	\$12.92	\$11.56
2002	13,350,112	47,397,578	99,841,413	6%	8%	8%	\$8.00	\$7.32	\$8.08
2003	13,406,350	46,806,110	98,635,792	10%	8%	7%	\$5.29	\$5.64	\$6.13
2004	13,372,219	47,283,979	99,624,844	11%	10%	8%	\$4.40	\$5.37	\$5.95
2005	13,406,350	47,173,110	99,128,945	6%	8%	7%	\$5.07	\$5.36	\$6.07
2006	13,406,350	46,797,575	98,228,209	6%	8%	7%	\$5.82	\$5.79	\$6.25
2007	13,406,350	46,350,049	97,681,994	3%	4%	5%	\$6.43	\$6.63	\$7.54
2008	13,403,850	46,315,357	97,259,714	4%	6%	5%	\$6.50	\$6.92	\$7.76
2009	12,824,997	45,397,090	95,877,063	7%	8%	7%	\$8.29	\$7.18	\$7.06
2010	12,749,239	45,065,188	95,521,635	7%	9%	7%	\$7.70	\$6.96	\$6.98
2011	12,687,566	43,690,409	93,745,747	5%	6%	6%	\$8.38	\$6.99	\$7.28
2012	12,676,566	42,285,541	91,213,610	6%	6%	5%	\$7.28	\$6.95	\$7.60
2013	12,668,269	41,831,791	90,210,734	5%	6%	6%	\$7.00	\$7.15	\$7.78
2014 Q4	12,625,394	41,475,648	89,258,782	<u>4%</u>	<u>5%</u>	<u>5%</u>	<u>\$7.50</u>	<u>\$7.76</u>	<u>\$8.52</u>
Average (1997 - 2014)				5.8%	6.2%	5.7%	\$7.13	\$7.64	\$7.95

Sources: CoStar; EPS

Residential Single-Family

As in many markets in the Bay Area, single-family home prices in San Jose have seen large increases since 2012. According to Zillow.com, the median single-family home sales price in San Jose in February 2012 was \$410,000, the lowest Citywide median in over decade. In September 2014, the median single-family home sale price rose to \$672,000, representing a 64 percent increase in 30 months and surpassing the City’s pre-recession high of \$671,000 in May 2007.

The Greater Fairgrounds Neighborhood has experienced a similar increase in home prices over the past two and a half years, but unlike the City as a whole and other more desirable neighborhoods, has not rebounded to pre-recession market levels. Like the City of San Jose, the **Greater Fairgrounds Neighborhoods’** single-family home market reached its 10-year nadir in February 2012 with a median sale price of \$273,000, as shown in **Table 12**. However, while the market in the Greater Fairgrounds Neighborhood has rebounded by over 85 percent since 2012, to a median sale price of \$507,000, the market remains below its 2007 peak median sale price of \$650,000.

Similarly, the Downtown neighborhood, while experiencing significant recovery since its median sales price nadir in 2008 of \$335,000, has not yet rebounded to its pre-recession high of \$621,000. In comparison, the April 2014 median sales price for the Willow Glen neighborhood, which is located directly west of the Greater Fairgrounds Neighborhood, was \$852,000, significantly above its 2008 peak of \$774,000.

Table 12 Single-Family Home Median Sales Price Change by Geography

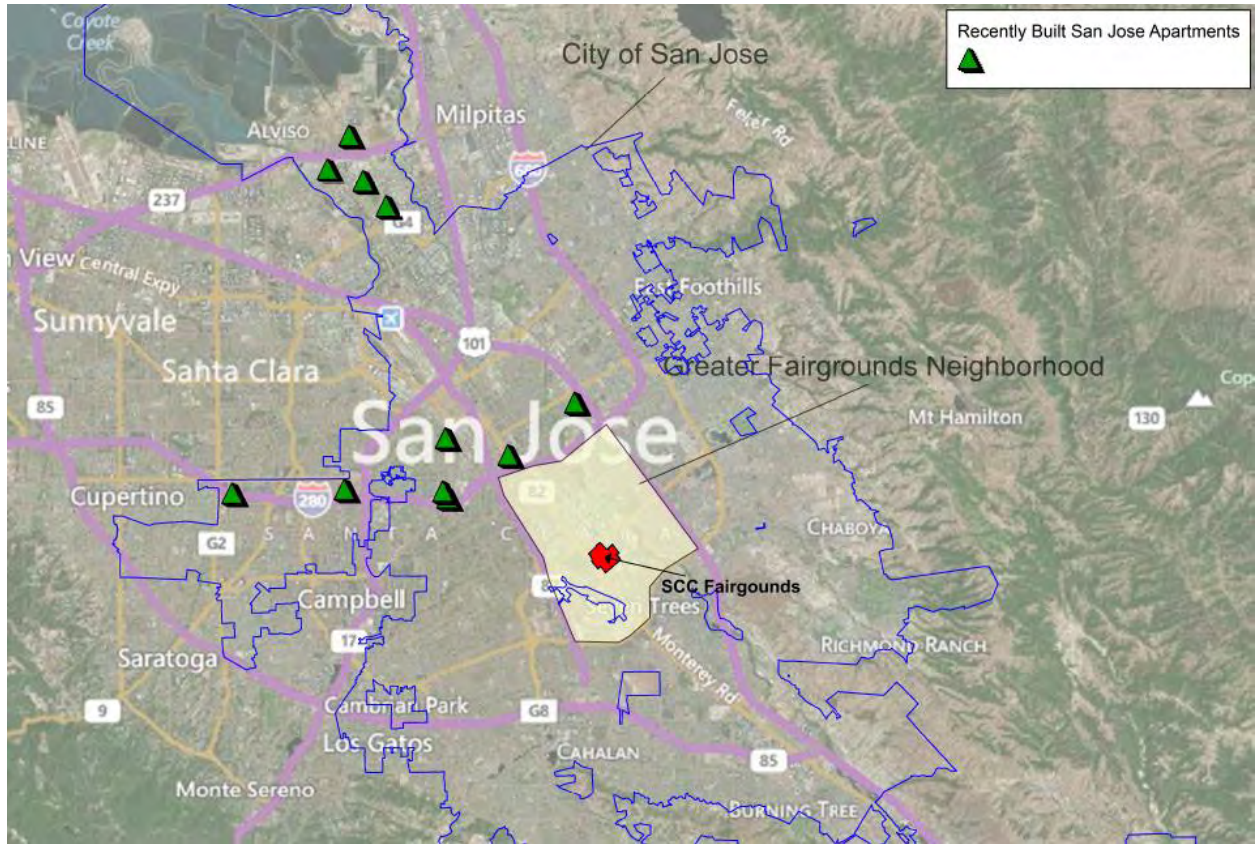
Geography	Median Sale Price				
	Pre-Recession Peak 2007 - 2008	Post-Recession Nadir (2009 - 2012)	2014 Peak	% Change (2007 - 2014)	% Change (2012 - 2014)
City of San Jose	\$671,000	\$412,000	\$672,000	0%	63%
<u>Neighborhoods</u>					
Greater Fairgrounds	\$650,000	\$273,000	\$507,000	-22%	86%
Willow Glen	\$774,000	\$522,000	\$852,000	10%	63%
Downtown	\$621,000	\$335,000	\$543,000	-13%	62%

Source: Zillow

Residential Apartments

Since 2009, 11 residential apartment projects containing over 200 units, totaling nearly 4,700 units, have been completed in San Jose. As shown in **Figure 7** below, these projects have been concentrated on along the 280 corridor near Downtown and in North San Jose’s “Golden Triangle.”

Figure 7 Recently Built San Jose Apartments



Rental rates increased dramatically in these newly constructed projects, showing an average increase across all product types of 26 percent since the third quarter of 2012. As illustrated in **Table 13** below, this significant increase in overall rental averages is led by increases in studio and one-bedroom units, which have seen rents increase from \$2.90 and \$2.53 per square foot in 3Q2012, respectively, to \$4.82 and \$3.16 per square foot in 3Q2014, respectively.

Table 13 Recently Built San Jose Apartment Rental and Occupancy Rates (2012-2014)

Quarter/Year	3Q2012	4Q2012	1Q2013	2Q2013	3Q2013	4Q2013	1Q2014	2Q2014	3Q2014	Change in Rates (3Q2012 - 3Q2014)(1)
Average Rent										
All Unit Types	\$2.46	\$2.32	\$2.37	\$2.74	\$2.75	\$2.75	\$2.82	\$2.91	\$3.09	26%
Studio	\$2.90	\$2.54	\$2.54	\$3.38	\$3.43	\$3.42	\$3.59	\$3.75	\$4.82	66%
1bd 1bth	\$2.53	\$2.44	\$2.50	\$2.85	\$2.85	\$2.86	\$2.93	\$2.97	\$3.16	25%
2bd 2bth	\$2.33	\$2.17	\$2.23	\$2.54	\$2.55	\$2.56	\$2.58	\$2.72	\$2.78	19%
2bd TH				\$3.06	\$2.85	\$2.85	\$2.90	\$3.09	\$3.18	4%
3bd 2bth	\$2.29	\$2.29	\$2.47	\$2.58	\$2.76	\$2.61	\$2.80	\$2.67	\$2.75	20%
3bd TH					\$2.33	\$2.46	\$2.46	\$2.65	\$2.65	14%
Avg. Occupancy	63.00%	82.50%	78.00%	79.50%	71.70%	70.50%	67.70%	80.90%	92.50%	47%

(1) Townhome products (TH) came online in 3Q2013. Change in rental rates therefore reflect only one year of data.

Source: RealFacts

Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)

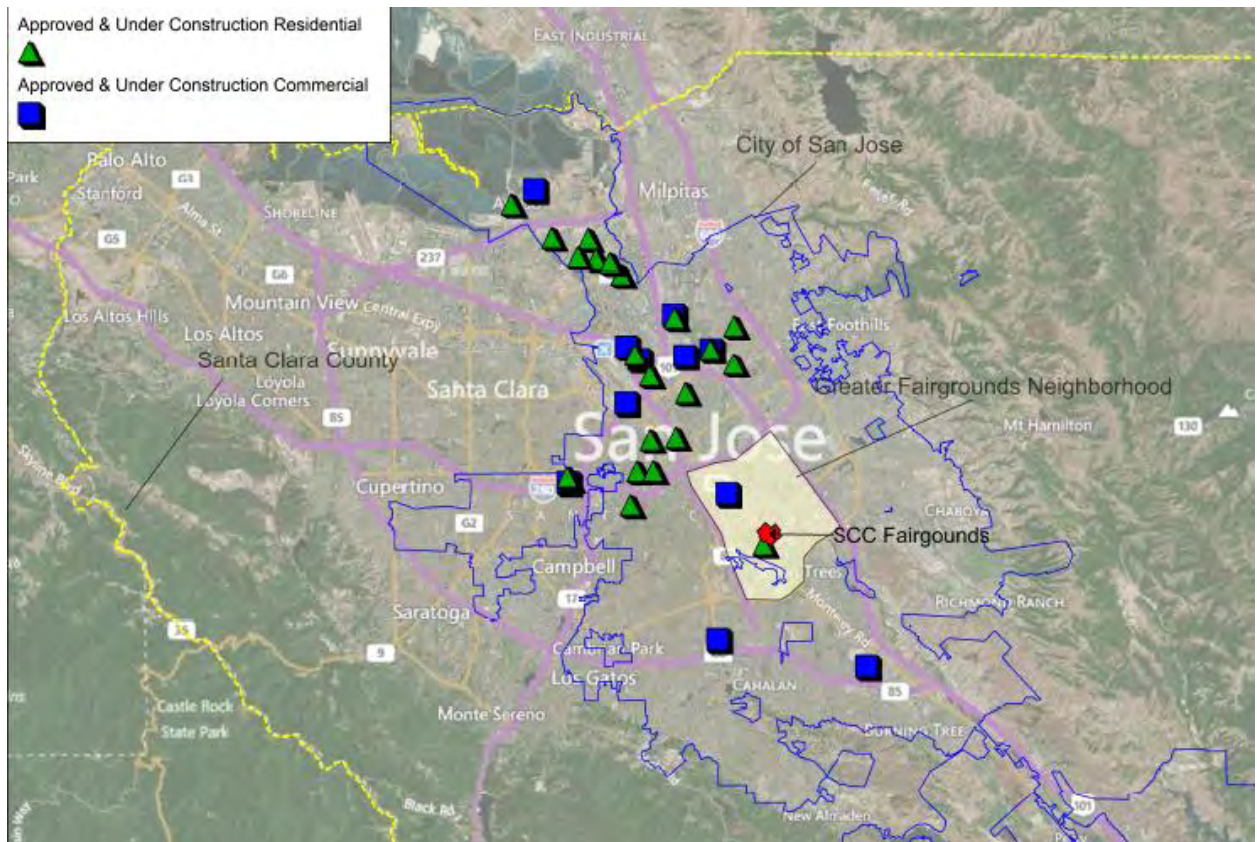
Development Pipeline

Immediately following the financial crises, very few new commercial and residential developments were delivered in the San Jose market. However, during the past two years, a number of large-scale commercial projects have been completed including Phase 1 of the Equinox project, the first phase of a new Cisco office park in the Edendale Neighborhood off Highway 85, and the Hyatt House, a boutique-style hotel development in the Golden Triangle. In addition, there are nine large-scale (over 25,000 square feet) commercial projects currently under construction and another 18 that have been approved but are not yet under construction.

Similarly, as shown in the section above, there have been nearly a dozen large residential apartment projects built since 2009, roughly the same number currently under construction, and 19 residential apartment projects of greater than 200 units approved but not yet under construction. As shown in **Figure 8 below, commercial and residential projects in the City’s pipeline are located primarily in and around the Downtown area and within the “Golden Triangle.”**

Notable pipeline projects located within the Greater Fairgrounds Neighborhood include the 257,000-square foot Sun Garden Retail Center located adjacent to the San Jose State campus on East Alma and Monterey as well as the 439 unit Verona/Vicenza at Montecito Vista located on Monterey just south of Umbarger.

Figure 8 San Jose Commercial and Residential Pipeline



Attachment: Appendix 1_Existing Economic Conditions (78286 : Fairgrounds Master Planning Status Report)



Santa Clara County FAIRGROUNDS

Community Outreach Results
September 17, 2015





In 2014 and 2015, a team including Group 4 conducted outreach to Santa Clara County residents and visitors on their enjoyment of past and prospective SCC Fairgrounds, through direct engagement at local events, and via an online survey hosted by SCCGov.

As of July 1, 5592 people have shared their feedback and vision for a revitalized Fairgrounds.

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

OUTREACH METHODS



COMMUNITY KIOSKS

- Present at 10 community and cultural events throughout Santa Clara County
- 2,763 participants to date

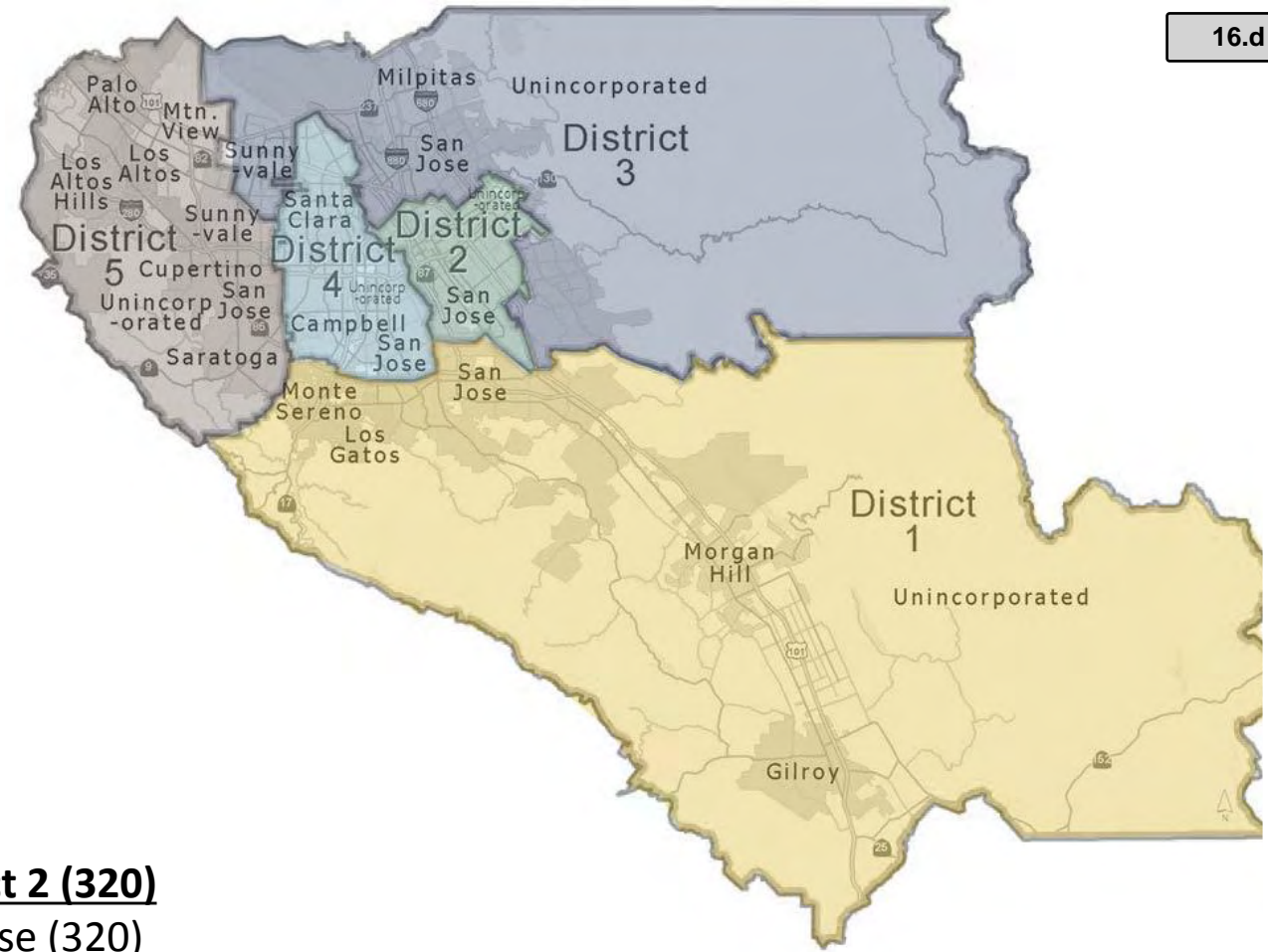
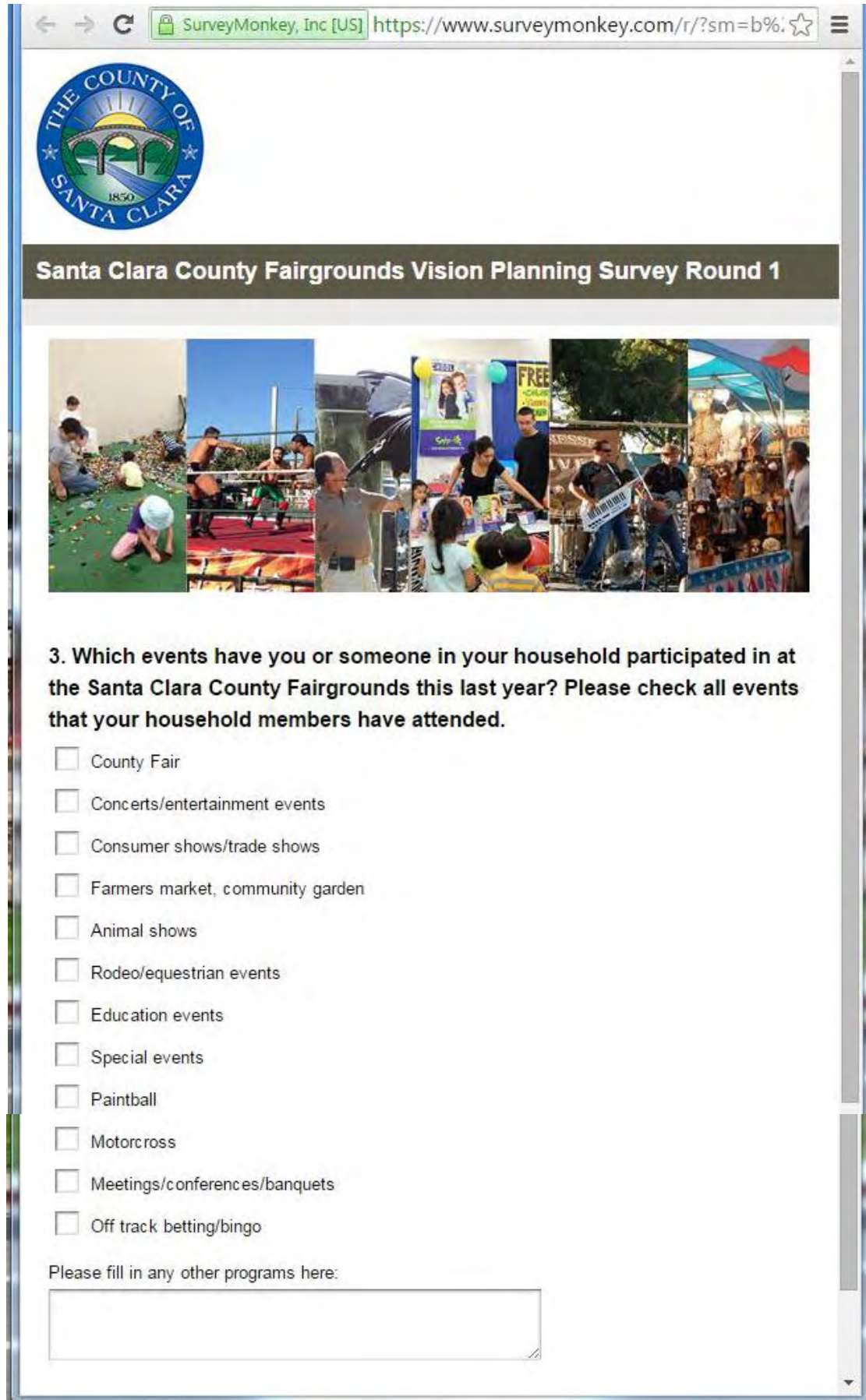


ONLINE SURVEY

- Launched in October 2014
- Offered in English, Spanish, and Vietnamese
- 2,829 responses as of July 1

Community Outreach Results

ONLINE SURVEY



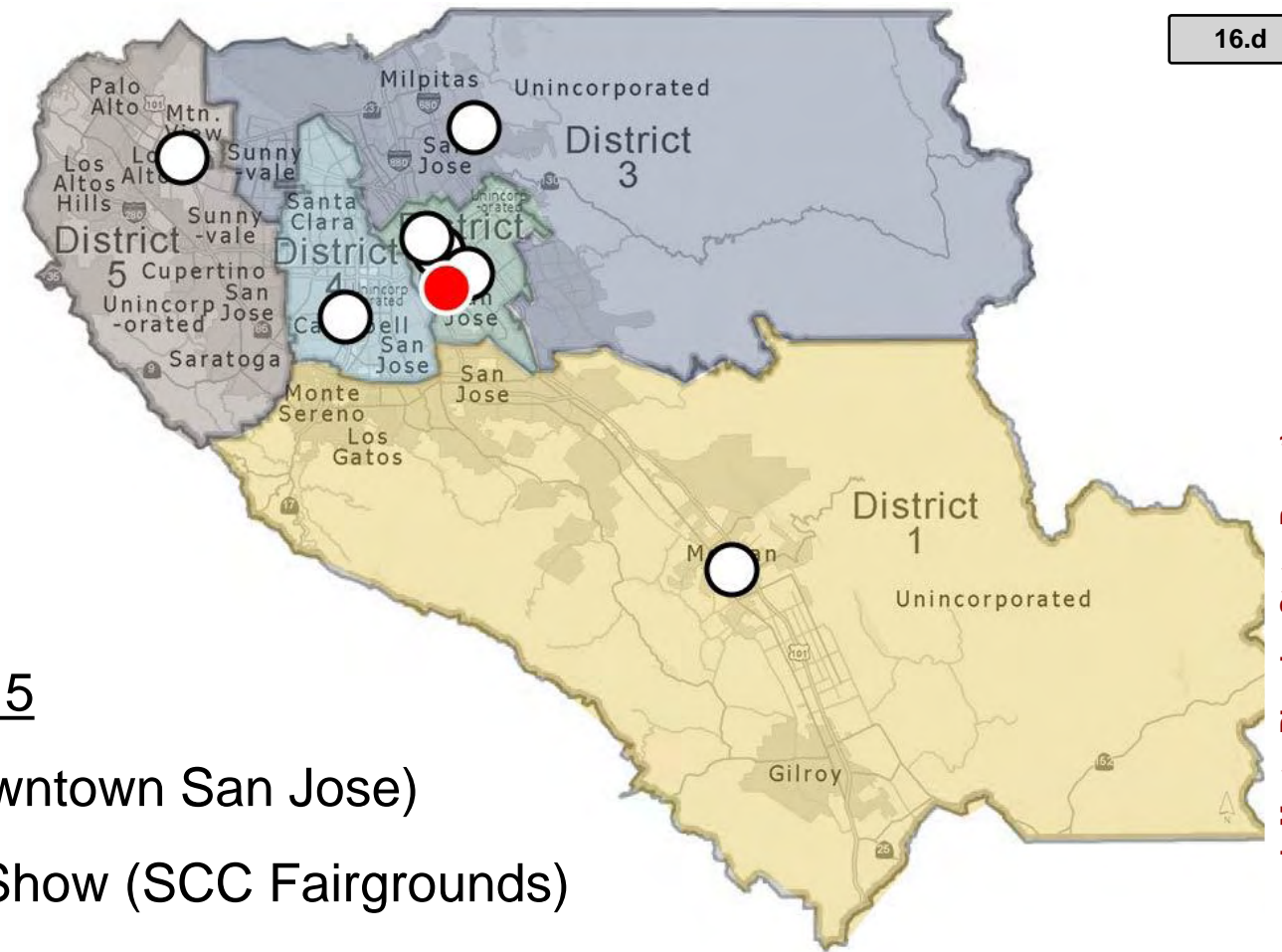
- District 5 (162)**
Cupertino (43)
Palo Alto (33)
Los Altos (30)
Mountain View (32)
Saratoga (24)
- District 4 (555)**
Campbell (84)
Santa Clara (110)
San Jose (361)
- District 3 (242)**
Alviso (2)
Milpitas (32)
Sunnyvale (80)
San Jose (128)

- District 2 (320)**
San Jose (320)
- District 1 (425)**
Gilroy (52)
Los Gatos (62)
Morgan Hill (55)
Redwood Estates (1)
San Martin (13)
San Jose (229)
Unincorporated (13)
- Santa Clara Co. (1704)**
San Jose City (1038)
Out of County (998)
Unknown (127)

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

COMMUNITY KIOSKS



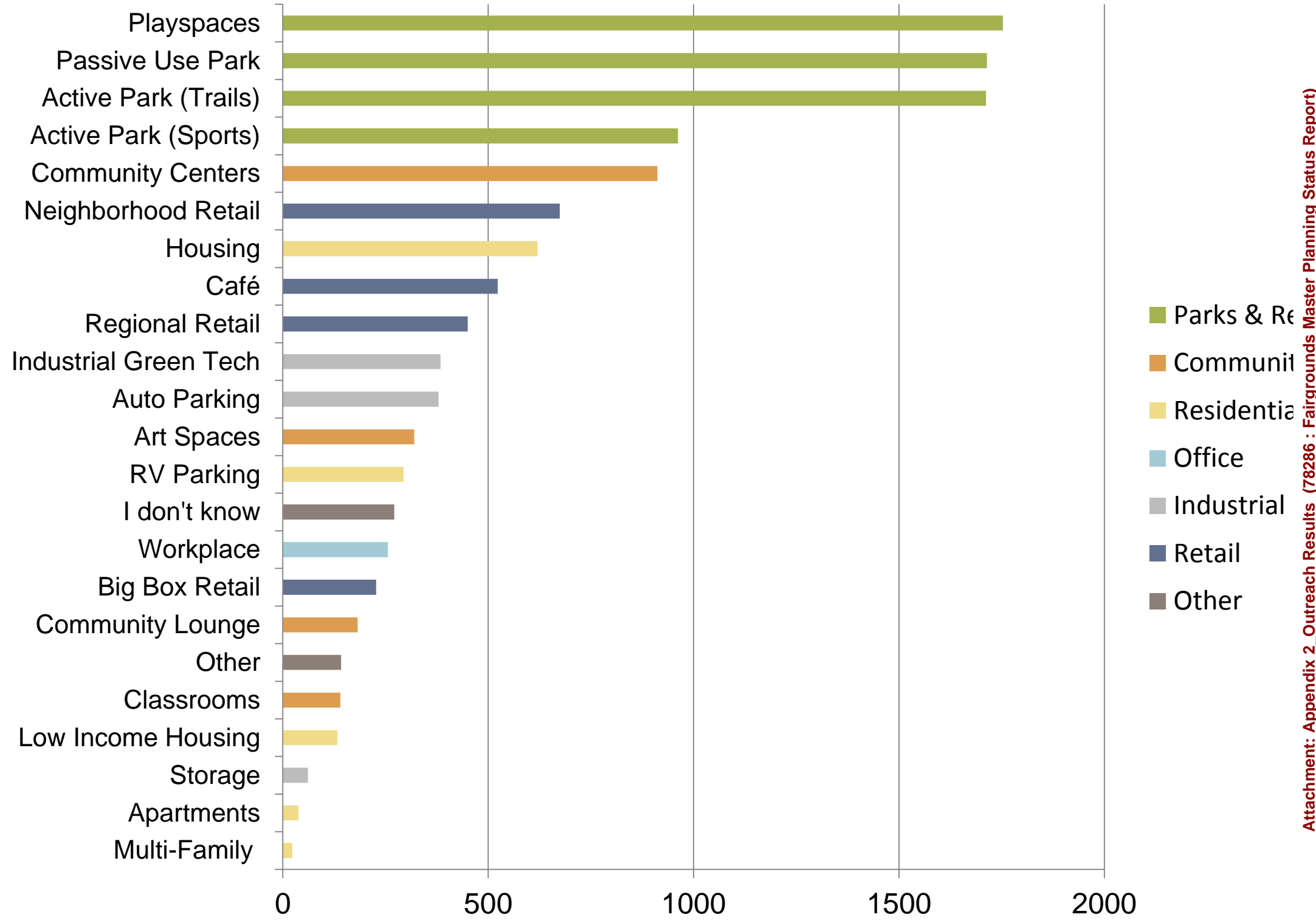
Kiosk appearances, 2014-2015

- Oct 25 - Day of the Dead (Downtown San Jose)
- Oct 25-26 - Home & Garden Show (SCC Fairgrounds)
- Nov 7 - Berryessa Library
- Nov 12 - Community Meeting (SCC Fairgrounds)
- Nov 18 - Tully Library
- Dec 18 - Christmas in the Park (Downtown San Jose)
- Feb 21 - Vietnamese Tet Festival (SCC Fairgrounds)
- Apr 25 - Spring Family Parade (Mountain View)
- May 16 - Boogie on the Avenue (Campbell)
- May 23 - Mushroom Mardi Gras (Morgan Hill)

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

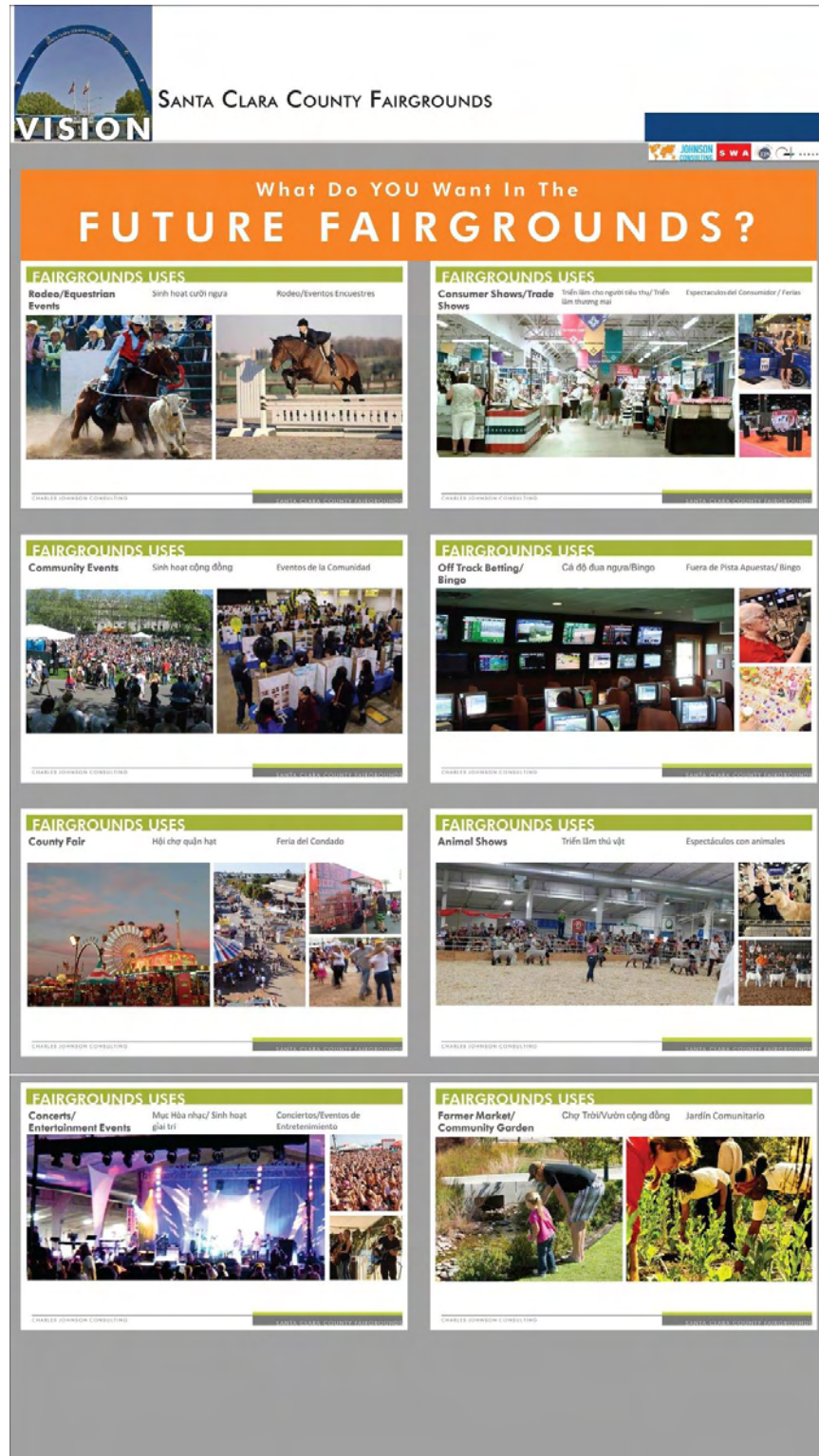
UNDERUTILIZED LAND USES (ALL VOTES)



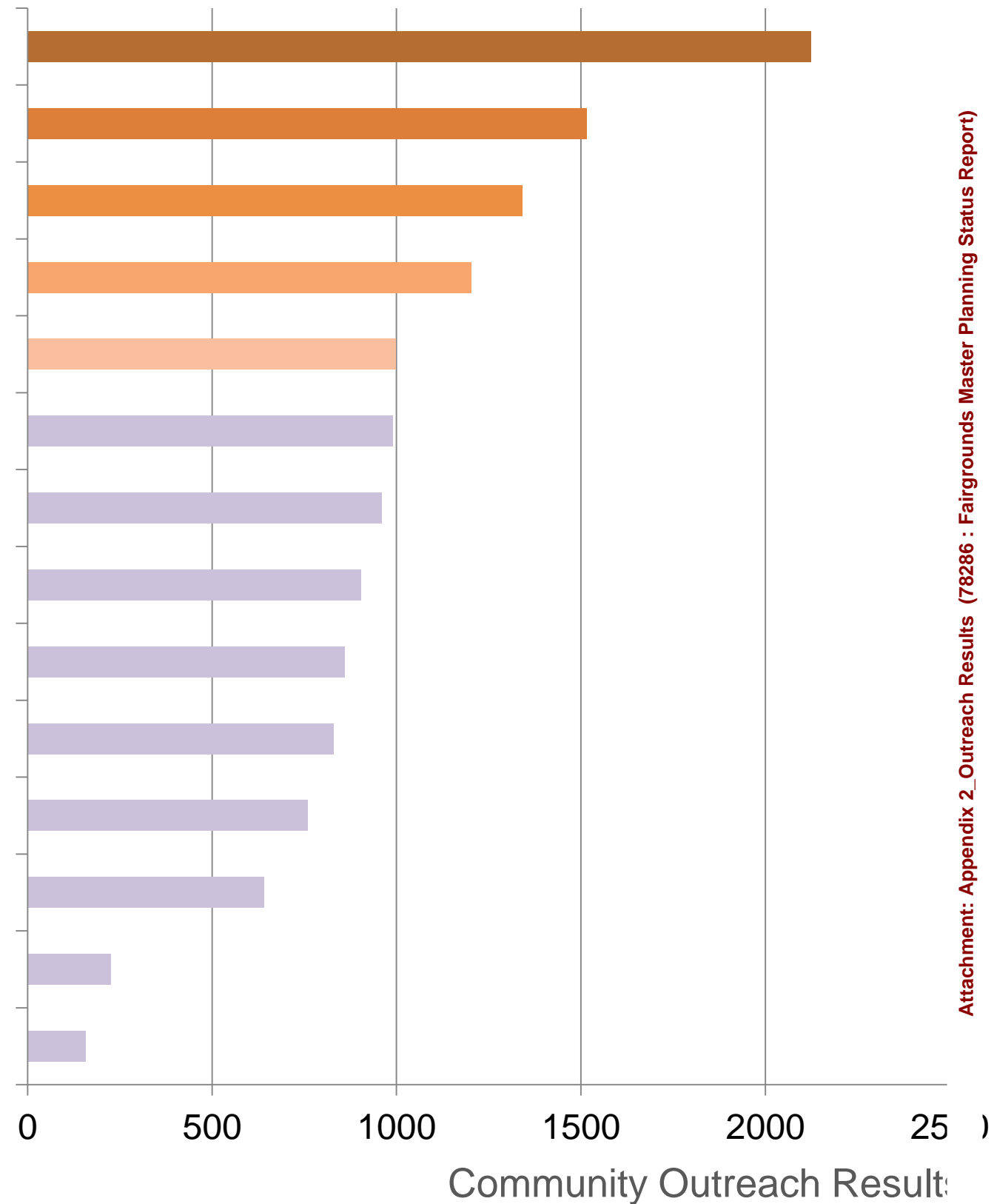
Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

PREFERRED EVENTS (ALL VOTES)



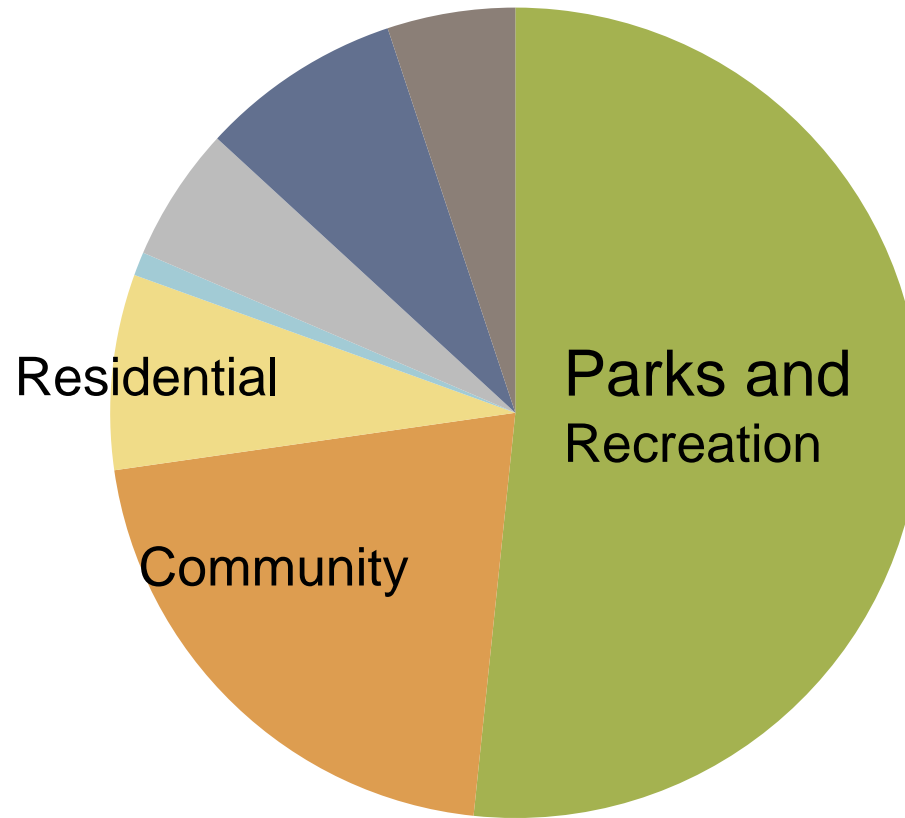
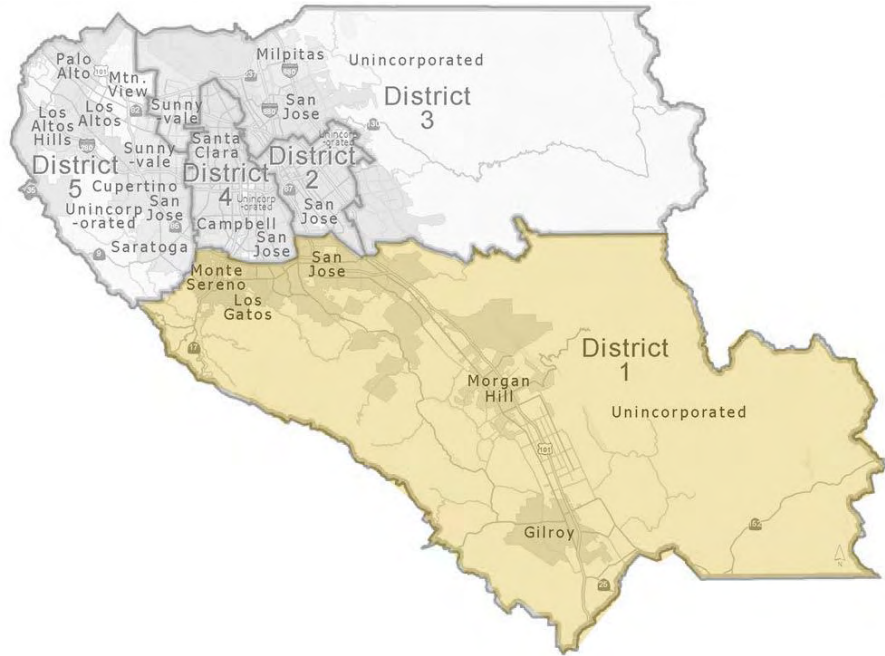
- County Fair
- Concerts / Entertainment
- Farmers Market, Community Garden
- Paintball
- Motocross
- Animal Shows
- Education Events
- Consumer / Trade Shows
- *Other
- Special Events
- Rodeo / Equestrian
- Community Events
- Conferences / Banquets
- Off Track Betting / Bingo



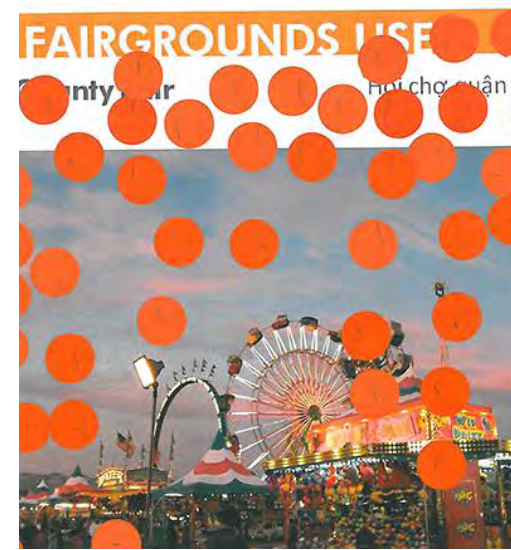
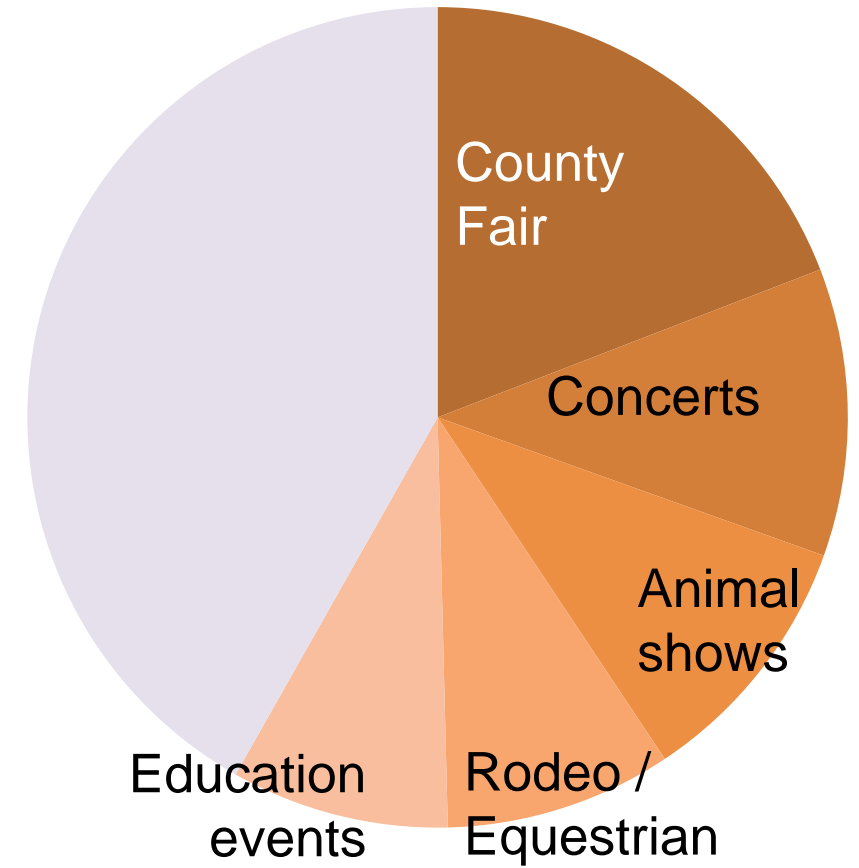
Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

DISTRICT 1 SURVEY RESPONSES

UNDERUTILIZED LAND USES



TOP FIVE EVENT PREFERENCES



FAIRGROUNDS USES

Other: Make Fair last 10 days (bring back to 70s), Các sinh hoạt khác, Republic San Mateo FG, Otros, a life per Redmond

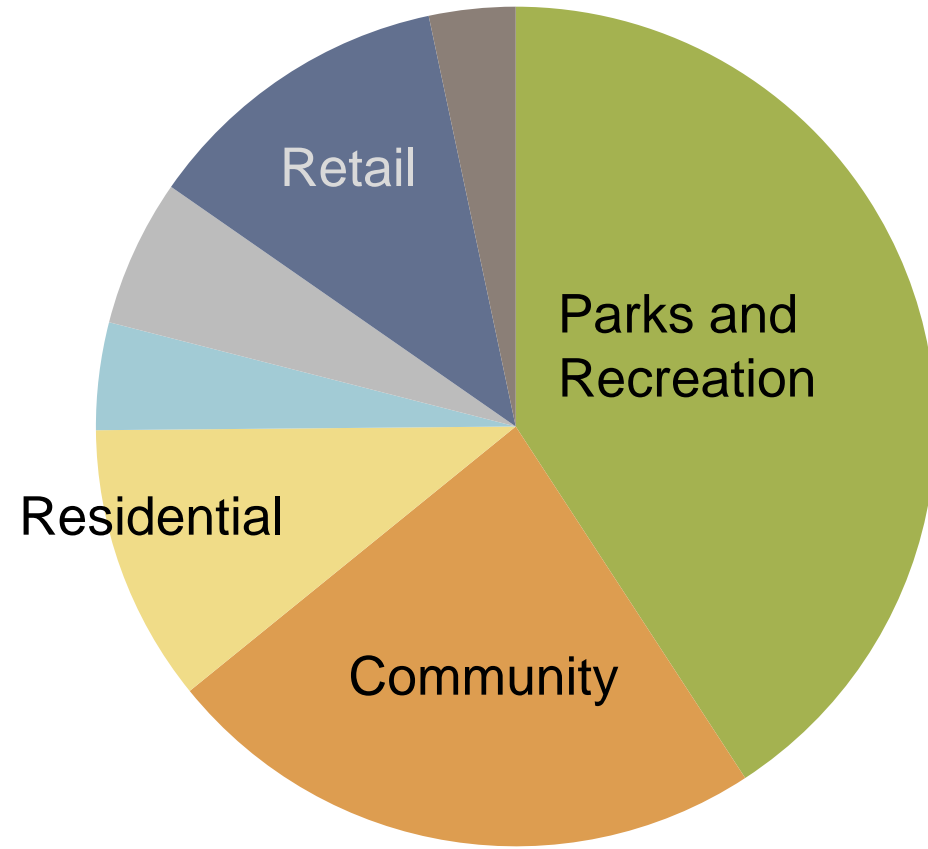
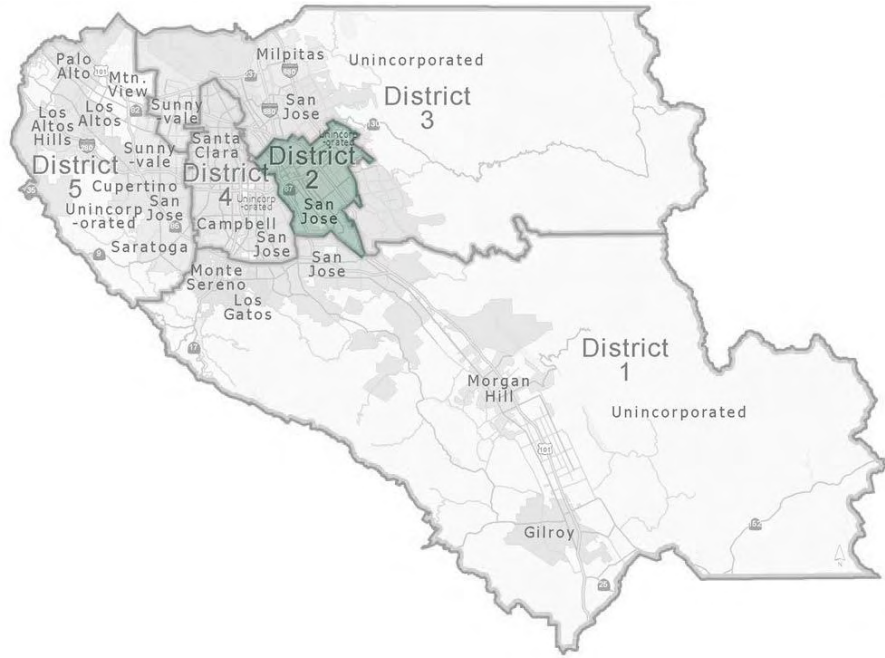
- BRING BACK "OUR FAIR" LOST OUR CULTURAL HERITAGE
- Make more inviting
- More security
- IT USED TO BE THE THING TO DO
- SAD WHEN IT BECAME "MINIMAL"
- CAR SHOWS / MOTORCYCLE EXHIB.
- STEAM ENGINE
- Make the land around into more fair grounds (Bring Back amphitheatre)
- relocation! EAD

Morgan Hill Mushroom Mardi Gras

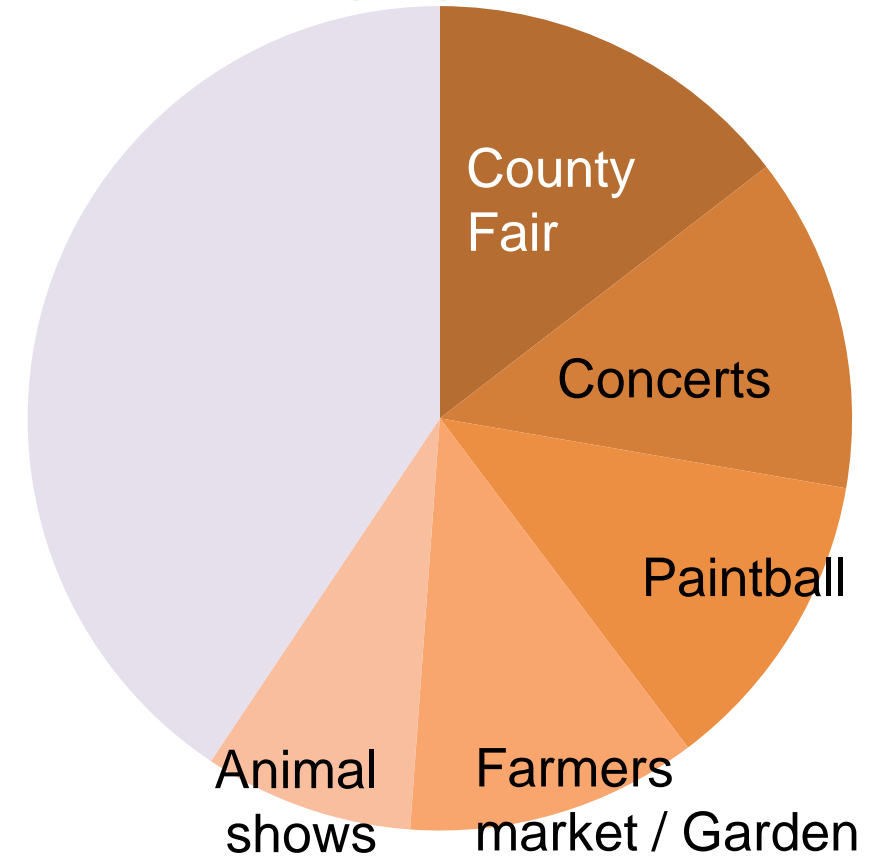
Community Outreach Results

DISTRICT 2 SURVEY RESPONSES

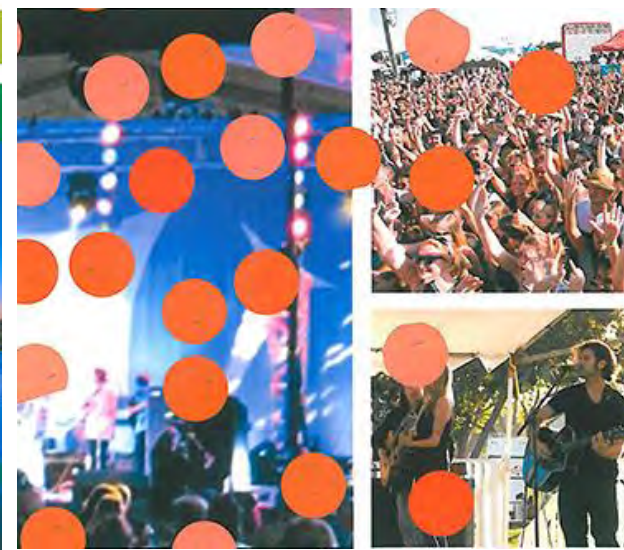
UNDERUTILIZED LAND USES



TOP FIVE EVENT PREFERENCES



Tully Library

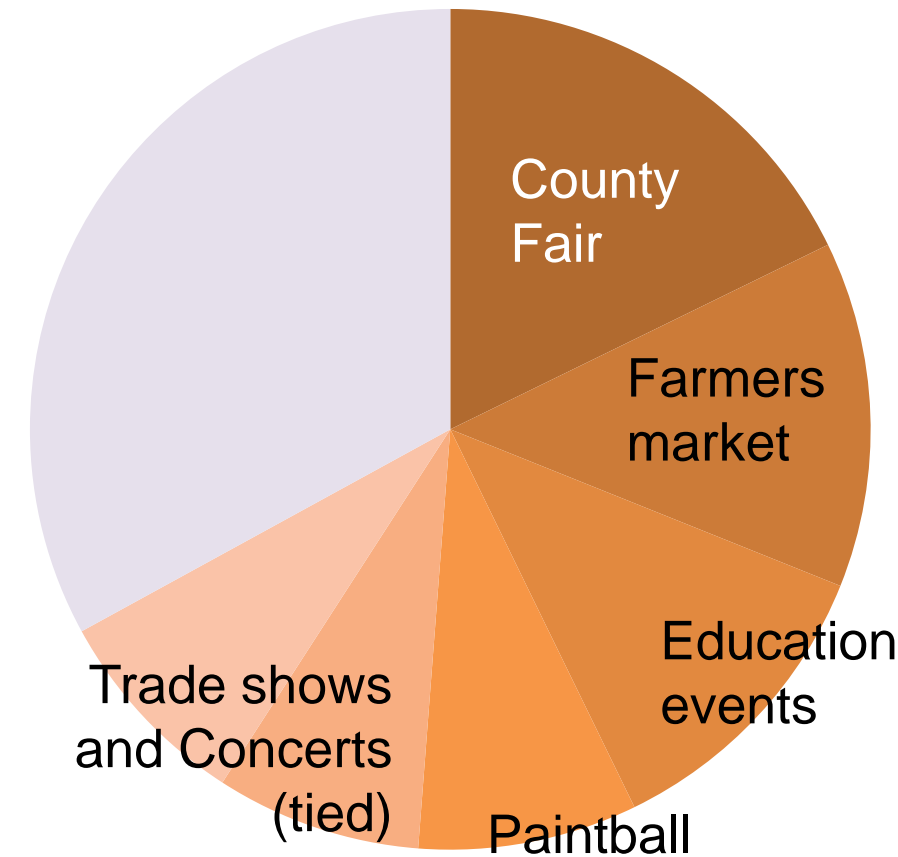
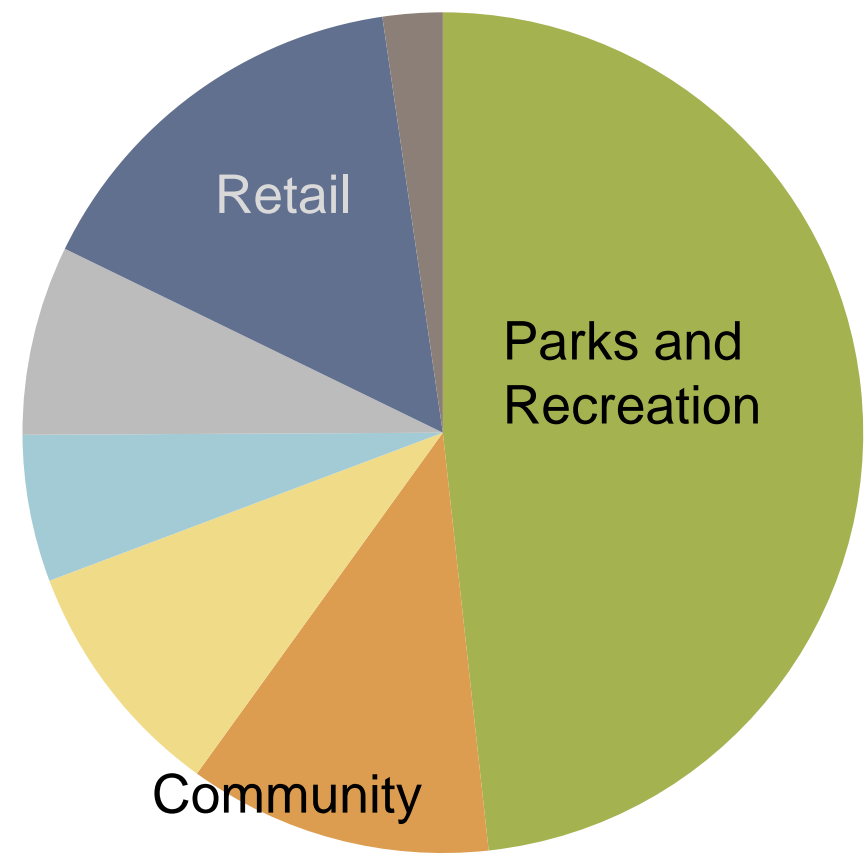
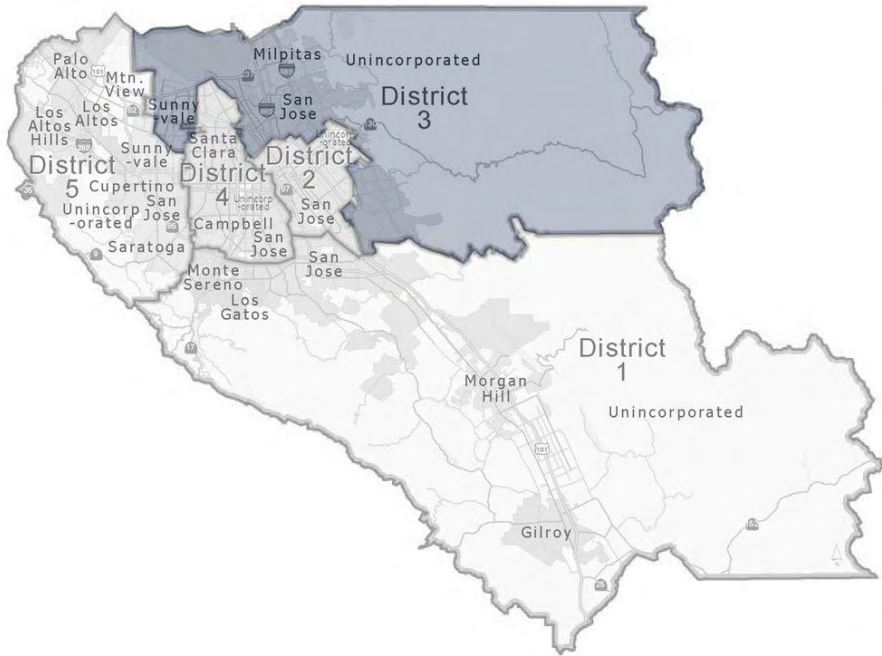


Community Outreach Results

DISTRICT 3 SURVEY RESPONSES

UNDERUTILIZED LAND USES

TOP FIVE EVENT PREFERENCES



Berryessa Library

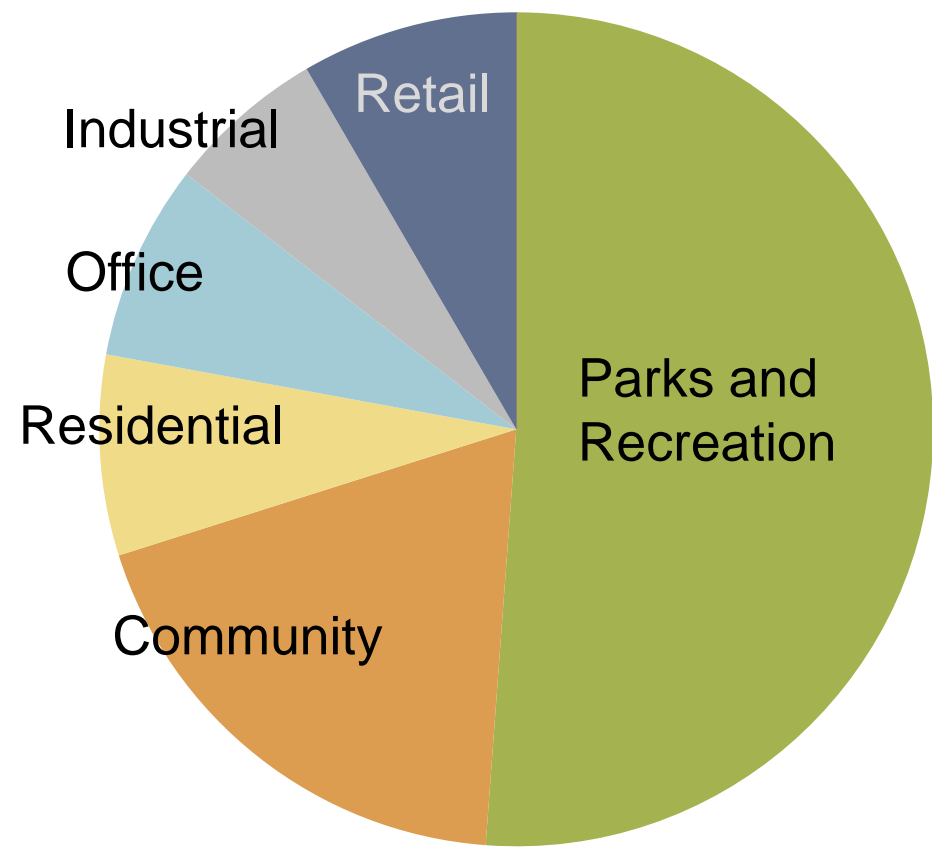
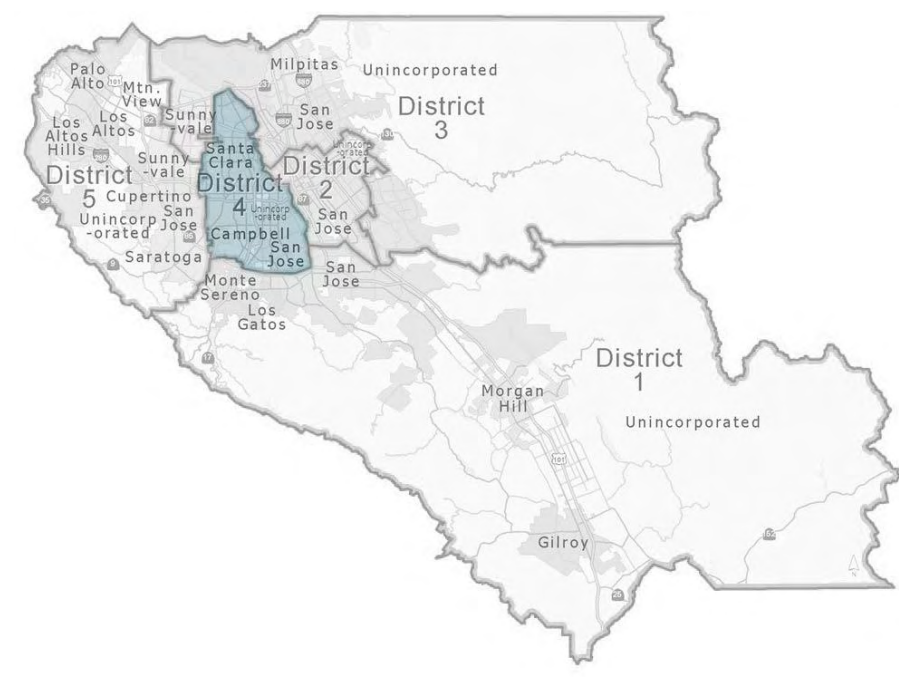


Community Outreach Results

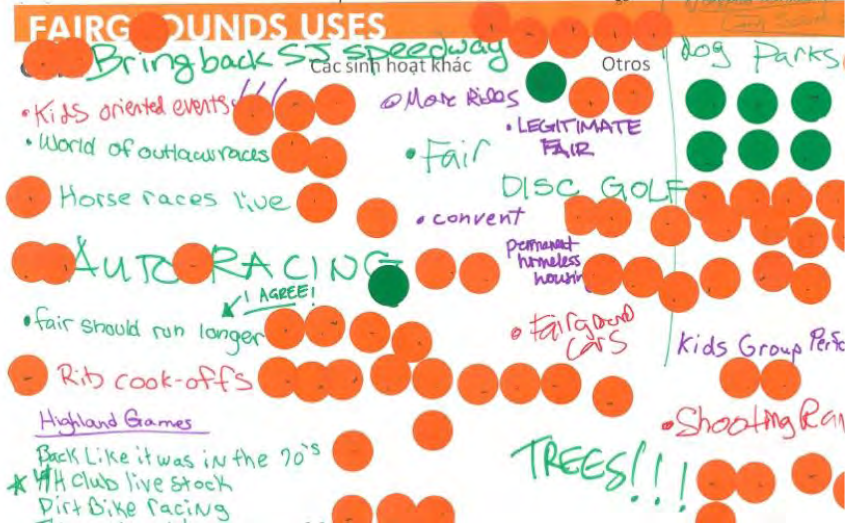
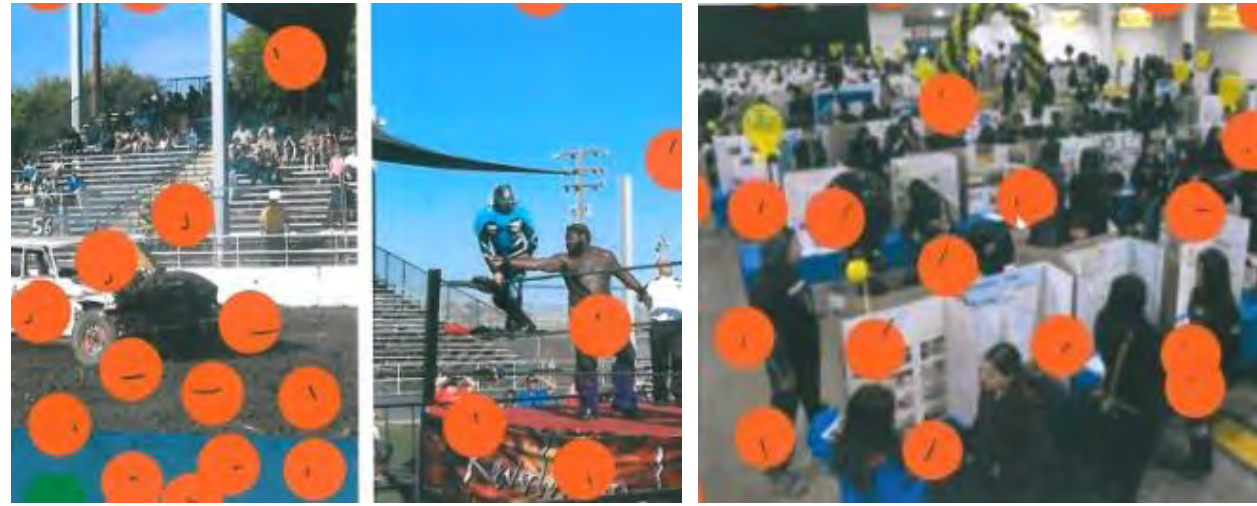
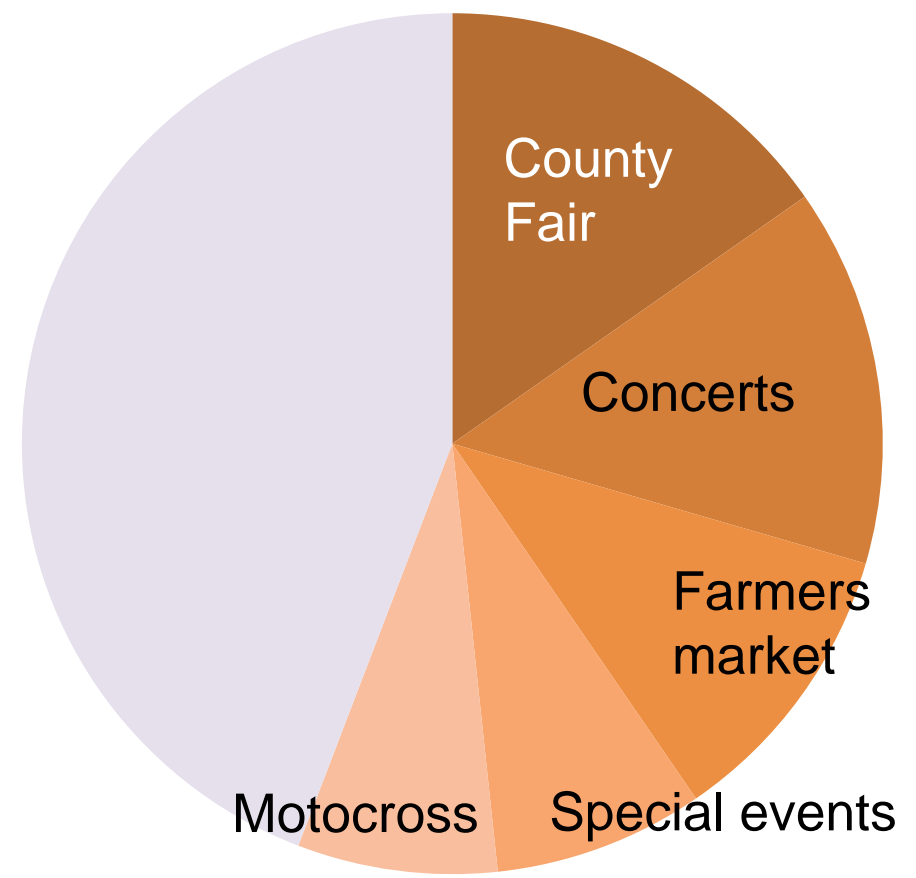
Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

DISTRICT 4 SURVEY RESPONSES

UNDERUTILIZED LAND USES



TOP FIVE EVENT PREFERENCES



Boogie on the Avenue, Campbell

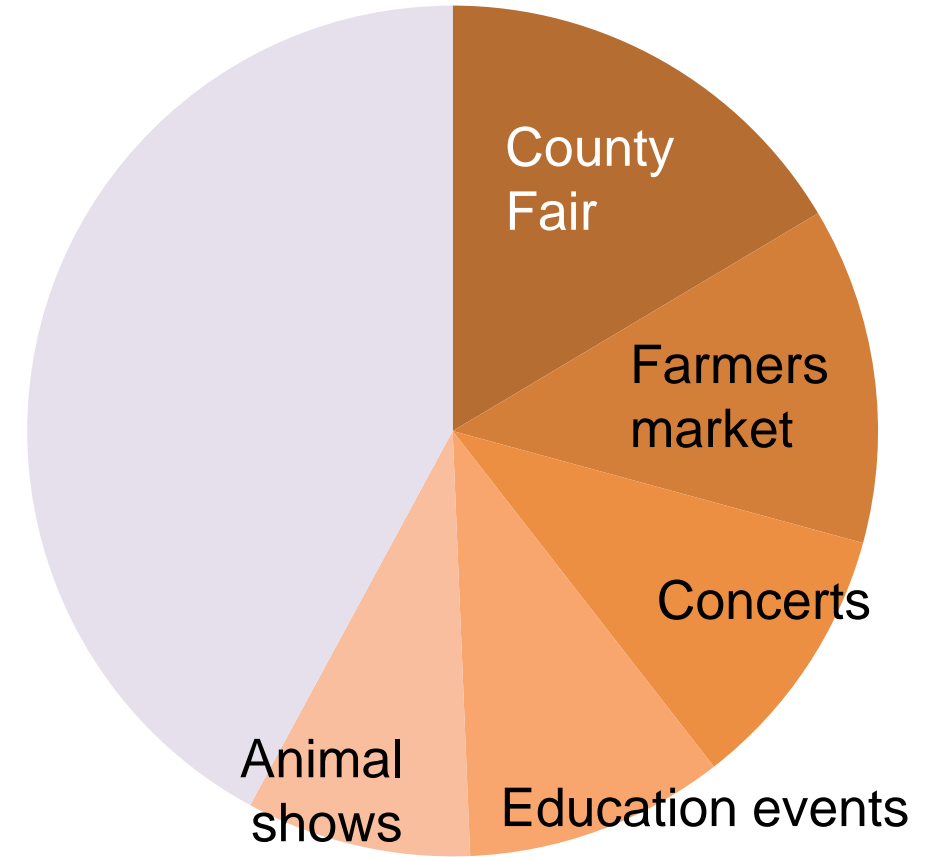
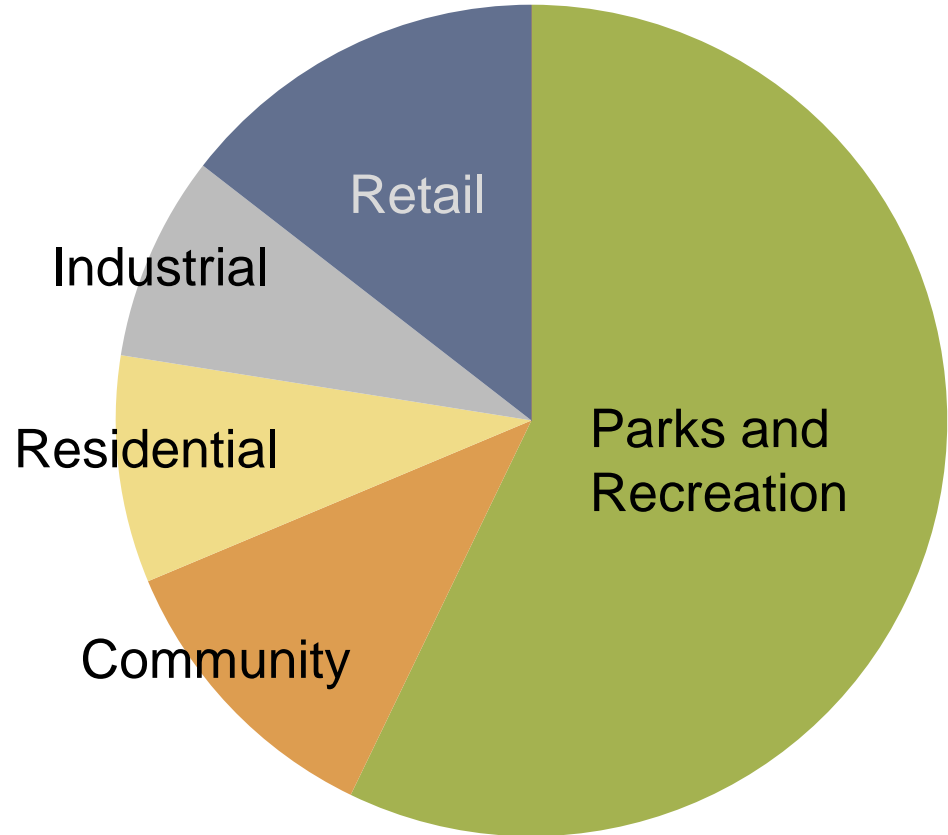
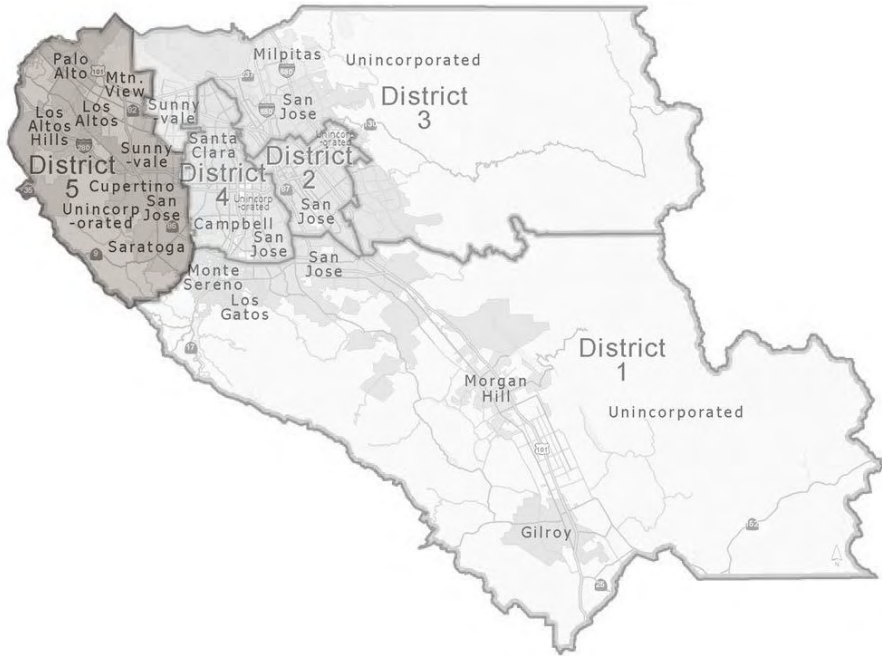
Community Outreach Results

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

DISTRICT 5 SURVEY RESPONSES

UNDERUTILIZED LAND USES

TOP FIVE EVENT PREFERENCES



Mountain View Spring Family Parade

Community Outreach Results

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

ONLINE SURVEY RESULTS

Which Fairgrounds events did you participate in last year?

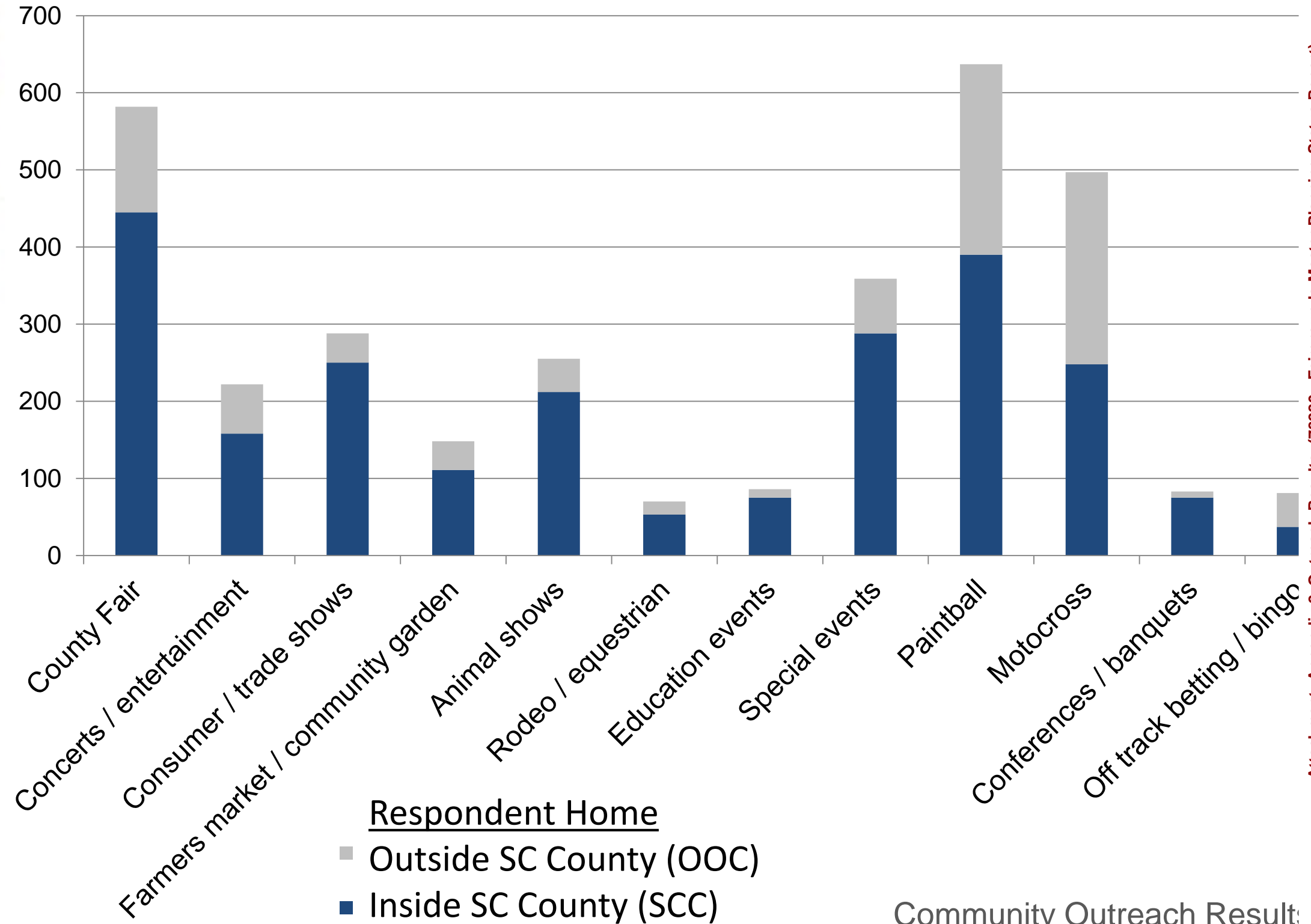


3. Which events have you or someone in your household participated in at the Santa Clara County Fairgrounds this last year? Please check all events that your household members have attended.

- County Fair
- Concerts/entertainment events
- Consumer shows/trade shows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motorcross
- Meetings/conferences/banquets
- Off track betting/bingo

Please fill in any other programs here:

Other programs: Gem & mineral show; Dog training classes; Mark & Ann Art Party; Car show; Girl Scouts Winterfest; Indoor flat track racing; 4-H events; rave run; Tet Festival



Respondent Home

- Outside SC County (OOC)
- Inside SC County (SCC)

Community Outreach Results

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

ONLINE SURVEY RESULTS

What events would you like to see at the Fairgrounds?

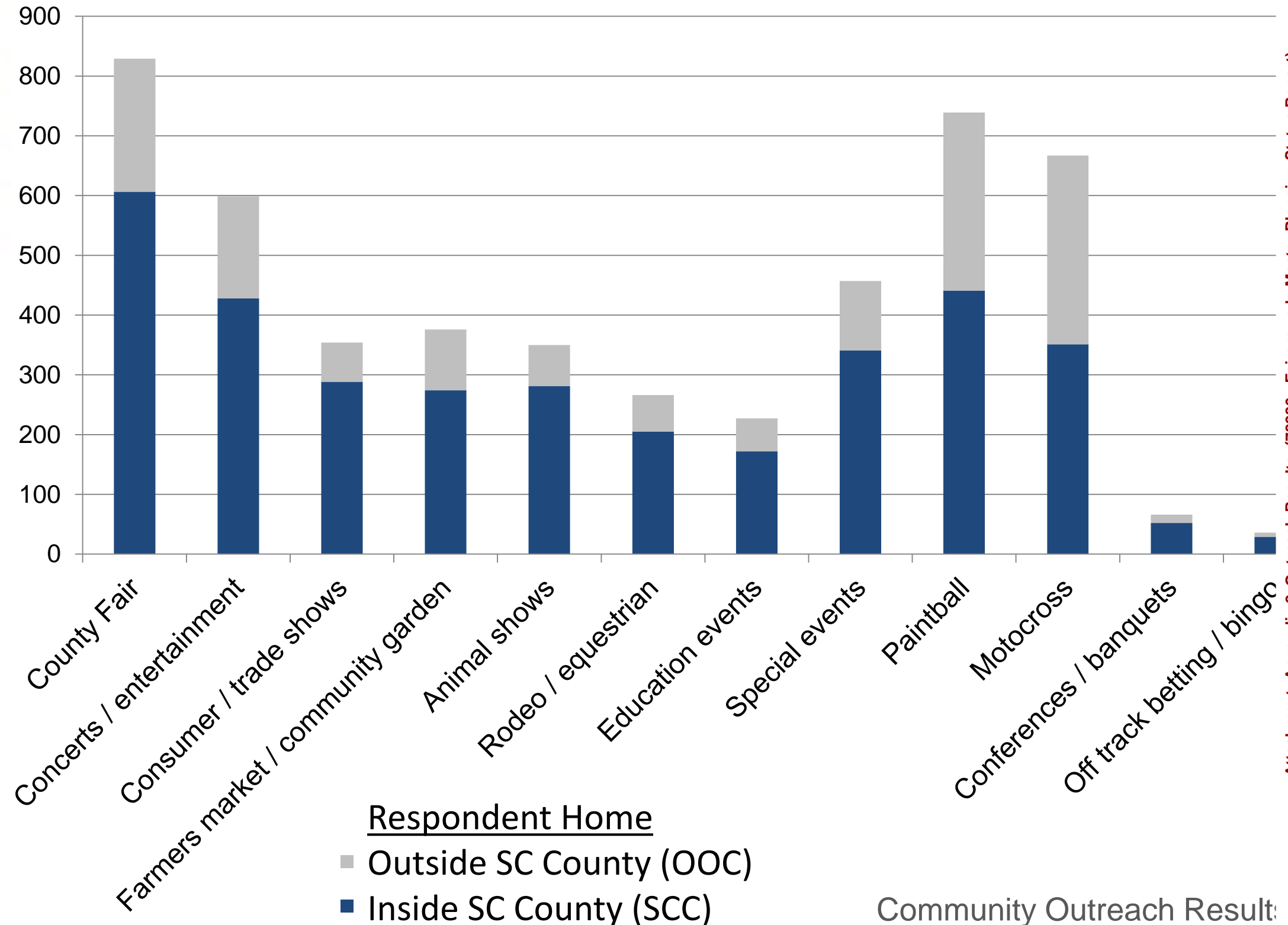


* 5. In the future, what are the types of events that you wish to see held at the Fairgrounds? Please select 4 options.

- County Fair
- Concerts/entertainment events
- Consumer shows/trade shows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motorcross
- Meetings/conferences/banquets
- Off track betting/bingo

Other (please specify)

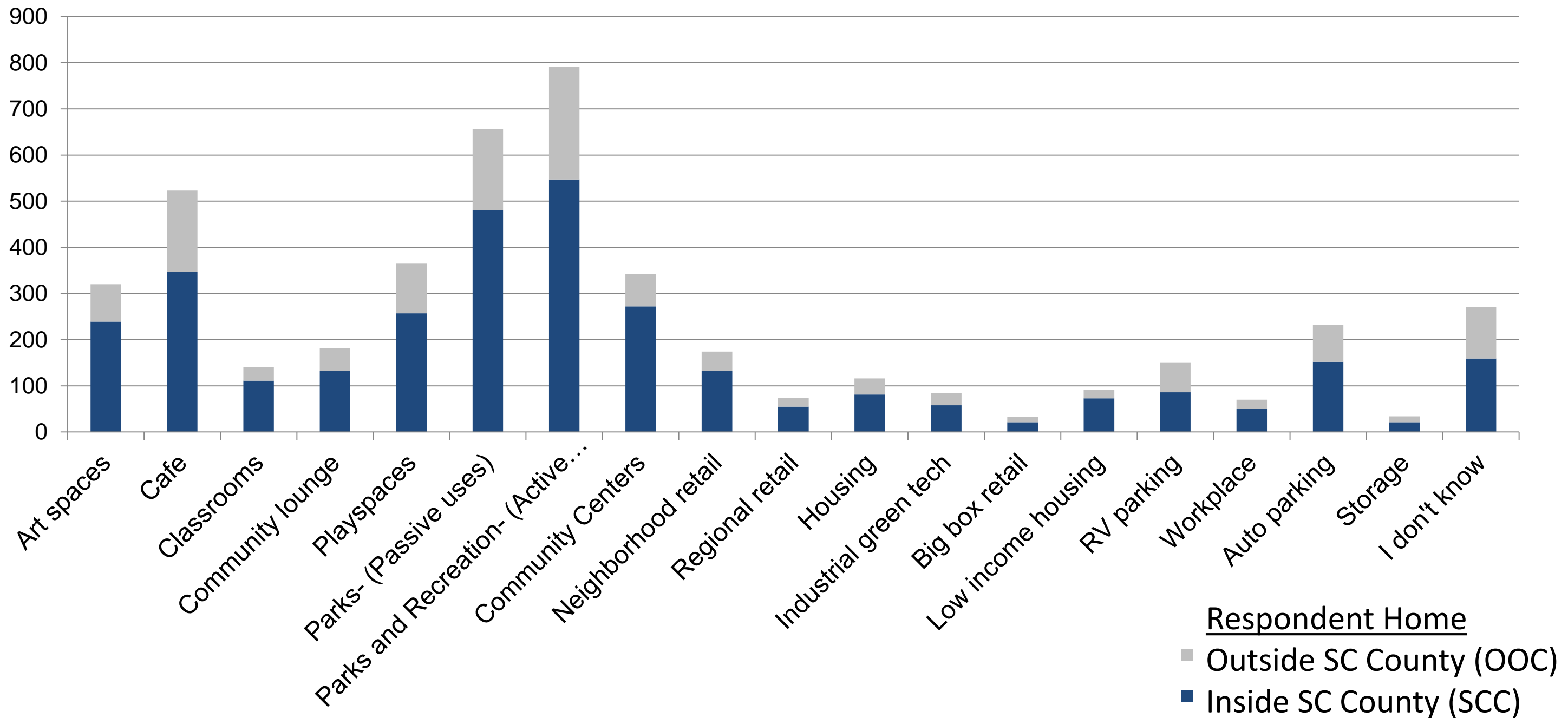
Other: Dog training; Auto racing; Art and culture events; Gem show; SJ Giants; youth sports; BMX



Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

ONLINE SURVEY RESULTS

What do you think is most needed at the Fairgrounds?



Other: Bathrooms; Large animal housing; Theme park; Trees; Live/work space; Food; Restoration

Community Outreach Results

ONLINE SURVEY RESULTS

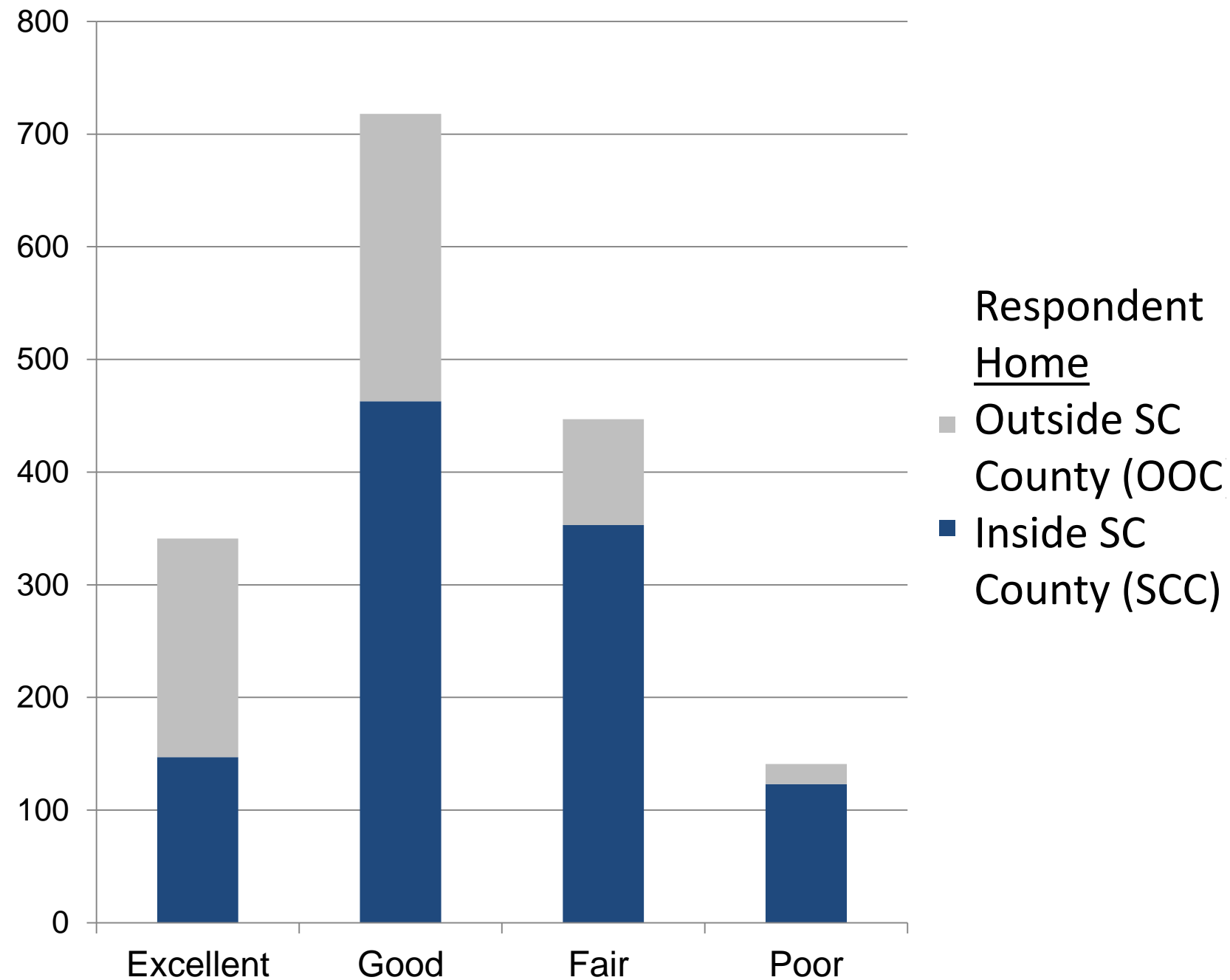


4. What is your general impression of the conditions of the Fairgrounds Facilities and surrounding grounds?

- Excellent
- Good
- Fair
- Poor

Please fill in any other impressions here:

What is your impression of the Fairgrounds' condition?



Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

ONLINE SURVEY RESULTS - CONDITIONS

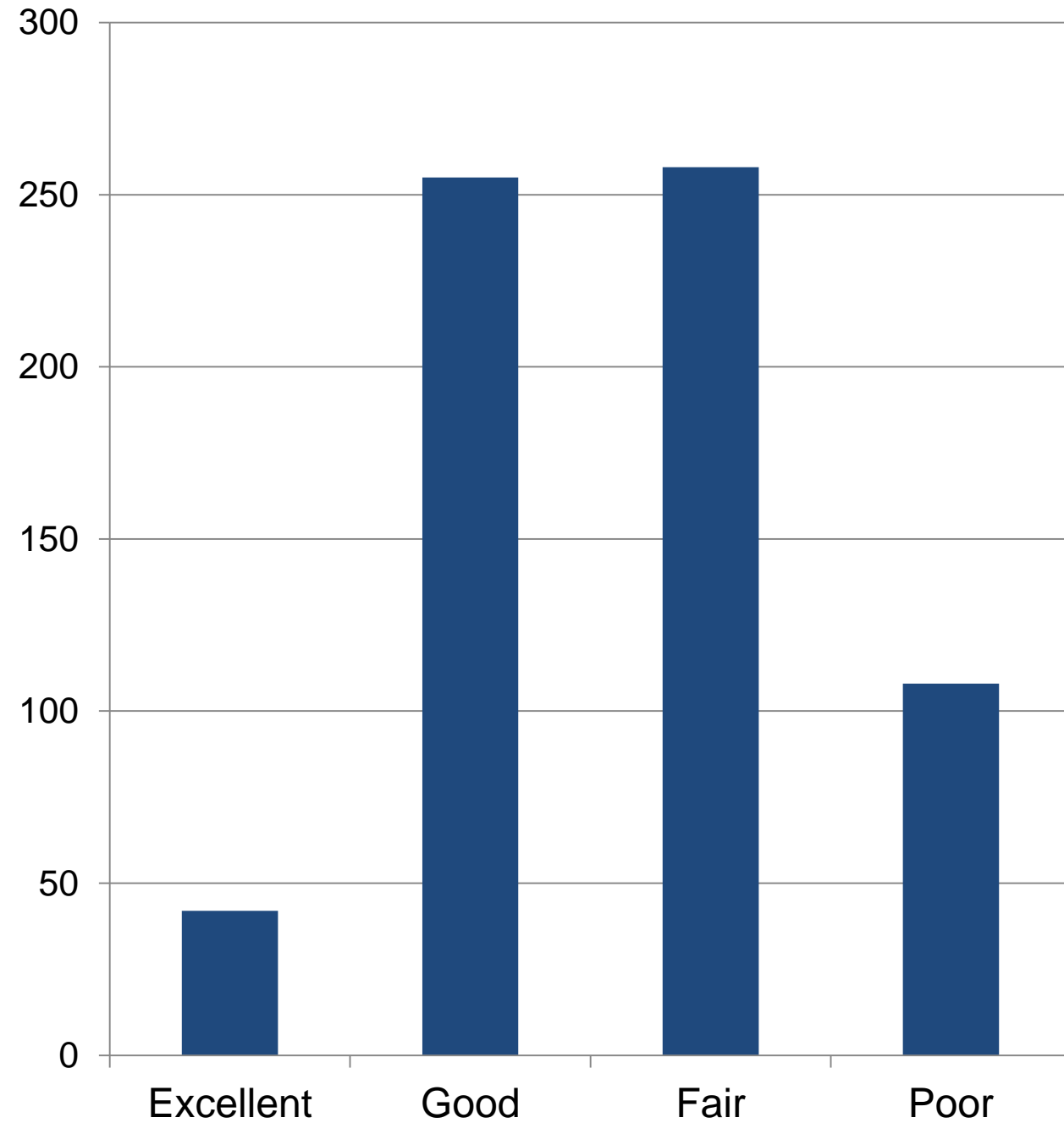


4. What is your general impression of the conditions of the Fairgrounds Facilities and surrounding grounds?

- Excellent
- Good
- Fair
- Poor

Please fill in any other impressions here:

What is your impression of the Fairgrounds' condition?*



*Filtered responses exclude private facilities

Community Outreach Results

ONLINE SURVEY RESULTS - CONDITIONS



4. What is your general impression of the conditions of the Fairgrounds Facilities and surrounding grounds?

- Excellent
- Good
- Fair
- Poor

Please fill in any other impressions here:

“A bit dated. Need some money put into the facility to update it. What happened to the animal barns and grandstands?”

“All of the bathrooms need to be redone. new latches on stall doors, new mirrors, new paint, etc. The outside of Gateway Hall could use a face lift.”

“In an area where there is limited open public land, this property will be a valuable community asset.”

“There is no shade during the Summer for any events held at the fairgrounds. The buildings need to be revitalized.”

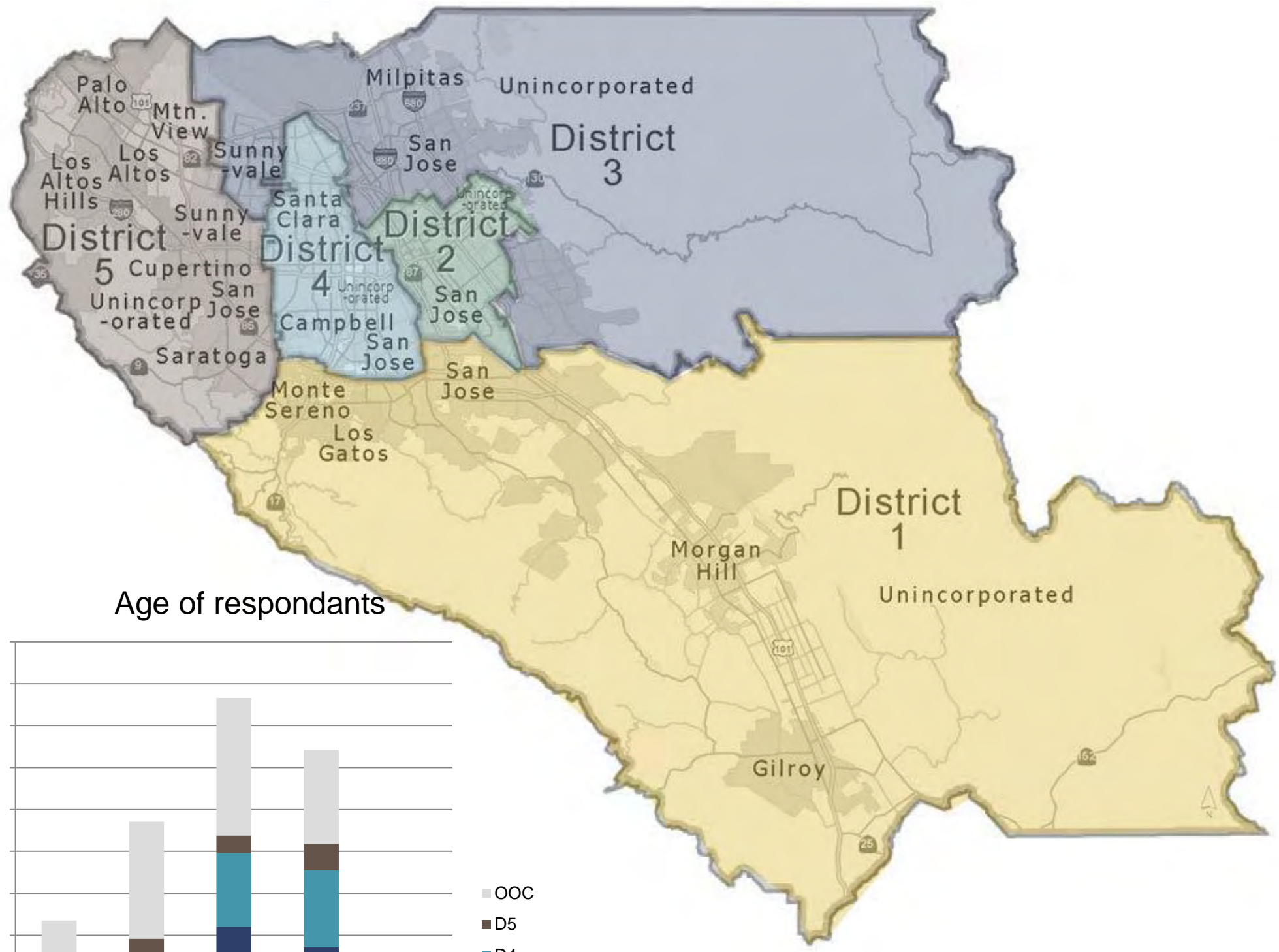
“Overall facilities and surrounding looks bit desolated land. Entrances are not so impressive from street.”

“Not well maintained. A ghost of it's former self.”

“Although the Art Party certainly disguised this.”

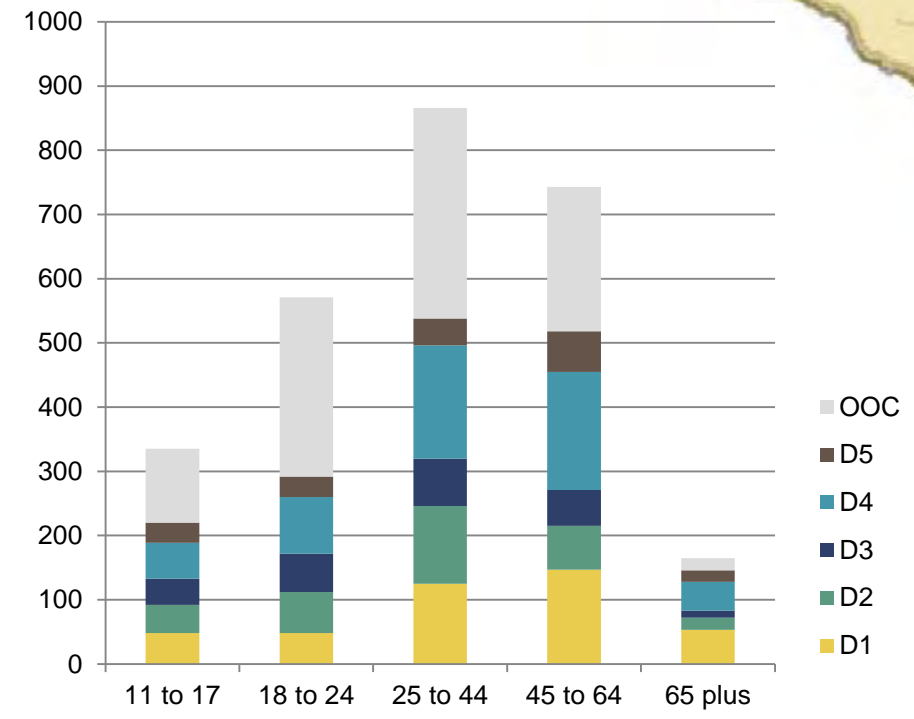
Community Outreach Results

ONLINE SURVEY



- District 5 (162)**
Cupertino (43)
Palo Alto (33)
Los Altos (30)
Mountain View (32)
Saratoga (24)
- District 2 (320)**
San Jose (320)
- District 1 (425)**
Gilroy (52)
Los Gatos (62)
Morgan Hill (55)
Redwood Estates (1)
San Martin (13)
San Jose (229)
Unincorporated (13)
- District 4 (555)**
Campbell (84)
Santa Clara (110)
San Jose (361)
- District 3 (242)**
Alviso (2)
Milpitas (32)
Sunnyvale (80)
San Jose (128)
- Santa Clara Co. (1704)**
San Jose City (1038)
Out of County (1096)

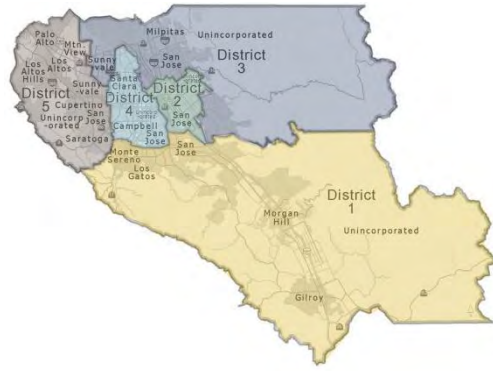
Age of respondents



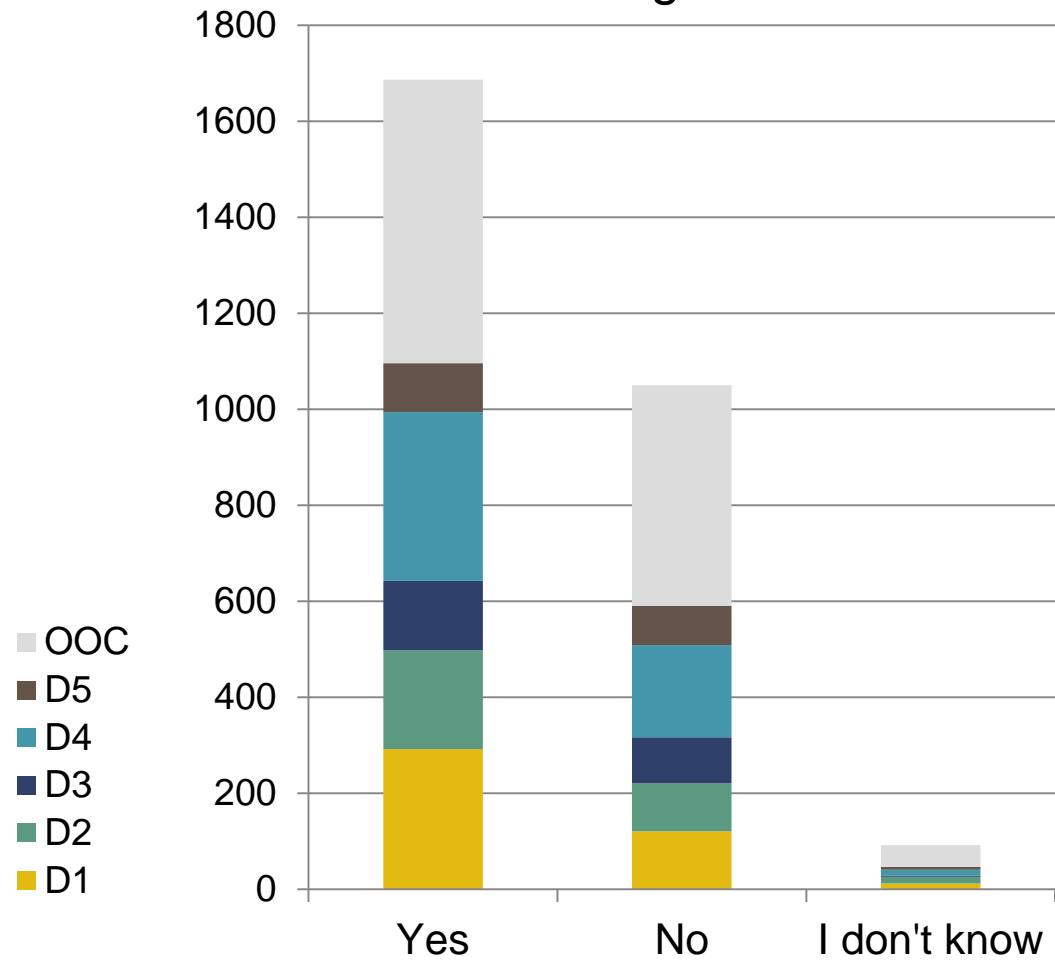
Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

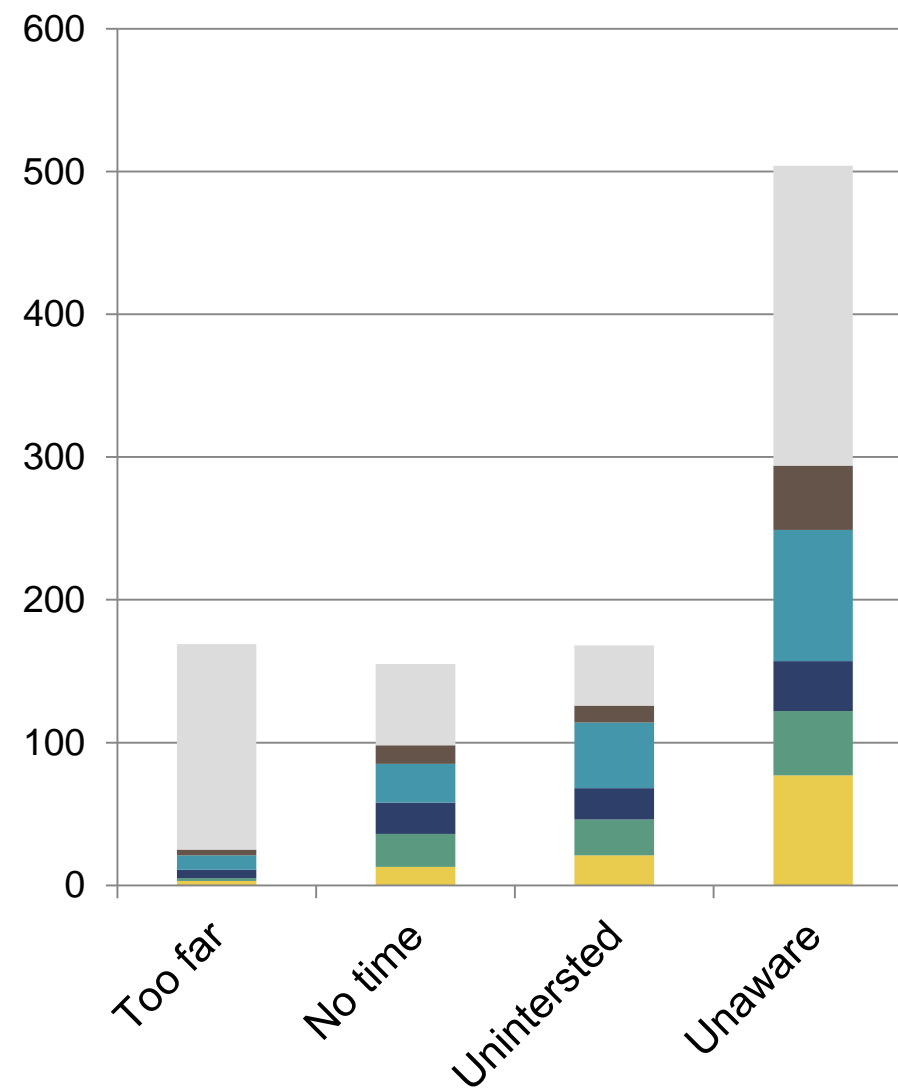
ONLINE SURVEY



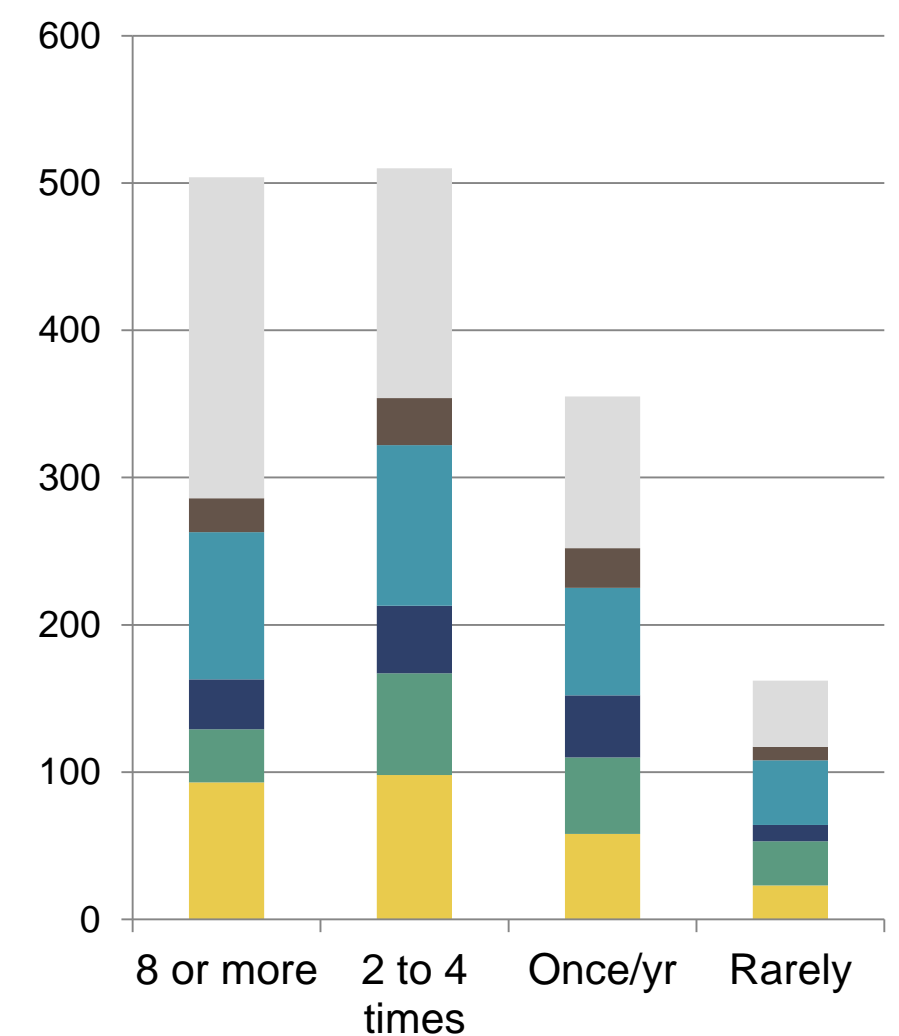
Do you/family attend events at the SCC Fairgrounds?



Why haven't you been to the Fairgrounds?

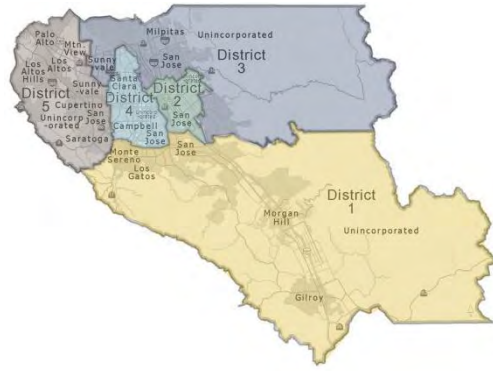


How often do you go to the Fairgrounds?

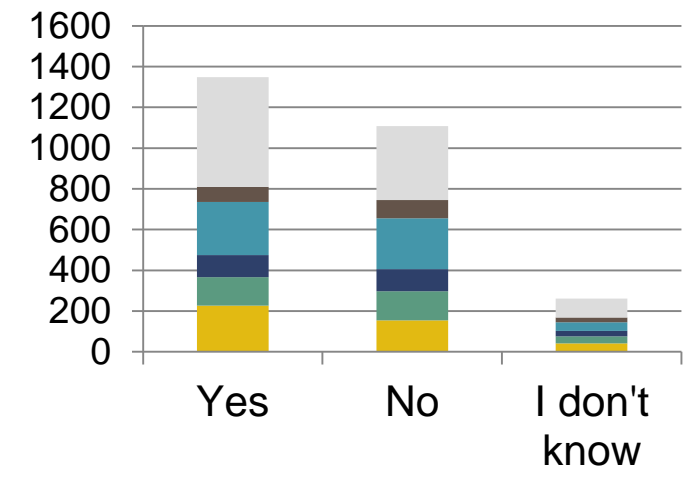


Community Outreach Results

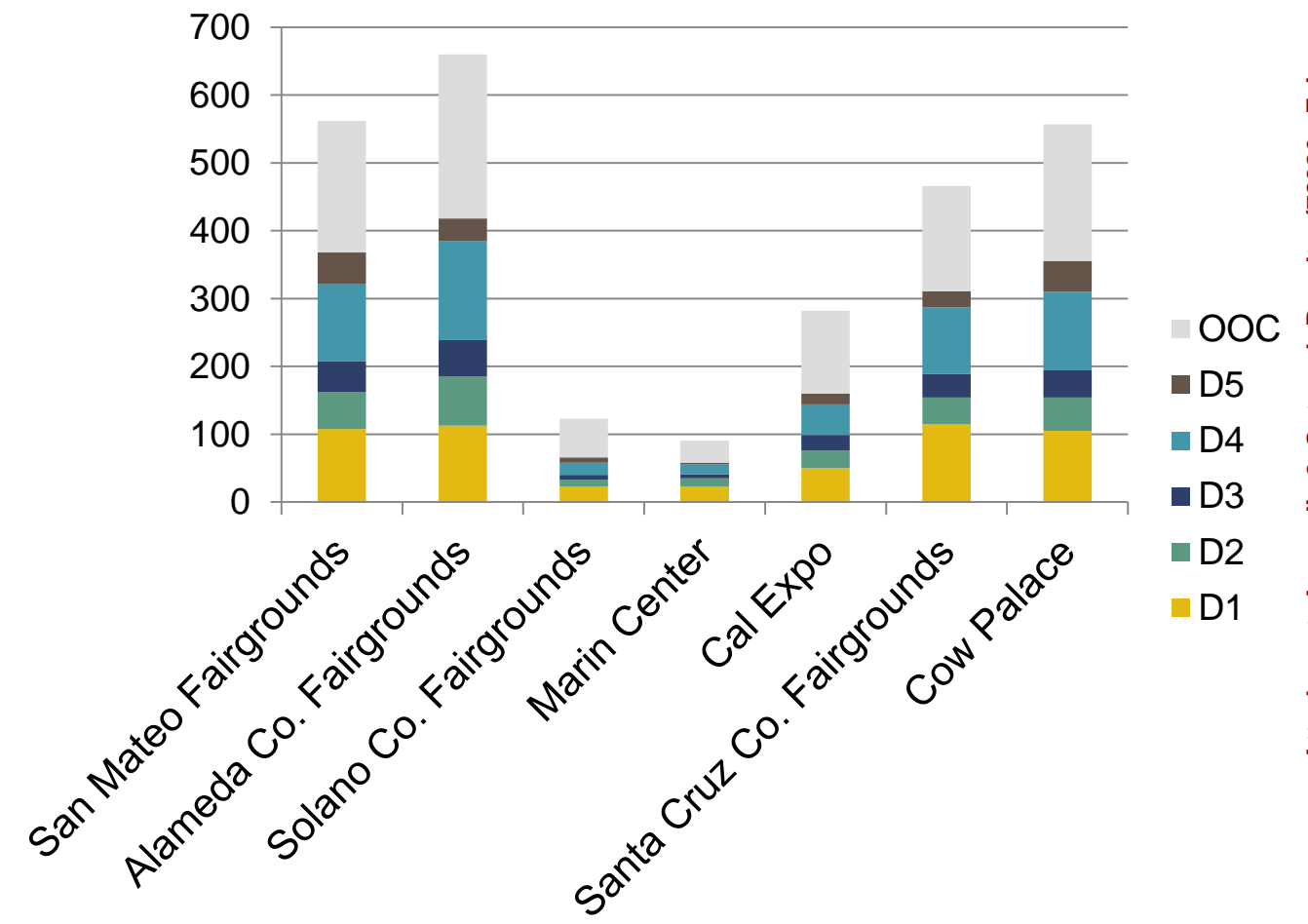
ONLINE SURVEY



Attend events at other Fairgrounds?



Which other fairgrounds do you visit?



Community Outreach Results

VISION SANTA CLARA COUNTY FAIRGROUNDS

What Do YOU Want In The **FUTURE FAIRGROUNDS?**

FAIRGROUNDS USES
Rodeo/Equestrian Events Sinh hoạt cưỡi ngựa / Rodeo/Eventos Encuestres

FAIRGROUNDS USES
Consumer Shows/Trade Shows Triển lãm cho người tiêu thụ/ Triển lãm thương mại / Espectáculos del Consumidor / Ferias

FAIRGROUNDS USES
Community Events Sinh hoạt cộng đồng / Eventos de la Comunidad

FAIRGROUNDS USES
Off Track Betting/Bingo Cá độ đua ngựa/Bingo / Fuera de Pista Apuestas/ Bingo

FAIRGROUNDS USES
County Fair Hội chợ quận hạt / Feria del Condado

FAIRGROUNDS USES
Animal Shows Triển lãm thú vật / Espectáculos con animales

FAIRGROUNDS USES
Concerts/Entertainment Events Mục Hòa nhạc/ Sinh hoạt giải trí / Concursos/Eventos de Entretenimiento

FAIRGROUNDS USES
Farmer Market/Community Garden Chợ Trồng/Vườn cộng đồng / Jardin Comunitario

VISION SANTA CLARA COUNTY FAIRGROUNDS

What Do YOU Want In The **FUTURE FAIRGROUNDS?**

FAIRGROUNDS USES
Meetings/Conferences/Banquets Hội Họp/Hội nghị/Tiệc / Reuniones/ Conferencias Banquetes

FAIRGROUNDS USES
Special Events Sinh hoạt đặc biệt / Eventos Especiales

FAIRGROUNDS USES
Other Các sinh hoạt khác / Otros

FAIRGROUNDS USES
Other Các sinh hoạt khác / Otros

FAIRGROUNDS USES
Other Các sinh hoạt khác / Otros

FAIRGROUNDS USES
Motocross Đua xe gắn máy / Motocross

FAIRGROUNDS USES
Education Events Sinh hoạt giáo dục / Eventos de Educación

FAIRGROUNDS USES
Paintball Chơi bắn súng sơn / Paintball



Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

SANTA CLARA COUNTY FAIRGROUNDS

VISION

What Is YOUR **NEIGHBORHOOD VISION?**

POSSIBLE USES

Housing Nhà cửa Alojamiento

POSSIBLE USES

Workplace Nơi làm việc Lugar de Trabajo

POSSIBLE USES

Industrial Green Tech Công nghiệp kỹ nghệ xanh Industrial Verde Tech

POSSIBLE USES

Neighborhood Retail Vùng lân cận bán lẻ Retail barrio

POSSIBLE USES

Big Box Retail Siêu thị bán lẻ Almacenes

POSSIBLE USES

Regional Retail Bán lẻ tại địa phương Retail regional

SANTA CLARA COUNTY FAIRGROUNDS

VISION

What Is YOUR **NEIGHBORHOOD VISION?**

POSSIBLE USES

Storage lưu trữ Almacenamiento

POSSIBLE USES

RV Parking RV đầu xe RV Parking

POSSIBLE USES

Auto Parking xe đầu xe Aparcamiento coche

POSSIBLE USES

Community Centers Trung tâm cộng đồng Centros Comunitarios

POSSIBLE USES

Recreation giải trí Recreación

POSSIBLE USES

Parks & Recreation Parques y Recreación

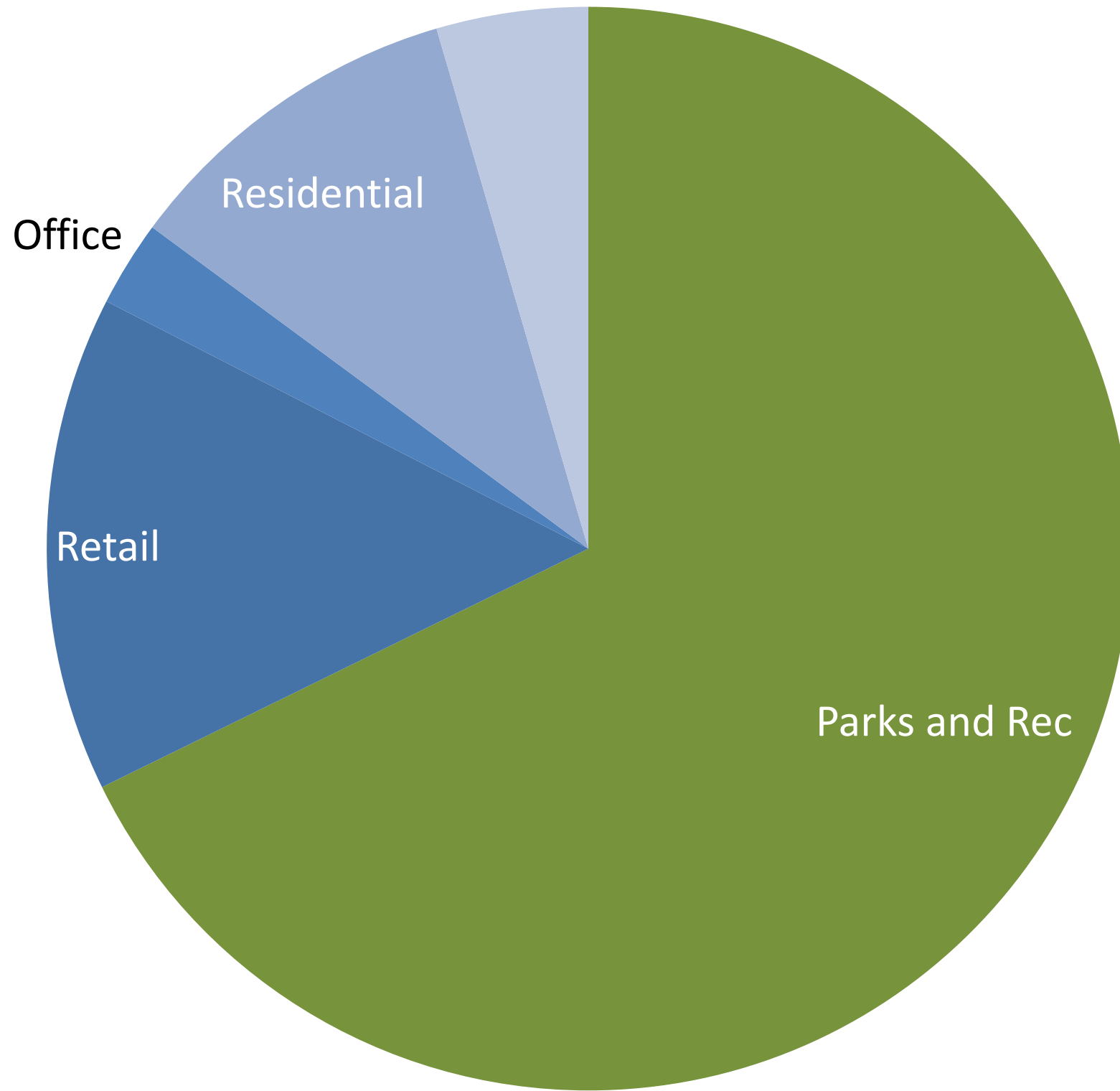
POSSIBLE USES

Playspaces Công viên Parques



Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

WHAT ARE YOUR OTHER PREFERRED USES



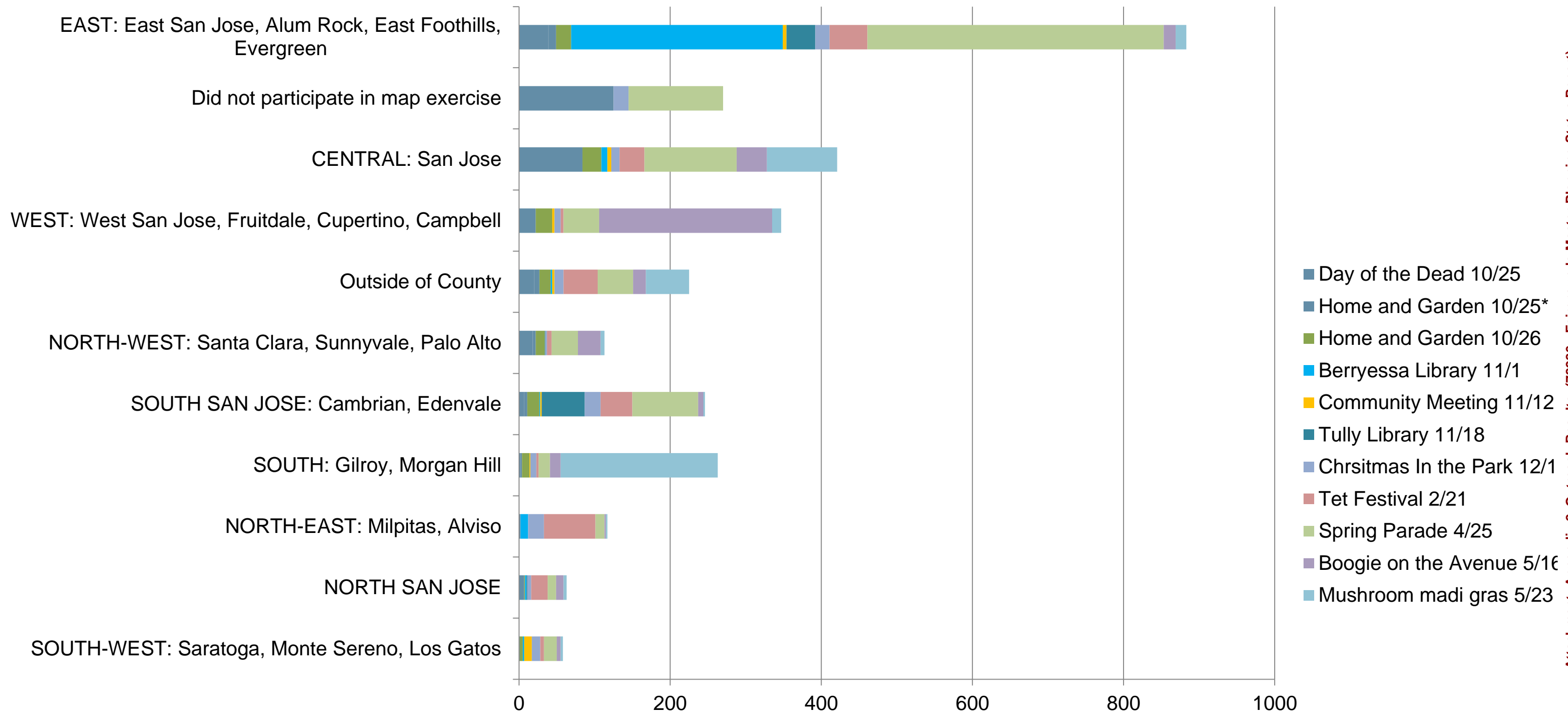
- Parks and Rec
- Retail
- Office
- Residential
- Industrial

SUMMARY NOTES:
 1,887 votes were cast for park related amenities.

Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

PARTICIPANTS GEOGRAPHICAL MAPPING



Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

*some participants not tallie
Community Outreach Results

ONLINE SURVEY RESULTS – PAST PARTICIPATION



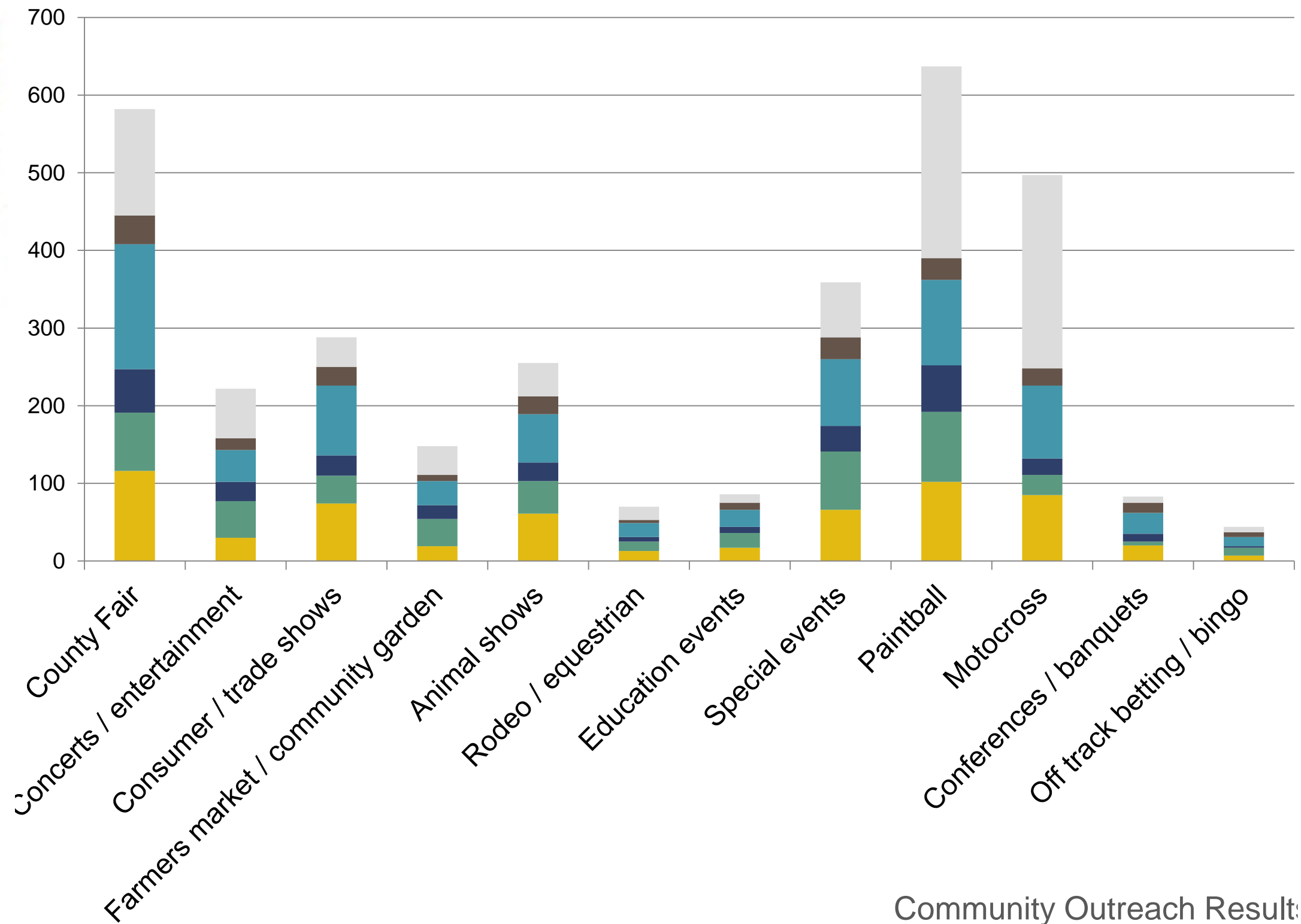
3. Which events have you or someone in your household participated in at the Santa Clara County Fairgrounds this last year? Please check all events that your household members have attended.

- County Fair
- Concerts/entertainment events
- Consumer shows/trade shows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motorcross
- Meetings/conferences/banquets
- Off track betting/bingo

Please fill in any other programs here:

Other programs: Gem & mineral show; Weekly dog training classes; Mark & Ann Art Party; Car show; Girl Scouts Winterfest; Indoor flat track racing; 4-H events; rave run; Tet Festival

Which events have you participated in at the Fairgrounds last year?



Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

ONLINE SURVEY RESULTS – FUTURE WISHES

What do you wish to see at the Fairgrounds?

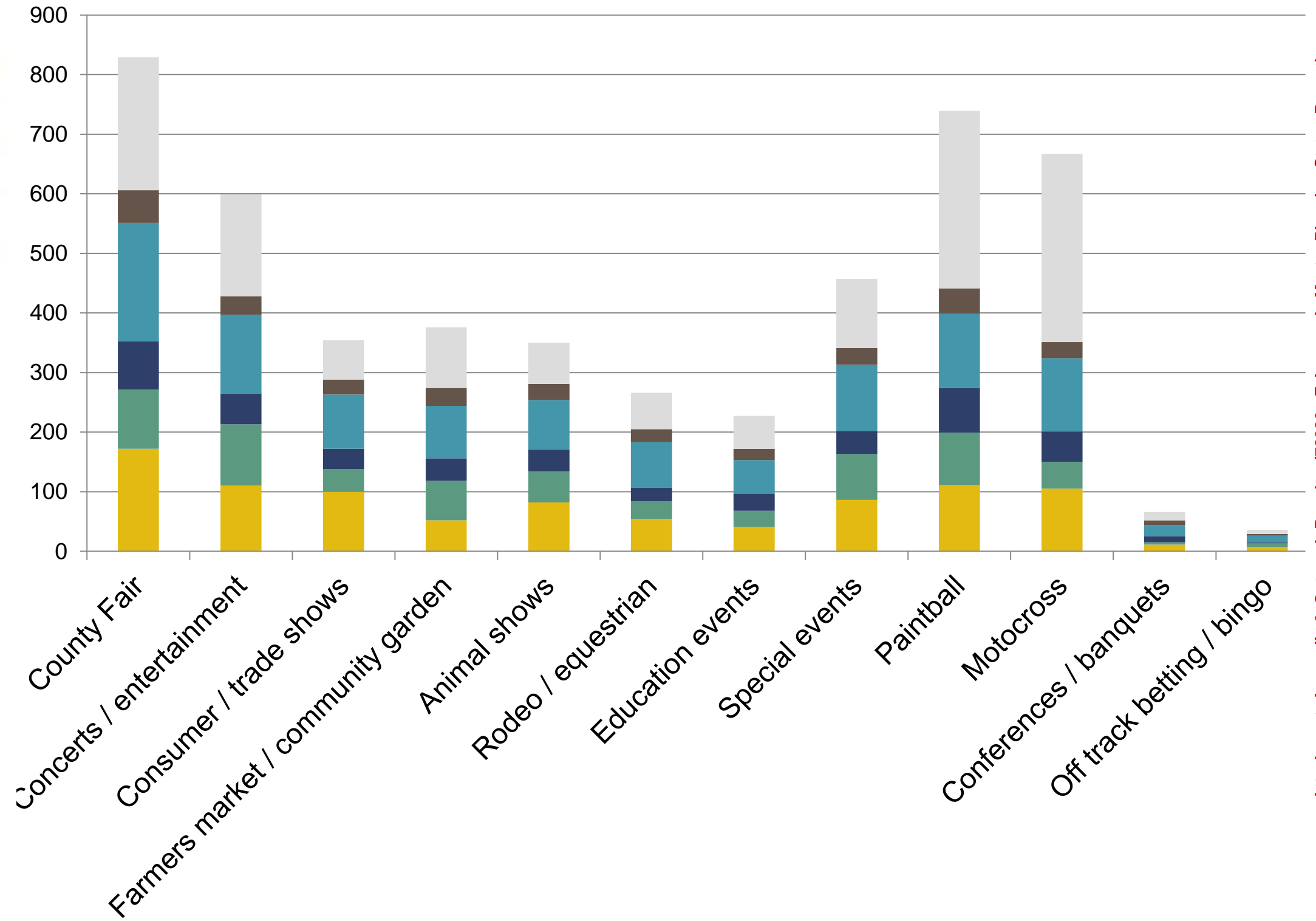


* 5. In the future, what are the types of events that you wish to see held at the Fairgrounds? Please select 4 options.

- County Fair
- Concerts/entertainment events
- Consumer shows/trade shows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motorcross
- Meetings/conferences/banquets
- Off track betting/bingo

Other (please specify)

Other: Dog training; Auto racing; Art and culture events; Gem show; SJ Giants; youth sports; BMX

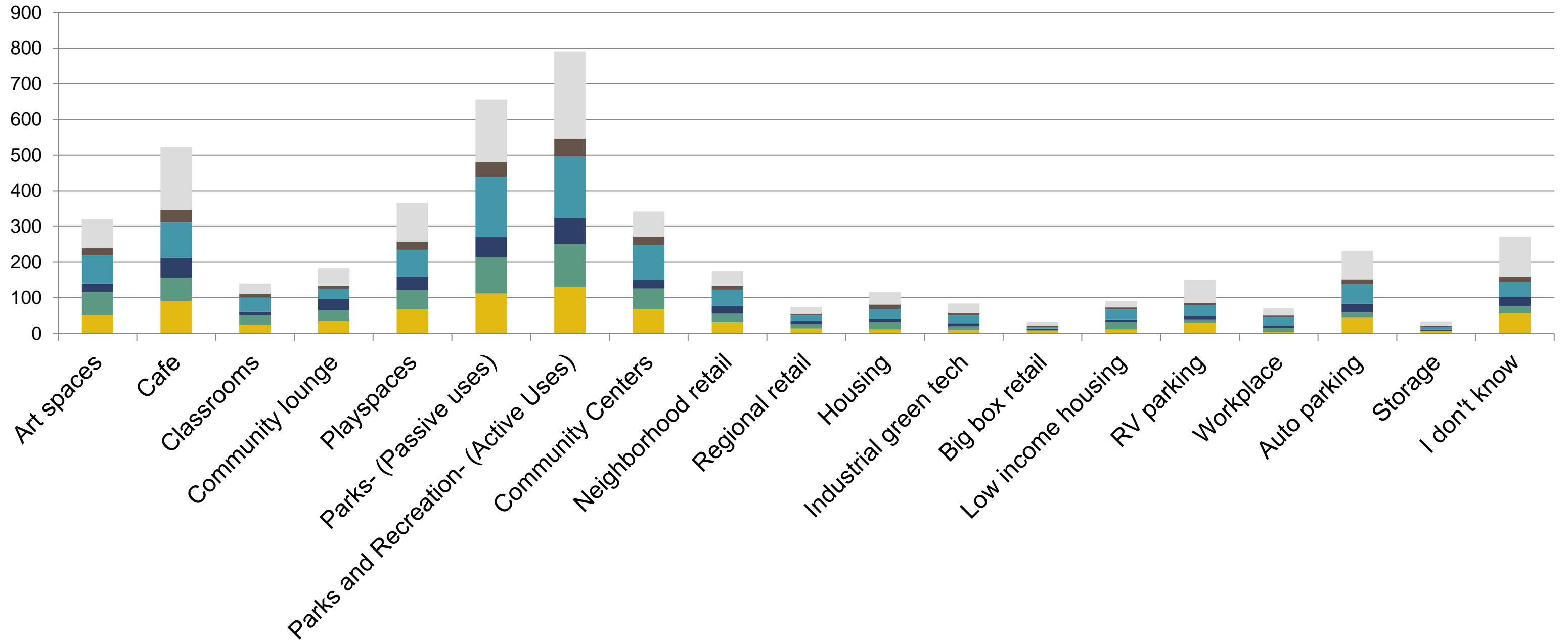


Attachment: Appendix 2_Outreach Results (78286 : Fairgrounds Master Planning Status Report)

Community Outreach Results

ONLINE SURVEY RESULTS – MOST NEEDED

What do you think is most needed at the Fairgrounds?



Other: Bathrooms; Large animal housing; Theme park; Trees; Live/work space; Food; Restoration

Community Outreach Results

Santa Clara County Fairgrounds Vision Planning – Round 1 Survey Questions

Q1 Have you or a member of your household visited the Santa Clara County Fairgrounds within the last year?

- Yes
- No
- I don't know

Q2 Why haven't you or a member of your household participated in an event at the Santa Clara County Fairgrounds?

- Too far away
- Not enough time
- Events are not of interest to me
- I/we don't know what events have been held at the Santa Clara County Fairgrounds

Q3 What types of events will encourage you to visit the Fairgrounds?
Please select your top 4 options.

- I don't know
- County Fair
- Concerts/entertainment events
- Consumer shows/tradeshows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motocross
- Meetings/conferences/banquets
- Off track betting/bingo

Q4 How often do you or someone in your household participate in an event at the Santa Clara County Fairgrounds? Please check one.

- 8 or more times a year
- 5-7 times a year
- 2-4 times a year
- Once a year
- Rarely or not at all

Santa Clara County Fairgrounds Vision Planning – Round 1 Survey Questions

Q5 Which events have you or someone in your household participated in at the Santa Clara County Fairgrounds this last year? Please check all events that your household members have attended.

- County Fair
- Concerts/entertainment events
- Consumer shows/tradeshows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motocross
- Meetings/conferences/banquets
- Off track betting/bingo

Q6 What is your general impression of the conditions of the Fairgrounds Facilities and surrounding grounds?

- Excellent
- Good
- Fair
- Poor

Q7 In the future, what are the types of events that you wish to see held at the Fairgrounds? Please select 4 options.

- County Fair
- Concerts/entertainment events
- Consumer shows/tradeshows
- Farmers market, community garden
- Animal shows
- Rodeo/equestrian events
- Education events
- Special events
- Paintball
- Motocross
- Meetings/conferences/banquets
- Off track betting/bingo

Santa Clara County Fairgrounds Vision Planning – Round 1 Survey Questions

Q8 Which amenities do you think are most needed for the neighborhood surrounding the fairgrounds?
Please Select 4 options.

- Art spaces
- Cafe
- Classrooms
- Community lounge
- Playspaces
- Parks (Passive uses: walking, relaxing)
- Parks and Recreation (Active uses: Playgrounds, Sports fields)
- Community Centers
- Neighborhood retail
- Regional retail
- Housing
- Industrial green tech
- Big box retail
- Low income housing
- RV parking
- Workplace
- Auto parking
- Storage
- I don't know

Q9 Is there anything else you would like to see?

- [free response]

Q10 Do you or a member of your household attend events at other Fairground locations?

- Yes
- No
- I don't know

Q11 Which other fairgrounds have you visited for events

- San Mateo Fairgrounds
- Alameda County Fairgrounds
- Solano County Fairgrounds
- Marin Center
- Cal Expo
- Santa Cruz County Fairgrounds
- Cow Palace

Santa Clara County Fairgrounds Vision Planning – Round 1 Survey Questions

Q12 What is your age?

- 0-10
- 11-17
- 18-24
- 25-44
- 45-64
- 65+

Q13 What is your home zip code?

- [free response]

Q14 Would you like to be notified of future outreach opportunities?

- Yes
- No

Q15 Please enter your email address here:

- [free, non-obligatory response]

Appendix III: Environmental Factors

Contents

Geology & Soils	1
Hydrology & Water Quality	2
Groundwater	3
Mineral Resources	3
Climate	3
Noise.....	4
Air Quality.....	5
Criteria Air Pollutants.....	5
Toxic Air Contaminants	5
Greenhouse Gas Emissions.....	8
Onsite Hazardous Materials.....	8

Geology & Soils

The surface soils on the Fairground site belong to the Yolo and the Orestimba soil associations. Yolo silty clay loam soils are rated as prime farmland according to the US Department of Agriculture Soil Candidate Listing, and Orestimba clay loam soils are listed as farmland of statewide importance.¹ The Fairgrounds, however, are neither prime nor important farmland. The project site is designated as Urban and Built-Up land on the Santa Clara County Important Farmland Map.² While the native underlying soils on the site are fertile in their undisturbed state, the site has not been used for agricultural purposes for over fifty years and is surrounded by industrial, commercial, and residential uses. There is no rated farmland in the vicinity of the site that would be affected by redevelopment activities.

There are no forest land uses located on or adjacent to the project site.

Soils on and in the vicinity of the Fairgrounds are old river channel deposits that consist of fine-grained sands, silts, and clays. The surface soils on the Fairgrounds site belong to the Yolo and the Orestimba soil associations.

Orestimba clay loam, which covers the bulk of the site, is a very deep, poor to poorly drained, moderately and very fine textured soil. Orestimba silty clay loam is found in the southeast corner of the fairgrounds and is characterized by deep, poorly drained soils with moderately high salt

¹ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

² Urban and Built-Up land is occupied by structures with a building density of at least 1 unit to 1.5 acres, or approximately six structures to a 10-acre parcel. Common examples include residential, industrial, commercial, institutional facilities, cemeteries, airports, golf courses, sanitary landfills, sewage treatment, and water control structures. Source: California Department of Conservation, Division of Land Resource Protection. Santa Clara County Important Farmland Map. 2011. Available at: <ftp://ftp.consrv.ca.gov/pub/dlrp/FMMP/pdf/2010/sc110.pdf>. Accessed October 1, 2014.

concentrations. These soils present no erosion hazard, but have a high shrink-swell capacity, a characteristic distinguished by the drying and shrinking of clays causing cracks in the soil which can damage building foundations and other structures.³

The southwest corner of the Fairgrounds site has Yolo soils. Yolo soils are well drained, moderately fine textured soils. These soils pose no permanent development limitations or hazards. The Yolo soils onsite exhibit very slow runoff, low erosion hazard, and moderate shrink-swell capacity.⁴

Santa Clara County and the rest of the Bay Area are in one of the most active seismic regions in the United States. Three major branches of the active San Andreas fault system, the San Andreas, Hayward and Calaveras fault zones, exist within Santa Clara County. The known faults closest to the project site are the Coyote Creek fault, Silver Creek fault, and San Jose fault, none of which are thought to be active. No known active faults cross the Fairgrounds and ground rupture would not occur on the site. Groundwater is more than 25 feet below ground surface (bgs). There is a low potential for liquefaction at the site.⁵

The most severe impacts of ground shaking occur on fine, unconsolidated soils, for which bedrock lies at great depths, such as occurs throughout the alluvial soils of the Santa Clara Valley. Depth to bedrock in the immediate vicinity of the project site varies dramatically, ranging from 200 to 700 feet below ground surface (bgs). Borings taken across the street from the Fairgrounds on the west side of Monterey Road indicate bedrock is at 271 feet bgs and alluvium at 200 to 500 feet bgs in the general vicinity of the Fairgrounds site. There are no steep slide-prone slopes on or adjacent to the site. The Fairgrounds appear flat, with elevations ranging from 120 to 140 feet. The site slopes gently down to the north.⁶

Hydrology & Water Quality

The Fairgrounds are not located in a 100-year floodplain. According to the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map, the site is designated "Zone D," which is defined as areas where flood hazards are undetermined, but possible.⁷

Based on Dam Failure Inundation Hazard Maps prepared by the Association of Bay Area Governments (ABAG), the Fairgrounds are not located within a dam failure inundation hazard zone.⁸ Due to the Fairground site's inland location and distance from large bodies of water (e.g., the San Francisco Bay), it is not subject to seiche or tsunami hazards. There are no slopes on or adjacent to the Fairgrounds that would make the site subject to mudflows.

The water quality of streams, creeks, ponds, and other surface water bodies can be greatly affected by pollution carried in contaminated surface runoff. Pollutants from unidentified sources, known as

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

⁷ Federal Emergency Management Agency. *Flood Insurance Rate Map. Panel 06085C0261H*. May 18, 2009.

⁸ Association of Bay Area Governments (ABAG). *Dam Failure Inundation Hazard Maps for SE San Jose*. Available at: <http://www.abag.ca.gov/cgi-bin/pickdamx.pl>. Accessed October 7, 2014.

“non-point” source pollutants, are washed from streets, construction sites, parking lots, and other exposed surfaces into storm drains. Surface runoff from the project area is collected by storm drains which discharge runoff into Los Gatos Creek. Urban runoff can contain contaminants such as oil and grease, plant and animal debris (e.g., leaves, dust, and animal feces), pesticides, litter, coolants, and heavy metals. In sufficient concentration, these pollutants have been found to adversely affect the aquatic habitats to which they drain.

The project site is used for urban recreational purposes. Runoff from the site may contain sediment, oil, grease, and pesticides from landscaped areas.

Groundwater

Groundwater beneath the Fairgrounds site is more than 25 feet bgs. Fluctuations in groundwater levels may occur due to variations in rainfall, underground drainage patterns, and other factors. The project site is not located within a natural or facility groundwater recharge area.⁹

Mineral Resources

The Fairgrounds are in an area that overlies a buried stream channel. Although it is known that sand and gravel deposits are often left by ancient meandering streams, there is no data available on the suitability of this material as an aggregate mineral resource. As a result, the California Division of Mines and Geology has classified most of the Fairgrounds site as Mineral Resource Zone (MRZ) 3(e), which indicates that the significance of the resources cannot be evaluated from available data. A portion of the Fairgrounds (along its western border) is classified as MRZ-I, meaning that there is enough information to indicate that no significant mineral deposits are present or that there is little likelihood of their presence.¹⁰

Even if aggregate resources on-site are determined with further data to be significant, there is little likelihood that they could readily be extracted. The Fairgrounds are located within an urbanized residential and commercial area, meaning that mineral extraction would result in significant land use compatibility issues. Additionally, sand and gravel deposits, if they exist, are at a depth of at least 40 feet, making mining particularly expensive and invasive.¹¹

Climate

Climate data for Santa Clara County Fairground was obtained from nearby San Jose International Airport. The site has a subtropical Mediterranean climate. The daily average temperatures range from 50F in the winter to about 70F in the summer. San Jose lies inland from the Pacific making it relatively rain sheltered. There is light precipitation occurring predominantly between November and May. The summer months are generally quite dry. Wind speeds are moderate throughout the year with the prevailing winds coming from the north-westerly and northerly directions for most of the year. In the winter there are also significant winds from the south-easterly direction. It should be noted that the city experiences a variety of different microclimatic conditions. South San Jose experiences more rainfall and extreme of temperatures compared to the downtown area.

⁹ Santa Clara Valley Water District. *Groundwater Management Plan*. 2012.

¹⁰ County of Santa Clara. *Santa Clara County Fairgrounds Revitalization Project Draft EIR*. 1999.

¹¹ Ibid.

The warm season last from June to October with an average daily temperature of above 65°F. Maximum temperatures of 90-95 °F are reached around June. The cold season is from between November to February with temperatures averaging below 54°F. The diurnal temperature swing tends to be about 20°F throughout most of the year. Diurnal temperature swings do not vary too much throughout the year. There is about 20F average swing in temperature from day to night.

Wind speeds typically vary from 0 to 8.5 m/s throughout the year (calm to moderate) rarely exceeding 8.5 m/s. The highest average wind speeds are between 3.5-4.1 m/s occurring from May to June. For the majority of the year the prevailing winds are from the north-west and north. In the winter there are also significant south-easterly winds.

Noise

The Fairgrounds are located adjacent to Tully Road and Monterey Road. Areas of the site immediately adjacent to these two roads are 65 dBA to 70 dBA. Approximately 800 and 600 feet from Tully Road and Monterey Road, respectively, the site is within the 60 to 65 dBA DNL Noise Contour. The remaining southeastern majority of the site is in an area below 60 dBA DNL.¹² (Appendix_)



The City of San Jose has the following thresholds for noise which should be considered as part of redevelopment of the Fairgrounds site to avoid impacts to existing sensitive receptors in the area.

General Plan Land Use Compatibility Guidelines						
Land Use Category	Exterior DNL Value in Decibels					
	55	60	65	70	75	80
1. Residential, Hotels and Motels, Hospitals and Residential Care ¹						
2. Outdoor Sports and Recreation, Neighborhood Parks and Playgrounds						
3. Schools, Libraries, Museums, Meeting Halls, and Churches						
4. Office Buildings, Business Commercial, and Professional Offices						
5. Sports Arena, Outdoor Spectator Sports						
6. Public and Quasi-Public Auditoriums, Concert Halls, and Amphitheaters						

Notes: ¹Noise mitigation to reduce interior noise levels pursuant to Policy EC-1.1 is required.

Normally Acceptable:

¹² City of San Jose. *Envision 2040 San Jose General Plan*. Available at: <http://www.sanjoseca.gov/index.aspx?nid=1736>. Accessed October 6, 2014.

General Plan Land Use Compatibility Guidelines						
Land Use Category	Exterior DNL Value in Decibels					
	55	60	65	70	75	80
	Specified land use is satisfactory, based upon the assumption that any buildings involved are of normal conventional construction, without any special noise insulation requirements.					
	Conditionally Acceptable: Specified land use may be permitted only after detailed analysis of the noise reduction requirements and noise mitigation features included in the design.					
	Unacceptable: New construction or development should generally not be undertaken because mitigation is usually not feasible to comply with noise element policies. Development will only be considered when technically feasible mitigation is identified that is also compatible with relevant design guidelines.					

The Airport Influence Area (AIA) is a composite of the areas surrounding the Airport that are affected by noise, height, and safety considerations. The Fairgrounds are not located within the AIA.¹³

Air Quality

Criteria Air Pollutants

Major criteria pollutants, listed in “criteria” documents by the U.S. Environmental Protection Agency (USEPA) and the California Air Resources Board (CARB) include ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, and suspended particulate matter (PM). These pollutants can have health effects such as respiratory impairment and heart/lung disease symptoms.

Violations of ambient air quality standards are based on air pollutant monitoring data and are judged for each air pollutant. The Bay Area as a whole does not meet state or federal ambient air quality standards for ground level ozone and PM_{2.5}, or state standards for PM₁₀. The Bay Area is considered in attainment or unclassified for all other pollutants. Emissions of criteria air pollutants from construction and operation of any future project on the Fairgrounds site will be dependent on the size of the project, and the type of land use/project proposed.

Toxic Air Contaminants

Besides criteria air pollutants, there is another group of substances found in ambient air referred to as Toxic Air Contaminants (TACs). These contaminants tend to be localized and are found in relatively low

¹³ County of Santa Clara. Comprehensive Land Use Plan. 2011. Available at: http://www.sccgov.org/sites/planning/PlansPrograms/ALUC/Documents/ALUC_20110525_SJC_CLUP.pdf Accessed October 6, 2014.

concentrations in ambient air; however, exposure to low concentrations over long periods can result in adverse chronic health effects. Diesel exhaust is a predominant TAC in urban air and is estimated to represent about three-quarters of the cancer risk from TACs (based on the Bay Area average). Fine Particulate Matter (PM_{2.5}) is a complex mixture of substances that includes elements such as carbon and metals; compounds such as nitrates, organics, and sulfates; and complex mixtures such as diesel exhaust and wood smoke. Long-term and short-term exposure to PM_{2.5} can cause a wide range of health effects. Common stationary sources of TACs and PM_{2.5} include gasoline stations, dry cleaners, and diesel backup generators. The other more significant, common source is motor vehicles on roadways and freeways.

The San Francisco Bay Area Air Quality Management District (BAAQMD) is responsible for management of air quality in the Bay Area. BAAQMD defines sensitive receptors as facilities where sensitive receptor population groups (children, the elderly, the acutely ill and the chronically ill) are likely to be located. These land uses include residences, school playgrounds, child-care centers, retirement homes, convalescent homes, hospitals and medical clinics. According to the BAAQMD Air Quality Guidelines (Air Quality Guidelines), any project that proposes placement of a new sensitive receptor should evaluate sources of TACs within 1,000 feet of the receptor. Sources of TACs within 1,000 feet of the Fairgrounds are listed below.¹⁴

There are approximately five businesses/agencies that are sources of TACs located north of the Fairgrounds including:

- ABMAC Inc. Maaco Collision & Auto Repair at 275 Tully Road;
- Earl Scheib, Inc. at 169 Tully Road;
- Santa Clara Valley Transportation Authority at 2240 S. 7th Street;
- Valley Health Center at Franklin-McKinley at 500 Tully Road; and
- San Jose Fire Department Station No. 26 at 528 Tully Road.

There is one business that is a source of TACs located east of the Fairgrounds:

- Classic Concepts Collision Inc. at 2670 Pacer Lane.

There are approximately eight businesses that are sources of TACs located south of the Fairgrounds including:

- Dynamic Auto Body at 230 Umbarger Road, Suite 9;
- Skills Auto Body at 230 Umbarger Road, Suite 14;
- Nguyen Auto Body and Repair at 170D Umbarger Road;
- Fairgrounds Collision Repair Center at 230 Umbarger Road, Suite 15;
- WGN Manufacturing Company at 210 Umbarger Road;

¹⁴ Stationary sources of TACs are listed based on best-available data in the BAAQMD Stationary Source Screening Tool. Available at: <http://www.baaqmd.gov/Divisions/Planning-and-Research/CEQA-GUIDELINES/Tools-and-Methodology.aspx>. Accessed October 3, 2014.

- B7H Finishing at 354 Umbarger Road, Unit 2;
- Collision Repair Specialists at 354 Umbarger Road, Unit 16; and
- Aptek Inc. at 414F Umbarger Road.

There are no businesses located west of the Fairground that are a source of TACs.

There is one business that is a source of TACs located on the Fairgrounds, in the northern portion of the site:

- USA Gasoline c/o Stratus Environmental at 2345 S. 7th Street.

In addition to stationary sources of TACs listed above, the Fairgrounds are within 1,000 feet of several roadways with average daily trips (ADT) of over 10,000 vehicles including:¹⁵

- Monterey Road (61,000 ADT)
- Tully Road (48,200 ADT)
- Senter Road (28,200 ADT)
- S. 10th Street (24,700 ADT)
- S. 7th Street (12,000 ADT)

The Fairgrounds encompass approximately 150 acres, therefore, whether TAC sources are located within 1,000 feet of any future sensitive receptors will be dependent on the location of the new sensitive receptor within the Fairgrounds boundary.

In addition to a proposed project considering impacts from existing sources of TACs to new sensitive receptors, the Air Quality Guidelines also require evaluation of impacts from a new proposed source of TACs to existing sensitive receptors. Sensitive receptors in the vicinity of the Fairgrounds could be affected by TAC emissions if future development on the site includes the placement of a TAC source within 1,000 feet of an existing sensitive receptor, and/or if construction activities on the Fairgrounds include the use of heavy diesel equipment for an extended period of time. Sensitive receptors in the vicinity of the Fairgrounds are listed below:

- Students attending Franklin McKinley Elementary School located adjacent to the northeastern portion of the Fairgrounds;
- Residents of the single-family, multi-family, and mobile home residential neighborhoods located adjacent to the east of the Fairgrounds;
- Residents of the mobile home and single-family residential neighborhoods, located south of the Fairgrounds, across Umbarger Road; and
- Residents of the multi-family and mobile home neighborhoods, located west of the Fairgrounds across Monterey Road.

¹⁵ ADT is based on best-available data from 2004, as listed by the California Department of Public Health. Available at: http://www.ehib.org/traffic_tool.jsp. Accessed October 3, 2014.

Greenhouse Gas Emissions

The City of San Jose has adopted a Greenhouse Gas Reduction Strategy (adopted with the *Envision San José 2040 General Plan*). Any redevelopment proposed at the Fairgrounds will be required to demonstrate compliance to the City's Green Building Codes, including LEED certification or an equivalent standard, as applicable. With conformance to the City's Greenhouse Gas Reduction Strategy, development on the Fairgrounds site will not result in significant emissions of greenhouse gases.

Onsite Hazardous Materials

In 1999, an EIR was prepared for a formerly proposed redevelopment project at the Fairgrounds site which included an evaluation of hazardous materials. Hazardous materials conditions on the site may have changed over the last 15 years and new studies will be required as part of redevelopment activities. (Appendix_)

(Move to Appendix_) In 1999, Fairground operations included use of hazardous materials primarily for maintenance and fuel purposes. The types of hazardous materials found at the Fairgrounds included fuels (gasoline and diesel), oils (motor oil and hydraulic oil), paints (latex and oil-based), solvents (degreasers, paint thinners, and aerosol propellants), acids and bases (cleaners), compressed gases (propane), disinfectants, and pesticides. Nearly all of these materials were stored in 55-gallon or smaller containers. Many were stored in 1-gallon or smaller containers. The exceptions included above-ground storage tanks (ASTs) containing gasoline and diesel (500 gallons of gasoline and 500 gallons of diesel), a 200-gallon container of propane, and a 250-gallon waste oil tank, all at the corporation yard.¹⁶ The Fairgrounds site has one closed leaking underground storage tank (LUST) case in the southern portion of the site.¹⁷

The existing buildings on site were constructed between the late 1940s and the early 1960s. Existing buildings could contain asbestos, PCBs, lead, mercury, or other hazardous materials historically used in construction materials. Asbestos, PCBs, and lead were commonly installed in insulation, floor tiles, roofing tar, electrical transformers, fluorescent light ballasts, and paint.

The project site has been used as Fairgrounds since the early 1940s and previous to that, the site was used for agriculture. A variety of chemical pesticides and herbicides were likely applied to the site in the past for agricultural activities, and more recently herbicides and pesticides may also have been applied to the site to maintain the Fairgrounds.

Automotive and horse racing historically occurred at the Fairgrounds on the former one-mile and ½-mile racetracks, and demolition derbies occurred about once a year in the center of these race areas. These areas were not paved and soil contamination may be present on-site in these areas.

¹⁶ Ibid.

¹⁷ State Water Resources Control Board (SWRCB). Geotracker Database. Available at: <http://geotracker.waterboards.ca.gov/>. Accessed October 6, 2014.

Offsite Hazardous Materials

Geotracker¹⁸ is a database maintained by the State Water Resources Control Board (SWRCB) and provides online access to environmental data. It tracks regulatory data pertaining to LUST, Department of Defense, Site Cleanup Program, and Landfill sites.

The Envirostor¹⁹ database is maintained by the Department of Toxic Substances Control (DTSC) and contains information on investigation, cleanup, permitting, and/or corrective actions that are planned, being conducted, or that have been completed under DTSC's oversight. The Envirostor database includes Federal Superfund sites, State Response sites, Voluntary Cleanup sites, and school sites.

The following table lists open hazardous materials cases within ½-mile of the Fairgrounds, as shown on the Geotracker and Envirostor Databases:

Open Case Hazardous Materials Database Listing						
Site Name	Database	Source of Contaminants	Affected Resource	Status	Distance from Fairgrounds	Address
Burke Industries	• Geotracker	Unidentified	Tetrachloroethylene (PCE) and Trichloroethylene (TCE) affecting other groundwater (uses other than drinking water).	Open-Site Assessment	1,545 ft northeast	2250 South 10 th Street
Former GE San Jose Facility	• Geotracker	Historic use of the site for manufacturing activities.	TCE affecting affecting other groundwater (uses other than drinking water) and soil.	Open-Remediation (Geotracker) Inactive-Needs Evaluation (Envirostor)	2,500 ft northwest	2153 Monterey Highway
Texaco	• Geotracker	Leaking Underground	Benzene, gasoline, MTBE, TBA, and	Open-assessment	2,450 feet	2895 Senter

¹⁸ State Water Resources Control Board (SWRCB). Geotracker Database. Available at: <http://geotracker.waterboards.ca.gov/>. Accessed October 6, 2014.

¹⁹ Department of Toxic Substance Control (DTSC). Envirostor Database. Available at: <http://www.envirostor.dtsc.ca.gov/public/>. Accessed October 6, 2014.

Open Case Hazardous Materials Database Listing						
Site Name	Database	Source of Contaminants	Affected Resource	Status	Distance from Fairgrounds	Address
		Storage Tank (LUST)	other fuel oxygenates affecting other groundwater (uses other than drinking water).	and Interim Remedial Assessment (Geotracker)	southeast	Road
California Car Wash	<ul style="list-style-type: none"> Geotracker 	LUST	Gasoline affecting other groundwater (uses other than drinking water).	Open-Remediation (Geotracker)	303 feet north	2345 South 7 th Street
Santa Clara County Transit District (Don Pedro Chaboya Station)	<ul style="list-style-type: none"> Geotracker Envirostor 	Liquid Waste from Pipe Leak	Diesel affecting other groundwater (uses other than drinking water).	Open-Remediation (Geotracker) Refer-RWQCB (Envirostor)	1,300 feet north	2240 South 7 th Street
Orvieto B	<ul style="list-style-type: none"> Geotracker Envirostor 	Site previously used as an auto wrecking and salvage yard, and for agriculture.	Lead, petroleum hydrocarbons, polychlorinated biphenyls (PCBs) and TPH motor oil (TPHmo) affecting soil.	Active (Geotracker and Envirostor)	2,030 feet southwest	88 Montecito Vista Drive
Orvieto Family Apartments	<ul style="list-style-type: none"> Geotracker Envirostor 	Site previously used as an auto wrecking and salvage yard, and for agriculture.	Lead, petroleum hydrocarbons, PCBs and TPHmo, TPH as gasoline (TPHg), and TPH as diesel (TPHd) affecting soil.	Certified / Operation & Maintenance Land Use Restrictions (Geotracker and	1,600 feet southwest	80 Montecito Vista Drive

Open Case Hazardous Materials Database Listing						
Site Name	Database	Source of Contaminants	Affected Resource	Status	Distance from Fairgrounds	Address
				Envirostor)		
The Montecito Vista Project	<ul style="list-style-type: none"> • Geotracker • Envirostor 	Site previously used as an auto wrecking and salvage yard, and for agriculture.	Lead, petroleum hydrocarbons, PCBs, TPHmo, and TPHd affecting soil.	Active (Geotracker and Envirostor)	895 feet southwest	2745 Monterey Road

In addition to the above open hazardous materials cases, there are an additional 18 closed LUST cases and three closed 'other' cases within ½ mile of the project site (approximate).



582 MARKET ST. SUITE 1800
SAN FRANCISCO, CA 94104

T: 415.391.9633
F: 415.391.9647

www.garavaglia.com

November 24, 2014

Elizabeth Shreeve, AICP
SWA Group
2200 Bridgeway
Sausalito, CA 94965

Re: Santa Clara County Fairgrounds
Project No. 2014083
Memo regarding historical findings

To Whom It May Concern:

The purpose of this memo is to present historical information pertaining to the development and design of the Santa Clara County Fairgrounds (SCCFG), specifically the architecture and related infrastructure still present at the site.

A folder with relevant aerial photographs, building imagery, newspaper articles, and other fair ephemera has been included in the SWA Google Drive for review.

Construction chronology of extant subject buildings

1952 Exposition Hall
1956 Gateway Arch
1960 Pavilion Hall
1961 Fiesta Hall
1962 Administration Building
c. 1966 - 1971 Gateway Hall

Early existing site

Located at Tully Road and Monterey Highway, the 97-acre Mira Monte Ranch was to become the site of the Santa Clara County Fairgrounds by the mid-20th century. As early as 1916, San Jose rancher Kirk MaComber had utilized his 97-acre Mira Monte Ranch as a stock farm for racehorses. To the southeastern end of the property, an unpaved one-mile oval served as training grounds for the horses.¹

¹ Denno Mattish. *History of San Jose Auto Racing 1903 - 2007*, 24.

Aerial photographs taken within a ten-year time span (1920- 1930²) show the main frontage of the Mira Monte Ranch along Tully Road. An isolated cluster of mature trees sat in the center of the property providing shade to a ranch house and barn. At least three unpaved paths led from Tully Road towards the southeast extent of the property with Tully Road towards the southeast extent of the property with a central road bisecting the land traveling through the residence and barn and terminating at the San Jose Driving Park. Two of the other frontage-leading dirt roads flanked the northern and southern boundaries of the property and led to well-defined unpaved roundabouts, the original use of which is unclear. These roundabouts were connected to one another by a wide road in a northeast-southwest orientation, with the bisecting road, and at least two similarly oriented roads leading directly to the driving park. With many established paths of access, the layout of the working Mira Monte Ranch and existing San Jose Driving Park most likely served as the basis for the master plan of the new fairgrounds.

Initial site development

The Mira Monte property was purchased by the newly formed Santa Clara Valley Fair Association for the purposes of a new county fair in 1940. Planning began immediately as County Engineer Kobert Chandler prepared an initial map of fairgrounds, while local architect E.N. Curtis devised a plot plan and obtained estimates for park infrastructure including, electrical and sewer systems.³ The extent of Chandler and Curtis' 1940s plans are unknown, but the timing of their contributions to the fairgrounds came just after the Golden Gate International Exposition (GGIE) closed in the fall of 1940. The last American international exposition before WWII, the fair featured cultural exploits and promoted American technological innovations. With distinctive flair, the temporary buildings of the GGIE were designed in a whimsical modernist manner, on a meticulously organized site, with corresponding park infrastructure and elaborate landscaping. A scaled down version of this type of over-arching master planning prevalent at World's Fairs can be seen in the utilization of roads, organization of buildings, and complementary landscaping at the SCCFG. In 1941, entrance turnstiles and benches were purchased from the GGIE's inventory for use in the SCCFG.

The first Santa Clara County Fair took place on the new site in the summer of 1941. The fairgrounds were then characterized by unpaved roads, several large canvas tents to the north, and a "midget race track" with two parking lots to the south. The southernmost roundabout became disseminated as a recently designated parking lot utilized the corresponding road as a park access point (which would later become the designated space for mechanical carnival rides). The fair on goings encircled the tree grouping and original ranch buildings, which remained in place. Permanent buildings had yet to be erected, and the site remained largely undeveloped.⁴

Wartime planning

² The date of these early rural photos was estimated by History San Jose to fall within a ten year time period. GA believes that these could have been taken as survey photos prior to or just after the Santa Clara Valley Fair Association's purchase of the Mira Monte Ranch in 1941.

³ Dick Barrett, *History of the Santa Clara County Fair*, 1968, p. 15.

⁴ See aerial image of first fair in 1941

World War II halted summertime fair going activity yet design and planning continued, perhaps in part to boost local wartime morale. A long-range building program was developed in by the fair association in anticipation of post-war funding which was to provide for local employment. Monterey-based architect C.J. Ryland was hired to prepare sketches and detailed plans of buildings and park infrastructure which were, “....to be ready as soon as possible,” for construction once the war was to end.⁵ Ryland’s contributing plans for the fairgrounds date as far back to 1941.

Architect C.J. Ryland

Born in 1892, San Jose Native, Columbus J. Ryland trained at the Western Normal California School of Arts and Crafts and the University of Toulouse in France. During the 1910s he joined the Bay Area firm of Swartz & Swartz, later to form Swartz & Ryland in 1919, specializing in residential, commercial, and educational projects throughout the Central San Joaquin Valley.⁶ By the 1930s, Ryland had established an independent practice in Monterey, from which his most prominent commissions were built. The projects within his collective portfolio reflect a wide range of architectural styles and motifs, including adaptations of Academic Eclecticism, Art Deco, Neoclassical and period revivals and Streamline Moderne styles. In this, it is clear that Ryland was well versed in following building and stylistic trends of the era, as his portfolio as a whole is not reflective of any one particular genre. This holds especially true of his work at the SCCFG. Ryland would have been nearly fifty years old with an extensive and eclectic body of work behind him as he began to design the fairground’s main buildings. The building built here represent a small number of constructs Ryland conceived in this particular architectural language.

Design and construction of mid-century fairground buildings

An 8’ x 8’ scaled model of Ryland’s designs for the fairgrounds was presented to the fair association’s board members in 1944. This model included iterations of Exposition, Pavilion, Fiesta and Gateway Halls and the Administration Building. The Grandstand (now demolished) was to be the focal point of the fair, and lay at the end of a highly landscaped pedestrian esplanade with colorful banners and lush plantings. Detailed plans and specifications, again, were to be prepared immediately. The design of horse and other animal barns, in addition to smaller park infrastructure is also attributed to Ryland during this period. The entire project was scoped at \$1,225,000. The buildings were constructed in a prioritized manner in order of park necessity. As post-war funding became available, the building process took nearly two decades to complete. A large purchase of nearby land significantly expanded the total fairground acreage in 1951.

In 1951, James Dean, a board member approved to allocate funding for Exposition Hall, after glancing at the plans, commenting that the design for the building was “simple and practical.” Constructed as a long, rectangular volume, the end of the building terminated in a semi-circular open-air area for food vendors. The roof featured polychrome scallops, which had been replaced with a solid colored roof by 1975. Alternatively, the building was seen as potentially

⁵ Barrett, 1968, p. 15.

⁶ A Guide to Historical Architecture in Fresno, California. John Edward Powell, 1997.
<http://historicfresno.org/bio/ryland.htm>

valuable to be used as emergency shelters in the event of a widespread Bay Area emergency.⁷ From this, one can infer that the original interior of the building was utilitarian, featuring simple and durable finishes in the event that a large number of people would need to be accommodated for.

Simplicity of the design and construction methods also extended to nearby Pavilion Hall, built in 1960. State funds were used to create the L-shaped concrete-and-steel building. Decorative concrete and glass blocks served as the building's exterior adornment. A plate-glass viewing room at the elbow of the "L" allowed "occupants the opportunity to overlook activities on the wide terrace lawn," sheltered by the building's extents. Tilt-up concrete panels were poured on site. The method of construction used for Pavilion Hall wouldn't have been novel by 1960, yet was enumerated in a *Cambrian Weekly News* article announcing the building's opening. The interior of this hall featured a few special finishes with a 60' x 80' Maplewood dance floor and a "pleasing" color scheme. With this, the author of the article compared Pavilion Hall to be, "the envy of modern department stores." Similarly, the building was to feature the latest and most efficient interior and exterior lighting.⁸ By 1961, the nicest fair improvement of the year was credited to, "the beautiful new 36,00 square-foot pavilion," Fiesta Hall.⁹ A rectangular building had a flat roof and simple columns to support its extensive overhang.

Landscaping of the fairgrounds

An unknown landscape architect was hired during the initial 1940s planning process, but his plan was never fully executed. With an extensive plant inventory, trees and flowers were meticulously planned and planted along the esplanade, lining the remaining roundabout.

In plan, the surrounding pavement abutting either side of the centralized esplanade mirrored Exposition Hall's semi-circular food court area. Sidewalks with curbs leading from the main fair entrance down the esplanade curved along manicured spans of grass allowing for the building's form to emanate into the park's landscape. It seems as though Exposition Hall's unique form was the impetus for the organic shape of the walkways and landscape surrounding the esplanade.

In summary

While many of the plans for the major buildings at the SCCFG were created between 10 and 20 years before construction, there was still a public reverence for their novelty when the buildings were finally constructed in the 1950s and 1960s. Several newspaper articles written to commemorate the annual fair described the construction methods and technological systems as though they were original for the time. The park's layout and building configuration were a result of deliberate planning, possibly influenced by much larger scaled World's Fairs. Fairground layout and building design is largely attributed to prominent San Jose architect C.J. Ryland. Perhaps these SCCFG examples of local, Streamline Moderne Style being connected

⁷ Barrett, 1968, p. 15.

⁸ New Fair Building to be Used, *Cambrian Weekly News*, 11 August, 1960.

⁹ John Mihalros, Improved County Fair Awaits Grand Opening, *Mercury-News*, 1961.

with the agricultural-centered fair helped to perpetuate main-stream appreciation and acceptance for modernist principles as contemporary architectural practice in San Jose.¹⁰

Possible next steps

Research expansion may include:

1. The extent of Chandler and Curtis' early fairground plans with a comparison to Ryland's plan
2. Analysis of the SCCFG plan and how it specifically drew from World's Fair master planning and architectural ideas
3. How the SCCFG fits into C.J. Ryland's portfolio
4. Individual historic evaluation of each extant building
 - Including a further analysis of building permits, detailing the extent of alterations
5. Context of agriculture and related support buildings within California during this time period

As always, please feel free to contact us with further questions or comments.

Sincerely,

Alison Garcia Kellar
 Architectural Historian
 Garavaglia Architecture, Inc.

cc: file

¹⁰ A 1947 article in the San Jose Evening News announced the construction of a new J.C. Penney Company building in the Streamline Modern Style as a "radical change...embracing latest architectural ideas," from which one can infer that they style was deemed as new and innovative in the San Jose area in the 1940s. PAST Consultants, LLC. *San Jose Modernism Historic Context Statement*, 2009.

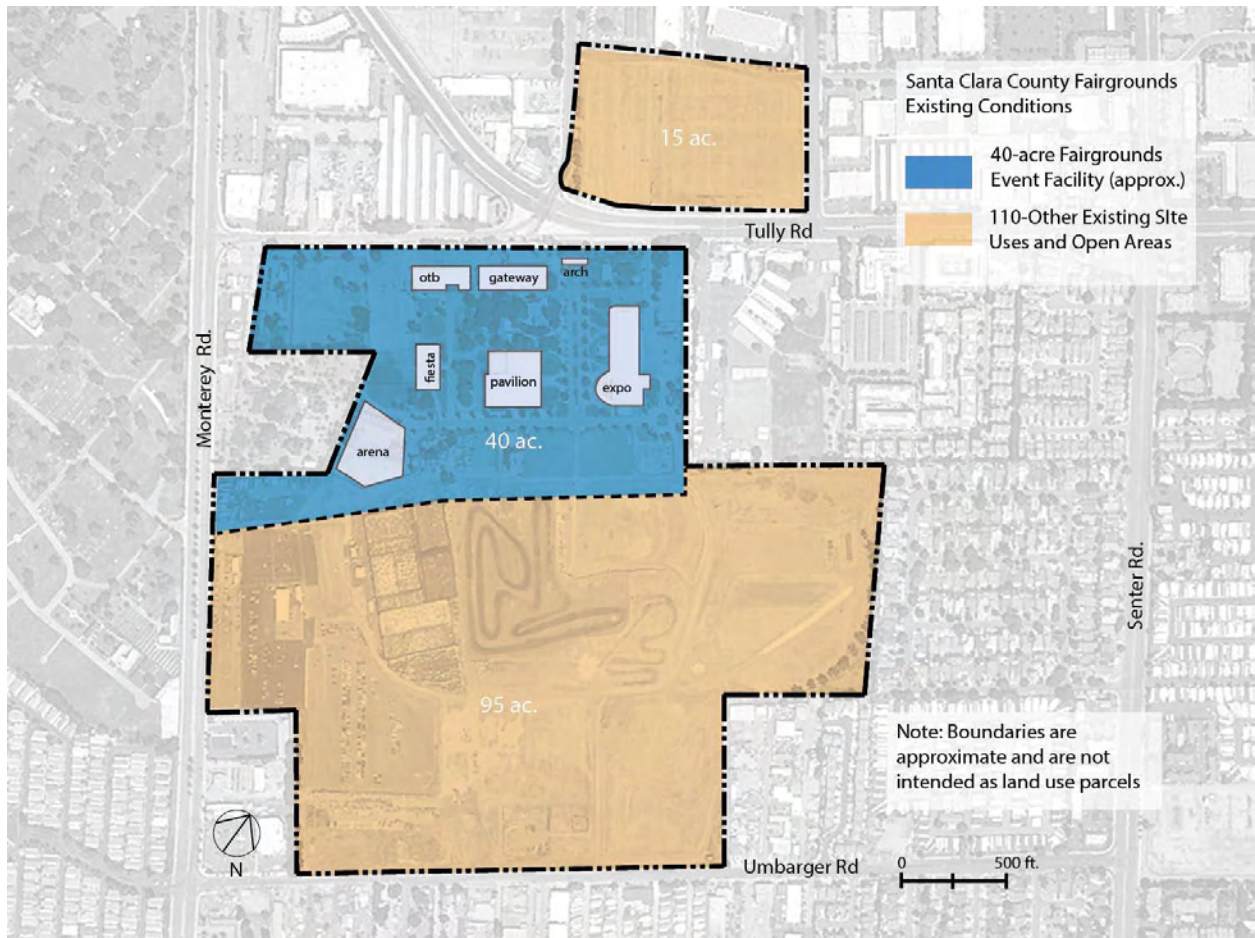
HYPOTHETICAL LAND USE ALLOCATION DIAGRAMS

The team prepared basic diagrams to show possible division of the Fairgrounds acreage between Fairgrounds/event facilities and potential private development. The diagrams generally assume that the Fairgrounds/event facilities would more likely remain at the core area along Tully Road, where existing buildings are located, while the frontage of Monterey Highway would more likely be utilized for private development.

However, the diagrams are not intended to imply any proposed configuration of land use parcels or development types.

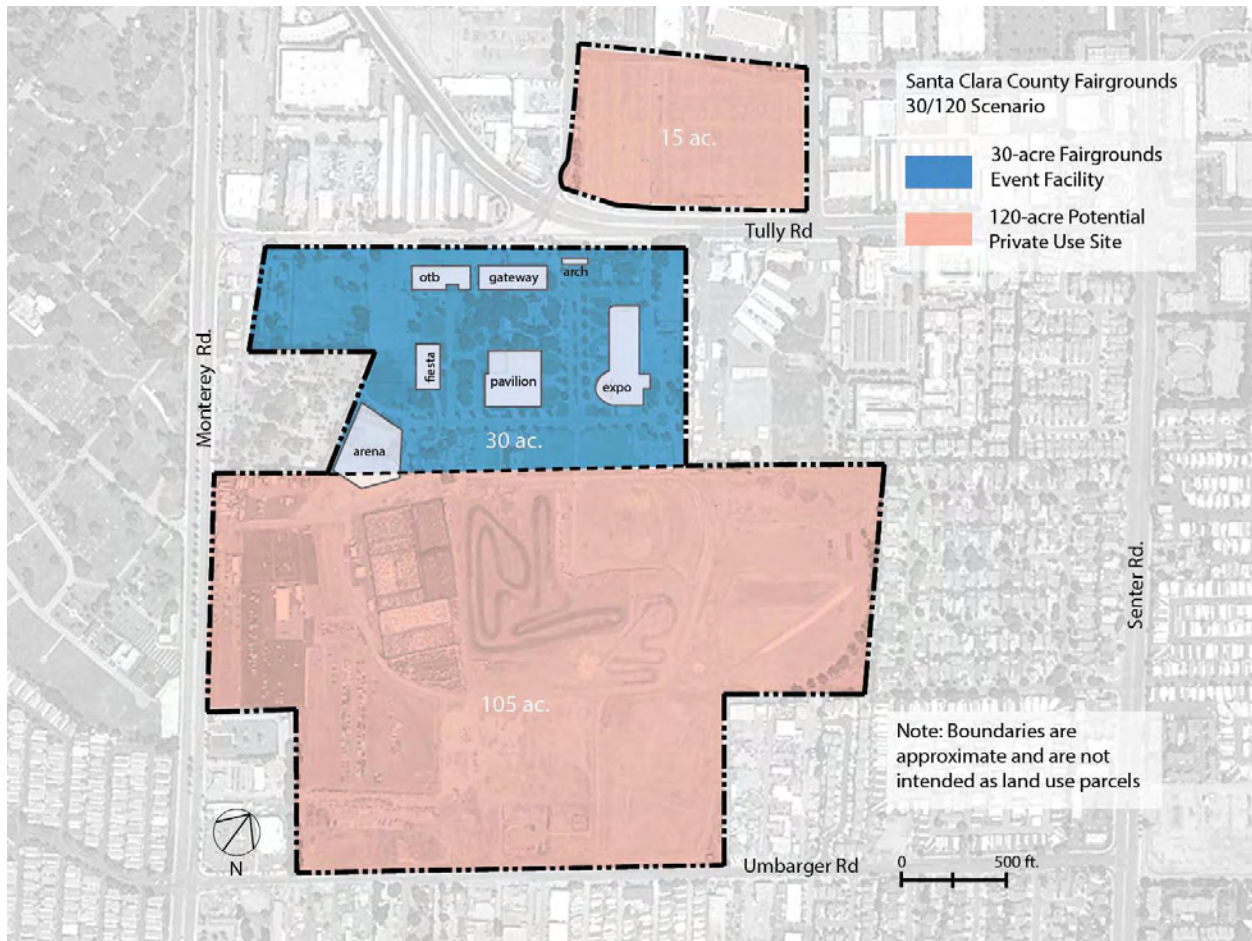
Existing Condition

This option maintains the core Fairgrounds site at its current size of approximately 40 acres (exclusive of overflow parking, horse show, or County Fair carnival areas), with the remaining 110 acres available for various other purposes per the existing condition.



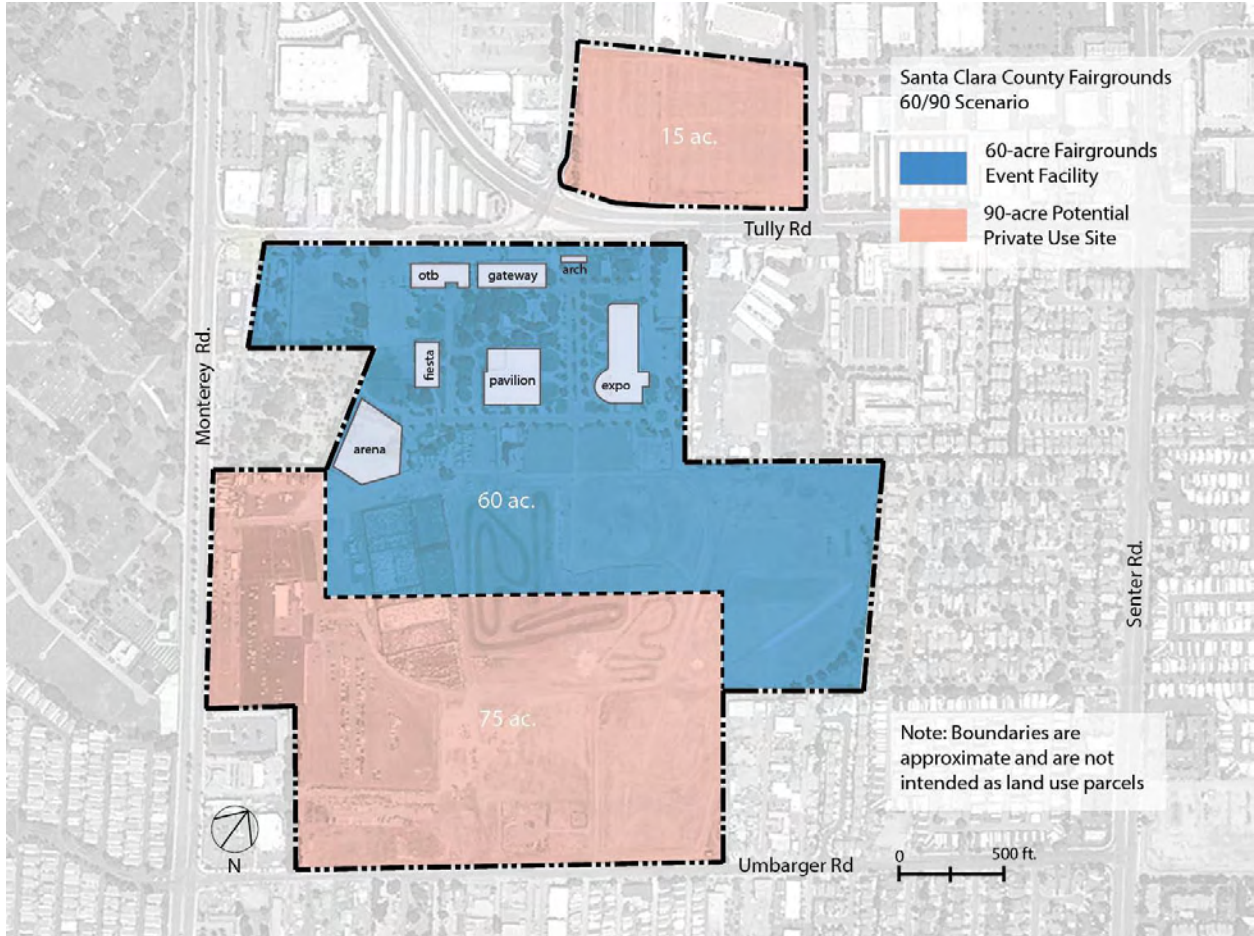
30/120 Scenario

This option would reduce the Fairgrounds/event facilities area to 30 acres (20% of the site), resulting in 120 acres of land available for revenue-generating private uses. This option represents a more compressed layout of Fairgrounds/event type uses and greater potential for revenue-generating private uses. If some existing buildings (such as Pavilion, Fiesta, and Expo Hall) are maintained, the existing Fairgrounds core would remain largely unchanged. However, current facilities for parking, equestrian events, arena and County Fair carnival site would need to be modified and/or reduced.



60/90 Scenario

This option would allow modest expansion of the future Fairgrounds Event Facilities from 40 acres to 60 acres (40% of the site), allowing for possible new or upgraded facilities and outdoor spaces that could support improved site efficiency or additional events. The rest of the available land (90 acres) would be allocated to various revenue-generating private uses. This option, like the others, could allow for a shared use of parking facilities, open space, and site circulation.



90/60 Scenario

This option would expand the Fairgrounds/event facilities from the existing 40 acres to 90 acres (60% of the site), while allocating 60 acres for the revenue-generating private uses. Allocation of these additional Fair/event facilities acres could allow construction of larger scale new buildings, such as an Exposition Hall, and might support a wider range of event programming. However, this option limits the area available for private, revenue-producing development.

