

Berryessa Flea Market Status Report

City Council
May 13, 2025
Item 8.1

Presenter:
Blage Zelalich, Deputy Director
City Manager's Office of Economic Development and Cultural Affairs

| Background: City Council Direction - June 2021

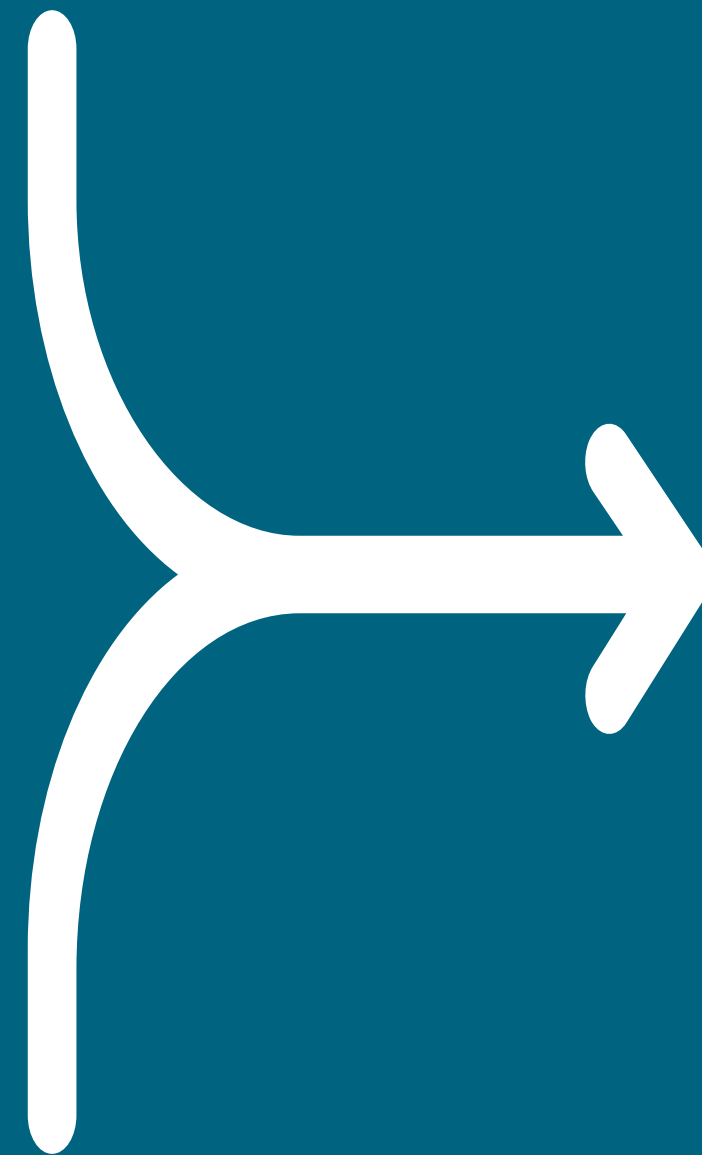
Vendor Outreach and Resources

Vendor Transition Fund

Flea Market Advisory Group

Five-Acre, On-site Urban Market

Economic/Feasibility Studies



Support Berryessa
Flea Market vendors
through the
redevelopment of
the site

|Vendor Outreach, Engagement, and Support

- Direct stall-to-stall outreach
- Text messaging
- E-mail communication
- Advisory Group check-ins
- Online resource hub at sjeconomy.com/FleaMarketVendors

Mission Asset Fund engaged to provide services along with direct outreach to the vendor community.



Milestone	Thru February 2025
Outreach Events	65
Outreach Attendees	267
1:1 Technical Assistance	104
Group Technical Assistance	165
Loan Applications Approved	53
Total Loans Disbursed	\$131,500

| Market Studies

Economic and Cultural Impact

- Major economic hub: attracts 836K-1.7M visitors annually and generates \$20M-\$40M in sales
- Supports 1,000+ jobs
- Low stall rents facilitate incubation of several successful businesses
- Family-friendly attraction in San Jose with diverse offerings and cultural significance

Operational Models Report

- Generates \$5.7M annually - low overhead, prime location, diverse revenue streams
- Relocation challenges include high land costs, vendor loss, and replicating success
- Markets without long-term leases or property ownership have struggled
- Future models could include a smaller market at the current site, a downsized location, or a multi-use space

|Market Studies

Alternative Sites Assessment

- Eight locations were analyzed based on trade area, demographics, traffic patterns, facility size, parking, access, and feasibility.

Five-acre market on the current site
Singleton landfill
Remillard landfill
Santa Teresa/Great Oaks

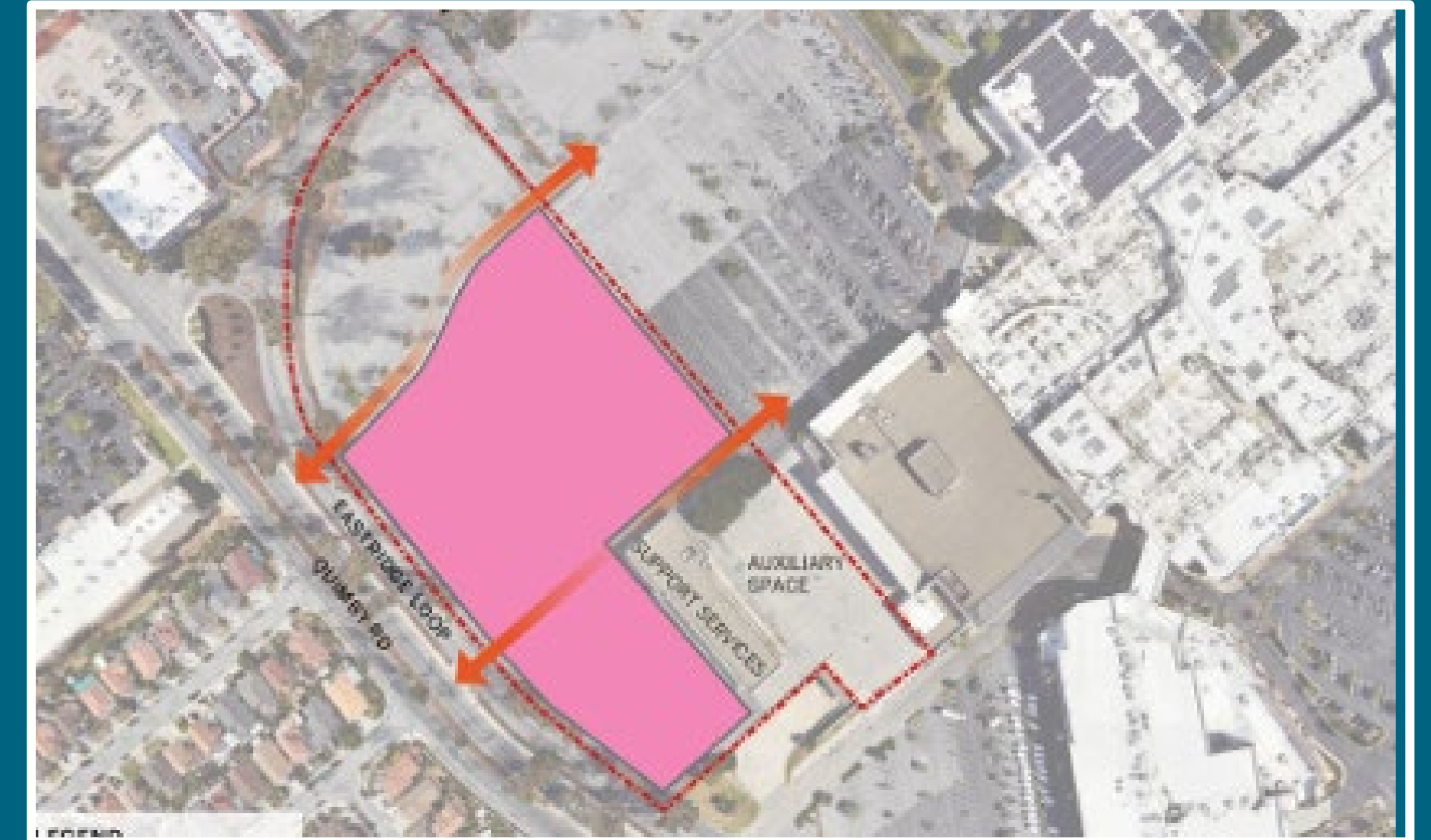
Evergreen Center
Former Sears at Eastridge Mall
Santa Clara County Fairgrounds
City-owned land near Morgan Hill

- Three most viable options face issues like space limitations, environmental concerns, and ownership restrictions.

| Market Studies - Alternative Sites Assessment

Former Sears at Eastridge

- Considered for short-term use, but has space and renovation challenges
- Uncertainty around the current Flea Market's closure and timing of funding for tenant improvements
- Owner desires an immediate arrangement



Santa Clara County Fairgrounds

- Transition in Fairgrounds operating personnel
- County's ownership and redevelopment proposals limit City involvement



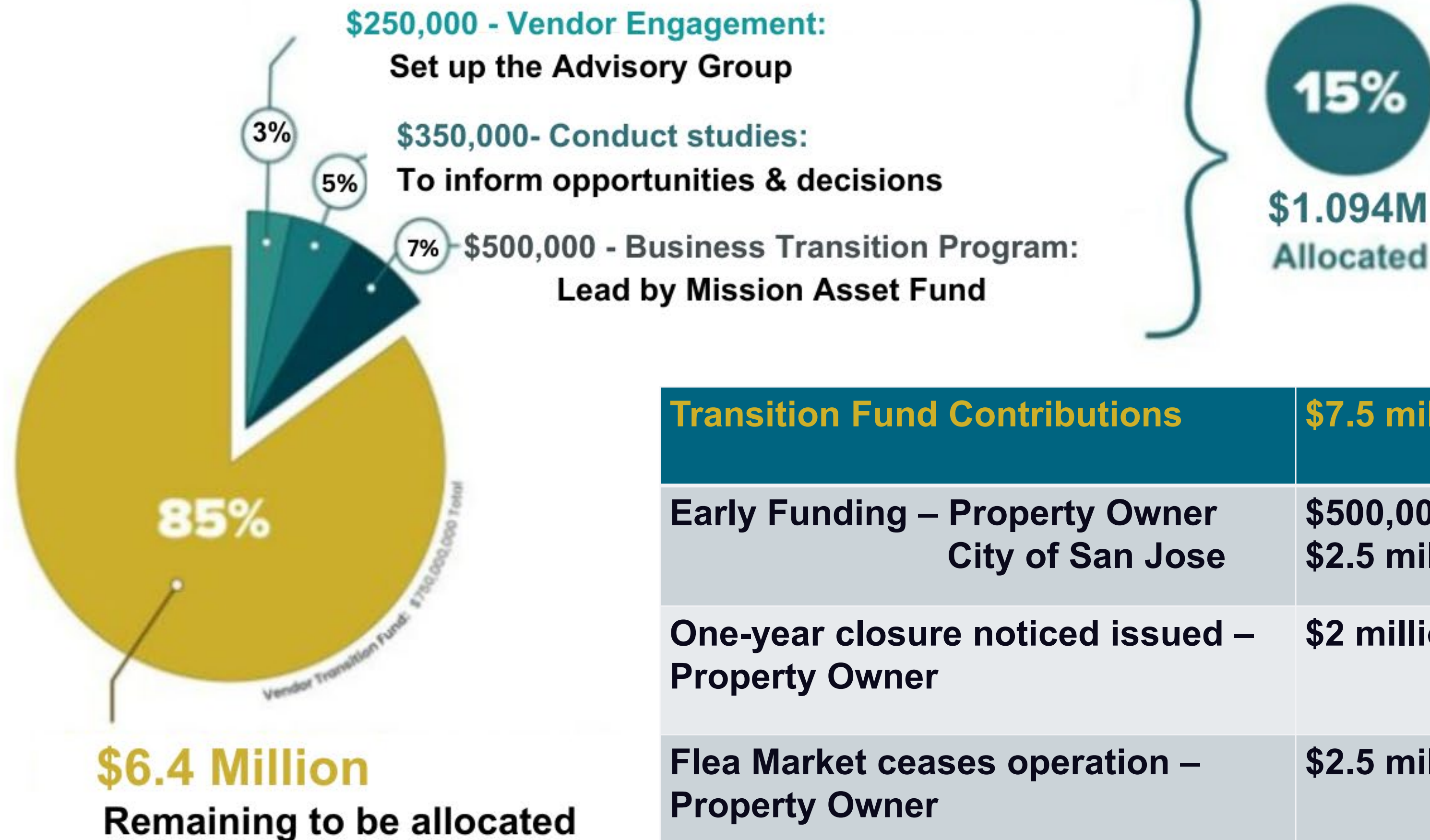
| Market Studies - Alternative Sites Assessment

Singleton Landfill

- City-owned site best long-term option
- Requires 3-5 years of environmental mitigation at \$3-4 million/acre for flea market use
- Additional construction costs significantly higher on landfill sites
- California Surplus Land Act requires prioritizes affordable housing development
- City denied an exemption from the Housing and Community Development Department for employment and revenue-generating development



| Vendor Transition Fund



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