

Berryessa Flea Market Status Report

Community & Economic Development Committee
March 24, 2025
Item d(2)

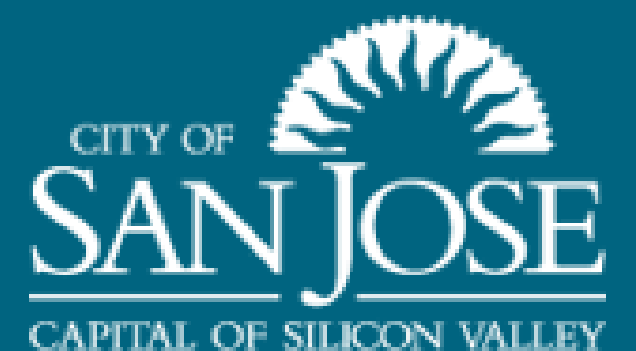
Office of Economic Development and Cultural Affairs:

Nanci Klein, Director

Blage Zelalich, Deputy Director

Nathan Donato-Weinstein, Downtown Manager

Jessica Munoz, East Side Economic Coordinator



| Background: City Council Direction - June 2021

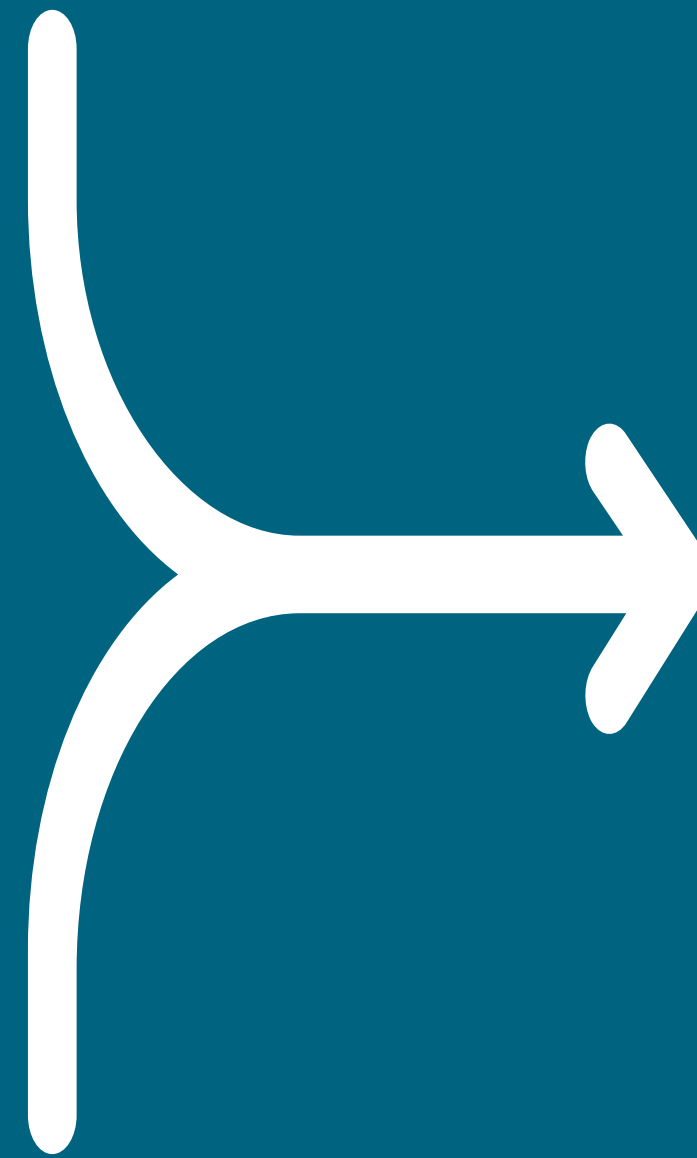
Vendor Engagement and Support

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 Engagement and Support

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



| Vendor Engagement and Support

Mission Asset Fund is a local nonprofit that helps low-income and immigrant communities with zero-interest loans, credit building, and financial education.

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



Milestone	Through 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 - Berryessa Flea Market 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
- Diverse offerings and cultural significance make the Market a key family-friendly attraction in San José



| Market Studies – Operational Models

- \$5.7M generated 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

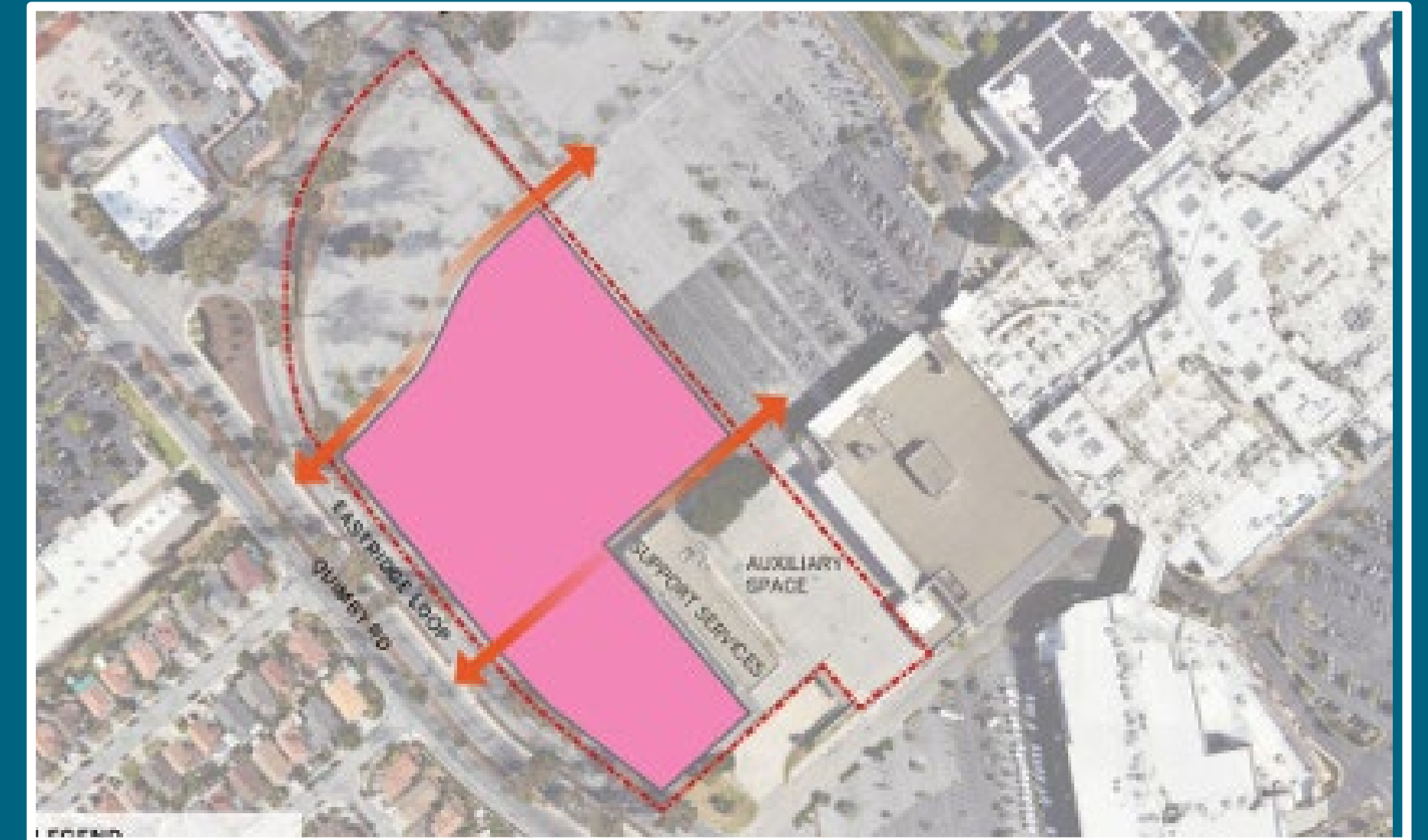
City-owned land near Morgan Hill

- 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 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
- Additional construction costs significantly higher on landfill sites
- California Surplus Land Act requires prioritizing affordable housing development
- City seeking an exemption from the Housing and Community Development Department for employment and revenue-generating development

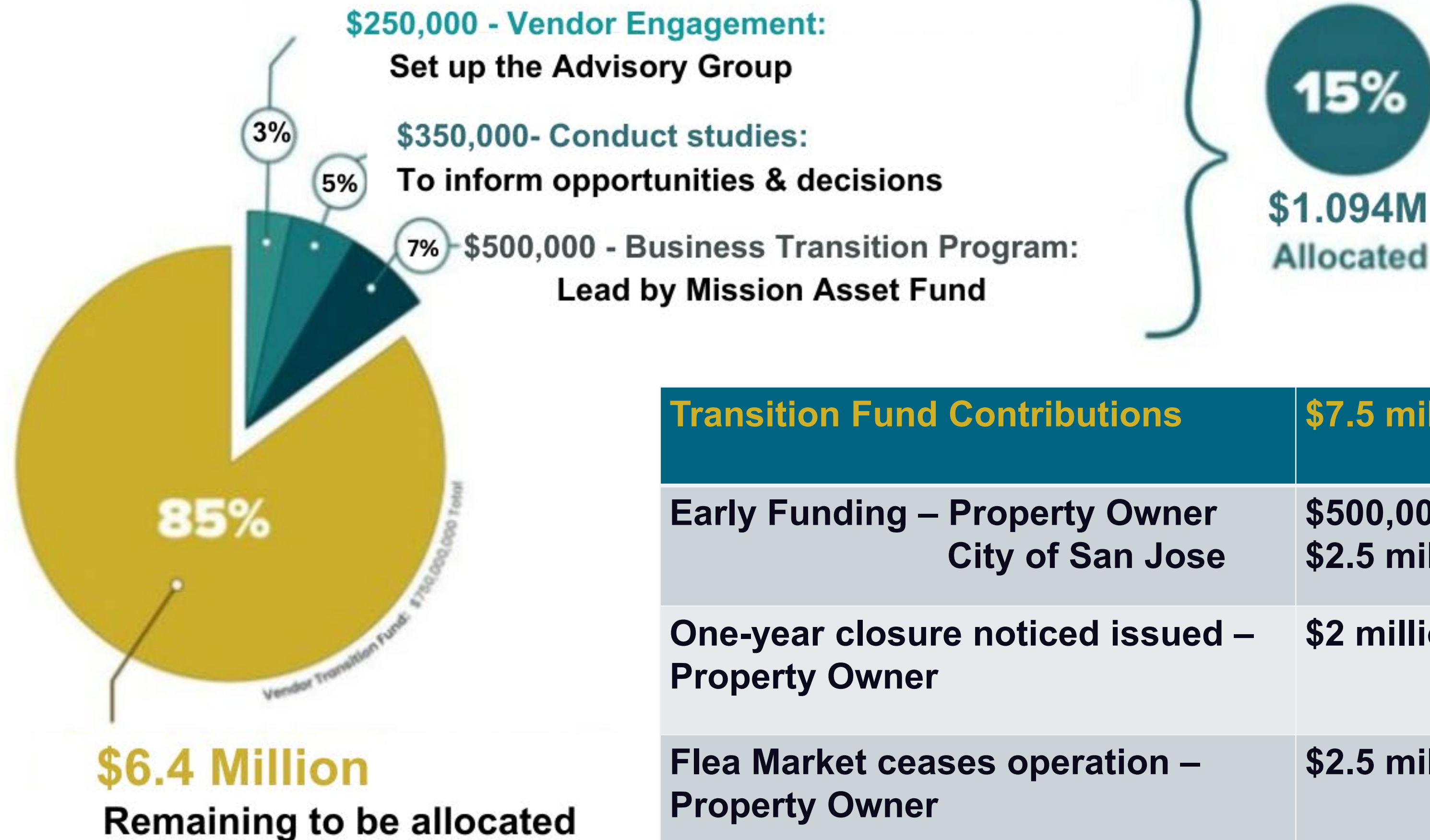


| Property Owner Status Report

January 2025

- One-year notice of Flea Market closure will come no earlier than July 1, 2025.
- Application for Master Planned Development permit and Tentative Map has not been re-submitted since an initial October 2023 withdrawal.
- No indication of an imminent redevelopment proposal for the site.

| Vendor Transition Fund



| Looking Forward

- Next Property Owner Status Report expected in June 2025.
- Continued evaluation of Singleton re-development potential.
- Staff work paced around site redevelopment.
- Future CED Committee updates will be included in OEDCA's Business Development Division Activities Annual report.



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