



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Nanci Klein

SUBJECT: BERRYESSA (SAN JOSÉ) FLEA
MARKET UPDATE

DATE: May 12, 2023

Approved		Date	5/12/23
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RECOMMENDATION

Accept the Flea Market Owner Quarterly Report and the Berryessa Flea Market Update report from the Office of Economic Development and Cultural Affairs.

BACKGROUND

On [June 29, 2021, City Council](#) approved the Berryessa Flea Market Southside Rezoning project. The project rezoned the site to allow up to 3,450 residential units and up to 3,400,000 square feet for commercial uses, as well as public plazas, parks, trails, and open space.

The project included a variety of measures intended to support vendors as the Flea Market site transitions to transit-oriented development. For example, the Planned Development zoning designates approximately five acres for an urban market. The project also included the requirement for the property owner to contribute \$5 million toward a new Flea Market Vendor Transition Fund (Fund) and for staff to establish a new Flea Market Advisory Group to consist of a supermajority of vendors. The general purpose of the Fund is to help vendors relocate to a new site or other location due to the redevelopment of the current Flea Market site. City Council has since allocated an additional \$2.5 million in City funding to support vendors, for a total of \$7.5 million.

City Council directed Office of Economic Development and Cultural Affairs (OEDCA) staff to reach out to vendors and offer resources and technical assistance and to initiate economic studies to assess the existing market and explore alternative sites for a future market. Lastly, City Council directed the Flea Market owners to submit written, quarterly status reports to the City to summarize planning, permitting, and construction activities and the displacement of any vendors. The Community and Economic Development (CED) Committee reviews these reports and receives them along with status updates from staff.

The following sections summarize progress toward implementing Council direction and the most recent [Quarterly Report](#) from the property owner.

ANALYSIS

Advisory Group

At the [March 28, 2023 City Council meeting](#), staff provided an update on establishing the Berryessa Flea Market Advisory Group (Advisory Group) and shared the Charter for the Advisory Group, which was based on extensive stakeholder engagement. The Charter established the membership criteria, member selection process, term lengths, and the roles of staff and the Advisory Group.

The [information memorandum](#) dated April 24, 2023, describes the member selection process and documents the City Manager's appointments of the initial Advisory Group members. To summarize, there are 11 voting members, including 10 vendor representatives and one property owner representative. Staff received nominations from the Berryessa Flea Market Vendor Association (BFVA) for six of the vendor seats and from the property owner for their seat and an alternate. For the remaining four vendor seats, staff conducted an application and evaluation process. Applications were accepted by paper, email, or online from February 22, 2023, through March 27, 2023. Staff received 13 applications. A panel of City staff evaluated the completed applications against the membership criteria set forth in the Charter and recommended the four applicants with the highest scores to the City Manager for appointment to the Advisory Group.

The Advisory Group is composed of a diverse group of representatives who bring a wide range of perspectives and expertise. The selected members are shown in the table below, along with their initial term length in years. The initial term length is based on their stated preference and the need for staggered terms (half will serve three years initially, while the others will serve the standard term of two years).

Name	Seat	Initial term length
Roberto Gonzalez	BFVA Nominee 1	3
Olga Chervyakovq	BFVA Nominee 2	3
Mariana Mejia	BFVA Nominee 3	3
Israel Garcia	BFVA Nominee 4	2
Erika Barajas	BFVA Nominee 5	2
Alma Jacobo	BFVA Nominee 6	2
Jimmy Hernandez	General vendor seat 1	3

Humberto Ramos	General vendor seat 2	3
Maggie Castellon	General vendor seat 3	2
Isabel Kay Tuiro	General vendor seat 4	2
Patrick deTar	Property 1 - Primary	3
Thomas Bumb	Property 2 - Alternate	

Advisory Group meetings will be open to the public and will include time for non-members to comment. Meetings will include interpretation in Spanish and Vietnamese. While the Advisory Group will be the focus of vendor engagement efforts, staff will utilize other communication channels and work with Advisory Group members to reach out, inform, and involve the broader vendor community in the process.

The first Advisory Group meeting is scheduled for May 17, 2023, at the Berryessa Community Center at 7:00 p.m. This meeting will focus on laying the groundwork for working together. Background information and updates on the Advisory Group—including meeting agendas and presentations are located at <https://www.sjeconomy.com/FleaMarketVendors>.

Planning for the Future Market

As directed by City Council, staff hired a consultant team led by Estolano Advisors to conduct three interrelated studies. These studies include:

- Economic and cultural impact study of the existing Flea Market
- Research on potential operating models for any possible future market
- Alternative site assessment to explore potential relocation options

Staff will present the initial findings from these studies to the Advisory Group at future meetings.

On December 13, 2022, City Council approved the new vendor support loan and technical assistance program to assist Berryessa Flea Market vendors. MAF, a local nonprofit organization that specializes in working with small businesses to help them achieve success, has been selected to provide technical assistance, grants, and 0% loans. The technical assistance and financial tools will help vendors navigate the transition process. MAF began outreach for the program on April 26, 2023.

Flea Market Owner Quarterly Reporting

In their latest [Quarterly Report](#), the property owners state that they will provide the one-year advanced notice of Flea Market closure prior to October 1, 2023 (instead of July 1, 2023, as previously required in the rezoning). This does not mean that the market will close on October 1,

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2024 – just that closure will not occur before then. The Quarterly Report noted two vendors were terminated for violation of the Flea Market License Agreement.

The Quarterly Report noted that the application for the Master Planned Development permit and Tentative Map is still under the City's review. The site layout in the application is consistent with the site plan in the approved rezoning from June 2021, and these applications would not change the amount or type of uses that could be built on the site, nor directly allow any construction or demolition. Staff is planning to take these applications to a Planning Director's hearing for approval later this year. Properties within 1,000 feet of the site will receive a notice in the mail once this hearing is scheduled.

EVALUATION AND FOLLOW-UP

The CED Committee will receive the next Flea Market status report in Fiscal Year 2023-2024. Staff may bring actions to City Council, depending on the high-level plan for the Vendor Transition Fund, which is the focus of the next four Advisory Group meetings.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.

/s/

NANCI KLEIN

Director of Economic Development and
Cultural Affairs

For questions, please contact Adolfo Ruelas, Business Development Officer, at (669) 259-5585.

ATTACHMENT

Flea Market Property Owner Quarterly Report