

Flea Market Advisory Group Meeting #4

September 11th, 2024

**Chào mừng và cảm ơn bạn
đã có mặt ở đây!**

**¡Bienvenidos y gracias por
estar aquí!**

**Welcome and thank you for
being here!**

Chúng tôi không có thông dịch viên tiếng Việt tối nay. Vui lòng cho nhân viên của chúng tôi biết nếu bạn muốn biết thêm thông tin sau cuộc họp.

Comenzaremos la reunión a las 6:30.

We will begin the meeting at 6:30.

SAN JOSÉ

| Welcome & Introductions

Flea Market Advisory Group

Erika Barajas

Maggie Castellon

Olga Chervyakova

Patrick deTar

Israel Garcia

Roberto Gonzalez

Jimmy Hernandez

Alma Jacobo

Mariana Mejia

Humberto Ramos

Isabel Kay Torro

| Introductions

San José Office of Economic Development and Cultural Affairs

Nanci Klein, Director

Blage Zelalich, Deputy Director

Nathan Donato-Weinstein, Downtown Manager

Carlos Velazquez, Public Information Manager

Estolano Advisors Team (Consultants)

Dena Belzer, Strategic Economics

Community Planning Collaborative, aka Baird + Driskell (Consultants)

Josh Abrams, Principal

Emily Robbins, Associate

Kristy Wang, Principal

| Agenda

- **Research Reports Overview + Operational Models Report**
- **Alternative Site Status Report**
- **Mission Asset Fund Update and Opportunities**
- **Public Comment (2 min per speaker)**

Desired Meeting Outcomes

- *Advisory Group will understand the operational models research*
- *Advisory Group will understand the pros and cons of the potential sites*
- *Vendors will learn about opportunities available from Mission Asset Fund*
- *No decisions will be made tonight*

| Group Agreements

- Step up, step back
- Assume good intent
- Be respectful
- Keep an open mind and be ready to learn
- Speak from your own lived experience
AND remember the perspectives of those
who are not in the room
- Stay on topic



| City Council Direction - June 2021

5-acre, on-site Urban Market

Vendor outreach and resources

Vendor Transition Fund

Economic/feasibility studies

Flea Market Advisory Group



Support Berryessa Flea
Market vendors
through the
redevelopment of the
site

Research Reports Overview



Research Reports Overview

1. Economic and Cultural Impact

- Explore and explain the Market's importance as an economic and cultural driver in Silicon Valley.
- **Expert: Strategic Economics (Dena)**

2. Market Operations Research

- Better understand the existing market's operating model and models for sustainable operations for a future market.
- **Expert: Strategic Economics (Dena)**

3. Alternative Site Analysis

- Explore and evaluate potential alternative sites for a new/relocated Flea Market.
- **Expert: Greensfelder Commercial Real Estate (David)**

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Operational Models Report

Overview of the Existing Berryessa Flea Market Operational Model

- Business Structure
- Vendor and Customer Base
- Facility and Infrastructure
- Key strengths: Size, Location, Critical Mass



Operational Models Report

Financial Analysis of the Existing Operational Model



- What is a Pro Forma?
- Estimating revenue and expenses
- Operating income – revenue after expenses

Operational Models Report

Key findings from the Pro Forma analysis

- The existing market appears profitable
- Expenses estimated at \$3.7M; include security, utilities, payroll, maintenance, etc.
- Operating income estimated at \$5.7M
- What makes the existing market profitable
 - No land carrying costs
 - Parking revenue (note: Capitol Flea does not charge for parking; admission is only \$1.50-\$2.50)



Operational Models Report

Comparative Case Studies



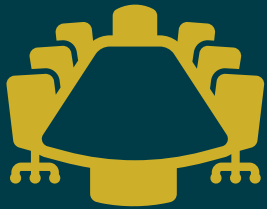
- Relocation often results in loss of vendors, hurting critical mass
- Redevelopment as a common theme; high land costs are a common challenge for relocation
- Importance of long-term lease, ownership, or vendor-driven models

Operational Models Report

Potential Future Options

- Alternative Models

Co-operative



Land Trust



- New Market Formats

Smaller Market



Multi-Use



Operational Models Report

Advisory Group Questions



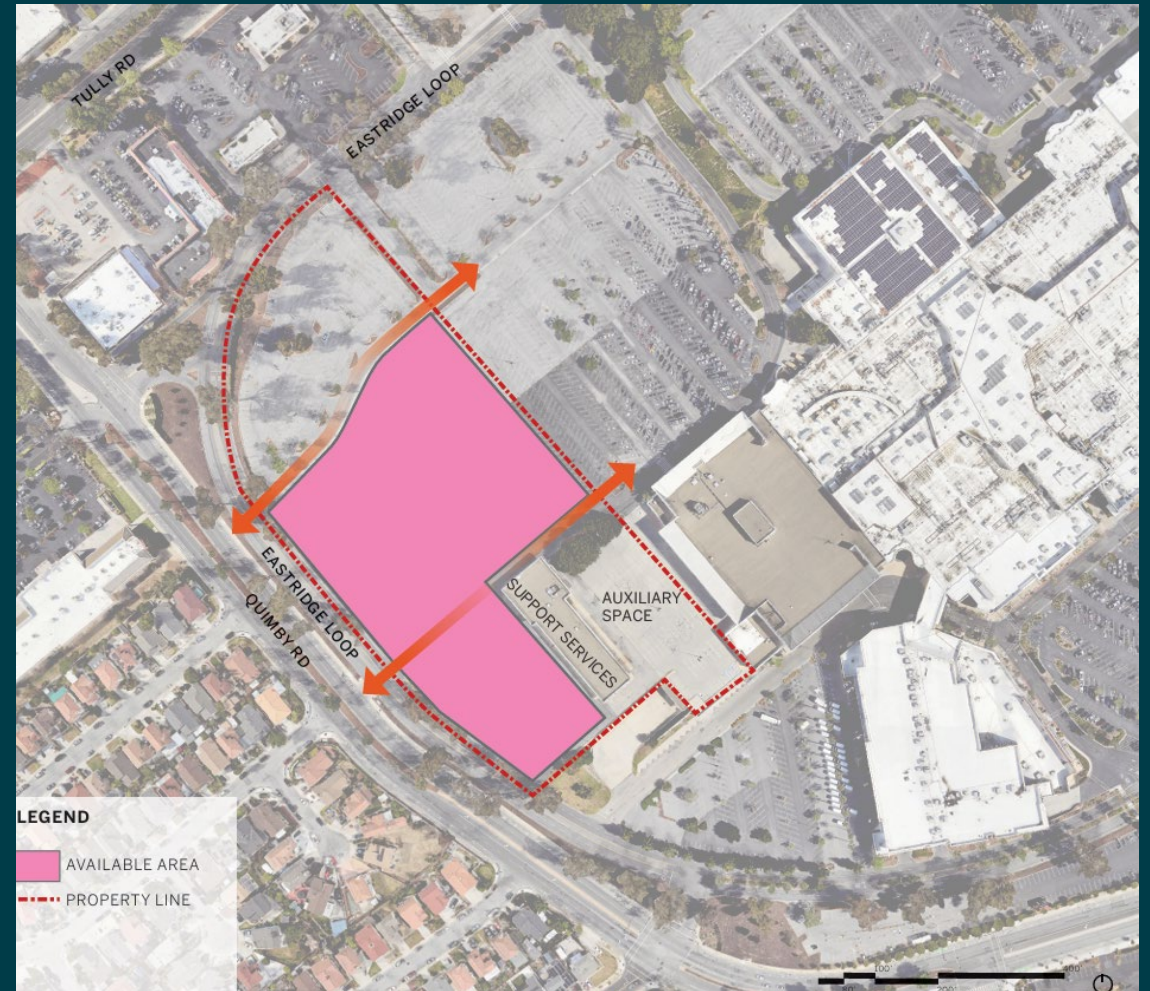
Alternative Site Status Report



Alternative Site Status Report

Site 1: Former Eastridge Sears: Opportunities

- Good location relative to customers
- Good freeway and roadway access
- On-site transit center (and future VTA light rail)
- Significant size building and land area
- Property owner willing to discuss/engage
- Portion of property outside airport flight path area of concern



Alternative Site Status Report

Site 1: Former Eastridge Sears: Status Report

Staff have been exploring possibilities

- Discussions with Owner (Tron Do, Intelli LLC) (and mall owner)
- Owns just the Sears buildings and parking
- Explored market indoor concept. Infeasible due to renovation requirements/costs
- Explored site plans/layouts with pro-bono architect focused on exterior



Alternative Site Status Report

Site 1: Former Eastridge Sears: Exploring potential site layouts



Configuration A: Maximum number of 10x10s; Not enough on-site parking



Configuration B: Fewer 10x10s, but still not enough on-site parking

Alternative Site Status Report

Site 1: Former Eastridge Sears: Challenges



Parking: Site layout constrained by parking requirement for Market. No ability to generate revenue from parking.



Competing uses: The Sears building will also need adequate parking for any future tenant. How to balance?



Sign-off from property owners: Macy's + mall owners

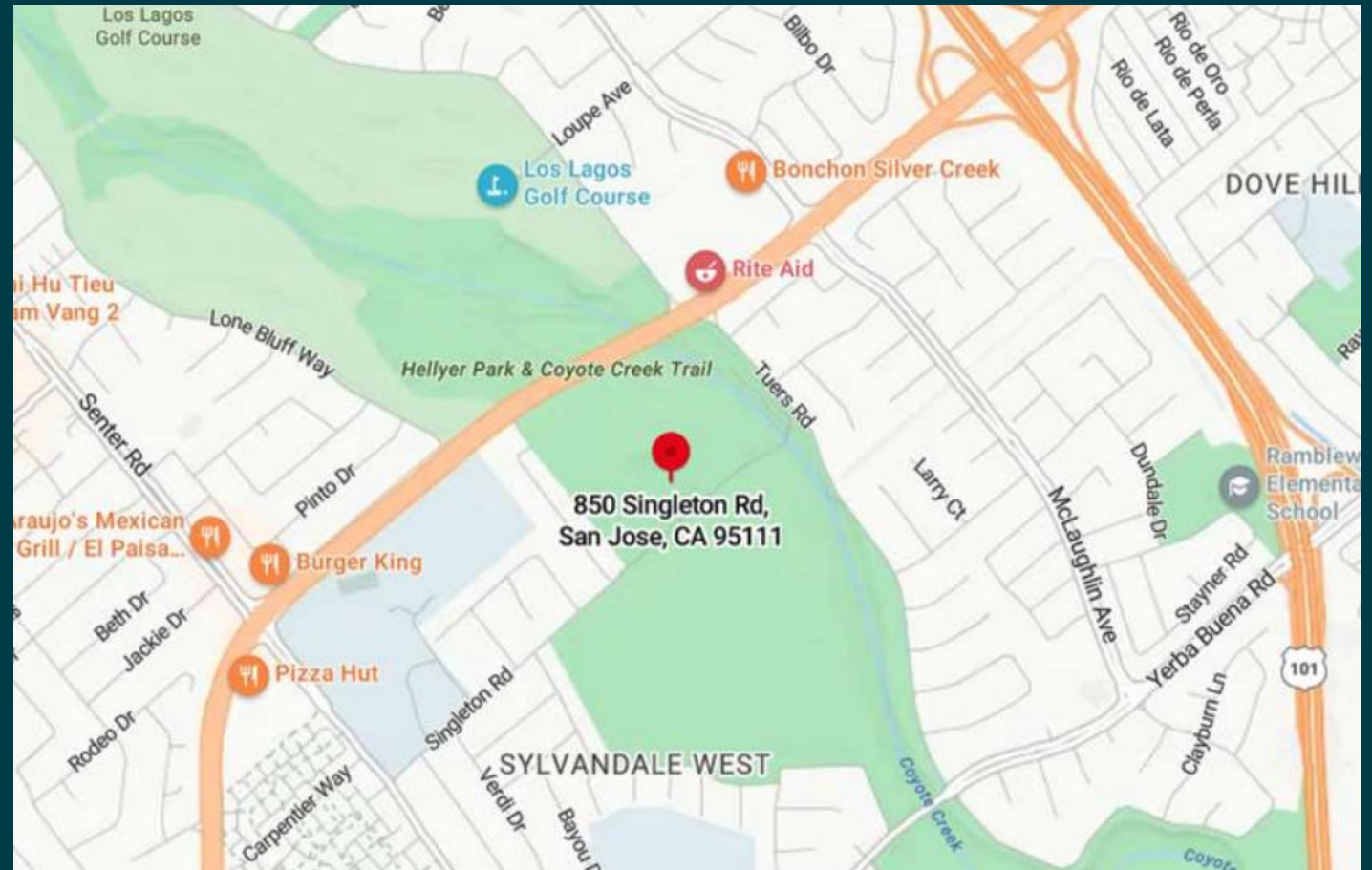


Timing: Timing of any lease deal lining up with Berryessa Market's potential closure. Funds from the Market owners are tied to closure milestones.

Alternative Site Status Report

Site 2: Former Singleton Site: Opportunities

- Good location relative to customers
- Good freeway and roadway access
- Large site
- Not a "bad" type of landfill
- Owned by the City



Alternative Site Status Report

Site 2: Former Singleton Site: Status Report

Staff have been exploring possibilities

- Explored nature of hazmat and range of costs, process
- Explored various potential development scenarios
- Researched legal requirements around City owned surplus land



Photo credit: KQED

Alternative Site Status Report

Site 2: Former Singleton Site: Challenges



**No definitive
Council direction to
pursue for this use.**



**Significant remediation
is needed; long lead
timeline (3 to 7 years)**



**Surplus Land Act
policy and multiple
state agency approvals**



**Outside developer
needed – City is not
developer.**

Alternative Site Status Report

Site 3: Fairgrounds

- Significant staff turnover
- County-owned and controlled property
- City has little or no input into development of Fairgrounds



Alternative Site Status Report

Advisory Group Questions





Berryessa Flea Market Advisory Group Meeting

September 11, 2024





**We are on a mission to help people become
visible, active, and successful
in their financial lives.**

Vendor victories

Rosa:

- Interested in growing her business by obtaining new inventory



Julio:

- He looked for an affordable loan to help him reduce his high-interest debt



Hector:

- Wanted to better understand his finances, both personal & business



Vendor victories

Rosa:

- Accessed capital to invest in new inventory
- The new inventory will be ready just in time for the holiday season



Julio:

- Accessed capital to consolidate high-cost debt
- Raised his credit score by 6 points & reduced debt by \$18k!



Hector:

- Connected with a financial coach & attended workshops
- Built a financial plan and his confidence with managing it



What else have we heard?

Business operations

Financial management

Access & knowledge



How have we supported?



Outreach

- 61 outreach events
- 145 attendees



Group Technical Assistance

- 77 group TA events
- 135 attendees



1:1 Technical Assistance

- 148 1:1 TA events
- 83 attendees



Access to Capital

- 42 loans approved
- \$104k in funds disbursed

What have we learned?

A community-based approach is needed to connect vendors with relevant support and resources, helping them overcome obstacles and thrive.



Berryessa vendors face unique challenges navigating the financial system, managing their businesses, and adapting to rising costs.

By investing in Berryessa vendors, we invest in the economic vitality and cultural richness of an entire community.

Connect with us

Financial Education Events

- **(Virtual) Disputing Errors on your Credit Report - 9/19/24**
- **(In person) Establishing Personal & Business Credit - 9/24/24**

Other Opportunities

- **(In-person) Tabling at Berryessa Flea Market - 9/21/24**
- **(Virtual) Individualized Business Coaching is available by appointment**





Thank you!

| Public Comment



| Wrap up

THANK YOU FOR JOINING US!

Stay tuned for the next meeting date and let us know if you have any questions or concerns.

FOR MORE INFORMATION

Website: www.sjeconomy.com/FleaMarketVendors

Email: fleamarketsj@sanjoseca.gov