

# Flea Market Advisory Group Meeting #2

## June 21, 2023

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

Chúng tôi không có thông dịch viên tiếng Việt tối nay. Nếu quý vị muốn một video có âm thanh tiếng Việt sau cuộc họp, viết tên và địa chỉ email hoặc số điện thoại của quý vị vào phần trò chuyện.

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

Comenzaremos la reunión  
a las 6:35.

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

We will begin the meeting  
at 6:35.

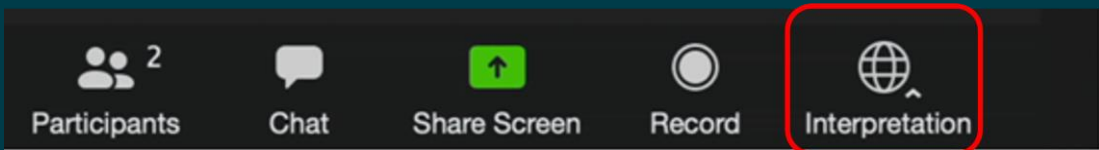
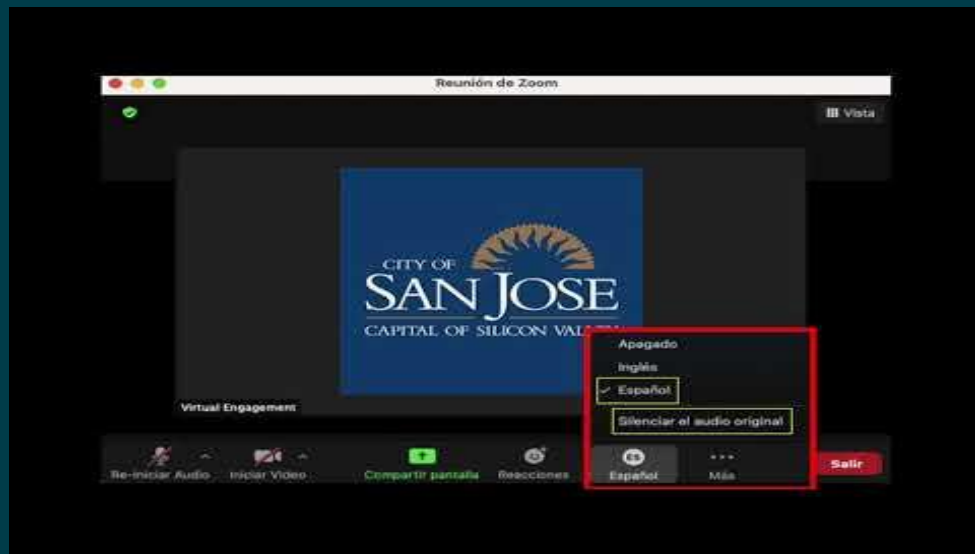


# | Instrucciones de interpretación

Habr  interpretaci n simult nea para esta reuni n en los siguientes idiomas: espa ol. Haga clic en el  cono de INTERPRETATION en su barra de herramientas para acceder al idioma deseado.

Nota: la presentaci n de diapositivas est  disponible en espa ol y vietnamita.

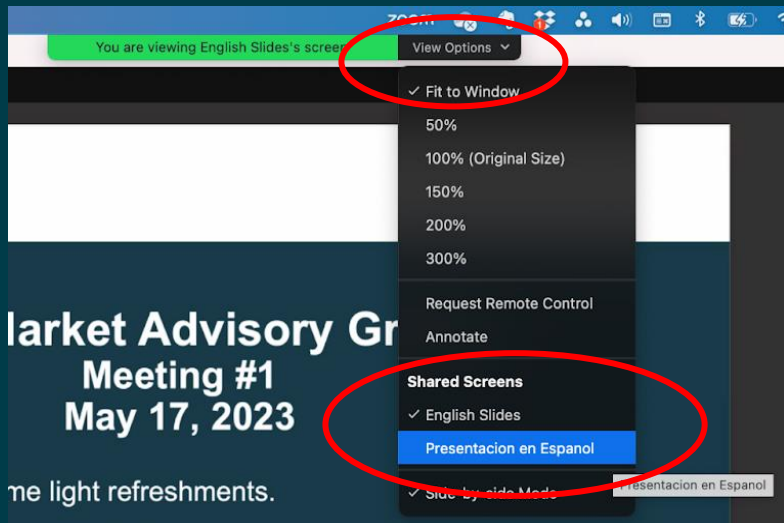
[www.sjeconomy.com/FleaMarketVendors](http://www.sjeconomy.com/FleaMarketVendors)



# Choosing Spanish or English Slides

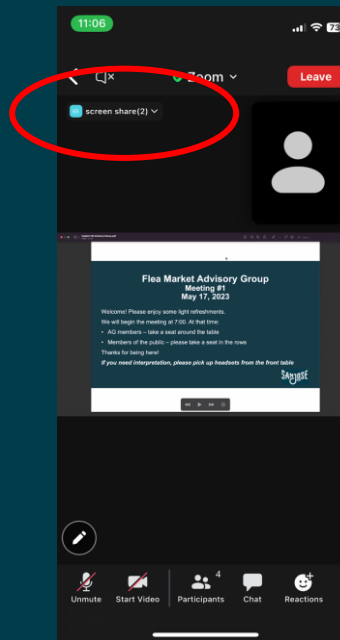
SANJOSE

ON A DESKTOP: Step 1: Choose "View Options" at top of window

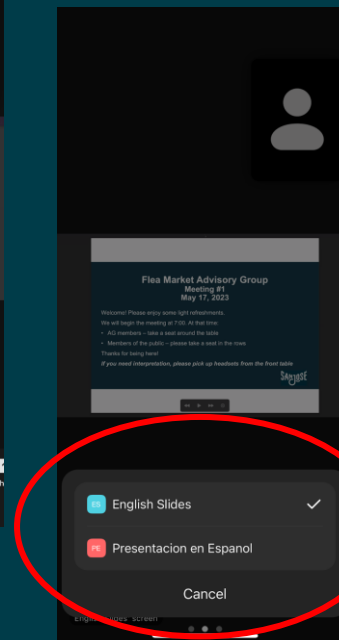


Step 2: Choose slides under "Shared Screens"

ON A MOBILE PHONE:

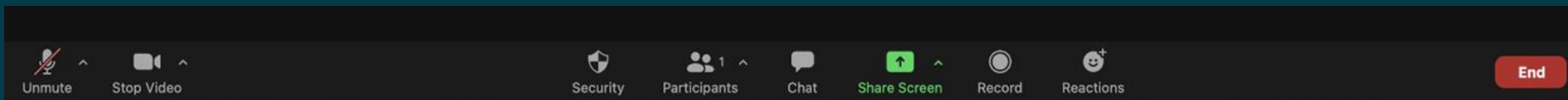


Step 1: select "screen share(2)"



Step 2: Choose slides

# Zoom Features



## MUTE/VIDEO

Please keep yourself muted unless speaking.

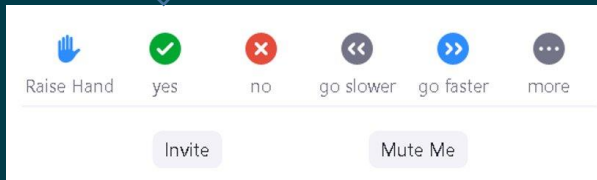
We'd love to see your face so keep video on if possible.

Click ^ arrow to unmute or adjust settings.

## PARTICIPANTS

Click to see who is in the meeting.

In some versions you can give non-verbal feedback.



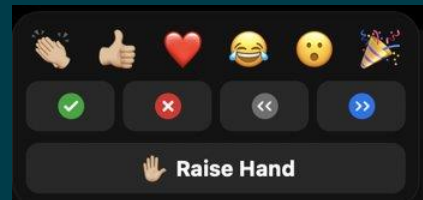
## CHAT

Enter your questions and comments when prompt

## REACTIONS

Provide a "thumbs up" if you like an idea.

In some versions you can give non-verbal feedback.



# | 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**

Nathan Donato-Weinstein, Downtown Manager

Nanci Klein, Director

Adolfo Ruelas, Business Development Officer

Lori Severino, Assistant to the City Manager

Carlos Velazquez, Public Information Manager

Blage Zelalich, Deputy Director

## **Estolano Advisors Team (Consultants)**

Arpita Banerjee, Strategic Economics

Dena Belzer, Strategic Economics

Chris Lepe, Mariposa Planning Solutions

David Greensfelder, Greensfelder Economics

Tulsi Patel, Estolano Advisors

## **Community Planning Collaborative, aka Baird + Driskell (Consultants)**

Josh Abrams, Principal

Vanessa Diaz, Associate

Victor Tran, Associate

Kristy Wang, Principal



# | Agenda

## **Section 1: Market Elements and Data**

- Presentation
- Advisory Group Q&A/discussion
- Public Comment #1 (2 min per speaker)

## **Section 2: Approach to the Alternative Site Assessment**

- Presentation
- Advisory Group Q&A/discussion
- Public Comment #2 (2 min per speaker)

# | 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

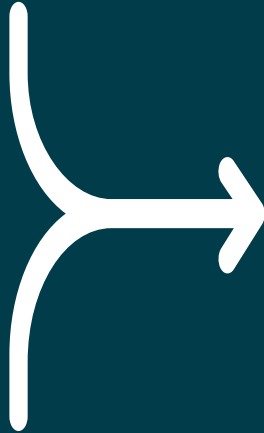
5-acre, on-site Urban Market

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

# | Estolano Studies



1. Economic and Cultural Impact Study



2. Alternative Site Assessment



3. Public Market Operations and Models

# | Types of Opportunities under Consideration

- Explore alternative sites for a potential market
- Join forces with projects underway – working with those potential partners to bring in Berryessa vendors
- Match businesses with vacant storefronts
- Match businesses with existing markets
- Expand online sales
- Support career transitions through job training programs

# | Meeting Agendas shared on May 17<sup>th</sup>

**June:** discuss approach and preliminary data

**August:** discuss findings of studies and potential opportunities

**September:** discuss all potential funding ideas and other supports to address vendor needs

**November:** Advisory Group recommendations on a high-level plan for the Vendor Transition Fund

# Learning Objectives

— — —

## Presentation #1

- Share high-level data about the scale and nature of the Berryessa Flea Market
- Establish shared understanding of the key elements that make for a functioning market (preview: business owners, customers, operator, facility, site)

## Presentation #2

- Learn about how we are identifying potential sites for a new market and assessing their feasibility
- Increase understanding of the cost considerations related to a market's overall functioning and success

# Market Elements

# All Markets Have Two Types of Key Elements

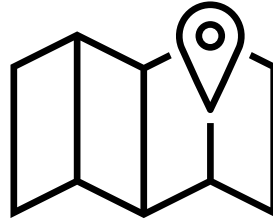
— — —

- **People**

- Business owners, customers, operator (& staff), property owner

- **Physical Place**

- Location
- Buildings and structures
- Infrastructure
- Land



*People:*  
**Market Business  
Owners  
(Vendors)**





# Market Businesses and Employment

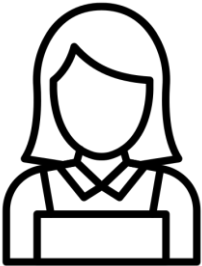
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At least 460+ businesses, although this number fluctuates.  
(Does not include daily reservations)

Each business owner has an average of 2.4 workers.

So, more than 1,000 people could be working for  
businesses that sell at the market.



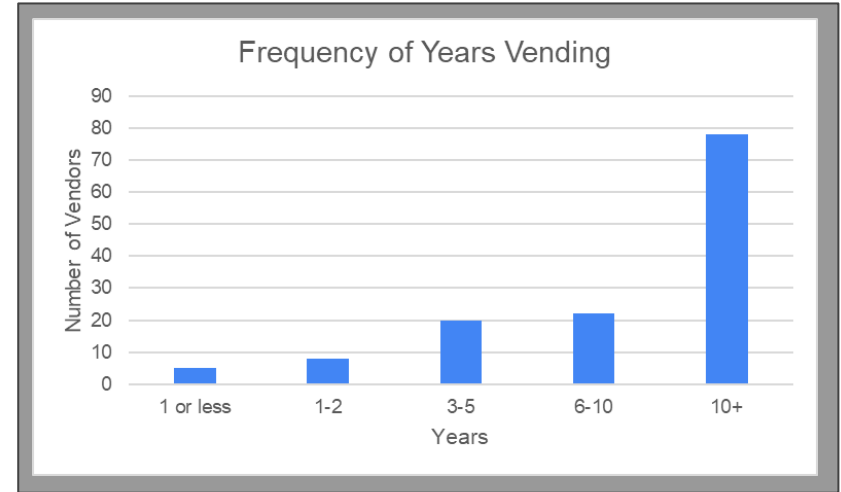
When counted all together along with operator's employees  
(81), Berryessa Flea Market would be in the top 50  
employers in the City.

Likely the densest concentration of small businesses in the  
South Bay.

# Vendor Survey: Business Characteristics

— — —

- Most businesses are long-term and have been operating at the market for 10+ years.
- Business is often a family affair; 81% of vendors have family members as employees.
- About 1/3 of vendors sell in multiple venues, including other markets, online, and in stores.



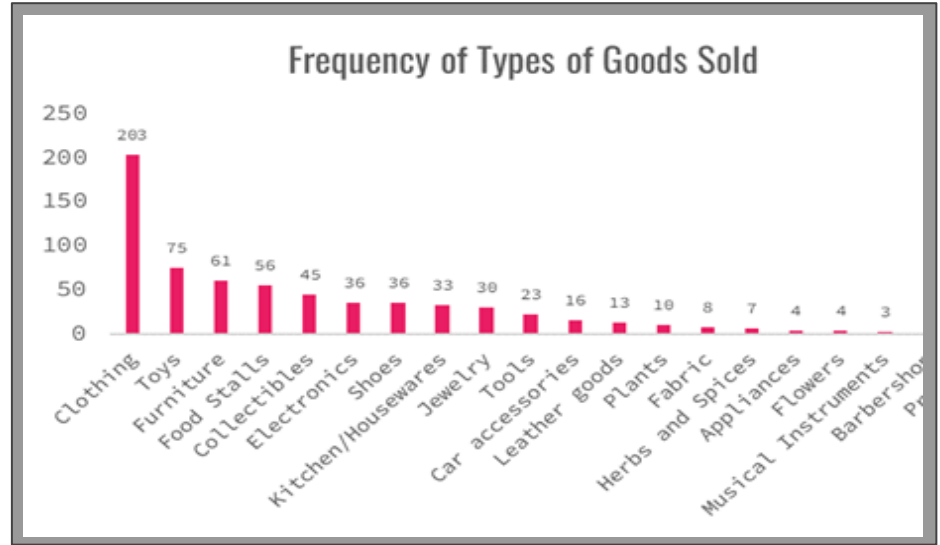
# Product Breakdown

— — —

The vast majority of businesses (91%) sold at least some new products.

Diverse product categories create a “department store”-like environment where many shopping needs can be satisfied.

Many businesses operate more than one stall — nearly half of stalls are part of a series.



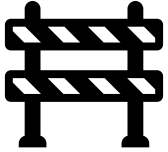
# Vendors Income and Opportunity

— — —

- 75 percent of vendors use their market businesses as their primary income. (Income estimates are still under development.)
- 50 percent of the vendors work full time on their businesses.
- 51 percent quit a job so they could work independently.
- 34 percent used vending income to put a child or grandchild through school.
- 25 percent of vendors used vending income to purchase a home.

# Economic and Cultural Impacts From Markets

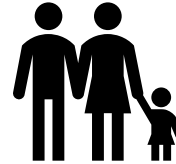
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Low barrier to entry



Microbusiness income 2.5X that of non-business owners



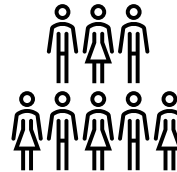
Intergenerational wealth creation



Cultural goods and amenities



Unique experience and sense of place



Size of market reinforces cultural impact

# Still under development/review

— — —

- Sales and income estimates for market vendors
- Revenue from market operations (parking, leases, etc.)
- Expenses from market operations
- Operational models
- Cultural impacts discussion

*People:*

# Market Customers



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- Se



Source: Placer.ai and customer survey <sup>24</sup>

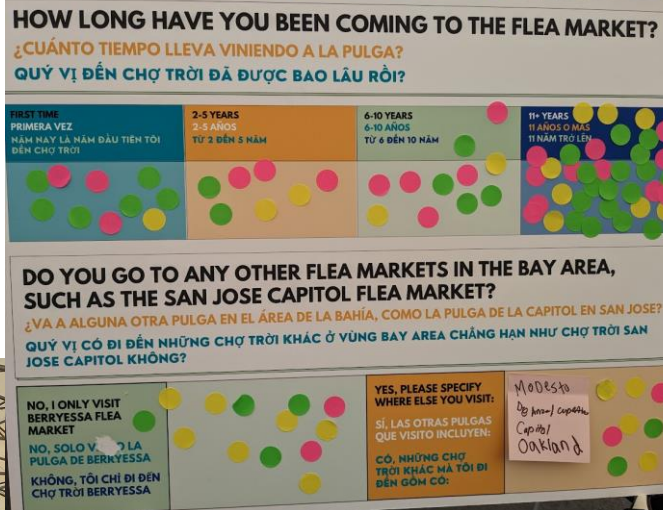


# Customer Visits Were Trending Up

- Customer visits to the area spiked in 2022 after years of plateau.
- The Berryessa Flea Market has consistently outperformed the other SJ market by visits.
- Rains in late 2022 and 2023 depressed visitor traffic.



# What Customers Told Us



# What Customers Told Us

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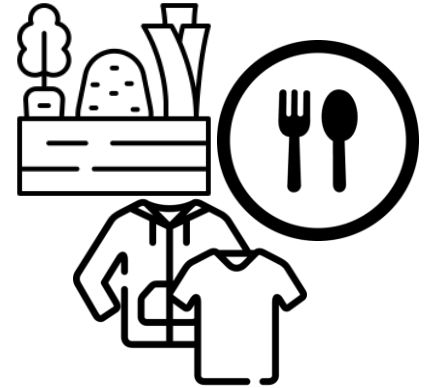
Most arrive  
by car - but  
like the  
transit  
access



Most are  
longtime  
patrons  
(11+ years)



Price &  
convenience  
are critical



Top draws:  
Produce,  
food and  
apparel

# What Customers Told Us

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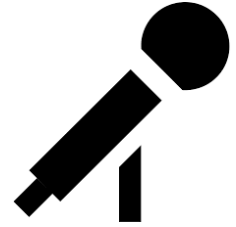
Social  
atmosphere



Outdoors -  
positive and  
negative



Shared  
language/  
culture is  
critical



Music/events  
are nice - but  
not a must

*People:*

# Market Operator



— — —



# Operator Key Duties



Manage  
rent/license  
agreements



Maintain and  
clean the  
facilities



Manage  
parking



Provide  
security



Provide  
staffing



Pay for  
utilities



Pay taxes &  
other  
expenses



Marketing



Insurance



Other  
administrative  
functions

*Physical Place:*

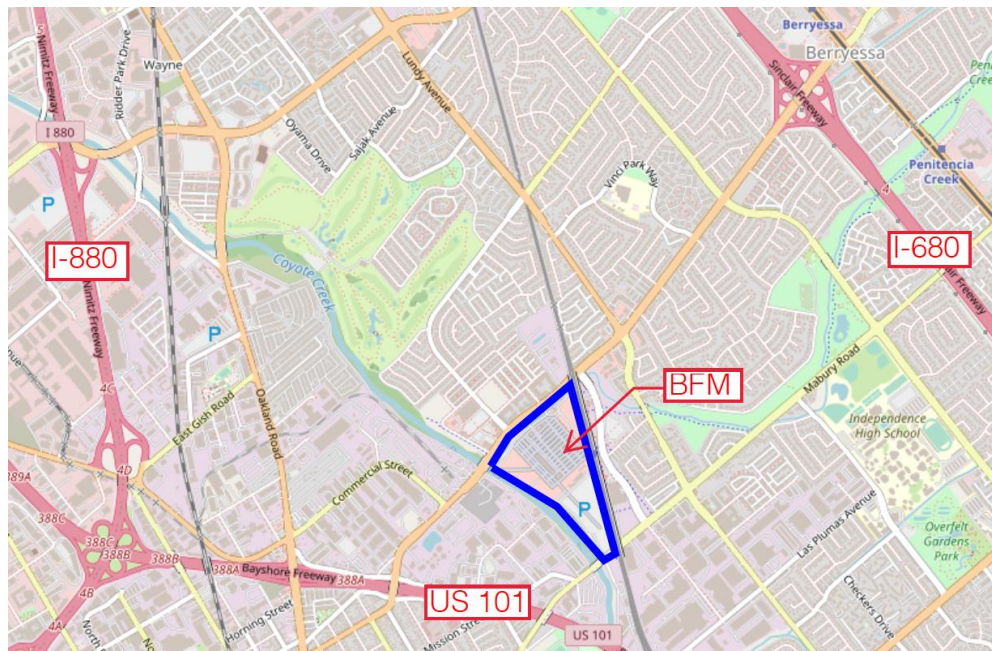
# Market Location and Facility



— — —

# What Makes the Berryessa Market Location Work?

- Extremely well located with multiple freeways and with good arterial circulation
- Centrally located with respect to the South Bay and East Bay generally
- In a highly populated and demographically diverse area
- Adjacent to new BART station





# Berryessa Market Facility

— — —

- 64 total acres (including 25 acres for market and 40 acres for parking)
- Outdoor market with various semi-permanent structures
- About 800 stalls; relatively low vacancy rate
- 3,575 parking spaces
- A majority of stalls have some kind of structure
- On site infrastructure: Utilities (full bathrooms, electricity)

# The Berryessa Market Is Unique

— — —

- Large area and large number of vendors → critical mass
- Structures and storage areas for businesses is rare among markets
- Excellent customer amenities (playgrounds, entertainment, ample seating and restrooms)
- Has some utility infrastructure
- Does not share land with another use
- Operator is also the property owner (unusual but not unique)

# | Advisory Group Discussion/Q&A #1

- What are your top 2-3 takeaways?
- What surprised you most?
- Does anything seem off or missing?



# | Public Comment #1



- Please raise your hand using the Zoom controls if you would like to speak. The facilitator will call on you to speak
- Depending on the number of speakers you will have 1-2 minutes to speak
- You may also provide written comment (in the chat)
- Staff or consultants may respond verbally tonight or in writing after the meeting
- Please keep your comments focused on tonight's Advisory Group agenda

# Alternative Site Assessment Update

# Approach

— — —

## Objective of the Alternative Site Assessment:

- Determine if there are any alternative sites in San José that could feasibly be developed with a new market for existing Berryessa vendors
- Understand the strengths, weaknesses, and constraints of the alternative sites from a real estate perspective

# Approach

— — —

## Iterative Process:

1. Determine the spatial needs
2. Understand the economics
3. Identify the assessment criteria
4. Identify sites to assess\*
5. Conduct the assessment\*
6. Discuss the results with the Advisory Group

\* *Work in progress*

# Ideal spatial needs

— — —

1. Capacity to support as many existing Berryessa vendors as possible
2. Space for:
  - Vehicle access, loading/unloading
  - Permanent stalls and/or on-site storage
  - Visitor amenities
    - Food and/or concessions
    - Live music and events
    - Clean, family-friendly, and accessible restrooms (with running water)
3. Parking for customers and vendors



# Economics of a market

— — —

	Vendor	Operator	Land Owner
Revenue	Sales	Rents from vendors Parking Concessions	Rent from operator
Expenses	Rent to operator Merchandise Expenses	Rent to land owner Operating Costs	Mortgage Property Taxes Maintenance Insurance

# Criteria (1 of 2)

— — —

1. Location
2. Proximity to customer base
3. Proximity to transportation network
4. Ability to control the site
5. Visibility (including signage potential)
5. Internal circulation
6. Availability of parking
7. Availability of utilities

# Criteria (2 of 2)

— — —

9. Size
10. Existing uses
11. How frequently could a market operate
12. Potential for permanent stalls and/or on-site storage
13. Potential to incorporate visitor amenities
14. Issues that would add significant time/costs, such as:
  - Zoning change required
  - Environmental constraint (flooding, riparian habitat)
  - Historic resources

# | Next Steps

Finish Alternative Site Assessment and Research on Operational Models



Report back to the Advisory Group



Depending on results, determine actions needed to establish a new market on the site(s) that holds the most promise

# | Example Actions

- Acquisition (if needed)
- Secure entitlements (zoning, permits, environmental review)
- Design
- Operating plan (link to Operational Models Research workstream)
- Funding and financing plan
- Business case (attract partners)
- Capacity building

# | Next Steps

Finish Alternative Site Assessment and Research on Operational Models



Report back to the Advisory Group



Depending on results, determine actions needed to establish a new market on the site(s) that holds the most promise



Discuss use of the Transition Fund to support these actions

# | Types of Opportunities under Consideration

- Explore alternative sites for a potential market
- Join forces with projects underway – working with those potential partners to bring in Berryessa vendors
- Match businesses with vacant storefronts
- Match businesses with existing markets
- Expand online sales
- Support career transitions through job training programs

## | Advisory Group Discussion/Q&A #2

- Do the spatial needs and criteria make sense?
- Are there other things that we should be considering?
- What are your top priorities?





# | Public Comment #2



- Please raise your hand using the Zoom controls if you would like to speak. The facilitator will call on you to speak
- Depending on the number of speakers you will have 1-2 minutes to speak
- You may also provide written comment (in the chat)
- Staff or consultants may respond verbally tonight or in writing after the meeting
- Please keep your comments focused on tonight's Advisory Group agenda

# | Wrap up

Thank you for being here!

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](http://www.sjeconomy.com/FleaMarketVendors)

Email: [fleamarketsj@sanjoseca.gov](mailto:fleamarketsj@sanjoseca.gov)

Call: Adolfo at 408-535-8181



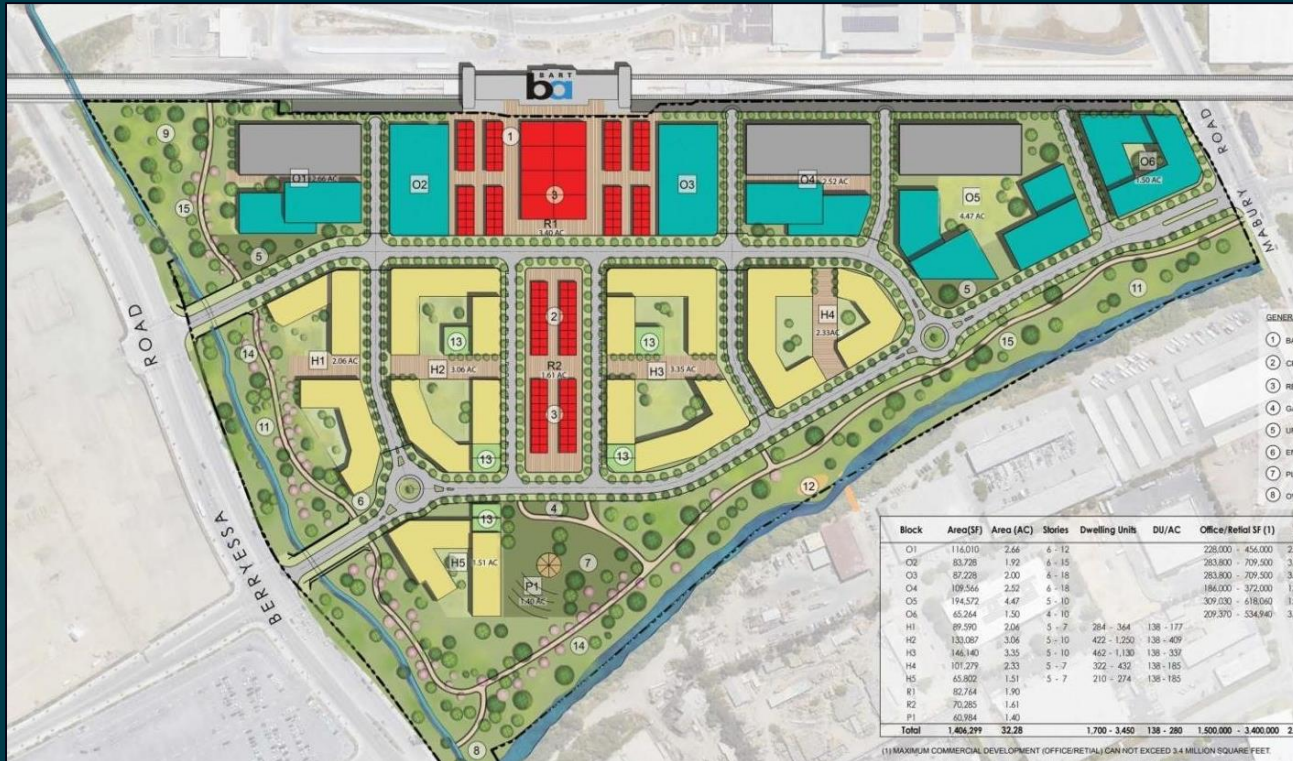
# Back-ups

# | Purpose of the Advisory Group

1. Advise the City Administration on:
  1. Allocation of the Vendor Transition Fund
  2. Design, operation, and parking of the new 5-acre urban market
  3. Process for allocating vendor space in the new 5-acre urban market
2. Assist the City administration with outreach to and engagement with the broader vendor community
3. Ensure coordination with the property owner(s) and its development partners on planning for the urban market area




# | Status of Redevelopment



# | One-year Notice

Earliest date that the property owners could issue a 1-year notice of market closure


**OCTOBER 2023**



Su	Mo	Tu	We	Th	Fr	Sa
	2	3	4	5	6	7
8	9	10	11	12	13	14
	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



Earliest date that the market might close

**OCTOBER 2024**



Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

# | Vendor Transition Fund

Funding Source		Amount
<b>Ready</b> 	1st contribution <i>from property owner</i>	+ \$500,000
	Lump sum contribution <i>by the City of San Jose</i>	+ \$2,500,000
<b>Pending</b> 	Planned 2nd contribution <i>from property owner</i> that *will be available when they issue a one-year notice of market closure*	+ \$2,000,000
	Planned 3rd contribution <i>from property owner</i> that *will be available when the market closes*	+ \$2,500,000
<b>TOTAL</b>		<b>\$7,500,000</b>

# | Vendor Transition Fund

