

BAREC ECONOMICS

The BAREC developer selected by the State, SummerHill Homes, has publicly stated that the 17 acres of public land with his housing development would bring an annual income to the City of Santa Clara approximately \$70,000. There is no flexibility built into this amount because it would be locked into private housing forever. The City did no economic study to determine what other options might be possible for additional income for this property. The only plan that was ever discussed or considered is the one that was approved by the City Council in July, 2007. Shouldn't public land meet public needs including economic needs?

There is a conflict of interest with the developer and questions regarding the amount they will be paying for the property. SummerHill Homes is owned by a UC Regent, George Marcus. On December 22, 2000 Marcus was appointed as UC Regent and until the spring of 2003 BAREC was owned by the UC Regents. On March 8, 2003, before BAREC was offered to other developers as required by law SummerHill Homes and the State of California made an application for a General Plan Amendment for the BAREC 17 acres. It was not until February 11, 2003 that the Santa Clara City Council voted to approve housing on BAREC but the exact amount of private housing had not been voted upon. How can SummerHill change the General Plan with housing plans they created in less than one month unless they had been working behind closed doors without the public's knowledge on plans?

The State and the City refuse to tell citizens the price SummerHill will be paying for BAREC. The community questions the City and State's approach to the BAREC economics for the following reasons: the appraised value is about \$3 million per acre (\$51 total price), there is a conflict of interest, that the State says they need money but refuses to give its citizens the land's purchase price, the State continues to own land throughout the state without selling or listing it, the State and City appear unconcerned about the cost of health issues to the community from the historical pesticide activities on the site, the developer will make at least \$50 million dollars profit and leave nothing for the City of Santa Clara.

The community has explored alternative funding sources through foundations and government programs but cannot resolve income funding until the political issues are resolved. Note that the State is required by law to offer the land to State and local governments before it is offered to private developers. They did not do this. There are two written State offers for BAREC. See #5, #6 and #10 in the BAREC Legislative Summit Report on these issues.

Although the State threatens the community with "other institutional uses" if they do not get the developer plan they want, the State has no money to build or manage such institutions. Note also that "The State has never challenged a city on a zoning issue." This was stated by Jeff Crone, Senior Real Estate Officer, California State Dept. of General Services. Note also that because of the Referendum process and the community

collecting 6000 signatures in three weeks, the community has the right to decide BAREC's zoning.

In the five years since the State closed BAREC it has begun to realize the importance of urban agriculture and local food issues. This is demonstrated in "The California UC Alumni Magazine" (May-June, 2007) cover issue on urban agriculture and Governor Schwarzenegger's new California School Garden Week program. See #11 in the BAREC Legislative Summit Report for details on these. These are some reasons why there needs to be a re-evaluation of BAREC's future as per the recommendation of the legislators and community leaders who attended the BAREC Legislative Summit on June 16, 2007.

If there was more mixed use for the land then there would be more income generated to the City. Following are ways to bring more income to the city:

1. "A new park will maximize the property tax revenue bonus a city receives. In so doing the city will move the park closer to economic self-sufficiency. Studies show that land values within a 5 to 6 block radius of a large park increase the land values by at least 20 percent." Dr. John Compton, "The Impact of Parks on Property Values: A Review of the Empirical Evidence"
2. "The City [Santa Clara] loses money with housing as it is costly to maintain it." Geoffrey Goodfellow, Director of Planning, Santa Clara, at a BAREC community meeting in January 2003.
3. Consider unique ideas for retail which would connect to BAREC and the Valley's history and are not found in the South Bay. The best example is at San Francisco's Ferry Building which currently is the home for the Center for Urban Education about Sustainable Agriculture (CUESA) <http://www.ferryplazafarmersmarket.com>. There is a need for organic restaurants in the county and for a place for farmers to sell their produce year-round similar to those stores at the Ferry Building. The only place left for this is on the BAREC land.
4. "The average acre of farmland in San Francisco earns \$123,000 per year." This comes from writer and radio commentator Michael Olson in Metro Farm, a Guide to Growing a Big Profit on a Small Parcel of Land (www.metrofarm.com).
5. "This property is unique in California. It is considered the State's leader in the rural/urban interface issues. We are fortunate to have it in the middle of our metropolitan community with excellent public transportation to it. As we become more urban, we will need it even more. It is also important that you recognize the importance of its history to our community and to the State and encourage City, State, and National Historical Registry status for it.

Because of its history and location, the potential to bring federal, state, and private foundation money to your City is tremendous. The permanent jobs this would create and the good it could bring would far outweigh a housing development that will only make it look like the rest of our paved over Valley and become a drain on the City's economy. The work done on the property could send out new little

business ideas all over your City and enrich it for years to come. Santa Clara has been far-sighted in its solar energy policies. I urge you to continue your environmental leadership and vote to keep this historically important piece of land agriculturally zoned.” Ted Smith, Director of the Silicon Valley Toxics Coalition in a letter to the Santa Clara City Council.

6. “Land is a non-renewable resource. It would seem shortsighted to make a dollar at the expense of what has been a resource for the greater community.” Vicki Moore, Greenbelt Alliance

7. BAREC has traditionally attracted the best and brightest horticultural and agricultural researchers in California. Keeping this energy even if it is in the form of a museum will bring unique forms of income especially tourist income.

8. “The United States market for organic products enjoys consistent annual growth of as much as 20% a year. The U.S. is importing 90% more organic products than it exports. I believe this is because the U.S. farmers are getting miniscule support for organic production while other countries including Mexico and China are embracing the organic market trend.” Mark Lipson, Policy Program Director at the Organic Farming Research Foundation.

8. Because BAREC is unique, creative thinking in its land use rather than treating it like everywhere else in the Valley could bring unique jobs into the City and county. For example, one environmental profession which is needed and not found anywhere in the Bay Area is Bioremediation and Biological Soil Testing experts. With BAREC as an example the State could help bring new diverse and needed jobs into our community. This is especially important given the “San Jose Mercury News” Special Report in their October 21, 2007 issue titled “Valley’s Hidden Pesticide Risk”.

BAREC has also addressed many global warming issues. The region’s only historical weather station for Santa Clara, San Mateo, and southern Alameda counties has been at BAREC since the 1930s. It also has the only two wells in the central portion of the Valley and these help us understand our Valley’s water table and the quality and quantity of its water. There is no current place to replace these. BAREC was the only place in the world where drought sod was researched. San Jose’s Green Waste Program was researched and created at BAREC as was the county’s compost program. Healthy soil will reduce water needs for plants by 50 to 75%. This is important because the landscape is the biggest user of urban water. All of these are global warming issues will not be addressed for our community without some of BAREC being preserved for these issues.

9. Ted Smith in a Letter to the San Jose City Council: “I am writing you to encourage you to follow up on the Council's vote on March 18, 2003: Direct staff to explore opportunities to obtain funding to assist in purchasing portions of the BAREC property The Committee directed Parks, Recreation and Neighborhood Services staff to work with the City and County of Santa Clara to explore funding opportunities including, but not limited to, submission of a joint application for a Land and Water Conservation Fund Grant from the State of California to assist in purchasing portions of the BAREC property, located in the City of Santa Clara, to allow for continued agricultural/open space uses.

The State has too quickly tried to sell this land to make it appear that your efforts were in vain. Since I have not seen a follow up on your vote and since the City of Santa Clara does not seem to know about your interests in helping them, I request that you continue this good work.”

Note that almost five years later the City of Santa Clara and the City of San Jose have not yet worked together on this issue and the entrance/safety issue even though San Jose bounds BAREC on two sides, all the addresses in the BAREC neighborhood have San Jose addresses (two sides are officially in the boundary of Santa Clara), and BAREC until after it closed had a San Jose address. For the sake of its citizens adjoining the two cities (especially those downwind from BAREC who have either died from or have cancer) both cities should stop their apparent distrust of each other and try to find some resolutions on the BAREC issues.

10. Communities engaged in smart growth planning will need to consider parks when completing not only the land use, agricultural, natural, and cultural resource, utility, and community facilities elements, but the housing element as well. For example, sighting a passive recreation park directly adjacent to low-to moderate-income housing may make it more difficult for the community to maintain the affordability of that housing, a fact that may be contrary to a community's smart growth planning desires. What is needed is an integrated approach to community planning that maximizes the potential for green infrastructure to approach economic self-sufficiency while still meeting community environmental, recreation, and social goals." Dr. John Compton, "The Impact of Parks on Property Values: A Review of the Empirical Evidence". It appears that this balanced kind of economic planning is missing in our Valley and in the City of Santa Clara.