

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: October 21, 2024
Reviewed by: NA

SUBJECT: Study Session on Status of Golden Gate Fields

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SUMMARY

On July 16, 2023, Golden Gate Fields announced that after more than 80 years it would be ending its operation as a horse racing track. The final races occurred in June 2024. The purpose of this study session is to provide the City Council with background information on the history of the Golden Gate Fields property, a summary of current conditions and constraints, and review potential scenarios and next steps for reuse of the site.

STAFF RECOMMENDATION

That the Council provide initial feedback on any potential next steps for City initiation.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Not applicable at this time. Any future changes to city land use regulations of the Golden Gate Fields property instigated by the City will require environmental review pursuant to the requirements of the California Environmental Quality Act.

BACKGROUND

Golden Gate Fields is an approximately 135-acre site comprised of five parcels bound by Buchanan Street to the north, Gilman Street to the south, I-80/580 to the east and the San Francisco Bay to the west. The larger approximately 107-acre parcel is located in the City of Albany and primarily consists of the racetrack itself, the grandstands, and the north parking lot. The approximately 28-acre parcel to the south, located in the City of Berkeley, primarily consists of the stables area. Although access to the site is available from Buchanan street, currently the primary vehicle access to the property is through the City of Berkeley using Gilman Street.

Physical Evolution of the Site

The Albany shoreline was historically located east of Golden Gate Fields. Fleming Point and what today is a portion of the footprint of grandstands was once an island, separated from the

East Bay shoreline by marshlands. The general area was home to the Ohlone people, and although unknown, the site may likely contain archeological resources and/or be classified as a cultural resource.



Figure 1 - Location Map

Most of the current land features were created in the last 150 years by placement of fill over bay mud and marshlands. In the late 1800s, Fleming Point was the site of a dynamite factory. By 1939, Santa Fe Southern Pacific Corporation owned most of Albany’s waterfront, and sold the site to the Golden Gate Turf Club to create the racetrack. The top portion of Fleming Point was removed and used as fill to build the track and parking lot. The racetrack was briefly opened in 1941 but quickly went into bankruptcy. During World War Two, the property was used by the US Navy as the Albany Naval Landing Force Equipment Depot to repair and store landing craft. The track reopened in 1947 and was operated continuously until its closure earlier this year.

Over the years, ownership changed hands. In 1998, the track was purchased by Magna Entertainment Corporation, a horse racing group controlled by Frank Stronach, a Canadian entrepreneur that founded a large international automobile parts company. In March 2009,

Magna Entertainment filed for bankruptcy. The Stronach Group, an organization controlled by the Stronach family, acquired Golden Gate Fields through the bankruptcy proceedings in 2011 and has since owned and operated the track.

DISCUSSION

Status of City Planning and Zoning of Golden Gate Fields

The Golden Gate Fields property currently has a general plan land use designation of Commercial Recreation (CR). The corresponding zoning designation is “Waterfront,” which provides for a limited range of water-oriented uses as follows:

- Park and Recreation Facilities (e.g. community centers, boat launching ramps and marinas)
- Utilities
- Bars and Restaurants
- Commercial Recreation/Entertainment. (e.g. live horse racing, golf, tennis, swimming)
- Marinas and boat launching ramps
- Nonresidential Parking facility
- Waterfront related Commercial Sales and Service

In 1990 Albany voters approved Measure C , the “Citizen’s’ Waterfront Approval Initiative”, which in summary, requires Albany voters to approve any change in General Plan, zoning ordinance, or zoning map for lands west of the I-580 freeway. This measure remains in effect today. Although there are several contemporary planning policies and actions that would be appropriate for the Golden Gate Fields property, Measure C currently precludes the City from making changes to land use regulations.

Any changes to Measure C itself, or amendments to the City’s General Plan and zoning code, will require an initiative to be placed on the ballot. The initiative can be placed on the ballot by either the City Council, subject to compliance with CEQA review, or by citizen initiative signed by 10% of the City’s registered voters (no CEQA required).

Recent History of Development Proposals

In 1994, the Albany City Council placed a measure on the ballot, as required by Measure C, to authorize changes to the municipal code, and a related development agreement, to allow a gaming cardroom at Golden Gate Fields. Albany voters approved the measure. Following voter approval, however, litigation was filed challenging the city’s process in placing the measure on the ballot. The California Court of Appeal ruled that the City’s placement of the measure on the ballot did not comply with the requirements of the California Environmental Quality Act, invalidating the measure and reversing the changes to zoning.

In 2001, Magna Entertainment proposed “Rancho San Antonio,” a 650,000-square-foot retail, commercial, and entertainment development project for the track properties in Albany and Berkeley. The project was withdrawn before action was taken by either city.

In 2006, Caruso Affiliated, a large Southern California retail and mixed-use real estate developer, in partnership with Magna Entertainment, began the process of applying to the City for development of an 800,000-square-foot retail shopping center in the north parking lot. The concept would have retained the racetrack. Caruso Affiliated proposed a pre-development agreement with the City that, among other things, would have required the City to complete the environmental review of the shopping center. The concept was withdrawn after the pre-development agreement was not approved by the City Council. Simultaneously, a citizen's initiative that would have limited the potential project and established an alternative planning process for the Golden Gate Fields property was not placed on the ballot because the Alameda County Superior Court ruled that there was a flaw in the public notice process associated with the initiative.



Figure 2 - 2006 Caruso Concept

Beginning in 2008, the City Council approved a consulting contract with Fern Tiger Associates to undertake an extensive community engagement process entitled “Voices to Vision” to determine the community’s vision for the Albany portion of Golden Gate Fields. In addition to extensive background research on the property, Fern Tiger and Associates conducted 80 interviews and 40 separate small neighborhood focus group meetings that ultimately involved approximately over 1,000 participants. The report arrived at a consensus concept that provided for development on 26% of the site. Uses that most participants found acceptable included a hotel, restaurants, bars, conference center, retail, and various public amenities. The concept also included 75 acres of open space that incorporated a 300-foot to 1,000-foot open space setback from the shoreline. The potential for housing development on the property was also discussed during the process but was not part of the consensus concept. In a survey of participants, 16% liked the idea of housing, another 16% were neutral, and the remaining respondents were opposed. The [final report](#) was accepted by the City Council on April 5, 2010, but due to Measure C, it was not adopted as formal city policy.

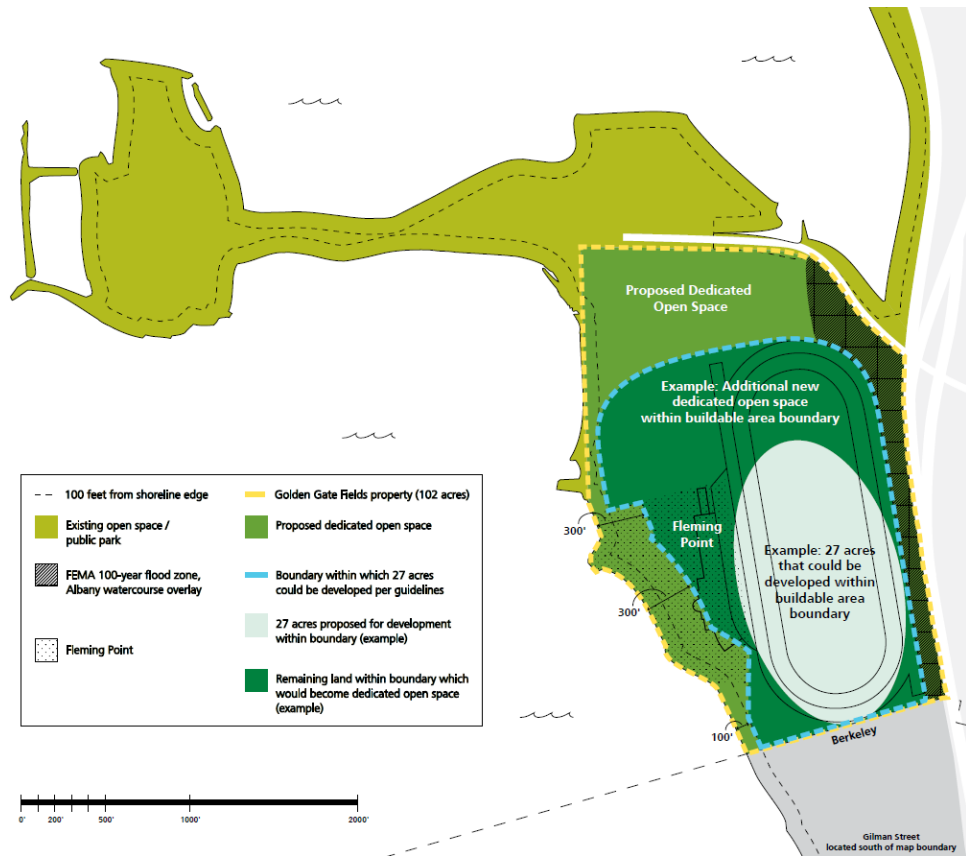


Figure 3 - Voice to Vision Consensus Concept

Beginning in 2011, the Lawrence Berkeley National Laboratory (LBNL) issued a request for proposals for a site to develop a large-scale second campus of additional research facilities that could not be accommodated on the main campus in the hills east of the UC Berkeley main campus. The Stronach Group prepared a proposal that included 2.6 million square feet of offices and laboratory related to LBNL’s mission. Also included in the concept was 150,000 square feet of retail development and a 160,000-square-foot hotel. The Stronach Group provided funding for the City to rehire Fern Tiger Associates to facilitate a citywide community engagement process entitled “Voices to Vision 2.” The LBNL site selection process was concluded by LBNL’s selection of a university owned site in Richmond as the preferred location for the second campus (ultimately the entire second campus initiative was cancelled by LBNL).



Figure 4 - Lawrence Berkeley Natl Lab Concept

Parks & Open Space on the Waterfront

- ***McLaughlin Eastshore State Park***

In December 2002, the publicly owned properties surrounding Golden Gate Fields were included in the Eastshore State Park. Nearby properties that make up the Albany portion of the Eastshore State Park are owned by the State of California Department of Parks and Recreation (State Parks), the East Bay Regional Park District (EBRPD), and the City of Albany. EBRPD manages and operates the State Park properties through an agreement with State Parks. The Golden Gate Fields property itself is not within the Eastshore State Park boundary.

Since the establishment of the Eastshore State Park, there have been several land transfers involving Golden Gate Fields. In 2003, Golden Gate Fields sold 16 acres of property to the EBRPD for the creation of the Tom Bates Regional Sports Complex. In addition, beginning in 2011, EBRPD began the process of acquiring a portion of the Golden Gate Fields property to make improvements to the Bay Trail and the Albany Beach. The eminent domain process concluded in 2019 with the transfer of 2.88 acres of property to the Park District.

Challenges Impacting Future Uses of the Golden Gate Fields Property

- ***Codornices Creek***

Codornices Creek is an important waterway that runs along the eastern edge of the Golden Gate Fields property, next to I-80, from the Berkeley/Albany border into a salt march at Buchanan Street. Codornices Creek is important both from an ecological perspective and from

a flood control perspective. In addition to City regulations, which are currently limited by Measure C, other agencies including the Federal Emergency Management Agency (FEMA), US Army Corps of Engineers, the Regional Water Quality Control Board, and the California Department of Fish and Wildlife have regulatory authority over the creek. It should be anticipated that a larger creek corridor will be required to accommodate ecological restoration and flood control improvements.

- ***Sewer/Storm Drain Infrastructure***

The existing sewer and storm drain infrastructure at Golden Gate Fields is old and limitedly dispersed throughout the site. Currently the Berkeley portion of the site is being serviced by City of Albany sewer lines. It is expected that all of the underground infrastructure such as sewer, storm drain systems, water service, and electrical service will need to be upgraded or realigned and replaced.

- ***Sea Level Rise***

Bay area wide sea level rise modeling indicates that sea level rise will begin to significantly impact the property at 36 inches of rise. Modeling predicts that the north side of the property would be inundated first, with inundation moving south as sea level increases. Ultimately, the only area that is not predicted to be impacted would be the area that was once the stand alone island which encompasses the land area from the grandstands westward towards Fleming Point.

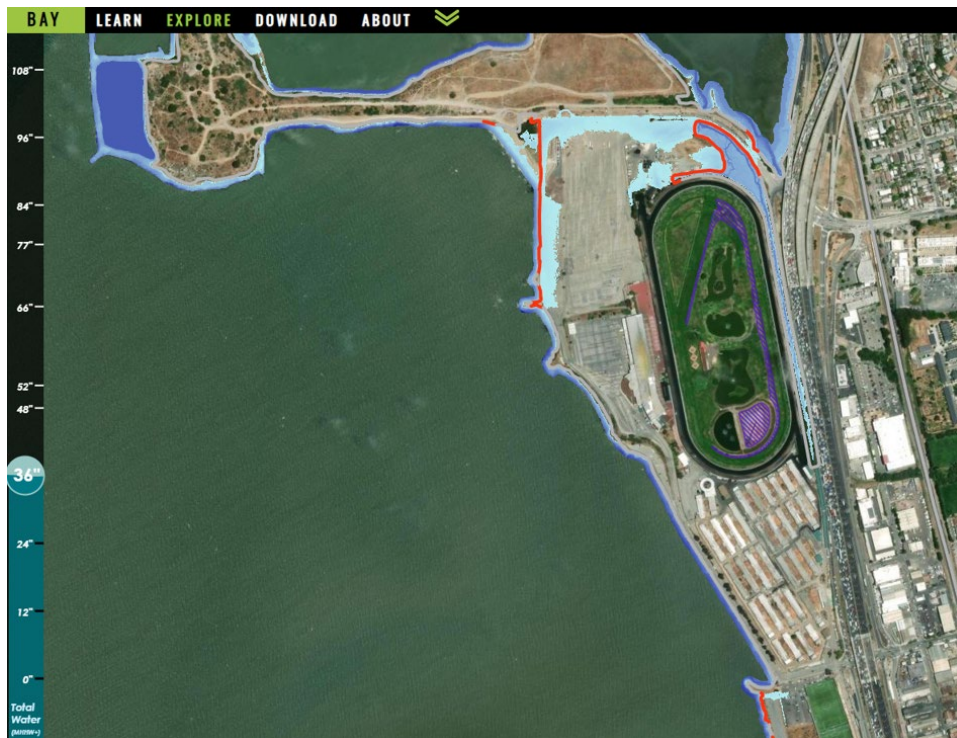


Figure 5 - 36 Inch Sea Level Rise Impacts

- **Connectivity**

Cut off by CalTrans I-80/580 Highway, the Golden Gate Fields property is geographically isolated from the rest of the City. While Gilman Street provides the main vehicle access to the site, the only access from within the city is via Buchanan Street. And while bike/pedestrian path routes are available along both routes, neither are “pedestrian” friendly and require crossing freeway on-ramps. Additionally, the site is not currently serviced by public transportation. The nearest bus stops are at Solano Avenue and San Pablo Avenue (Route 72) in Albany and at 6th and Gilman (Route 12) in Berkeley. Multi-agency (e.g. CalTrans, AC Transit, City of Berkeley) coordination would be required for reuse or future development of the site.



Figure 6 - Westward view toward Golden Gate Fields from Buchanan Street

- **Multi-Jurisdictional Coordination**

As noted, the Golden Gate Fields site is within the city limits of both Albany and Berkeley. Although land use regulation is discreet within each jurisdiction and any future development or reuse of the site can be pursued independently, due to the past history, current status and constraints (see above), it would behoove any property owner, future developer and the cities themselves, to work collaboratively, if not in coordination with one another.

In addition to the cities of Albany and Berkeley as lead agencies, any physical changes to the Golden Gate Fields property will involve coordination with a number of other government agencies and utilities. At the local and regional level, agencies will include the East Bay Regional Park District, Bay Conservation & Development Commission, East Bay Municipal Utility District, Regional Water Control Board, and PG&E. East Bay Parks is particularly important as a potential long-term partner in the development and operations of open space.

At the state and federal level, they include Caltrans, California Fish & Wildlife, California State Parks, Federal Emergency Management Agency, and the US Army Corps of Engineers. In the event hazardous materials are a factor, additional state or federal agencies are likely to become involved such as Department Toxic Substances Control or CalRecycle. In addition, if grants are received for various aspects of project planning and implementation, the granting agencies are expected to have a significant role.

ENVIRONMENTAL CLEARANCE

Any future changes to city land use regulations of the Golden Gate Fields property instigated by the City will require environmental review pursuant to the requirements of the California Environmental Quality Act.

SUSTAINABILITY CONSIDERATIONS

The Golden Gate Fields property is located in an environmentally sensitive location that presents an exceptional opportunity to be a showcase for sustainable development. Proactive establishment of policies and standards would ensure that future development meet the opportunity.

SOCIAL EQUITY & INCLUSIVITY CONSIDERATIONS

It is critical that the redevelopment of Golden Gate Fields is carried forth with a proactive and inclusive approach that achieves equitable access to opportunities and resources for all in the community.

FINANCIAL CONSIDERATIONS

Near-term Revenue Impacts

City revenues from Golden Gate Fields totaling nearly \$1.5 million per year come from a variety of tax and fee sources and provide funds for the City's General Fund as well as several special purpose revenue funds. Current estimated revenues include:

- General Fund revenues of approximately \$900,000 per year primarily from property and sales taxes as well as some fees
- Special Revenues of approximately \$500,000 per year including:
 - Emergency Medical Services fund
 - Sidewalk parcel tax
 - Sewer fund
 - Storm Drain & Streets assessments.

In addition, the Albany School District receives more than \$700,000 a year. The revenues come from a mix of property taxes, sales taxes, franchise taxes, and wagering taxes.

The current base "ad valorem" portion property tax received by the City is calculated based on assessed value. The "parcel tax" portion of property taxes is based on the number of parcels and parcel size. Property tax revenues are not expected to change significantly unless the valuation of the property is reassessed, or if portions of the site are transferred to a public agency or other non-taxable entity.

Sales taxes and wagering taxes generated by people attending events at the track are estimated to decline by over \$200,000 in the current fiscal year. Franchise taxes, which are calculated as

a percentage of the cost of utilities also will decline in the current fiscal year, as the use of utilities declines.

The primary city services currently provided at Golden Gate Fields are related public safety services. It is difficult to know whether the call for services will be impacted by the closure.

Long Term Fiscal Impacts

As part of future planning for redevelopment of the property, the city is conducting fiscal impact analyses of different mixes of land uses. Both revenues and service costs of various land uses can vary significantly. Land uses that generate high revenues and generate fewer demands on local services may be desirable from a fiscal perspective but may not be appropriate for this location. Alternatively large public recreation and open space areas can be an enormous community asset but would create long term fiscal challenges as service costs increase.

NEXT STEPS

It is difficult to predict how redevelopment of the Golden Gate Fields will evolve. To date, there have not been any significant proposals presented to City staff by Golden Gate Fields representatives, other public agencies, or by potential development partners since closure was announced. In all likelihood, Golden Gate Fields ownership would either sell or partner with a public agency or a real estate development entity to plan and implement redevelopment of the property. If sold to a public agency, most of the processes and decision making would fall outside the city's purview, though we would anticipate a certain degree of coordination to occur. If, however, the owners partner with or sell to a private development firm, it is anticipated that any future concept for redevelopment would undergo an extensive and potentially contentious planning process, leading to a ballot measure. Alternatively, the City may choose to spearhead a comprehensive planning initiative to guide future redevelopment, which also would require voter approval. This alternative could result in an update to the General Plan's Waterfront Element.

Regardless of future development scenarios, significant public investment in open space and infrastructure is likely to be required, of which the timing and availability can be difficult to predict.

Despite the uncertainty of how the redevelopment process will evolve, the following are generalized summary of future considerations and actions, specifically if redevelopment is not undertaken by a state agency or institution:

- A ballot measure will need to be approved by voters to make General Plan and rezoning amendments to adopt policies and standards for future development, to modernize open space requirements, and incorporate sea level rise and wetlands protection measures;
- Funding from future private development will be required to support city and school district services;
- Sewer and storm drain infrastructure improvements will be required, likely in collaboration with the City of Berkeley and East Bay Municipal Utility District;

- Open space improvements will need to be implemented and maintained, likely in collaboration with East Bay Regional Park District; and
- Physical connectivity improvements, likely in collaboration with CalTrans, City of Berkeley, Union Pacific Railroad, and AC Transit.

No action is required at this time. Planning for the future of Golden Gate Fields will be a consideration in future City Council strategic planning exercises as well as future city budget proposals.

Attachments

1. Measure C 1990
2. Link to City web page with background documents: [Golden Gate Fields Transition | City of Albany, CA \(albanyca.org\)](#)

PLANNING AND ZONING

Appendix B: Measure C

CITY OF ALBANY VOTER INITIATIVE MEASURE	
C MEASURE C: Do you vote to adopt an Initiative proposing an ordinance requiring voter approval of Waterfront planning decisions as it is set forth in the Voter Pamphlet?	YES
	NO

FULL TEXT OF MEASURE C

CITIZENS WATERFRONT APPROVAL INITIATIVE

SECTION 1. TITLE

This ordinance shall be known as and may be cited as the Citizens Waterfront Approval Initiative.

SECTION 2. FINDINGS AND PURPOSE.

The people of the City of Albany find that

- a. Major changes are proposed for the Albany Waterfront;
- b. Any potential change in the use of the Albany Waterfront is of great significance to the future revenues and financial obligations of the City, as well as to the enjoyment of the City by its citizens;
- c. The Waterfront lands comprise the largest and most significant remaining tract of land in the City suitable for development—approximately 15% of the total area of the City. Due to its large size, unique setting and environmental significance, any change in its use may irreversibly alter the character and composition of the City;
- d. The Waterfront is so important to the welfare of the City as a whole, that an additional step of voter approval should be added to the City's regular processes of Waterfront planning and approval.

SECTION 3. BOUNDARY.

As used in this ordinance, the "Waterfront", "Waterfront Lands", "Waterfront District" or "Waterfront Area" is defined as all the land within the city limits of Albany, that is on the west side of Interstate Highway 580.

SECTION 4. CITIZEN'S RIGHT TO VOTE.

A new Subsection 20-2.16(c) is hereby added to the Albany Municipal Code, Zoning Ordinance, and shall read as follows:

The following actions, if they authorize any use not authorized by the zoning ordinance for the Waterfront District as of the effective date of this ordinance, shall only be taken by passage of a ballot measure approved by a majority of voters voting.

1. Any amendment to the land use designations for the Waterfront Area in the City's General Plan;
2. The establishment of, or any material amendment to, the Waterfront Master Plan or other specific plan for the Waterfront area. The meaning of the phrase "material amendment" shall be defined in the Waterfront Master Plan itself or other specific plan for the Waterfront area itself;
3. Any amendment to the zoning ordinance for the Waterfront area including changes to the text and changes to the map of the Waterfront Area;

ALBANY CODE

Appendix B: Measure C, continued

4. The entry into any development agreement and/or any material amendment to a development agreement for the Waterfront Area. The meaning of the phrase "material amendment to a development agreement" shall be defined in the development agreement itself. A development agreement or an amendment to a development agreement shall be deemed "entered into" on the date that the election results approving the agreement or amendment are certified in the manner provided by the Elections Code.

SECTION 5. SEVERABILITY.

If any section, subsection, part, subpart, paragraph, subparagraph, clause or phrase of this ordinance, or any amendment or revision of this ordinance is for any reason held to be invalid, the remaining portions shall not be affected, but remain in full force and effect.

SECTION 6. AMENDMENT.

No part of this ordinance shall be amended or repealed except by passage of a ballot measure approved by a majority of voters voting.

SECTION 7. COSTS/COST SAVINGS.

When a development proposal or a developer requested amendment requires a ballot measure pursuant to this ordinance, then all costs related to that ballot measure shall be paid by the applicant developer.

When an action requires a ballot measure pursuant to this ordinance and the text of the related documents is longer than 2,000 words, then the City Attorney may draft a summary, and the city may mail that summary to the voters, in lieu of a full text.

SECTION 8. EFFECTIVE DATE.

If adopted, this ordinance shall be effective January 1, 1990.

CITY ATTORNEY ANALYSIS OF MEASURE C

This Measure, if approved by the voters, and if it receives more votes than Measure D, becomes an Ordinance and would add new sections to the City Code. The new sections would create an additional step of voter approval of City Council decisions made in the Waterfront Planning process.

Existing State and City laws require that land use decisions pertaining to the Waterfront only be made after a series of required public hearings before the Planning Commission and City Council. This planning process will take at least 15 months from the time development applications are submitted. If citizens were dissatisfied with these decisions, then present State Laws provide citizens with a right to require a vote through the referendum process. The passage of this Measure would automatically require voter approval of City Council decisions related to the Waterfront, without the requirement to submit a referendum petition.

A 'yes' vote on this Measure would mean that any decision to amend the General Plan or Zoning Ordinance, or any decision to enter into a development agreement or to create a specific plan or Waterfront Master Plan would require voter approval if such decisions authorized a change in use different than what was allowed in the Zoning Ordinance on December 31, 1989.

Revotes would be required for any subsequent amendments to the General Plan or Zoning Ordinance which authorized a change in use other than those permitted on December 31, 1989. Revotes would be required for 'material amendments' to a development agreement, specific plan, or Master Plans. The term 'material amendment' shall be defined in the particular document. The revote requirements are different than the revote requirements in Measure D.

This Measure also provides that any developer will pay for the costs of an election if the proposal requires a vote.