

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

Agenda Date: 10/10/05

Reviewed by: \_\_\_\_

**SUBJECT:** Golden Gate Fields property

**REPORT BY:** Beth Pollard, City Administrator

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**STAFF RECOMMENDATION**

1. Receive a staff-prepared Fact Sheet and other information on Golden Gate Fields, request any additional information, and direct staff to post the fact sheet on the City's web site in a location designated for City information on the Golden Gate Fields property.
2. Direct staff to establish a consultant team to advise the City on the Golden Gate Fields property; this team would cover areas such as law, land use and park planning, economics, environmental review, and any other specialized services that pertain to a potential development application, property acquisition, community plan development, and/or other processes directed by the City Council.
3. Authorize staff to establish a reimbursement agreement with Caruso Affiliated to pay for the City's staff time and consultant services related to its anticipated upcoming submittal of a proposal for development on the Golden Gate Fields property.

**BACKGROUND**

At its meeting of July 18, 2005, Council asked staff to prepare a fact sheet on Golden Gate Fields, and to report back on the issues of:

1. The creation of parks, open space, and trails on the property
2. Planning for the departure of the racetrack.
3. Maintaining revenues for the City and School District.
4. Cost and feasibility of preparing a Waterfront Master Plan
5. Asking the Parks & Recreation Commission and Waterfront Committee to plan a waterfront park

Since the Council action, the following have occurred:

- At its September meeting, the Waterfront Committee voted to request that the City Council start a community planning process to create a waterfront master

plan funded by the City and independent of any development proposal. Attached is a copy of the recommendation.

- On September 12, 2005, Rick Caruso, Caruso Affiliated, sent a letter to Albany residents in which states that he is proposing to build “an outdoor upscale, high quality mixed-use retail development on the parking lot of Golden Gate Fields,” lists what he says people have told him in meeting with almost 200 Albany residents, and that he will be unveiling a proposal in the next few weeks. A copy of the letter is attached.

## **DISCUSSION**

### **Fact Sheet**

Staff has prepared a fact sheet that includes information on the following:

- A. Summary of City characteristics
- B. Summary of Golden Gate Fields characteristics
- C. The horse racing industry in California
- D. Information on selected other Magna race tracks
- E. Information on Caruso Affiliated
- F. City controls over waterfront development
- G. Prior development proposals at Golden Gate Fields

There are also attachments with additional information:

1. Information on Eastshore State Park, Bay Trail, and Albany Bulb
2. Physical characteristics of Golden Gate Fields; geography and access
3. Background information on Magna International, Inc.
4. Information from California Horse Racing Board on take-out and handle
5. General Plan information, and Berkeley policies
6. Measure C
7. Aerial photo with property and jurisdiction boundaries

*Note: The fact sheet and information on certain topics were prepared to the best effort of staff with the information available. If it is found that certain information is not accurate or is missing, staff can revise accordingly.*

### **Council requested information on certain topics**

Some of the findings and conclusions from the information contained in the attached report are summarized below:

#### **Parks, Open Space & Trails:**

1. There are some existing General Plan, Waterfront Plan, and Parks, Recreation & Open Space Master Plan goals, policies, and findings that apply to the issue of creating parks, open space, and trails on the Golden Gate Fields property.

2. There is a range of mechanisms for obtaining parks, open space, and trail use, either with or without development. The costs for acquisition or use of private property for public park or related use depends upon whether and to what extent the acquisition or use is related to approval of development.
3. Public acquisition of land will require taxpayer support, on a local, regional, and/or state level. Because its location adjacent to a State park and freeway would attract regional use, staff recommends that taxpayers beyond Albany residents participate in any public funding of acquisition.

Planning for the departure of the racetrack:

4. There are challenges to planning for the departure of the racetrack, most notable of which is the property owner's position that racing will continue at Golden Gate Fields.
5. Albany voters have options if they wish to plan for the departure of the racetrack, such as amending the uses allowed under Measure C and/or approving a development that contemplates, by plan design and/or development agreement, the departure of the track.

Maintaining revenues for the City of Albany and the Albany Unified School District:

6. General Fund revenue to the City from Golden Gate Fields is in a steady, but not dramatic, decline.
7. If the City wishes to maintain revenues from that property, options include an increase in attendance and wagering at the track, additional development and/or uses on the property, or replacement of the racetrack use with higher revenue-generating use(s).
8. Public acquisition or dedication of land for public park diminishes tax revenue to the City and the Albany Unified School District by removing the property from the city's tax base.
9. Revenue to the School District is related only to its special voter-approved parcel taxes and bond measures. A decrease in the assessed valuation of the Golden Gate Fields property would increase the bond payment tax levy onto other property owners while an increase in the assessed valuation would decrease the levy to other property owners. Parcel tax levies on commercial properties is based solely on parcel size, not developed space.

Cost and feasibility of preparing a waterfront master plan:

10. A master plan is more of a planning term than a legal term, and the City has discretion in defining its scope and purpose.
11. Waterfront master plans have been prepared in other cities in order to establish constraints, framework, circulation, infrastructure, open space, land uses, and other features of property use and development.
12. The greater the role of the property owner in the preparation of the plan, the lower the cost to the city and the greater the likelihood of plan implementation.
13. The greater the role of the public in the preparation of the plan, the greater the likelihood that the design and use of the property will meet the community's needs and desires; the greater the amount of community satisfaction that is generated from a feeling of control over the property; and the greater the cost to the city.
14. The cost to prepare a waterfront master plan that includes environmental review in the form of an environmental impact report is estimated to cost \$500,000 to \$1 million. A more conceptual waterfront master plan, without an EIR, could be prepared at less cost, but it would have lesser value for purposes of Measure C.
15. The City hosted three community visioning workshops in 2003-2004 on the Golden Gate Fields property in response to a conceptual specific plan application and in anticipation of a future development proposal. That process elicited many ideas and comments from the public.

Ask the Parks & Recreation Commission and the Waterfront Committee to plan a waterfront park:

16. Both bodies have stated some general goals and policies regarding the waterfront, but neither has undertaken any specific planning for a park on the Golden Gate Fields property.
17. Unless or until the City has a potentially viable funding source for the acquisition of property, or a development application is submitted, efforts to plan a park by either or both bodies would be in the abstract.
18. If funding for acquisition is secured, or a development application is submitted, staff would recommend that the Commission and Committee be asked to advise Council in the planning for parks, open space, and trails on the property.

### Waterfront Committee request for a waterfront plan

The Waterfront Committee is requesting that the Council start a community planning process to create a waterfront master plan funded by the City and independent of any development proposal. In its letter to the Council, the Committee states its belief that *“carrying out a master plan process will allow the community to take an active role in determining what the future of the waterfront will look like, and will also provide the means to clearly analyze and define appropriate zoning for the area.”*

The committee goes on to reference other cities that have produced waterfront master plan, and its conclusion that Albany act *similarly “in order to ensure that proposed uses of the waterfront meet the needs of the community today and in the future.”*

Preparation of a waterfront master plan is one of the items that Council requested further information as part of this meeting. If Council wishes to take action on the Committee request, staff recommends that it be agendaized and the Committee and staff be asked to report back with more specifics and recommendations on:

- The purpose and scope of the proposed plan
- The estimated time and cost, and City resources involved
- How the plan process and results would differ from an application by the property owner for a specific plan
- The benefits and outcomes that the City would obtain from a waterfront master plan
- Funding source(s) for the preparation of the plan

The City’s 2003-04 community visioning workshops on Golden Gate Fields produced a substantial amount of information from the public on ideas for the future of the property. In considering whether to initiate another community process, staff recommends that Council give serious consideration to what it would hope to accomplish, the resources involved, and the likelihood of achieving its desired results.

It may be helpful to the Council to obtain advice from a planning consultant with experience in waterfront master plan or other master plan preparation experience to advise the City on the benefits, challenges, and issues related to creating a master plan. In addition, legal advice would be needed as to how a waterfront master plan would inter-relate with Measure C.

### Development proposal

Caruso Affiliated reported in a letter to Albany residents in September his intention to submit a development proposal on the Golden Gate Fields property. If an application is filed, the City will require the assistance of outside services to perform the necessary work to help process the application and provide related assistance to the City regarding the proposal.

In order to adequately prepare the City with the appropriate consultants to advise and assist in responding to a development application, staff recommends that the City retain the services of outside consultants in fields such as law, planning, environmental review, and economics. To pay for these services, the City would enter into a reimbursement agreement with Caruso Affiliated to cover the consultant services, and the cost of the City staff and City Attorney's time related to the development proposal.

### **FINANCIAL IMPACT**

As the largest privately owned-property in Albany, the future of Golden Gate Fields has a significant financial impact on the City. Whether or not development occurs on the property, the size and type of any development approved by the voters, whether the wager tax revenue from the racetrack continues to decline, whether racing continues, and to what extent the property remains taxable will impact the City's financial health into the future.

Any costs that are not borne by the property owner or developer and therefore are paid by the City for the preparation of any plans or studies, or other use of consultant services will require the appropriation of funds that are not currently budgeted. If the City is interested in acquiring property through lease or purchase, there will be both capital and ongoing costs to implement, and a decrease to the tax base.

### **CONCLUSION**

There is substantial community interest and concern about the future of the Golden Gate Fields property, which, because of its size and features, is the undoubtedly the City's most sensitive and unique property. It has great potential for serving various community needs and desires. Any outcomes approved by the Albany voters and implemented by the property owner will have a significant impact on land use, environmental and fiscal resources. Any form of review, planning, and decision-making, whether it is reacting to a development proposal or creating a community plan, will be time and resource intensive for City staff, community members, and elected and appointed officials.

Within the next few months, Caruso Affiliated will likely submit a proposal to develop on the Golden Gate Fields property. Only the voters of Albany can approve zoning and use changes to the property, and therefore hold a significant amount of power in what happens and does not happen. However, only the property owner (public or private), is in a position to implement the wishes of the voters, and fiscal resources (public or private) are needed to implement wishes other than no change to the property.

If a development proposal is received, the Council, staff and the community would have the opportunity to conduct a thorough review of the proposal and alternatives through an environmental impact report, and evaluate the merits of the proposal - with the fees paid to the City by the applicant.

If a development proposal is not deemed worthy by the community, and efforts to bring the proposal into alignment with voter desires are unsuccessful, the City could undertake another planning process for the property that provides an alternate framework for acquisition, future development, or maintaining the current status of the property.

In order for Albany voters to be adequately informed to make decisions under Measure C regarding the future of the property, staff recommends that the City maintain information, such as the attached fact sheet, on a location on the City web site as new information arises.

Also, in order for the City Council, staff, and voters to be adequately informed in addressing any development application or any other action contemplated by the City, staff recommends that services of appropriate consultants be retained to be available to provide advice as needed. Costs related to a proposed development, under City fee policy, are to be borne by the project applicant, which would be accomplished through a reimbursement agreement.

On a closing note, the high stakes, range of opinions, and strong emotions regarding the outcome on the property have the potential to deeply divide the community. Staff recommends that disagreements be respectful of others' opinions, that individuals listen to one another and look for areas of commonality and agreement, and seek the greatest good for the residents of Albany and its city.

#### Attachments

- A. Fact Sheet on Golden Gate Fields, with attachments
- B. Information requested by the City Council, with attachments
- C. Waterfront committee recommendation
- D. Letter from Rick Caruso, Caruso Affiliated
- E. Memorandum from the City Attorney