

63. Consider recommendations relating to delegations of authority for exclusive negotiating agreements for fairgrounds developments. (LA-1)

Possible action:

- a. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate a no-cost exclusive negotiating agreement with Earthquakes Soccer, LLC, relating to a potential lease of County property at the Fairgrounds, and a contract term that begins no earlier than April 16, 2024 and ends no later than April 30, 2025, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on April 30, 2025.
- b. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate a no-cost exclusive negotiating agreement with SF Unicorns, LLC, relating to a potential lease of County property at the Fairgrounds, and a contract term that begins no earlier than April 16, 2024 and ends no later than April 30, 2025, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on April 30, 2025.

(ID# 24-5300)



24-5300

DATE: April 16, 2024

TO: Board of Supervisors

FROM: James R. Williams, County Executive
Glen A. Williams, Asset Development Manager

SUBJECT: Delegations of Authority Related to Exclusive Negotiating Agreements for Fairgrounds Developments

RECOMMENDED ACTION

Consider recommendations relating to delegations of authority for exclusive negotiating agreements for fairgrounds developments. (LA-1)

Possible action:

- a. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate a no-cost exclusive negotiating agreement with Earthquakes Soccer, LLC, relating to a potential lease of County property at the Fairgrounds, and a contract term that begins no earlier than April 16, 2024 and ends no later than April 30, 2025, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on April 30, 2025.
- b. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate a no-cost exclusive negotiating agreement with SF Unicorns, LLC, relating to a potential lease of County property at the Fairgrounds, and a contract term that begins no earlier than April 16, 2024 and ends no later than April 30, 2025, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on April 30, 2025.

FISCAL IMPLICATIONS

There is no fiscal impact to the County General Fund resulting from the approval of these delegations of authority to enter into or amend exclusive negotiation agreements with Earthquakes Soccer, LLC, and SF Unicorns, LLC. Should the Board undertake future actions on any development proposal, there may be costs to the County associated with the development of one or both projects and these costs would be subject to Board review and approval.

Approved: 04/16/2024

CONTRACT HISTORY

The following provide brief history on the County's contractual relationship with the parties.

Earthquakes Soccer, LLC

Administration and County Counsel, with input from Fairgrounds Management Corporation (FMC), have been negotiating with Earthquakes Soccer, LLC ("Earthquakes Soccer"), regarding a potential long-term lease of approximately 14 acres of land at the County Fairgrounds for the development of a soccer training complex, along with a proposal by Earthquakes Soccer to construct four public soccer fields on an adjacent 12 acres of land at the Fairgrounds. On April 5, 2022 (Item No. 49), the Board approved an ENA with Earthquakes Soccer for a period of 12 months, and on April 4, 2023 (Item No. 61), approved a six-month extension of that ENA, which has since expired. Administration desires to continue to negotiate with Earthquakes Soccer.

SF Unicorns, LLC

Administration and County Counsel, with input from FMC, had been negotiating with American Cricket Enterprises, Inc., for a lease of approximately 12 acres of property at the County Fairgrounds for the development by American Cricket of a first-class professional stadium for local, regional, national, and international competitive cricket. On January 10, 2021 (Item No. 51), the Board approved an ENA with American Cricket and on June 27, 2023 (Item No. 81), the Board approved a delegation of authority to extend the ENA for six months plus an additional six-month option to further extend.

In fall 2023, American Cricket introduced County staff to SF Unicorns, LLC ("San Francisco Unicorns"), as the party that would continue discussions with the County for the development of a cricket stadium. The recommended action would allow the County to continue negotiations on the potential development of a cricket stadium.

REASONS FOR RECOMMENDATION AND BACKGROUND

As part of the Board approval of the 20-Year Management Agreement with FMC at its regular meeting on December 17, 2019 (Item No. 23), the Board instructed FMC to accept proposals from entities interested in leasing portions of the County Fairgrounds as part of an effort to promote community-serving development opportunities for this prime 150-acre site.

At the June 2, 2020 meeting (Item No. 35), the Board received a Letter of Interest from the Earthquakes to lease approximately 25 acres of the Fairgrounds on which to create soccer fields and associated facilities. The facilities would provide a training complex for the Earthquakes Youth Academy program and practice fields and facilities for the professional Earthquakes Soccer Team. The Board directed FMC to continue discussions and provide additional information to the Board of Supervisors.

As part of the same June 2020 Board item, the Board received an initial Letter of Interest from American Cricket Enterprises, Inc. to lease approximately 12 acres of the Fairgrounds on which to create an international competition-level cricket stadium and associated facilities. The Board directed FMC to continue discussions and provide information to the Board.

In order to continue to negotiate and possibly prepare for the Board's consideration binding agreements in connection with potential developments at the Fairgrounds for the soccer complex and public fields, as well as a cricket stadium, the parties need to enter into or amend ENAs with Earthquakes Soccer and the San Francisco Unicorns, as described above.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

Negotiations with Earthquakes Soccer or the San Francisco may cease and the potential projects may not proceed.

STEPS FOLLOWING APPROVAL

The Clerk of the Board is requested to notify Glen Williams in the Office of the County Executive and Karen Willis in the Office of the County Counsel.