

ECONOMICS

The City Council Public Hearing for their review of the Brisbane Baylands on Thursday, April 6th at Brisbane City Hall, 50 Park Place at 7:30pm was on Economics: Development Feasibility, Municipal Cost-Revenue and Related Policy Issues.

The public hearing opened with a [presentation](#) from the City's economic consultant, Keyser Marston Associate (KMA). Debbie Kern and Tim Kelly of KMA produced a preliminary assessment of [fiscal impact analysis](#) and [memo](#) last year when they presented their findings to the Planning Commission. Learn more at [the city's webpage](#). The purpose of the study is to demonstrate how the proposed plans for the Baylands will “pay for itself” or be at least fiscally neutral.

The fiscal impact analysis for the two plans, Developer Sponsored Plan (DSP aka the Brisbane Baylands) and the Community Proposed Plan (CPP) and their variants are outlined below:

Preliminary Estimate of Annual General, Gas Tax, and Measure A Fund Impact Upon Build-out

<i>Annual General, Gas Tax, and Measure A Fund Impact Upon Buildout</i>	<i>Scenario 1 Developer Plan</i>	<i>Scenario 1a Entertainment Variant</i>	<i>Scenario 2 Community Proposed</i>	<i>Scenario 2a Recology Variant</i>
General, Gas Tax, Meas A Revenues	\$15,673,000	\$17,043,000	\$16,503,000	\$14,923,000
General Fund Expenditures	\$14,550,000	\$14,580,000	\$7,840,000	\$7,600,000
Annual Net Impact With Hotels	\$1,123,000	\$2,463,000	\$8,663,000	\$7,323,000
Annual Net Impact Without Hotels	(\$637,000)	(\$937,000)	(\$777,000)	\$203,000

The consultants pointed out that the CPP plans rely on hotels for revenues, which can be difficult because of the market and hotels should be considered a secondary instead of a primary

land use. The [staff report](#) also includes a new KMA study that outlines and describes various funding sources like special assessment and special tax districts, such as Community Facilities District (CFDs), developer impact fees, the Development Agreement, and Federal/State programs. [Read our recent blog to learn more about CFDs.](#) It's important to keep in mind that these financial tools were not part of KMA's fiscal analysis, which could have a significant positive impact on net revenue, and bring up the DSP's \$1.1M contribution to the City's general fund to a higher amount.

The staff report points out that KMA's memo *“identifies a fundamental developer expectation that developing the property will generate revenues that exceed the cost of land development. If the land use program fails to exceed this threshold it is not expected that the development would proceed under traditional market conditions...[P]otential project revenues are heavily influenced by the mix and intensity of permitted land uses.”*

The consultants summarized the presentation highlighting that two primary land uses, like an office campus and residential, would ensure an economically feasible project. Other land uses, such as a solar farm, should be complementary.

The meeting was then opened for public comment. Supporters of the Brisbane Baylands plan emphasized the importance of the City working with the developer to ensure an economically feasible plan. Project opponents expressed concerns of long-term and operational costs.

We encourage you to visit the City's [website](#) for more on the Baylands Fiscal and Economic Information.

