

Although the [staff report](#) and [agenda](#) for the March 22nd Baylands deliberations focused on the City's fiscal impact analysis for varying development scenarios, the meeting opened with a report from Thomas McMorrow – the City's lobbyist – on the 2017 state effort to pass multiple housing-related laws through the legislature. He gave a detailed account on the background behind a draft bill that would require Brisbane to deliver streamlined approvals for the Brisbane Baylands plan including 4,400 housing units. He explained that Sacramento has a strong agenda for housing, and is increasing their responsibility to re-balance authority over land use decisions. Although only in draft form, the legislation was of great concern to the City for fear of losing land use control over the Baylands. Ultimately, the City negotiated with the legislators that co-authored the bill to delay introduction of the legislation until 2018, if at all.

McMorrow described Brisbane's choices as limited, and could either negotiate for a "responsible compromise" for the Baylands or fight the State in litigation, with the latter leading to inevitable bankruptcy for the City. Several project opponents shared comments and concerns over Sacramento's actions over housing decisions. Councilmember Davis asked McMorrow that if lawmakers understood the extent of the site's contamination, would they withdraw their efforts. McMorrow responded that in his opinion, it would not deter the State in supporting development of the Baylands. Furthermore, should "The Compromise" lose at the ballot, McMorrow stated that "Brisbane would be in a vulnerable position to Sacramento. Brisbane is in a better position to approve a land use plan they could live with, rather than damaging the City's reputation."

HYPOTHETICAL DEVELOPMENT SCENARIOS

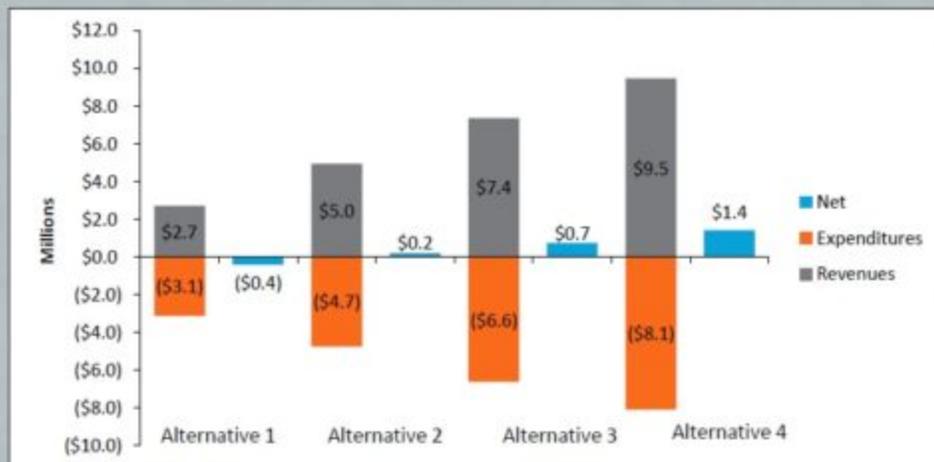
| Proposed Development Program | Alternative 1 | Alternative 2 | Alternative 3 | Alternative 4 |
|---------------------------------|------------------|------------------|------------------|------------------|
| Residential Units | | | | |
| Rental Apartments | 900 | 1,260 | 1,620 | 1,980 |
| Ownership Townhomes | <u>100</u> | <u>140</u> | <u>180</u> | <u>220</u> |
| Total Residential Units | 1,000 | 1,400 | 1,800 | 2,200 |
| Non-Residential SF | | | | |
| Commercial/Office/R&D | 1,500,000 | 3,000,000 | 4,450,000 | 5,350,000 |
| Retail | 200,000 | 200,000 | 250,000 | 350,000 |
| New Industrial | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Total Non-Residential SF | 2,000,000 | 3,500,000 | 5,000,000 | 6,000,000 |

After the discussion over the City's response to Sacramento's legislation, their economic consultant, KMA (Keyser Marston Associates) gave a presentation on their [fiscal analysis](#) of four different development scenarios that considered 1,000-2,200 housing units and 2-6 million sq.ft. of commercial space. The scenario with the highest net surplus is the largest development scenario, Alternative #4 with 2,200 units and 6 million sq. ft. of commercial. KMA emphasized the many gross assumptions i.e. missing mechanisms for decreasing the deficit with residential development, the ratio of rental versus condos, etc. KMA also pointed out some of the potential tools for the City to mitigate against negative fiscal impacts to their General Fund, such as requiring requiring a fiscal analysis before each phase as part of the Development Agreement. The floor was again opened for public comments, mostly from project opponents expressing their frustration, stating that no development should be allowed on the site because of contamination concerns. However, the housing is being proposed on the former railyard

portion of the site, not the former landfill as indicated by many project opponents. The nonresidential development is proposed on the former landfill portion of the site, not unlike the [Sierra Point office campus in Brisbane](#). Some Brisbane residents expressed that the compromise between the City and State legislators seemed reasonable, explaining that their neighbors are supportive of housing, especially if residents could maintain local control. Corey Smith from [SFHAC](#) pointed out that based on the feasibility study, the net revenue to the City would likely most benefit with 4,400 housing units, as proposed in the Brisbane Baylands plan:

ESTIMATED FISCAL IMPACTS UPON FULL BUILDOUT

| Annual General, Gas Tax, and Measure A Fund Impact Upon Buildout | Alternative 1 | Alternative 2 | Alternative 3 | Alternative 4 |
|--|---------------|---------------|---------------|---------------|
| General, Gas Tax, Measure A Revenues | \$2,724,000 | \$4,964,000 | \$7,372,000 | \$9,496,000 |
| General Fund Expenditures | \$3,124,000 | \$4,746,000 | \$6,627,000 | \$8,080,000 |
| Annual Net Impact | (\$400,000) | \$218,000 | \$745,000 | \$1,416,000 |



After closing public comment, Mayor Conway recounted how he and Councilmember Davis, the ad-hoc committee for State legislation, met with lawmakers to explain the site's environmental issues. Legislators emphasized

that they had full confidence in the state regulators to ensure the safety of future residents. Mayor Conway conceded, “we know what we’re going to get if we don’t approve something ourselves. Had we approved something 5 years ago, we wouldn’t be in this situation. The State is all about housing.”

Councilmember O’Connell recommended that staff come back with recommendation for a draft General Plan Amendment, to be approved by Brisbane residents in the Fall election. O’Connell requested language related to safeguards for remediation and fiscal controls for a program of 4M sq.ft. of commercial and 1800 to 2200 units. Councilmember Davis further reiterated “that the pressure from outside Brisbane is so strong, it’s overpowering our safety concerns. And I’m not willing to have our City go bankrupt. I agree and would like staff to come back with language for 1800-2200 units.”

The motion to begin the process for preparing a November ballot was unanimously approved. At the next Baylands meeting, the Council will review the draft General Amendment. To read the City’s Update on this meeting, [visit the City’s website.](#)