

# 9 PUBLIC FACILITIES FINANCING

## 9.1 PURPOSE

The Baylands is planned to accommodate a variety of uses including retail at a range of types and scales, commercial offices, research and development uses, institutional facilities, small-scale industry, residential at a range of types and densities, public open space, and potentially a variety of entertainment uses, as well as associated infrastructure. This chapter describes the proposed land use and phasing assumptions for development, reviews the public facilities required to serve the Planning Area, and outlines various potential methods to fund public facilities.

## 9.2 CITY FINANCING POLICIES

The City's annual Financial Report lists the following agencies that could play a part in financing infrastructure necessary for development of the Baylands:

### **Brisbane Public Financing Authority**

The Brisbane Public Financing Authority (Authority) exists to provide financing for public capital improvements for the City and the Redevelopment Agency. The Authority may issue bonds to cover the cost of public capital improvements.

### **Brisbane Redevelopment Agency**

The Brisbane Redevelopment Agency (Agency) was formed to improve blighted areas within the City. The Planning Area is entirely located within Brisbane Community Redevelopment Project Area One (Redevelopment Area 1) and Brisbane Community Redevelopment Project Area Two (Redevelopment Area 2). These areas have been designated as Redevelopment Project Areas due to a variety of factors that adversely impact the ability of the area to be developed, including vacant and under-utilized land, inadequate pedestrian and vehicular access, lack of public utilities, environmental remediation requirements, and physical unattractiveness.

The Five Year Implementation Plan for Redevelopment Areas 1 and 2 was completed in January 2010 and lists specific goals and objectives for improvement of the Redevelopment Areas. The Agency’s goals include increased vehicular and pedestrian access, development of an integrated approach to transportation, construction of public utilities, creation of parking facilities, beautification, provision of recreational uses, expanded employment opportunities, provision of public facilities, and provision of affordable housing.

### 9.3 LAND USE ASSUMPTIONS

#### 9.3.1 Land Uses

Development in the Baylands is planned to consist of commercial, residential, and institutional and open space uses located in six districts, each with distinct characteristics. This includes five development districts—Roundhouse in the northwest, East Geneva in the northeast, and Icehouse, Visitacion Green (North), and Visitacion Green (South) in the central portion. The Lagoon is an additional district, although no land uses other than open space with minor recreational facilities are proposed therein. The Lagoon is the southernmost district in the Baylands.

The Roundhouse District, located in the northwest corner of the Planning Area, corresponds to the highest concentration of transit facilities in and near the Baylands. It is the primary residential district and features neighborhood-serving retail streets. The East Geneva District, located between the railroad and Sierra Point Parkway and north of Roundhouse Arc, contains over half of all retail areas within the Baylands, all of the high-rise office uses, in addition to a hotel and conference center, and potentially entertainment uses.

Icehouse, located between Bayshore Boulevard, Roundhouse Arc and the railroad, consists of mostly open space, lower-density residential,



**Figure 9.1: The Five Districts of the Baylands**

The Baylands will include five land use districts in the upland area and the Lagoon to the south.

office/commercial, and institutional uses, in addition to renewable energy generation. The Visitacion Creek North district, is bounded by Roundhouse Arc to the north, Creek Parkway to the south, Tunnel Avenue and Sierra Point Parkway, and is predominated by open space (intended to be dedicated to the City), Office R&D development, and light industrial uses. Visitacion Creek South, bounded by Creek Parkway to the north, the Brisbane Lagoon to the south, Tunnel Avenue and Sierra Point Parkway, and is also predominated by open space and Office R&D development, with a small cluster of restaurant retail, and an additional solar farm. The southernmost district, Lagoon, permits open space uses that are consistent with the sensitive natural resources of the Brisbane Lagoon.

### 9.3.2 Land Use Absorption Estimates

Based on market analysis and development timing estimates provided by UPC, development of the Baylands is expected to occur by 2035. A total of 950,000 square feet of new mixed-commercial and other non-residential development and 1,115,000 square feet of residential development is expected to be absorbed by 2020. Additional 5,996,000 square feet of non-residential uses and 4,035,000 square feet of residential development are expected to be absorbed between 2021 and 2035.

## 9.4 INFRASTRUCTURE AND PHASING

### 9.4.1 Summary of Improvements

Improvements necessary for the development of the Brisbane Baylands includes closure of the former landfill site, remediation of the former railyard site, site improvement, infrastructure, and open space improvements, plus applicable cost contingencies. A significant amount of remediation and demolition has already taken place within these areas, but continued steps are required to make these sites development-ready. These include the following:

1. Mass Grading and Landfill Closure
2. Remediation and Demolition
3. Domestic Water, Recycled Water and Sanitary Sewage Facilities
4. Storm Drainage Facilities
5. Roadway and Streetscape Improvements
6. Solar Farm, Electrical and Natural Gas Facilities
7. Communications Network
8. Parks, Trails, and Habitat Enhancement
9. Other On-Site Improvement Costs

Buildout of the Specific Plan Area will require the completion of the Geneva Avenue extension from Bayshore Boulevard to the U. S. 101 southbound ramps at Beatty Avenue/Alanna Way, including an overpass across the railroad tracks. In addition, a new Roundhouse Arc Road overpass and bridges across Visitacion Creek will be required. Proposed development also hinges upon the initiation of the proposed Bayshore Intermodal Station.

#### **9.4.2 Cost Allocation Methodology**

Typically, public facilities costs would be allocated among multiple levels of government depending on the benefits generated, and among various private property owners by the nexus between improvements provided and the demand for such improvements from new private developments. In addition, improvements that benefit multiple local jurisdictions may require cost-sharing across districts, cities and/or counties. While UPC is the largest private property owner within the Planning Area and its fair-share contributions toward infrastructure in and near the Planning Area are expected to be a substantial portion of the improvement costs, other developers and government entities are expected to be major contributors as well. Cost-sharing mechanisms, such as the one anticipated to result from the Bi-County Transportation Study, will need to be negotiated by and contracted between applicable developers and government entities.

#### **9.4.3 Infrastructure Phasing**

Due to the lack of existing infrastructure throughout the Planning Area, a considerable amount of basic infrastructure is required up-front, prior to construction of buildings. Nonetheless, infrastructure can be constructed in phases, with consideration of proximity to existing infrastructure, funding availability, planning process, and market timing. Because existing infrastructure is located primarily along Bayshore Boulevard, most of the development in the first phase, which is estimated to end in 2020, will occur on the railyard portion of the Planning Area. The second major phase of development will be triggered by the extension of Geneva Avenue, reconfiguration of the Candlestick Point Interchange, and, to a lesser extent, the completion of the first phase of the Bayshore Intermodal Station. The Planning Area is anticipated to be built out by 2035.

## 9.5 FINANCING METHODS

A variety of financing options is available to help fund infrastructure improvements for the development of the Baylands. Several possible sources are outlined below:

### 9.5.1 Measure A Funds

In 1988 San Mateo County voters enacted Measure A, which created a sales tax increment of one-half cent to fund transportation and road improvements such as freeway on-ramps, street widening, and Caltrain improvements. Measure A was set to expire in 2008, but voters in 2004 reauthorized the measure through 2033. Currently, funds are distributed as follows: 58 percent to local agencies, 21 percent to Caltrain, 5 percent to BART, 10 percent to paratransit (administered through SamTrans) and 6 percent to County shuttles. Measure A funds are administered by the San Mateo County Transportation Authority.

Beginning in 2009, 22.5 percent of the funds generated by Measure A every year will be distributed to local cities and San Mateo County for improvements to local transportation, many of which would not be completed otherwise. This is estimated to be \$338 million over the life of the measure. Previously, the City of Brisbane requested nearly \$100 million in Measure A funding from the San Mateo County Transportation Authority for:

- The Geneva Avenue Extension and Harney Way Interchange;
- Sierra Point Interchange replacement and Lagoon Way Extension;
- Expanded bus service for rail connections;
- Bayshore Boulevard and Sierra Point Parkway pavement rehabilitation; and
- Bayshore Intermodal Station.

As of June 2009, the City of Brisbane has received over \$1.7 million from Measure A funds. It is unlikely that the City will be granted full funding for all of these improvements, but it is likely that Measure A funds will provide an important funding source for transportation improvements, such as the Geneva Avenue extension, that are necessary for development of the Baylands.

### 9.5.2 Federal SAFETEA-LU Funds

Another possible source of funding for transportation and road improvements necessary for development at the Baylands are funds made available through the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Enacted in 2005, SAFETEA-LU authorizes federal funding for highways and transit. SAFETEA-LU funds are administered locally by the San Francisco Metropolitan Transportation Commission (MTC) through its Local Streets and Roads Program (LSR), Regional Bicycle Program (RBP), and County Transportation for Livable Communities Program (TLC), which offers three types of financial assistance: planning grants, capital grants and the Housing Incentive Program. Planning grants are awarded to help sponsors refine and elaborate on promising project concepts, such as design guidelines for Main Street Programs and implementation plans. Capital grants directly support construction activities such as streetscape improvements, transit villages and pedestrian plazas. The Housing Incentive Program awards grants to cities and counties building high-density housing within one-third mile of a major transit station or corridor with peak period service intervals of 15 minutes or less. Projects must be at least 25 units per acre. Additional grants are available if affordable units are included.

The City of Brisbane has requested \$3 million in federal funds for the Bayshore Boulevard Overlay Project transportation improvements necessary for the development of the Baylands. Brisbane has not received the requested appropriation and funds. SAFETEA-LU has been extended through 2010, ensuring that about \$20 billion is made available nationally to cover existing appropriations. Congress may extend SAFETEA-LU beyond 2010.

### 9.5.3 Transportation Fund for Clean Air

The Bay Area Air Quality Management District (BAAQMD) manages the Transportation Fund for Clean Air (TFCA), which has several components including the Regional Fund and County Program Manager Fund. The TFCA program awards grants for transportation projects that reduce motor vehicle emissions. Approximately \$13 million of this is available for distribution in the Bay Area by the BAAQMD for FY 2010/11. Eligible projects include the purchase of low emission, alternative fuel vehicles with a gross vehicle weight of 10,000 pounds or more, including school buses and transit buses; shuttle and feeder bus service to train stations; ridesharing programs; bicycle facility improvements; arterial management projects that improve the flow of traffic on major roadways; transit information projects; and smart growth and traffic calming projects. TFCA grants could assist with circulation and air quality issues, but are typically small grants.

#### 9.5.4 San Francisco Bay Trail Grants

Directed by the Association of Bay Area Governments (ABAG), the San Francisco Bay Trail is a planned recreational corridor that will encircle the San Francisco and San Pablo Bays. It is a continuous 400 mile network of bicycle and hiking trails that provides access to recreational opportunities and wildlife viewing. The San Francisco Bay Trail Project was created as a nonprofit organization in 1990 dedicated to the planning, promotion, and implementation of the Bay Trail. Among its activities, the Bay Trail Project provides grants for trail construction and maintenance. Approximately \$2.4 million is available from Proposition 84 to fund projects that complete Bay Trail gaps. Allocation of funding is nearly complete, and all projects must be completed by March 2013. Proposed trail improvements within the Planning Area along Sierra Point Parkway that will link noncontiguous segments of the Bay Trail may qualify for receipt of these funds.

#### 9.5.5 San Francisco Bay Area Conservancy Program

Administered by the Coastal Conservancy, the San Francisco Bay Area Conservancy Program (Bay Program) provides grants to help achieve the following Bay Program goals: (1) protect, restore and enhance natural habitats and other regional open space resources throughout the nine Bay Area counties; (2) improve public access to the Bay, its surrounding hills and the coast through completion of bay, coast and ridge trails that are a part of the regional trail system; (3) promote projects that provide open space accessible to urban populations for recreation and education purposes. This program is funded through two voter approved bond funds: Proposition 40 and Proposition 50. The Coastal Conservancy is expected to spend \$40 million from Proposition 40 and \$20 million from Proposition 50 in the San Francisco Bay region. The Bay Program may fund property acquisition and project planning, design, and construction. Research, assessments and environmental education activities will only be considered when tied to on-the-ground projects. Proposition 40 funds may be used for projects implementing Bay Program goals mentioned above. As of the FY 2007/08, the Bay Program has granted \$242,500 from Proposition 40 to the City of Brisbane to acquire five parcels totaling 6.4 acres in Brisbane Acres. Additional rounds of grants are expected after 2010.

#### 9.5.6 Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act (Prop 1B)

Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, also known as Proposition 1B (Prop 1B), allocates nearly \$20 billion state-wide to transportation projects, including high-priority transportation corridor improvements, transit and passenger

rail improvements, state-local partnership transportation projects, transit security projects, highway-railroad grade separation and crossing improvement projects, and local street and road improvement, congestion relief, and traffic safety. Approximately \$6.4 billion remains to be allocated from Prop 1B funds.

### **9.5.7 Housing and Emergency Shelter Trust Fund Act (Prop 1C)**

Housing and Emergency Shelter Trust Fund Act of 2006, also known as Proposition 1C (Prop 1C), provides \$2.85 billion to fund 13 new and existing housing and development programs. Several such programs have relevance for the Baylands. The brownfield remediation and redevelopment program has \$850 million in allocated funds, and \$300 million is slated for transit-oriented development. As of December 2009, more than \$800 million remains unallocated, including \$5 million for brownfield remediation and redevelopment, and \$26 million for transit-oriented development. Another \$200 million is available for park development near affordable housing; \$25 million will be allocated in 2011, with the remaining funds to be dispersed in additional five rounds of allocations.

### **9.5.8 Redevelopment Agency Tax Increment**

The Baylands is entirely located within two areas designated as Redevelopment Project Areas by the Redevelopment Agency (Project Area 1 and Project Area 2). As mentioned above, these Project Areas were designated because the properties within their boundaries are considered to have characteristics that adversely impact the economic vitality of the City, including vacant and underutilized land, inadequate vehicular and pedestrian access, and lack of public utilities (among others), conditions that remain largely unchanged. The Redevelopment Agency will collect incremental property tax revenue generated within the boundaries of these Redevelopment Areas. By law, 20 percent of tax increment revenues must be passed through the other taxing entities and another 20 percent set aside to provide affordable housing for Brisbane. To date, both Redevelopment Areas have funneled this 20 percent housing allocation to the respective Low and Moderate Income Housing Funds to facilitate affordable housing development outside the Baylands. The remaining 60 percent of incremental revenue may be used to back bonds issued by the Redevelopment Agency to finance infrastructure and other improvements within the Redevelopment Areas. The Redevelopment Agency has the option to extend the Redevelopment Areas or create new ones in their place.

### 9.5.9 Sales Tax Revenue

In California, the sales tax is one of the major sources of revenue for local government. Municipalities receive an amount equal to one percent of taxable sales generated in their jurisdiction. Some cities use these funds to finance public facilities, and the City of Brisbane could determine that increased sales tax revenues from future commercial development at the Baylands could be used to fund the capital and operating costs of certain public facilities required for the Baylands.

### 9.5.10 Special Assessment Districts

An assessment district is a specially designated area encompassing properties that stand to benefit from a particular improvement, where properties within the district pay a special property tax over a defined period of time. This revenue stream is used to issue bonds, the proceeds from which are used to build infrastructure. Special assessment districts may be formed to build backbone infrastructure or provide certain public services at the Baylands, including, public roads, street lights, landscaping, parks, or drainage facilities, as well as many other services authorized by law. Permanent Road Divisions are limited to providing construction and maintenance for road related items including grading, paving, drainage structures, street lighting, and roadway landscaping. Landscape and Lighting Districts may provide for public lighting and landscaping as well as park and recreation acquisition and maintenance. The acts authorizing the establishment of assessment districts are:

1. Streets & Highways Code Section 5000 et seq – The Improvement Act of 1911.
2. Streets & Highways Code Section 10000 et seq – The Municipal Improvement Act of 1913.
3. Streets & Highways Code Section 8500 et seq – The Improvement Bond Act of 1915.
4. Mello-Roos Community Facilities District Act of 1982.
5. Landscape and Lighting Act of 1972.

### 9.5.11 Developer Financing

Most of the new development projects on the Baylands will be privately owned, revenue-generating uses that will benefit from public facilities. It is expected that the developers of the new private developments will pay for a substantial portions of the public facility improvements at and near the Baylands. For those improvements that have a clear citywide or regional benefit, significant contributions are expected from sources other than the private developers.

## 9.6 RECOMMENDED PROJECT FINANCING STRATEGY

Development of the Baylands will require a significant amount of new infrastructure, including roads, utilities, open space, and other public facilities. These facilities will benefit the City of Brisbane as well as the greater region. Thus, a combination of funding sources that include private landowners and developers, the City of Brisbane, the Brisbane Redevelopment Agency, and outside sources such as Measure A, Prop 1B, Prop 1C and federal funds is appropriate.

# \* APPENDICES

**APPENDIX A: BRISBANE BAYLANDS SPECIFIC PLAN /  
GENERAL PLAN CONSISTENCY ANALYSIS**

**APPENDIX B: INVOLVEMENT OF OTHER AGENCIES IN THE  
BAYLANDS**

**APPENDIX C: USE CLASSIFICATIONS – BRISBANE BAYLANDS  
SPECIFIC PLAN**

**APPENDIX D: GLOSSARY**

**INFRASTRUCTURE PLAN**

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