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Oyster Point Marina (OPM) Financial Analysis comments

Forecasting the fiscal impact of future development at Oyster point upon Oyster Point Marina will require assumptions that may never come to pass. The only remaining landside enterprise activity, the bait shop, has been closed for some time. Development of the 40,000 square foot parcel would depend upon response to RFP’s from private developers.

It appears there may be a delay in commencement of construction of the proposed Oyster Point Development (OPD) project. It will be very difficult to make an accurate economic projection until after this project has been constructed fully leased for a reasonable amount of time. Further, there appears to be a substantial amount of vacancy and blight in the surrounding commercial properties at 375 to 400 Oyster Point Boulevard and possibly including Oyster Point Marina Plaza.

Accordingly, it seems prudent to limit any initial fiscal impact analysis of the OPD project to include only the use of existing facts and conditions. In other words, OPM has lost land and revenue from that land, it will lose parking and access will be disrupted while construction is in process. Analysis of the fiscal impact these facts will provide a “baseline” for evaluating the feasibility of a JPA rewrite and any CIP expenditures.

Sea level rise assessment is critical and should be a first step completed before any further work is done. SSF should fund this study. After this first step the following information should be collected and analyzed:

Records of hazardous waste under remaining JPA property

Subsidence history and projections

Geotechnical assessments

Vacancy rates at adjoining properties – 375 to 400 Oyster Point Blvd and Oyster Point Marina Plaza.. Any proposed redevelopment or change in use of these properties

Lease commitments and economic projections at OPD property improvements to be constructed.

Survey of parking requirements for piers 1-9

Cost/benefit of existing ferry terminal

Once this initial work is done the commissioners will have a basis for deciding if it makes economic sense to order further studies in preparation for negotiations with South San Francisco regarding modification of the JPA agreement.

The proposed CIP should be suspended pending the outcome of these negotiations.