FISCAL IMPACT STATEMENT FOR CITY MEASURE ON NOVEMBER 6, 2018 BALLOT

PROP G-MISSION VALLEY STADIUM - SDSU WEST INITIATIVE

This measure requires the City to sell the SDCCU Stadium site (property) to San Diego State University (SDSU) or an SDSU auxiliary organization, entity, or affiliate (purchaser) upon City Council approval if certain conditions are met. The purchaser would be anticipated to demolish SDCCU stadium and build a 35,000 seat stadium at its expense. After additional permitting, environmental review, and SDSU’s completion of a SDSU Campus Master Plan revision, the purchaser would be anticipated to build an unspecified amount of parks, academic buildings and student housing, and other office, retail, residential, and hotel space. The measure provides for construction of a 34-acre river park, but does not specify who would build the park or identify costs and funding sources for the park.

This measure has direct and indirect fiscal impacts. However, those impacts cannot be precisely quantified, as the measure requires future negotiations, and development of the property is subject to many external factors.

Direct fiscal impacts include the sale price of the property. The measure requires the sale price to be based on fair market value as of October 2017, but the price could be adjusted to account for stadium demolition costs, environmental requirements, the cost to develop a river park, and other factors. In June 2017, the property’s appraised value was identified as $73.8 million. The precise sale price is subject to future negotiation and is currently unknown. A portion of sale revenue would go to the City’s Public Utilities Department, which owns a portion of the property.

Other potential direct impacts include City staff time and resources to permit and approve developments, remediate environmental contamination, and to build, operate, and maintain the river park. The measure does not specify who will build the river park or any funding for the river park. It does not allow the City’s General Fund to fund the river park, but it does not prohibit any other funding source – from the City or any other party – from being used. Additional infrastructure and utilities upgrades may also be required for development of the properties.

Indirect fiscal impacts include expenses and revenues from new economic activity associated with development of the property. City expenditures to provide service associated with development could be necessary, but as the measure does not specify the precise nature of future development it is not possible to precisely quantify potential expenses and revenues associated with future development. Developments of SDSU facilities (academic and administration buildings, student housing, etc) would not be subject to property tax. Development of other retail or office space, or other residential developments, could be
subject to property tax. Full development of the property would not be complete for several years and would depend on many factors outside the City’s control.

Approval of this measure precludes the City from using the property for other purposes, soliciting proposals to redevelop the property, or otherwise marketing the property for sale or lease. This could also have an unquantifiable fiscal impact.