



CITY COUNCIL AGENDA REPORT

Meeting Date: May 15, 2025

From: Carolina Yuen, Finance Director

Subject: Resolution Establishing the 2025 Business License Tax for Liquid Storage Facilities as to Kinder Morgan/SFPP

Community Goal/Result

Fiscally Prudent
Economic Development

Purpose

To establish for calendar year 2025 the amount of the business license tax charged to Kinder Morgan/SFPP for its liquid storage facilities in Brisbane under Section 5.20.011 of the Brisbane Municipal Code.

Recommendation

Adopt the attached resolution imposing a business license tax in the amount of \$224,494 as to Kinder Morgan/SFPP for calendar year 2025.

Background

The City receives revenues from diverse sources in order to provide the necessary high-quality services the community expects.

At the general election in November 2019, Brisbane voters approved to revise Section 5.20.011 to the Brisbane Municipal Code concerning the business license tax on liquid storage facilities. This revision provided that the tax rate will be up to 6 cents per barrel delivered over the rack in the preceding calendar year, with the exact rate to be determined annually by the City Council. That liquid storage tax formula would then be applied for subsequent years, but in no event would the tax be greater than \$400,000.

Since 2021, Kinder Morgan/SFPP has reported the following number of over-the-rack barrels and accordingly has paid the business license tax as set forth below:

2021 - \$288,586 based on 4,809,771 barrels from 2020
2022 - \$324,327 based on 5,405,448 barrels from 2021
2023 - \$338,159 based on 5,635,991 barrels from 2022
2024 - \$229,198 based on 3,819,969 barrels from 2023

Discussion

Kinder Morgan/SFPP has provided the City with information that in 2024 there were 3,741,567 barrels “over the rack.” The ordinance provides that the tax rate may be up to 6 cents per barrel, with a business license cap of \$400,000. Adoption of the attached resolution will set the tax rate at 6 cents per barrel and impose for 2025 a business license tax for Kinder Morgan/SFPP of \$224,494. The City is exploring options to review recent activity as reported.

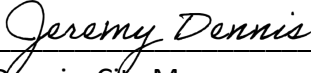
Fiscal Impact

As to Kinder Morgan/SFPP, Council’s adoption of the attached resolution will result in a business license tax of \$224,494 for calendar year 2025.

Attachment - Resolution Establishing the Business License Tax to Kinder Morgan/SFPP LLC for Calendar Year 2025.



Carolina Yuen, Finance Director



Jeremy Dennis, City Manager

RESOLUTION NO. 2025-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
ESTABLISHING THE BUSINESS LICENSE TAX CHARGED TO KINDER
MORGAN/SFPP LLC FOR CALENDAR YEAR 2025 UNDER SECTION
5.20.011 OF THE BRISBANE MUNICIPAL CODE**

WHEREAS, Section 5.20.011 of the Brisbane Municipal Code imposes an annual business license tax on persons engaged in the business of operating, leasing, supplying or providing a liquid storage facility in the City; and

WHEREAS, Kinder Morgan/SFPP LLC, a business in Brisbane engaged in the business of operating, leasing, supplying or providing a liquid storage facility, and the City have agreed that for calendar year 2025 the liquid fuel storage tax will be set by the City Council based on a formula in an amount of six cents per barrel of liquid fuel transported throughout the Brisbane Terminal for delivery at the terminal (“over the rack”) during calendar year 2024; and

WHEREAS, Kinder Morgan/SFPP LLC provided data to the City indicating that the number of barrels “over the rack” for calendar year 2024 was 3,741,597; and

WHEREAS, the Section 5.20.011 provides the City Council may set a tax rate for these facilities up to six cents per barrel, so long as the overall tax amount does not exceed \$400,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRISBANE AS FOLLOWS:

1. For 2025, the City Council sets the business license tax rate for the Kinder Morgan/SFPP liquid storage facility in Brisbane at six cents per barrel and the annual business license tax charged to Kinder Morgan/SFPP LLC for 2025 shall be \$224,494.

2. Payment of the business license taxes for 2025 shall be due and payable in full by June 30, 2025.

Cliff Lentz, Mayor

I hereby certify that the foregoing Resolution No. 2025-_____ was duly and regularly adopted at a regular meeting of the Brisbane City Council on May 15, 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ingrid Padilla, City Clerk