

Schedule of Mission Bay Park Lease Revenue

Prepared by: The Office of the City Comptroller

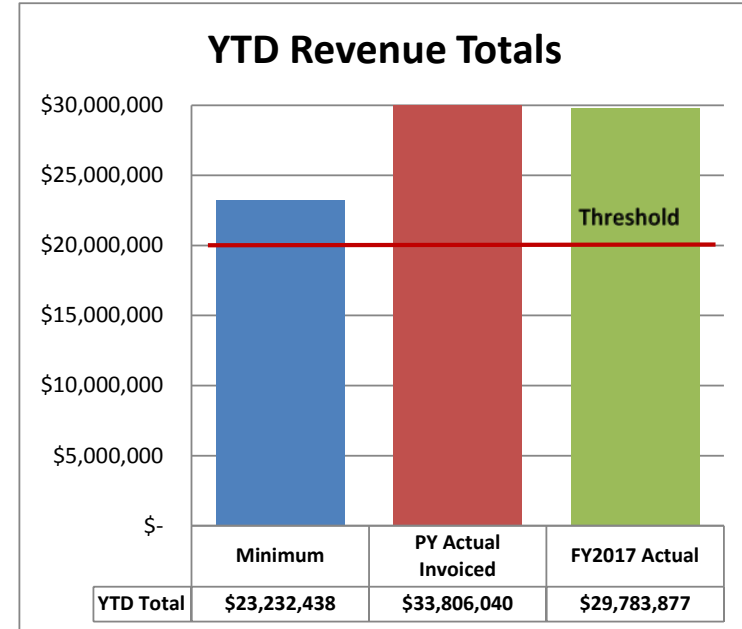
Coleen Maddox

Account Title: **Mission Bay Park Lease Revenue**

Revenue Account Number: **418108**

Fiscal Year 2016	Unaudited Revenue	
	Invoiced	YTD Cumulative
Audit/Other	\$ 1,213,996	\$ 1,213,996
July	\$ 4,304,704	\$ 5,518,701
August	\$ 3,585,921	\$ 9,104,622
September	\$ 2,432,449	\$ 11,537,071
October	\$ 2,304,661	\$ 13,841,733
November	\$ 1,794,800	\$ 15,636,532
December	\$ 2,016,281	\$ 17,652,814
January	\$ 1,347,743	\$ 19,000,556
February	\$ 1,367,340	\$ 20,367,897
March	\$ 2,044,667	\$ 22,412,564
April	\$ 2,402,672	\$ 24,815,236
May	\$ 2,178,063	\$ 26,993,299
June	\$ 2,790,578	\$ 29,783,877 *

* Revenues are based on customer invoices subject to year-end audit adjustments



City Charter Article V, Section 55.2 (a)7

Mission Bay Park Lease Revenues means all revenues collected by the City of San Diego from commercial and non-profit sources within Mission Bay Park, including but not limited to all monetary consideration received under leases of city owned property within Mission Bay Park, as well as revenue collected from contracts for concessions or any other revenues collected for the use of city owned property within Mission Bay Park. The term does not include revenue from the Mission Bay Golf Course, unless privately leased; mooring fees; any revenues from taxes including but not limited to Transient Occupancy Taxes, sales taxes, possessory interest taxes, property taxes; or permit fees such as park and recreation fees or special event fees to the extent those fees are levied to recover actual costs incurred by the City of San Diego.

SAP #	Business Name	Legal Lessee Name	Revenue Type	FY2017 Recorded Revenue												Audit/Other	Journal Entries		Total
				Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17		Amount	Ref	
R10296	Hyatt Regency Islandia	CHSP Mission Bay LLC	Invoiced	387,231	336,432	296,236	295,080	257,396	205,338	245,993	221,768	271,128	279,317	308,112	332,048	-			\$ 3,436,079
	Ending: 1/31/2016	Beginning: 1/9/2006	PY Actual Inv.	384,883	335,206	259,205	271,847	203,060	165,035	243,252	266,013	287,046	287,871	270,155	319,152	-			\$ 3,292,725
	Function: Hotel, Restaurant, Marina, Sportfishing		Minimum	195,490	195,490	195,490	195,490	195,490	195,490	195,490	195,490	195,490	195,490	195,490	195,490	-			\$ 2,345,880
R11495	Quivera Rd	Verizon Wireless LLC	Invoiced	-	-	-	-	-	-	-	-	-	-	-	-	10,467	39,330	3	\$ 49,797
	Ending: 8/31/2022	Beginning: 9/1/2012	PY Actual Inv.	-	-	-	-	-	-	-	-	-	-	-	-	-	10,162		\$ 10,162
	Function: Equipment enclosure and a light standard		Minimum	872	872	872	872	872	872	872	872	872	872	872	872	-			\$ 10,464
R00278	Seaforth Sportfishing Corp.	Seaforth Sportfishing Corp.	Invoiced	156,074	179,124	135,066	89,740	55,772	35,498	42,941	31,178	48,975	69,616	70,250	90,919	-			\$ 1,005,153
	Ending: 11/30/2017	Beginning: 11/8/2007	PY Actual Inv.	196,882	187,746	148,242	102,266	52,311	81,683	31,395	40,002	37,636	62,575	64,615	89,623	-			\$ 1,094,976
	Function: Sportfishing Headquarters		Minimum	45,791	45,791	45,791	45,791	45,791	45,791	45,791	45,791	45,791	45,791	45,791	45,791	-			\$ 549,486
R22797	SD Canoe & Kayak Team	SD Canoe & Kayak Team	Invoiced	-	385	385	385	385	417	417	417	417	417	417	417	575			\$ 5,036
	Ending: 2/29/2020	Beginning: 3/1/2017	PY Actual Inv.	-	364	364	385	385	385	385	373	385	385	385	385	63			\$ 4,248
	Function: Storage and Access		Minimum	417	417	417	417	417	417	417	417	417	417	417	417	-			\$ 5,004
R13995	Kai Elua Outrigger Canoe Club	Kai Elua Outrigger Canoe Club	Invoiced	-	146	146	146	146	158	158	158	158	158	158	158	60			\$ 1,750
	Ending: 09/30/2016	Beginning: 10/1/2013	PY Actual Inv.	-	138	138	138	146	146	146	146	146	146	146	146	24			\$ 1,606
	Function: Outrigger Canoe Storage		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
R14195	SD Alliance for Asian Pacific Islanders	SD Alliance for Asian Pacific Islanders	Invoiced	-	183	183	183	182	198	198	198	198	198	198	198	455			\$ 2,567
	Ending: 10/31/2016	Beginning: 11/01/2013	PY Actual Inv.	-	173	173	183	183	183	183	183	183	183	183	183	30			\$ 2,018
	Function: Boat Storage		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
R14895	Sportsmen's Seafood Co Inc.	Sportsmen's Seafood Co Inc.	Invoiced	17,637	16,423	13,329	10,441	6,500	5,241	4,751	5,031	8,904	8,665	9,408	12,701	26,474			\$ 145,505
	Ending: 11/30/2016	Beginning: 11/27/2013	PY Actual Inv.	17,000	20,245	14,844	11,509	7,330	4,766	5,173	5,292	8,155	7,211	9,000	13,150	-			\$ 123,674
	Function: Park Related Restaurant, Etc.		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
R19195	Kapolioka Ehukai Outrigger Canoe Club	Rel Sunn Educational Fund, Inc.	Invoiced	-	183	183	183	183	198	198	198	198	198	198	198	365			\$ 2,478
	Ending: 02/28/2017	Beginning: 03/01/2014	PY Actual Inv.	-	173	173	183	183	183	183	176	182	183	183	183	375			\$ 2,356
	Function: Boat Storage/Access		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
R17895	SD Parasail Adventures, Inc.	SD Parasail Adventures, Inc.	Invoiced	14,309	9,512	3,714	1,538	402	660	-	-	2,982	2,982	3,603	6,110	-			\$ 45,811
	Ending: 10/31/2017	Beginning: 10/20/2014	PY Actual Inv.	12,816	10,743	3,885	1,869	302	-	-	1,250	1,538	1,545	4,536	6,962	11,453			\$ 56,900
	Function: Boat Storage/Access		Minimum	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	-			\$ 35,784
R00209	Nextel of California		Invoiced	-	-	-	-	-	-	-	-	-	-	-	-	17,303			\$ 17,303
	Ending:	Beginning:	PY Actual Inv.	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
	Function:		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
N/A	Community Rowing of San Diego	Community Rowing of San Diego	Invoiced	-	-	-	-	-	-	-	-	-	-	-	-	1,333			\$ 1,333
	Ending: 08/31/2016	Beginning: 06/01/2016	PY Actual Inv.	-	-	-	-	-	-	-	-	-	-	-	-	464			\$ 464
	Function: Use of Permit Area		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
R16896/R21697	Sprint PCS Assets, Temp South Shores	Sprint PCS Assets, Temp South Shores	Invoiced	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
	Ending: 10/31/2017	Beginning: 10/20/2014	PY Actual Inv.	-	-	-	-	-	-	-	-	-	-	-	-	1,867			\$ 1,867
	Function: Boat Storage/Access		Minimum	-	-	-	-	-	-	-	-	-	-	-	-	-			\$ -
	De Anza RV Park	De Anza RV Park															1,693,034	1	\$ 1,693,034
	Ending:?																9,263,886	1	\$ 9,263,886
	Function: Campground																		\$ -
			TOTAL	4,304,704	3,585,921	2,432,449	2,304,661	1,794,800	2,016,281	1,347,743	1,367,340	2,044,667	2,402,672	2,178,063	2,790,578	380,623	833,374		29,783,877
			TOTAL	4,313,816	3,671,314	2,510,817	2,232,829	1,695,148	1,825,861	1,405,076	1,812,216	2,404,018	2,262,668	2,291,579	3,009,926	261,682	4,109,091		33,806,040
			TOTAL	1,936,061	1,936,061	1,936,061	1,936,061	1,936,061	1,936,019	1,936,019	1,936,019	1,936,019	1,936,019	1,936,019	1,936,019	-	-		23,232,438

(1) Staff has modified past calculations of Mission Bay Park Lease Revenues based on a recent legal opinion (LO 2016-01 dated Nov 2nd, 2016). The City Attorney's Office opined that revenue derived from the RV Park at DeAnza Cove would be considered Mission Bay Park Lease Revenue, as defined in Charter Section 55.2. Staff retroactively corrected the allocation of RV Park funds to the Charter Section 55.2 formula.

(2) The City Attorney's Office and City Staff have reviewed the Campland-by-the-Bay leasehold parcel and determined that 44.2% of its acreage is outside of Mission Bay Park and 55.8% of that acreage is within Mission Bay Park. Staff had previously allocated all (100%) of the lease revenue from Campland-by-the-Bay according to the Charter 55.2 formula. Staff retroactively corrected the split based on acreage since not all of the Campland-by-the-Bay leasehold is located within Mission Bay Park, as defined in the Charter

(3) The City Attorney's Office determined that the Verizon Wireless Lease at Mission Bay Athletic Field is on Mission Bay Park Land and not subject to exclusion from Charter Section 55.2. Staff retroactively corrected the allocation of Verizon funds.

Calculation Formula for Mission Bay Park Improvement Fund

Revised by: Luca Gonzales

October 9, 2017

	Example 1	Example 2	Example 3
Mission Bay Park Lease Revenues	\$ 27,000,000	\$ 23,500,000	\$ 35,000,000
Threshold Amount for FY 2015 and Thereafter	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
MBP Lease Revenues in Excess of the Threshold	<u>\$ 7,000,000</u>	<u>\$ 3,500,000</u>	<u>\$ 15,000,000</u>
Allocation to San Diego Regional Parks Improvement Fund <i>35% of MBP Lease Revenues in Excess of Threshold or \$2,500,000 or MBP Lease Revenue in Excess of the Threshold if that amount is less than \$3,500,000</i>	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 5,250,000</u>
Allocation to Mission Bay Park Improvement Fund <i>65% of MBP Lease Revenues in Excess of the Threshold or the remainder of the funds if less than 65% is available after the Allocation to the San Diego Regional Parks Improvement Fund</i>	\$ 3,500,000	\$ -	\$ 9,750,000

City Charter Article V, Section 55.2 (b)

Subject to the City of San Diego's State law obligations as a trustee of tidelands within Mission Bay Park, Mission Bay Park Lease Revenues up to the threshold amount in each fiscal year shall be deposited into the San Diego General Fund and may be used for any municipal purpose, including but not limited to, police, fire, streets, sewers, water delivery, roads, bridges, and operation of parks. All Mission Bay Park Lease Revenues in excess of the threshold amount shall be allocated in the City of San Diego budget to two distinct funds. Thirty-five percent (35%) of the Mission Bay Park Lease Revenues in excess of the threshold amount, or three million five hundred thousand dollars (\$3,500,000) whichever is greater, shall be allocated to the San Diego Regional Parks Improvement Fund that solely benefits the San Diego Regional Parks and sixty-five percent (65%) of the Mission Bay Park Lease Revenues over the threshold amount, or the remainder of those revenues if less than 65% is available after the allocation to the San Diego Regional Parks Improvement Fund, shall be allocated to the Mission Bay Park Improvement Fund that solely benefits the Mission Bay Park Improvement Zone. The threshold amount shall be \$23 million beginning fiscal year 2010 and ending fiscal year 2014. The threshold amount shall be \$20 million beginning fiscal year 2015 and shall remain \$20 million thereafter.

Points of Clarification regarding the Calculation for the Mission Bay Park Improvement Fund

The new Mission Bay Park Improvement Fund was established effective July 1, 2009 to satisfy the new language in City Charter Article V, Section 55.2 *Mission Bay Park and Regional Parks Improvement Funds*. The new accounting code string for the Mission Bay Park Improvement Fund in the City accounting system is 200386.

Mission Bay Park Lease Revenues must exceed the threshold of \$20,000,000 for FY2017 in order for there to be money available for a possible funding. The definition of Mission Bay Park Lease Revenue is coded in City Charter Article V, Section 55.2 (a)7.

The funding of the San Diego Regional Parks Improvement Fund is funded first before money is available for the Mission Bay Park Improvement Fund. There must be more than \$3,500,000 available in excess revenue over the threshold before funding will begin for the Mission Bay Park Improvement Fund (see examples above).

Funding is done once a year on August 15th, based on the prior year fiscal year Mission Bay Park Lease Revenues. For FY2017, the year is July 1, 2016 to June 30, 2017. The next funding, if earned, will be on August 15, 2017. Funding is subject to audit adjustment if discovered after August 15th. Revenue audit adjustments for Leases (performed by the Treasury Department) are considered earned in the period that an audit adjustment is invoiced(credited).

Calculation Formula for the San Diego Regional Parks Improvement Fund

Revised by: Luca Gonzales

October 9, 2017

	Example 1	Example 2	Example 3
Mission Bay Park Lease Revenues	\$ 27,000,000	\$ 23,500,000	\$ 35,000,000
Threshold Amount for FY 2015 and Thereafter	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
MBP Lease Revenues in Excess of the Threshold	\$ 7,000,000	\$ 3,500,000	\$ 15,000,000
Allocation to San Diego Regional Parks Improvement Fund	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 5,250,000</u>
<i>35% of MBP Lease Revenues in Excess of Threshold or \$3,500,000 or MBP Lease Revenue in Excess of the Threshold if that amount is less than \$3,500,000</i>			
Allocation to Mission Bay Park Improvement Fund	\$ 3,500,000	\$ -	\$ 9,750,000
<i>65% of MBP Lease Revenues in Excess of the Threshold or the remainder of the funds if less than 65% is available after the Allocation to the San Diego Regional Parks Improvement Fund</i>			

City Charter Article V, Section 55.2 (b)

Subject to the City of San Diego's State law obligations as a trustee of tidelands within Mission Bay Park, Mission Bay Park Lease Revenues up to the threshold amount in each fiscal year shall be deposited into the San Diego General Fund and may be used for any municipal purpose, including but not limited to, police, fire, streets, sewers, water delivery, roads, bridges, and operation of parks. All Mission Bay Park Lease Revenues in excess of the threshold amount shall be allocated in the City of San Diego budget to two distinct funds. Thirty-five percent (35%) of the Mission Bay Park Lease Revenues in excess of the threshold amount, or three million five hundred thousand dollars (\$3,500,000) whichever is greater, shall be allocated to the San Diego Regional Parks Improvement Fund that solely benefits the San Diego Regional Parks and sixty-five percent (65%) of the Mission Bay Park Lease Revenues over the threshold amount, or the remainder of those revenues if less than 65% is available after the allocation to the San Diego Regional Parks Improvement Fund, shall be allocated to the Mission Bay Park Improvement Fund that solely benefits the Mission Bay Park Improvement Zone. The threshold amount shall be \$23 million beginning fiscal year 2010 and ending fiscal year 2014. The threshold amount shall be \$20 million beginning fiscal year 2015 and shall remain \$20 million thereafter.

Points of Clarification regarding the Calculation for the Regional Parks Improvement Fund

The new Regional Parks Improvement Fund was established effective July 1, 2009 to satisfy the new language in City Charter Article V, Section 55.2 *Mission Bay Park and Regional Parks Improvement Funds*. The accounting code string for the Regional Parks Improvement Fund in the City accounting system is 200391 (*post prop C funds will segregated by two separate cost centers after the initial audit for FY10*).

Mission Bay Park Lease Revenues must exceed the threshold of \$20,000,000 for FY2017 in order for there to be money available for a possible funding. The definition of Mission Bay Park Lease Revenue is coded in City Charter Article V, Section 55.2 (a)7.

The funding of the San Diego Regional Parks Improvement Fund is funded first before money is available for the Mission Bay Park Improvement Fund. There must be more than \$3,500,000 available in excess revenue over the threshold before funding will begin for the Mission Bay Park Improvement Fund (see examples above).

Funding is done once a year on August 15th, based on the prior year fiscal year Mission Bay Park Lease Revenues. For FY2016, the year is July 1, 2016 to June 30, 2017. The next funding, if earned, will be on August 15, 2017. Funding is subject to audit adjustment if discovered after August 15th. Revenue audit adjustments for Leasees (performed by the Treasury Department) are considered earned in the period that an audit adjustment is invoiced(credited).