



Councilmember David Alvarez
City of San Diego
Eighth District

MEMORANDUM

DATE: December 1, 2015
TO: Council President Sherri Lightner, Chair of the Charter Review Committee
FROM: Councilmember David Alvarez, Chair of the Environment Committee *David Alvarez*
SUBJECT: Environmental Growth Fund – Recommendation from Environment Committee

The Charter Review Committee referred section 103.1A, Environmental Growth Fund to the Environment Committee for a recommendation as to whether the section should be kept in or removed from the Charter, and for direction as to how the funds should be expended.

The Environment Committee considered the referral at the November 30, 2015 special meeting. After a presentation by the Office of the Independent Budget Analyst, committee member discussion and input from the City Attorney's Office, the following language was recommended:

There is hereby created a fund in the City Treasury, to be known as the Environmental Growth Fund. Into this fund each year there shall be placed 25 percent of all moneys derived from the revenues accruing to the City from any franchises for the transmission and distribution of gas, electricity and steam within the City of San Diego.

The Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego; provided, however, that two-thirds of the moneys paid into the Environmental Growth Fund shall be used and/or accumulated exclusively for the purpose of acquisition, development, and improvement that doesn't include daily maintenance, of open space to be used for park or recreational purposes while paying any debt service for bonds associated with the aforementioned purposes; and for open space mitigation related to storm channel purposes. The remaining one-third of moneys paid into the Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of

San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego with the following priorities:

- (1) Open space maintenance;
- (2) Enhancing or facilitating the City's environmental programs.

Please find the strikeout/underline version of the proposed changes attached. If you have any questions or concerns, please don't hesitate to contact my office.

cc: Honorable Environment Committee Members
Honorable Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst
Mary Ann Wallace, Committee Consultant Assistant

Section 103.1a: Environmental Growth Fund

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The Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego; provided, however, that two-thirds of the moneys paid into the Environmental Growth Fund shall be used and/or accumulated exclusively as debt service for bonds of any nature issued for the purpose of acquisition, development, and improvement that doesn't include daily maintenance of open space to be used for park or recreational purposes while paying any debt service for bonds associated with the aforementioned purposes; and for open space mitigation related to storm channel purposes. ~~In connection with the issuance of any general obligation bonds for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes, the Council may pledge up to two-thirds of the Environmental Growth Fund to the payment or security of such general obligation bonds and the interest thereon and may so state in any ordinance calling an election authorizing the issuance of said general obligation bonds. If there are no such bonds outstanding or if two-thirds of the moneys paid into the Environmental Growth Fund exceed the amount necessary to service any outstanding bonds issued for the above purposes in any fiscal year, then in those events, and those events only, the moneys set aside for debt service of said bonds or that portion of said moneys which is not needed for debt service of said bonds, shall be used, if at all, The remaining one-third of moneys paid into the Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego with the following priorities:~~

- (1) Open space maintenance;
- (2) Enhancing or facilitating the City's environmental programs.