



REPORT TO THE MISSION BAY PARK IMPROVEMENT FUND OVERSIGHT COMMITTEE

DATE ISSUED: March 29, 2017

ATTENTION: Mission Bay Park Improvement Fund Oversight Committee

SUBJECT: Response to Issues Raised at March 7, 2017, Committee Meeting

During the March 7, 2017, meeting of the Mission Bay Park Improvement Fund Oversight Committee ("Committee"), several members of the public provided verbal testimony and written comment regarding:

1. Disposition of Mission Bay Park Improvement Funds that preceded the passage of Proposition C in November 2008 ("Pre-Charter Mission Bay Park Improvement Funds" authorized by Ordinance O-19113 in 2002)
2. Retroactive recalculation of Mission Bay Park Lease Revenue as related to DeAnza Cove RV Park and Campland-on-the-Bay
3. Addition of Unnamed Park Portion of Campland-on-the-Bay to Mission Bay Park
4. Scope of the Programmatic Environmental Impact Report for future projects
5. Disposition of lease revenue for leaseholds in the Mission Bay Park Improvement Zone yet outside of Mission Bay Park
6. Latest Mission Bay Park Improvement Fund Revenue and Expense Statement including actual revenues and expenditures

This memorandum seeks to provide additional information to the Committee in response to these concerns.

1. Disposition of Pre-Charter Mission Bay Park Improvement Funds

"Pre-Charter" Mission Bay Lease Revenue Funds ("Pre-Charter" Funds) were allocated to capital improvement projects between the City Council approval of Ordinance O-19113 in 2002 and the election when voters approved Proposition C in November 2008, which created City Charter Section 55.2. This report only includes the disposition of "Pre-Charter" Funds that were not expended at the effective date of Charter Section 55.2. Any funds allocated and expended prior to that date are not included in this report.

The following chart summarizes projects with Mission Bay Park Improvement Fund allocations that meet the definition of “Pre-Charter” Funds. These projects are all complete and may have benefitted from other funding sources, so the “Total” column does not represent the total project cost.

As noted during the Oversight Committee meeting of March 7, 2017, a portion of Mission Bay Park Improvement Funds that meet the definition of “Pre-Charter” Funds were transferred to the General Fund. The chart also identifies the amount transferred to the General Fund in accordance with the actions taken as a part of the Fiscal Year 2010 Budget Amendment Report and Fiscal Year 2011 Proposed General Fund Budget report.

CIP No.	CIP TITLE	TOTAL
B-10088	North Crown Point Comfort Station	\$500,000.00
B-10163	Mission Bay Dredging	\$250,000.00
B-15054	Mission Bay Parking Lot and Park Road Improvements	\$306,568.00
S-00794	Lifeguard Station Headquarters/Boating Safety Unit Dock	\$58,510.53
S-00991	Fiesta Island Infrastructure Improvement	\$21,963.89
S-10020	North Crown Point Gazebo Replacement	\$260,877.72
N/A	Transferred out to General Fund per Fiscal Year 2010 Mid-Year Report due to lower than expected revenues	\$4,278,788.00
	Total Pre-Charter Funds	\$5,676,708.41
	Remaining Pre-Charter Funds	\$0.27

All of the capital projects listed occurred within Mission Bay Park, including the lifeguard headquarters project. The General Fund transfer referenced at the bottom of the chart is explained on page 10 of the Fiscal Year 2010 Budget Amendment Report and Fiscal Year 2011 Proposed General Fund Budget report.¹ See excerpt below:

¹ The Fiscal Year 2010 Budget Amendment and Fiscal Year 2011 Proposed Budget Report is available at: <http://dockets.sandiego.gov/sirepub/cache/2/laeveth5yymzwrbgv5qnqhh5/14341009202016051831583.PDF>.

Transfer Mission Bay Revenue

Fiscal Year 2011 Revenue Increase: \$4.3 million

Fiscal Year 2009 and prior year Mission Bay lease revenue will be transferred from the Mission Bay Improvements Fund to mitigate the Fiscal Year 2011 deficit. An analysis was conducted on projects supported by Mission Bay lease revenues. Projects funded by the Mission Bay Improvements Fund listed in **Table 4** below will be funded by lease revenues received after July 1, 2009. Projects in the Regional Parks Improvement Fund are recommended to continue at the current schedule. In addition to the \$4.3 million to be transferred to the General Fund, a budget adjustment is required totaling \$0.3 million because revenues were not received as anticipated in prior years to support existing appropriations. The budget reduction to these projects will be implemented as part of the Fiscal Year 2010 budget amendment.

Mission Bay Improvement Fund Projects Table 5	
Project	Amount
AGF00004 Mission Bay Improvements Annual Allocation	\$ 2,501,802
S10069 Mission Bay Park Drinking Fountains Replacement	150,000
S10070 Mariner's Point Road Curbs and Parking Lot Improvements	400,000
S10071 Vacation Isle North Cove Parking Lot Security Lighting	150,000
S10072 Vacation Isle North Cove Road Improvements	150,000
S10073 Vacation Isle Northeast Parking Lot Security Lighting	150,000
S10074 West Bonita Cove Children's Play Area Upgrades	200,000
S10075 West Ski Island Shoreline Stabilization	500,000
S10076 Sunset Point Parking Lot Security Lighting	150,000
S10078 Mission Point/Bayside Walk Security Lighting Upgrades	275,000
Total Project Appropriations	\$4,626,802
Revenue Shortfall	(348,014)
Amount to Transfer to the General Fund	\$4,278,788

San Diego Municipal Code section 22.0229 was adopted on October 21, 2002, by City Council Ordinance O-19113, which created the Pre-Charter Mission Bay Improvement Fund and Regional Park Improvement Fund.² Language in this ordinance gave the City Manager the prerogative to recommend to the City Council that Mission Bay Park leasehold revenue suspend compliance with this section into the Park Funds if "anticipated revenues in any fiscal year will be insufficient to maintain existing City services" [Former SDMC § 22.0229(e), on page 5 of O-19113]. The City Manager and City Council exercised this option for Pre-Charter Mission Bay Park Improvement Fund during the budget discussions of Fiscal Year 2010 and Fiscal Year 2011.

² Ordinance O-19113 is available at: http://docs.sandiego.gov/council_reso_ordinance/rao2002/O-19113.pdf.

2. Retroactive Recalculation of Lease Revenue

On November 2, 2016, the City Attorney's Office issued a legal opinion that revenue derived from the RV Park at De Anza Cove would be considered Mission Bay Park Lease Revenue, as defined in Charter Section 55.2. Op. City Attorney 2016-01 (November 2, 2016).³ As a result of this opinion, the City Comptroller in consultation with the Real Estate Assets, Park and Recreation, and Financial Management Departments, retroactively corrected the allocation of RV Park funds according to the Charter Section 55.2 formula.

Separately, in reviewing the February 2001 boundary survey of Mission Bay Park, as defined in Charter Section 55.2,⁴ Park and Recreation Department and Real Estate Assets Department determined that a portion of the Campland-on-the-Bay leasehold is located outside of Mission Bay Park. Staff determined that 44.2% of its acreage is outside of Mission Bay Park in an unnamed park dedicated by Ordinance O-17030 dated February 16, 1988.⁵ The remaining 55.8% of its leasehold acreage is within Mission Bay Park as defined in Charter Section 55.2. This is a correction from the Ten-Year Plan based on the following chart and map (see Attachment 1 for Mission Bay Park Record of Survey 16891, filed on February 28, 2001, in the Office of the County Recorder as File No. 2001-01134222001 – Sheet 70 of 71: Campland-on-the-Bay):⁶

Campland-on-the-Bay Lease	Acres	Percent
Within Mission Bay Park	25.58	55.80%
Outside Mission Bay Park	20.26	44.20%
Total Campland-on-the-Bay	45.84	100.00%

³ Legal opinion LO 2016-01 is available at: <http://docs.sandiego.gov/legalopinions/LO-2016-1.pdf>.

⁴ Charter Section 55.2(a)(3) defines Mission Bay Park as “the area described in the Mission Bay Park Record of Survey 16891, filed on February 28, 2001, in the Office of the County Recorder as File No. 2001-0113422, and any City-owned property heretofore or hereafter dedicated for park purposes that is contiguous to Mission Bay Park and has been determined by ordinance of the City Council to be part of Mission Bay Park for purposes of this Charter section 55.2.” Copies of the survey are available upon request.

⁵ Ordinance O-17030 is available at: http://docs.sandiego.gov/council_reso_ordinance/rao1988/O-17030.pdf.

⁶ The Ten-Year Plan listed the Campland-on-the-Bay ratios as 42% outside of Mission Bay Park and 58% inside Mission Bay Park. While the ratios reported in the Ten-Year Plan were incorrectly stated, the corrective transfers conducted between the General Fund, Mission Bay Park Improvement Fund, and Regional Park Improvement Fund (as referenced in Attachment 1 of the Ten-Year Plan) are accurate. As noted in the body of this report, Attachment 2 further details the transactions necessary to correct this.

Since Proposition C passed in November 2008, staff had previously allocated all (100%) of Campland-on-the-Bay lease revenue according to the Charter Section 55.2 formula. To ensure consistency with the February 2001 boundary survey and the park dedication by Ordinance O-17030, staff retroactively corrected the lease revenue apportionment based on acreage. The Campland-on-the-Bay reallocation occurred at the same time as the DeAnza RV Park reallocation.

As a result of the retroactive recalculations of revenues received from the leases of the De Anza Cove RV Park and Campland-on-the-Bay since inception of Charter Section 55.2, the Mission Bay Park Improvement Fund gained a one-time revenue of \$3,214,033 in Fiscal Year 2016.⁷ Current and future fiscal years revenues received from De Anza Cove RV Park and from the portion of Campland-on-the-Bay within Mission Bay Park will be allocated pursuant to the Charter Section 55.2 formula. Attachment 2 summarizes the funding reconciliation related to lease revenue from Campland-on-the-Bay and the De Anza Cove RV Park.

3. Add Unnamed Park Portion of Campland-on-the-Bay to Mission Bay Park

Staff did not recommend adding the unnamed park portion of Campland-on-the-Bay into Mission Bay Park, as defined in Charter Section 55.2, as part of the current ten-year plan because the lease for Campland-on-the-Bay is currently pending consideration by the City Council.⁸ With the neighboring DeAnza Cove special study and master planning effort underway currently, staff felt the site could wait for inclusion into Mission Bay Park, as defined in Charter Section 55.2, until after the special study was completed and the lease ended.

4. Programmatic EIR

The Committee requested clarification regarding whether or not the \$7 million allocation to the Programmatic EIR would also cover all future environmental and permitting costs for projects requiring subsequent approvals after the approval of the Programmatic EIR.

Public Works Department indicates that the \$7 million allocation over several fiscal years will provide for the cost of the preparation and approval of the Programmatic EIR along with obtainment of the initial local, state and federal permits only. Additional environmental permitting for individual projects may be required as

⁷ The San Diego Regional Park Improvement Fund gained \$928,078 in onetime revenue in Fiscal Year 2016 as a result of this allocation.

⁸ The Campland-on-the-Bay lease extension was on the Smart Growth and Land Use Committee agenda for February 15, 2017. For a copy of the staff report and proposed lease terms, see: http://docs.sandiego.gov/councilcomm_agendas_attach/2017/sglu_170215_2.pdf.

Public Works Department develops designs and construction documents for specific projects. This will become known as individual projects proceed through their permitting process. It is the intent of the City to streamline the permit process for these priority projects described in the Programmatic EIR by obtaining master permits from each responsible agency when it can be determined that obtainment of a master permit would provide an overall added benefit to future individual project approvals.

The Programmatic EIR covers projects that are known today, but it does not include projects not yet scoped or beyond the 10-year horizon. Staff hopes that the Programmatic EIR will provide streamlined approvals for the majority of environmental and permitting work for known projects within the 10-year plan.

Finally, it is important to note that staff is assuming that the Mission Bay Navigational Safety Dredging project will not be included in the Programmatic EIR, since Public Works Department is currently processing the Mitigated Negative Declaration for that project, along with all associated approvals, separately. If the Mitigated Negative Declaration is not approved, and the dredging project must be folded into the Programmatic EIR, the dredging project is listed as an optional task in the request for proposals (RFP) for the consultant that will conduct the Programmatic EIR.

5. Lease Revenue from Parcels in the Mission Bay Park Improvement Zone

Charter Section 55.2 refers to the Mission Bay Park Improvement Zone⁹ with respect to the area where Mission Bay Park Improvement Funds may be expended. While the City receives some lease revenue from City-owned property within the Mission Bay Park Improvement Zone, Charter Section 55.2 requires Mission Bay Park Lease Revenue¹⁰ to be allocated according to the formula in Charter Section 55.2(b). The definition of Mission Bay Park Lease Revenue specifically refers to revenue collected

⁹ Charter Section 55.2(a)(4) defines the Mission Bay Park Improvement Zone as “those areas encompassed within the boundaries of Mission Bay Park, Oceanfront Walk from the Mission Bay jetty to Crystal Pier and the adjoining seawall, coastal parks and ocean beaches contiguous thereto, Rose Creek from its terminus in Mission Bay to the southern end of the Santa Fe Road flood control channel, Tecolote Creek from its terminus in Mission Bay to the western end of the Tecolote Creek flood control channel and the San Diego River as it passes through the boundaries of Mission Bay Park.”

¹⁰ Charter Section 55.2(a)(3) defines Mission Bay Park Lease Revenue as “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.”

by the City from certain sources within Mission Bay Park, which is also a defined term. Mission Bay Park, as defined in Charter Section 55.2(a)(3) is defined according to the 2001 survey of City-owned dedicated parkland and does not include all of the City-owned property located outside of the survey area but that may be encompassed in the Mission Bay Park Improvement Zone. Revenue collected by the City from City-owned property located outside of the defined area of Mission Bay Park are not Mission Bay Park Lease Revenue.

6. Mission Bay Park Improvement Fund Revenue and Expense Statement

The revenue and expense statement for the Mission Bay Park Improvement Fund is published in the proposed and adopted annual budget in Volume 2. The Fiscal Year 2017 Adopted Budget, which contains revenue and expenditure information for Mission Bay Park Improvement Fund is provided in Attachment 3.¹¹ Mission Bay Park Improvement Fund includes both pre-charter and Charter Section 55.2 expenditures and revenues. The City Auditor annually reviews revenues and expenditures.¹²

Thank you for your continued service toward the improvement of Mission Bay Park. We are excited to see several projects coming underway soon to improve assets throughout the park. It is our hope that we may continue to partner with you in implementing the ten-year plan. If you have questions, please contact Jeff Van Deerlin at jvandeerlin@sandiego.gov or (619) 235-1189.

Sincerely,



Director, Park and Recreation Department

Attachments:

1. Excerpt from Mission Bay Park Record of Survey 16891, filed on February 28, 2001, in the Office of the County Recorder as File No. 2001-01134222001 – Sheet 70 of 71: Campland-on-the-Bay
2. Funding Reconciliation to Charter Section 55.2 for Campland-on-the-Bay and De Anza Cove RV Park

¹¹ The proposed and adopted budgets are available at <https://www.sandiego.gov/fm>. The latest revenue and expense statement for Mission Bay Park Improvement Fund is available at https://www.sandiego.gov/sites/default/files/mission_bay_improvements_fund.pdf.

¹² The Fiscal Year 2015 audit report for the Mission Bay and Regional Park Improvement Funds is available at https://www.sandiego.gov/sites/default/files/16-018_mission_bay_regional_parks_improvement_funds_o.pdf.

3. Fiscal Year 2017 Revenue and Expense Statement for Mission Bay Park Improvements Fund

cc: Honorable Councilmember Lorie Zapf, Council District 2
Jonathan Herrera, Office of Honorable Mayor Kevin L. Faulconer
Richard Leja, Deputy Director, Public Works
Bruce Martinez, Deputy Director, Park and Recreation
Sarah Mayen, Deputy Director, Office of the City Comptroller
Alyssa Muto, Deputy Director, Planning
Michael Clark, Budget Coordinator, Financial Management
Patti Phillips, Program Manager, Real Estate Assets
Jeff Van Deerlin, Program Manager, Park and Recreation
Adam Jones, Senior Budget Development Analyst, Financial Management
Amy Pinion, Accountant IV, Office of the City Comptroller
Ryan Barbrick, Senior Management Analyst, Park and Recreation
Michael Pelayo, Accountant III, Office of the City Comptroller

R. OF S. MAP NO.

R. OF S. MAP NO.
SHEET 70 OF 71 SHEETS

POR. BLOCK A
MISSION BAY PARK TRACT
MAP NO. 1530

PACIFIC BEACH DRIVE

CAMPLAND ON THE BAY
LEASE NO. 22

SURVEYOR'S NOTE:
LAND AND WATER LEASE AREAS AS
SURVEYED ARE BASED ON ACTUAL MEAN
HIGH WATER LINE LOCATION IN JUNE 2000.

LEASE ACRESAGE TABLE
(BLOCK PARK)

AREA PER AGREEMENT		AREA AS SURVEYED	
WATER	LAND	WATER	LAND
5.76 AC	40.14 AC	5.48 AC	20.10 AC
			25.58 AC

LEASE INFORMATION TABLE

NAME	LEASE NO.	REC. NO.	MAP	NOTES
CAMPLAND ON THE BAY	22	RR-189453	11225-4-0 12367-0	

LEGEND

- [S] INDICATES SET LINE & DISC STAMPED L.S. 0641
- [M] INDICATES SET 2" X 24" IRON PIPE WITH DISC. MARKED L.S. 0641
- [C] INDICATES FOUND MONUMENT AS NOTED, FIELD AS CONTROLLING MONUMENT
- [P] INDICATES FOUND MONUMENT AS NOTED, SHOWN FOR INFORMATION ONLY
- FD DENOTES FOUND
- R DENOTES IRON PIPE
- ROS DENOTES RECORD OF SURVEY
- PM DENOTES PARCEL MAP
- OK DENOTES CORNER RECORD
- C.E.D. DENOTES CITY OF SAN DIEGO ENGINEERS DISC
- M.O. DENOTES CITY OF SAN DIEGO WORK ORDER NUMBER
- () DENOTES RECORD MAP AS NOTED
- (L) DENOTES RECORD DATA PER LEASE NO. 22
- (L) DENOTES RECORD DATA PER LEASE NO. 22
- < > DENOTES CALCULATED VALUE AS NOTED
- DENOTES PARK BOUNDARY PER DISTANCE AS NOTED

GRAPHIC SCALE
1 inch = 200 ft.

N
CONFORMANCE ANGLE AT
BASE STATION 899
SCALE 1" = 200'

ATTACHMENT 2 - Funding Reconciliation to Charter Section 55.2 for Campland-on-the-Bay and De Anza Cove RV Park

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	TOTAL
De Anza RV park (cash receipts)	\$ 929,560.79	\$ 1,278,448.69	\$ 1,182,966.67	\$ 1,356,331.92	\$ 1,189,797.97	\$ 1,931,480.94	\$ 1,395,298.77	\$ 9,263,885.75
Campland	682,001.48	630,949.42	667,385.25	703,256.76	752,190.58	888,582.73	830,428.19	5,154,794.40
Available for charter section 55.2	\$ 247,559.31	\$ 647,499.27	\$ 515,581.42	\$ 653,075.16	\$ 437,607.39	\$ 1,042,898.21	\$ 564,870.58	\$ 4,109,091.35

	Transfers Completed Per Fiscal Year							
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	TOTAL
Regional Park Fund (2.5M or 25%)	\$ 984,103.77	\$ 1,695,724.50	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 15,179,828.27
Mission Bay (75% or balance)	-	-	2,449,147.19	5,357,085.60	4,260,441.06	7,025,879.31	7,158,483.60	26,251,036.76
Total	\$ 984,103.77	\$ 1,695,724.50	\$ 4,949,147.19	\$ 7,857,085.60	\$ 6,760,441.06	\$ 9,525,879.31	\$ 9,658,483.60	\$ 41,430,865.03

	Additional Transfers Needed							
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	TOTAL
Regional Park Fund (2.5M or 25%)	\$ 247,559.31	\$ 647,499.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,058.58
Mission Bay (75% or balance)	-	-	515,581.42	653,075.16	437,607.39	1,042,898.21	564,870.58	3,214,032.77
Total	\$ 247,559.31	\$ 647,499.27	\$ 515,581.42	\$ 653,075.16	\$ 437,607.39	\$ 1,042,898.21	\$ 564,870.58	\$ 4,109,091.35

Funding Sources	
De Anza Fund (200329)	\$ 1,300,000.00
General Fund (100000)	2,809,091.35
	<u>\$ 4,109,091.35</u>

ATTACHMENT 3 – Fiscal Year 2017 Revenue and Expense Statement for Mission Bay Park Improvements Fund

Mission Bay Improvements Fund

Revenue and Expense Statement (Non-General Fund)

Mission Bay Improvements Fund	FY2015 Actual	FY2016* Budget	FY2017 Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 3,260,670	\$ 6,287,980	\$ 6,250,520
Continuing Appropriation - CIP	9,372,680	12,999,251	19,173,239
TOTAL BALANCE AND RESERVES	\$ 12,633,350	\$ 19,287,231	\$ 25,423,759
REVENUE			
Revenue from Use of Money and Property	\$ 74,167	\$ –	\$ –
Transfers In	7,025,879	6,157,723	8,213,907
TOTAL REVENUE	\$ 7,100,046	\$ 6,157,723	\$ 8,213,907
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 19,733,396	\$ 25,444,954	\$ 33,637,666
CAPITAL IMPROVEMENTS PROGRAM (CIP) EXPENSE			
CIP Expenditures	\$ 446,165	\$ 6,296,250	\$ 6,157,723
TOTAL CIP EXPENSE	\$ 446,165	\$ 6,296,250	\$ 6,157,723
RESERVES			
Continuing Appropriation - CIP	\$ 12,999,251	\$ 12,999,251	\$ 19,173,239
TOTAL RESERVES	\$ 12,999,251	\$ 12,999,251	\$ 19,173,239
BALANCE	\$ 6,287,980	\$ 6,149,453	\$ 8,306,704
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 19,733,396	\$ 25,444,954	\$ 33,637,666

* At the time of publication, audited financial statements for Fiscal Year 2016 were not available. Therefore, the Fiscal Year 2016 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2016 Adopted Budget, while the beginning FY 2016 balance amount reflects the audited Fiscal Year 2015 ending balance.