

CITY OF SAN DIEGO

(This Measure will appear on the ballot in the following form.)

MEASURE J

CHARTER AMENDMENT REGARDING USE OF LEASE REVENUE FROM MISSION BAY PARK. Shall Charter section 55.2 be amended to: increase, from 25% to 35%, the allocation of annual Mission Bay Park lease revenues exceeding \$20 million, for capital improvements in San Diego Regional Parks; allow Council to add City-owned parkland to Mission Bay Park's boundaries; combine and coordinate construction of Mission Bay Park improvements identified in this section; and extend operation of this section until 2069?

This measure requires approval by a simple majority (over 50%) of the voters voting on the measure.

Full text of this measure follows the argument.

OFFICIAL TITLE AND SUMMARY

BALLOT TITLE

Charter Amendment Regarding Use of Lease Revenue from Mission Bay Park

BALLOT SUMMARY

San Diego Charter section 55.2, Mission Bay Park and Regional Parks Improvement Funds, was adopted by voters in 2008. This measure would amend the Charter section to:

- Change the formula for allocating certain lease revenues collected by the City from Mission Bay Park, to increase the amount allocated to the Regional Parks Improvement Fund and to decrease the amount allocated to the Mission Bay Park Improvement Fund;
- Change the process for funding capital improvement projects in Mission Bay Park that are specifically identified in the Charter and allow them to proceed concurrently under certain circumstances;
- Reclassify three of the capital improvement projects from mandatory projects to projects that may be recommended by the Mission Bay Park Improvement Fund Oversight Committee and approved by the City Council;
- Allow the City Council to adopt an ordinance to add contiguous City-owned parkland to Mission Bay Park;
- Extend the Charter section for 30 years past its expiration date, to June 30, 2069; and

BALLOT SUMMARY (CONTINUED)

- Make other non-substantive revisions, including a statement concerning compliance with state law.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

San Diego Charter section 55.2 provides a formula to divide revenues that the City receives from leases of City-owned property in Mission Bay. The formula requires that the first \$20 million received annually be deposited in the City's General Fund, which is used for municipal purposes. Any additional lease revenues are divided between the Regional Parks Improvement Fund (Regional Parks fund) and the Mission Bay Park Improvement Fund (Mission Bay Park fund). The Regional Parks fund receives the greater of \$2.5 million or 25% of the lease revenues over \$20 million. The Mission Bay Park fund receives the remaining lease revenues or 75% of the revenues over \$20 million.

This measure would increase the allocation of lease revenues to the Regional Parks fund to the greater of \$3.5 million or 35% over the threshold amount, and reduce the allocation to the Mission Bay Park fund accordingly. For example, if the total lease revenue is \$30 million:

- Allocation under the current formula:

General Fund	\$20 million
Regional Parks fund	\$2.5 million
Mission Bay Park fund	\$7.5 million
Total Lease Revenues	\$30 million

- Allocation under the amended formula, if approved by voters:

General Fund	\$20 million
Regional Parks fund	\$3.5 million
Mission Bay Park fund	\$6.5 million
Total Lease Revenues	\$30 million

The Charter requires the Regional Parks fund be used on capital improvements in Regional Parks: Chollas Lake Park, Balboa Park, Mission Trails Regional Park, Otay River Valley Park, Presidio Park, San Diego River Park, open space parks, coastal beaches and contiguous coastal parks, and future parks serving regional residents and/or visitors, as added according to the Charter.

The Charter requires the Mission Bay Park fund be used for the benefit of the Mission Bay Park Improvement Zone and first be spent on specific projects listed in the Charter. These projects must be completed, in the order set in the Charter, before the City may proceed to the next project. Upon completion of all the specific projects, the fund may be used for capital improvements within the Improvement Zone, as recommended by an Oversight Committee and approved by the Council. The measure would allow the City to potentially undertake multiple priority projects at once.

CITY ATTORNEY'S IMPARTIAL ANALYSIS (CONTINUED)

The measure would also reclassify the Charter-designated three lowest-priority projects in Mission Bay Park (relating to bike and pedestrian paths, signage, parking lots, landscaping, seawall and bulkhead restoration, and deferred maintenance) from mandatory projects to projects that an Oversight Committee and the Council could recommend for funding with the Mission Bay Park fund.

The Charter section is set to terminate on June 30, 2039. This measure would extend the termination date to June 30, 2069.

Amendments would identify City obligations under state law regarding tidelands within Mission Bay and allow the Council to add certain City-owned parkland to the Charter's definition of Mission Bay Park.

City officials initiated this measure and the Council placed it on the ballot. If approved, the Charter amendments would become effective after they are chaptered by the California Secretary of State.

FISCAL IMPACT STATEMENT

This measure would change the current allocation of lease revenue derived from City-owned property in Mission Bay Park. Currently, the greater of \$2.5 million or 25% of Mission Bay lease revenue over \$20 million is allocated to the City's Regional Parks Improvement Fund with all remaining funds allocated to the Mission Bay Park Improvement Fund. If this measure is approved, the greater of \$3.5 million or 35% of Mission Bay lease revenue over \$20 million would be allocated to the City's Regional Parks Improvement Fund with all remaining funds allocated to the Mission Bay Park Improvement Fund. This change has no fiscal impact beyond shifting certain Mission Bay lease revenues from being used for capital improvements in Mission Bay Park to being used for capital improvements in the City's Regional Parks.

This measure would also clarify the process for completing prioritized capital improvement projects in Mission Bay Park and allow the City to undertake these improvements concurrently.

Additionally, this measure would extend the restricted use of annual Mission Bay lease revenue above \$20 million for an additional 30 years from the current expiration of 2039 to 2069. Without this extension, all Mission Bay lease revenue would become unrestricted and available for general public services in 2040. While it is difficult to accurately project future Mission Bay lease revenue, total projected revenue for Mission Bay Park and Regional Parks under the proposed extension from 2040 to 2069 is roughly \$1.4 billion.

ARGUMENT IN FAVOR OF MEASURE J

IMPROVES PARKS WITHOUT RAISING TAXES

Our parks are an invaluable asset for all San Diegans and attract millions of visitors each year. We must protect them. This measure will generate hundreds of millions of dollars for Mission Bay Park, Balboa Park and San Diego's regional parks – without new taxes.

Prop J guarantees that the majority of revenues generated in Mission Bay Park from hotels and leases, over a threshold, are directed to improving Mission Bay Park and other major parks for an additional 30 years – ensuring San Diego's environment and park system are sustained for future generations.

KEEPS MISSION BAY CLEAN, SUPPORTS TOURISM

Mission Bay Park provides countless recreational opportunities for families and visitors – strengthening San Diego's neighborhoods and tourism economy. Keeping the bay clean and safe is essential to San Diego's continued prosperity and quality of life.

This measure will fund important projects such as new playgrounds, bike paths and trails, preserve and restore environmentally sensitive habitats, expand wetlands and improve water channels to increase boating safety.

REPAIRS BALBOA PARK AND PARKS ACROSS SAN DIEGO

Prop J will revitalize San Diego's iconic and cherished regional parks. It will allocate funds to preserve Balboa Park, including historic structures that are in need of critical repairs. Parks throughout San Diego that will benefit from more public funding include:

- Chicano Park
- Chollas Lake Park
- Mission Trails Regional Park
- Otay River Valley Park
- Presidio Park
- San Diego River Park
- Torrey Pines City Park
- Open space parks and coastal beaches

CONTINUES REFORM AND INDEPENDENT OVERSIGHT

Prop J keeps money generated by by Mission Bay in Mission Bay and regional parks.

It is a charter amendment that cannot be waived by politicians. An independent oversight committee ensures funds will be spent only for improving our parks.

Vote "YES" on J to Protect Our Parks and Mission Bay

KEVIN L. FAULCONER
Mayor, City of San Diego

TODD GLORIA
San Diego City
Councilmember

LORIE ZAPF
San Diego City Councilmember

PAUL ROBINSON
Chair of Mission Bay Park Committee

BETTY PEABODY
Founder of Friends of
Balboa Park

ARGUMENT AGAINST MEASURE J

No argument against Measure J was filed in the office of the City Clerk.

FULL TEXT OF MEASURE J

ARTICLE V

EXECUTIVE AND ADMINISTRATIVE SERVICE

SECTION 55.2: MISSION BAY PARK AND REGIONAL PARKS IMPROVEMENT FUNDS

(a) For the purpose of this Section, the following definitions shall apply and the words shall appear in italics:

(1)-(2) [No change in text.]

(3) *Mission Bay Park* means 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.

(4)-(11) [No change in text.]

(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. ~~Twenty~~Thirty-five percent (~~23~~35%) of the *Mission Bay Park Lease Revenues* in excess of the threshold amount, or ~~two~~three million five hundred thousand dollars (\$~~23~~23,500,000) whichever is greater, shall be allocated to the *San Diego Regional Parks Improvement Fund* that solely benefits the *San Diego Regional Parks* and ~~seventy~~sixty-five percent (~~76~~65%) of the *Mission Bay Park Lease Revenues* over the threshold amount, or the remainder of those revenues if less than ~~76~~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.

(c) Funds in the *Mission Bay Park Improvement Fund* may be expended only in the *Mission Bay Park Improvement Zone*, to restore wetlands, wildlife habitat, and other environmental assets within the *Mission Bay Park Improvement Zone*; to preserve the beneficial uses of the *Mission Bay Park Improvement Zone* including, but not limited to, water quality, boating, swimming, fishing, and picnicking by maintaining navigable waters and eliminating navigational hazards; to restore embankments and other erosion control features; and to improve the conditions of the *Mission Bay Park Improvement Zone* for the benefit and enjoyment of residents and visitors, consistent with the *Mission Bay Park Master Plan*.

FULL TEXT OF MEASURE J (CONTINUED)

(1) To achieve these goals, all of the following identified priorities are intended to be authorized, funded, and ~~completed~~ have a funding plan adopted by City Council, and proceed to completion in the order provided below, subject to section (c)(2) below authorizing projects to proceed concurrently:

(A) Restoration of navigable waters within *Mission Bay Park* and elimination of navigational hazards. When depth conditions no longer support and ensure safe navigation, those areas that pose a danger or impede the passage of watercraft shall be dredged in accordance with the *Mission Bay Baseline Chart*.

(B) Wetland expansion and water quality improvements and the protection and expansion of eelgrass beds as identified in the *Mission Bay Park Master Plan*.

(C) Restoration of shoreline treatments within the *Mission Bay Park Improvement Zone* including restoration of beach sand and stabilization of erosion control features.

(D) Expansion of endangered or threatened species preserves and upland habitats on North Fiesta Island and along the levee of the San Diego River floodway as identified in the *Mission Bay Park Master Plan*.

(E) ~~Deferred maintenance projects that are also Capital Improvements within the Mission Bay Park Improvement Zone as may be recommended by the Mission Bay Park Improvement Fund Oversight Committee and approved by the City Council such as, but not limited to,~~ Completion of bicycle and pedestrian paths and bridges as identified in the Mission Bay Park Master Plan, installation of sustainable lighting in the Mission Bay Park Improvement Zone, installation of signage and landscaping at points of entry to Mission Bay Park and the South Shores, and the repair, resurfacing and restriping of parking lots within the Mission Bay Park Improvement Zone, the repair of playgrounds and comfort stations, and the restoration of the seawall and bulkhead on Oceanfront Walk to a condition no less than the quality of restoration previously performed in 1998 from Thomas Street to Pacific Beach Drive or to conditions as may be required by historic standards.

~~(F) Restoration of the seawall bulkhead on Oceanfront Walk to a condition no less than the quality of restoration previously performed in 1998 from Thomas Street to Pacific Beach Drive or to conditions as may be required by historic standards.~~

~~(G) Deferred maintenance that are also Capital Improvements hereunder on existing assets within the Mission Bay Improvement Zone as may be recommended by the Mission Bay Park Improvement Fund Oversight Committee and approved by the City Council.~~

(2) ~~After each priority project identified in (c)(1)(A-G) above has been budgeted and approved by the City Council and authorized and has a funding plan adopted for it by City Council, funds may be committed to and expended on a subsequent project of a lesser priority and construction of a subsequent project may proceed concurrently with a greater priority project provided construction of a lesser priority project does not unreasonably delay, prolong, or preclude completion of a greater priority project. To the extent funds become available from grants or other sources for a lower priority before a higher priority has been completed, or in the event of substantial delay in proceeding with a higher priority, funds may be committed to the next lower priority in the order set forth in (c)(1)(A-G), provided such expenditure of a lesser priority does~~

FULL TEXT OF MEASURE J (CONTINUED)

~~not unreasonably delay, prolong, or preclude completion of a greater priority.~~ The City Council shall be required to make findings that completion of a higher greater priority project will not be ~~unreasonably delayed, prolonged, or precluded~~ by expending funds on a lower lesser priority project before approving said expenditure.

(3) Once the projects identified in (c)(1)(A-G~~E~~) ~~have been fully budgeted or an adopted funding plan or a project is completed~~, additional projects shall be prioritized and funded only for *Capital Improvements* as identified in the *Mission Bay Park Master Plan*, recommended by the *Mission Bay Park Improvement Fund Oversight Committee*, and approved by the City Council.

(4) To the extent items (c)(1)(A-G~~E~~) ~~that have been completed herein require additional funding or~~ are later in need of additional *Capital Improvements*, then those items shall again have priority over other *Capital Improvements* only if approved by the City Council.

(5) Except as may be specifically authorized above in this subsection, funds in the *Mission Bay Park Improvement Fund* may not be expended for commercial enterprises or improvements of leasehold interests; for any costs associated with utilities, including, but not limited to, water and sewage; or for roads, vehicle bridges, or vehicular ramps; or on costs that cannot be capitalized; or on daily, weekly, monthly, or annual upkeep of the *Mission Bay Park Improvement Zone* and there shall be no expenditure for contracted labor or services or for city employee salaries, pensions or benefits unless those expenses can be capitalized, and only then at the then-standard rates used by the City of San Diego for all other capital improvement projects.

(d) [No change in text.]

(e) The *Mission Bay Park Improvement Fund Oversight Committee* and the *San Diego Regional Parks Improvement Fund Oversight Committee* shall meet at least quarterly to audit and review the implementation of this Charter Section, to recommend priorities for expenditures and *Capital Improvements* hereunder in accordance with the master plans for each of the *San Diego Regional Parks* or with the *Mission Bay Park Master Plan* or within the priorities identified in (c)(1)(A-G~~E~~), as applicable; and to verify that the appropriate funds are collected, segregated, retained and allocated according to the intent of this Section, and spent as prioritized in this Section and consistent herewith.

The San Diego City Auditor, in cooperation with each committee, shall establish and oversee a mechanism to ensure public accountability by effectively reporting and communicating the extent and nature of revenues, expenses and improvements generated hereunder and compliance with the requirements outlined herein. This shall include, at a minimum, an annual audit report to the Mayor, City Council and public. Each report shall, at a minimum, contain a complete accounting of all revenues received, the amount and nature of all expenditures, a report as to whether in each committee's view the expenditures have been consistent with the priorities and provisions hereof, whether the City of San Diego has complied with sections (c)(2), (d), (f), (g) and (h). In the event that either committee finds that there has been a violation of this Charter Section by the City of San Diego, it should set forth the alleged violation in a written communication to the City Manager and members of the San Diego City Council. If the alleged violation is not resolved to the satisfaction of the aggrieved committee within 30 days, the San Diego City Council shall docket an action item for a PR-09L0-J-7

FULL TEXT OF MEASURE J (CONTINUED)

public meeting of the San Diego City Council within 60 days. If evidence presented to the San Diego City Council by the aggrieved committee establishes a violation of this Section, the San Diego City Council shall forthwith cure the violation including but not limited to the restoration of inappropriately expended funds.

(f)-(i) [No change in text.]

(j) This Section shall take effect and be in force on July 1, 2009, and will expire on June 30, 2036~~9~~. Before the expiration of this Section, the City Council shall place on the ballot no later than the last regularly scheduled election prior to June 30, 2036~~9~~ a measure to amend the Charter to extend the effect of this Section for an additional 30 years.

(k) [No change in text.]

END OF MEASURE