

MEMORANDUM OF LAW

DATE: February 28, 1989

TO: Councilman Bruce Henderson
FROM: City Attorney
SUBJECT: San Diego Crew Classic - Mission Bay 25%
Commercial Lease Restriction

By memorandum dated February 23, 1989, you indicated your receipt of a request from representatives of the San Diego Crew Classic regarding a proposed five (5) year contract to use Mission Bay for the annual Crew Classic event. You asked the following question: "In light of Proposition G and current restrictions limiting commercial use in Mission Bay to 25%, would the granting of this contract be considered illegal?"

Please see the attached Memorandum of Law dated September 8, 1988, which discussed issues relating to the 25% commercial use limitation. You will note that our conclusion was that leases to nonprofit corporations do not generally fall within the definition of "commercial" leases.

A discussion with a representative of San Diego Crew Classic indicates that SDCC is in fact a California nonprofit corporation. Therefore, assuming SDCC continues to operate with it's primary purpose being the presentation of the Crew Classic as an entertainment event and not as a profit making enterprise, it appears that any lease to the Crew Classic for it's annual event will not be subject to the 25% limitation for commercial leases in Mission Bay Park.

JOHN W. WITT, City Attorney

By

Harold O. Valderhaug
Deputy City Attorney

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Attachment

ML-89-22