

# Capital Improvements Program

## Funding Sources

### Funding Sources

The Capital Improvements Program (CIP) uses a variety of funding sources to support projects. This section outlines some of the more common funding sources used in the CIP.

#### Facilities Benefit Assessments

Facilities Benefit Assessments (FBAs) provide 100 percent of funding for public facilities projects that service a designated area of benefit and are identified in the public facilities financing plan. The dollar amount of the assessment is based upon the cost of each public facility equitably distributed over a designated area of benefit in the community planning area. Assessments are recorded as liens with the County Assessor's Office. Property being developed is assessed at the time the building permit is issued. The amount of the assessment is determined by the type and size of the development.

#### Gas Tax Fund

The Gas Tax Fund collects revenue resulting from a tax on the sale of gasoline. The City's share of gas tax revenue is based on a formula that takes into account vehicle registration, assessed property valuation, and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety, and provide for the construction of assets within the public right-of-way.

#### General Fund

The General Fund is the City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings. Some allocations to the CIP budget are contributed from the operating budget of General Fund departments.

#### Golf Course Enterprise Funds

The Golf Course Enterprise Funds support the City's three municipal golf courses: Balboa Park, Mission Bay and Torrey Pines. These funds receive revenue from the operations of the golf courses, which are in turn used to fund capital projects that improve and/or maintain the condition of the courses.

#### Infrastructure Fund

The Infrastructure Fund is used exclusively for "the acquisition of real property, construction, reconstruction, rehabilitation, repair and maintenance of infrastructure," including the associated financing and personnel costs. The Infrastructure Fund was established by Section 77.1 of Article VII of the City Charter to be a dedicated source of revenue to fund General Fund infrastructure costs. The amount of revenue received by the fund is determined based on a formula that accounts for growth in major General Fund revenues and reductions in pension costs.

#### Mission Bay Park and San Diego Regional Parks Improvement Funds

Mission Bay rents and concessions revenue is allocated to the Mission Bay Park and San Diego Regional Parks Improvement Funds in accordance with the San Diego City Charter, Article V, Section 55.2. The funds in the Mission Bay Park Improvement Fund may only be expended in Mission Bay Park for permanent or deferred capital improvements of existing facilities, as well as to improve environmental conditions consistent with the Mission Bay Park Master Plan. The funds in the San Diego Regional Parks Improvement Fund may only be expended for permanent or deferred capital improvements in San Diego's regional parks. The City of San Diego's regional parks include Balboa Park, Chicano Park, Chollas Lake Park, Mission Trails Regional Park, Otay River Valley Park, Presidio Park, San Diego River Park, open space parks, and coastal beaches and contiguous coastal parks.

#### Parking Meter Districts

Parking Meter District revenues shall be used to address parking supply and mobility issues. Improvement and activities that increase the availability, supply, and effective use of parking to residents, visitors and employees within the area in which the meter is located will be the primary focus of expenditures of the funds.

# Capital Improvements Program

## Funding Sources

### **Mission Trails Regional Park Fund**

The Mission Trails Regional Park Fund mainly consists of rent monies from a variety of different leases for the communication facilities on Cowles Mountain. Funds are to be used for capital improvements in the Mission Trails Regional Park.

### **Recycling Fund**

The Recycling Fund is an enterprise fund that supports the City's recycling programs, receiving revenue from a variety of fees associated with recycling.

### **Refuse Disposal Fund**

Refuse Disposal Fund is an enterprise fund that is used to operate the City's Miramar Landfill and maintain the City's inactive landfills. Most of the capital projects supported by this fund are focused on ensuring regulatory compliance at these landfills. Projects are funded and prioritized based on deferred capital and regulatory requirements.

### **Sewer Funds**

Sewer Funds are enterprise funds that support the Municipal and Metropolitan Sewer Systems. Funding for sewer capital projects is provided by sewer rates and grants. Projects utilize a variety of financing strategies, including pay-as-you-go cash financing, bond financing, and state revolving fund loans.

### **TransNet Funds**

TransNet, a one-half cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects. TransNet includes a Maintenance of Effort (MOE) provision which establishes minimum base levels of discretionary funds spending annually on the maintenance and improvement of the public right-of-way in order to continue to receive funding. The City utilizes TransNet cash for projects as much as possible to minimize the issuance of bonds which increases the costs of funding the project. TransNet Commercial Paper is a borrowing tool that can be used to raise cash needed to cover cash-flow deficits and is generally viewed as a lower-cost alternative to bank loans. The issuance of TransNet Commercial Paper may be utilized when feasible to further reduce debt service costs.

### **Trench Cut/Excavation Fee Fund**

Pavement deterioration studies show that pavement excavations will significantly degrade and shorten pavement life. Street Damage Fees are collected from excavators to recover the increased repaving and reconstruction costs incurred by the City as a result of trenching. In conjunction with the Streets Preservation Ordinance adopted in January 2013, Council approved a graduated increase in fees towards full cost recovery. Fees depend on the size of the trench, the age of the pavement, and the type of utility.

### **Utilities Undergrounding Program Fund**

This fund provides for the undergrounding of City utilities. San Diego Gas & Electric (SDG&E), AT&T, and the cable companies all contribute funds for the purpose of undergrounding overhead facilities. This amount is deposited with the City to be used solely for the undergrounding of electrical lines and associated activities.

### **Water Fund**

The Water Fund is an enterprise fund that supports the City's Water System. Funding for water capital projects is provided by water rates and grants. Projects utilize a variety of financing strategies, including pay-as-you-go cash financing, bond financing, commercial paper, and state revolving fund loans.

A complete list of funding sources in the CIP and their budgets are provided below in Table 1.

# Capital Improvements Program Funding Sources

**Table 1: Capital Improvements Program by Funding Source**

Funding Source	Prior Fiscal Years	FY 2021	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 5,574,298	\$ -	\$ -	\$ 5,574,298
Antenna Lease Fund	1,410,934	-	-	1,410,934
Bond Financing	129,360,057	-	302,298,650	431,658,707
Bus Stop Capital Improvement Fund	4,942	-	676,000	680,942
Capital Outlay - Land Sales	36,461,789	-	-	36,461,789
Capital Outlay - Other	22,777,703	-	-	22,777,703
Capital Outlay - Police Decentralization Land Sales	71,143	-	-	71,143
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	99,496,949	-	-	99,496,949
Developer Funding	35,801,463	-	2,800,298	38,601,761
Development Impact Fees	164,915,977	-	-	164,915,977
Donations	13,219,579	-	-	13,219,579
EDCO Community Fund	1,010,185	-	-	1,010,185
Energy Conservation Program Fund	658,594	-	1,500,000	2,158,594
Energy Upgrades CEC Loan Fund	30,273,755	-	-	30,273,755
Enhanced Infrastructure Financing District Fund	369,048	-	727,500	1,096,548
Environmental Growth Funds	8,238,538	-	-	8,238,538
Facilities Benefit Assessments	336,458,323	800,000	23,718,098	360,976,421
Federal Grants	201,982,144	-	39,593,263	241,575,407
Fiesta Island Sludge Mitigation Fund	4,841,784	-	-	4,841,784
Fleet Services Internal Service Fund	4,383,802	-	5,588,441	9,972,243
Gas Tax Fund	22,451,377	18,307,570	3,595,416	44,354,363
General Fund	68,025,415	547,000	-	68,572,415
Golf Course Enterprise Fund	30,139,103	3,000,000	-	33,139,103
Habitat Acquisition Fund	625,000	-	-	625,000
Infrastructure Fund	30,591,652	5,663,897	4,060,000	40,315,549
Infrastructure Improvement Funds	1,496	-	-	1,496
Library System Improvement Fund	2,005,156	-	-	2,005,156
Maintenance Assessment Districts	1,561,814	-	-	1,561,814
Mission Bay Park Improvement Fund	53,577,743	7,900,000	33,212,357	94,690,100
Mission Trails Regional Park Fund	1,732,093	-	959,646	2,691,739
Non-CIP Funds	300,000	-	-	300,000
OneSD/ERP Funding	349,679	-	-	349,679
Other Funding	53,200,799	1,623,165	21,000,000	75,823,964
Other Grants	3,190,529	-	-	3,190,529
Parking Meter Districts	5,553,043	1,500,000	-	7,053,043
Park Service District Funds	4,359,756	-	-	4,359,756
Proposition 42 Replacement - Transportation Relief Fund	14,091,553	-	-	14,091,553
Recycling Fund	18,120,000	-	-	18,120,000
Redevelopment Funding	9,269,376	-	-	9,269,376
Refuse Disposal Fund	52,413,255	-	200,000	52,613,255

# Capital Improvements Program Funding Sources

**Table 1: Capital Improvements Program by Funding Source**

Funding Source	Prior Fiscal Years	FY 2021	Future Fiscal Years	Funding Source Total
Regional Transportation Congestion Improvement Program	45,418,874	-	1,787,041	47,205,915
San Diego Regional Parks Improvement Fund	24,503,697	3,200,000	8,200,000	35,903,697
San Diego Unified School District	500,000	-	-	500,000
Sea World Traffic Mitigation Fund	10,965,000	-	-	10,965,000
Sewer Funds	916,422,807	140,967,190	976,736,988	2,034,126,985
State Grants	39,512,245	-	8,452,000	47,964,245
Sunset Cliffs Natural Park Fund	933,702	-	-	933,702
TransNet - Extension Bikeways	212,227	-	-	212,227
TransNet Funds	180,672,557	18,590,782	95,805,934	295,069,273
Trench Cut/Excavation Fee Fund	14,951,167	2,000,000	8,000,000	24,951,167
Unidentified Funding	-	-	2,852,662,536	2,852,662,536
Utilities Undergrounding Program Fund	70,611,129	10,000,000	40,000,000	120,611,129
Water Fund	1,347,780,645	153,384,940	1,435,341,854	2,936,507,439
<b>Total</b>	<b>\$ 4,123,097,925</b>	<b>\$ 367,484,544</b>	<b>\$ 5,866,916,022</b>	<b>\$ 10,357,498,491</b>

## Unidentified Funding

Some projects may lack sufficient identified funding to complete the project. These projects display an "unidentified funding" amount in the project pages. Each project with an unidentified amount is summarized in each department's Unfunded Needs List. A complete list of all projects with unidentified funding is provided below in Table 2.

**Table 2: Capital Improvement Projects Unfunded Needs**

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Park de la Cruz Neighborhood Park Improvements / S15003	228	62	High	\$ 200,000	1.30 %
N Torrey Pines Rd Bridge/ Los Peñasquitos / S00935	418	56	Medium	300,000	2.00 %
Balboa Pk Bud Kearns Aquatic Complex Imp / S17000	172	65	Low	100,000	2.80 %
Junipero Serra Museum ADA Improvements / S15034	208	60	Medium	64,461	2.80 %
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	402	53	Low	2,519,936	6.60 %
Southeastern Mini Park Improvements / L16000	243	57	Low	551,851	6.90 %
Sunset Cliffs Natural Pk Hillside Imp Preserv Phas / L16001	244	58	Medium	370,816	8.90 %
North Park Mini Park / S10050	219	53	Low	452,295	9.70 %
Carmel Grove NP Comfort Station and Park / S16038	179	58	Medium	199,968	11.40 %
Guard Rails / AIE00002	406	Annual	Annual	446,800	11.80 %
Hickman Fields Athletic Area / S00751	204	60	Medium	1,594,787	16.70 %
Carmel Mission NP Comfort Station Development / S16039	181	58	Medium	199,271	16.90 %
Carmel Knolls NP Comfort Station-Development / S16033	180	58	Medium	199,971	17.00 %
Mohnike Adobe and Barn Restoration / S13008	217	62	High	583,973	21.70 %
Torrey Highlands NP Upgrades / S16036	249	58	Medium	239,722	23.30 %
Solana Highlands NP-Comfort Station Development / S16032	242	58	Medium	540,734	24.70 %
Sunset Cliffs Park Drainage Improvements / L14005	245	66	High	1,512,664	31.30 %
Otay Mesa Truck Route Phase 4 / S11060	421	55	Medium	9,330,702	35.70 %

# Capital Improvements Program Funding Sources

**Table 2: Capital Improvement Projects Unfunded Needs**

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Traffic Signals - Citywide / AIL00004	445	Annual	Annual	6,666,100	35.90 %
Police Range Refurbishment Phase II / S18005	268	86	High	5,300,000	36.30 %
Traffic Signals Modification / AIL00005	446	Annual	Annual	8,011,000	36.40 %
Bridge Rehabilitation / AIE00001	385	Annual	Annual	12,956,493	38.90 %
Traffic Calming / AIL00001	444	Annual	Annual	6,516,000	41.40 %
Median Installation / AIG00001	416	Annual	Annual	9,030,000	47.50 %
Canon Street Pocket Park / S16047	175	58	Medium	1,350,909	52.60 %
Fire-Rescue Air Operations Facility / S15012	138	78	Medium	10,864,904	54.50 %
SD River Dredging Qualcomm Way to SR163 / S00606	239	69	Medium	975,000	57.70 %
City Facilities Improvements / ABT00001	349	Annual	Annual	60,114,719	60.20 %
La Media Road Improvements / S15018	412	85	High	26,689,262	62.50 %
Golf Course Drive Improvements / S15040	203	50	Low	3,711,439	70.80 %
State Route 56 Freeway Expansion / RD14000	436	N/A	N/A	90,000,000	72.80 %
Palm Avenue Interstate 805 Interchange / S00869	422	53	Low	26,500,000	74.40 %
Beyer Park Development / S00752	174	51	Low	14,652,493	75.30 %
New Walkways / AIK00001	419	Annual	Annual	84,850,000	77.90 %
Drainage Projects / ACA00001	360	Annual	Annual	494,845,710	78.20 %
Sidewalk Repair and Reconstruction / AIK00003	432	Annual	Annual	61,400,000	78.60 %
Bicycle Facilities / AIA00001	384	Annual	Annual	104,697,400	80.00 %
Streamview Drive Improvements Phase 2 / S18000	438	67	High	11,860,401	81.50 %
Olive Grove Community Park ADA Improve / S15028	223	65	High	2,814,771	81.90 %
Street Light Circuit Upgrades / AIH00002	439	Annual	Annual	22,300,000	83.50 %
NTC Aquatic Center / S10000	220	56	Low	8,000,000	84.30 %
Fairmount Avenue Fire Station / S14018	130	83	Medium	13,822,205	85.60 %
Market St-Euclid to Pitta-Improvements / S16022	414	50	Low	4,976,600	89.40 %
North Pacific Beach Lifeguard Station / S10119	139	83	Medium	6,492,777	89.50 %
Chollas Lake Improvements / L18001	189	64	High	5,000,000	90.10 %
San Carlos Branch Library / S00800	153	N/A	N/A	24,043,926	90.50 %
Install T/S Interconnect Systems / AIL00002	407	Annual	Annual	123,440,400	92.80 %
Ocean Beach Branch Library / S20015	151	62	Low	7,918,512	93.20 %
Watershed CIP / ACC00001	363	Annual	Annual	512,019,226	94.10 %
Fire Station No. 51 - Skyline Hills / S14017	136	83	Medium	13,140,957	94.60 %
Installation of City Owned Street Lights / AIH00001	408	Annual	Annual	176,040,400	95.20 %
Ocean Beach Pier Improvements / S20011	222	47	Low	20,000,000	95.80 %
Fire Station No. 49 - Otay Mesa / S00784	134	81	Medium	8,323,586	99.00 %
Sea World Dr/I5 Interchange Improvement / S00888	431	74	High	119,072,571	99.10 %
Maple Canyon Storm Drain Upgrade / S20003	362	86	Medium	30,000,000	99.20 %
Fire Station No. 54 - Paradise Hills / S00785	137	81	Medium	13,216,346	99.40 %
Convention Center Phase III Expansion / S12022	99	N/A	N/A	681,640,478	99.50 %
<b>Total</b>				<b>\$ 2,852,662,536</b>	