

FISCAL YEAR

2024

ADOPTED
BUDGET



Volume 1
Capital Improvements Program

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY





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Capital Improvements Program

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The Fiscal Year 2024 Adopted Capital Improvements Program (CIP) Budget is \$704.1 million. This budget allocates existing funds and anticipated revenues to both new and continuing projects in the City’s \$19.90 billion multi-year CIP. The allocation of funds is based upon an analysis of available funding sources as well as a review of project needs and priorities. The City’s CIP needs often outweigh available resources; therefore, the Adopted CIP budget is constrained by the availability of funds.



The Fiscal Year 2024 Adopted CIP budget, as summarized in **Table 1- Fiscal Year 2024 Adopted CIP Budget** is funded by a variety of sources, including, but not limited to, Water and Sewer Enterprise Funds, TransNet, Gas Tax, bond financing, Infrastructure Fund, and Park Improvement funds. Further details on all funding sources and the specific projects are included in the Adopted CIP Budget which can be found in Volume III of the Fiscal Year 2024 Adopted Budget.

Table 1 – Fiscal Year 2024 Adopted CIP Budget

Funding Source	FY 2024 Adopted Budget	Percent of Total CIP Budget
Airport Funds	\$ 4,614,497	0.66 %
Bond Financing	104,631,689	14.86 %
Climate Equity Fund	9,450,000	1.34 %
Development Impact Fees	24,844,796	3.53 %
EDCO Community Fund	325,521	0.05 %
Enhanced Infrastructure Financing District Fund	1,150,000	0.16 %
Facilities Benefit Assessments	26,792,948	3.81 %
Fleet Operating Fund	2,028,631	0.29 %
Gas Tax Fund	4,742,656	0.67 %
General Fund	8,050,000	1.14 %
Golf Course Enterprise Fund	4,000,000	0.57 %
Infrastructure Fund	27,156,372	3.86 %
Library System Improvement Fund	300,000	0.04 %
Loans	6,830,094	0.97 %
Mission Bay Park Improvement Fund	12,869,721	1.83 %
Other Funding	2,346,515	0.33 %
Recycling Fund	10,000,000	1.42 %
Redevelopment Funding	713,171	0.10 %
Refuse Disposal Fund	400,000	0.06 %
Regional Transportation Congestion Improvement Program	50,000	0.01 %
San Diego Regional Parks Improvement Fund	6,329,850	0.90 %
Sewer Enterprise Funds	136,411,094	19.37 %
TransNet Funds	27,324,625	3.88 %
Trench Cut/Excavation Fee Fund	2,000,000	0.28 %
Water Enterprise Fund	280,753,141	39.87 %
Grand Total	\$ 704,115,321	

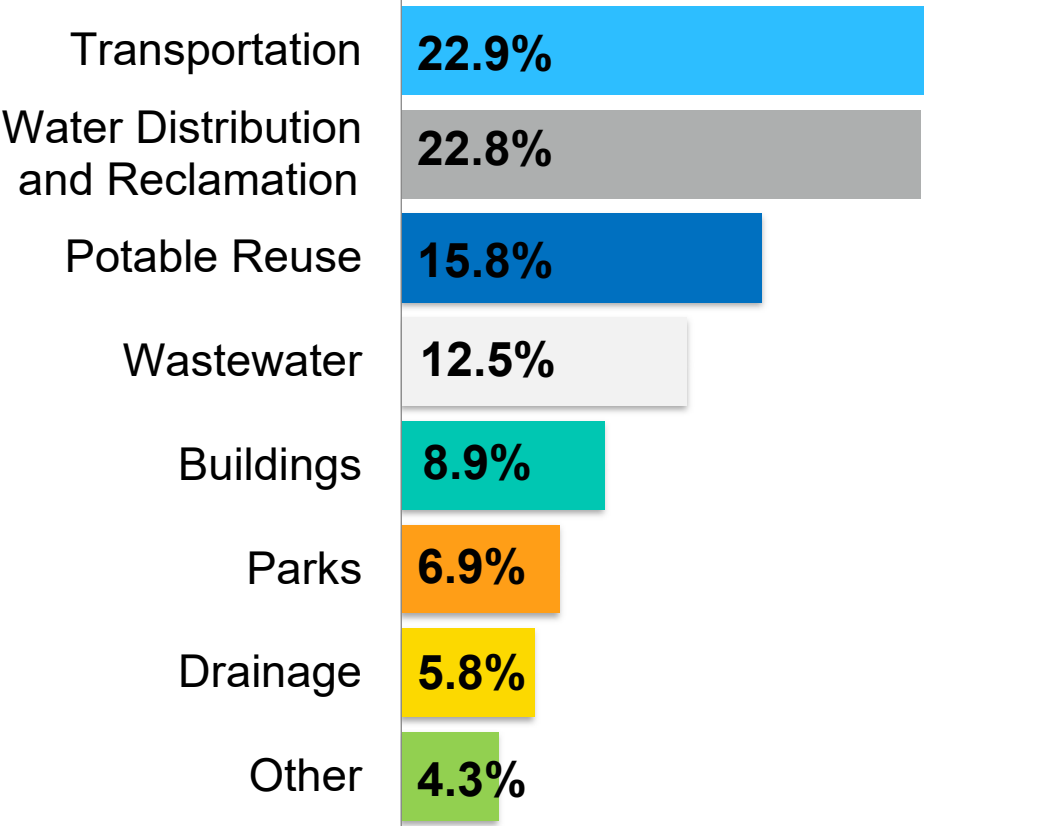
An additional \$293.3 million of funding is anticipated to be budgeted during Fiscal Year 2024. This anticipated funding is not included in the Adopted Budget amount of \$704.1 million because the funding

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sources either require additional City Council approval or funding sources are more tentative. Staff will request City Council approval to appropriate when the funds have been received. Anticipated funding includes a variety of funding such as donations, grants, debt financing, developer funding, Development Impact Fees (DIF), and Facilities Benefit Assessments (FBA).

The Fiscal Year 2024 Adopted CIP Budget will support various types of projects, as displayed in **Figure 1 – Fiscal Year 2024 Adopted Budget by Project Type** below, such as water and wastewater, buildings, and transportation projects. Since the allocation of resources are primarily driven by the availability of funds, the distribution of the Adopted CIP Budget is concentrated on those project types with dedicated funding sources. The Water and Sewer Funds account for the majority of the Adopted CIP Budget and support water and wastewater project types. In addition, 70.4 percent of the CIP budget allocation for City buildings is for buildings that are maintained and operated by the Public Utilities Department and are funded by the Water and Sewer Funds. Transportation projects are primarily funded by TransNet and gas taxes, which may also fund transportation components of other project types in the right-of-way, such as certain stormwater projects. Landfill, airport, and golf project types are funded by their respective enterprise funds. Parks, stormwater, and other building projects, such as police, fire, and library buildings, compete for scarce resources, including development impact fees and the City’s General Fund.

Figure 1 – Fiscal Year 2024 Adopted Budget by Project Type



The City’s multi-year CIP includes assets that are maintained and operated by a variety of City departments and asset-managing sections, as shown in **Table 2 – Multi-Year CIP**. The largest funding allocation in the Fiscal Year 2024 Adopted CIP Budget is for the Public Utilities Department’s projects, receiving \$408.2

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million, or 58.0 percent, of the Adopted CIP Budget. The next largest portion is for the Transportation Department's projects, with \$160.1 million, or 22.7 percent, of the Adopted CIP Budget. The distribution of funding for each department's projects is primarily dependent upon the availability of funding for the types of assets maintained by each department, combined with the amount, size and condition of those assets.

Table 2 – Multi-Year CIP

Department	Prior Years	FY 2024 Adopted	Future Years	Total
Airport Management	\$ 6,780,690	\$ 4,614,497	\$ 69,808,115	\$ 81,203,302
Citywide	36,030,311	715,000	681,925,478	718,670,789
Department of Information Technology	19,645,433	6,616,563	-	26,261,996
Environmental Services	52,195,251	10,400,000	52,700,000	115,295,251
Fire-Rescue	83,676,483	250,000	112,522,787	196,449,270
General Services	52,580,445	5,712,800	334,613,075	392,906,320
Library	43,401,654	9,392,723	76,780,582	129,574,959
Parks & Recreation	552,978,875	56,964,631	1,060,865,975	1,670,809,481
Police	12,000,000	-	5,800,000	17,800,000
Public Utilities	3,565,999,309	408,182,672	5,781,901,070	9,756,083,051
Stormwater	355,073,875	41,121,747	2,337,676,603	2,733,872,225
Sustainability & Mobility	14,440,129	-	227,865,339	242,305,468
Transportation	1,039,411,175	160,144,688	2,622,179,175	3,821,735,038
Grand Total	\$ 5,834,213,631	\$ 704,115,321	\$ 13,364,638,199	\$ 19,902,967,151

The Fiscal Year 2024 Adopted CIP Budget will add \$704.1 million to the City's \$19.90 billion multi-year CIP, which is a \$2.67 billion year-over-year increase from the Fiscal Year 2023 Adopted Budget. Additionally, City Council previously approved over \$5.83 billion towards projects that are continuing from previous fiscal years. Furthermore, an estimated \$13.36 billion of additional funding will be needed in future years to complete the projects currently in the City's CIP and to fund annual ongoing capital expenses, such as road resurfacing and pipe replacements. The City's CIP does not include all the City's unfunded CIP needs or new projects that may be added in future years.

Priority Scores are given to projects to compare them to other similar projects of the same project type within the CIP Budget. [Council Policy 800-14](#), Prioritizing CIP Projects, outlines the process for scoring and prioritizing projects. This policy was updated during Fiscal Year 2023 that included amendments to factors that must be considered when adding projects to the annual Capital Improvements Program budgets. The updates of the Council Policy ensure that the guiding principles of the City's recently adopted policies, like the Parks Master Plan, Climate Action Plan, and Build Better San Diego initiative, are incorporated into the City's delivery of needed neighborhood developments and infrastructure investments. The overall goal is to establish an infrastructure prioritization that delivers infrastructure efficiently and equitably across the City, with equity being part of the updated factors in the scoring weights. This policy provides guidelines and procedures to maintain consistency in application across all asset-managing departments by requiring an asset specific scoring methodology using unique operational needs and an objective scoring tool in prioritizing CIP projects. More details regarding the project prioritization process can be found in the Project Prioritization section of Volume III of the Fiscal Year 2024 Adopted Budget.

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Five-Year Capital Infrastructure Planning Outlook

Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to the City's residents. Therefore, the procurement, construction, and maintenance of capital assets are a critical activity of the City. Careful planning involves ongoing review of the City's capital needs and funding programs to develop an integrated capital asset management system. A prudent multi-year capital plan will identify and prioritize expected needs based on a community's strategic plan, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs that will expand well beyond one year.

In January 2023, the Engineering & Capital Projects Department released the [Fiscal Year 2024-2028 Five-Year Capital Infrastructure Planning Outlook](#) (CIP Outlook) report. The CIP Outlook presents a comprehensive overview of the City's CIP including current driving factors, reviews of service level standards, a discussion of condition assessment impacts, and a cost analysis which spans over multiple fiscal years. The CIP Outlook is released annually and is used as a guide in developing the City's Annual Capital Improvements Program Budget.



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