

The City of
SAN DIEGO

**FISCAL YEAR 2024-2028
FIVE-YEAR CAPITAL INFRASTRUCTURE
PLANNING OUTLOOK**



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List of Abbreviations

1. ADA: Americans with Disabilities Act
2. ADACA: The Office of ADA Compliance and Accessibility
3. AMD: Asset Managing Department
4. AMP: Asset Management Planning
5. B: Billion
6. BRE: Business Risk Exposure
7. CAP: Climate Action Plan
8. CAPH: Community Action Plan on Homelessness
9. CDBG: Community Development Block Grant
10. CEA: Coastal Erosion Assessment
11. CIP: Capital Improvements Program
12. CIP Outlook: Fiscal Year 2024 – 2028 Five-Year Capital Infrastructure Planning Outlook
13. CIPRAC: Capital Improvements Program Review and Advisory Committee
14. City: City of San Diego
15. CP Program: Commercial Paper Note Program
16. CPC: Community Planners Committee
17. CPG: Community Planning Group
18. DCOO: City's Deputy Chief Operating Officer
19. DGS: Department of General Services
20. DIF: Development Impact Fees
21. E&CP: Engineering & Capital Projects
22. EAM: Enterprise Asset Management
23. ECPD: Engineering and Capital Department
24. EPA: Environmental Protection Act
25. EPIC: Emergency Policy Initiatives Center
26. FAA: Federal Aviation Administration
27. FBA: Facilities Benefits Assessment
28. FY: Fiscal Year
29. GHG: Green House gas
30. HSSD: Homeless Strategies and Solutions Department
31. IJJA: Federal Infrastructure and Jobs Act
32. ITS: Intelligent Transportation Systems
33. JOC: Job Order Contract
34. LTP: Long Term Planning
35. M: Million
36. MAD: Maintenance Assessment District
37. Metro: Metropolitan System (for wastewater)
38. mgd: million gallons per day
39. Muni: Municipal System (for wastewater)
40. O&M: Operations and Maintenance
41. OCI: Overall Condition Index (of pavement)
42. RCPC: Regional Construction Procurement Committee
43. RTCIP: Regional Transportation Congestion Improvement Program Funds

- 44. SBM: Statewide Benchmarking
Committee
 - 45. SCPD: Strategic Capital Projects
Department
 - 46. SDPL: San Diego Public Library
 - 47. SLS: Service Level Standard
 - 48. SRF: State Revolving Funds
 - 49. SuMo: The Sustainability and Mobility
Department
 - 50. SWD: Storm Water Department
 - 51. WAMP: Watershed Asset Management
Plan
 - 52. WIFIA: Water Infrastructure Finance and
Innovation Act
 - 53. ZEMBOP: Zero Emissions Municipal
Buildings & Operations Policy
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EXECUTIVE SUMMARY

The City of San Diego (City) Fiscal Year (FY) 2024-2028 Five-Year Capital Infrastructure Planning Outlook (CIP Outlook) provides information on policy, regulatory, and other criteria used by Asset Managing Departments (AMDs) in determining capital infrastructure needs, as well as the bases for revenue projections of capital funds, and other considerations relevant to managing a citywide capital program. The CIP Outlook is written to follow the annual release of the Five-Year Financial Outlook for the purpose of increasing accuracy in forecasting future funding for capital projects, as well as helping to drive more effective long-term infrastructure planning. Information in this outlook reflects data collection that initiated in July 2022 with input from AMDs, the Mayor’s office, and Council Members. Projects discussed within have not yet been evaluated on criteria set forth in Council Policy 800-14, CIP Prioritization.

The CIP Outlook is not a budget it is a planning tool enabling sound allocation of resources required in meeting the City’s strategic goals that are critical to the provision of core services. The CIP Outlook facilitates monitoring and evaluation of funding availability, while also considering new needs that are of priority, as well incorporating new policy. It provides the City Council, stakeholders, and the public with information to aid informed budget discussion and development. This document does not represent a complete compilation of department and public requests that may be considered in the preparation of future annual budgets¹.

To address San Diego’s infrastructure backlog, created over decades and impacted by inadequate coordination of long-range planning across City Departments, the CIP Outlook provides a comprehensive evaluation and analysis of planning. Improved oversight and coordination of the [City’s CIP](#) will position the City to proactively mitigate inequities amongst communities and improve the development and management of capital assets. Additionally, the CIP Outlook will evolve over time to better reflect the City’s strategic plans, priority areas of focus, project prioritization policy, condition assessments and updates, as well as service level standards.

Aging City infrastructure correlates with growth in the CIP. Over the next five fiscal years, the CIP needs are an estimated at \$9.75 billion. This includes ongoing expenditure needs of existing CIP projects in the FY 2023 Annual CIP Budget, as well as newly identified capital asset needs arising from regulatory requirements or other specific criteria explained below. Expected revenue sources to support CIP projects are similarly increasing. An estimated \$4.58 billion will be available for future capital needs. An estimated additional \$5.17 billion would be required to meet all the needs outlined.

Since the CIP Outlook is an annual moving projection, a new outer year is picked up in every report. This new outer year introduces new needs and identifies facilities that are coming due for replacement that were not due for replacement in earlier years. Because the City was built progressively over time, the replacement trend is progressive and grows with time; replacement needs follow the same pattern. Adding to increased infrastructure needs is the rising cost of materials and labor. The City continuously monitors the unit costs in awarded construction projects and updates the cost of projects to reflect the change in market based on bidding trends.

¹ Department of Finance publishes the [CIP Adopted Budget](#) annually. [The Citizen’s Guide to the Capital Improvement Program](#) produced by the Office of the Independent Budget Analyst, provides additional useful information about the City’s CIP.

REPORT OVERVIEW AND METHODOLOGY

The CIP Outlook follows the Five-Year Financial Outlook for the purpose of increasing accuracy in projecting preliminary asset needs and funding availability. It provides City Council members and residents information on capital asset needs that inform discussion around developing the Fiscal Year 2024 CIP Budget.

The CIP Outlook is divided into three primary sections. The first provides an overview of significant policy, regulation, elements, and initiatives considered for proposed CIP projects. The second section lists capital asset needs by asset type as well as asset-specific considerations. The final section describes forecasted eligible revenues that support capital needs and notes primary restrictions in allocating and expending those sources of revenue.

The City’s Fiscal Year 2023 Adopted CIP Budget provided the baseline expenditure values as the starting point to formulate projections over the next five fiscal years. The Adopted CIP Budget allocates existing and anticipated funds to both new and continuing projects in the City’s multi-year CIP. **Table 1** displays the baseline expenditures referenced from the Fiscal Year 2023 Adopted CIP Budget, currently totaling a \$17.24 billion multi-year CIP.

Table 1 City of San Diego Multi-Year CIP - Fiscal Year 2023 Existing CIP Projects

Multi Year CIP	Prior Year for Existing CIP Projects	FY 2023 Adopted Budget	Future Years for Existing CIP Projects	Total
Projected	\$ 5,029,835,451	\$ 834,078,291	\$ 11,372,808,612	\$ 17,236,722,354

The data in this table is based on existing CIP projects in the FY 2023 Adopted CIP Budget. “Future Years” includes expenses through the life of existing CIP projects, which could extend beyond five fiscal years.

Figures referenced in Table 1 do not include newly identified needs that may arise and result in future CIP projects.

Asset Managing Departments submitted, for this report, a total of approximately \$9.75 billion in capital infrastructure needs over the next five fiscal years which includes continuing funding needs of existing CIP projects from the Fiscal Year 2023 Adopted CIP Budget, as well as newly identified capital asset needs based on regulatory requirements or other criteria further explained in this report.

CIP Outlook Needs Assumptions

While the CIP Outlook presents a comprehensive inventory of citywide capital asset requests, some capital assets are either not included or are partially projected in the report. The unique needs of AMDs, assumptions unique to individual projects, multiple asset types, executing improvements within a heavily urbanized infrastructure, limited resources, evolving priorities and demographics, performance capacity, and other challenges all contribute to the complexity of developing a multi-billion-dollar capital infrastructure plan. Consequently, the CIP Outlook does not list all capital assets and contains some that are partially projected. Please note the following exceptions:

Sea Walls, Piers, and Coastal Assets- Rising Sea Levels

These assets, with the exception of Ocean Beach Pier, are not evaluated to date and are not factored into the funding analysis. Without completed definitive studies, the Climate Action Plan and the Climate Resilient SD Plan are the only sources available so far that address sea level rise and identify a projected need to restore or improve coastal infrastructure to withhold climate elements. The Ocean Beach Pier has been evaluated and capital needs for the five-year window are included in this report.

Convention Center Expansion

Only previously approved funding by City Council was included in the report. No other capital needs or funding projections were included in this report for the expansion of the Convention Center. In 2017 the estimated total project cost to expand the convention center was \$685 million. At present market rates, it is anticipated the cost will be higher. The project has been delayed due to legal challenges associated with Measure C. Once the legal issues are resolved and funding has been identified the project will resume. It is also anticipated that due to the age of the facility and the delays to the convention center expansion project, that now additional improvements (capital repairs) and cost to the existing facility will be needed.

Information Technology Improvements

While information technology improvements, such as communication and security systems, serve as important tools in maintaining and enhancing government operations, and are considered capital expenditures, these types of capital projects are not included in this report, which focuses on certain identified brick and mortar asset types. Additional information about the City's information technology programs can be reviewed on the [City's Information Technology website](#).

Maintenance and Repair of Capital Assets

This report includes needs that are capital in nature. These needs do not include the costs necessary for general preventative maintenance and repairs of infrastructure assets. Maintenance and repair expenses are generally incurred by the operational budgets of the AMDs and are appropriated within their respective annual budgets.

CAPITAL IMPROVEMENTS PROGRAM OVERVIEW

The CIP is a compilation of individual capital improvement projects and annually adopted funding sources. [CIP projects](#) provide improvements, or additions, to the City's infrastructure systems and are designed to enhance the overall quality of life. Executing the CIP portfolio is complex due to the volume and variety of funding sources, asset types, project delivery methods, policies, and initiatives. Projects are identified through coordination with City's Asset Managing Departments, the input from stakeholders, and funding approval from the City Council. In this report, the Asset Managing Departments identified their capital needs over the next five fiscal years that would allow them to meet their established service levels, operational goals, and overall core mission.

Recent Policy updates and adopted initiatives, including [Parks for All of Us](#), [Build Better SD](#), [Council Policy 800-14](#) and [Council Policy 000-32](#), will change the way the City identifies and prioritizes infrastructure projects which will be seen in future CIP budgets and CIP outlooks. The desired outcome of such changes is to foster improvement in equity, public safety, and quality of life, as well as efficiency and effectiveness, via all CIP investments.

Long Range Asset Planning

Asset Managing Departments receive input from the Community, Community Planning Committees, Council Offices, Service Providing Departments, and the Mayor's Office to guide their long-range planning goals and desired outcomes. Asset management plan development is also guided by information from Asset Condition Assessments, Community Plans, the City's Climate Initiative, Asset Master Plans, Service Level Standards, Legal Mandates, and existing Asset Management Plans.

The City's EAM (Enterprise Asset Management) system was enhanced in Fiscal Year 2018 by the I AM SD (Infrastructure Asset Management San Diego) project. The system is made up of several SAP modules and integrates with most other SAP modules and several other IT systems such as Asset Management Planning (AMP), and Primavera.

AMP allows visibility of asset lifecycles thus aids long-range capital asset planning, risk management, and condition-based prioritization. Used together, AMP and EAM increase efficiencies and cost savings related to CIP delivery through project bundling and better alignment and coordination across departments.

Establishing and Evaluating Service Level Standards

Level of Service is the defined service quality for a particular activity against which service performance may be measured. Service Level Standards (SLS) set a threshold for public infrastructure needs and usually relate to quality, quantity, reliability, responsiveness, environmental impacts, acceptability, and cost. Many of the City's existing SLS were established by Federal, State, and regional regulations, laws, and industry standards. Additionally, General and Community Plans help to inform public infrastructure requirements and needs. These SLS reflect accepted infrastructure requirements such as increased park space, access to public safety, improved traffic patterns, and public safety facilities. The following sections outline various plans that directly or indirectly address SLS and serve to guide the AMDs in determining capital needs.

Necessary changes and additions to SLS for assets and services may result in revision to scopes of work and cost projections of current CIP projects. AMDs continue to build upon current SLS to

eventually include all assets, outdated SLS must be evaluated and updated, and newer initiatives that have capital improvement components need new standards integrated with existing standards.

Condition Assessments

Maintaining accurate and current data on the condition of infrastructure assets is a priority for asset management. Condition assessment data allows the City to effectively plan for the replacement, rehabilitation, or improvement of assets to ensure their reliability and sustainability. The City has invested in condition assessments for many assets such as streets, bridges, parks, public facilities, and airports. These condition assessments are of varying age and lifespan. Asset managing departments have used available condition assessment data to aid in the identification of future capital needs that are reflected in the CIP Outlook.

Operations and Maintenance Impacts to Capital Renewal

CIP Projects extend the useful lives of existing facilities or establish new facilities to address growth and increases in service demands. Whereas improvements to existing facilities ideally result in the reduction of the increasing operation and maintenance expenses of aging facilities, the creation of new facilities introduces new operation and maintenance burdens.

Conducting ongoing planned preventative and predictive maintenance is vital for optimizing the life of capital assets in a cost-effective manner. When ongoing maintenance is not fully funded, it contributes to deferred maintenance and capital needs, raises risks of asset depreciation, and increases repair and replacement costs. While capital repair, rehabilitation, or replacement are eligible to be in the CIP, maintenance is an operational cost typically funded by the AMD's operating budget, or other non-capital funding sources. Further, many available funding sources have restrictions on funds that can be used for maintenance such as TransNet, which limits operational maintenance to 30 percent of the total funds the City receives.

Federal and State Mandates

The City faces a wide range of mandates from regulatory agencies regarding asset design and attributes, most of which have consequences if unmet. Many legal mandates regulate specific standards, such as water and air quality rules, to preserve and maintain public health or to protect the environment. Others exist to protect civil rights, such as accessibility standards that provide access to the City's programs and services for persons of all abilities. The City's failure to meet these requirements could result in substantial fines or exposure to litigation.

Americans with Disabilities Act (ADA) Requirements

The 1990 and 2010 federal ADA civil rights laws mandate that local governments maintain a complaint process for persons with disabilities who have an accessibility grievance against the municipality. Most complaints involve public rights-of-way, such as missing or inadequate curb ramps, missing sidewalks, and requests for accessible pedestrian signals at signalized roadway intersections. The City resolves complaints as efficiently and effectively as determined to be feasible but has at last count, 236 open and unfunded complaints with an approximated remediation cost of \$25-35 million.

ADA regulations also require that public entities with 50 or more employees complete a transition plan that identifies, and schedules modifications needed to achieve accessibility in its facilities and public rights-of-way. The City's original Transition Plan, adopted in 1996, identified 212 high-use City-owned facilities needing architectural barrier removal to achieve accessibility; all original Transition

Plan projects are complete. In 2009, the City updated its Transition Plan and identified 182 additional high-use public facilities requiring architectural barrier removal. Since the 2009 update the City has completed 41 of these facilities, and an additional 30 are funded, and six have been closed to the public and removed from the Transition Plan. The remaining 105 facilities' approximate projected cost for barrier removal only, i.e., no additional improvements, is \$35 - \$45 million. As transition plans are working, living documents, the City continues to evaluate and update its list of public facilities requiring modifications or barrier removals for compliance with current accessibility regulations. In addition to Transition Plan-specific and complaint-related projects, all City capital projects incorporate ADA components as required by federal, state, and local laws, building codes, and regulations.

Preservation of Public Safety

Public safety assets are those used by City staff whose mission is to protect, preserve, and maintain safety of the community, its environment and property. Typical facilities include lifeguard, fire, and police stations. Other types of projects may also result in mitigating or reducing risk to public health, safety, and the environment through improvements such as reducing traffic collisions, sewer spills, and emergency response times. The City recognizes the value of fire prevention and the need to prevent or limit the severity of fire, given the type of housing stock, commercial buildings, and the threat of wildland fires on the City's edges. To meet these challenges, the City adopted safety codes more strenuous than those mandated by state minimums.

Initiatives and Policies

Build Better San Diego

[Build Better San Diego](#), a citywide infrastructure funding and planning initiative adopted by City Council in August 2022 supports the City of San Diego's equity, access, conservation, and sustainability goals which prioritizes the delivery of effective fire and emergency response infrastructure, safe and enjoyable public spaces to gather, multi-modal travel, and immersive and interactive libraries. Build Better SD included an amendment to the General Plan Public Facilities Element, which includes new policies calling for park investments to be prioritized in the areas of greatest need, including underserved communities and areas where the greatest number of people would be served.

Parks for All of Us

[Parks for All of Us](#) was adopted in August 2021 to bring the many benefits of great parks and recreational opportunities to all City residents and visitors by addressing thirteen key policy areas. These areas focus on equitable access and programming and increased opportunities by creating citywide funding streams instead of those previously restricted by community, so that park investments can be prioritized in the areas of greatest need, including underserved communities and areas where the greatest number of people would be served. Parks for All of Us included the adopted of a Parks Master Plan and an amendment to the General Plan Recreation Element.

Equity in Infrastructure

While there has been a historic focus on achieving equality across communities, future CIP programming is intended to prioritize equity, in addition to continuously producing equal and equitable outcomes, as well as the ultimate elimination of structurally excluded communities.

The term structurally excluded community takes into consideration how racial disparities are often connected to place and are rooted in historic racialized policies and practices that created and maintain unfair racial outcomes. A structurally excluded community takes into consideration how

systems interact with racial and ethnic differences to design disparities and shape racial biases which impact access to health, education, economic capital, social position, safety and opportunity.

Equity results with the elimination of institutional racism and systemic disparities, providing everyone with equitable access to opportunity and resources to thrive, no matter where they live or how they identify. Equality occurs when each individual, family, neighborhood, or community has access to the same resources and opportunities without recognition that each person has different circumstances.

Council Policy 800-14, which is discussed further below, will be used as the framework to address place-based disparities.

Climate Action Plan (CAP)

The City of San Diego's [Climate Action Plan](#) establishes a community-wide goal of reducing greenhouse gas (GHG) emissions to net zero by 2035, committing San Diego to an accelerated trajectory for greenhouse gas reductions. Achieving net-zero emissions will improve the air we breathe, the communities we live in, and our overall quality of life. San Diego is leading the way and the City has already begun work, including transitioning all City facilities to San Diego Community Power's 100% renewable energy service, funding early implementation steps, and partnering with labor organizations to complete a workforce impacts study.

The six strategies of the [2022 Climate Action Plan \(CAP\)](#) are:

- Decarbonization of the Built Environment
- Access to Clean and Renewable Energy
- Mobility and Land Use
- Circular Economy and Clean Communities
- Resilient Infrastructure and Healthy Ecosystems
- Emerging Climate Actions

Zero Emissions Municipal Buildings and Operations

In Fiscal Year 2023 the City adopted the Zero Emissions Municipal Buildings & Operations Policy (ZEMBOP), which established an implementing framework to ensure the City leads by example in decarbonizing its buildings and transitioning to a zero emissions fleet. ZEMBOP is part of [the Municipal Energy Strategy](#), and [the Municipal Energy Implementation Plan](#), all of which reflect the goal of all City-owned and operated buildings being all-electric, energy efficient and fueled by 100% renewable energy by 2035.

With the adoption of ZEMBOP, new municipal facility construction projects will be required to be all-electric, 10% more efficient than the state code, and designed to include renewable energy systems plus battery energy storage systems large enough to cover facility electricity loads. All fleet parking spaces in associated parking lots must be EV Ready (i.e. wiring to the spaces), and 50% of both staff and public parking spaces must be EV Capable (i.e. conduit to the spaces). Facilities must have electric panel capacity for eventual charging stations at all EV spaces.

ZEMBOP requires AMDs to look ahead and plan out decarbonization efforts between now and 2035 for facilities and fleet infrastructure. The policy requires AMDs to provide by January 1, 2024:

- *Fossil Fuel Elimination Plans* that identify all fossil fuel appliances in their facilities, and provide timelines for replacements; and

- *Fleet Charging Plans* that identify proposed parking/charging locations for all fleet vehicles and provide timelines for installation of charging infrastructure.

The Sustainability & Mobility Department Energy Division and the Department of General Services Fleet Division will assist AMDs to develop and update the plans as part of their annual CAP workplans.

Council Policy 000-32 – Neighborhood Input on Infrastructure Needs and Priorities

This policy sets the guidelines for the City to engage with San Diegans to collect input about neighborhood infrastructure needs. Updates to this policy set forth a framework for neighborhood input on infrastructure needs and priorities for consideration in the City's CIP. These updates will support delivering infrastructure to San Diegans where it is wanted and most needed based on today's community needs and the expected service level. Specifically, the updated policy ensures that neighborhood input on the City's CIP budget is based on equitable community engagement that is truly representative of those who live in the affected neighborhoods and communities. The policy calls for engaging San Diegans using best available equitable engagement practices at least once every two years, including engagement with community-based organizations, community planning groups, and other interested stakeholders and individuals, with focused engagement within the City's underserved communities. This outreach also includes educational information on the CIP budget process.

Council Policy 000-31 – Transparency Policy

In Fiscal Year 2023, an updated [Capital Improvements Program Transparency Policy 000-31](#) and associated process improvements and streamlining measures were approved by City Council. The streamlining measures included amendments to the Municipal Code that increased contracting authority limits, while the concurrent changes to the transparency policy increase accountability and the detail of CIP project-related information available to City Council and the public.

Council Policy 800-14 – Prioritizing Capital Improvements Program Projects

Arguably the most impactful change to the CIP Outlook is driven by the updated [Council Policy 800-14](#) Prioritizing CIP Projects, which sets the guidelines for how CIP projects are prioritized and funded. The policy updates include amendments to the factors that must be considered when adding needs to the Five-Year Capital Infrastructure Planning Outlook as well as Annual Capital Improvements Program Budgets. The recent amendments to this Council Policy ensure that the policies adopted by City Council as part of Build Better SD, Parks for All of Us, the Climate Action Plan, and other adopted City plans and policies, are incorporated into the City's delivery of needed neighborhood developments and infrastructure investments. The overall goal is to establish an infrastructure prioritization process that can be used as a factor to deliver infrastructure efficiently and equitably across the City.

The Council Policy incorporates areas of other policies and initiatives that set forth clear policies to prioritize infrastructure investments in the areas with the greatest needs and areas that serve the most people. The updated policy also incorporates the availability of information from the Asset Management Planning system with input from City Asset Managing Departments, City Council, and ongoing public input.

The recently adopted updates to Council Policy 800-14, will provide the CIPRAC with additional project ranking methodology that more closely aligns infrastructure prioritization with the City's goals for the equitable and efficient delivery of Capital Projects. All projects within the CIP are currently in the

process of being rescored with updated scoring criteria. Future annual budget, and CIP Outlook processes will incorporate the updated project prioritization.

IDENTIFYING CAPITAL NEEDS

There are numerous factors that establish capital needs; but City strategic initiatives, master plans, policies, federal and local mandates, service level targets, stakeholder input, and condition assessments are common triggers for AMDs to define and request capital needs. Vetting of requests include calculated risk assessments via Asset Management Planning software, and requirements for operational maintenance strategies, as developed by AMDs.

The projected needs in this year’s CIP Outlook have not been evaluated based on the new criteria outlined in Council Policy 800-14, CIP Prioritization; therefore, a gap analysis by asset type is not included in this CIP Outlook.

Projected Capital Needs: Fiscal Year 2024-2028

The projected capital needs through Fiscal Year 2028 are approximately \$9.75 billion, with approximately \$4.58 billion of projected funding for needs with an estimated funding gap of \$5.17 billion reflected in **Table 2**.

Table 2 Summary of Infrastructure Needs, Funding, and Funding Gap Fiscal Years 2024-2028

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Capital Needs	\$ 2,957,730,465	\$ 1,876,701,469	\$ 1,711,238,185	\$ 1,556,652,107	\$ 1,644,690,137	\$ 9,747,012,362
Funding	\$ 1,209,318,070	\$ 1,125,399,698	\$ 887,492,495	\$ 754,600,835	\$ 598,973,938	\$ 4,575,785,036
Gap	\$ 1,748,412,395	\$ 751,301,771	\$ 823,745,690	\$ 802,051,272	\$ 1,045,716,199	\$ 5,171,227,326

While the summary **Table 2** outlines the needs for the combined enterprise and non-enterprise assets, **Table 3** below provides the projected expenditures of the capital needs by asset type. The entirety of all City infrastructure needs is not represented, since not all capital needs could be feasibly addressed within the next 5 fiscal years. Enterprise Funds account for specific services funded directly by fees and charges to users such as water and sewer services, intended to be self-supporting. There are several asset types with needs fully funded by Enterprise Funds not related to the funding gap. The non-enterprise asset types make up the entirety of the \$5.17 billion funding gap.

Table 3 Summary of Projected Capital Asset Needs Fiscal Years 2024-2028

Asset Type	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airports	10,061,981	35,781,113	11,182,431	10,700,911	6,696,176	74,422,612
Bike Facilities	22,490,000	24,772,000	26,340,000	33,366,498	24,850,000	131,818,498
Bridges	92,494,706	13,692,305	14,000,000	57,250,416	54,400,000	231,837,427
Emergency Shelters	24,909,617	29,243,260	18,336,810	26,588,465	-	99,078,152
Existing Facilities	18,849,265	24,508,231	16,983,520	5,697,729	11,975,919	78,014,664
New Fire Stations	5,997,508	29,047,508	204,207,507	93,077,922	24,755,000	357,085,445
New Lifeguard Stations	-	-	12,000,000	-	-	12,000,000
Fleet	25,500,000	50,500,000	52,000,000	52,000,000	50,000,000	230,000,000
Landfills	65,600,000	10,050,000	2,800,000	900,000	4,750,000	84,100,000
New Libraries	13,692,267	7,261,815	10,261,815	7,261,815	-	38,477,712
Parks	146,352,702	193,380,730	154,288,275	156,744,182	444,125,067	1,094,890,956
New Police Stations	16,064,000	20,332,000	-	-	27,163,000	63,559,000
Sidewalks	41,272,000	38,292,000	39,291,000	60,522,000	65,283,000	244,660,000
Stormwater	1,206,606,931	359,907,525	242,333,578	193,271,760	136,697,903	2,138,817,697
Streetlights	96,370,000	106,036,000	114,520,000	123,680,000	133,575,000	574,181,000
Streets and Roads - Modifications	27,825,500	14,083,000	14,378,000	57,046,000	16,730,298	130,062,798
Streets and Roads - Pavement	185,940,000	191,518,200	197,263,746	203,181,658	209,277,108	987,180,712
Traffic Signals and ITS	46,419,400	31,577,300	30,951,000	32,433,000	34,133,000	175,513,700
Wastewater	217,841,023	230,584,143	227,156,463	149,930,544	107,163,677	932,675,849
Water	263,432,090	238,985,737	229,255,233	267,393,837	245,400,179	1,244,467,076
Pure Water - Potable Reuse	430,011,475	227,148,602	93,688,807	25,605,370	47,714,810	824,169,064
Total Need	\$ 2,957,730,465	\$ 1,876,701,469	\$ 1,711,238,185	\$ 1,556,652,107	\$ 1,644,690,137	\$ 9,747,012,362

The following section provides an overview of projected capital needs, how they were developed, and additional information regarding unique needs for each asset type.

Airports, AMD: Department of Real Estate & Airport Management

Airports	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 10,061,981	\$ 35,781,113	\$ 11,182,431	\$ 10,700,911	\$ 6,696,176	\$ 74,422,612

The Airport Management team with the Department of Real Estate and Airport Management manages the Brown Field Municipal and the Montgomery- Gibbs Executive Airports with a combined 1,430 acres. These two general aviation airports contain nearly eight miles of runways and taxiways, which safely accommodate over 300,000 annual aircraft operations, including those of the military, U.S. Customs and Border Protection, San Diego Police, San Diego Fire-Rescue, Cal-Fire, Sheriff, Medi-Evacs, as well as business and recreation sectors. The most critical factor associated with airport management is maintaining safety. To that end, the CIP plays an important role by rehabilitating and repairing the pavement and lighting of runways, taxiways, and aircraft ramp areas.

Airport needs over the CIP Outlook period are anticipated to be approximately \$74.5 million. Nearly half is driven by paving needs that are predominantly determined by a Pavement Maintenance and Management Plan (PMMP) included in the Airport Master Plans. The PMMP is completed by conducting visual pavement inspections and collecting data such as distress types, severities, and quantities; then entering that in software to calculate the current Pavement Condition Index (PCI). Please see the [Airport Master Plan Brown Field Municipal Airport Pavement Maintenance Management Plan](#) and [Airport Master Plan Montgomery-Gibbs Executive Airport Pavement Maintenance Management Plan](#).

In addition to paving, a new terminal building project for the Brown Field Municipal Airport has been included for this CIP Outlook period. These capital improvements are funded by enterprise funds, as well as FAA and Caltrans matching grants.

Bike Facilities, AMD: Transportation Department

Bike Facilities	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 22,490,000	\$ 24,772,000	\$ 26,340,000	\$ 33,366,498	\$ 24,850,000	\$ 131,818,498

The City's Bike Program continues to implement the [Bike Master Plan](#) and [Community Plans](#) by programming capital improvements and taking advantage of opportunities provided by the City's [Street Maintenance Program](#), Utilities Undergrounding Program, and Public Utilities water and sewer pipeline replacement projects. The Bike Program is committed to improving and/or installing a minimum of 40 bike lane miles per year, as this bundling strategy has proven to be an efficient and cost-effective strategy for creating new and/or improving existing bike lanes throughout the City.

The CIP Outlook assumes full implementation of the Bicycle Master Plan in 20 years by Fiscal Year 2043. The total need included in the CIP Outlook increased by \$7.1 million over last year primarily due to more projects being programmed and/or coordinated to fully implement in the Bike Master Plan in the desired period.

Bridges, AMD: Transportation Department

Bridges	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 92,494,706	\$ 13,692,305	\$ 14,000,000	\$ 57,250,416	\$ 54,400,000	\$ 231,837,427

There are 164 vehicular and pedestrian bridges, which cross over roadways, and are owned and maintained by the City of San Diego. Caltrans inspects bridges that carry vehicular traffic once every two years and pedestrian bridges once every four years. Caltrans prepares a bridge inspection report detailing the condition of the bridge and needed repairs. Based on the data gathered from Caltrans' inspection reports, the City's goal is to plan and initiate one major bridge rehabilitation project and provide minor bridge rehabilitation work for 15 bridges per year.

The CIP Outlook assumes all identified repair needs to be addressed in 10 years by Fiscal Year 2033. The total need included in the CIP Outlook increased by \$4.5 million over last year due to increased estimated construction funding needs for the El Camino Real to Via de la Valle and Palm Avenue Interstate 805 Interchange projects, as well as increased cost estimates for bridge rehabilitation projects citywide.

Emergency Shelters, AMD: Homeless Strategies and Solutions Department

Emergency Shelters	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 24,909,617	\$ 29,243,260	\$ 18,336,810	\$ 26,588,465	\$ -	\$ 99,078,152

The creation and addition of shelters falls under the General Plan element of Housing, and addresses challenges detailed in the [City's Community Action Plan on Homelessness \(CAPH\)](#). Adopted by City Council in October 2019, the CAPH lays out a roadmap aimed to "prevent homelessness, and quickly create paths to safe and affordable housing and services for people who experience homelessness in our community."

A key recommendation in the CAPH is to invest in new housing and service options. This investment includes a permanent increase in temporary crisis response solutions, which includes non-congregate and congregate emergency shelters for individuals and families experiencing homelessness. A mix of congregate and non-congregate emergency shelters is necessary to meet the varying levels of need across diverse populations (e.g., domestic violence victims, seniors, families, individuals with substance use disorders, youth, etc.).

In 2019, the estimated need for shelter beds, as published in the CAPH, was approximately 500; this planning document assumes a need of approximately 700 beds. This adjustment accounts for the

COVID pandemic’s continued adverse impact on housing stability and increases in unsheltered individuals as demonstrated in the annual Point in Time Count, administered by the Continuum of Care for San Diego County, as well monthly unsheltered counts, administered by the Downtown San Diego Partnership. Current work is being done to update the data and targets established in the 2019 CAPH, and updates are estimated to be released in January 2023.

For the CIP Outlook the estimated capital costs for creating sustainable emergency shelter and bridge housing is \$99.1 million. This estimate assumes: 300 non-congregate shelter units, to serve up to 970 individuals, at a cost per bed of \$18,074 in addition to five brick and mortar congregate sites which will serve 1,352 individuals at a per unit cost of \$249,016.

The Homelessness Strategies and Solutions Department pursues state and federal government funding opportunities to implement the CAPH. For this CIP Outlook, the estimated need is based on pre-pandemic circumstances; the current need for housing solutions is greater than presented in this planning document. In the upcoming months, the federal HUD Continuum of Care for San Diego County will update numbers on the need for shelter beds.

CIP requests will help advance the strategic focus of the City to [“Create Homes for All of Us”](#) as detailed in the [Citywide Strategic Plan](#). Every San Diegan deserves to have a safe place they call home. The City’s strategic plan prioritizes the creation of diverse types of affordable and accessible housing for all. To create homes for all of us, the City envisions San Diego’s unsheltered residents are quickly placed in stable housing options. The strategic plan outlines ways to reduce the population experiencing homelessness with person-centered, compassionate services.

Existing Facilities – General Fund, AMD: General Services, Facilities Services Division

Existing General Fund Building Facilities	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 18,849,265	\$ 24,508,231	\$ 16,983,520	\$ 5,697,729	\$ 11,975,919	\$ 78,014,664

The Department of General Services, Facilities Services Division, provides repair, modernization, and improvement services to over 1,700 municipal facilities comprised of 6.5 million square feet of floor space. Capital improvements projected include those for existing General Fund facilities from Police, Fire Rescue, Lifeguard, Library, Parks and Recreation, Real Estate Assets, and Fleet Services departments. Departments submit facility related projects prioritizing improvements related to health, safety, and regulatory compliance issues. Projects that meet prioritization guidelines are projected in earlier years of the CIP Outlook, while other projects were programmed in later years.

The most recent condition assessments for City Facilities were completed between Fiscal Year 2014 to Fiscal year 2016. Industry standards recommend facility condition assessments should be conducted every five years. Many identified needs remain to be addressed but need to be reconciled. The prior year [CIP Outlook](#) identified a need of nearly \$500 million in capital maintenance backlogs for existing City facilities at that time based on the condition assessments and facility use in 2016. Once updated, funding need amounts are expected to increase based on continual deterioration of facilities, as well as impacts from CAP and ZEMBOP requirements.

Fire Stations and Lifeguard Stations, AMD: Fire-Rescue Department

New Fire Stations	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 5,997,508	\$ 29,047,508	\$ 204,207,507	\$ 93,077,922	\$ 24,755,000	\$ 357,085,445

New Lifeguard Stations	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ -	\$ -	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000

The Fire-Rescue Department is committed to the rehabilitation, replacement, and new construction of Fire-Rescue facilities to serve a population of 1.4 million within a 343-square mile area. The

Department operates 51 fire stations, two 911 communications centers, an air operations facility, a training facility, nine permanent lifeguard stations, and 35 seasonal lifeguard towers.

The table above summarizes the funding needed for new fire stations and lifeguard stations planned through Fiscal Year 2028 to improve response times to emergencies. The needs in the Fire Stations and Lifeguard Stations tables above reflect construction of 10 facilities including the top two priorities – a new Fire Training Facility and the Fairmount Avenue Fire Station.

A new training facility is necessary because the existing site will be re-purposed in 2027 for a new Public Utilities Water Reclamation Plant, part of the Pure Water Program. To reduce costs, the Fire Department recommends minimal grading, utility installation and phased construction on a new site at a cost of \$171.8 million. All other assets/facilities to be built at this site would be scheduled for 2028 or beyond.

A Standards of Response Coverage review study (known as the Citygate Report) was initially completed in 2010 and identified the Fairmount Avenue Fire Station as the highest priority to fill gaps in emergency response times. The [Citygate Report](#) was updated in 2017 and continued to identify this fire station as a priority need. Additional priority fire stations are necessary to meet service levels, as identified by the Citygate Report, are Fire Station 49 – Otay Mesa, Fire Station 48 – Black Mountain Ranch, Fire Station 51 – Skyline Hills, Fire-Rescue Air Operations Facility Phase II, Torrey Pines Fire Station, East Village Fire Station, and Del Mar Mesa/Torrey Hills. Other fire stations identified in the updated Citygate Report previously adopted by City Council are also included: Fire Station 52- Paradise Hills, Rancho Bernardo Northeast Fire Station, and Sabre Springs South Fire Station.

Lifeguard facility needs are determined based on individual facility condition assessments and gaps in service coverage. New or replacement lifeguard facilities include the North Pacific Beach Lifeguard Station, Ocean Beach Lifeguard Station, and Santa Clara Junior Lifeguard Facility.

Projected costs for capital renewal at existing fire stations and lifeguard stations are captured under the Facilities – General Fund needs derived from the draft Fire-Rescue Asset Management Plan.

Fleet, AMD: General Services, Fleet Division

Fleet	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 25,500,000	\$ 50,500,000	\$ 52,000,000	\$ 52,000,000	\$ 50,000,000	\$ 230,000,000

* Fleet vehicle needs are not included in this report

The Department of General Services, Fleet Operations Division provides City departments with comprehensive fleet management services, largely by providing a dependable fleet of over 4,600 motor vehicles and equipment. Funding is needed for deferred maintenance and replacement of outdated equipment at City of San Diego vehicle repair facilities. This includes facility upgrades that extend the useful life of Fleet facilities, improving workplace safety and efficiency, refreshing aging electrical infrastructure, and the replacement of a paint booth and overhead cranes. Additionally, funding for the replacement of the large vehicle car washes at Fleet repair facilities small vehicle car washes at Police Department substations are planned. Also included in projected needs are the improvements for the development and expansion of the City’s Yard and Electrical vehicle infrastructures.

The Electric Vehicle Infrastructure Project is planned to meet the California Air Resource Board’s proposed Advanced Clean Fleets Regulations and the City’s Climate Action Plan 2.0 goals. Both have mandates to electrify nearly all vehicles of by 2035. To meet this requirement, Fleet Operations Division met with the San Diego Metropolitan Transit System to discuss their Zero Emissions Bus

Program to get a better understanding of estimated costs. A consultant led feasibility study is needed to outline electric vehicle and yard infrastructure requirements, as well as provide more clearly defined cost estimates. Initially, \$255 million for infrastructure upgrade needs are anticipated across Fiscal Year 2024 to Fiscal Year 2028 for this effort.

Landfills, AMD: Environmental Services Department

Landfills	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 65,600,000	\$ 10,050,000	\$ 2,800,000	\$ 900,000	\$ 4,750,000	\$ 84,100,000

The Environmental Services Department operates a municipal solid waste landfill and maintains eight closed landfills and eight inactive burn sites, all of which require sustained improvements. Waste deposited in landfills creates potential risk to public health and the environment, as recognized by local, state, and federal regulations. As waste decomposes in landfills over time, there are potential air and water quality impacts mainly caused by the creation of landfill gas containing methane, the production of leachate, and excessive differential settlement. The Environmental Services Department is required to implement projects to address those impacts to maintain compliance with regulatory requirements and to protect the health and safety of the public and the environment. Such projects include but are not limited to landfill gas system improvements and additions; grading and drainage improvements; stormwater retention basin expansions; and facility improvements.

There are several significant projects at City landfills, including the replacement of existing office trailers that have exceeded their service life; drainage improvements to ensure proper management of runoff; multiple landfill gas system improvement projects to increase collection from the active landfill and restore condition of aging landfill gas systems at closed landfills; and a roadway rehabilitation project to maintain haul roads of the active landfill and greenery.

Additionally, [SB1383](#) Short-lived Climate Pollutants (SLCP): Organic Waste Reductions has significant organics diversion requirements to reduce GHG. The Environmental Services Department is relocating the Miramar Greenery and developing an enhanced organics processing facility to meet SB1383 organics diversion requirements. Funding needs for this effort are included in the first years of the CIP Outlook period.

Libraries, AMD: Library Department

New Libraries	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 13,692,267	\$ 7,261,815	\$ 10,261,815	\$ 7,261,815	\$ -	\$ 38,477,712

The San Diego Public Library (SDPL) System includes the Central Library and 35 branch libraries located throughout the City. Needs for library facilities are determined via a combination of service level standards, condition assessments and community group input. Projected costs for capital renewal at existing libraries are captured under the Facilities – General Fund needs derived from the Library Master Plan. The most pressing needs to be addressed are the lack of space for library programming, seating, library collection materials, and technology.

The Library Department ranks and prioritizes projects based on need, input from the public, and guiding principles in the Library Master Plan. In 2019, the framework for a new Library Master Plan was commissioned to review and update the 21st Century Library Plan from 2002, which previously guided capital investment in the City’s libraries for the last two decades. [Phase I of the Library Master Plan report](#) was completed in 2021 creating a comprehensive vision and guiding principles for future development and improvement of San Diego’s library network. The process combined analysis of internally and externally sourced data with robust engagement of community members, stakeholders, leadership and staff of the SDPL and the City of San Diego.

Phase 2 of the Master Plan is underway and is anticipated to be completed in Fiscal Year 2024. It will assess each library facility and make recommendations for capital improvements to meet the vision and principles established in the Phase 1 Master Plan Framework, while meeting the City's sustainability goals outlined in the Climate Action Plan. Each facility will be assessed for current facility condition, alignment with SDPL's service vision and operating model, capacity to serve current and future community needs, and potential for improvement. Phase 2 will include a more detailed study of each library building, use of services and spaces, compliance with modern codes, and the age and condition of its systems, and it will identify the recommended scope of improvements for each facility (e.g., renovate, expand, replace, or relocate) and the priorities for near-term and long-term projects.

During this Five-Year CIP Outlook, Library facility projects include the expansion of the existing Ocean Beach Branch Library (currently in the design phase); a complete rebuild of the San Carlos Branch Library (efforts to update the concept design documents are currently underway); and an expansion of the Scripps Miramar Ranch Library parking lot (currently in the design phase).

A feasibility study for a new library in Oak Park was completed in Fiscal Year 2021; design began in Fiscal Year 2023 and construction is anticipated to begin in Fiscal Year 2025. This is the highest priority project for the Library Department, as the current library site is too small to provide adequate library service. The current Oak Park Branch Library currently has no dedicated meeting or programming space. This branch also has the highest computer usage in the library system but has inadequate infrastructure for technology.

Parks & Golf Courses, AMD: Parks and Recreation Department

Parks	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 146,352,702	\$ 193,380,730	\$ 154,288,275	\$ 156,744,182	\$ 444,125,067	\$ 1,094,890,956

The Parks and Recreation Department oversees more than 42,400 acres of developed parks, open space, underwater parks, and golf courses including 60 recreation centers, 14 aquatic centers, approximately 292 playgrounds in 9,314 acres of developed parks, as well as over 27,109 acres of open space, and the 110-acre Mount Hope Cemetery. Additional information about the park system can be found in the [Parks and Recreation Department Fast Facts](#).

On August 3, 2021, the City Council approved the new [Parks Master Plan](#) (PMP). While the City's current park system has resulted in many beautiful and enjoyable parks for some, the system is not equitable across San Diego communities. Lack of funding and land constraints have widened park shortfalls in typically older, more densely populated neighborhoods, particularly adversely affecting communities of concern. The PMP addresses these inequities so that everyone has equitable access to safe, clean, and thriving park spaces.

Approximately one in four City parks assessed as part of the PMP has a maintenance and capital backlog of 20 percent or higher. Deferred maintenance increases the level of reinvestment needed to improve conditions in existing parks. To facilitate specific projects consistent with the PMP, the Department considers information from a variety of sources, including but not limited to [Community plans](#), [Regional park plans](#), [Unfunded park improvements list](#), [Unfulfilled general development plans](#), [Age Friendly Action Plan](#), City Council and community planning group priorities, and other stakeholder organizations. Projected costs for capital renewal at existing park facilities are captured under the Facilities – General Fund needs. Many needed facility and building improvement projects are identified within the [park amenity condition assessment report](#).

The Parks & Recreation Department is also responsible for maintaining shoreline parks. As part of the oversight and management of the City's shoreline parks, in 1993, 2003, and 2018, the City commissioned Coastal Erosion Assessments (CEA) of its 13 miles of shoreline from Sunset Cliffs Park to Black's Beach at Torrey Pines City Park. The studies assessed 71 sites and rated them low, moderate, or high risk based on a geological observations and knowledge of conditions that pose the greatest potential threat to the public. The 2018 CEA update utilized visual observations of the bluff conditions and human use of the sites to provide a priority rating. The priority ratings consider the presence of pedestrian hazards, limitations to pedestrian access, and signs of bluff instability. The 2018 CEA priority rankings, along with the 2003 CEA geologically based risk ratings, are utilized by the City to identify remedial actions.

The City has identified potential strategies to adapt to coastal erosion and other climate change related hazards in the Climate Resilient SD plan, which was adopted in December 2021. The Transportation, Stormwater, Public Utilities, and Parks and Recreation departments inspect and monitor coastal assets identified in the CEA on an ongoing basis. Moving forward, the City continues to plan for sea level rise and evaluate options for coastal assets. As future capital needs are identified, the costs will be included in future five-year forecasts.

Police Stations, AMD: Police Department

New Police Stations	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 16,064,000	\$ 20,332,000	\$ -	\$ -	\$ 27,163,000	\$ 63,559,000

The Police Department serves all communities throughout the City through nine patrol division facilities, Police Plaza, Traffic Division, and its Headquarters downtown. The Police Department has three new facility projects planned during this CIP Outlook, including a new Firearms Training Facility, Police Plaza tenant improvements, and a feasibility study for a new Northern Division facility. A Police and Fire-Rescue Training Facility joint feasibility study is ongoing, and the estimated costs are captured under the Fire-Rescue Department needs. Also included in this CIP Outlook is Police Headquarter Energy Management System construction. All other projects for existing police stations are captured under the General Services Department - Facilities - General Fund needs.

The Home Avenue Firearms Range was recently decommissioned. This was the site where personnel for the Department completed all Firearms Training. With the loss of the Home Avenue Firearms Range, the Department needs a new Firearms facility to meet all the qualifications and State mandated training. Needs are projected early in the CIP Outlook period for this project.

The Department took custody of Police Plaza (previously the Chargers Training Facility) with the plan to remodel it to allow for several decentralized Police Units to be in one centralized location. These units include Neighborhood Policing Division, which is already on site, Traffic Division, SWAT Unit, Training Division, Early Identification and Intervention System, Wellness, Canine, Child Care facility and others. Before these units relocate, the facility would need to be redesigned for more efficient use of its square footage, as it is still configured as a professional football training facility. A feasibility study for this was completed in 2021 and needs are shown in the outlook period for design and construction of the improvements.

Finally, included later in the outlook period are funding needs for a feasibility study for the replacement of the Police Northern Division. Northern Division is the oldest of the patrol buildings in existence which originally opened in 1968. The current Northern Division building faces numerous challenges as the number of personnel and technology have evolved over the years. As an example,

the building is constructed of hardened concrete walls and with metal interior partition walls that inhibit Wi-Fi capability. The current wiring and data ports have been maximized and opportunity for further technological and data expansion capabilities diminished. A new facility is needed within the outlook period.

Sidewalks, AMD: Transportation Department

Sidewalks	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 41,272,000	\$ 38,292,000	\$ 39,291,000	\$ 60,522,000	\$ 65,283,000	\$ 244,660,000

The Transportation Department has identified long-term goals of repair and replacement of all damaged sidewalks which fall under the City’s maintenance responsibility by the end of Fiscal Year 2033. A condition assessment of the City’s sidewalks was conducted in Fiscal Years 2014 and 2015. At that time, approximately 85,500 locations were found to be deficient at a total replacement cost of approximately \$52.7 million. Since the assessment, approximately 55,000 locations have been completed and an additional 13,000 locations have been funded for repair. Sidewalks are a living asset, and the assessment was a snapshot in time of damages. The Department has identified additional damages and the current sidewalk replacement need is estimated at \$185 million in current dollars for uplifts of 1.5 inches or greater as well as cracked, subsided, and tree-damaged sidewalks.

These deficiencies are repaired by utilizing the Department’s Sidewalk Repair and Replacement CIP. The cost to address all current CIP sidewalk deficiencies within 10 years is \$18.5 million annually, in current year dollars. This \$185 million need does not include deficiencies of sidewalks uplifts of 1.5 inches or less which is budgeted in the Department’s operations and maintenance budget and is not included in the CIP Outlook.

A second goal is to install 330,000 linear feet of new sidewalks by the end of Fiscal Year 2033, which equates to 33,000 linear feet per year, pending availability of funding. In addition, the Department will program upgrades, including curb ramps and sidewalks, to facilities in the public right-of-way to meet obligations under the ADA.

The Department maintains a list of ADA unfunded needs based on complaints received from The Office of ADA Compliance and Accessibility (ADACA). Most complaints received are requests for new curb ramp installation or the replacement of existing non-compliant curb ramps. Currently, there is a need for approximately \$7.0 million to close out all complaints on the unfunded needs list. New complaints come in regularly and there is an approximate annual need of \$1.0 million. The long-term goal is to complete all new installations and close out the existing complaints by Fiscal Year 2028. Then, maintain the unfunded needs on an annual basis.

The Department is projecting a need of \$3.0 million for Fiscal Years 2024 and 2025, a need of \$1.5 million dollars for Fiscal Years 2026 and 2027, and a \$1 million dollar need in Fiscal Year 2028 to complete ADA related projects. The total need included in the CIP Outlook increased by \$54.7 million over last year due to a higher need in Fiscal Year 2027 added to the CIP Outlook, and an increase in cost for sidewalk replacement projects.

Stormwater Infrastructure (Drainage), AMD: Stormwater Department

Stormwater	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 1,206,606,931	\$ 359,907,525	\$ 242,333,578	\$ 193,271,760	\$ 136,697,903	\$ 2,138,817,697

The Stormwater Department’s (SWD) mission is to build and maintain effective stormwater infrastructure to ensure that all San Diegans have safe, clean water. SWD’s primary goals are to reduce the City’s flood risk and to protect and improve water quality. The City is proposing a significant

investment in the planning, design, and construction of stormwater infrastructure facilities to reduce costs and speed progress toward meeting those goals. Integrating water quality and flood resiliency projects will allow the City to address storm water infrastructure needs more efficiently.

City's stormwater infrastructure that was largely built in the 20th Century is past its useful life, resulting in system deterioration and failure. Age, combined with deferred maintenance due to historic underfunding of the storm drain system, poses risk of flooding and catastrophic failure. This is evident from the number of emergency drainage repairs that have occurred over the last three rainy seasons. Emergencies are not predictable and require that a portion of limited funding available to the SWD is diverted to address them, causing delays to nearly 40% of SWD's current capital projects (e.g., green infrastructure and flood resilience projects). In the last three years (Fiscal Year 2020–Fiscal Year 2022) emergencies have required nearly \$65.52 million to address, mostly funded through reallocation from other priority projects.

Increased and evolving clean water regulations have enormously expanded the City's compliance obligations and associated costs. The increase in regulatory requirements over time, coupled with years of underfunding, will continue to adversely impact San Diego's natural resources and local water quality. Nearly all the City's rivers and streams are considered impaired under the federal Clean Water Act, and over 99% of the City drains to those bodies, and therefore contributes to, an impaired water body.

To address compounding capital needs, the department developed a Funding Strategy to determine a funding mechanism for a dedicated funding source for stormwater. Additionally, the City executed a Water Infrastructure Finance and Innovation Act (WIFIA) Master and Credit loan agreement on August 9, 2022, with the Environmental Protection Agency (EPA) to fund critical Stormwater infrastructure needs. The WIFIA Agreement allows for issuance of up to three (3) Credit loan agreements over 5 years under the master loan agreement for a maximum amount of \$359.2 million. Moreover, SWD has made significant progress pursuing supplemental Federal and State funding sources and successfully secured \$27 million dollars in State Revolving Fund (SRF) loan for South Mission Beach Storm Drain and Green Infrastructure Project and another \$58 million for Los Peñasquitos Lagoon Restoration Project (pending Council Approval).

The Stormwater infrastructure funding needs are based on the [Watershed Asset Management Plan \(WAMP\)](#). The WAMP is a planning tool that develops the projects, tasks, actions, program elements, and levels of investment needed within all City of San Diego watersheds to manage the watersheds' assets to meet levels of service. The WAMP consists of two main asset categories – physical and programmatic assets. Physical assets are human made items that one can touch and see, and which provide a level of service, such as pipes, pumps, channels, inlets, and outfalls. Programmatic assets are human-created actions and activities which provide a level of service, and include the personnel, equipment, and contracts required to operate and maintain our physical assets and meet our regulatory goals. The Stormwater Department determines funding needs and prioritizes funding requests for all its assets based on Business Risk Exposure (BRE) methodology, an approach that considers social, environment, and economic factors. The BRE score for each asset is calculated by multiplying the probability of failure by the consequence of failure.

The WAMP financial model predicts comprehensive Stormwater program costs, infrastructure, and operating costs. The infrastructure funding needs are calculated based on the cost to replace physical assets when assets don't meet level of service or reach the end of their useful lives. Most stormwater

physical assets are past their useful life, therefore modeled in the WAMP as failed. If physical asset replacement remains unfunded in the year it is modeled to fail, the cost to replace the asset is rolled over to the following fiscal year until that asset is funded. Similarly, the programmatic assets funding needs are rolled over annually until the program has been fully funded, at which point it becomes a fixed budget amount in the WAMP model.

The WAMP projects that comprise the total stormwater infrastructure funding need is approximately \$2.12 billion over the next five fiscal years. This is approximately \$320 million higher than the \$1.80 billion in storm water infrastructure needs identified in last year’s CIP Outlook due to roll over of unfunded needs described above.

Streetlights, AMD: Transportation Department

Streetlights	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 96,370,000	\$ 106,036,000	\$ 114,520,000	\$ 123,680,000	\$ 133,575,000	\$ 574,181,000

The Transportation Department’s long-term goal is to install 5,144 targeted new streetlights by the end of Fiscal Year 2033, which equates to approximately 500 streetlights per year. This is projected to result in the completion of all currently identified needs in 10 years by Fiscal Year 2033. Additionally, approximately 150 additional streetlights are installed annually through the Utilities Undergrounding Program.

The Department’s goal also includes the replacement of all 43 remaining obsolete streetlight series circuits to meet modern electrical standards over a 25-year period, through Fiscal Year 2048, as well as replacing approximately 2,700 streetlight poles and fixtures per year, which represents the replacement of approximately five percent of the City's total street light poles per fiscal year over a 20-year period, through Fiscal Year 2043. The total need included in the CIP Outlook increased by \$292.7 million over last year primarily due to an increase to the number of new streetlights identified to be added to the needs list as well as higher cost per streetlight.

Street Improvements, AMD: Transportation Department

Streets and Roads - Modifications	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 27,825,500	\$ 14,083,000	\$ 14,378,000	\$ 57,046,000	\$ 16,730,298	\$ 130,062,798
Streets and Roads - Pavement	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 185,940,000	\$ 191,518,200	\$ 197,263,746	\$ 203,181,658	\$ 209,277,108	\$ 987,180,712

The Transportation Department manages the City's roadway infrastructure of approximately 2,662 centerline miles of asphalt streets, 120 centerline miles of concrete streets, and 204 miles of paved alleys. Street Improvements consist of two types of projects. One type are Streets and Roads - Modifications, which is made up of traffic calming and other road repurposing and/or reconfiguration projects. The second type are Streets and Roads - Pavement improvements. These projects are focused on asphalt overlay and concrete and asphalt reconstruction efforts.

The City completed a pavement condition assessment survey in 2016 which showed an average roadway network Overall Condition Index (OCI) of 72. The Transportation Department’s long-term goal is to maintain the City’s street network in good condition which equates to an average network pavement OCI of 70 or above. The funding need includes the repair of asphalt streets, concrete streets, and paved alleys. Capital needs for street infrastructure do not include slurry seal maintenance, which is funded by the Department’s operational budget.

Based on the last street assessment in 2016, the Department estimated it will take approximately 98 miles of asphalt overlay or concrete street reconstruction, as well as 370 miles of slurry seal

annually, to maintain an average network OCI rating of 70. However, this need was not funded which caused further deterioration in the street network OCI. It is predicted that the OCI has decreased since the previous street network assessment in 2016. Significant investment over the next 5 years would be needed to improve the street network OCI. The actual OCI will not be known until the current assessment is completed and data analyzed in Fiscal Year 2024.

Compared to the previous CIP Outlook, the total need increased by \$670.3 million as overall construction costs continue to rise with inflation. For overlay, the previous CIP Outlook assumed \$800k per mile compared to approximately \$1.5M per mile currently. The cost of slurry seal also increased from \$130k per mile to \$180k per mile. Increased soft costs and the focus on implementing bicycle infrastructure bundled with resurfacing projects has also contributed to higher total project costs.

The Transportation Department is currently performing a pavement condition assessment and updated funding requirements and miles to be repaired will be published once the assessment is completed and data is analyzed. The following table displays the annual street repair mileage goals based on the 2016 street assessment to maintain an average OCI of 70 as well as the required funding needed to support the plan.

Street Repair Mileage Goals to Maintain Average Pavement OCI 70					
Activity	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Slurry Seal	370	370	370	370	370
Overlay	91	91	91	91	91
Concrete Streets	6	6	6	6	6
Reconstruction	1	1	1	1	1
Total	468	468	468	468	468
Required Funding (O&M/CIP)	\$252.5M	\$260.1M	\$267.9M	\$275.9M	\$284.2M

All projected Road Maintenance & Rehabilitation Account (RMRA), as well as a portion of the projected Gas Tax and TransNet revenues are planned to be applied to support slurry seal maintenance during the five-year outlook period. Since slurry seal activities are considered maintenance and not capital, their need and revenue values are not reflected in this report.

Traffic Signals and Intelligent Transportation Systems (ITS), AMD: Transportation Department

Traffic Signals and ITS	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 46,419,400	\$ 31,577,300	\$ 30,951,000	\$ 32,433,000	\$ 34,133,000	\$ 175,513,700

The Transportation Department's goal is to install all new traffic signals on the needs list, upgrade all existing traffic signals to current safety and accessibility standards, and implement the [Traffic Signal Communications Master Plan](#) by Fiscal Year 2033. The costs to implement the Master Plan are assumed to be linear through 2033. New traffic signals continue to be identified and added to the CIP Outlook need; and aging traffic signal infrastructure increase the need for traffic signal upgrades.

Additionally, this CIP Outlook includes the establishment of the Traffic Management Center in Fiscal Year 2024. As a result, the total need included in the CIP Outlook increased by \$14 million over last year primarily due to increased needs in Fiscal Year 2024 added to the CIP Outlook.

Wastewater, Water Infrastructure and Pure Water, AMD: Public Utilities Department

Wastewater	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 217,841,023	\$ 230,584,143	\$ 227,156,463	\$ 149,930,544	\$ 107,163,677	\$ 932,675,849
Water	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 263,432,090	\$ 238,985,737	\$ 229,255,233	\$ 267,393,837	\$ 245,400,179	\$ 1,244,467,076

*Note: The Cost of Service Studies and on-going projections show that projected revenue provides enough rate capacity through Fiscal Year 2023. These projections includes the assumptions additional rate increases are approved between now and Fiscal Year 2028. Fiscal Year 2024, Fiscal Year 2025 and a portion of Fiscal Year 2026 are covered under the current Cost of Service study being evaluated by City Council in Fiscal Year 2023 and the projections here are consistent with that study. There are various funding sources such as Revenue Bonds, Water Commercial Paper program, SRF funding for both Water and Wastewater projects including Pure Water costs funded by the Wastewater System, and WIFIA for Pure Water costs funded by the Water System.

The Public Utilities Department provides water, wastewater, and recycled water services to approximately 1.4 million water customers and 3 million wastewater customers within the San Diego region.

The water system extends over 404 square miles. This system includes 49 water pump stations, 29 treated water storage facilities, nine surface reservoirs, three water treatment plants, and approximately 3,300 miles of pipelines. The recycled water system includes three pump stations and over 99 miles of purple pipe and delivers an annual average of over 9.5 mgd for irrigation, manufacturing, and other non-potable uses. The wastewater system consists of the Municipal (Muni) System and Metropolitan (Metro) System. The Muni System consists of approximately 3,000 miles of pipelines and 77 sewer pump stations and collects and conveys wastewater from residences and businesses. The Metro System consists of three wastewater treatment plants, one bio-solids processing facility, four pump stations, and two outfalls, and provides treatment and disposal services for the City and 12 other agencies and districts (collectively referred to as the "Participating Agencies") within a 450-square mile area, who are responsible for approximately 33 percent of all Metro Fund expenditures.

The Department supports a utility system that is generally built out and does not expect major growth in customers or its distribution/collection system. The CIP, with the exclusion of the Pure Water program, generally supports the infrastructure needed to repair and replace water supply and wastewater collection and treatment and meet regulatory compliance. To keep up with the replacement of aging infrastructure, the City continues to aim to award the replacement and/or rehabilitation of 45 sewer miles and the replacement of 35 water miles annually, which is approximately 1% of the pipeline system each year.

The Condition Assessment for Dams is anticipated to be completed by Fiscal Year 2027. The City's Fiscal Year 2022 annual comprehensive financial report stated a preliminary estimated cost of \$1 billion of improvements could be needed over the next several decades to ensure dam safety and performance at all nine dams. These estimated costs are not included in the five-year projections

The CIP Outlook generally reflects the rehabilitation and replacement of the Wastewater and Water systems. The Department raises rate revenue through a cost of service process (the latest studies can be found at [Rate Increases | Public Utilities | City of San Diego Official Website](#)), and the needs are identified in the Department's [Five-Year Financial Outlook](#) for funding for water and wastewater projects. This process weighs the capital vs operating needs of the utilities, while considering the end rate impact on our customers. This information is compared with past historical spending patterns, to allocate projected resources across the Utilities different asset types.

Finally, a variety internal and external resources which can include bond financing, commercial paper financing, water and sewer rate revenues, development capacity fees, state and federal loans, and grants are considered in the rate setting process. These funding sources have many different

attributes that must be evaluated, but all funding must be used to benefit the rate payers of each utility system. Some of the considerations includes cashflow/ liquidity, intergenerational costs/ benefits, interest costs, private use of public assets, administrative overhead, and the expected useful life of the end assets.

Pure Water

Pure Water - Potable Reuse	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Need	\$ 430,011,475	\$ 227,148,602	\$ 93,688,807	\$ 25,605,370	\$ 47,714,810	\$ 824,169,064

Another major Department initiative is [Pure Water San Diego](#). Pure Water is the City's phased, multi-year program, that uses proven water purification technology to provide a safe, secure, and sustainable local water supply, while meeting secondary equivalency for ocean discharges by turning recycled water into drinkable water through water purification technology. Phase 1 is anticipated to produce 30 mgd of the Pure Water Program's total expected 83 mgd capacity. In addition to Phase 1, the CIP Outlook includes the planning of Phase 2 and design and construction of the Phase 2 demonstration facility. Phase 2 of the Pure Water Program is expected to be fully implemented by 2035. The CIP Outlook includes the construction, and completion of Phase 1 of the Pure Water Program and needs for preparation of design, bid documents, and demonstration facility for Phase 2 of the program. Additional needs for the construction of phase 2 will be included in future Outlooks.

IDENTIFYING SOURCES TO FUND CAPITAL NEEDS

The following section details the most common and reliable funding sources used to support the City's capital infrastructure needs. To fund CIP projects and meet capital needs, a variety of ongoing and one-time use funding sources are appropriated dependent upon specific fiscal year revenue forecasts. Funding source definitions, restrictions, and constraints are described below. Amounts shown below are those anticipated to be allocated to the CIP and may not reflect the full amount of revenue projected to be received by the fund in any given year. Some funding sources identified in the table below may vary from forecasted amounts due to unforeseen circumstances, such as economic downturns, fewer land sales (Capital Outlay Fund), and declines in the rate of development (Development Impact Fees [DIF] and Facilities Benefit Assessment [FBA] funds).

Funding Capacity

When developing the annual budget, City staff evaluate trends in revenue activity and other general economic factors that impact changes to CIP project costs and supporting revenue sources. Situations to be scrutinized annually include projects with costs anticipated to be incurred upon completion, ramifications of cancelled projects, and delays in project implementation.

The CIP budget is the mechanism that implements the CIP and fulfills a requirement of the [City Charter-Section 69](#). The City Council annually approves the CIP budget and the allocation of funds for the included projects via the [Appropriations Ordinance](#), which establishes the legal spending authority for each budgeted fund, department, or both based upon the adopted budget, and [City Charter-Section 69](#). These limits include appropriations carried forward from prior years as authorized in the [City Charter-Section 84](#). Spending limits, based on updated information, can be amended during the year through City Council approval.

Impacts on the City's Debt Ratios, as defined in the City's Debt Policy, are evaluated when considering the use of debt financing supported by the General Fund. Generally, annual debt service as a percentage of general fund revenues should remain under 10% and under 25% when accounting for pension and OPEB costs as well as debt service. Current projections show the impacts of projected CIP debt service costs on these ratios will stay within these parameters through Fiscal Year 2028, reaching highs of approximately 6% and 23% respectively. Additional large CIP or other capital financing needs not assumed in this report, such as any potential General Fund backed debt issued for the Climate Action Plan implementation and/or the downtown civic core revitalization projects, could, depending on general fund revenues, push debt ratios up to or exceed the guidelines provided in the City's Debt Policy. Reductions in General Fund revenues or increases in pension payments would also impact the City's Debt Ratios. Any future Council action requesting debt financing, per Debt Policy requirements, will include an affordability analysis and the impacts to the Debt Ratios. The following sections describe fund types along with information particular to each listed fund.

Capital Project Funding Sources and Restrictions

Fund Type	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airports	10,061,981	35,781,113	11,182,431	10,700,911	6,696,176	74,422,612
Climate Equity Fund	7,879,658	8,009,803	8,142,603	6,778,113	6,916,386	37,726,563
Development Impact Fees	62,064,000	72,238,000	72,238,000	72,238,000	72,238,000	351,016,000
Facilities Benefit Assessments	7,820,000	-	-	-	-	7,820,000
Fleet Operations Usage Charges	2,518,631	500,000	2,000,000	2,000,000	8,324,151	15,342,782
General Fund Financing	27,000,000	220,784,300	153,397,373	115,204,373	-	516,386,046
Grants	32,818,071	692,305	-	6,850,416	-	40,360,792
Infrastructure Fund	21,900,000	17,900,000	20,700,000	24,700,000	26,700,000	111,900,000
Mission Bay Park and San Diego Regional Park	20,043,458	23,848,323	25,834,620	27,911,692	30,083,686	127,721,779
Mission Trails Regional Park Fund	245,746	253,118	260,712	268,533	276,589	1,304,698
Otay Mesa Enhanced Infrastructure Financing	1,377,525	2,152,202	2,945,466	3,754,538	4,036,318	14,266,049
Recycling Fund	10,000,000	-	-	-	-	10,000,000
Refuse Disposal Fund	55,600,000	10,050,000	2,800,000	900,000	4,750,000	74,100,000
TransNet Fund	24,445,898	22,313,537	23,637,860	24,989,903	26,395,967	121,783,165
Trench Cut/Excavation Fee Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Undergrounding Utilities Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
Wastewater Fund	429,523,458	344,984,244	255,927,983	156,990,552	121,492,334	1,308,918,571
Water Fund	481,761,130	351,734,239	294,172,520	285,939,199	278,786,331	1,692,393,419
Other Misc Funds	2,258,514	2,258,514	2,252,928	3,284,605	278,000	10,332,561
Total Funding	\$ 1,209,318,070	\$ 1,125,499,698	\$ 887,492,496	\$ 754,510,835	\$ 598,973,938	\$ 4,575,795,037

Airports Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airport Funds	\$ 10,061,981	\$ 35,781,113	\$ 11,182,431	\$ 10,700,911	\$ 6,696,176	\$ 74,422,612

The Airports Fund is an enterprise fund managed by the Department of Real Estate and Airport Management. It supports the City's two regional airports, Montgomery Field and Brown Field. Roughly 80% of revenues are received via rents and leases of property in and around both Airports, with the remaining 20% coming from services such as parking fees and transient fees. These revenues are Federally obligated to remain with the Airport Enterprise fund so that the City's airports can remain self-sustaining. Funding for airport capital projects is also provided by Federal Aviation Administration grants. Only revenues needed to support capital needs are reflected in the table above.

Climate Equity Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Climate Equity Fund	\$ 7,879,658	\$ 8,009,803	\$ 8,142,603	\$ 6,778,113	\$ 6,916,386	\$ 37,726,563

The Climate Equity Fund (CEF) was created by [Resolution 313454](#) in March 2021 to help underserved communities respond effectively to impacts of climate change. CEF revenues are received from a portion of the gas and electric franchise fees.

CEF projects must have an impact on reducing greenhouse gas emissions, enhancing safety in public rights-of-way, relieving congestion, or achieving other climate equity concerns and be in disadvantaged communities located within areas that score between 0 and 60 on the Climate Equity Index.

Development Impact Fee Funds

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Development Impact Fees	\$ 62,064,000	\$ 72,238,000	\$ 72,238,000	\$ 72,238,000	\$ 72,238,000	\$ 351,016,000
Neighborhood DIF	6,352,000	-	-	-	-	6,352,000
Libraries - Citywide	1,072,000	5,870,000	5,870,000	5,870,000	5,870,000	24,552,000
Fire - Base	910,875	2,596,125	2,596,125	2,596,125	2,596,125	11,295,375
Fire - FDC	130,125	370,875	370,875	370,875	370,875	1,613,625
Mobility - OM Local	2,972,000	3,360,000	3,360,000	3,360,000	3,360,000	16,412,000
Mobility - Citywide	6,525,000	15,939,000	15,939,000	15,939,000	15,939,000	70,281,000
RTCIP	5,293,000	5,293,000	5,293,000	5,293,000	5,293,000	26,465,000
Parks - Citywide	7,761,800	7,761,800	7,761,800	7,761,800	7,761,800	38,809,000
Parks - CoC	15,523,600	15,523,600	15,523,600	15,523,600	15,523,600	77,618,000
Parks - Non CoC	15,523,600	15,523,600	15,523,600	15,523,600	15,523,600	77,618,000

Development Impact Fees (DIF) are collected to mitigate the need for new infrastructure from the impact of new development.

With the passage of various ordinances in 2021 and 2022, the City began implementing the Parks for All of Us and Build Better San Diego Citywide Initiatives, which included a change from community-based Developer Impact Fees to asset-based Citywide Development Impact fees. This Citywide initiative also transitions away from former public facilities financing plans to reliance on the current annual capital improvement program budget to ensure development impact fees are expended on relevant and meaningful projects and enables the quick delivery of public spaces and infrastructure. Some of the asset based DIFs also have additional components, such as Fire Deficient Communities (FDC), Park Deficient Communities (PDC), and Communities of Concern (CoC), where part of the fee collected is allocated for those specific purposes.

Also, included in the TransNet Funding requirements is a provision for the collecting of a Regional Transportation Congestion Improvement Program Fee (RTCIP). This Fee is considered a DIF and is restricted for use on those projects that relieve congestion and are located along the Regional Arterial System.

Facilities Benefit Assessment Funds

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Facilities Benefit Assessments	\$ 7,820,000	-	-	-	-	\$ 7,820,000

While Facilities Benefit Assessments are no longer collected, since all new development is subject to the requirement to pay DIF to mitigate impacts to infrastructure needs across the City, some funding from legacy collection of revenues remains available to be appropriate.

Funds are restricted for use on projects that are in an approved Public Facilities Financing Plan or Impact Fee Study for the community in which the fee was collected. The revenue projection above accounts for the transition from neighborhood specific FBAs & DIFs to the asset specific DIFs described above.

Fleet Services Improvements Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Fleet Operations Usage Charges	\$ 2,518,631	\$ 500,000	\$ 2,000,000	\$ 2,000,000	\$ 8,324,151	\$ 15,342,782

The City's Fleet Operations Department charges a "usage" fee to support the costs of Fleet department operations as well as capital renewal of operational facilities. Funding collected should be sufficient to support department needs and is restricted for use on Fleet facilities.

General Fund Financing

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Projected	\$ 27,000,000	\$ 220,784,300	\$ 153,397,373	\$ 115,204,373	\$ -	\$ 516,386,046
WIFIA Loan - Stormwater	-	91,830,441	84,262,528	55,077,031	-	231,170,000
Bonds/Commercial Paper Notes - Stormwater	-	70,953,859	69,134,845	60,127,342	-	200,216,046
SRF Loans - Stormwater	27,000,000	58,000,000	-	-	-	85,000,000

Debt financing to fund public infrastructure is a valuable strategy for local governments to spread the cost of significant long-term assets over their useful life. The City has several different financing mechanisms, including bonds, loans, and Commercial Paper Notes. Different financing tools are leveraged based on the types of projects, cash flow needs, and revenue source pledged to repay these financings.

Lease Revenue Bonds and Commercial Paper Notes can be used on many different types of asset classes, such as parks, libraries, fire stations, storm drains, and transportation assets. The projections shown above for the 5-year period are mainly for Stormwater asset improvements to meet requirements of the WIFIA Agreement. Existing continuing appropriations that have already been authorized by the City Council but are contingent on future financings are not included in the projections above.

The City has executed or is working on various types of loan agreements. As previously described under the Stormwater Infrastructure (Drainage) section, the WIFIA Agreement has been executed and is a funding source to be used for Stormwater improvements. The City is also working on finalizing State Revolving Fund (SRF) Loans for specific large Stormwater projects. These SRF Loans may be partially or fully backed by the Storm Drain Fund from Storm Drain Fee revenue, with the remaining Stormwater capital projects funded by the General Fund.

Grants

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Grants	\$ 32,818,071	\$ 692,305	-	\$ 6,850,416	-	\$ 40,360,792

Although the Federal Infrastructure Investment and Jobs Act (IIJA), added to and expanded upon existing grant programs including Community Development Block Grants, grant funding is generally challenging to predict because funding is contingent upon approved grant agreements that may include complex contingency requirements to maintain eligibility. There are many anticipated grant awards in the coming Fiscal Year, and the city has received an average of \$49.1 million in grant awards annually in each of the past five years; however, the CIP Outlook only includes three grant-funded transportation projects with approved agreements.

Infrastructure Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Infrastructure Fund	\$ 21,900,000	\$ 17,900,000	\$ 20,700,000	\$ 24,700,000	\$ 26,700,000	\$ 111,900,000

The Infrastructure Fund was established by the City Charter, Article VII, Section 77.1 to be a dedicated source of revenue to fund General Fund infrastructure costs. Generally, the amount of revenue received by the fund is determined by a formula that accounts for growth in major General Fund revenues and reductions in pension costs.

The Infrastructure Fund may be used exclusively for “the acquisition of real property, construction, reconstruction, rehabilitation, repair and maintenance of infrastructure,” including the associated financing and personnel costs. It is one of the less restricted funding sources within the CIP and may be used on any asset type in any community within the City.

Mission Bay Park and San Diego Regional Parks Improvement Funds

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Mission Bay Park and San Diego Regional Parks Improvement Funds	\$ 20,043,458	\$ 23,848,323	\$ 25,834,620	\$ 27,911,692	\$ 30,083,686	\$ 127,721,779
Mission Bay	13,028,248	15,501,410	16,792,503	18,142,600	19,554,396	83,019,157
Regional Parks	7,015,210	8,346,913	9,042,117	9,769,092	10,529,290	44,702,622

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 deposited in the Mission Bay Park Improvement Fund may only be expended on projects in Mission Bay Park for permanent or deferred capital improvements of existing facilities, as well as to improve environmental conditions. All project allocations are consistent with the Mission Bay Park Master Plan and approved by the Mission Bay Park Oversight Committee.

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 as approved by the Regional Parks Oversight Committee. The City of San Diego's regional parks include Balboa Park, Chicano Park, Chollas Creek 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.

Mission Trails Regional Park Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Mission Trails Regional Park Fund	\$ 245,746	\$ 253,118	\$ 260,712	\$ 268,533	\$ 276,589	\$ 1,304,698

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.

Otay Mesa Enhanced Infrastructure Financing District (EIFD) Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Otay Mesa Enhanced Infrastructure Financing District (EIFD)	\$ 1,377,525	\$ 2,152,202	\$ 2,945,466	\$ 3,754,538	\$ 4,036,318	\$ 14,266,049

This fund was established to finance certain public infrastructure and community benefit projects in the Otay Mesa EIFD as authorized under EIFD Law Government Code sections 53398.50 and 53398.88. The district is funded through property tax increment revenues generated from taxable property within the district. Otay Mesa EIFD revenue is restricted to capital projects listed in the Otay Mesa Infrastructure Financing Plan as approved by the Otay Mesa EIFD Public Financing Authority, the governing body of the district. It is anticipated that the district will issue bonds supported by district revenues by the end of Fiscal Year 2023 to fund eligible district infrastructure projects. The projections above take into account the revenue that would be used for debt service if the bonds are issued in Fiscal Year 2023.

Recycling Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Recycling Fund	\$ 10,000,000	-	-	-	-	\$ 10,000,000

The Recycling Fund is an enterprise fund that supports the City's recycling programs and infrastructure, receiving revenue from a variety of fees associated with recycling. Only revenues needed to support capital needs are reflected in the table above.

Refuse Disposal Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Refuse Disposal Fund	\$ 55,600,000	\$ 10,050,000	\$ 2,800,000	\$ 900,000	\$ 4,750,000	\$ 74,100,000

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. Only revenues needed to support capital needs are reflected in the table above. It is anticipated that the City will seek to enter into a loan agreement in an estimated amount of \$55 million in Fiscal Year 2024 that will be backed by Refuse Disposal Fund revenues to finance the Organics Processing Facility Project.

TransNet Funds

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
TransNet Funds	\$ 24,445,898	\$ 22,313,537	\$ 23,637,860	\$ 24,989,903	\$ 26,395,967	\$ 121,783,165

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 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 projects.

Trench Cut/Excavation Fee Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Trench Cut/Excavation Fee Fund	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 10,000,000

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 because of trenching. The Streets Preservation Ordinance, adopted in January 2013, and currently under revision, established fees that depend on the size of the trench, the age of the pavement, and the type of utility.

Utilities Undergrounding Program Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Undergrounding Utilities Fund	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 50,000,000

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. Only revenues planned for allocation to the City CIP are estimated for this report.

Wastewater Funds

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Sewer Funds	\$ 429,523,458	\$ 344,984,244	\$ 255,927,983	\$ 156,990,552	\$ 121,492,334	\$ 1,308,918,571
Wastewater - Muni	175,131,758	170,388,683	178,587,179	95,734,400	48,726,815	668,568,834
Wastewater - Metro	254,391,700	174,595,561	77,340,804	61,256,152	72,765,520	640,349,737

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.

Water Fund

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Water Fund	\$ 481,761,130	\$ 351,734,239	\$ 294,172,520	\$ 285,939,199	\$ 278,786,331	\$ 1,692,393,419

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 notes, WIFIA loans, and SRF loans.

Other Miscellaneous Funds

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Other Misc Funds	\$ 2,258,514	\$ 2,258,514	\$ 2,252,928	\$ 3,284,605	\$ 278,000	\$ 10,332,561
Bus Stop Improvement	98,000	98,000	98,000	98,000	98,000	490,000
Donations/Private Contributions	1,980,514	1,980,514	1,974,928	3,006,605	-	8,942,561
Neighborhood Enhancement	100,000	100,000	100,000	100,000	100,000	500,000
Sunset Cliffs	80,000	80,000	80,000	80,000	80,000	400,000

Other miscellaneous or one-time funding is planned to be allocated to the CIP program over the next five years. These sources are described and summarized below.

Bus Stop Improvement funding is made available via a Memorandum of Understanding with the Metro Transit System. The funding can only be used for improvements to bus stops. These improvements include the installation of bus stop pads in the City Right of Way.

Although they are generally unpredictable, donations are frequently received to support the delivery of capital projects. Donations are typically restricted by the donor for a particular purpose. Private contributions can result from cost sharing agreements with other agencies. This CIP Outlook is forecasting a donation that will support the construction of the Ocean Beach Library, and a Stormwater project that has a cost sharing agreement with other agencies.

The Neighborhood Enhancement in Lieu Fee can be used to fund affordable housing preservation, neighborhood recreation amenities, active transportation, and transit infrastructure projects within Transit Priority Areas. The Neighborhood Enhancement in Lieu Fee is required only at the discretion of an applicant that opts to participate in the Housing Solutions incentive program. The amounts shown above reflect only the projected revenue that would be allocated to the City's CIP.

The Sunset Cliffs fund receives lease revenue that is restricted for use on capital projects that benefit the Sunset Cliffs Natural Park.

CIP CAPACITY

Based on projected funding for Capital Infrastructure over the next five fiscal years, demand for project execution could exceed \$1 billion annually. This growth in capital needs is occurring with a simultaneous scarcity of labor and materials. Keeping pace was achievable in recent years through similar growth in the consultant and contractor industries and a modest increase in City staffing. However, these resources show signs of strain and limitation, according to the Regional Construction Procurement Committee and the Statewide Benchmarking Committee.

Representatives from cities across California have noted a capacity limit of the engineering and construction industry. If strained further, this may result in longer processing times for quality assurance and control, heightened administrative requirements, longer completion times, and possibly lower quality projects. To address the rapid increase in demand for capital projects in a time of scarcity, the following actions have been implemented, or are in process.

A new City department was established – the Strategic Capital Projects Department (SCP) for managing specialized, complex, and large projects such as the City's Pure Water Program. Oversight and production of mainstream infrastructural projects remain with the Engineering & Capital Projects Department (ECP). Both will partner in streamlining and efficiency efforts and coordinating with neighboring cities, the County of San Diego, local school districts, SANDAG, Navy, Airport Authority, and CALTRANS regarding regional resources and constraints. In addition, outreach to construction and consulting firms, universities, and professional associations to recruit and build the City's capacity to meet infrastructure demands, is underway.

Finally, a new Division, the Project Management Office (PMO), was established within ECP to provide oversight and accountability for the entire CIP program. The PMO leads the facilitation of data gathering and reporting efforts to support project management and analytical processes with the goal of improving overall project outcomes. The PMO works across E&CP to provide and manage tools that assist in efficient and effective project management, measure project performance, and ensure project schedules, and budgets are at an acceptable level of risk, in order to help increase the overall CIP capacity.

CONCLUSION

To meet the rightful expectations of citizens, communities, visitors, local businesses, and all interested stakeholders to understand how precious City resources are allocated and utilized, the CIP Outlook documents the collection, analysis, and summary of the City's inventory of capital needs, as well as the forecasting of possible funding sources, for a subsequent five-year period. In essence, this annual publication serves as a window into how City stewards plan, prioritize, create, preserve, replace, and manage the vast and complex network of the public's capital assets and projects.

Such a window enables City leaders to support neighborhoods equitably with reliable infrastructure, ensures transparency into its plans for capital assets and projects, guides the delivery of those plans as effectively as possible, and projects future needs to improve the quality of life for all San Diegans.

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4. The Citizen's Guide to the Capital Improvement Program
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6. City's Information Technology website <https://www.sandiego.gov/it/services>
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