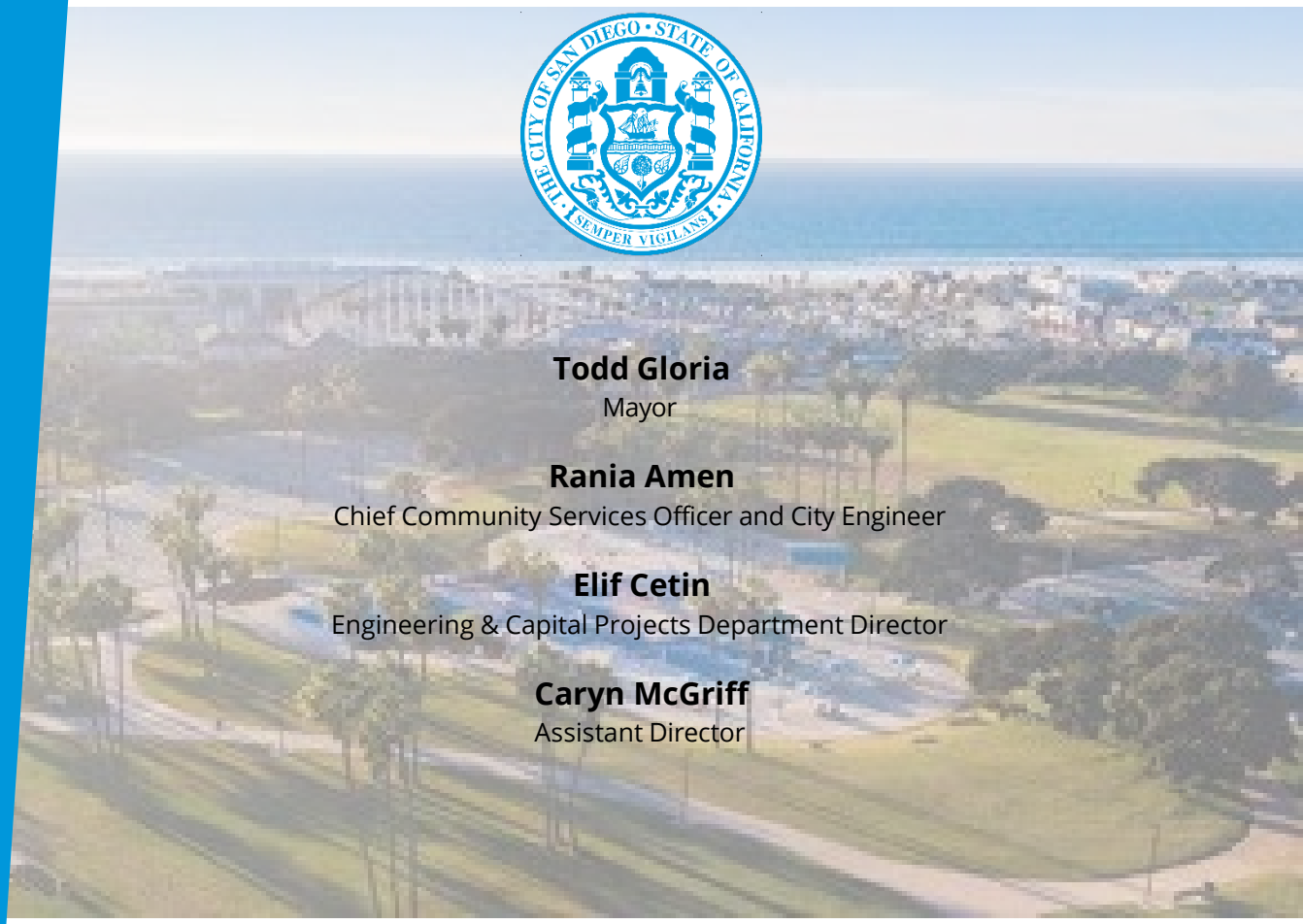
The City of SAN DIEGO

Fiscal Year 2027–2031 5-Year Capital Infrastructure Planning Outlook

February 6, 2026



Todd Gloria
Mayor

Rania Amen
Chief Community Services Officer and City Engineer

Elif Cetin
Engineering & Capital Projects Department Director

Caryn McGriff
Assistant Director

Disclaimer:

The City of San Diego (City) files its disclosure documents, including official statements, audited financial statements, annual comprehensive financial reports, annual financial information, material event notices, and voluntary disclosures with the Municipal Securities Rule Making Board's Electronic Municipal Market Access (EMMA) system. The 5-Year Capital Infrastructure Planning (CIP Outlook) is not filed on EMMA, and investors should not rely on the CIP Outlook to make any investment decisions. Readers are cautioned that the numbers presented in this document are the City's best estimate for the next five years based on facts and factors currently known to the City and do not represent actual performance. No representation is made by the City that, as of the date this document is read, there is not a material difference between the City's actual performance as of such date and the financial data presented in the CIP Outlook. Several statements in this document constitute forward-looking statements, which may be deemed or construed as forward-looking statements. Forward-looking statements involve and are subject to known and unknown risks, uncertainties, and other factors that could cause the City's actual results, performance (financial or operating), or achievements to differ materially from the future results, performance (financial or operating) or achievements expressed or implied by such forward-looking statements. All forward-looking statements herein are expressly qualified in their entirety by the abovementioned cautionary statement. The City disclaims any obligation to update forward-looking statements contained in this document.

Table of Contents

Tables

Appendices

Executive Summary

The 5-Year Capital Infrastructure Planning Outlook (CIP Outlook) for Fiscal Years (FYs) 2027–2031 provides information on policy, regulatory, and other criteria used by the Asset Managing Departments (AMDs) and the Engineering & Capital Projects Department (E&CP) in determining capital infrastructure needs, as well as the basis for revenue projections of capital funding sources. The CIP Outlook is a planning tool to guide resource planning to meet the City of San Diego's (City's) strategic goals, improve infrastructure, and deliver core services. It is not a budget document. The CIP Outlook facilitates monitoring and evaluating funding availability while also considering new needs and incorporating new policies. The CIP Outlook provides information to the San Diego City Council, internal stakeholders, and the public to support future budget discussions and development.

This CIP Outlook for FYs 2027–2031 addresses the City's infrastructure backlog. The Capital Improvements Program has grown significantly over the past five years, with consistent annual investments exceeding $1 billion.

The City's infrastructure needs over the next five years are estimated at $12.82 billion. This includes needs for ongoing active CIP projects and newly identified capital improvement needs. The estimated funding available for these needs is forecasted at $5 billion. There is an estimated $7.8 billion funding gap to meet all the needs outlined during the CIP Outlook period. An additional $5.95 billion is needed for projects and programs in the outer years of Fiscal Year 2032 and beyond.

This page intentionally left blank.

1 Introduction

1.1 Purpose and Scope

The 5-Year Capital Infrastructure Planning Outlook (CIP Outlook) is a strategic planning tool, not a budget document, that monitors and evaluates funding availability while considering new needs and policies. It facilitates resource planning to meet the City of San Diego's (City's) strategic goals, improve infrastructure, and deliver core services. Covering Fiscal Years (FYs) 2027–2031, the CIP Outlook outlines anticipated capital asset needs and projected available funding, serving as the foundation for informed discussions during the FY 2027 budget development.

The CIP Outlook follows the release of the 5-Year Financial Outlook (FYs 2027-2031), published in November 2025, to help drive more effective long-term infrastructure planning, enhance accuracy in projecting asset needs and funding availability, and connect infrastructure planning with the City's financial strategy. Additionally, it evolves to better reflect the City's strategic plans, priority areas of focus, condition assessments and updates, and service level standards (SLS) and capacity discussions and aligns infrastructure planning with the City's financial strategy, providing San Diego City Council members, internal stakeholders, and the public with a clear understanding of capital priorities.

The CIP Outlook establishes a roadmap for managing the City's capital assets and implementing strategic initiatives. It supports neighborhoods equitably with reliable infrastructure, ensures transparency in capital planning, and guides efficient CIP project delivery. Ultimately, the CIP Outlook projects future needs to enhance the quality of life for all San Diego residents, embodying the City's dedication to operational effectiveness and community-focused infrastructure development. Additional requests and needs beyond what is already captured in this CIP Outlook may be considered in future annual budget developments and CIP Outlook updates.

1.2 Methodology

The following steps were taken to prepare the CIP Outlook:

- Identifying and prioritizing capital needs, compiled from the public Infrastructure Priorities Survey, other community outreach efforts, and input from Asset Managing Departments (AMDs), the Mayor's Office, and the San Diego City Council.
- Forecasting available revenues
- Matching Available Funds with CIP Needs Data

Projects discussed in the CIP Outlook have been preliminarily evaluated using criteria outlined in Council Policy 800-14, Capital Improvements Program Prioritization.

1.3 Policy and Initiative Integration

Policy updates and adopted initiatives, including Parks for All of Us, Build Better SD, Council Policy 800-14, and Council Policy 000-32, have changed how the City identifies and prioritizes CIP projects.

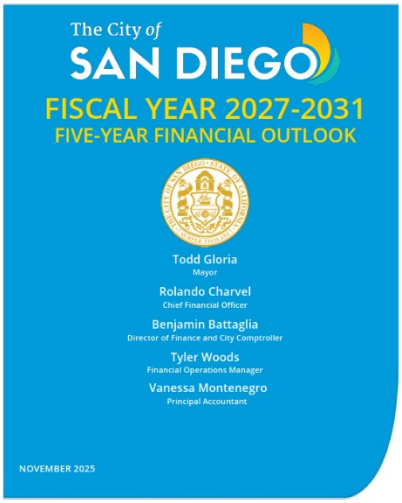
The desired outcome of such changes is to equitably improve the City's infrastructure, public safety, and quality of life, while efficiently delivering CIP projects and increasing operational effectiveness.

1.4 Transparency and Community Engagement

The CIP Outlook reflects the City's commitment to transparency and community involvement. It integrates feedback from stakeholders to ensure that infrastructure planning aligns with community needs and priorities. By fostering an inclusive approach, the CIP Outlook aims to deliver reliable, equitable infrastructure for all San Diegans.

2 Report Methodology

2.1 Capital Infrastructure Planning Outlook



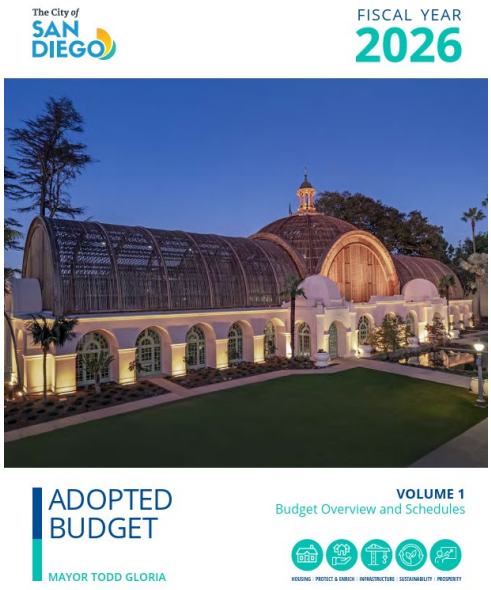
The CIP Outlook follows the 5-Year Financial Outlook (FYs 2027– 2031) published in November 2025 to increase accuracy in projecting preliminary asset needs and funding availability. It provides San Diego City Council members and residents with information on capital asset needs, facilitating informed discussions around the development of the FY 2027 CIP budget.

The CIP Outlook provides an overview of significant policies, regulations, elements, and initiatives considered for proposed CIP projects, as well as lists capital asset needs by asset type and asset-specific considerations. Finally, the CIP Outlook identifies forecasted eligible revenues that support capital needs and notes primary restrictions in allocating and expending those sources of revenue.

For the CIP Outlook, the AMDs identified approximately $12.82 billion in capital infrastructure needs over the next five fiscal years, which includes continuing to fund the needs of existing CIP projects from the FY 2026 Adopted CIP Budget, as well as newly identified capital asset needs based on regulatory requirements or other criteria further explained in the CIP Outlook.

2.2 Fiscal Year 2026 Adopted Budget

The City's FY 2026 Adopted CIP Budget provided the baseline expenditures as the starting point for formulating 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 FY 2026 Adopted CIP Budget, currently totaling a $22.67 billion multi-year CIP.



The data in **Table 1** is based on the FY 2026 Adopted CIP Budget. "Future years" includes expenses through the life of existing CIP projects, which may extend beyond five fiscal years. The figures referenced in this table do not include newly identified needs that may arise and lead to future CIP projects.

Table 1. City of San Diego Fiscal Year 2026 Adopted Budget

Multi-Year CIP	Prior Year	FY 2026 Adopted	Future Years	Total
CIP Budget	$7,762,463,698	$843,743,919	$14,064,511,611	**$22,670,719,228**

2.3 Exclusions and Assumptions

While the CIP Outlook presents a comprehensive inventory of Citywide CIP project requests, some capital assets are either not included or are only partially projected. The unique needs of the 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 contribute to the complexity of developing a multi-billion-dollar capital infrastructure plan. Consequently, the CIP Outlook does not list all CIP projects and contains some that are partially projected. Please note the following exceptions.

2.3.1 Sea Walls, Piers, and Coastal Assets

Sea wall assets still need to be evaluated and are not factored into the funding analysis. The Climate Action Plan (CAP) and the Climate Resilient SD Plan address sea-level rise; additional work is ongoing to develop targeted coastal adaptation plans. However, most existing assets require more detailed studies to identify future needs for restoring or improving coastal infrastructure in response to climate change.

2.3.2 Convention Center

Only previously approved funding by the San Diego City Council is included in the CIP Outlook. No other capital needs or funding projections for the Convention Center expansion are included. In 2017, the estimated total project cost to expand the convention center was $685 million. At present market rates, the cost is anticipated to be higher. It is also anticipated that, due to the facility's age and delays in the convention center expansion efforts, capital repairs to the existing facility are needed. The initial near-term focus will be on completing these repairs.

2.3.3 Information Technology Improvements

While information technology improvements, such as communication and security systems, are essential tools in maintaining and enhancing government operations and are considered capital expenditures, these types of CIP projects are not included in the CIP Outlook, 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.

2.3.4 Maintenance and Repair of Capital Assets

This CIP Outlook 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 operating budgets of the AMDs and are appropriated within their respective annual budgets. The CIP Outlook does not include replacing or expanding the City's vehicle fleet.

2.4 Key City Initiatives and Council Policies Guiding the Capital Infrastructure Planning Outlook

This section outlines the key initiatives and policies that guide the City's CIP and shape its strategic direction. The section highlights how the City integrates multiple program initiatives and policies into the 5-year plan, as well as how these adopted policies and initiatives impact the identification and prioritization of CIP projects. The discussion includes the Build Better San Diego initiative, which prioritizes investments in underserved areas, and the Parks for All of Us initiative, which focuses on equitable access to park spaces. Furthermore, the section will examine how the City ensures equity in infrastructure, with a focus on eliminating disparities across communities. The process of incorporating community input into the CIP is described, along with the City's commitment to the CAP and its goal of reaching net-zero emissions by 2035. Lastly, the section will explore the Zero Emissions Municipal Buildings and Operations Policy (ZEMBOP) and the guiding Council Policies that shape the development of the CIP Outlook.

2.4.1 Citywide Development Impact Fees

Development Impact Fees (DIF) represent one of several funding sources used to deliver public infrastructure projects and account for approximately 10% of total capital funding. Under the Mitigation Fee Act, DIFs are restricted to funding capital improvements that are attributable to new growth and development. DIF revenues cannot be used to remedy existing infrastructure deficiencies or to replace or maintain current facilities.

The City has transitioned from community-specific Development Impact Fees (DIFs) to citywide DIFs, supporting a more efficient, equitable, and timely delivery of public infrastructure. Under this

approach, Citywide DIF revenues are no longer constrained to individual community planning areas and can instead be allocated across the City, allowing infrastructure investments to be prioritized in locations experiencing the greatest growth and development and where infrastructure demands are most acute.

The Citywide DIF framework supports coordinated planning and delivery of transportation, park and recreation facilities, libraries, and public safety infrastructure by aligning funding availability with development-driven needs rather than geographic boundaries. This shift improves the City's ability to deliver infrastructure attributed to new growth at a scale and pace that matches growth patterns, reduces delays associated with fragmented funding, and allows capital investments to serve a broader population.

By replacing community-specific DIFs with citywide DIFs, the City has established a more flexible and responsive funding mechanism that enables infrastructure investments to be strategically directed to areas with the greatest demand, supporting efficient use of resources and improved access to public facilities citywide.

2.4.2 Equity in Infrastructure

CIP programming is intended to prioritize equity across communities, continuously produce equal and equitable outcomes, and ultimately eliminate structurally excluded communities.

The term "structurally excluded community" considers how racial disparities are often connected to place and are rooted in historically racialized policies and practices that create and maintain unfair racial outcomes. A structurally excluded community considers how systems interact with racial and ethnic differences to design disparities and shape racial biases that impact health, education, economic capital, social position, safety, and opportunity.

Equity results from eliminating 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.

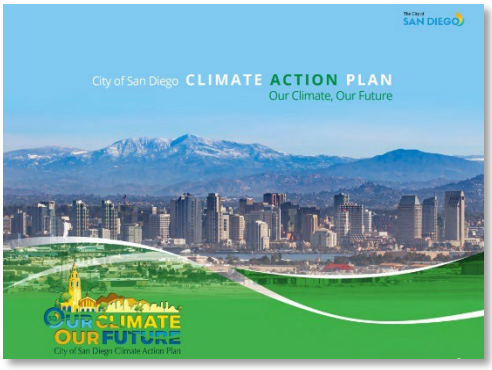
2.4.3 Community Input

From August 2024 to August 2025, the City Planning Department led community engagement efforts to gather community input on infrastructure priorities across the City. This process helps ensure that community needs are considered when shaping the City's Five-Year CIP Outlook.

Community members and stakeholders are encouraged to submit infrastructure project ideas through an online survey, which remains open throughout the year. In addition to the online survey, staff also gathered input from Planning Groups on infrastructure needs. Through these combined outreach efforts, over 900 ideas were collected during the last review cycle. The City Planning Department compiled all public input, including feedback from Planning Groups, and provided it to AMDs. This ensured that the community's priorities could be considered when developing project lists for the FY 2027–FY 2031 Outlook.

Responses to each infrastructure request will be included in the Infrastructure Prioritization Summary Report, which the City Planning Department will publish in 2026 and make available on the Infrastructure Priorities Engagement webpage. Community members can sign up for updates on the Infrastructure Priorities Summary Report through the City Planning webpage. These outreach efforts are guided by Council Policy 000-32: Neighborhood Input on Infrastructure Needs and Priorities, which is discussed further in Section 2.4.6 of this report.

2.4.4 Climate Action Plan (CAP)



The City's CAP establishes a community-wide goal of reducing greenhouse gas 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. Many CAP actions have already been initiated or are in the process of being completed. San Diego is leading by example in our capital investments—planning for the decarbonization of all City facilities and transitioning all City facilities to San Diego Community Power's 100% renewable energy service, launching a new Citywide organic waste diversion program, and investing in new assets like electric vehicle charging, on-site renewable energy, microgrids, active transportation facilities, traffic calming installations, and tree plantings. The City CIP routinely advances the six strategies of the CAP across all asset and project types.

The six strategies of the 2022 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

These efforts are embedded in projects and initiatives across multiple departments as the City advances opportunities for both municipal operations and the broader community.

For internal CAP investments, the City is currently focused on municipal assets with opportunities for emissions reduction and cost savings. The Municipal Energy Strategy established a framework to achieve zero emissions from municipal facilities by 2035, meaning all City-owned and operated buildings will be energy-efficient and fueled by 100% renewable energy by 2035. The Municipal Energy Strategy also focuses on installing building automation systems to better manage building energy consumption and deploying clean energy technologies, such as solar photovoltaic systems, battery storage, microgrids, and electric vehicle charging infrastructure.

2.4.5 CP900-03 – Zero Emissions Municipal Buildings and Operations

In FY 2023, the City adopted the 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, both 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.

In FY 2023, the Energy Division, now part of General Services, retained a consultant to perform electrification assessments at over 400 facilities, determining the scope and costs associated with electrifying the facilities and their associated fleet parking spaces. Those assessments were completed in FY 2024 and consolidated into datasets for each AMD to establish rough timelines for completing all electrification efforts before 2035, paired with cost estimates to inform future-year budget requests and CIP Outlooks. The total projected cost of electrifying City buildings is $120 million. However, it is not expected that all of this cost will be borne by the City's CIP budget.

In an effort to secure funding from the private capital market, in FY 2024, the Energy Division procured clean energy vendors in three categories:

- Energy Services Companies
- Solar and Battery Storage Vendors
- Microgrid Vendors

These vendors are capable of developing scopes of work for clean energy projects and assisting the City in identifying private capital to cover upfront costs, allowing the City to implement energy efficiency, renewable energy generation, and storage, as well as resilience technologies, at City facilities as part of both new construction and existing building retrofits. In all cases, the City has the option to leverage upfront investments by vendors and/or their financing partners to cover the costs of solar/storage and load management assets in retrofits and new construction. This also positions project budgets to take greater advantage of grant funds and incentives to supplement upfront costs. The City will then repay the vendors' upfront investment using energy cost savings generated by the projects or through direct clean energy purchases at rates lower than the City currently pays to its local utility providers.

In FY 2024, the Energy Division began work with one selected Energy Services Company partner (Willdan Energy Solutions) to explore opportunities for deep energy retrofits at 60 facilities and 50,000 streetlights as part of the Phase I Energy Savings Performance Contracting effort. Investment-grade audits revealed cost-effective retrofits at 40 facilities, including 16 libraries, 16 recreation centers, 4 pools, 2 police substations, Miramar Operations Yard, Ridgehaven Green Building, and 39,000 streetlights. In January 2026, City Council voted to approve these projects under the City's first Energy Savings Performance Contract.

In FY 2024, the Energy Division retained a consultant to analyze the City's fleet, including all vehicles and dwelling sites, and make recommendations for fleet vehicle replacements as well as size and location for installation of supportive Electric Vehicle Supply Equipment. This phased master plan for fleet electrification was completed in FY 2025 and provided the data necessary to develop fleet charging plans for each AMD per ZEMBOP, as well as develop an RFP for a 'Charging as a Service' partner, which is expected to be released in early calendar year 2026.

2.4.6 CP000-32 – Neighborhood Input on Infrastructure Needs and Priorities

Council Policy 000-32 establishes guidelines for the City to engage with San Diegans to gather input on neighborhood infrastructure needs. In FY 2025, updates were made to this policy that set forth a framework for neighborhood input on infrastructure needs and priorities for consideration in the City's CIP. These updates 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 truly represents the residents of the affected neighborhoods and communities. The policy requires engaging San Diegans using the best available equitable engagement practices at least once every two years, including collaboration with community-based organizations, community planning groups, and other interested stakeholders and individuals, with a focus on engagement within the City's underserved communities. This outreach also includes educational information on the CIP budget process.

2.4.7 CP000-31 – Transparency

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

2.4.8 CP800-14 – Prioritizing CIP Projects

Council Policy 800-14 establishes guidelines for prioritizing and funding CIP projects. The policy updates include amendments to the factors that must be considered when adding needs to the CIP Outlook and Annual Capital Improvements Program Budgets. The recent amendments to this Council Policy incorporate the goals of Build Better SD, Parks for All of Us, CAP, and other adopted City plans and policies. The purpose is to establish an infrastructure prioritization process that can serve as a guide for delivering infrastructure efficiently and equitably across the City.

The updates to Council Policy 800-14, adopted in FY 2024, will continue to provide additional project ranking methodology that more closely aligns infrastructure prioritization with the City's goals for the equitable and efficient delivery of CIP projects. All existing projects in the CIP Outlook have been re-evaluated and rescored with updated Council Policy criteria.

2.4.9 Establishing and Evaluating Levels of Service

Service Level Standards (SLS) are the defined service quality for a particular activity against which service performance may be measured. SLS set a baseline threshold for public infrastructure needs and usually relate to quality, quantity, reliability, equitable access, responsiveness, or environmental impacts. Many of the City's existing SLS were established by federal, state, or 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 guide AMDs in determining capital needs.

Necessary changes and additions to SLS for assets and services may result in revisions to the scope of work and cost projections of current CIP projects. The AMDs continue to build on the current SLS to eventually include all assets. Outdated SLS must periodically be evaluated and updated to integrate newer initiatives.

2.4.10 Federal and State Mandates

The City adheres to a wide range of mandates from regulatory agencies regarding asset design and project 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.

2.4.11 Americans with Disabilities Act Requirements

Signed into law in 1990 and updated in 2010, the Americans with Disabilities Act (ADA) ensures equal access for people with disabilities. As a federal civil right, Title II of the ADA requires state and local governments to ensure people with disabilities have access to public facilities, including public rights-of-way (PROW), programs, and services offered by municipalities. Additional accessibility regulations include, but are not limited to, the Federal Department of Transportation, the California Department of Transportation, and the California Building Code.

Several City departments play crucial roles in ensuring compliance with accessibility regulations. The City's ADA Compliance and Accessibility Program, within the Engineering and Capital Projects Department, is responsible for Citywide coordination. The Engineering and Capital Projects, Transportation, Development Services, and Information Technology departments ensure that CIP projects, PROW improvements, private development, as well as web content and mobile applications, meet applicable accessibility regulations.

The ADA requires local governments to maintain a complaint process for persons with disabilities who have an accessibility grievance. As of January 1, 2026, there are 724 unique open complaints, of which 81 are funded, and 557 require funding for remediation. The remaining 86 complaints do not require funding for remediation. Approximately 97% of current open complaints are in the public right-of-way and include missing or inadequate curb ramps, missing sidewalks, and requests for accessible

pedestrian signals at signalized intersections. The City resolves complaints as efficiently and effectively as is feasible.

ADA regulations also require public entities with 50 or more employees to complete a transition plan that identifies and schedules modifications needed to achieve accessibility in their programs, services, activities, and facilities, including their PROW. The City's original facility transition plan, adopted in 1996, identified 212 high-use City-owned facilities that required architectural barrier removal to achieve accessibility; all major facility barriers identified in the original plan have been remediated. In 2009, the City updated its facility transition plan and identified 182 additional public facilities requiring architectural barrier removal. Since the 2009 update, major barriers have been removed in 47 of these facilities. An additional 29 facilities are funded, and in the process of barrier remediation, and eight facilities have been closed to the public and removed from the transition plan. There are 98 remaining facilities from the 2009 Transition Plan that require funding for future remediation. In FY 2025, the City initiated a state-grant funded PROW update to the transition plan in communities south of Interstate 8. Completion of the PROW Transition Plan update is expected in FY 2027.

As transition plans are working and 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. Additional work is ongoing on the transition plan to complete accessibility improvements for the exterior paths of travel, parking lots, and playgrounds.

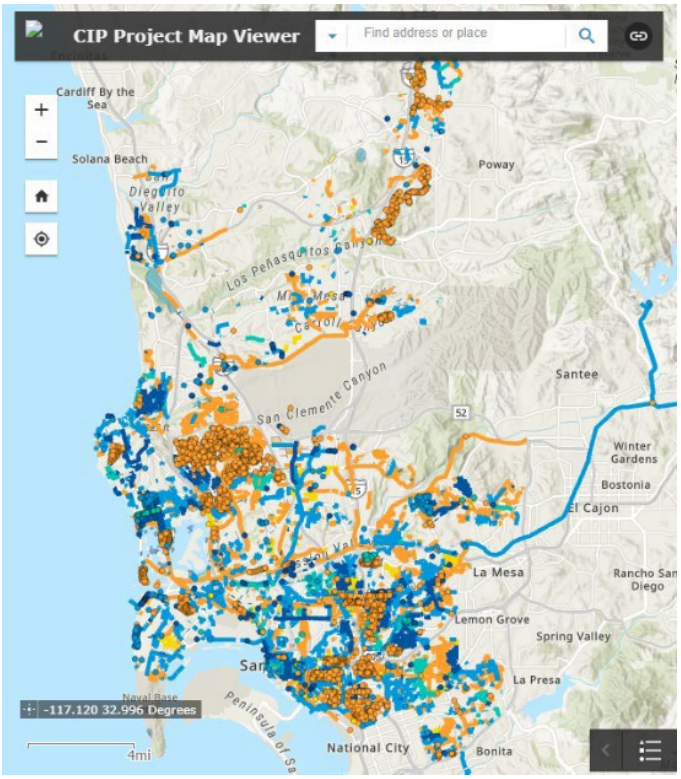
Like all CIP needs, accessibility remediation projects are dependent on resource availability, with multiple factors considered, including priority and accessibility risk.

2.4.12 Preservation of Public Safety

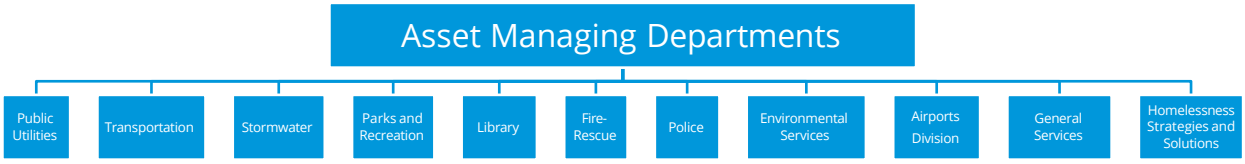
Public safety assets are those used by City staff whose mission is to protect, preserve, and maintain the safety of the community, its environment, and its property. Typical facilities include lifeguard, fire, and police stations. Other types of projects may also result in mitigating or reducing risks to public health, safety, and the environment through improvements such as reducing traffic collisions, sewage spills, and emergency response times. The City recognizes the value of fire prevention and the need to prevent or limit the severity of fires, 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 that are more strenuous than those mandated by state minimums. The City's adopted Climate Resilient SD Plan evaluates risks based on climate change impacts, assesses vulnerability of various public infrastructure assets, and sets out strategies to mitigate risks.

3 Capital Improvements Program – Overview

3.1 Capital Improvements Program



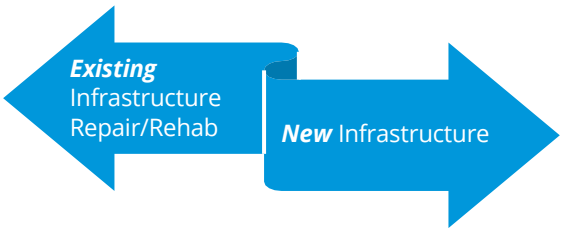
The CIP is a compilation of individual CIP projects and annually adopted funding sources. CIP projects provide improvements or additions to the City's infrastructure systems and are designed to enhance the overall quality of life. Executing the CIP portfolio is complex due to the volume and variety of funding sources, asset types, project delivery methods, regional demands, industry capacities, policies, and initiatives. Projects are identified through coordination with the City's AMDs, input from community stakeholders, and funding approval from the San Diego City Council. In the CIP Outlook, the AMDs identified their capital needs for the next five fiscal years, which are necessary to meet their established service levels, operational goals, and overall core mission. Some AMDs have initiated projects or have adopted plans and programs that will continue beyond the 5-year outlook period. Revenues for the next 5-year period were also projected, and capital needs were evaluated and programmed against available funding sources.



Policy updates and adopted initiatives, including Parks for All of Us, Build Better SD, Council Policy 800-14, and Council Policy 000-32, have changed how the City identifies and prioritizes CIP projects, which will continue to be seen in future CIP budgets and outlooks. The desired outcome of these changes is to equitably improve the City's infrastructure, public safety, and quality of life, as well as to deliver projects efficiently and increase operational effectiveness through all CIP investments.

3.2 Types of Capital Asset Improvements

Projects can be categorized into two types: (1) those that repair or rehabilitate existing facilities to preserve or extend their remaining useful life and (2) those that build new facilities or expand on existing ones to increase the infrastructure's capabilities (i.e., increase the current level of service).

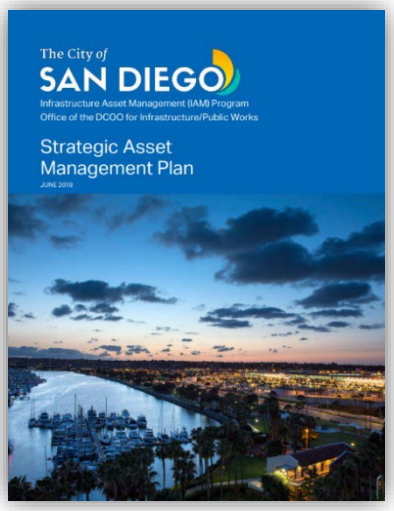


Whereas the repair of existing facilities reduces Operations and Maintenance (O&M) costs, the expansion of existing facilities or the creation of new ones increases O&M costs due to the additional staffing and activities required to service them. This connection between capital improvements and operations is the focus of asset management and is covered in the following section.

3.2.1 Existing Facilities Rehab and Replacement

Existing facilities require ongoing maintenance during their operation to reach their intended design useful life and achieve the target service levels. Even when the proper maintenance activities are exercised, infrastructure fails for various reasons depending on the specific environment it is in and the wear and tear it is subject to. An asset management system that tracks maintenance activities and is updated through periodic condition assessments is prudent to address needed repairs cost-effectively ahead of more costly failures. This enables the City to maintain current service levels, control maintenance costs, and mitigate future risks.

3.2.1.1 Asset Management



The City's Enterprise Asset Management system was enhanced in FY 2018 by the Infrastructure Asset Management San Diego Project. The system comprises several strategic asset management modules and integrates with most other strategic asset management systems, as well as several information technology systems, including Asset Management Planning and Primavera.

Additional sub-components, such as cloud-based apps like the Blueworx Mobile App, are being explored to further integrate the tracking of operational and maintenance activities with planning, prioritization, and delivery of CIP projects using the Asset Management Planning tool.

3.2.1.2 Existing Facilities – 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 asset replacement, rehabilitation, or improvement to ensure their reliability and sustainability. The City has invested in condition assessments for various assets, including streets, bridges, parks, public facilities, and airports. These condition assessments are of varying ages and lifespans. The AMDs have utilized available condition assessment data to inform the identification of future capital needs, as reflected in the CIP Outlook. However, there is a gap in fully understanding the investments required to support critical operations facilities, as these condition assessments are approximately 10 years old. The CIP Outlook includes costs from these assessments; however, new assessments are needed, along with clearly identified and sustainable funding for the City to fully benefit from updated assessments.

3.2.1.3 Existing Facilities – Operations and Maintenance Impacts to Capital Investments

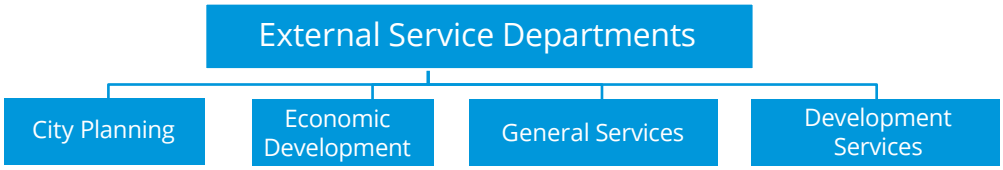
CIP projects extend the useful lives of existing facilities or establish new facilities to address growth and increases in service demands. Whereas improvements to existing facilities ideally reduce the operation and maintenance expenses of aging facilities, creating new facilities introduces new operation 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, increases the risk of accelerated asset depreciation, and raises repair and replacement costs. Furthermore, reliable services to residents can be compromised due to system failures, which may necessitate facility closures. While capital repair, rehabilitation, or replacement are eligible for the CIP, maintenance is an operational cost typically funded by 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% of the total funds the City receives.

3.2.2 New Facilities and Expansion to Existing

The AMDs 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. The development of Asset Management Plans, infrastructure enhancements, and increased capabilities is also guided by information from Community Plans, CAP, Asset Master Plans,

SLS, legal mandates, and existing Asset Management Plans. These long-term efforts are supported by multiple partnering External Service Departments.



4 Capital Improvements Program – Implementation

4.1 Engineering & Capital Projects Department

E&CP is the City's capital delivery arm, implementing more than 80% of the City's entire CIP annual portfolio, and currently managing over 1,100 active CIP projects and programs. E&CP is dedicated to and specializes in all forms of CIP project delivery (e.g., design/bid/build, design-build, progressive design-build, construction manager at risk), taking projects from planning through construction completion. E&CP has technical staff specialized in project management, construction management, design, and technical support services, including units for environmental planning, surveying, and the City's only materials testing lab.

E&CP also houses the Project Management Office (PMO), where all active CIP financial, schedule, and geographical information is tracked, analyzed, and reported on a monthly basis. Through proactive project control, best management practices, and the application of the City's EAM system, this division coordinates the current programmed, future planned projects and active projects to prevent conflict and to bundle multiple assets into a single project where possible, thereby minimizing community disruption, lessening administrative costs, and leveraging economies of scale.

E&CP participates with seven other large cities in Southern California as part of a California Multi-Agency Benchmarking effort in sharing CIP delivery lessons learned and best practices aimed at controlling and driving down soft costs, which are the costs of designing and managing projects. While the City and E&CP have much to offer to the participating cities, the partnership has also proven beneficial to the department's CIP delivery streamlining exercises. The Multi-Agency Benchmarking Report is published annually and can be found at the following link: https://engineering.lacity.gov/camb.

FY 2025 expenditures in the City CIP exceeded $1 billion for the second year in a row. Also in FY 2025, the CIP delivered the highest number of street overlay lane miles (182 miles). Below are key milestones of some notable E&CP-managed projects, which are included in the total of 126 projects that started construction or the 100 that completed construction in FY 2025.

Several of the completed projects have also received awards from the American Public Works Association, Landscape Architecture Orchid, American Society of Landscape Architects, American Society of Civil Engineers, American Council of Engineering Companies, and Institute of Transportation Engineers.

Besides implementing these planned projects, E&CP plays a key role in responding to and addressing unplanned emergencies related to sinkholes, eroded bluffs, ruptured utility pipes, and so on. In FY 2025, E&CP mobilized capital repairs for one fire rescue, one city-wide facility, one public utility, and 11 drainage emergencies.

Notable Parks that Started Construction

- Mira Mesa Pool & Skate Park
- S Mission Beach SD & GI Replacement
- Old Logan Heights Library Renovation
- Morena Pipeline

Notable Facilities that Completed Construction

- Balboa Park Botanical Building
- Wangenheim Joint Use Facility
- Pacific Highlands Ranch Library
- Market St-47th St to Euclid Ave Complete St

E&CP partners closely with the various AMDs and supporting service departments in successfully implementing the City's continuously growing CIP. While E&CP has been able to keep up with the demands of the growing CIP, it also relies on its industry partners, including specialty consultants and construction contractors, for its delivery capacity. E&CP hosts in-person quarterly industry meetings to discuss upcoming (6-month lookahead) design and construction opportunities, with an open forum for streamlining delivery capacity and efficiency.

This outlook serves as a valuable roadmap for E&CP to prepare its staff and the industry for mobilizing and coordinating the necessary tools and resources.

5 Forecasting Available Revenues

This section details the most common and reliable funding sources to support the City's capital infrastructure needs. To fund CIP projects and meet capital needs, various ongoing and one-time funding sources are appropriated depending upon specific fiscal year revenue forecasts. Funding source definitions, restrictions, and constraints are described below. Amounts shown are those anticipated to be allocated to the CIP and may not reflect the total revenue projected to be received by the fund in any given year. Some actual funding sources identified in **Table 2** 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)

The FY 2027-2031 Five-Year Financial Outlook for the General Fund has projected deficits in each fiscal year of the Outlook. Certain funding sources, such as the Infrastructure Fund and the Climate Equity Fund (CEF), can be used to support the operating budget, which is traditionally supported by the General Fund, and are not required to be used in the CIP budget as long as they are used for the purposes intended for each funding source. Additionally, contributions to these funding sources can be waived annually if proposed by the Mayor and approved by the San Diego City Council. Alternatively, if the contributions are not waived, they can be used to support operations for their intended purposes. This Capital Infrastructure Planning Outlook assumes that all projected revenues for the Infrastructure Fund and the CEF will be available to fund the CIP budget each fiscal year during the CIP Outlook period. While these sources have been allocated toward specific uses as described in the Capital Needs section of the CIP Outlook, the use of these funds will ultimately be determined through the annual budgetary process. While these funding sources are beneficial for their intended purpose, the deficit for the General Fund is much greater than the contributions from these funds.

Table 2. Available Funding Source Amounts (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Airport Funds	$2,016,043	$2,365,534	$218,489	$465,000	$403,290	$5,468,356
Bus Stop Capital Improvement Fund	$357,272	$357,272	$300,030	$171,825	$171,825	$1,358,224
Climate Equity Fund	$6,711,177	$6,904,199	$7,111,325	$7,324,665	$7,544,405	$35,595,771
Development Impact Fees (Citywide Fire DIF)	$1,650,000	$2,000,000	$2,650,000	$2,800,000	$2,950,000	$12,050,000
Development Impact Fees (Citywide Library DIF)	$3,900,000	$4,000,000	$4,100,000	$4,200,000	$4,300,000	$20,500,000

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Development Impact Fees (Citywide Mobility DIF)	$2,000,000	$6,950,000	$4,700,000	$4,800,000	$4,900,000	$23,350,000
Development Impact Fees (Citywide Parks DIF)	$25,000,000	$35,000,000	$36,000,000	$37,000,000	$38,000,000	$171,000,000
Development Impact Fees (Community DIF)	$12,150,000	$3,500,000	$3,500,000	$3,700,000	$3,700,000	$26,550,000
Donations	$1,000,000	$2,000,000	$0	$0	$0	$3,000,000
Financing – Bonds and CP	$151,828,143	$94,800,000	$94,800,000	$94,800,000	$94,800,000	$531,028,143
Golf Course Enterprise Fund	$8,000,000	$69,900,000	$17,910,000	$0	$4,000,000	$99,810,000
Grants	$19,791,100	$14,598,918	$4,151,301	$7,835,000	$7,327,694	$53,704,012
Mission Bay Improvements Fund	$12,889,752	$15,378,118	$15,120,259	$15,798,517	$16,492,766	$75,679,411
Neighborhood Enhancement Fee CoC	$1,500,000	$1,500,000	$1,500,000	$400,000	$400,000	$5,300,000
Otay Mesa EIFD	$14,551,998	$47,025,000	$13,534,000	$0	$0	$75,110,998
Refuse Disposal Fund	$3,155,400	$1,800,000	$14,450,000	$0	$0	$19,405,400
Regional Park Improvements Fund	$4,651,668	$10,569,492	$8,141,678	$8,506,894	$8,880,720	$40,750,452
Regional Transportation Congestion Improvement Program	$7,500,000	$8,000,000	$8,250,000	$8,500,000	$8,750,000	$41,000,000
Road Maintenance & Rehabilitation Fund	$0	$0	$0	$0	$41,006,128	$41,006,128
Solid Waste Management Fund	$2,132,900	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$10,132,900
Sunset Cliffs Natural Park Fund	$91,280	$0	$0	$0	$0	$91,280
TransNet Funds	$25,601,826	$26,446,592	$27,545,690	$28,743,194	$29,813,006	$138,150,308
Trench Cut/Excavation Fee Fund	$2,470,000	$2,470,000	$2,470,000	$2,470,000	$2,470,000	$12,350,000

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Undergrounding Utilities Fund	$55,065,684	$20,203,455	$10,065,925	$17,717,454	$864,000	$103,916,518
Wastewater Fund	$313,797,253	$310,225,547	$284,696,574	$318,843,252	$245,643,737	$1,473,206,363
Water Fund	$407,623,708	$297,249,163	$425,393,961	$388,806,673	$337,183,083	$1,856,256,588
WIFIA Loan	$21,694,143	$102,426,066	$2,276,617	$5,846,475	$1,846,473	$134,089,774
Total	**$1,225,580,092**	**$979,188,175**	**$988,609,231**	**$954,882,474**	**$860,600,653**	**$5,009,860,626**

5.1 Funding Capacity

When developing the annual budget, City staff evaluate trends in revenue activity and other general economic factors that impact CIP project costs or supporting revenue sources. Situations to be scrutinized annually include projects with new costs anticipated to be incurred upon completion, ramifications of canceled 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 68. The San Diego 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. Based on updated information, spending limits can be amended during the year with the approval of the San Diego City Council.

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%. When combined with pension and Other Post Employment Benefits (OPEB) costs, the percentage should remain under 25%. As projected in the 5 Year Financial Outlook, released in November 2025, debt service costs are limited to stay within these parameters through FY 2031, reaching highs of approximately 7.1% and 24.8%, respectively. Additional capital financing needs not assumed in the CIP Outlook may increase debt ratios up to or exceeding the guidelines outlined in the Debt Policy, depending on future General Fund revenues. Reductions in General Fund revenues or increases in pension payments would also adversely affect the debt ratios. Any future Council action requesting debt financing, per the City's Debt Policy, will include an affordability analysis explaining the impacts on the debt ratios. It is essential to note that while the CIP Outlook projects maximizing debt and increasing debt ratios, the General Fund deficit persists.

The following sections describe the various fund types, along with information specific to each listed fund.

5.2 Capital Project Funding Sources and Restrictions

This section details the various funding sources available to support the City's CIP projects and outlines the restrictions associated with each source. It emphasizes that these funds are used to meet capital needs, with ongoing and one-time funding sources being appropriated based on annual revenue forecasts. The section also notes that some sources, such as the Infrastructure Fund and the CEF, can be utilized for operating budgets if the funds are used for their intended purposes. It is essential to note that this section addresses funding for the CIP, not the total revenue for each fund.

5.2.1 Grants

Although in prior years the Infrastructure Investment and Jobs Act added to and expanded 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. In FY 2025, $40.6 million of grant funding was allocated to the CIP, and an additional $36.2 million has been allocated to date in FY 2026. There are many anticipated grant awards in the coming fiscal years. However, the CIP Outlook only includes projects with approved agreements (**Table 3**).

Table 3. Anticipated Grant Awards

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$19,791,100**	**$14,598,918**	**$4,151,301**	**$7,835,000**	**$7,327,694**	**$53,704,012**
Airports	$19,791,100	$9,212,133	$4,151,301	$7,835,000	$7,327,694	$48,317,227
Bridges	$0	$5,386,785	$0	$0	$0	$5,386,785

5.2.2 Enterprise Funds

This section focuses on enterprise funds, which are a category of funding sources used to support specific City services that are intended to be self-sustaining. Unlike general tax revenues, these funds derive their income directly from the services they provide, such as water, wastewater, and airport operations. This section will outline how these funds are generated, the types of CIP projects they support, and the specific financing strategies employed, including pay-as-you-go, bond financing, loans, and grants. Understanding these funds is crucial for comprehending the financial structure that supports key infrastructure systems within the City. The section also outlines each of the City's enterprise funds, which include the Wastewater Fund, Water Fund, Golf Course Enterprise Fund, Refuse Disposal Fund, and Airports Fund.

5.2.2.1 Airports Fund

The Airports Fund is an enterprise fund managed by the Department of Economic Development – Airports Division. It supports the City's two regional airports: Montgomery Field and Brown Field. Roughly 80% of revenues are generated from rents and leases of properties in and around both airports, with the remaining 20% coming from services such as parking and transient fees. These revenues are federally obligated to remain with the Airport Enterprise Fund, ensuring the City's airports can remain self-sustaining. Federal Aviation Administration grants also provide funding for airport CIP projects. Only revenues needed to support capital needs are reflected in **Table 4**.

Table 4. Forecasted Available Airport Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$2,016,043**	**$2,365,534**	**$218,489**	**$465,000**	**$403,290**	**$5,468,356**
Airports	$2,016,043	$2,365,534	$218,489	$465,000	$403,290	$5,468,356

5.2.2.2 Golf Course Enterprise Fund

The Golf Course Enterprise Fund supports the City's three municipal golf courses: Balboa Park, Mission Bay, and Torrey Pines. These funds receive revenue from the operations of the golf courses, which are, in turn, used to fund CIP projects that improve and/or maintain the condition of the courses (**Table 5**).

Table 5. Forecasted Available Golf Course Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$8,000,000**	**$69,900,000**	**$17,910,000**	**$0**	**$4,000,000**	**$99,810,000**
Golf	$8,000,000	$69,900,000	$17,910,000	$0	$4,000,000	$99,810,000

5.2.2.3 Refuse Disposal Fund

The Refuse Disposal Fund is an enterprise fund used to operate the City's Miramar Landfill and maintain its inactive landfills. Most of the CIP 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 **Table 6**.

Table 6. Forecasted Refuse Disposal Fund (FY 2027 – 2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$3,155,400**	**$1,800,000**	**$14,450,000**	**$0**	**$0**	**$19,405,400**
Landfills	$3,155,400	$1,800,000	$14,450,000	$0	$0	$19,405,400

5.2.2.4 Solid Waste Management Fund

The Solid Waste Management Fund is an enterprise fund responsible for providing residential trash, recycling and organic waste recycling collection services to eligible households. The fund receives revenue from user fees established after the passage of Measure B that are collected through tax roll billing (**Table 7**).

Table 7. Forecasted Solid Waste Management Fund (FY 2027 – 2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$2,132,900**	**$2,000,000**	**$2,000,000**	**$2,000,000**	**$2,000,000**	**$10,132,900**
Existing Facilities	$2,132,900	$0	$0	$0	$0	$2,132,900
Landfills	$0	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$8,000,000

5.2.2.5 Wastewater Funds

Wastewater Funds are enterprise funds that support the Municipal and Metropolitan Wastewater Systems. Funding for wastewater CIP projects is provided by wastewater rates and grants. Projects use various financing strategies, including pay-as-you-go cash financing, bond financing, and State Revolving Fund (SRF) loans (**Table 8**).

Table 8. Forecasted Available Wastewater Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$313,797,253**	**$310,225,547**	**$284,696,574**	**$318,843,252**	**$245,643,737**	**$1,473,206,363**
Potable Reuse	$42,142,962	$15,274,245	$17,336,641	$15,058,556	$16,152,305	$105,964,709
Wastewater	$271,654,291	$294,951,302	$267,359,933	$303,784,696	$229,491,431	$1,367,241,653

**IT-related projects are not included in the PUD Needs or Available Funding*

5.2.2.6 Water Fund

The Water Fund is an enterprise fund that supports the City's water system. Water rates and grants provide funding for water CIP projects. Projects use various financing strategies, including pay-as-you-go cash financing, bond financing, commercial paper notes, Water Infrastructure Finance and Innovation Act (WIFIA) Loans, and SRF Loans (**Table 9**).

Table 9. Forecasted Available Water Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$407,623,708**	**$297,249,163**	**$425,393,961**	**$388,806,673**	**$337,183,083**	**$1,856,256,588**
Potable Reuse	$66,054,906	$28,950,245	$32,626,708	$33,170,633	$35,761,204	$196,563,696
Water	$341,568,802	$268,298,918	$392,767,253	$355,636,040	$301,421,879	$1,659,692,892

**IT-related projects are not included in the PUD Needs or Available Funding*

5.2.3 Development Impact Fee Funds

DIFs are collected to mitigate the cost of new infrastructure needed to serve 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 DIFs to asset-based Citywide DIFs. This Citywide initiative also transitions away from former public facilities financing plans to reliance on the current annual CIP budget to ensure DIF funds 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, Park Deficient Communities, and Communities of Concern, where part of the fee collected is allocated for those specific purposes. Additionally, the TransNet Funding requirements include a provision for the collection 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.

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 a legacy collection of revenues remains available to be appropriated. Funds are restricted for use on projects in an approved Public Facilities Financing Plan or Impact Fee Study for the community where the fee was collected. The revenue projection accounts for the transition from neighborhood-specific Facilities Benefit Assessments and DIFs to the asset-specific DIFs described in the CIP Outlook.

With the adoption of Build Better SD and Parks for All of Us, the following types of DIF funds exist.

5.2.3.1 Community Development Impact Fees

Before adopting Citywide DIF, new development projects paid into separate community-based DIF funds. These funds continue to be available for projects identified in the public facilities financing plans for the purpose for which they were originally collected. Limited additional revenue associated with legacy development permits is anticipated for these funds, but the existing fund balances remain available for expenditure (**Table 10a**).

Table 10a. Forecasted Available Community Development Impact Fee Funds (FY 2027–2031)

Community DIF	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$12,150,000**	**$3,500,000**	**$3,500,000**	**$3,700,000**	**$3,700,000**	**$26,550,000**
Bridges	$1,395,407	$0	$0	$0	$0	$1,395,407
Expanded Facilities	$1,900,000	$0	$0	$0	$0	$1,900,000
Parks	$3,250,000	$0	$0	$0	$0	$3,250,000
Sidewalks	$0	$0	$0	$3,700,000	$3,700,000	$7,400,000
Stormwater	$666,703	$0	$0	$0	$0	$666,703
Streetlights	$850,077	$0	$0	$0	$0	$850,077
Streets and Roads - Modifications	$2,254,516	$3,500,000	$3,500,000	$0	$0	$9,254,516
Traffic Signals and ITS	$1,833,298	$0	$0	$0	$0	$1,833,298

5.2.3.2 Citywide Development Impact Fees

Build Better SD amended the San Diego Municipal Code to shift the time when fees are due at building permit issuance to before final inspection. This change gives applicants more time to pay fees without requiring fee deferral agreements. However, altering the timing of fee payments may result in a temporary decrease in DIF revenue generation in the coming years. This is because some projects have already paid fees at the time of building permit issuance, while others will only pay fees at the time of final inspection. These considerations have led to a conservative approach in making DIF projections for the next few years. As each year passes, City Planning staff will gather additional data to make more informed projections of incoming revenue.

Citywide DIFs have the following four components, described in more detail below:

- Parks DIF
- Library DIF
- Mobility DIF
- Fire DIF

5.2.3.2.1 Parks Development Impact Fee

Citywide Parks DIF offers a simplified fee to support the City's parks system, as outlined in the Park Nexus Study, in response to the demand for parks generated by new developments **(Table 10b)**.

Table 10b. Forecasted Available Parks Development Impact Fee Funds (FY 2027–2031)

Citywide DIF	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$25,000,000**	**$35,000,000**	**$36,000,000**	**$37,000,000**	**$38,000,000**	**$171,000,000**
Parks	$25,000,000	$35,000,000	$36,000,000	$37,000,000	$38,000,000	$171,000,000

5.2.3.2.2 Library Development Impact Fee

Citywide Library DIF provides a simplified fee to fund the City's library system in accordance with the Library Nexus Study to meet the demands for library services resulting from new developments **(Table 10c)**.

Table 10c. Forecasted Available Library Development Impact Fee Funds (FY 2027–2031)

Citywide DIF	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$3,900,000**	**$4,000,000**	**$4,100,000**	**$4,200,000**	**$4,300,000**	**$20,500,000**
New Libraries	$3,900,000	$4,000,000	$4,100,000	$4,200,000	$4,300,000	$20,500,000

5.2.3.2.3 Mobility Development Impact Fee

Citywide Mobility DIF provides a simplified fee to fund the City's mobility network, in accordance with the Mobility Nexus Study, to meet the demands for walking/rolling, biking, taking transit, and driving resulting from new developments **(Table 10d)**.

Table 10d. Forecasted Available Mobility Development Impact Fee Funds (FY 2027–2031)

Citywide DIF	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$2,000,000**	**$6,950,000**	**$4,700,000**	**$4,800,000**	**$4,900,000**	**$23,350,000**
Bike Facilities	$2,000,000	$0	$0	$0	$0	$2,000,000
Traffic Signals and ITS	$0	$6,950,000	$4,700,000	$4,800,000	$4,900,000	$21,350,000

5.2.3.2.4 Fire Development Impact Fee

Citywide Fire DIF provides a simplified fee to fund the City's fire stations and safety networks in accordance with the Fire Nexus Study to meet the demands resulting from new development (**Table 10e**).

Table 10e. Forecasted Available Fire Development Impact Fee Funds (FY 2027–2031)

Citywide DIF	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$1,650,000**	**$2,000,000**	**$2,650,000**	**$2,800,000**	**$2,950,000**	**$12,050,000**
Expanded Facilities	$650,000	$0	$0	$0	$0	$650,000
New Fire Stations	$1,000,000	$0	$0	$0	$0	$1,000,000
New Lifeguard Stations	$0	$2,000,000	$2,650,000	$2,800,000	$2,950,000	$10,400,000

5.2.4 Parks Funds

Mission Bay rents and concessions revenue is allocated to the Mission Bay Park and San Diego Regional Parks Improvement Funds in accordance with the San Diego City Charter, Article V, Section 55.2.

5.2.4.1 Mission Bay Park Improvement Funds

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 enhance environmental conditions. All project allocations are consistent with the Mission Bay Park Master Plan and approved by the Mission Bay Park Oversight Committee (**Table 11**).

Table 11. Forecasted Available Mission Bay Park Improvement Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$12,889,752**	**$15,378,118**	**$15,120,259**	**$15,798,517**	**$16,492,766**	**$75,679,411**
New Lifeguard Stations	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$10,000,000
Parks	$10,889,752	$13,378,118	$13,120,259	$13,798,517	$14,492,766	$65,679,412

5.2.4.2 San Diego Regional Parks Improvement Funds

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 (**Table 12**).

Table 12. Forecasted Available SD Regional Parks Improvement Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$4,651,668**	**$10,569,492**	**$8,141,678**	**$8,506,894**	**$8,880,720**	**$40,750,452**
Parks	$4,651,668	$10,569,492	$8,141,678	$8,506,894	$8,880,720	$40,750,452

5.2.5 Transportation Funds

The City's transportation network includes streets, sidewalks, traffic signals and signs, as well as streetlights and other transportation-related infrastructure, such as guardrails. This section outlines the various funding sources dedicated to transportation infrastructure improvements and maintenance within the City. These funds are crucial for supporting projects that range from roadway enhancements to bicycle and pedestrian facilities, playing a vital role in addressing traffic congestion and promoting multimodal transportation options. The sources described in this section are primarily generated through local sales taxes, development fees, and agreements with other agencies, all of which have specific restrictions and guidelines for their use. Understanding these funds is essential for comprehending how the City finances its transportation network and ensures its continued development. The section specifically discusses the Neighborhood Enhancement Fee for Communities of Concern (CoC), RTCIP, TransNet Funds, the Trench Cut/Excavation Fee Fund, the Utilities Undergrounding Program Fund, and the Bus Stop Capital Improvement Fund.

5.2.5.1 Neighborhood Enhancement Fee CoC

The Neighborhood Enhancement Fund – CoC is to be used solely to fund active transportation and transit infrastructure projects that are not vehicular accommodating in Transit Priority Areas in Communities of Concern or recreation amenities, in accordance with San Diego Municipal Code Chapter 14, Article 3, Division 10 (**Table 13**).

Table 13. Neighborhood Enhancement Fee CoC Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$1,500,000**	**$1,500,000**	**$1,500,000**	**$400,000**	**$400,000**	**$5,300,000**
Sidewalks	$0	$0	$0	$400,000	$400,000	$800,000
Streets and Roads - Modifications	$1,500,000	$1,500,000	$1,500,000	$0	$0	$4,500,000

5.2.5.2 Regional Transportation Congestion Improvement Program

The RTCIP is an element of the TransNet Extension Ordinance requiring the City to collect an exaction for new residential developments. RTCIP Fees are to be spent only on improvements to the Regional Arterial System (RAS) to mitigate the impact of development. CIP projects include traffic signal coordination, freeway interchange improvements, railroad grade separations, and upgrades to express bus or rail transit (**Table 14**).

Table 14. Forecasted Available RTCIP Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$7,500,000**	**$8,000,000**	**$8,250,000**	**$8,500,000**	**$8,750,000**	**$41,000,000**
Bridges	$6,466,346	$8,000,000	$1,942,777	$0	$0	$16,409,123
Streets and Roads – Modifications	$633,654	$0	$2,000,000	$0	$0	$2,633,654
Traffic Signals and ITS	$400,000	$0	$4,307,223	$8,500,000	$8,750,000	$21,957,223

5.2.5.3 TransNet Funds

TransNet, a one-half-cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are used for bikeway and pedestrian projects. TransNet includes a Maintenance of Effort provision, which establishes minimum base levels of discretionary fund spending annually to maintain and improve the PROW, thereby ensuring continued funding. The City utilizes TransNet funds for projects whenever possible to minimize the issuance of bonds (**Table 15**).

Table 15. Forecasted Available Transnet Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$25,601,826**	**$26,446,592**	**$27,545,690**	**$28,743,194**	**$29,813,006**	**$138,150,308**
Bike Facilities	$3,161,301	$2,432,800	$2,432,800	$2,432,800	$2,855,800	$13,315,501
Bridges	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Sidewalks	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000
Streetlights	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Streets and Roads - Modifications	$2,176,600	$6,127,900	$1,500,000	$1,500,000	$1,500,000	$12,804,500
Streets and Roads - Pavement	$17,013,925	$14,635,892	$20,362,890	$21,560,394	$22,207,206	$95,780,307
Traffic Signals and ITS	$1,850,000	$1,850,000	$1,850,000	$1,850,000	$1,850,000	$9,250,000

5.2.5.4 Trench Cut/Excavation Fee Fund

Pavement deterioration studies show that pavement excavations will significantly degrade and shorten pavement life. Street Damage Fees are collected from excavators to recover the increased costs of repaving and reconstruction incurred by the City due to trenching. The Streets Preservation Ordinance, adopted in January 2013 and revised in FY 2024, establishes fees that depend on the size of the trench, the age of the pavement, and the type of utility (**Table 16**).

Table 16. Forecasted Available Trench Cut/Excavation Fee Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$2,470,000**	**$2,470,000**	**$2,470,000**	**$2,470,000**	**$2,470,000**	**$12,350,000**
Streets and Roads - Pavement	$2,470,000	$2,470,000	$2,470,000	$2,470,000	$2,470,000	$12,350,000

5.2.5.5 Utilities Undergrounding Program Fund

This fund provides for the undergrounding of City utilities. San Diego Gas & Electric (SDG&E), AT&T, and the cable companies contribute funds to underground overhead facilities. This amount is deposited with the City for use solely in undergrounding electrical lines and associated activities. Only revenues planned for allocation to the City CIP are estimated for the CIP Outlook (**Table 17**).

Table 17. Forecasted Available Utilities Undergrounding Program Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$55,065,684**	**$20,203,455**	**$10,065,925**	**$17,717,454**	**$864,000**	**$103,916,518**
Streets and Roads – Modifications	$55,065,684	$20,203,455	$10,065,925	$17,717,454	$864,000	$103,916,518

5.2.5.6 Bus Stop Capital Improvement Fund

Bus Stop Improvement funding is available via a Memorandum of Understanding with the Metro Transit System. The funding can only be used for improvements to bus stops, including the installation of bus stop pads in the City right-of-way (**Table 18**).

Table 18. Forecasted Available Bus Stop Capital Improvement Funds (FY 2027–2031)

	FY2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$357,272**	**$357,272**	**$300,030**	**$171,825**	**$171,825**	**$1,358,224**
Streets and Roads – Modifications	$357,272	$357,272	$300,030	$171,825	$171,825	$1,358,224

5.2.6 Otay Mesa Enhanced Infrastructure Financing District Fund

This fund was established to finance certain public infrastructure and community benefit projects in the Otay Mesa Enhanced Infrastructure Financing District (EIFD) on a pay-go basis and to support bonds, 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 CIP projects listed in the Otay Mesa Infrastructure Financing Plan as approved by the Otay Mesa EIFD Public Financing Authority, the district's governing body. The district is currently expected to issue bonds supported by district revenues in FY 2027 and FY 2028 based on the projected funding needs of eligible projects (**Table 19**).

Table 19. Forecasted Available Otay Mesa EIFD Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$14,551,998**	**$47,025,000**	**$13,534,000**	**$0**	**$0**	**$75,110,998**
New Fire Stations	$4,600,000	$29,300,000	$0	$0	$0	$33,900,000
Parks	$963,591	$0	$0	$0	$0	$963,591
Sidewalks	$0	$500,000	$1,200,000	$0	$0	$1,700,000
Streets and Roads - Modifications	$8,988,407	$17,225,000	$12,334,000	$0	$0	$38,547,407

5.2.7 Climate Equity Fund

Resolution 313454 established the Climate Equity Fund (CEF) in March 2021 to assist underserved communities in responding effectively to the impacts of climate change. CEF revenues are received from a portion of the gas and electric franchise fees.

CEF projects must reduce greenhouse gas emissions, enhance safety in public rights-of-way, relieve congestion, or achieve other climate equity objectives. They must also be located in communities of

concern, defined as areas that score between 0 and 60 on the Climate Equity Index. Based on the eligible infrastructure investment needs identified by AMDs in this five-year period, preliminary allocations are presented in **Table 20** for planning purposes.

Table 20. Forecasted Climate Equity Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$6,711,177**	**$6,904,199**	**$7,111,325**	**$7,324,665**	**$7,544,405**	**$35,595,771**
Parks	$42,676	$0	$0	$2,000,000	$2,000,000	$4,042,676
Stormwater	$5,469,772	$6,904,199	$7,111,325	$5,324,665	$5,544,405	$30,354,366
Streetlights	$815,000	$0	$0	$0	$0	$815,000
Streets and Roads - Modifications	$158,199	$0	$0	$0	$0	$158,199
Traffic Signals and ITS	$225,530	$0	$0	$0	$0	$225,530

5.2.8 Infrastructure Fund

The Infrastructure Fund was established by the City Charter, Article VII, Section 77.1, as a dedicated revenue source for General Fund infrastructure costs. The sales tax increment is calculated based on the annual change in sales tax revenue when compared to the sales tax baseline of FY 2016 actual receipts, adjusted by the California Consumer Price Index (CCPI). As the CCPI decreases, as seen in the last year, so does the sales tax base, which adjusts the annual projected contribution. The CCPI assumptions used to forecast the sales tax increment are consistent with the UCLA Anderson Forecast October 2025 Economic Forecast for CPI. Based on the current calculation, the Outlook projects no required Infrastructure Fund contribution during the outlook period (**Table 21**). This is due to sales tax revenue decreasing below the adjusted sales tax baseline and the General Fund Pension Cost not being below the FY 2016 base year.

Based on the latest SDCERS Actuarial Valuation, it is unlikely that General Fund pension costs will be below the base year at any point through FY 2042. At the end of each fiscal year, the Department of Finance conducts a reconciliation of Sales Tax Increment (actual revenue versus the calculated base). If a contribution is determined to be needed based on improved sales tax revenue performance, the true-up contribution will be proposed during the next budget cycle.

Table 21. Infrastructure Fund (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

5.2.9 General Fund Financing

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. Other 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 for the 5-year period are primarily allocated for stormwater asset improvements to meet the matching fund requirements of the WIFIA Agreement, with the remaining forecast for the remaining asset types. Existing continuing appropriations already authorized by the San Diego City Council, but contingent on future financings, are not included in the projections.

The City has executed or is working on various types of loan agreements. As described under the Stormwater Infrastructure (Drainage) section, the WIFIA Agreement has been executed and is a funding source for stormwater improvements. The City is also finalizing SRF Loans for specific large stormwater CIP projects. These SRF Loans may be partially or fully backed by the Storm Drain Fund from Storm Drain Fee revenue, with the remaining stormwater CIP projects funded by the General Fund (**Tables 22a & b**).

Table 22a. Forecasted WIFIA Loan Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$21,694,143**	**$102,426,066**	**$2,276,617**	**$5,846,475**	**$1,846,473**	**$134,089,774**
Stormwater	$21,694,143	$102,426,066	$2,276,617	$5,846,475	$1,846,473	$134,089,774

Table 22b. Forecasted Bonds and CP Funds (FY 2027–2031)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Projected	**$151,828,143**	**$94,800,000**	**$94,800,000**	**$94,800,000**	**$94,800,000**	**$531,028,143**
Existing Facilities	$0	$6,157,000	$7,127,940	$5,000,000	$5,000,000	$23,284,940
New Fire Stations	$29,305,000	$0	$0	$0	$0	$29,305,000
New Lifeguard Stations	$5,372,108	$17,903,691	$0	$0	$0	$23,275,799
Sidewalks	$0	$7,550,000	$8,163,000	$8,250,000	$8,340,000	$32,303,000
Stormwater	$97,651,035	$41,663,349	$40,804,792	$40,000,000	$40,000,000	$260,119,176
Streetlights	$0	$3,694,400	$3,000,000	$3,000,000	$3,000,000	$12,694,400
Streets and Roads - Pavement	$17,000,000	$15,331,560	$33,204,268	$38,550,000	$38,460,000	$142,545,828
Housing and Shelters	$2,500,000	$2,500,000	$2,500,000	$0	$0	$7,500,000

6 Matching Available Funds with CIP Needs

Numerous factors establish capital needs, but City strategic initiatives, master plans, policies, federal and local mandates, SLS, stakeholder input, and condition assessments are common triggers for AMDs to define and request capital needs. The vetting of requests includes calculated risk assessments via Asset Management Planning software and requirements for operational maintenance strategies, as developed by the AMDs.

6.1 Projected Capital Needs

The projected capital needs through FY 2031 are approximately $12.82 billion, with approximately $5 billion of projected funding for those needs. This results in an estimated funding gap of $7.81 billion, reflected in **Table 23**.

Table 23. Summary of Infrastructure Needs, Funding, and Funding Gap Fiscal Years 2027–2031

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Capital Needs	$1,525,085,962	$2,305,772,416	$2,575,131,859	$2,804,127,074	$3,614,840,138	$12,824,957,449
Funding	$1,107,129,348	$1,087,669,356	$990,885,848	$960,728,949	$863,447,126	$5,009,860,627
Gap	**$417,956,614**	**$1,218,103,060**	**$1,584,246,012**	**$1,843,398,125**	**$2,751,393,012**	**$7,815,096,823**

While the summary in **Table 23** outlines the needs for the combined enterprise and non-enterprise assets, **Table 24a** provides the projected expenditures of the capital needs by asset type. All City infrastructure needs are not represented because not all capital needs can be feasibly addressed within the next five fiscal years. Enterprise Funds account for specific services funded directly by fees and charges to users, such as water and wastewater services, intended to be self-supporting. Several asset types with needs fully funded by enterprise funds are unrelated to the funding gap.

Table 24a Summary of Projected Capital Asset Needs Fiscal Years 2027–2031

Asset Type	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Airports	$21,807,143	$11,577,666	$4,369,790	$8,300,000	$7,730,984	**$53,785,583**
Bike Facilities	$13,629,610	$26,256,600	$21,442,800	$21,243,469	$21,373,000	**$103,945,479**
Bridges	$12,011,753	$17,636,785	$8,142,777	$21,900,000	$17,005,126	**$76,696,441**
Housing and Shelters	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	**$12,500,000**

Asset Type	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Existing Facilities	$25,295,052	$40,783,390	$48,951,740	$37,046,900	$30,503,600	**$182,580,682**
New Fire Stations	$70,246,000	$106,272,434	$50,237,597	$117,996,777	$31,906,321	**$376,659,128**
New Fleet Facilities	$2,600,000	$0	$0	$0	$0	**$2,600,000**
Golf	$8,000,000	$69,900,000	$17,910,000	$0	$4,000,000	**$99,810,000**
Landfills	$3,155,400	$3,800,000	$16,450,000	$2,000,000	$2,000,000	**$27,405,400**
New Libraries	$4,900,000	$6,000,000	$4,100,000	$4,200,000	$4,300,000	**$23,500,000**
New Lifeguard Stations	$7,372,108	$33,757,082	$27,150,000	$7,326,580	$6,600,000	**$82,205,770**
Parks	$44,888,967	$239,942,334	$58,787,741	$78,340,105	$86,106,574	**$507,065,722**
New Police Stations	$7,975,970	$12,321,851	$0	$0	$201,842,186	**$222,140,007**
Pure Water - Potable Reuse	$108,197,868	$44,224,490	$49,963,349	$48,229,188	$51,913,509	**$302,528,405**
Sidewalks	$45,531,127	$52,553,088	$78,004,218	$61,807,647	$61,837,653	**$299,733,733**
Stormwater	$181,088,311	$705,544,982	$1,116,873,610	$1,396,406,357	$2,110,618,091	**$5,510,531,351**
Streetlights	$29,133,776	$109,666,400	$110,107,000	$114,511,000	$119,092,000	**$482,510,176**
Streets and Roads - Modifications	$73,731,355	$70,504,476	$97,586,909	$29,642,279	$15,083,825	**$286,548,845**
Streets and Roads - Pavement	$229,278,949	$153,615,617	$160,752,143	$155,115,035	$270,847,958	**$969,609,702**
Traffic Signals and ITS	$20,519,480	$35,665,000	$41,675,000	$38,141,000	$39,666,000	**$175,666,480**
Wastewater	$271,654,291	$294,951,302	$267,359,933	$303,784,696	$229,491,431	**$1,367,241,653**
Water	$341,568,802	$268,298,918	$392,767,253	$355,636,040	$301,421,879	**$1,659,692,892**
Total Need	**$1,525,085,962**	**$2,305,772,416**	**$2,575,131,859**	**$2,804,127,074**	**$3,614,840,138**	**$12,824,957,449**

Some AMDs have initiated projects or adopted plans and programs that will continue beyond the 5- year outlook period. **Table 24b** reflects capital needs that could be reasonably projected.

Table 24b Summary of Projected Capital Asset Needs Fiscal Year 2032 and Beyond

Asset Type	FY 2032 and beyond
Bike Facilities	$446,074,000
Bridges	$93,500,000
Existing Facilities	$700,870,200
Expanded Facilities	$732,600,000
Housing and Shelters	$500,000
New Fire Stations	$895,349,247
New Fleet Facilities	$13,000,000
New Libraries	$17,925,888
New Lifeguard Stations	$10,000,000
Parks	$258,670,952
Sidewalks	$408,424,000
Stormwater	$1,425,673,043
Streetlights	$616,084,000
Streets and Roads - Modifications	$4,178,000
Streets and Roads - Pavement	$148,098,645
Traffic Signals and ITS	$185,025,000
Total Need	**$5,955,972,975**

The following sections provide overviews of projected capital needs, describe how each AMD developed them, and provide additional information regarding the unique needs for each asset type.

6.2 Airports – AMD: Economic Development

The Airports Division, with the Economic Development Department, operates Brown Field Municipal and the Montgomery-Gibbs Executive Airports on a combined 1,430 acres. These two general aviation airports contain nearly 8 miles of runways and taxiways, which safely accommodate over 470,000 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. Airport's priority is safety, and to that end, the CIP plays an important role by rehabilitating, repairing, and reconstructing the pavement and lighting of runways, taxiways, and aircraft ramp areas.

The need for the CIP projects outlined over the next five years has been determined by the Airports' Pavement Maintenance and Management Plans. The plans are completed by conducting visual pavement inspections and collecting data, such as distress types, severities, and quantities, which are then entered into software to calculate the current Pavement Condition Index (PCI). Please see the links below for the airports' Pavement Maintenance and Management Plans:

- **Brown Field Municipal Airport Pavement Maintenance and Management Plan:** http://www.sdairportplans.com/wp-content/uploads/2018/03/FINAL-SDM-PMMP-Report.pdf
- **Montgomery- Gibbs Executive Airport Pavement Maintenance and Management Plan:** http://www.sdairportplans.com/wp-content/uploads/2018/06/MYF-PMMP-Report.pdf

The Airports Division prioritizes these projects based on the Pavement Maintenance and Management Plan criteria, cost of the projects, Airport Improvement Entitlement and Discretionary funds allocated by the Federal Aviation Administration, State Grant Funding opportunities, and available funds in the Airport Enterprise Fund.

The Airports Fund is a non-General Fund managed by the department as an enterprise fund. Roughly 80% of revenues are generated from rents and leases of properties 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 within the Airport Enterprise Fund so that the City's airports can remain self-sustaining and fund their operating and capital expenses (**Table 25**).

Table 25. Airport Needs vs. Available Funding (FY 2027–2031)

Airports	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$21,807,143**	**$11,577,666**	**$4,369,790**	**$8,300,000**	**$7,730,984**	**$53,785,583**
Funding Source						
Airport Funds	$2,016,043	$2,365,534	$218,489	$465,000	$403,290	$5,468,356
Grants	$19,791,100	$9,212,133	$4,151,301	$7,835,000	$7,327,694	$48,317,227
Funding Source Total	**$21,807,143**	**$11,577,666**	**$4,369,790**	**$8,300,000**	**$7,730,984**	**$53,785,583**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

6.3 Transportation Infrastructure – AMD: Transportation

6.3.1 Bike Facilities

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 wastewater pipeline replacement projects, 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.

Improving bike infrastructure is a critical aspect required to meet the City's Vision Zero goals. The Bike Program is committed to improving and/or installing a minimum of 40 miles of bike lanes per year, leading to the full implementation of the Bicycle Master Plan by FY 2046.

To maintain the new bike infrastructure outlined in the bicycle master plan, additional FTEs will need to be added to the Transportation Department operating budget over the 5-year period. The total need included in the CIP 5-Year Outlook period decreased by $31.6 million over last year, primarily due to decreased needs for existing projects (**Table 26**). In addition to what is included in the CIP Outlook, it is anticipated that over $446 million will be needed in FY 2032 and beyond to implement the Bicycle Master Plan over a 20-year period.

Table 26. Bike Facilities Needs vs. Available Funding (FY 2027–2031)

Bike Facilities	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$13,629,610**	**$26,256,600**	**$21,442,800**	**$21,243,469**	**$21,373,000**	**$103,945,479**
Funding Source						
Development Impact Fees (Citywide Mobility DIF)	$2,000,000	$0	$0	$0	$0	$2,000,000
TransNet Funds	$3,161,301	$2,432,800	$2,432,800	$2,432,800	$2,855,800	$13,315,501
Funding Source Total	**$5,161,301**	**$2,432,800**	**$2,432,800**	**$2,432,800**	**$2,855,800**	**$15,315,501**
Gap	**$8,468,309**	**$23,823,800**	**$19,010,000**	**$18,810,669**	**$18,517,200**	**$88,629,978**

6.3.2 Bridges

The City owns and maintains 177 vehicular and pedestrian bridges. The California Department of Transportation inspects bridges that carry vehicular traffic every 2 years and prepares a bridge inspection report detailing the bridge's condition and the necessary repairs. Based on the data gathered from the California Department of Transportation's inspection reports, the City's goal is to plan and initiate one major bridge rehabilitation project and provide minor bridge rehabilitation work for an average of 25 bridges per year.

The City has also recently initiated an inspection program for pedestrian bridges and has identified funding needs for minor rehabilitation work based on the results of inspections completed to date. The CIP Outlook assumes all identified bridge repair needs will be addressed within 10 years.

The 5-year bridge rehabilitation need is estimated at $76.6 million. It is estimated that over $93 million will be needed in FY 2032 and beyond to achieve the goal of completing these repairs within 10 years. The total need included in the CIP Outlook decreased by $129 million over last year due to the allocation of additional funding to the El Camino Real project and updated cost estimates (**Table 27**).

Table 27. Bridges Needs vs. Available Funding (FY 2027–2031)

Bridges	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$12,011,753**	**$17,636,785**	**$8,142,777**	**$21,900,000**	**$17,005,126**	**$76,696,441**
Funding Source						
Development Impact Fees (Community DIF)	$1,395,407	$0	$0	$0	$0	$1,395,407
Grants	$0	$5,386,785	$0	$0	$0	$5,386,785
Regional Transportation Congestion Improvement Program	$6,466,346	$8,000,000	$1,942,777	$0	$0	$16,409,123
TransNet Funds	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Funding Source Total	**$8,061,753**	**$13,586,785**	**$2,142,777**	**$200,000**	**$200,000**	**$24,191,315**
Gap	**$3,950,000**	**$4,050,000**	**$6,000,000**	**$21,700,000**	**$16,805,126**	**$52,505,126**

6.3.3 Sidewalks

The Transportation Department has CIP funding needs to replace damaged sidewalks, install new sidewalks where sidewalks do not currently exist, and install new or upgrade existing curb ramps to meet ADA requirements. The 5-year sidewalk replacement need is estimated at $85.6 million. It is estimated that nearly $219 million will be needed in FY 2032 and beyond to achieve the goal of completing these repairs within 14 years.

A second goal is to install 350,000 linear feet of new sidewalks by the end of FY 2036, which equates to an average of 33,000 linear feet per year. This will address the top 10% of identified needs, including areas requiring ADA-compliant improvements. The estimated 5-year need for new sidewalk installation is $137.6 million. It is estimated that $189.5 million will be needed in FY 2032 and beyond to achieve the goal of completing these installations within 10 years.

The Transportation Department maintains a list of ADA unfunded needs based on complaints received from the Office of ADA Compliance and Accessibility. Most complaints are requests for the installation of new curb ramps or the replacement of existing non-compliant curb ramps. The long-term goal is to complete all new installations and close out existing complaints within 10 years, then maintain the unfunded needs on an annual basis. Other projects, such as paving projects, also necessitate the installation of new or the upgrade of existing curb ramps to meet ADA requirements.

It is estimated that about $76.4 million will be needed between FY 2027 to FY 2031 to achieve the curb ramp goal.

The total need included in the CIP Outlook increased by $131.7 million over last year due to updated cost estimates related to ongoing sidewalk replacement projects and the refinement of outer-year needs. (**Table 28**)

Table 28. Sidewalks Needs vs. Available Funding (FY 2027–2031)

Sidewalks	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$45,531,127**	**$52,553,088**	**$78,004,218**	**$61,807,647**	**$61,837,653**	**$299,733,733**
Funding Source						
Otay Mesa EIFD	$0	$500,000	$1,200,000	$0	$0	$1,700,000
Development Impact Fees (Community DIF)	$0	$0	$0	$3,700,000	$3,700,000	$7,400,000
Neighborhood Enhancement Fee CoC	-	-	-	$400,000	$400,000	$800,000
TransNet Funds	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000
Financing - Bonds and CP	$0	$7,550,000	$8,163,000	$8,250,000	$8,340,000	$32,303,000
Funding Source Total	**$1,000,000**	**$9,050,000**	**$10,363,000**	**$13,350,000**	**$13,440,000**	**$47,203,000**
Gap	**$44,531,127**	**$43,503,088**	**$67,641,218**	**$48,457,647**	**$48,397,653**	**$252,530,733**

6.3.4 Street Improvements

The Transportation Department manages the City's roadway infrastructure, which includes over 6,600 lane miles of asphalt, concrete, alleys, and unimproved roads. Street Improvements consist of two types of projects. One type is Streets and Roads—Modifications, which comprises traffic calming and other road repurposing and/or reconfiguration projects. The second type is Streets and Roads—Pavement improvements. These projects are focused on asphalt overlay and concrete and asphalt reconstruction efforts.

The Streets and Roads – Modifications projects, such as traffic calming, bus stop improvements, guardrail installation, and median installation, help the City get closer to achieving its Vision Zero goals. The CIP Outlook assumes funding is needed for 2 roundabouts per year, 40 concrete and Vision Zero quick-build pedestrian refuge islands or new medians over 5 years, and over 480 traffic calming

projects over 10 years, based on the current known project backlog. To meet the service level for traffic calming, additional FTEs will need to be added to the Transportation Department Operating budget over the 5-year period. This project category also includes the 5-year funding needs for the Utilities Undergrounding Program.

The Streets and Roads – Pavement category includes the cost to perform asphalt overlay and reconstruction to maintain a Citywide average PCI of 65 over the next 10 years. The funding needed in the CIP Outlook includes the funding needed for construction-ready projects that were designed in FY 2025, as well as funding needed to design and construct additional asphalt overlay projects over the 5-year period. The CIP Outlook also includes the cost to improve two unimproved streets per year, per the recommended scenario in the Pavement Management Plan. Transportation determined the maintenance and capital funding needs to maintain an average PCI of 65 in 10 years based on updated data from the recent pavement condition assessment. Capital needs reflected in the CIP Outlook for pavement do not include slurry seal maintenance, funded by the department's operational budget. All projected Road Maintenance and Rehabilitation Account and a portion of the projected Gas Tax and TransNet revenues are planned to be applied to support slurry seal maintenance during the 5-year outlook period. Since slurry seal activities are considered maintenance, rather than capital, their need and revenue values are not reflected in the CIP Outlook. To meet the service level for the street repair program, additional FTEs will need to be added to the Transportation Department Operating budget over the 5-year period.

Compared to the previous CIP Outlook, the total need, including Operations and Maintenance activities, decreased by $647.5 million due to a recalculation of service levels and funding needs. The previous CIP Outlook numbers included a funding scenario to achieve an average PCI of 70 in ten years, whereas the current recommended scenario is to achieve an average PCI of 65 in 10 years while also maintaining feasible annual mileages and a ramp-up of funding. This CIP Outlook includes the funding needed for the first five years of that 10-year period. It is anticipated that $148.1 million will be required between FY 2032 and FY 2036 to achieve a PCI of 65 over the 10-year period, and continued investments will be necessary beyond that period (**Tables 29** and **30**).

Table 29. Streets and Roads Modifications Needs vs. Available Funding (FY 2027–2031)

Streets and Roads – Modifications	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$73,731,355**	**$70,504,476**	**$97,586,909**	**$29,642,279**	**$15,083,825**	**$286,548,845**
Funding Source						
Bus Stop Capital Improvement Fund	$357,272	$357,272	$300,030	$171,825	$171,825	$1,358,224
Climate Equity Fund	$158,199	$0	$0	$0	$0	$158,199
Otay Mesa EIFD	$8,988,407	$17,225,000	$12,334,000	$0	$0	$38,547,407
Development Impact Fees (Community DIF)	$2,254,516	$3,500,000	$3,500,000	$0	$0	$9,254,516
Neighborhood Enhancement Fee CoC	$1,500,000	$1,500,000	$1,500,000	$0	$0	$4,500,000
Regional Transportation Congestion Improvement Program	$633,654	$0	$2,000,000	$0	$0	$2,633,654
TransNet Funds	$2,176,600	$6,127,900	$1,500,000	$1,500,000	$1,500,000	$12,804,500
Undergrounding Utilities Fund	$55,065,684	$20,203,455	$10,065,925	$17,717,454	$864,000	$103,916,518
Funding Source Total	**$71,134,332**	**$48,913,627**	**$31,199,955**	**$19,389,279**	**$2,535,825**	**$173,173,018**
Gap	**$2,597,023**	**$21,590,849**	**$66,386,954**	**$10,253,000**	**$12,548,000**	**$113,375,826**

Table 30. Streets and Roads Pavement Needs vs. Available Funding (FY 2027–2031)

Streets and Roads – Pavement	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$229,278,949**	**$153,615,617**	**$160,752,143**	**$155,115,035**	**$270,847,958**	**$969,609,702**
Funding Source						
Road Maintenance & Rehabilitation Fund	$0	$0	$0	$0	$41,006,128	$41,006,128
TransNet Funds	$17,013,925	$14,635,892	$20,362,890	$21,560,394	$22,207,206	$95,780,307
Trench Cut/Excavation Fee Fund	$2,470,000	$2,470,000	$2,470,000	$2,470,000	$2,470,000	$12,350,000
Financing - Bonds and CP	$17,000,000	$15,331,560	$33,204,268	$38,550,000	$38,460,000	$142,545,828
Funding Source Total	**$36,483,925**	**$32,437,452**	**$56,037,158**	**$62,580,394**	**$104,143,334**	**$291,682,263**
Gap	**$192,795,024**	**$121,178,165**	**$104,714,985**	**$92,534,641**	**$166,704,624**	**$677,927,438**

6.3.5 Streetlights

The Transportation Department is responsible for installing new streetlights at locations that meet the requirements of the City's Street Design Manual, replacing existing streetlights that have exceeded their useful life, and converting the remaining 43 obsolete streetlight series circuits, including replacement of the streetlights on those series circuits. Transportation currently has a backlog of over 6,000 locations that require new streetlights, with the goal of installing them all within the next 10 years. Transportation has identified over 10,000 existing streetlights that have exceeded their useful life of more than 50 years and require replacement, with the goal of replacing them all within the next decade. Transportation also has a goal of replacing 43 remaining obsolete streetlight series circuits to meet modern electrical standards over 10 years through FY 2036. The estimated 5-year streetlight need is $482 million. It is estimated that over $616 million will be needed in FY 2032 and beyond to achieve the goal of completing these repairs within 10 years. (**Table 31**).

Table 31. Streetlights Needs vs. Available Funding (FY 2027–2031)

Streetlights	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$29,133,776**	**$109,666,400**	**$110,107,000**	**$114,511,000**	**$119,092,000**	**$482,510,176**
Funding Source						
Climate Equity Fund	$815,000	$0	$0	$0	$0	$815,000
Development Impact Fees (Community DIF)	$850,077	$0	$0	$0	$0	$850,077
TransNet Funds	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Financing - Bonds and CP	$0	$3,694,400	$3,000,000	$3,000,000	$3,000,000	$12,694,400
Funding Source Total	**$1,865,077**	**$3,894,400**	**$3,200,000**	**$3,200,000**	**$3,200,000**	**$15,359,477**
Gap	**$27,268,699**	**$105,772,000**	**$106,907,000**	**$111,311,000**	**$115,892,000**	**$467,150,699**

6.3.6 Traffic Signals and Intelligent Transportation Systems

The Transportation Department's goal is to upgrade all existing traffic signals to current safety and accessibility standards within five years by 2031, install all new traffic signals on the needs list by FY 2036, and implement the traffic signal interconnect systems identified Traffic Signal Communications Master Plan by FY 2036. Upgrading existing traffic signals, installing traffic signals at new locations, and improving traffic signal communications will help the City get closer to achieving its Vision Zero and CAP goals. The total need included in the CIP Outlook decreased by $9.2 million compared to last year, primarily due to a decrease in funding needs for existing projects (**Table 32**). It is estimated that over $185 million will be needed in FY 2032 and beyond to meet these goals.

Table 32. Traffic Signals and ITS Needs vs. Available Funding (FY 2027–2031)

Traffic Signals And ITS	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$20,519,480**	**$35,665,000**	**$41,675,000**	**$38,141,000**	**$39,666,000**	**$175,666,480**
Funding Source						
Climate Equity Fund	$225,530	$0	$0	$0	$0	$225,530
Development Impact Fees (Community DIF)	$1,833,298	$0	$0	$0	$0	$1,833,298
Development Impact Fees (Citywide Mobility DIF)	$0	$6,950,000	$4,700,000	$4,800,000	$4,900,000	$21,350,000
Regional Transportation Congestion Improvement Program	$400,000	$0	$4,307,223	$8,500,000	$8,750,000	$21,957,223
TransNet Funds	$1,850,000	$1,850,000	$1,850,000	$1,850,000	$1,850,000	$9,250,000
Funding Source Total	**$4,308,828**	**$8,800,000**	**$10,857,223**	**$15,150,000**	**$15,500,000**	**$54,616,051**
Gap	**$16,210,653**	**$26,865,000**	**$30,817,777**	**$22,991,000**	**$24,166,000**	**$121,050,430**

6.4 Existing Building Facilities – AMD: General Services

The Department of General Services, Facilities Services Division, provides repair, modernization, and improvement services to over 1,600 municipal facilities valued at approximately $7.2 billion. The capital improvements projected by the Facilities Services Division include those for existing City facilities from multiple AMDs, including Police, Fire-Rescue, Lifeguard, Library, Parks and Recreation, Economic Development, and Fleet Services.

Projects included in the CIP Outlook are determined by using a combination of input solicited from AMDs, research of existing condition assessment reports, and field observations. The CIP Outlook is then prioritized by CIP project improvements related to health, safety, regulatory compliance issues, and underserved communities. Projects that met the prioritization guidelines were projected in earlier years of the CIP Outlook, while other projects were programmed in later years.

The most recent facilities condition assessments for City Facilities were completed between FY 2014 and FY 2016. Many of the needs remain to be addressed. A projected $661.3 million is needed to fund

the capital backlog, which is included in the outer years of this CIP Outlook. Industry standards recommend that facility condition assessments should be conducted every five years. Once updated, funding amounts are expected to increase based on the continual deterioration of facilities, inflationary factors, and impacts from CAP and ZEMBOP requirements (**Table 33**).

In addition to maintaining the facilities that serve City residents, General Services is also responsible for maintaining City operations yards, including Chollas Yard, Rose Canyon Yard, and 20th & B. These facilities have historically been undermaintained, as prior investments have been directed toward those that directly serve our residents. However, the underinvestment over time has left these facilities in need of more extensive repairs. As a result of not investing in facility upgrades, there is an increasing risk that core services will be affected. These facilities were not included in prior condition assessment efforts; however, it is estimated that the unfunded needs could exceed $500 million. It will be prudent to include these City operation facilities in future condition assessment studies to clearly identify the level of investment needed to sustain the operations of these facilities.

Table 33. Existing Facilities Needs vs. Available Funding (FY 2027–2031)

Existing Facilities	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$25,295,052**	**$40,783,390**	**$48,951,740**	**$37,046,900**	**$30,503,600**	**$182,580,682**
Funding Source						
Solid Waste Management Fund	$2,132,900	$0	$0	$0	$0	$2,132,900
Financing - Bonds and CP	$0	$6,157,000	$7,127,940	$5,000,000	$5,000,000	$23,284,940
Funding Source Total	**$2,132,900**	**$6,157,000**	**$7,127,940**	**$5,000,000**	**$5,000,000**	**$25,417,840**
Gap	**$23,162,152**	**$34,626,390**	**$41,823,800**	**$32,046,900**	**$25,503,600**	**$157,162,842**

6.5 Fleet Facilities – AMD: General Services

The Department of General Services, Fleet Operations Division, provides City departments with comprehensive fleet management services, largely by providing a dependable fleet of over 5,100 motor vehicles and equipment. The capital improvements projected by the Fleet Operations Division include facilities that support the repair and maintenance of the Citywide fleet.

One notable project identified as a need in the CIP Outlook is an electric vehicle repair facility project. This facility will support the City Fleet Vehicle Replacement and Electrification strategy, which is consistent with the CAP and Municipal Energy Implementation Plan, as well as the California Air Resources Board Advanced Clean Fleet regulations. (**Table 34**).

Table 34. New Fleet Facilities Needs vs. Available Funding (FY 2027–2031)

New Fleet Facilities	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$2,600,000**	**$0**	**$0**	**$0**	**$0**	**$2,600,000**
Funding Source						
Funding Source Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Gap	**$2,600,000**	**$0**	**$0**	**$0**	**$0**	**$2,600,000**

6.6 Landfills – AMD: Environmental Services

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 maintenance. Waste deposited in landfills creates a potential risk to public health and the environment, as recognized by local, state, and federal regulations. As waste decomposes in landfills over time, potential impacts on air and water quality can occur, resulting from waste decomposition that creates landfill gas containing methane, leachate, and differential settlement.

The Environmental Services Department's 5-year outlook includes projects required to protect the health and safety of the public and the environment, support operational needs, and maintain regulatory compliance. These projects include landfill gas system improvements and additions, grading and drainage improvements, stormwater retention basin expansions, and facility improvements.

Funding in the 5-Year Outlook period is for the implementation of several projects at the active West Miramar Landfill. (**Table 35**).

Table 35. Landfills Needs vs. Available Funding (FY 2027–2031)

Landfills	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$3,155,400**	**$3,800,000**	**$16,450,000**	**$2,000,000**	**$2,000,000**	**$27,405,400**
Funding Source						
Solid Waste Management Fund	$0	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$8,000,000
Refuse Disposal Fund	$3,155,400	$1,800,000	$14,450,000	$0	$0	$19,405,400
Funding Source Total	**$3,155,400**	**$3,800,000**	**$16,450,000**	**$2,000,000**	**$2,000,000**	**$27,405,400**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

6.7 Libraries – AMD: Library

The San Diego Public Library system includes the Central Library and 36 branch libraries located throughout the City. Needs for library facilities are determined via a combination of SLS, condition assessments, community input, and the Library Master Plan. Projected costs for capital renewal at existing libraries are captured under the Existing Facilities – General Fund section of the CIP Outlook. The most urgent needs facing the Library System are deferred maintenance projects which have historically been underfunded resulting in a growing backlog of aging infrastructure, emergency repairs, unmet accessibility needs, and safety concerns. This has led to increased maintenance-related service disruptions, while facing higher long-term costs.

Other needs include the lack of space for programming, seating, dedicated study areas, library collections, and technology infrastructure. To address these challenges, the Library Department ranks and prioritizes CIP projects based on community needs, public input, and alignment with the principles set forth in the Library Master Plan.

In 2019, the framework for a new Library Master Plan was commissioned to review and update the 2002 21st Century Library Plan, which previously guided capital investment in the City's libraries. Phase I of the Library Master Plan concluded with the completion of the Framework in 2021, creating a comprehensive vision and guiding principles for future development and improvement of the City's library network.

Phase II of the Master Plan, completed in FY 2024, focused on a detailed assessment of each library facility to ensure alignment with the vision and goals set in Phase I. The Library Master Plan meets the City's broader sustainability objectives as outlined in the CAP, as well as compliance with CIP Prioritization Policy 800-14. Each library was evaluated based on its current condition, capacity to meet the needs of the surrounding community and potential for improvement. The assessment looked at how well each facility aligns with the library's service vision and operating model and reviewed the structural and system conditions of the buildings. Detailed studies were conducted to evaluate the usage of services and spaces, compliance with modern codes, and the age and condition of building systems. The Phase II report identifies recommended scopes of improvement for each facility, ranging from renovation and expansion to complete replacement or relocation, along with priorities for both near-term and long-term projects.

During this CIP Outlook, several key library facility projects are in various stages of planning, design, and construction. Among these is the expansion of the existing Ocean Beach Branch Library which is currently in the design phase at 30% completion and undergoing environmental permitting; a rebuild of the Linda Vista Branch Library Patio providing an enhanced space for community use and early learners; restoration of the Old Logan Heights Library to serve as a community-based cultural archive and

memory lab; renovation of the City Heights Branch Library Performance Annex with construction anticipated to be completed in FY26; completion of the Scripps Miramar Ranch Library parking lot expansion which will improve accessibility and serve the growing needs of library patrons; and design completion with construction to begin on the new 20,000 sq ft Oak Park Branch Library with a 10,000 sq ft materials sorting facility.

Table 36. New/Expanded Library Needs vs. Available Funding (FY 2027–20310)

New Libraries	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$4,900,000**	**$6,000,000**	**$4,100,000**	**$4,200,000**	**$4,300,000**	**$23,500,000**
Funding Source						
Development Impact Fees (Citywide Library DIF)	$3,900,000	$4,000,000	$4,100,000	$4,200,000	$4,300,000	$20,500,000
Donations	$1,000,000	$2,000,000	$0	$0	$0	$3,000,000
Funding Source Total	**$4,900,000**	**$6,000,000**	**$4,100,000**	**$4,200,000**	**$4,300,000**	**$23,500,000**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

6.8 Parks and Golf Courses – AMD: Parks and Recreation

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, 15 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 San Diego 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 all City communities. Lack of funding and land constraints have widened park shortfalls in typically older, more densely populated neighborhoods, adversely affecting Communities of Concern. The PMP addresses these inequities, ensuring 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% or higher. Deferred maintenance increases the 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, San Diego City Council and community planning group priorities, and other stakeholder organizations. Projected costs for capital renewal at existing park facilities are captured under the Existing Facilities – General Fund Needs section of the CIP Outlook. The Park Amenity Condition Assessment Report identifies many needed facility and building improvement projects.

The Parks and 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 (CEAs) of its 14 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 geological observations and knowledge of conditions that pose the greatest potential threat to the public. The 2018 CEA update used 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 used 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 5-year forecasts (**Table 37** and **Table 38**).

Table 37. Parks Needs vs. Available Funding (FY 2027–2031)

Parks	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$44,888,967**	**$239,942,334**	**$58,787,741**	**$78,340,105**	**$85,106,574**	**$507,065,722**
Funding Source						
Climate Equity Fund	$42,676	$0	$0	$2,000,000	$2,000,000	$4,042,676
Otay Mesa EIFD	$963,591	$0	$0	$0	$0	$963,591
Development Impact Fees (Community DIF)	$3,250,000	$0	$0	$0	$0	$3,250,000
Development Impact Fees (Citywide Parks DIF)	$25,000,000	$35,000,000	$36,000,000	$37,000,000	$38,000,000	$171,000,000
Mission Bay Improvements Fund	$10,889,752	$13,378,118	$13,120,259	$13,798,517	$14,492,766	$65,679,412
Regional Park Improvements Fund	$4,651,668	$10,569,492	$8,141,678	$8,506,894	$8,880,720	$40,750,452
Sunset Cliffs Natural Park Fund	$91,280	$0	$0	$0	$0	$91,280
Funding Source Total	**$46,888,967**	**$58,947,610**	**$57,261,937**	**$61,305,411**	**$63,373,485**	**$289,777,411**
Gap	**$0**	**$180,994,724**	**$1,525,804**	**$17,034,694**	**$22,733,089**	**$221,288,311**

Table 38. Golf Needs vs. Available Funding (FY 2027–2031)

Golf	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$8,000,000**	**$69,900,000**	**$17,910,000**	**$0**	**$4,000,000**	**$99,810,000**
Funding Source						
Golf Course Enterprise Fund	$8,000,000	$69,900,000	$17,910,000	$0	$4,000,000	$99,810,000
Funding Source Total	**$8,000,000**	**$69,900,000**	**$17,910,000**	**$0**	**$4,000,000**	**$99,810,000**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

6.9 Police Stations – AMD: Police Department

The Police Department serves all communities throughout the City through nine patrol division facilities, Police Plaza, Traffic Division, and a Headquarters downtown. The Police Department has nine new facility projects planned during this CIP Outlook, including a Firearms Training Facility, Police Plaza tenant improvements, Academy facility, SWAT facility, Traffic Division facility, Northern Division facility, Parking lot poles and lighting improvements for nine Police Divisions and Air Support, concrete pavement replacement for Northern Division parking lot and EMS/HVAC phase I and II for Police Headquarters. All other projects for existing police stations are captured under the General Services Department - Facilities – General Fund needs.

The Home Avenue firearms range was 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 training facility that meets all necessary qualifications and State-mandated training requirements. Therefore, the Police Department is in need of funding for a feasibility study, site location determination, land acquisition, building analysis and conceptual plan, design and construction documents, site improvements, and construction of a Firearms facility.

The Department took custody of Police Plaza (formerly the Chargers Training Facility) with the plan to remodel it to accommodate several decentralized police units in one centralized location. These units include Neighborhood Policing Division, SWAT Unit, Training Division, Wellness, Child Care facility, Operational Support and others. These Units are already at this location. The facility needs to be redesigned to better utilize its square footage, as it is still configured primarily as a professional football training facility. A feasibility study for this was completed in 2021, and the needs are shown in the outlook period for the building analysis and conceptual plan, design and construction documents, site improvements, and construction of the improvements. This location is also in need of an Academy building, including building analysis and conceptual plan, design and construction documents, site improvements, and construction, to eventually accommodate all police training recruits. Additionally, this location is in need of a SWAT building, which will feature an armory, training area, vehicle storage, and offices. The SWAT building will need funding for building analysis and conceptual plan, design and construction documents, site improvements, and construction.

The San Diego Police Traffic Division is composed of a series of trailers and was constructed between 1985 and 1999. The Police Department is requesting funding for the building analysis and conceptual plan, design and construction documents, site improvements and construction of the Traffic Division building to address current needs and deferred maintenance of the existing Police Traffic Building. A feasibility study for this was completed in 2018, and the needs are shown in the outlook period.

Additionally, funding is needed for the feasibility study, site location determination, land acquisition, building analysis and conceptual plan, design and construction documents, site improvements, and

construction of the Police Northern Division. Northern Division is the oldest of the patrol buildings, having opened in 1968. The current Northern Division building faces numerous challenges as the number of personnel has increased and technology has evolved over the years. As an example, the building is constructed of hardened concrete walls and metal interior partition walls that inhibit Wi-Fi capability. The current wiring and data ports have been maximized, and the opportunity for further technological and data expansion capabilities has diminished. A new facility is needed within the outlook period.

The Department is in need of funding for parking lot poles and lighting improvements to enhance the security and visibility of officers and civilian employees at Central, Northwestern, Southeastern, Southern, Eastern, Traffic, Northern, Northeastern and Air Support. As well as concrete pavement replacement for the Northern Division.

Finally, funding is needed for the upgrade of the Police Headquarters' original energy management control system, EMCS. The building was constructed in 1986 and comprises seven occupied floors and two underground parking levels. The original HVAC control system, which is thirty-eight years old, is failing; it needs to be upgraded to ensure uninterrupted service to the entire building. Police Department needs for new or expanded facilities are reflected in **Table 38**.

Table 39. New/Expanded Police Station Needs vs. Available Funding (FY 2027–2031)

New Police Stations	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$7,975,970**	**$12,321,851**	**$0**	**$0**	**$201,842,186**	**$222,140,007**
Funding Source						
Funding Source Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Gap	**$7,975,970**	**$12,321,851**	**$0**	**$0**	**$201,842,186**	**$222,140,007**

6.10 Fire Stations and Lifeguard Stations – AMD: Fire-Rescue

The Fire-Rescue Department is committed to rehabilitating, replacing, or constructing 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, a boat dock, and 35 seasonal lifeguard towers.

Table 40 and **Table 41** summarize the funding needed for new or expanded fire and lifeguard stations, as well as a new Fire Training Facility, an Air Operations Hangar, and improvements to the Emergency Command and Data Center for HVAC Replacement and Dispatch Floor Electrical Upgrades, planned through FY 2031 to improve emergency response times.

A new training facility is necessary because the existing site will be repurposed for a new Public Utilities Water Reclamation Plant, part of the Pure Water – Phase II Program. To reduce costs, the

Fire-Rescue Department recommends a phased construction approach on a new site, with Phase I estimated at approximately $123 million. All other assets/facilities to be built at this site would be scheduled for 2032 or beyond and have not been programmed in the CIP Outlook.

Upgrades and replacements of the HVAC system and dispatch floor electrical system at the Emergency Command and Data Center, as well as the consolidation of server rooms and reconfiguration and expansion of the dispatch floor, are necessary to expand 911 dispatch capabilities and support the demands of increased emergency calls and emerging technologies.

A Standards of Response Coverage review study (known as the Citygate Report) was initially completed in 2010 and identified the Fairmount Avenue area as the highest priority to fill gaps in emergency response times with a new Fire Station. The Citygate Report was updated in 2017 and continued to recognize this area as a priority need. Additional priority fire stations necessary to meet service levels, as identified by the Citygate Report, are Fire Station 48 – Black Mountain Ranch, Fire Station 49 – Otay Mesa, Fire Station 51 – Skyline Hills, Fire-Rescue Air Operations Facility Phase II, East Village Fire Station, and Del Mar Mesa/Torrey Hills. Other fire stations identified in the updated Citygate Report, previously adopted by the San Diego City Council, are also included. Remodels and/or rebuilds are also necessary to bring facilities up to current standards (e.g., industry practices, building codes, and space requirements for new equipment).

Lifeguard facility needs are determined based on individual facility condition assessments and gaps in service coverage. New or replacement lifeguard facilities include the Mission Beach Lifeguard Station, North Pacific Beach Lifeguard Station, Ocean Beach Lifeguard Station, Northern Garage Dorm Replacement, and Northern Garage Feasibility Study.

Projected capital renewal costs at existing fire and lifeguard stations are captured in Section 6.4 Existing Building Facilities.

Table 40. New/Expanded Fire Station Needs vs. Available Funding (FY 2027–2031)

New Fire Stations	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$70,246,000**	**$106,272,434**	**$50,237,597**	**$117,996,777**	**$31,906,321**	**$376,659,128**
Funding Source						
Otay Mesa EIFD	$4,600,000	$29,300,000	$0	$0	$0	$33,900,000
Development Impact Fees (Community DIF)	$1,900,000	$0	$0	$0	$0	$1,900,000
Development Impact Fees (Citywide Fire DIF)	$1,650,000	$0	$0	$0	$0	$1,650,000
Financing - Bonds and CP	$29,305,000	$0	$0	$0	$0	$29,305,000
Funding Source Total	**$37,455,000**	**$29,300,000**	**$0**	**$0**	**$0**	**$66,755,000**
Gap	**$32,791,000**	**$76,972,434**	**$50,237,597**	**$117,996,777**	**$31,906,321**	**$309,904,129**

Table 41. New/Expanded Lifeguard Station Needs vs. Available Funding (FY 2027–2031)

New Lifeguard Stations	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Need	**$7,372,108**	**$33,757,082**	**$27,150,000**	**$7,326,580**	**$6,600,000**	**$82,205,770**
Funding Source						
Development Impact Fees (Citywide Fire DIF)	$0	$2,000,000	$2,650,000	$2,800,000	$2,950,000	$10,400,000
Mission Bay Improvements Fund	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$10,000,000
Financing - Bonds and CP	$5,372,108	$17,903,691	$0	$0	$0	$23,275,799
Funding Source Total	**$7,372,108**	**$21,903,691**	**$4,650,000**	**$4,800,000**	**$4,950,000**	**$43,675,799**
Gap	**$0**	**$11,853,391**	**$22,500,000**	**$2,526,580**	**$1,650,000**	**$38,529,971**

6.11 Housing and Shelters – AMD: Homelessness Strategies and Solutions

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 provides a roadmap 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., survivors of domestic violence, seniors, families, individuals with substance use disorders, youth, etc.).

On October 19, 2023, the work completed to update the data and targets established in the 2019 CAPH regarding the estimated needs for shelter beds was presented to the Land Use and Housing Committee, reflecting an additional 930 beds needed to meet the emergency shelter bed requirement. This planning document presented the capital projections for meeting this added capacity in the coming years. This adjustment accounted for the COVID-19 pandemic's continued adverse impact on housing stability and increases in unsheltered individuals at that time, as

demonstrated in the annual Point-in-Time Count, administered by the Continuum of Care for San Diego County, as well as monthly unsheltered counts, administered by the Downtown San Diego Partnership. The Department and its regional partners also presented an informational update on the CAPH to the City Council on May 20, 2025.

CIP requests will help advance the strategic focus to "Create Homes for All of Us," as detailed in the Citywide Strategic Plan. Every San Diegan deserves a safe place they can call home. The City's strategic plan prioritizes creating diverse, affordable, accessible housing for all. To create housing for all of us, the City envisions that San Diego's unsheltered residents will be quickly placed in stable housing options. The strategic plan outlines ways to reduce the number of people experiencing homelessness through person-centered, compassionate services.

For the CIP Outlook, the estimated capital costs for sustaining emergency shelter and bridge housing are $12.5 million. This estimate includes $2.5 million for upgrades and maintenance to the City's Safe Parking Program sites in FY 2027. The remaining $10 million is needed in FY 2028 through FY 2031 to account for ongoing improvements for all sites managed by the department, as well as potential site relocation or other changes. To fund these projects, HSSD anticipates utilizing the General Fund (**Table 42**).

Table 42. Housing and Shelters Needs vs. Available Funding (FY 2027–2031)

Housing and Shelters	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$12,500,000**
Funding Source						
Financing - Bonds and CP	$2,500,000	$2,500,000	$2,500,000	$0	$0	$7,500,000
Funding Source Total	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$0**	**$0**	**$7,500,000**
Gap	**$0**	**$0**	**$0**	**$2,500,000**	**$2,500,000**	**$5,000,000**

6.12 Stormwater Infrastructure – AMD: Stormwater

The Stormwater Department's (SWD) mission is to build and maintain effective stormwater infrastructure to ensure that all San Diegans have access to 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 to reduce costs and speed progress toward meeting those goals. Integrating water quality and flood resiliency projects where possible will allow the City to address stormwater infrastructure needs more efficiently.

The City's stormwater infrastructure is largely past its useful life, resulting in system deterioration and failure. Age, combined with deferred maintenance due to historical underfunding of the storm drain system, poses a risk of flooding and catastrophic failure. This is evident from the number of emergency drainage repairs that have occurred over the last four rainy seasons. Emergencies are unpredictable and require that a portion of the limited funding available to the SWD be diverted to address them. Over the past five years (FY 2021–2025), emergencies have required nearly $200 million to address, funding that could have been used to implement other proactive project system improvements to prevent future failures.

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

To address the compounding capital needs, SWD developed a Funding Strategy to determine a funding mechanism for a dedicated stormwater funding source. Additionally, the City executed a WIFIA Master and Credit loan agreement on August 9, 2022, with the U.S. Environmental Protection Agency to fund critical stormwater infrastructure needs. The WIFIA Agreement allows for the issuance of up to three credit loan agreements over a five-year period under the master agreement, with a maximum loan amount of $359.2 million.

Stormwater infrastructure funding needs are projected based on the Watershed Asset Management Plan (WAMP). The WAMP is a planning tool that develops projects, tasks, actions, program elements, and levels of investment required within all City watersheds to manage each watershed's assets and meet levels of service, including regulatory compliance requirements. The WAMP comprises two primary asset categories: physical and programmatic assets. Physical assets are human-made items that one can touch and see, providing services such as pipes, pumps, channels, inlets, and outfalls. Programmatic assets are human-created actions and activities that provide a level of service, including the personnel, equipment, and contracts required to operate and maintain physical assets, as well as meet regulatory requirements. SWD determines funding needs and prioritizes funding requests for all assets based on the Business Risk Exposure methodology, which considers environmental, economic, and social factors, including equity. The Business Risk Exposure 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, infrastructure, and operating costs. Infrastructure funding needs are calculated based on the cost to replace physical assets when assets do not meet the required level of service or reach the end of their useful lives. Many stormwater physical assets are already past their useful life; therefore, they are modeled in the WAMP as "failed," and the need to replace the asset is rolled over to a subsequent fiscal year. Infrastructure improvement projects will be identified as the watershed master plans are completed; these projects will be uploaded into the WAMP database after they have been evaluated for feasibility, and the financial model will be updated accordingly. Additionally, in FY26 asset replacement costs in the WAMP were updated to reflect 2025 dollars and project soft costs were updated to reflect current construction estimation best practices. The stormwater infrastructure needs over the next five fiscal years are reflected in **Table 43**.

Table 43. Stormwater Needs vs. Available Funding (FY 2027–2031)

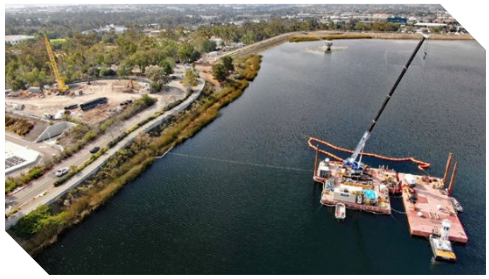
Stormwater	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$181,088,311**	**$705,544,982**	**$1,116,873,610**	**$1,396,406,357**	**$2,110,618,091**	**$5,510,531,351**
Funding Source						
Climate Equity Fund	$5,469,772	$6,904,199	$7,111,325	$5,324,665	$5,544,405	$30,354,366
Development Impact Fees (Community DIF)	$666,703	$0	$0	$0	$0	$666,703
WIFIA Loan	$21,694,143	$102,426,066	$2,276,617	$5,846,475	$1,846,473	$134,089,774
Financing - Bonds and CP	$97,651,035	$41,663,349	$40,804,792	$40,000,000	$40,000,000	$260,119,176
Funding Source Total	**$125,481,654**	**$150,993,614**	**$50,192,733**	**$51,171,140**	**$47,390,878**	**$425,230,019**
Gap	**$55,606,658**	**$554,551,368**	**$1,066,680,877**	**$1,345,235,217**	**$2,063,227,213**	**$5,085,301,332**

6.13 Water and Wastewater – AMD: Public Utilities

This section outlines the capital needs for the City's water and wastewater infrastructure, managed by the Public Utilities Department, as well as how the City plans to maintain and improve these essential systems. The section provides an overview of the Wastewater, Water Infrastructure, and Pure Water programs, highlighting the department's mission to deliver safe and clean drinking water and effectively manage wastewater. It discusses the funding mechanisms for these projects, including rate revenues, bond financing, and state and federal loans. The section will also cover key initiatives, such as the Pure Water San Diego program, which aims to create a sustainable local water supply through advanced water purification technology. Finally, the section also presents information on programs and metrics used to track progress and ensure that service level goals are met (**Tables 44** and **45**).

6.13.1 Water

The Water System CIP addresses the City's critical infrastructure needs to ensure the continuous availability of safe drinking water for all customers. It focuses on sustainability, reliability, aging infrastructure, cost efficiency, and regulatory compliance. With more than 275 projects in various stages of planning, design, and construction, the program aims to extend the life of aging



assets, minimize service interruptions, ensure water quality, and strengthen overall system performance. Over the next five years, the CIP will prioritize the completion of Phase I of the Pure Water Program, including upgrades to treatment and pump station facilities, as well as major transmission pipeline projects. Key program highlights include the following:

- **Pure Water Program:** Phase I will see completion, providing 30 million gallons per day of high-quality purified water, reducing the City's dependence on imported water. The focus will then shift to Phase 2 of the project, which is expected to be completed between 2035 and 2037.
- **Transmission Pipelines:** Transmission pipelines (16 inches in diameter and larger) transport water from treatment plants to reservoirs, pump stations, pressure zones, and customers. Projects such as the Alvarado 2nd Extension Pipeline and the Lakeside Valve Station Replacement aim to improve system-wide reliability, reduce risks of leaks, and enhance water delivery.
- **Distribution Pipelines:** Distribution pipelines (smaller than 16 inches) deliver water to consumers, meeting pressure, fire flow, and demand criteria. Replacement and rehabilitation projects aim to extend pipeline service life, minimize leaks, and ensure reliability. The City has reduced the scope of projects in this asset, reflecting the improvements seen over the last 20 years, but also balancing with rate impacts, as pipelines are the utility's largest assets. Water and wastewater pipeline projects are strategically combined to reduce community disruptions.
- **Storage Facilities (Reservoirs and Dams):** Reservoirs and dams provide essential water storage for drinking, irrigation, and fire suppression while maintaining system pressure. Planned projects include the design of the Lake Hodges Dam Replacement and other safety initiatives to comply with regulatory standards and ensure continued safe operations. Specific projects are being studied based on a system-wide assessment of storage facility conditions.
- **Water Treatment Plants:** Treatment facilities help remove contaminants through processes including filtration, sedimentation, and disinfection, making water clean and safe to drink. The City has three water treatment facilities: Miramar (144 million gallons per day [MGD] capacity), Alvarado (120 MGD), and Otay (34 MGD). Each of the treatment plants is located downstream of a surface reservoir and contains clear wells for the storage of treated water. Planned upgrades at treatment plants will ensure compliance with regulatory permits, increase reliability, and improve safety. Anticipated projects include modernizing chemical dosing systems and upgrading aging infrastructure.
- **Pump Stations:** The City's 49 pump stations are critical in transporting water from lower elevation areas to higher points within the City's water system, enabling efficient flow throughout the distribution system to customers. Upgrades to pump stations throughout the City will improve energy efficiency and ensure reliable water delivery through pipelines, reservoirs, and treatment plants.
- **Miscellaneous Projects:** Initiatives such as water system monitoring and control system upgrades, pressure-reducing station replacements, and solar energy installations support the

modernization of water infrastructure, improving operational resilience and aligning with the City's CAP and sustainability goals.

The City's Adopted Budget includes multi-year project pages for non-routine and large projects. The Public Utilities Department Outlook includes a high-level summary of the CIP to understand the financial impact on the water system; the CIP Outlook provides additional information on the capital infrastructure needs for the entire City.

Table 44. Water Needs vs. Available Funding (FY 2027–2031)

Water	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$341,568,802**	**$268,298,918**	**$392,767,253**	**$355,636,040**	**$301,421,879**	**$1,659,692,892**
Funding Source						
Water Fund	$341,568,802	$268,298,918	$392,767,253	$355,636,040	$301,421,879	$1,659,692,892
Funding Source Total	**$341,568,802**	**$268,298,918**	**$392,767,253**	**$355,636,040**	**$301,421,879**	**$1,659,692,892**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

**IT-related projects are not included in the PUD Needs or Available Funding*

6.13.2 Wastewater

The Wastewater System CIP is structured to meet the City's critical wastewater infrastructure needs with a focus on sustainability, cost efficiency, and regulatory compliance. The program comprises more than 250 projects spanning various stages of planning, design, and construction, with the goal of extending the service life of infrastructure, mitigating the risk of system failures, and ensuring compliance with environmental permits.

Over the next five years, the CIP will include the substantial completion of Pump Station 1 Modernization to extend the facility's service life and reduce the likelihood of service disruptions, as well as a similar modernization project for Pump Station 2, the facility responsible for sending all waste to the Point Loma Wastewater Treatment plant. The City takes a proactive approach to awarding 40 miles of wastewater pipeline work annually to reduce breaks and improve reliability, but this work is weighed against the impacts on rates, as pipelines are the utility's largest asset.

The City's Adopted Budget includes multi-year project pages for individual CIP projects. The Public Utilities Department Outlook includes a high-level summary of the CIP to understand the financial impact on the Wastewater System; the CIP Outlook provides additional information on the capital infrastructure needs for the entire City. Included under the Miscellaneous projects are solar installations, laboratory improvements and the smart metering program.

Table 45. Wastewater Needs vs. Available Funding (FY 2027–2031)

Wastewater	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Need	**$271,654,291**	**$294,951,302**	**$267,359,933**	**$303,784,696**	**$229,491,431**	**$1,367,241,653**
Funding Source						
Wastewater Fund	$271,654,291	$294,951,302	$267,359,933	$303,784,696	$229,491,431	$1,367,241,653
Funding Source Total	**$271,654,291**	**$294,951,302**	**$267,359,933**	**$303,784,696**	**$229,491,431**	**$1,367,241,653**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

**IT-related projects are not included in the PUD Needs or Available Funding*

6.13.3 Programs and Metrics

6.13.3.1 Pure Water Program

The Pure Water Program will provide a safe, secure, cost-competitive, and sustainable local drinking water supply for the City. Advanced water purification technology will be used to produce a potable water source from recycled water. The City and its regional partners face significant challenges with water supply and wastewater treatment, primarily due to the increasing cost of imported water and the growing stringency of regulations on wastewater treatment and disposal. The region's reliance on imported water causes the water supply to be vulnerable to shortages and susceptible to price increases beyond the control of the City.

The Pure Water Program is a 20-year+ (2015-2037) multi-phased water and wastewater CIP that is expected, upon full implementation by the end of Calendar Year (CY) 2037, to create up to 83 MGD of locally controlled water, which will provide nearly half of the City's total potable water needs. The Pure Water Program will divert treated wastewater from the Point Loma Wastewater Treatment Plant's (PLWTP) ocean outfall and recycle a valuable and limited resource that is currently discharged to the ocean.

Total cost allocations will continue to be adjusted as any potential change orders are issued for the project. The final cost allocation will be completed in the fiscal year following substantial completion of the project (**Table 46**).

Table 46. Pure Water Needs vs. Available Funding (FY 2027–2031)

Pure Water – Potable Reuse	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Need	**$108,197,868**	**$44,224,490**	**$49,963,349**	**$48,229,188**	**$51,913,509**	**$302,528,405**
Funding Source						
Wastewater Fund	$42,142,962	$15,274,245	$17,336,641	$15,058,556	$16,152,305	$105,964,709
Water Fund	$66,054,906	$28,950,245	$32,626,708	$33,170,633	$35,761,204	$196,563,696
Funding Source Total	**$108,197,868**	**$44,224,490**	**$49,963,349**	**$48,229,188**	**$51,913,509**	**$302,528,405**
Gap	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

7 Gap Analysis and Next Steps

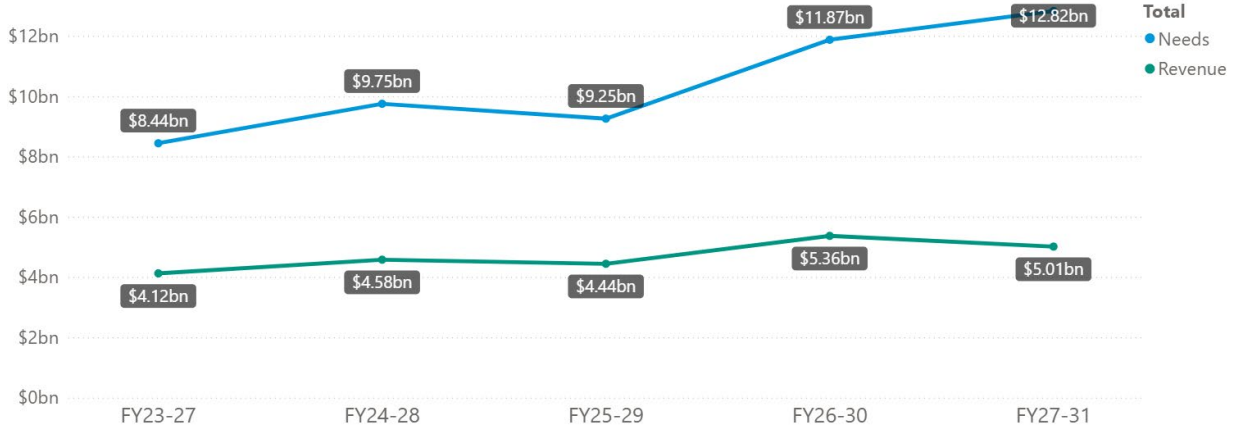
The CIP Outlook documents the collection, analysis, and summary of currently known capital needs, as well as forecasts possible funding sources for these capital needs over a subsequent five-year period. This effort builds on the increased commitment to invest and allocate resources to address the City's current and future capital needs, thereby maintaining and developing the City's complex infrastructure systems.

Providing adequate public infrastructure involves a continuous review of the City's capital needs and various SLS, as well as a transparent and organized outreach effort to all communities, involving all City residents in the planning of the City's CIP.

In essence, this annual publication serves as a guide and 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.

The CIP Outlook enables City leaders to support neighborhoods equitably with reliable infrastructure, ensures transparency in 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 City residents.

7.1 Factors Driving Up Costs



The growing gap between infrastructure needs and allocated revenues is becoming increasingly pronounced each year, as the overall cost of capital improvement projects outpaces the rate of revenue growth. The increase in costs is attributable to a combination of factors that include a continuously growing volume of aging infrastructure coming due for replacement, increases in regulations and standards of infrastructure improvement, delays in addressing the deterioration of existing infrastructure that result in larger repair scopes, escalating costs of construction material, and staffing challenges for consultants and contractors, driving up project delivery costs.

Moreover, the cost of financing these large-scale infrastructure projects is growing due to tighter credit conditions, which increase borrowing costs and limit available funding. Technological advancements aimed at improving project efficiency and sustainability also require substantial upfront investments, which increase project costs. As infrastructure needs continue to outpace available funding, public-private partnerships (PPPs) are increasingly viewed as a potential means to bridge the gap; however, these models introduce additional financial complexities and risk-sharing considerations.

Budget deficits pose a significant challenge to closing the infrastructure backlog. For example, the City is facing a $88 million budget deficit, approximately 3.8% of its $2.3 billion operating budget. Past shortfalls have been addressed through one-time measures and targeted budget cuts; however, continued deficits necessitate a more comprehensive reevaluation of priorities. Hiring freezes, non-essential spending cuts, and restructuring operational expenses are necessary short-term responses. However, long-term structural changes, such as renegotiating leases, identifying new revenue sources, forming public-private partnerships, and optimizing City assets, are being pursued to balance the budget while maintaining core infrastructure investments.

Despite these efforts, limited local resources combined with reduced federal and state support present further risks. With fewer one-time fixes available, the City faces tough decisions about where to allocate funding, potentially delaying crucial infrastructure projects and exacerbating the growing backlog. This financial environment requires innovative, sustainable solutions to ensure that infrastructure modernization and maintenance continue without compromising public services further.

Appendix A. References and Supporting Documents

Appropriations Ordinance https://www.sandiego.gov/sites/default/files/ao21476.pdf

Capital Improvements Program (CIP) https://www.sandiego.gov/cip/about-cip

City's Charter-Section 69 http://docs.sandiego.gov/citycharter/Article%20VII.pdf

City's Charter-Section 84 http://docs.sandiego.gov/citycharter/Article%20VII.pdf

City's Debt Policy https://www.sandiego.gov/sites/default/files/dm-debtpolicy.pdf

City's Information Technology website https://www.sandiego.gov/it/services

Climate Action Plan https://www.sandiego.gov/sustainability/climate-action-plan

Community Planners Committee (CPC) https://www.sandiego.gov/planning/community-plans/community-planners-committee

Council Policy 000-32 http://docs.sandiego.gov/councilpolicies/cpd_000-32.pdf

Council Policy 600-09 http://docs.sandiego.gov/councilpolicies/cpd_600-09.pdf

Council Policy 600-33 https://docs.sandiego.gov/councilpolicies/cpd_600-33.pdf

Council Policy 800-14 http://docs.sandiego.gov/councilpolicies/cpd_800-14.pdf

Council Policy 800-16 http://docs.sandiego.gov/councilpolicies/cpd_800-16.pdf

FY 2026 Annual CIP Budget https://www.sandiego.gov/finance/annual

IBA Public Guide to Infrastructure and the FY 2026 Adopted CIP Budget public-s-guide-to-infrastructure-and-the-fy-2026-cip-budget_0.pdf

This page intentionally left blank.