

Capital Improvements Program Funding Sources

Funding Sources

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

Gas Tax Fund

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

General Fund

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

Golf Course Enterprise Fund

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

Infrastructure Fund

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

Mission Bay Park and San Diego Regional Parks Improvement Funds

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

Capital Improvements Program Funding Sources

River Valley Park, Presidio Park, San Diego River Park, open space parks, and coastal beaches and parks.

Mission Trails Regional Park Fund

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

Recycling Fund

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

Refuse Disposal Fund

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

Sewer Funds

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

TransNet Funds

TransNet, a one-half cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects. TransNet includes a Maintenance of Effort (MOE) provision to guarantee that the City spends a certain amount of discretionary funds on the maintenance and improvement of the public right-of-way. The City utilizes TransNet cash for projects as much as possible in an attempt to minimize the issuance of bonds due to added costs of debt service. TransNet Commercial Paper is a borrowing tool that can be used to raise cash needed to cover cash-flow deficits and is generally viewed as a lower-cost alternative to bank loans. In an attempt to further minimize debt service costs, the issuance of TransNet Commercial Paper may be utilized when feasible.

Trench Cut/Excavation Fee Fund

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

Capital Improvements Program Funding Sources

Utilities Undergrounding Program Fund

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

Water Fund

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

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

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2020	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 7,278,632	\$ -	\$ -	\$ 7,278,632
Antenna Lease Fund	1,455,766	-	-	1,455,766
Bond Financing	135,560,470	-	106,775,084	242,335,554
Bus Stop Capital Improvement Fund	151,873	-	296,000	447,873
Capital Outlay - Land Sales	35,812,145	-	-	35,812,145
Capital Outlay - Other	22,901,760	-	-	22,901,760
Capital Outlay - Police Decentralization Land Sales	190,000	-	-	190,000
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	139,241,855	-	-	139,241,855
Developer Funding	34,875,786	-	2,800,298	37,676,084
Development Impact Fees	170,891,082	48,500	-	170,939,582
Donations	24,309,510	-	-	24,309,510
EDCO Community Fund	920,000	-	-	920,000
Energy Conservation Program Fund	1,958,594	-	2,000,000	3,958,594
Energy Upgrades CEC Loan Fund	30,273,755	-	-	30,273,755
Enhanced Infrastructure Financing District Fund	369,048	-	727,500	1,096,548
Environmental Growth Funds	9,625,933	-	-	9,625,933
Facilities Benefit Assessments	373,125,133	-	54,876,672	428,001,805
Federal Grants	186,095,584	-	48,862,517	234,958,101
Fiesta Island Sludge Mitigation Fund	4,841,784	-	-	4,841,784
Fleet Services Internal Service Fund	3,617,028	1,270,598	8,088,441	12,976,067
Gas Tax Fund	18,295,091	4,156,286	6,802,921	29,254,298
General Fund	81,693,661	6,058,000	-	87,751,661
Golf Course Enterprise Fund	26,657,329	3,000,000	-	29,657,329

Capital Improvements Program Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2020	Future Fiscal Years	Funding Source Total
Infrastructure Fund	27,482,412	7,600,622	13,014,250	48,097,284
Infrastructure Improvement Funds	1,496	-	-	1,496
Lease Purchase Fund	2,073,923	-	-	2,073,923
Library System Improvement Fund	2,827,400	-	-	2,827,400
Maintenance Assessment Districts	2,058,764	-	-	2,058,764
Mission Bay Park Improvement Fund	45,439,474	7,734,786	35,169,875	88,344,135
Mission Trails Regional Park Fund	2,220,347	195,332	841,713	3,257,392
Non-CIP Funds	300,000	-	-	300,000
OneSD/ERP Funding	349,679	-	-	349,679
Other Funding	44,360,235	-	1,509,466	45,869,701
Other Grants	3,189,379	-	-	3,189,379
Parking Meter Districts	1,800,000	-	9,200,000	11,000,000
Park Service District Funds	4,554,011	-	-	4,554,011
Proposition 42 Replacement - Transportation Relief Fund	14,939,979	-	-	14,939,979
Recycling Fund	17,075,200	1,100,000	3,800,000	21,975,200
Redevelopment Funding	26,926,046	-	(7,000,000)	19,926,046
Refuse Disposal Fund	49,078,030	4,300,000	800,000	54,178,030
Regional Transportation Congestion Improvement Program	41,846,933	-	5,399,424	47,246,357
San Diego Regional Parks Improvement Fund	22,741,599	3,500,000	11,914,461	38,156,060
San Diego Unified School District	500,000	-	-	500,000
Sea World Traffic Mitigation Fund	10,750,000	-	-	10,750,000
Sewer Funds	706,425,915	304,465,573	936,933,752	1,947,825,240
Stadium Fund	802,755	-	-	802,755
State Grants	27,592,880	-	34,000,000	61,592,880
Sunset Cliffs Natural Park Fund	933,702	-	-	933,702
TransNet - Extension Bikeways	792,148	-	-	792,148
TransNet Funds	183,283,242	20,589,394	91,690,207	295,562,843
Trench Cut/Excavation Fee Fund	12,551,167	2,000,000	8,000,000	22,551,167
Unidentified Funding	-	-	2,502,218,602	2,502,218,602
Utilities Undergrounding Program Fund	83,758,585	5,000,000	20,000,000	108,758,585
Water Fund	1,052,366,460	339,793,064	1,242,690,591	2,634,850,115
Total	\$ 3,700,907,610	\$ 710,812,155	\$ 5,141,411,774	\$ 9,553,131,539

Capital Improvements Program Funding Sources

Unidentified Funding

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

Table 2: Capital Improvement Projects Unfunded Needs

Project	PageNo	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Hickman Fields Athletic Area / S00751	221	60	High	\$ 605,156	6.30 %
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	419	53	Low	2,519,898	6.60 %
Fairbrook Neighborhood Park Development / S01083	217	58	Medium	458,564	7.60 %
Fire-Rescue Air Operations Facility / S15012	148	78	Medium	1,614,904	9.10 %
University Avenue Complete Street Phase1 / S18001	469	81	High	622,180	9.30 %
Children's Park Improvements / S16013	198	63	High	778,547	10.80 %
La Paz Mini Park / S11103	226	61	High	309,406	11.90 %
Villa Monserate Neighborhood Park Upgrades / S16048	277	58	Medium	252,193	14.90 %
Otay Mesa Truck Route Phase 4 / S11060	443	55	Medium	3,630,000	15.50 %
Balboa Pk Bud Kearns Aquatic Complex Imp / S17000	181	65	Low	489,299	16.10 %
Canon Street Pocket Park / S16047	184	58	Medium	252,551	17.80 %
Museum of Man Seismic Retrofit / L12003	238	68	High	2,186,950	19.50 %
Median Installation / AIG00001	437	Annual	Annual	1,950,000	20.20 %
Mohnike Adobe and Barn Restoration / S13008	237	62	High	833,973	30.90 %
Guard Rails / AIE00002	424	Annual	Annual	1,500,000	31.30 %
MB GC Clbhouse Demo/Prtbl Building Instl / S01090	229	60	High	2,063,816	31.90 %
Traffic Signals - Citywide / AIL00004	467	Annual	Annual	6,807,200	36.30 %
Traffic Signals Modification / AIL00005	468	Annual	Annual	8,850,000	37.30 %
Wangenheim Joint Use Facility / S15007	279	59	Medium	3,552,143	38.60 %
Taft Joint Use Facility Development / S15026	268	62	High	2,187,521	38.80 %
Traffic Calming / AIL00001	466	Annual	Annual	6,410,000	40.30 %
Chollas Lake Improvements / L18001	200	64	High	900,000	43.90 %
City Facilities Improvements / ABT00001	370	Annual	Annual	63,818,538	51.80 %
SD River Dredging Qualcomm Way to SR163 / S00606	258	69	Medium	975,000	57.70 %
La Media Road Improvements / S15018	431	85	High	20,106,762	60.90 %
Sidewalk Repair and Reconstruction / AIK00003	453	Annual	Annual	57,000,000	72.60 %
State Route 56 Freeway Expansion / RD14000	458	N/A	N/A	91,000,000	73.60 %
Golf Course Drive Improvements / S15040	219	50	Low	3,894,645	74.30 %
Street Light Circuit Upgrades / AIH00002	461	Annual	Annual	18,610,000	74.90 %
Palm Avenue Interstate 805 Interchange / S00869	445	53	Low	26,500,000	76.00 %
Bicycle Facilities / AIA00001	438	Annual	Annual	93,246,000	78.00 %

Capital Improvements Program Funding Sources

Table 2: Capital Improvement Projects Unfunded Needs

Project	PageNo	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
New Walkways / AIK00001	441	Annual	Annual	83,575,000	78.20 %
Drainage Projects / ACA00001	418	Annual	Annual	363,521,250	78.90 %
Coastal Rail Trail / S00951	415	72	High	19,425,628	79.40 %
Talmadge Traffic Calming Infrastructure / S17001	269	53	Low	1,089,993	79.60 %
NTC Aquatic Center / S10000	240	56	Low	8,000,000	84.30 %
Beyer Park Development / S00752	183	51	Low	16,489,491	84.70 %
Fairmount Avenue Fire Station / S14018	137	83	Medium	13,822,205	85.60 %
North Pacific Beach Lifeguard Station / S10119	149	83	Medium	6,319,697	87.10 %
San Carlos Branch Library / S00800	162	N/A	N/A	20,983,720	87.50 %
Market St-Euclid to Pitta-Improvements / S16022	434	50	Low	4,976,600	89.40 %
Install T/S Interconnect Systems / AIL00002	426	Annual	Annual	120,785,400	91.60 %
Fire Station No. 51 - Skyline Hills / S14017	146	83	Medium	12,890,957	92.80 %
Watershed CIP / ACC00001	476	Annual	Annual	402,338,480	93.40 %
Los Penasquitos Cyn Preserve STrl Restor / S13014	227	35	Low	1,865,540	95.50 %
Installation of City Owned Street Lights / AIH00001	427	Annual	Annual	188,280,000	95.60 %
Sea World Dr/15 Interchange Improvement / S00888	452	74	High	119,072,571	99.10 %
Fire Station No. 54 - Paradise Hills / S00785	147	81	Medium	13,216,346	99.40 %
Convention Center Phase III Expansion / S12022	109	N/A	N/A	681,640,478	99.50 %
Total				\$ 2,502,218,602	