

Capital Improvements Program

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.

Bond Financing

Bond financing is a long-term borrowing tool used to meet the City's cash flow needs and to provide funds for capital projects. In Fiscal Years 2009 and 2012, the City Council approved financing to provide funding for deferred capital projects throughout the City. The list of deferred capital projects includes improvements to City streets, buildings, and storm drains.

Capital Outlay

Capital Outlay Funds are used exclusively for the acquisition, construction, and completion of permanent public improvements or real property; replacement or reconstruction of public facilities; and other improvements of a permanent character. Repair or maintenance expenditures cannot be made from the Capital Outlay Funds. Revenue for the Capital Outlay Fund is derived primarily from the sale of City-owned property but may also come from other sources per Section 77 of the San Diego City Charter. In addition, San Diego City Ordinance No. 12685 (New Series) further specifies that all proceeds from sales or leases of the Pueblo Lands of San Diego be utilized to finance police substations and other permanent improvements for police purposes.

Development Impact Fees

Development Impact Fees (DIF) are collected to mitigate the impact of new development in urbanized communities that are near build-out. The amount of the DIF is based on a portion of the financing needed for identified public facilities. Property being developed is assessed the fee(s) at the time the building permit is issued.

Donations and Developer Funding

Projects may be funded by contributions and/or donations from private sources, such as residents, developers, private organizations, and businesses. Contributions by developers and vendors may be reimbursed with City funds in future years.

Enterprise Funds

Enterprise Funds account for specific services that are funded directly by fees and charges to users. These include the services provided by Public Utilities, Environmental Services, Airports and Golf Courses. These funds are intended to be fully self-supporting and are not typically subsidized by any general revenue or taxes. Within each Enterprise Fund, budgets are developed which are sufficient to fund current year operations and maintenance expenses, as well as provide for current and future years' upgrade, replacement, and expansion-related capital construction requirements.

Facilities Benefit Assessments

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

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General Fund

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.

Grants

Some projects are entirely or partially funded by grants and reimbursements from the State and federal government and other agencies. The receipts of certain grants and reimbursements typically follow the award of contracts; therefore, other City funding is programmed for front-end financing of the total estimated project costs. Grant funding includes State and federal grants and grants from proceeds from State bond issuances. For example, Community Development Block Grant (CDBG) funding is programmed in accordance with Council Policy 700-2 (amended November 24, 2009). CIP priorities are developed irrespective of whether or not CDBG funding is to be received by the City. CDBG funding is to be used to supplement the City's CIP program and not as a substitute for other City funding.

Internal Service Funds

Internal Service Funds are established for the financing of goods or services provided by one City department to another City department on a cost-reimbursement basis. Examples of Internal Service Funds used in the CIP budget are the Energy Conservation Program Fund and the Fleet Services Internal Service Fund.

Maintenance Assessment Districts

Maintenance Assessment Districts (MADs) are established by the City of San Diego as a means of providing property owners with the opportunity to assess themselves to pay for enhanced improvements, maintenance, services and activities. Certain projects requested by a district may be capital in nature and are funded by the specific MAD. MAD budgets are developed with sufficient funding for current year maintenance and capital projects.

Mission Bay and Regional Park Improvements Funds

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

Park Service District Funds

Park Service District Funds were established by the City of San Diego for park and recreation purposes. Proceeds from these funds are to be used for park and recreational facilities within the district areas from which the funds were collected. Funds may be used for the purchase of land and construction of facilities; purchase of previously constructed facilities; rehabilitation of existing park facilities or purchase of new equipment when such rehabilitation or purchase allows for expanded uses and to reimburse those who have donated land or constructed improvements. Park Service District Funds no longer collect revenues and have been replaced by Facilities Benefit Assessments and Development Impact Fees which now include a park component.

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Redevelopment Funding

The Redevelopment Agency of the City of San Diego was created by the City Council in 1958 to alleviate conditions of urban blight in designated areas of the City. Recently, the State of California passed legislation that impacted Redevelopment Agencies. Any redevelopment funding in the CIP was approved prior to the State's actions. Please refer to the Executive Summary in Volume I for more information.

Special Revenue Funds

Special Revenue Funds account for revenue received for specifically identified purposes. Examples of Special Revenue Funds used in the CIP budget are the Concourse & Parking Garages Operating, Environmental Growth, Fire/Emergency Medical Services Transport, QUALCOMM Stadium, and the OneSD Support funds.

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.

Utilities Undergrounding Program Fund

This fund provides for the undergrounding of City utilities. San Diego Gas & Electric (SDG&E) includes a surcharge for the undergrounding of utilities on electric bills. This amount is deposited with the City to be used solely for the undergrounding of electrical lines and associated activities.

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	FY2013 Adopted	Future Fiscal Years	Funding Source Total
Airport Funds	9,016,613	2,400,000	15,840,140	27,256,753
Bond Financing	5,712,558	-	-	5,712,558
Capital Outlay - Land Sales	37,130,230	-	-	37,130,230
Capital Outlay - Other	5,004,464	-	-	5,004,464
Capital Outlay - Police Decentralization Land Sales	1,822,864	-	-	1,822,864
Concourse & Parking Garages Operating Fund	550,000	-	-	550,000
Deferred Capital Projects Bonds	103,298,000	-	495,856,078	599,154,078
Developer Funding	14,506,688	1,770,326	6,050,000	22,327,014
Development Impact Fees	59,349,636	9,308,500	627,000	69,285,136
Donations	78,694,760	-	49,475,975	128,170,735
Energy Conservation Program Fund	1,183,085	1,800,000	-	2,983,085
Energy Upgrades CEC Loan Fund	5,107,243	-	-	5,107,243
Environmental Growth Funds	3,646,504	-	150,000	3,796,504
Facilities Benefit Assessments	381,140,729	-	175,623,670	556,764,399

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Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY2013 Adopted	Future Fiscal Years	Funding Source Total
Federal Grants	83,246,156	-	80,005,517	163,251,673
Fiesta Island Sludge Mitigation Fund	3,756,194	-	-	3,756,194
Fire/Emergency Medical Services Transport Fund	400,000	-	-	400,000
Fleet Services Internal Service Fund	1,025,000	-	-	1,025,000
Gas Tax Fund	13,282,163	-	-	13,282,163
General Fund	42,999,358	11,550,000	38,146,832	92,696,190
Golf Course Enterprise Fund	11,769,662	1,000,000	3,540,000	16,309,662
Habitat Acquisition Fund	4,064,205	-	-	4,064,205
Infrastructure Improvement Funds	661,172	-	-	661,172
Library System Improvement Fund	15,967,219	-	-	15,967,219
Maintenance Assessment Districts	6,815,278	590,000	1,290,000	8,695,278
Mission Bay Improvements Fund	5,198,369	503,095	-	5,701,464
Mission Trails Regional Park Fund	1,052,829	-	-	1,052,829
OneSD/ERP Funding	38,125,000	1,100,000	-	39,225,000
Other Funding	583,088,324	-	179,509	583,267,833
Other Grants	20,232,006	-	60,099,429	80,331,435
Park District Funds	2,589,620	406,195	-	2,995,815
Proposition 42 - Transportation Relief Fund	5,175,866	-	-	5,175,866
QUALCOMM Stadium Fund	1,500,000	-	3,750,000	5,250,000
Recycling Fund	58,155	-	2,186	60,341
Redevelopment Funding	35,815,663	-	3,023,000	38,838,663
Refuse Disposal Fund	79,706,538	2,778,000	10,399,575	92,884,113
Regional Park Improvements Fund	13,996,090	2,500,000	12,500,000	28,996,090
San Diego Association of Governments	39,510,877	-	-	39,510,877
San Diego Unified School District	20,206,000	-	-	20,206,000
Sea World Traffic Mitigation Fund	4,000,000	-	-	4,000,000
Sewer Funds	491,558,009	70,737,117	510,434,372	1,072,729,498
State Grants	129,249,659	-	13,000,000	142,249,659
Storm Drain Fund	556,500	-	-	556,500
TransNet	56,212,206	-	-	56,212,206
TransNet - Extension	62,860,079	17,607,604	79,284,556	159,752,239
TransNet - Extension ARRA Exchange	13,977,600	-	-	13,977,600
TransNet - Extension Bikeways	4,137,520	-	-	4,137,520
Unidentified Funding	-	-	1,227,411,360	1,227,411,360
Utilities Undergrounding Program Fund	96,639,838	-	-	96,639,838
Water Fund	366,309,831	90,866,506	727,560,524	1,184,736,861
Grand Total	\$ 2,961,906,362	\$ 214,917,343	\$ 3,514,249,723	\$ 6,691,073,428

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Unidentified Funding

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

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
New					
University Village Park Tot Lot / S13005	377	17	Low	\$ 150,000	33.3%
Chicano Park ADA Upgrades / S13003	239	57	Medium	300,000	42.2%
Trail for All People / S13001	374	54	Medium	231,000	82.2%
Total New				\$ 681,000	
Continuing					
City Administration Building / S00819	519	N/A	N/A	\$ 200,000	3.7%
La Jolla Village Drive and Regents Road / S00867	674	15	Low	90,900	6.6%
Genesee Avenue - Widen Interstate 5 Crossing / S00839	645	44	Medium	7,700,000	7.5%
Windwood II Mini Park Play Area Upgrades / S11017	388	90	High	42,917	8.2%
West Mission Bay Drive Bridge Over San Diego River / S00871	788	70	High	8,000,000	8.6%
Home Avenue Park / S00673	272	49	Medium	600,000	10.3%
Mission Trails Regional Pk Equest Comfort Station / S01073	303	85	High	104,000	15.2%
Carmel Valley Neighborhood Park #8 / S00642	236	55	Medium	1,179,350	19.2%
Cabrillo Heights Neighborhood Park Improvements / S00763	226	62	Medium	165,000	19.6%
Hidden Trails Neighborhood Park / S00995	269	N/A	N/A	680,000	21.9%
Olive Street Park Acquisition and Development / S10051	319	54	Medium	730,000	24.9%
West Lewis and Falcon Streets Mini-Park / S00757	384	N/A	N/A	180,000	28.6%
Resurfacing of City Streets / AID00005	728	Annual	Annual	152,680,176	30.2%
Roosevelt Middle School Improvements / S00761	340	68	Medium	600,000	33.5%
Drainage Projects / ACA00001	627	Annual	Annual	85,507,101	34.2%
City Facilities Improvements / ABT00001	520	Annual	Annual	57,390,784	35.0%
Torrey Highlands Park Play Area Upgrades / S11020	365	90	High	338,305	36.0%
Ocean Beach CDC - N Ocean Beach Revitalization / S01057	316	N/A	N/A	500,000	37.2%
Sidewalk Repair and Reconstruction / AIK00003	746	Annual	Annual	6,000,000	37.5%
Fire Station No. 45 - East Mission Valley / S00688	159	92	High	4,877,708	40.6%
Skyline Hills Library / S00692	195	64	Medium	7,063,463	42.0%
Mission Bay Athletic Area Comfort Stn Modernize / S10021	292	84	High	320,000	43.9%
Silver Wing Neighborhood Park Sports Fld & Sec Lgt / S11051	346	74	High	430,000	47.7%
Old Otay Mesa Road- Westerly / S00870	706	66	High	3,500,000	51.9%
University Ave/Alabama Bike & Ped Safety Imp / S00960	776	56	High	630,000	54.8%
Police Range Refurbishment / S10118	398	N/A	N/A	2,223,870	55.0%
El Cajon Boulevard Streetscape Improvements / S00826	259	46	Medium	1,269,800	55.2%
Torrey Pines Road Slope Restoration / S00877	767	42	Medium	3,000,000	57.4%

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Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Del Mar Mesa Southern Multi-Use Trail / S00889	255	N/A	N/A	150,000	57.6%
34th Street Storm Drain / S11001	558	48	High	108,000	59.0%
El Camino Real - Half Mile to Via De La Valle / S00856	630	53	Medium	19,941,511	61.5%
Otay Mesa Truck Route Phase 4 / S11060	708	43	Medium	12,250,000	62.0%
Switzer Canyon/30th Street Bridge Enhancement Prgm / S10054	354	38	Low	175,000	63.6%
Environmental Services Operations Yard Improvement / AFA00003	125	Annual	Annual	455,000	64.9%
Mission Beach Boardwalk Bulkhead / S00726	688	N/A	N/A	3,500,000	64.9%
State Route 163/Friars Road / S00851	755	61	High	97,086,159	68.2%
Sunset Cliffs Natural Pk Hillside Improvements Pre / S10091	352	58	Medium	1,900,000	69.7%
University Avenue Sidewalk from 54th to 68th / S00910	778	39	Low	1,750,000	71.4%
Mission City Parkway/San Diego River / S00936	690	54	Medium	7,270,497	72.3%
Lake Murray Community Park Play Area Expansion / S11018	278	N/A	N/A	1,088,000	75.0%
Wightman Street Neighborhood Park / S00767	386	49	Medium	2,363,000	77.5%
Lifeguard Station Headquarters / S00794	165	N/A	N/A	10,000,000	80.6%
Multiple Species Conservation / S01076	309	N/A	N/A	17,039,472	80.6%
Torrey Pines Improvements Phase I / S00613	766	58	High	13,000,000	80.7%
Concrete Streets / AID00006	612	Annual	Annual	21,600,000	81.6%
San Ysidro Branch Library / S00802	192	62	Low	10,070,000	82.6%
Fire Station No. 22 - Point Loma / S00787	154	81	High	4,679,839	83.0%
Mission Hills Branch Library / S00804	182	62	Low	16,054,500	83.5%
Coastal Erosion and Access / AGF00006	245	Annual	Annual	2,702,402	85.4%
Balboa Park Golf Course Clubhouse / S00614	220	44	Medium	6,900,000	85.8%
Pacific Beach Obstructed Curb Ramp Barrier Removal / S11048	709	62	High	320,000	86.5%
Chollas Community Park / S00654	240	49	Medium	26,343,967	87.3%
Sea World Drive/Interstate 5 Interchange Imp / S00888	744	74	High	105,438,300	87.7%
Ocean Front Walk-San Fernando to Ventura / S00875	704	42	Medium	3,000,000	88.4%
Sorrento Valley Road & Interstate 5 Interchange / S00914	750	50	Medium	47,000,000	88.6%
Coastal Rail Trail / S00951	608	72	High	19,925,629	88.7%
Fire Station No. 32 - Skyline North / S00687	155	81	High	8,162,149	89.2%
McKinley Elementary School Joint Use Improvements / S12001	285	61	Medium	1,523,000	89.5%
North Pacific Beach Lifeguard Station / S10119	167	83	High	4,185,444	89.5%
Alvarado Canyon Road Realignment / S00894	569	59	High	5,140,000	89.7%
Fire Station No. 05 - Hillcrest / S00788	148	80	Medium	8,128,077	90.1%
Balboa Branch Library / S00808	177	62	Low	6,955,093	90.3%
Fire Station No. 17 - Mid-City / S00783	153	80	Medium	7,886,376	91.0%
Street Light Circuit Upgrades / AIH00002	760	Annual	Annual	33,347,000	91.0%
Fire Station No. 01 - Downtown / S00786	147	N/A	N/A	5,800,000	91.8%
San Carlos Branch Library / S00800	190	N/A	N/A	8,526,582	91.9%
South Mission Beach Lifeguard Station / S00791	170	81	High	4,230,064	92.0%
North Park Mini-Park and Streetscape Improvements / S10050	314	34	Low	4,925,000	93.6%
Ocean Beach Branch Library / S00806	186	62	Low	7,864,860	98.2%

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Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Rancho Bernardo Library / S00812	189	62	Low	3,467,682	98.9%
Paradise Hills Library / S00810	188	62	Low	8,866,448	99.2%
Fire Station No. 54 - Paradise Hills / S00785	162	81	High	10,211,065	99.2%
Ocean Beach Lifeguard Station / S10121	168	79	Medium	4,550,000	99.8%
Total Continuing				\$ 931,883,490	
Unfunded/Underfunded					
Rancho Bernardo Street and Sidewalk Improvements / S00887	723	42	Medium	\$ 65,800	47.8%
Sefton Field Improvements / S01012	344	27	Low	500,000	50.0%
State Route 56 Bike Interchanges / S00955	756	90	High	6,822,940	59.5%
Valencia Park Acquisition and Development / S11103	378	N/A	N/A	450,000	66.8%
Mission Beach Boardwalk Widening Project / S00860	689	N/A	N/A	2,753,000	87.0%
Valencia Parkway Open Space Erosion Control / S13009	379	70	Medium	1,073,200	87.7%
Sixth Avenue Playground Improvements / S00616	347	65	Medium	1,880,000	94.0%
Scripps Miramar Ranch Library / S00811	193	59	Low	1,090,400	96.8%
Beyer Park Development / S00752	223	12	Low	13,000,000	98.4%
Kumeyaay Lakes Berm Restoration and Dredging / S00655	276	27	Low	9,840,000	98.4%
Fiesta Island Infrastructure Improvements / S00991	264	N/A	N/A	250,000,000	98.4%
Kensington/Normal Heights Library / S00795	179	49	Low	2,396,530	99.0%
Tierrasanta Skate Park / S00997	362	9	Low	4,975,000	99.5%
Total Unfunded/Underfunded				\$ 294,846,870	
Grand Total				1,227,411,360	