

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, 2012, and 2013, the City Council approved financing to provide funding for ongoing and 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 (DIFs) are collected to mitigate the impact of new development in urbanized communities that are near build-out. The amount of 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 (FBAs) 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.

Capital Improvements Program

Funding Sources

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.

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 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 Regional Parks Improvements 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 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.

Capital Improvements Program Funding Sources

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 Environmental Growth Fund, Fire/Emergency Medical Services Transport Fund, QUALCOMM Stadium Fund, Bus Stop Capital Improvement Fund, Trench Cut/Excavation Fee Fund, and OneSD/ERP 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), 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.

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	FY2014 Adopted	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 10,405,923	\$ 2,400,000	\$ 12,000,000	\$ 24,805,923
Bond Financing	2,451,000	-	35,000,000	37,451,000
Bus Stop Capital Improvement Fund	291,828	100,000	-	391,828
Capital Outlay - Land Sales	26,713,312	-	-	26,713,312
Capital Outlay - Other	3,837,090	-	-	3,837,090
Capital Outlay - Police Decentralization Land Sales	1,822,864	-	-	1,822,864
Deferred Capital Projects Bonds	146,600,102	-	419,400,000	566,000,102
Developer Funding	5,518,076	1,348,749	8,196,470	15,063,295
Development Impact Fees	62,548,826	7,560,675	-	70,109,501
Donations	77,186,573	76,000	24,670,000	101,932,573
Energy Conservation Program Fund	2,983,085	200,000	-	3,183,085
Energy Upgrades CEC Loan Fund	4,078,217	-	-	4,078,217
Environmental Growth Funds	3,404,333	401,885	-	3,806,218
Facilities Benefit Assessments	287,230,362	7,774,824	208,119,722	503,124,908
Federal Grants	72,053,289	-	106,606,000	178,659,289
Fiesta Island Sludge Mitigation Fund	670,000	-	-	670,000
Fire/Emergency Medical Services Transport Fund	400,000	-	-	400,000
Fleet Services Internal Service Fund	1,025,000	-	-	1,025,000
Gas Tax Fund	12,740,123	-	-	12,740,123

Capital Improvements Program

Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY2014 Adopted	Future Fiscal Years	Funding Source Total
General Fund	44,564,965	(116,541)	33,301,792	77,750,216
Golf Course Enterprise Fund	9,678,795	4,055,000	12,000,000	25,733,795
Habitat Acquisition Fund	4,064,205	-	-	4,064,205
Infrastructure Improvement Funds	434,866	-	-	434,866
Library System Improvement Fund	15,927,728	-	-	15,927,728
Maintenance Assessment Districts	7,347,765	1,324,919	935,000	9,607,684
Mission Bay Improvements Fund	4,827,710	3,114,678	23,982,550	31,924,938
Mission Trails Regional Park Fund	1,052,829	-	-	1,052,829
OneSD/ERP Funding	1,100,000	-	-	1,100,000
Other Funding	434,996,082	-	-	434,996,082
Other Grants	19,902,933	-	-	19,902,933
Park Service District Funds	2,954,866	156,300	(345,076)	2,766,090
Proposition 42 - Transportation Relief Fund	288,276	2,000,000	-	2,288,276
QUALCOMM Stadium Fund	1,275,356	750,000	3,750,000	5,775,356
Recycling Fund	6,011	-	-	6,011
Redevelopment Funding	29,422,959	-	-	29,422,959
Refuse Disposal Fund	73,501,439	605,000	15,089,251	89,195,690
Regional Park Improvements Fund	13,580,352	3,000,000	10,000,000	26,580,352
Regional Transportation Congestion Improvement Program	1,405,000	750,000	-	2,155,000
San Diego Association of Governments	39,510,877	-	-	39,510,877
San Diego Unified School District	20,500,000	-	-	20,500,000
Sea World Traffic Mitigation Fund	4,000,000	-	-	4,000,000
Sewer Funds	427,248,814	72,217,229	417,985,477	917,451,520
State Grants	71,815,830	846,950	-	72,662,780
TransNet - Extension Bikeways	4,698,520	-	-	4,698,520
TransNet Funds	140,970,034	22,277,719	51,550,173	214,797,926
Trench Cut/Excavation Fee Fund	-	2,000,000	-	2,000,000
Unidentified Funding	-	-	1,010,496,430	1,010,496,430
Utilities Undergrounding Program Fund	86,291,305	-	-	86,291,305
Water Fund	354,019,137	46,596,937	637,252,269	1,037,868,343
Total	\$ 2,537,346,656	\$ 179,440,324	\$ 3,029,990,058	\$ 5,746,777,038

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	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Windwood II Mini Park Play Area Upgrades / S11017	349	90	High	\$ 5,225	0.9%
Children's Pool Lifeguard Station / S00644	135	93	High	50,000	1.3%
West Mission Bay Drive Bridge Over San Diego River / S00871	663	70	High	8,000,000	6.7%
La Jolla Cove Lifeguard Station / S00792	148	93	High	250,000	11.9%
Linda Vista Rd at Genesee Intersection Improvement / S00907	585	52	Medium	160,188	15.7%
Mountain View Neighborhood Park Area Upgrades / S11019	281	83	High	180,414	17.6%
Carmel Valley Neighborhood Park #8 / S00642	220	55	Medium	1,179,350	19.2%
Cabrillo Heights Neighborhood Park Improvements / S00763	210	62	Medium	165,000	19.6%
Old Otay Mesa Road- Westerly / S00870	603	66	High	2,000,000	24.1%
Mission Hills-Hillcrest Branch Library / S13022	170	62	Low	4,054,500	24.9%
Webster Neighborhood Identification Sign / S14005	343	21	Low	15,000	27.3%
Police Range Refurbishment / S10118	361	N/A	N/A	1,137,870	28.1%
University Village Park Tot Lot / S13005	339	17	Low	150,000	33.3%
Resurfacing of City Streets / AID00005	616	Annual	Annual	156,106,910	34.0%
City Facilities Improvements / ABT00001	473	Annual	Annual	57,644,371	34.5%
Drainage Projects / ACA00001	548	Annual	Annual	87,100,719	36.9%
Cowles Mountain Access Road Rehabilitation / S14001	229	48	Medium	15,000	37.5%
Environmental Services Operations Yard Improvement / AFA00003	117	Annual	Annual	225,000	39.0%
Tierrasanta Community Park Sports Field Lighting / S11011	328	91	High	400,000	39.8%
Riviera Del Sol Neighborhood Park / S00999	310	73	High	2,600,000	42.3%
Hidden Trails Neighborhood Park / S00995	254	16	Low	2,288,289	48.6%
Silver Wing Neighborhood Park Sports Fld & Sec Lgt / S11051	317	74	High	600,000	50.0%
Sefton Field Improvements / S01012	316	27	Low	500,000	50.0%
North Ocean Beach Gateway Phase II / S12041	286	35	Low	201,000	50.1%
San Ysidro Branch Library / S00802	178	62	Low	6,185,000	50.8%
El Cajon Boulevard Streetscape Improvements / S00826	244	46	Medium	1,269,800	51.8%
Otay Mesa Truck Route Phase 4 / S11060	604	43	Medium	9,350,000	55.5%
Del Mar Mesa Southern Multi-Use Trail / S00889	239	19	Low	150,000	57.6%
California Tower Seismic Retrofit / L12003	211	N/A	N/A	1,500,000	59.4%
La Jolla Mesa Drive Sidewalk / S00928	581	33	Low	500,000	60.5%
El Camino Real - Half Mile to Via De La Valle / S00856	549	53	Medium	19,941,511	61.2%
State Route 56 Bike Interchanges / S00955	638	90	High	7,222,940	61.4%
State Route 163/Friars Road / S00851	637	61	High	77,086,159	62.9%
Switzer Canyon Bridge Enhancement Prog / S10054	321	38	Low	175,000	63.6%
Valencia Park Acquisition and Development / S11103	340	N/A	N/A	450,000	66.2%
Interstate 5 Underpass - Bikeway/Ped Connector / S00982	574	66	High	1,116,010	67.6%

Capital Improvements Program

Funding Sources

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Five Points Neighborhood Pedestrian Improvements / S00988	556	48	Medium	325,000	68.4%
Sunset Cliffs Natural Pk Hillside Imp Preservation / S10091	320	58	Medium	2,900,000	69.1%
Chicano Park ADA Upgrades / S13003	223	57	Medium	1,791,697	71.6%
Coastal Erosion and Access / AGF00006	227	Annual	Annual	2,400,000	72.4%
Fire Station No. 01 - Downtown / S00786	137	N/A	N/A	1,482,884	74.1%
Wightman Street Neighborhood Park / S00767	348	49	Medium	2,363,000	77.5%
Fund for the SR 56 expansion fr 4 to 6 lanes / RD14000	562	N/A	N/A	119,000,000	78.3%
Mission Bay Athletic Area Comfort Stn Modernize / S10021	268	68	High	820,000	79.7%
Multiple Species Conservation / S01076	282	N/A	N/A	17,039,472	80.6%
University Avenue Sidewalk from 54th to 68th / S00910	657	39	Low	1,997,611	81.5%
Martin Luther King Jr. Promenade / S13020	264	15	Low	1,005,000	81.7%
Torrey Pines Improvements Phase I / S00613	648	58	High	13,000,000	81.8%
Fire Station No. 22 - Point Loma / S00787	142	81	Medium	5,761,839	85.1%
Pacific Beach Obstructed Curb Ramp Barrier Removal / S11048	605	62	High	320,000	86.5%
Sea World Drive/Interstate 5 Interchange Imp / S00888	629	74	High	105,438,300	87.7%
Sorrento Valley Road & Interstate 5 Interchange / S00914	632	50	Medium	47,000,000	88.4%
Skyline-Paradise Hills / S00687	155	81	Medium	8,162,149	89.2%
McKinley Elementary School Joint Use Improvements / S12001	265	61	Medium	1,523,000	89.5%
Fire Station No. 05 - Hillcrest / S00788	138	80	Medium	8,128,077	89.9%
Chollas Community Park / S00654	224	49	Medium	27,183,356	90.1%
Balboa Branch Library / S00808	165	62	Low	6,955,093	90.3%
Alvarado Canyon Road Realignment / S00894	514	59	High	5,203,834	90.8%
Coastal Rail Trail / S00951	539	72	High	19,925,629	91.0%
Street Light Circuit Upgrades / AIH00002	642	Annual	Annual	33,347,000	91.0%
North Pacific Beach Lifeguard Station / S10119	151	83	High	6,185,444	91.5%
South Mission Beach Lifeguard Station / S00791	156	81	Medium	4,230,064	91.7%
San Carlos Branch Library / S00800	176	N/A	N/A	8,526,582	91.9%
Fire Station No. 17 - Mid-City / S00783	141	80	Medium	11,186,376	93.1%
Sixth Avenue Playground Improvements / S00616	318	65	Medium	1,880,000	94.0%
Torrey Pines City Park General Development Plan / S01015	335	N/A	N/A	9,800,000	94.2%
North Park Library / S00798	171	49	Low	13,352,782	95.0%
Scripps Miramar Ranch Library / S00811	179	59	Low	1,090,400	96.8%
Crystal Pier Improvements / S11014	231	70	High	11,000,000	97.3%
Ocean Beach Branch Library / S00806	172	62	Low	7,864,860	98.2%
Beyer Park Development / S00752	207	12	Low	13,000,000	98.4%
Kumeyaay Lakes Berm Restoration and Dredging / S00655	259	27	Low	9,840,000	98.4%
Rancho Bernardo Library / S00812	175	62	Low	3,467,682	98.9%
Kensington/Normal Heights Library / S00795	166	49	Low	2,396,530	99.0%
Paradise Hills Library / S00810	174	62	Low	8,866,448	99.2%
Fire Station No. 54 - Paradise Hills / S00785	147	81	Medium	10,211,065	99.2%
Ocean Beach Lifeguard Station / S10121	153	79	Medium	4,550,000	99.8%
Total				\$ 1,010,496,430	