

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, 2013, and 2014, 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 General Fund streets, buildings, and storm drain infrastructure.

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 700-02, Community Development Block Grant Program (CDBG). 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 Park 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, Library System Improvement Fund, Sunset Cliffs Natural Park Fund, and Trench Cut/Excavation Fee Fund.

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	FY2015 Adopted	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 12,492,379	\$ -	\$ 12,000,000	\$ 24,492,379
Bond Financing	1,969,103	-	1,800,000	3,769,103
Bus Stop Capital Improvement Fund	391,828	100,000	255,000	746,828
Capital Outlay - Land Sales	21,906,619	-	-	21,906,619
Capital Outlay - Other	3,827,090	-	-	3,827,090
Capital Outlay - Police Decentralization Land Sales	1,822,864	-	-	1,822,864
Convention Center Funds	1,732,728	-	514,050,000	515,782,728
Deferred Capital Projects Bonds	144,739,748	-	288,320,000	433,059,748
Developer Funding	5,233,208	480,400	4,968,000	10,681,608
Development Impact Fees	61,948,106	17,671,925	438,305	80,058,336
Donations	76,218,722	-	29,670,000	105,888,722
Energy Conservation Program Fund	3,141,626	-	1,300,000	4,441,626
Energy Upgrades CEC Loan Fund	5,948,217	-	-	5,948,217
Environmental Growth Funds	3,205,926	-	-	3,205,926
Facilities Benefit Assessments	265,704,002	25,891,197	158,452,209	450,047,408
Federal Grants	67,769,210	-	126,664,076	194,433,286
Fiesta Island Sludge Mitigation Fund	250,000	-	-	250,000
Fire/Emergency Medical Services Transport Fund	400,000	-	-	400,000

Capital Improvements Program

Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY2015 Adopted	Future Fiscal Years	Funding Source Total
Fleet Services Internal Service Fund	713,000	1,654,028	-	2,367,028
Gas Tax Fund	12,540,123	-	-	12,540,123
General Fund	46,514,411	10,116,668	20,636,668	77,267,747
Golf Course Enterprise Fund	18,683,795	5,225,000	9,500,000	33,408,795
Habitat Acquisition Fund	4,064,205	-	-	4,064,205
Infrastructure Improvement Funds	308,044	-	-	308,044
Library System Improvement Fund	10,688,716	192,767	-	10,881,483
Maintenance Assessment Districts	7,879,451	1,070,404	680,000	9,629,855
Mission Bay Improvements Fund	7,942,388	3,249,951	40,260,615	51,452,954
Mission Trails Regional Park Fund	1,252,829	-	-	1,252,829
OneSD/ERP Funding	1,100,000	-	-	1,100,000
Other Funding	332,142,430	-	198,000	332,340,430
Other Grants	3,621,433	-	40,000	3,661,433
Park Service District Funds	3,010,621	727,664	-	3,738,285
Proposition 42 Replacement - Transportation Relief Fund	7,139,101	1,907,720	-	9,046,821
QUALCOMM Stadium Fund	1,896,689	750,000	3,750,000	6,396,689
Recycling Fund	-	1,200,000	-	1,200,000
Redevelopment Funding	28,970,570	-	-	28,970,570
Refuse Disposal Fund	73,469,943	-	-	73,469,943
Regional Park Improvements Fund	15,234,352	-	13,450,000	28,684,352
Regional Transportation Congestion Improvement Program	4,950,433	3,549,927	-	8,500,360
San Diego Association of Governments	4,735,575	-	-	4,735,575
San Diego Unified School District	20,600,000	-	-	20,600,000
Sea World Traffic Mitigation Fund	4,000,000	-	-	4,000,000
Sewer Funds	423,357,903	114,048,208	361,372,463	898,778,574
State Grants	63,013,701	-	6,172,000	69,185,701
Sunset Cliffs Natural Park Fund	420,000	456,000	-	876,000
TransNet - Extension Bikeways	4,698,520	-	-	4,698,520
TransNet Funds	155,555,810	19,529,330	71,994,430	247,079,570
Trench Cut/Excavation Fee Fund	2,000,000	2,000,000	-	4,000,000
Unidentified Funding	-	-	1,241,197,511	1,241,197,511
Utilities Undergrounding Program Fund	85,317,814	-	-	85,317,814
Water Fund	321,434,061	100,151,601	710,758,830	1,132,344,492
Total	\$ 2,345,957,292	\$ 309,972,790	\$ 3,617,928,107	\$ 6,273,858,189

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
Tierrasanta CP Sports Field Lighting / S11011	311	91	High	\$ 50,000	4.5%
W Mission Bay Dr Bridge Over SD River / S00871	630	70	High	8,000,000	6.6%
Children's Pool Lifeguard Station / S00644	123	93	High	350,000	8.4%
Fire Station No. 38 - Mira Mesa Remodel / S10006	131	81	Medium	80,000	11.0%
Open Space Improvements / AGG00001	277	Annual	Annual	300,000	12.4%
Cabrillo Heights NP Improvements / S00763	199	62	Medium	165,000	19.6%
Pacific Breezes (Ocean View Hills) CP / S00649	280	62	Medium	5,030,000	29.9%
Crest Canyon Neighborhood Park / S15005	218	8	Low	135,000	32.9%
Chollas Lake Pk Playground Improvements / S14002	212	40	Low	511,000	34.1%
Cowles Mountain Access Rd Rehabilitation / S14001	217	48	Medium	15,000	37.5%
Environmental Services Operations Yard Improvement / AFA00003	105	Annual	Annual	275,000	45.0%
San Ysidro Branch Library / S00802	169	62	Low	5,885,000	48.3%
Riviera Del Sol Neighborhood Park / S00999	293	73	High	3,374,640	48.7%
Sefton Field Improvements / S01012	298	27	Low	500,000	50.0%
El Cajon Blvd Streetscape Improvements / S00826	231	46	Medium	1,269,800	51.2%
Resurfacing of City Streets / AID00005	589	Annual	Annual	249,306,331	53.1%
Chicano Park ADA Upgrades / S13003	210	57	Medium	1,341,697	53.6%
Police Range Refurbishment / S10118	347	N/A	N/A	3,776,593	54.0%
Hidden Trails Neighborhood Park / S00995	241	16	Low	2,920,000	54.7%
Otay Mesa Truck Route Phase 4 / S11060	577	43	Medium	9,350,000	55.5%
City Facilities Improvements / ABT00001	458	Annual	Annual	92,922,981	56.9%
Drainage Projects / ACA00001	527	Annual	Annual	137,540,433	57.6%
Del Mar Mesa Southern Multi-Use Trail / S00889	227	19	Low	150,000	57.6%
SR 163/Friars Road / S00851	595	61	High	77,086,159	58.8%
Switzer Canyon Bridge Enhancement Prog / S10054	304	38	Low	175,000	63.6%
Interstate 5 Underpass-Bikeway/Ped Conn / S00982	547	66	High	1,116,010	67.6%
Sunset Cliffs Natural Pk Hillside Imp Presrv / S10091	302	58	Medium	2,900,000	69.1%
State Route 56 Bike Interchanges / S00955	608	90	High	7,222,940	72.0%
Canyon Hills Resource Park Improvements / S15006	202	45	Medium	4,454,932	72.2%
Coastal Erosion and Access / AGF00006	215	Annual	Annual	2,400,000	74.5%
Mohnike Adobe and Barn Restoration / S13008	265	62	Medium	1,550,000	75.6%
Fire Station No. 48 - Black Mountain Ranch / S15015	134	71	Low	9,080,000	77.1%
State Route 56 Freeway Expansion / RD14000	609	N/A	N/A	119,000,000	78.3%
Coast Blvd Walkway Improvements / S15001	214	42	Medium	280,000	78.9%
Mission Bay Athletic Area Comfort Station Mod / S10021	256	68	High	820,000	79.7%
Martin Luther King Jr. Promenade / S13020	251	15	Low	1,005,000	81.7%

Capital Improvements Program

Funding Sources

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Home Avenue Fire Station / S14018	140	83	Medium	10,000,000	83.3%
Torrey Pines Improvements Phase I / S00613	618	58	High	13,000,000	84.4%
ADA Improvements & Expansion of Paradise Senior Ce / S15002	191	62	Medium	2,790,554	84.8%
Pacific Beach Curb Ramp Barrier Removal / S11048	578	62	High	320,000	86.5%
Sea World Dr/I5 Interchange Improvement / S00888	603	74	High	105,438,300	87.7%
McKinley Elementary School JU Improvemts / S12001	252	61	Medium	1,523,000	89.5%
Chollas Community Park / S00654	211	49	Medium	27,183,356	90.1%
San Carlos Branch Library / S00800	167	N/A	N/A	18,599,805	90.3%
Coastal Rail Trail / S00951	519	72	High	19,925,629	91.0%
Street Light Circuit Upgrades / AIH00002	612	Annual	Annual	33,347,000	91.0%
North Pacific Beach Lifeguard Station / S10119	144	83	Medium	6,185,444	91.5%
Fire Station No. 51 - Skyline Hills / S14017	137	83	Medium	11,000,000	91.7%
Fire Station No. 07 - Barrio Logan / S15013	126	85	High	11,150,000	92.9%
Tierrasanta Library Expansion / S15011	172	60	Low	4,090,000	93.0%
Sixth Avenue Playground Improvements / S00616	300	65	High	1,880,000	94.0%
Otay East Branch Library / S10025	163	39	Low	15,000,000	94.4%
North Park Library / S00798	161	49	Low	13,352,782	95.0%
Crystal Pier Improvements / S11014	220	70	High	10,800,000	95.6%
Multiple Species Conservation / S01076	269	N/A	N/A	120,000,000	96.7%
Scripps Miramar Ranch Library / S00811	170	59	Low	1,090,400	96.8%
Beyer Park Development / S00752	197	12	Low	11,676,000	98.2%
Kumeyaay Lakes Berm Restoration and Dredg / S00655	246	27	Low	9,840,000	98.4%
Rancho Bernardo Library / S00812	166	62	Low	3,467,682	98.9%
Kensington/Normal Heights Library / S00795	158	49	Low	2,396,530	99.0%
Fire-Rescue Air Operations Facility / S15012	139	78	Medium	12,375,000	99.0%
Paradise Hills Library / S00810	165	62	Low	8,866,448	99.2%
Fire Station No. 54 - Paradise Hills / S00785	138	81	Medium	11,011,065	99.2%
Ocean Beach Lifeguard Station / S10121	145	79	Medium	4,550,000	99.8%
Total				\$ 1,241,197,511	