

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 2015, 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.

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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.

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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, Gas Tax Fund, QUALCOMM Stadium Fund, Bus Stop Capital Improvement Fund, Library System Improvement Fund, Sunset Cliffs Natural Park Fund, and OneSD/ERP 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), 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	FY2017 Proposed	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 10,071,306	\$ -	\$ -	\$ 10,071,306
Antenna Lease Fund	1,000,000	-	-	1,000,000
Bond Financing	4,927,000	-	49,922,160	54,849,160
Bus Stop Capital Improvement Fund	597,908	-	300,000	897,908
Capital Outlay - Land Sales	16,049,549	-	-	16,049,549
Capital Outlay - Other	3,804,652	-	-	3,804,652
Capital Outlay - Police Decentralization Land Sales	822,864	-	-	822,864
Convention Center Funds	1,732,728	-	-	1,732,728
Deferred Capital Projects Bonds	240,916,461	-	270,000,000	510,916,461
Developer Funding	16,409,713	-	17,639,000	34,048,713
Development Impact Fees	110,615,921	1,609,600	5,372,000	117,597,521
Donations	79,374,895	-	12,241,347	91,616,242
EDCO Community Fund	-	675,000	-	675,000
Energy Conservation Program Fund	2,805,331	300,000	750,000	3,855,331
Environmental Growth Funds	6,532,254	2,431,373	7,965,480	16,929,107
Facilities Benefit Assessments	266,358,699	1,400,000	238,649,218	506,407,917
Federal Grants	78,157,789	-	103,653,547	181,811,336
Fiesta Island Sludge Mitigation Fund	10,975	-	-	10,975

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Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY2017 Proposed	Future Fiscal Years	Funding Source Total
Fire/Emergency Medical Services Transport Fund	400,000	-	-	400,000
Fleet Services Internal Service Fund	2,367,028	-	330,000	2,697,028
Gas Tax Fund	6,949,212	-	-	6,949,212
General Fund	86,517,767	10,525,000	60,100,720	157,143,487
Golf Course Enterprise Fund	25,908,198	500,000	9,500,000	35,908,198
Infrastructure Improvement Funds	308,044	-	2,242,270	2,550,314
Lease Purchase Fund	-	6,810,009	1,098,481	7,908,490
Library System Improvement Fund	11,715,765	155,605	-	11,871,370
Maintenance Assessment Districts	7,242,436	580,000	-	7,822,436
Mission Bay Improvements Fund	19,953,555	6,157,723	31,631,380	57,742,658
Mission Trails Regional Park Fund	1,620,369	-	-	1,620,369
OneSD/ERP Funding	6,216,800	-	-	6,216,800
Other Funding	123,177,624	-	-	123,177,624
Other Grants	1,100,429	-	-	1,100,429
Park Service District Funds	4,138,536	-	-	4,138,536
Proposition 42 Replacement - Transportation Relief Fund	17,754,835	-	-	17,754,835
QUALCOMM Stadium Fund	1,916,720	-	3,000,000	4,916,720
Recycling Fund	1,200,000	820,000	-	2,020,000
Redevelopment Funding	47,379,594	-	-	47,379,594
Refuse Disposal Fund	25,031,456	-	-	25,031,456
Regional Park Improvements Fund	15,426,320	2,500,000	7,100,000	25,026,320
Regional Transportation Congestion Improvement Program	16,866,279	-	700,000	17,566,279
San Diego Unified School District	20,641,657	-	-	20,641,657
Sea World Traffic Mitigation Fund	10,400,000	-	-	10,400,000
Sewer Funds	519,536,276	155,525,263	549,159,234	1,224,220,773
State Grants	56,451,211	-	6,466,000	62,917,211
Sunset Cliffs Natural Park Fund	876,000	-	-	876,000
TransNet - Extension Bikeways	2,306,048	-	-	2,306,048
TransNet Funds	166,239,707	19,030,491	85,910,589	271,180,787
Trench Cut/Excavation Fee Fund	3,810,539	1,500,000	6,000,000	11,310,539
Unidentified Funding	-	-	1,677,395,887	1,677,395,887
Utilities Undergrounding Program Fund	83,153,545	-	-	83,153,545
Water Fund	420,098,398	162,206,104	1,322,275,466	1,904,579,968
Total	\$ 2,546,892,394	\$ 372,726,168	\$ 4,469,402,779	\$ 7,389,021,341

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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
El Cuervo Adobe Improvements / S14006	213	53	Medium	\$ 15,368	2.5%
Children's Pool Lifeguard Station / S00644	107	93	High	115,000	2.6%
Fire Station No. 22 - Point Loma / S00787	117	81	Medium	325,000	4.0%
Wagenheim Joint Use Facility / S15007	310	59	Medium	279,000	5.2%
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	506	53	Medium	3,200,000	9.5%
San Ysidro Community Park ADA Improvements / S15033	278	68	High	96,550	10.0%
W Mission Bay Dr Bridge Over SD River / S00871	590	70	High	11,220,441	10.2%
Coast Blvd Walkway Improvements / S15001	197	42	Low	66,000	11.5%
Tubman Charter School JU Improvements / S13000	307	31	Low	395,040	14.4%
Pomerado Median Improve-N of R Bernardo / S10035	264	44	Low	200,000	18.2%
Resurfacing of City Streets / AID00005	556	Annual	Annual	101,236,753	23.1%
Fire Station No. 15 - Ocean Beach Expansion / S13011	115	44	Low	235,000	32.0%
Coastal Erosion and Access / AGF00006	198	Annual	Annual	1,100,000	33.2%
Guard Rails / AIE00002	514	Annual	Annual	1,500,000	33.9%
Memorial Comm Pk Playground ADA Upgrades / S16020	235	63	High	690,872	37.1%
Park de la Cruz Neighborhood Park Improvements / S15003	262	62	High	5,000,000	42.0%
Sunset Cliffs Park Drainage Improvements / L14005	287	66	High	5,900,000	51.5%
Drainage Projects / ACA00001	504	Annual	Annual	141,410,433	55.4%
Americans with Disabilities Improvements / ABE00001	433	Annual	Annual	41,680,000	56.8%
Palm Avenue Interstate 805 Interchange / S00869	550	53	Medium	10,000,000	57.6%
Street Light Circuit Upgrades / AIH00002	574	Annual	Annual	23,997,000	58.8%
SR 163/Friars Road / S00851	560	61	High	76,636,159	60.6%
Skyline Hills Community Park ADA Improve / S15038	282	62	High	750,000	61.6%
Interstate 5 Underpass-Bikeway/Ped Conn / S00982	522	66	High	1,116,010	67.6%
Switzer Canyon Bridge Enhancement Prog / S10054	288	47	Medium	175,000	70.0%
Canyon Hills Resource Park Improvements / S15006	185	45	Low	4,454,932	72.2%
Gamma Street Mini-Park ADA Improvements / S15032	218	61	Medium	1,301,348	74.3%
City Facilities Improvements / ABT00001	436	Annual	Annual	187,000,000	74.8%
Police Range Refurbishment / S10118	329	81	Medium	6,999,593	78.0%
State Route 56 Freeway Expansion / RD14000	572	N/A	N/A	119,000,000	78.3%
State Route 56 Bike Interchanges / S00955	571	90	High	7,222,940	78.6%
ADA Improvements & Expansion of Paradise Senior Ce / S15002	174	62	Low	2,590,554	78.7%
Chollas Community Park / S00654	195	49	Medium	23,961,082	79.4%
Mission Bay Athletic Area Comfort Station Mod / S10021	238	68	High	820,000	79.7%
Martin Luther King Jr. Promenade / S13020	534	15	Low	1,005,000	81.7%
Home Avenue Fire Station / S14018	126	83	High	10,000,000	83.3%
Rolando Joint Use Facility Development / S15029	272	64	High	1,916,399	83.5%

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Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No.	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Olive Grove Community Park / S15028	256	65	High	2,175,535	83.7%
La Media Road Improvements / S15018	528	85	High	32,891,110	84.0%
NTC Aquatic Center / S10000	251	56	Low	8,000,000	84.3%
Children's Park Improvements / S16013	194	47	Low	3,300,000	84.6%
Southeastern Mini Park Improvements / L16000	285	57	Medium	4,000,000	85.6%
Keiller Neighborhood Park ADA Improvements / S15030	225	57	Medium	654,000	85.6%
Coastal Rail Trail / S00951	497	72	High	18,425,629	85.8%
Fire-Rescue Air Operations Facility / S15012	125	78	Medium	10,851,919	86.8%
North Pacific Beach Lifeguard Station / S10119	129	83	High	6,319,967	87.1%
San Carlos Branch Library / S00800	150	N/A	N/A	18,304,201	88.9%
Fire Station No 39 Replacement / S17002	110	60	Low	8,520,000	90.9%
Golf Course Drive Improvements / S15040	219	50	Medium	1,820,977	91.0%
Fire Station No. 51 - Skyline Hills / S14017	123	83	High	11,000,000	91.7%
Fire Station No. 07 - Barrio Logan / S15013	113	85	High	11,150,000	92.9%
Beyer Park Development / S00752	181	41	Low	11,104,000	93.4%
Mission Beach Brdwalk Bulkhead Phased / L14004	540	78	High	9,257,000	93.9%
North Park Library / S00798	145	49	Low	13,352,782	95.0%
Egger/South Bay Community Park ADA Improvements / S15031	211	36	Low	2,329,886	95.5%
Kensington/Normal Heights Library / S00795	142	49	Low	2,246,530	95.7%
Sea World Dr/I5 Interchange Improvement / S00888	566	74	High	116,163,109	96.7%
Scripps Miramar Ranch Library / S00811	153	59	Low	1,090,400	96.8%
College Area Fire Station / S16015	108	64	Low	11,730,000	97.8%
Ocean Beach Branch Library / S00806	146	62	Low	7,864,860	98.2%
Kumeyaay Lakes Berm Restoration and Dredg / S00655	227	27	Low	9,840,000	98.4%
Rancho Bernardo Library / S00812	149	62	Low	3,467,682	98.9%
Paradise Hills Library / S00810	148	62	Low	8,866,448	99.2%
Fire Station No. 54 - Paradise Hills / S00785	124	81	Medium	11,011,065	99.2%
Convention Center Phase III Expansion / S12022	455	N/A	N/A	514,050,000	99.4%
Convention Center Sails Pavilion / L15000	456	76	Medium	19,447,313	99.5%
Ocean Beach Lifeguard Station / S10121	130	79	Medium	4,550,000	99.8%
Total				\$ 1,677,395,887	