

FISCAL YEAR 2025

Volume 1
Capital Improvements Program

ADOPTED BUDGET

The City of
SAN DIEGO
MAYOR TODD GLORIA



HOUSING | PROTECT & ENRICH | INFRASTRUCTURE | SUSTAINABILITY | PROSPERITY



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Capital Improvements Program

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The Fiscal Year 2025 Adopted Capital Improvements Program (CIP) Budget is \$950.0 million. This budget allocates existing funds and anticipated revenues to both new and continuing projects in the City's \$19.29 billion multi-year CIP. The allocation of funds is based on an analysis of available funding sources and a review of project needs and priorities. Since the City's CIP needs outweigh available resources, the Adopted CIP budget is constrained by the availability of funds.

The Fiscal Year 2025 Adopted CIP budget, as summarized in **Table 1 – Fiscal Year 2025 Adopted CIP Budget**, is funded by various sources, including water and sewer enterprise funds, TransNet, Gas Tax, bond financing, and park improvement funds.

Further details on all funding sources and the specific projects are included in the Adopted CIP Budget which can be found in Volume III of the Fiscal Year 2025 Adopted Budget.



Table 1 - Fiscal Year 2025 Adopted CIP Budget

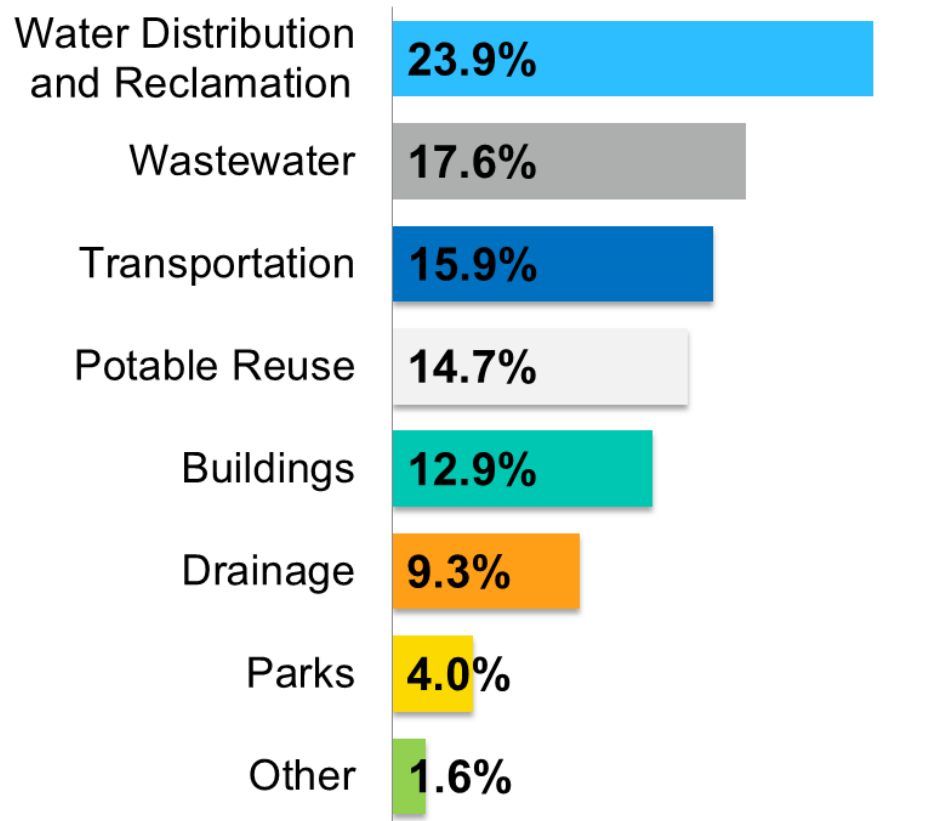
Funding Source	FY 2025 Adopted Budget	Percent of Total CIP Budget
Bond Financing	\$ 177,084,217	18.64%
Bus Stop Capital Improvement Fund	382,490	0.04%
Climate Equity Fund	2,600,000	0.27%
Development Impact Fees	39,516,513	4.16%
Enhanced Infrastructure Financing District Fund	7,718,165	0.81%
Facilities Benefit Assessments	5,442,024	0.57%
Fleet Services Internal Service Fund	2,191,678	0.23%
General Fund	4,850,000	0.51%
Golf Course Enterprise Fund	2,000,000	0.21%
Infrastructure Fund	785,000	0.08%
Library System Improvement Fund	745,450	0.08%
Mission Bay Park Improvement Fund	13,708,605	1.44%
OneSD/ERP Funding	3,960,000	0.42%
Other Funding	57,857	0.01%
Refuse Disposal Fund	9,874,362	1.04%
Regional Transportation Congestion Improvement Program	3,077,735	0.32%
San Diego Regional Parks Improvement Fund	6,726,682	0.71%
Sewer Funds	266,811,590	28.09%
TransNet Funds	25,243,490	2.66%
Trench Cut/Excavation Fee Fund	2,470,000	0.26%
Water Fund	374,719,415	39.45%
Grand Total	\$ 949,965,273	

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An additional \$179.1 million of funding is anticipated to be budgeted during Fiscal Year 2025. This anticipated funding is not included in the Adopted CIP Budget amount of \$950.0 million because the funding sources either require additional City Council approval or are tentative funding sources. City Council approval will be requested to appropriate when funds are received. Anticipated funding includes a variety of sources such as donations, grants, debt financing, developer funding, Development Impact Fees (DIF), and Facilities Benefit Assessments (FBA).

The Fiscal Year 2025 Proposed CIP Budget will support various types of projects, as displayed in **Figure 1 - Fiscal Year 2025 Adopted CIP Budget by Project Type** below, such as water and wastewater, buildings, and transportation projects. Since the allocation of resources are primarily driven by the availability of funds, the distribution of the Adopted CIP Budget is concentrated on those project types with dedicated funding sources. The Water and Sewer Enterprise Funds account for the majority of the Adopted CIP Budget and support water and wastewater project types. In addition, 82.3 percent of the CIP budget allocation for City buildings is for buildings that are maintained and operated by the Public Utilities Department and are funded by the Water and Sewer Enterprise Funds. Transportation projects are primarily funded by TransNet, gasoline taxes, and debt financing; these funding sources may also fund transportation components of other project types in the right-of-way, such as certain stormwater projects. Landfill, airport, and golf course project types are funded by their respective enterprise funds. Parks, stormwater, and other building projects, such as police, fire-rescue, and library buildings, compete for scarce resources, including Development Impact Fees and the City's General Fund.

Figure 1 - Fiscal Year 2025 Adopted CIP Budget by Project Type



Figures may not foot due to rounding.

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The City's multi-year CIP includes assets that are maintained and operated by a variety of City departments and asset-managing sections, as shown in **Table 2 - Multi-Year CIP by Department**. The largest funding allocation in the Fiscal Year 2025 Adopted CIP Budget is for the Public Utilities Department's projects, receiving \$635.0 million, or 66.8 percent, of the Adopted CIP Budget. The next largest portion is for the Transportation Department's projects, with \$149.0 million, or 15.7 percent, of the Adopted CIP Budget. The distribution of funding for each department's projects is primarily dependent upon the availability of funding for the types of assets maintained by each department, combined with the amount, size and condition of those assets.

Table 2 - Multi-Year CIP by Department

Department	Prior Year	FY 2025 Adopted	Future Years	Total
Economic Development	\$ 11,395,187	\$ -	\$ 39,521,967	\$ 50,917,154
Citywide	35,999,768	-	681,640,478	717,640,246
Department of Information Technology	23,822,518	3,960,000	134,000,000	161,782,518
Environmental Services	111,884,868	9,589,952	3,250,000	124,724,820
Fire-Rescue	87,811,747	2,870,000	142,414,873	233,096,620
General Services	51,259,094	8,111,168	110,648,294	170,018,556
Homelessness Strategies and Solutions	2,980,543	2,500,000	1,200,000	6,680,543
Library	82,827,680	3,832,319	64,131,701	150,791,700
Parks & Recreation	686,259,426	42,925,981	673,038,664	1,402,224,071
Police	12,000,000	-	5,800,000	17,800,000
Public Utilities	3,840,448,554	634,991,087	5,796,420,259	10,271,859,900
Stormwater	693,149,726	88,354,837	1,696,509,829	2,478,014,392
Sustainability & Mobility	5,072,645	3,844,740	(4,071,846)	4,845,539
Transportation	1,130,915,896	148,985,189	2,221,444,371	3,501,345,456
Grand Total	\$ 6,775,827,652	\$ 949,965,273	\$ 11,565,948,590	\$ 19,291,741,515

The Fiscal Year 2025 Adopted CIP Budget will add \$950.0 million to the City's \$19.29 billion multi-year CIP, which is approximately a \$245.8 million increase from the Fiscal Year 2024 Adopted Budget. The City Council approved over \$6.78 billion for projects in prior fiscal years. Furthermore, an estimated \$11.57 billion of additional funding will be needed in future fiscal years to complete the projects currently in the City's CIP and to fund annual ongoing capital expenditures, such as road resurfacing and pipe replacements. The City's Multi-Year CIP does not include all of the City's unfunded CIP needs or new projects that may be added in future years.

Priority scores are given to projects to compare them to other similar projects of the same project type within the CIP Budget. [Council Policy 800-14](#), Prioritizing CIP Projects, outlines the process for scoring and prioritizing projects. This policy was last updated in December 2022 to include factors that must be considered when adding projects to the annual Capital Improvements Program budget. Updates to the Council Policy ensure that the guiding principles of the City's recently adopted policies—the Parks Master Plan, Climate Action Plan, and Build Better San Diego Initiative—are incorporated into the City's delivery of needed neighborhood developments and infrastructure investments. The goal is to establish a capital planning prioritization process to optimize the use of available resources for projects and guide an objective methodology used to produce equal and equitable outcomes. This policy provides guidelines and

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procedures to maintain consistency in application across all asset-managing departments by requiring an asset specific scoring methodology using unique operational needs and an objective scoring tool in prioritizing CIP projects. More details regarding the project prioritization process can be found in the Project Prioritization section of Volume III of the Fiscal Year 2025 Adopted Budget.

Five-Year Capital Infrastructure Planning Outlook

Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to the City's residents. Therefore, the procurement, construction, and maintenance of capital assets are a critical activity of the City. Careful planning involves an ongoing review of the City's capital needs and funding programs to develop a cohesive capital asset management system. A prudent multi-year capital plan will identify and prioritize expected needs based on a community's strategic plan, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs that will expand well beyond one year.

In January 2024, the Engineering & Capital Projects Department released the [Fiscal Year 2025-2029 Five-Year Capital Infrastructure Planning Outlook](#) (CIP Outlook) report. The CIP Outlook presents a comprehensive overview of the City's CIP including current driving factors, reviews of service level standards, a discussion of condition assessment impacts, and a cost analysis which spans over multiple fiscal years. The CIP Outlook is released annually and is used as a guide in developing the City's Annual Capital Improvements Program Budget.