

# FISCAL YEAR 2025

Volume 1  
Capital Improvements Program

# PROPOSED BUDGET

The City of  
**SAN DIEGO**  
MAYOR TODD GLORIA



HOUSING | PROTECT & ENRICH | INFRASTRUCTURE | SUSTAINABILITY | PROSPERITY





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# Capital Improvements Program

## Capital Improvements Program

The Fiscal Year 2025 Proposed Capital Improvements Program (CIP) Budget is \$871.9 million. This budget allocates existing funds and anticipated revenues to both new and continuing projects in the City's \$19.19 billion multi-year CIP. The allocation of funds is based upon an analysis of available funding sources as well as a review of project needs and priorities. The City's CIP needs often outweigh available resources; therefore, the Proposed CIP budget is constrained by the availability of funds.



The Fiscal Year 2025 Proposed CIP budget, as summarized in **Table 1 - Fiscal Year 2025 Proposed CIP Budget**, is funded by a variety of sources, including, but not limited to, 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 Proposed CIP Budget which can be found in Volume III of the Fiscal Year 2025 Proposed Budget.

**Table 1 - Fiscal Year 2025 Proposed CIP Budget**

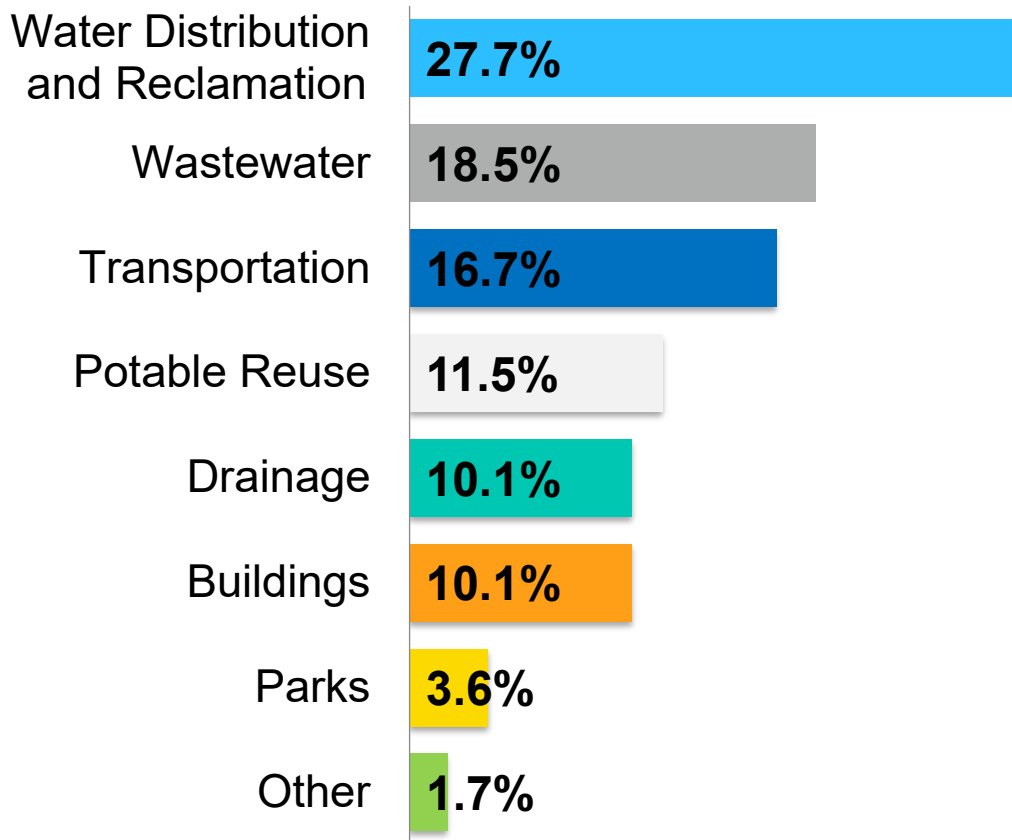
Funding Source	FY 2025 Proposed Budget	Percent of Total CIP Budget
Bond Financing	\$ 169,570,171	19.45%
Bus Stop Capital Improvement Fund	140,255	0.02%
Climate Equity Fund	1,500,000	0.17%
Development Impact Fees	35,981,692	4.13%
Enhanced Infrastructure Financing District Fund	7,468,165	0.86%
Facilities Benefit Assessments	5,169,866	0.59%
Fleet Operations Internal Service Fund	2,191,678	0.25%
General Fund	3,700,000	0.42%
Golf Course Enterprise Fund	2,000,000	0.23%
Library System Improvement Fund	745,450	0.09%
Mission Bay Park Improvement Fund	13,708,605	1.57%
OneSD/ERP Funding	3,760,000	0.43%
Other Funding	57,857	0.01%
Refuse Disposal Fund	9,874,362	1.13%
Regional Transportation Congestion Improvement Program	2,389,339	0.27%
San Diego Regional Parks Improvement Fund	7,381,557	0.85%
Sewer Funds	223,505,045	25.63%
TransNet Funds	25,053,538	2.87%
Trench Cut/Excavation Fee Fund	2,470,000	0.28%
Water Fund	355,226,075	40.74%
<b>Grand Total</b>	<b>\$ 871,893,655</b>	

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An additional \$423.8 million of funding is anticipated to be budgeted during Fiscal Year 2025. This anticipated funding is not included in the Proposed Budget amount of \$871.9 million because the funding sources either require additional City Council approval or funding sources are more tentative. Staff will request City Council approval to appropriate when the funds have been 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 Proposed 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 Proposed CIP Budget is concentrated on those project types with dedicated funding sources. The Water and Sewer Enterprise Funds account for the majority of the Proposed CIP Budget and support water and wastewater project types. In addition, 78.0 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, which 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 Proposed 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**. The largest funding allocation in the Fiscal Year 2025 Proposed CIP Budget is for the Public Utilities Department's projects, receiving \$572.2 million, or 65.6 percent, of the Proposed CIP Budget. The next largest portion is for the Transportation Department's projects, with \$143.3 million, or 16.4 percent, of the Proposed 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**

Department	Prior Year	FY 2025 Proposed	Future Years	Total
Real Estate & Airport Management	\$ 11,395,187	\$ -	\$ 39,521,967	\$ 50,917,154
Citywide	35,999,768	-	681,640,478	717,640,246
Department of Information Technology	25,281,019	3,760,000	134,000,000	163,041,019
Environmental Services	60,595,251	9,400,000	43,250,000	113,245,251
Fire-Rescue	84,946,483	2,750,000	142,687,406	230,383,889
General Services	52,697,294	8,303,009	110,648,294	171,648,597
Homelessness Strategies and Solutions	1,030,543	3,700,000	1,950,000	6,680,543
Library	80,314,549	745,450	65,895,201	146,955,200
Parks & Recreation	655,701,697	35,573,273	689,022,393	1,380,297,363
Police	12,000,000	-	5,800,000	17,800,000
Public Utilities	3,956,344,262	572,191,202	5,735,916,023	10,264,451,487
Stormwater	451,973,618	88,354,837	1,890,132,273	2,430,460,728
Sustainability & Mobility	15,104,025	3,844,740	(4,071,846)	14,876,919
Transportation	1,127,250,995	143,271,144	2,215,492,537	3,486,014,676
<b>Grand Total</b>	<b>\$ 6,570,634,691</b>	<b>\$ 871,893,655</b>	<b>\$ 11,751,884,726</b>	<b>\$ 19,194,413,072</b>

The Fiscal Year 2025 Proposed CIP Budget will add \$871.9 million to the City's \$19.19 billion multi-year CIP, which is approximately a \$708,000 year-over-year decrease from the Fiscal Year 2024 Adopted Budget due to an update of the Five-Year Capital Infrastructure Planning Outlook. The Fiscal Year 2025-2029 Capital Infrastructure Planning Outlook added a new category to capture needs beyond the 5 year period, making some of these future expenses drop off the 5 year period. Additionally, City Council approved over \$6.57 billion towards projects in Fiscal Year 2024 that are continuing from previous fiscal years. Furthermore, an estimated \$11.75 billion of additional funding will be needed in future years to complete the projects currently in the City's CIP and to fund annual ongoing capital expenses, such as road resurfacing and pipe replacements. The City's CIP does not include all 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 updated in Fiscal Year 2023 to include amendments to factors that must be considered when adding projects to the annual Capital Improvements Program budgets. The updates to the Council Policy ensure that the guiding principles of the City's recently adopted policies, like the Parks Master Plan, Climate Action Plan, and Build Better San Diego Initiative, are incorporated into the

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City's delivery of needed neighborhood developments and infrastructure investments. The goal is to prioritize infrastructure delivery efficiently and equitably across the City, with equity being part of the updated factors in the scoring weights. This policy provides guidelines and 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 Proposed 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 ongoing review of the City's capital needs and funding programs to develop an integrated 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.