



Adopted
Capital Investment Program Budget
Fiscal Years 2019 - 2021

Guide to the Adopted Capital Investment Program Budget FY 2019 – FY 2021

CAPITAL INVESTMENT PROGRAM

The City faces an ongoing challenge to meet its capital needs with limited resources. The preparation and adoption of the Capital Investment Program (CIP) is an important part of the City's planning process to identify and meet those needs. It is a multi-year schedule of projects with their associated costs and proposed funding sources. The CIP represents the best efforts to allocate available resources toward projects that provide the most benefit for the people of Santa Cruz. It also highlights areas where funding is deficient.

Generally, projects in the CIP are relatively large-dollar amount, nonrecurring outlays and are for the purpose of constructing, purchasing, improving, replacing or restoring assets with multi-year useful life. In addition, certain special projects and activities are included.

The CIP includes proposed projects for the next three fiscal years. It also describes projects that will be carried over from the current fiscal year. The first year of the CIP is, by and large, incorporated into and adopted with the annual budget.

FINANCING

The two basic methods to fund the CIP projects are (1) pay-as-you-go, which requires use of current revenues or cash on hand; and (2) pay-as-you-use, which uses debt financing to spread acquisition costs over the period of time the City plans to use a capital asset. Funds dedicated to pay-as-you-go include a share of transient occupancy taxes, grants, parks facilities taxes and fees, traffic impact and other development fees, and user fees in the enterprise funds. Both of these funding methods are useful, depending on the nature of the projects.

USING THE CIP

The Capital Investment Program is divided into four sections:

- Projects that Support the City's Climate Action Plan
- Projects that are unfunded in fiscal years 2019-2021
- New Projects
- Existing Projects

PROJECTS

This section provides information on proposed capital investments over the next 3 years. It is organized by primary fund or funding source and function. Within each subsection projects are arranged alphabetically.

Each project is identified by a project name and number (if previously assigned), and a project description/justification. It also includes a total project cost estimate. If applicable, the project cost estimate is reduced by additional outside funding sources, to arrive at a "net expenditure". This is the net amount that must be funded by the primary funding source of the fund. This information is provided for each of the periods displayed:

- **"Prior Years"** Shows the total amount that has been spent on the project in prior years up to the end of the last fiscal year.
- **"2018 Budget"** Shows the total amount appropriated for the current fiscal year.
- **"2018 Estimated"** Shows the total amount of the FY 2017 funding that will be spent on the project, including what has been spent or encumbered and what will be carried forward into FY 2019.
- **"2019 Adopted", "FY 2020 Estimated", and "FY 2021 Estimated"** Each individual column shows the adopted (year 2018 only) and the future estimated funding required for the project for each identified fiscal year.
- **"Total 2019 - 2021"** Shows the total adopted funding required for the projects in FY 2019, and the total estimated funding required for FY 2020, and FY 2021.

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At the end of each section is a summary of total project costs, funding sources, and net project costs for capital projects, maintenance and other projects, and a combined total for the fund(s).

UNFUNDED PROJECTS

The Unfunded Projects section includes those projects that will be proposed once funding can be identified, and staff resources are available.

FUND BALANCE PROJECTIONS

This section includes a three-year projection of sources, uses and fund balances for each fund or funding source included in the CIP. An overview of the impact of projected revenue and expenditures on fund balances over time can be seen in these tables. Fund balance projections for the following funds are included in the “Fund Balance Projection” section of the CIP. The following table identifies funding sources for each fund:

Fund	Primary Funding Source	Major Project Types
Governmental:		
Capital Improvement Fund-General	Grants, share of transient occupancy tax, General Fund subsidy	Storm drains, transportation, government, buildings, parks, playgrounds, wharf, sidewalks, utility undergrounding, and lighting
Capital Improvement Fund - Arterial Streets and Roads Fund	Grants, City Public Trust Fund	Transportation
Clean Rivers, Beaches, and Ocean Tax Fund	Tax assessments	Environmental, education
Community Development Block Grant (CDBG) Fund	Grants	Housing and Community Development
Gas Tax Fund	State gasoline tax	Transportation
2016 Transportation Measure D	Sales tax	Transportation
Parks and Recreation Fee Fund	Subdivision developer impact fees	Parks, playgrounds, community centers, and other Parks and Recreation facilities
Parks and Recreation Facility Tax Fund	Residential construction excise tax	Parks, playgrounds, community centers, and other Parks and Recreation facilities
RDA/SA-Redevelopment Obligation Retirement Fund	Property Tax	Successor Agency Funds
RDA/SA - Low/Mod Income Housing Funds	Property Tax	Affordable Housing Construction
RDA/SA-Capital Projects Fund	Property Tax	Street improvements, property rehabilitation, economic development, and other capital improvements
RDA/SA-Capital Projects-Admin	Property Tax	Administrative Costs of Successor Agency.
RDA/SA-Capital Projects-Del Mar Theater	Property Tax	Property management, maintenance and capital improvements to the Del Mar
SA City Low/Mod Income Housing Funds	Property Tax	Housing and Community Development
Enterprise:		
Water Fund	User Fees	Water system infrastructure
Water Fund - SDC	User Fees	Water system Development
Wastewater Fund	User Fees	Wastewater system infrastructure
Refuse Fund	User Fees	Sanitation, recycling and landfill infrastructure
Parking Fund	User Fees	Downtown parking district facilities, including parking lots and structures
Storm Water Fund	Storm water fees	Flood control facilities
Storm Water Overlay Fund	Storm water fees	Flood control facilities