

# INFRASTRUCTURE TASK FORCE

## FUNDING RECOMMENDATIONS



# POTENTIAL REVENUE SOURCES

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Revenue Source	Approval Requirement
General Sales Tax	Ballot Measure: Voter Approval = 50% + 1
Special Sales Tax	Ballot Measure*: Voter Approval = 67% + 1
TOT Increase	Ballot Measure: Voter Approval = 50% + 1
Developer Impact Fee Increase	City Council Approval (Needs Eng Study and Fee Calculation)
Assessment District	Parcel Vote: Approval = 50% + 1 (Needs Engineering Study)
Special District	Ballot Measure*: Voter Approval = 67% (Needs Engineering Study)
Community Facilities District	Parcel Vote*: Approval = 67% (Needs Engineering Study)
No New Revenue	None

(\*ACA1 - 55%)

# OTHER FUNDING SOURCES

Revenue Source	Why Less Promising/Challenging
Bond Measure	City does not have Bonding Capacity
New Loan	City does not have Loan Capacity
Transportation Utility Fee	Hasn't been implemented yet in CA
Enhanced Infrastructure Financing District	Complicated mechanics, labor intensive administration
Public Private Partnership	Few Big Businesses in Encinitas that Would Support Infrastructure, but can be explored
Grants	Not a Steady, Reliable Source (City will continue to pursue grants!)

# Sales Tax

- **Potential Revenue Generation**

0.5% Increase = ~\$8.5M / yr or \$85M over 10 years

1.0% Increase = ~\$17M / yr or \$170M over 10 years

- **General Sales Tax is the most flexible.**  
**Requires 50% + 1 for approval**

- **Special Sales Tax is tied to a specific project.**  
**Requires 2/3 vote (possibly 55% if ACA 1 passes)**

- **Some portion of the revenue will be generated by visitors and tourists.**

## Current Encinitas Sales Tax

= 7.75%

8.75%

- Del Mar
- Solana Beach
- Chula Vista
- Imperial Beach
- National City

8.5%

- La Mesa

8.25%

- Oceanside
  - Vista
  - El Cajon

# TOT Increase

- **Potential Revenue Generation:**

1.0% Increase = ~\$440K / yr or \$4.4M over 10 years

2.0% Increase = ~\$880K / yr or \$8.8M over 10 years

3.0% Increase = ~\$1.32M / yr or \$13.2M over 10 years

- **2% of the TOT is set aside for Sand Replenishment & Stabilization**

- **We can have different rates for STRs vs. Hotels**

- **Requires 50% + 1 voter approval**

- **Revenue is generated by tourists**

**Current Encinitas TOT =**

**10%**

**14%**

- Imperial Beach
- National City

**13%**

- Solana Beach

**12.5%**

- Del Mar
- San Diego

# Development Impact Fee Increase

- **Potential Revenue Generation:**

20% Traffic Fee Increase = ~\$56K / yr or \$560K over 10 years

20% Flood Control Fee Increase = ~\$16K / yr or \$160K over 10 years

- **Subject to Mitigation Fee Act - Requires engineering study to confirm nexus and proportionality. Can't be used to address existing deficiencies/maintenance; only for capital costs needed to address impacts from new development.**
- **Requires input and coordination with Development Community and approval of City Council**
- **Revenue must be spent within 5 years**
- **Fees charged to developers are often passed on to new residents**

# Assessment District

- **Potential Revenue Generation:**

Depends on the Special Benefit (Project) and number of assessed residents

- **Subject to Prop 218 - Requires engineering study to determine boundary, special vs. general benefits, and apportionment to parcels.**
- **Requires a mailed notice and a public hearing before the election. 2/3 vote for approval. Annual public hearing.**
- **Revenue is from benefitting property owners (an assessment on the property tax bill)**



# Special District

- **Potential Revenue Generation:**

Depends on the Limited Purpose/Service (Project) and # of residents in the district

- **Special Tax or Assessment - Requires a feasibility study to determine boundary, service costs and admin costs.**
- **Requires LAFCO formation, a ballot measure and 2/3 vote for approval.**
- **Revenue is from fees, special taxes or assessments on benefitting property owners**

# Community Facilities District

- **Potential Revenue Generation:**

Depends on the Service or Project and number of residents in the district

- **Special Tax (Mello Roos) - Requires an annual tax calculation, adoption of district goals and policies, a public hearing and an election.**
- **Requires 2/3 vote of property owners for approval.**
- **Revenue is from an assessment on benefitting property owners**

# No New Revenue

- Rely on existing revenue.
- Generally \$4M annually for paving and \$3M annually for other capital projects

## ITF Discussion and Funding Recommendations

# Potential Projects to Highlight?

- **Prioritization Rubric will guide annual CIP budget development**
- **If the ITF recommends new funding, are there certain projects or types of projects that should be highlighted?**

# Potential Projects that May Resonate

## Engineering Dept

- Paving
- CMP Replacement
- Leucadia Drainage
- City-wide Drainage
- Quiet Zone
- At-Grade Crossings

## CAP

- Microtransit
- Solar
- EV Charging

## Mobility

- La Costa Ped Path
- Vulcan Ped Path
- Coastal Rail Trail
- Safe Routes to School
- Bike/Ped Improvements

## Fire

- Station 6 (Olivenhain)
- Fire Station Improvements
- Training Tower

## Coastal

- Sand Replenishment

## Parks

- Scout House Upgrades
- Trail 82 (RSF Rd)
- Community Center Upgrades
- Beach Stair Upgrades
- Habitat/Open Space
- Surfer's Point Enhancement

## Sheriff

- Speed Enforcement  
(Additional officers)

## OTHERS?