

ADOPTED BUDGET



San Diego at a Glance

The City of San Diego is best known for its ideal climate. beautiful beaches, and array of world-class attractions. Diego is considered one of the top five leisure destinations in the U.S. and a top 10 business destination.¹ As the eighth largest city in the nation and the second largest city in California, the City's total population was estimated at 1,419,845 as of January 1, 2018.2 San Diego's population grew



approximately seven percent between the 2000 Census and the 2010 Census for an aggregate increase of 84,002.³

San Diego presently covers 325 square miles of land area and an additional 47 square miles of water area for an aggregate total of 372 square miles.⁴ The coast has 70 miles of beaches, including famous destinations such as Mission Beach and La Jolla Shores. The topography is generally composed of mesas intersected by canyons with elevations ranging mostly from sea level to 600 feet. High points include Mt. Soledad, Black Mountain, and Cowles Mountain which is nearly 1,600 feet high. Summer high temperatures average in the low 70s near the beach areas to the mid to upper 80s in the inland areas. In Water Year (October-September) 2017, annual rainfall was 12.7 inches, or 123 percent of the normal rainfall of approximately 10.3 inches per year.⁵

Center for Education & Research

San Diego is a center for education and research, with both public and private colleges and universities. San Diego State University, Point Loma Nazarene University, the University of San Diego, and the University of California San Diego (UC San Diego) are the most well-known higher education institutions in San Diego. UC San Diego in particular is internationally recognized as an important center for research and development (R&D). Research centers under the umbrella of UC San Diego include the Scripps Institution of Oceanography (Scripps Oceanography), San Diego Supercomputer Center, and California Institute for Telecommunications and Information Technology. Scripps Oceanography is one of the largest and most important centers for ocean, earth, and atmospheric science research in the world. The Scripps Oceanography fleet of three oceanographic research vessels and the 355 foot long FLoating Instrument Platform (FLIP) make up one of the

¹ Homepage. San Diego Regional Economic Development Corporation (EDC) website. Retrieved March 2018.

² Forecasting - E1 Population Estimates. California Department of Finance website. Retrieved July 2018.

³ California State Data Center. Census 2010. California Department of Finance website. Retrieved March 2016.

⁴ 2017 Census Gazetteer Files - Places. United States Census Bureau website. Retrieved March 2018.

⁵ Annual rainfall - Lindbergh Field. San Diego County Water Authority website. Retrieved July 2018.

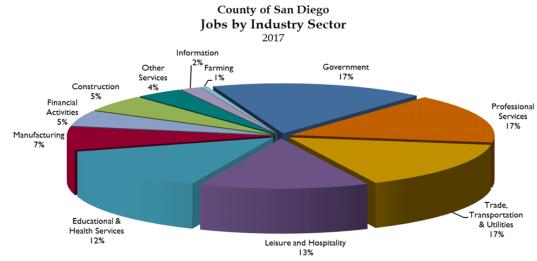
⁶ Rankings by Total R&D expenditures. Academic Institution Profiles - National Science Foundation. Retrieved March 2018.

largest academic fleets in the world. San Diego is also served by the San Diego Community College District, which includes San Diego City College, San Diego Mesa College, San Diego Miramar College, and seven San Diego continuing education campuses serving approximately 100,000 students.2 San Diego continues to attract unique, world class business ventures with a highly educated workforce drawing in \$1.2 billion in venture capital in 2017.3 The resulting capital investments have created 3.9 patents per 1,000 workers, which ranks second in the nation and further magnifies San Diego's and the region's importance in cutting edge medical and technological research and development.4

Economic Diversity

San Diego policymakers, businesses and educators are working collaboratively to create a thriving innovation ecosystem, consisting of some of the world's smartest companies, a talented and loyal workforce, and easy access to international markets. San Diego's local economy accounts for 50 percent of the regional economy, and includes healthcare, retailers and restaurants, and professional and business service providers with expertise in technology sectors.⁵

San Diego offers cutting edge healthcare and is considered a leader in technology-driven health innovation, including the emerging wireless health sub-sector.⁶ At the forefront of developments in aerospace technology are ViaSat. Brain Corporation, 5D Robotics and the Center of Excellence for Northrop Grumman's autonomous systems division. San Diego participated in the Global Cities Initiative, a joint project of the Brookings Institute and JP Morgan Chase. The project is aimed at helping leaders of metropolitan cities strengthen their regional economies. The \$10 million, five-year project provides an international network of leaders the ability to discuss and foster ideas that promote expansion of economies while learning best practices from around the world.⁷



Source: State of California Employment Development Department, Labor Market Information Division.

¹ Office of Research Affairs. University of California, San Diego website. Retrieved March 2018.

² About the District. San Diego Community College District. Retrieved March 2018.

³ National Aggregate Data MoneyTree Report, Historical Trend Investment Data. PricewaterhouseCoopers website. Retrieved March 2018.

⁴ Economic Indicator Dashboard. Research Center, San Diego Regional EDC website. Retrieved March 2018.

⁵ Our Economy. San Diego Regional EDC website. Retrieved March 2018.

February 13, 2015. Retrieved March 2018.

San Diego's economic base, which in the past had a greater reliance on federal defense spending, has undergone a transformation in recent years to become even more diversified. Built upon a strong foundation in defense spending, the San Diego economy has benefited from the increase in international trade, high-tech manufacturing and research, and a growing tourism industry. In addition, other contributors to the San Diego economy are basic manufacturing, health services, and local government.

In October 2017, the City pledged \$2.5 million over four years to open the first business accelerator designed to grow local early-stage businesses in San Diego's most underserved communities. The partnership with the Jacobs Center for Neighborhood Innovation and CONNECT will help entrepreneurs, startups and early-stage businesses gain access to the resources they need for success. Businesses will have access to a dedicated flexible co-working space with office equipment, as well as business management assistance, mentorship, and capital to foster their development at an "accelerated" pace.¹

The defense and military industries in the San Diego region continue to thrive and evolve, contributing an estimated \$50.0 billion of gross regional product (GRP) in Fiscal Year 2017. This represented 22 percent of the region's total GRP.² San Diego County's military and defense economy employs a workforce of 328,000, which include uniformed military and civilian employees of the Department of Defense, as well as private defense contractors. San Diego is also the home port to more than 60 percent of the ships in the Pacific Fleet and as a result, is a leader in U.S. defense and homeland security initiatives, with prominent companies such as the Space and Naval Warfare System Center (SPAWAR), Lockheed Martin, Science Applications International Corporation (SAIC), UTC Aerospace Systems, Northrop Grumman, General Dynamics NASSCO, L-3 Communications, and General Atomics.³

In 2017, the City of San Diego was awarded a \$1.6 million grant from the Department of Defense's Office of Economic Adjustment to support the resiliency and growth of local defense contractors. San Diego and key partners which include the San Diego Regional Economic Development Corporation, County of San Diego, San Diego Military Advisory Council, East County Economic Development Corporation and South County Economic Development Corporation, will initiate programs to support the region's defense contractors. By creating a more stable environment for local defense contractors, the region will be able to retain more skilled jobs. As a national leader in providing resources and support for service members, the City of San Diego was also recognized in 2017 as one of the best places for improving the quality of life for members of the military and their families. The Association of Defense Communities named the San Diego region to the 2018 class of Great American Defense Communities.

International Trade

The Port of San Diego's transportation and economic initiatives have made San Diego a center for international trade. The Port of San Diego offers world class maritime facilities built around a natural harbor. According to the International Trade Administration, \$18.1 billion worth of exports passed

¹ First Business Accelerator to Open in Southeastern San Diego. Mayor Kevin Faulconer Newsroom. City of San Diego website. Retrieved March 2018.

² Our Economy. San Diego Regional EDC. Retrieved March 2018.

³ Our Economy. San Diego Regional EDC website. Retrieved March 2018.

⁴ Department of Defense Funds Enable County-Wide Effort to Support Key San Diego Industry. March 17, 2017. City of San Diego website. Retrieved March 2018.

⁵ San Diego Named Among Best Places for Service Members and Military Families. Communications Department Newsroom, City of San Diego website. Retrieved March 2018.

through the San Diego-Carlsbad metropolitan statistical area in 2016. This places San Diego as the 20th largest export market in the United States, represents a 33 percent increase since 2006 export figures, and accounts for 11 percent of the State of California's total goods exports. The region benefited immensely from free trade agreements, with exports in this area representing 38 percent of the 2016 total goods exports. Top trading partners included Mexico, Canada, China and Japan.¹

The San Diego Association of Governments (SANDAG), Caltrans and a number of local, state and federal agencies are executing a plan to construct a new border crossing in the San Diego/Baja California region known as the State Route 11/Otay Mesa East Port of Entry Project. The new port of entry will connect roadways in the United States and Mexico east of the existing Otay Mesa border crossing and will reduce congestion. The goal of the project is to have minimal wait time to arrive at the primary inspection. The port of entry is expected to feature a four lane toll road to help fund construction and reduce the need to public funds. Other funding sources are being explored on both sides of the border.²

The Cross Border Xpress opened in December 2015, and allows ticketed airline passengers to pay a toll to travel between Tijuana, Mexico's A.L. Rodriguez International Airport and a secure passenger facility in Otay Mesa. The Cross Border Xpress serves approximately 2.4 million passengers who already cross the border as part of their travels. The Cross Border Xpress helps alleviate traffic congestion at the San Ysidro and Otay Mesa border crossings and improves economic activity in the region by reducing border crossing delays.³

Innovation

The San Diego region is known for having one of the largest concentrations of high-tech companies in the United States, with companies focused on information and communication technology, biotech and life sciences, clean-tech, and maritime technology. In December 2016, the City of San Diego was recognized by the White House as a TechHire City for its successful programs that help potential candidates attain jobs in information technology and other similar developing fields. The TechHire initiative was launched in March 2015 to expand local technological sectors by building and developing local tech talent pipelines in communities across the nation.⁴





¹ Data & Analysis. Metro Exports Home. International Trade Administration website. Retrieved March 2018.

² State Route 11 and Otay Mesa East Port of Entry. Borders. Programs. SANDAG website. Retrieved March 2018.

³ Cross Border Xpress website. Retrieved March 2018.

⁴ City Recognized for Investing In the Technology Workforce of Tomorrow. December 21, 2016. City of San Diego website. Retrieved March 2018.



In 2015, San Diego was selected as the only North American city to be featured in the "World Smart Cities" documentary cities due to its strong technology sector, local innovators, green practices, smart public planning, and quality of life. An example of this is the City's deployment of 3,200 smart sensors. In partnership with GE, the City is upgrading streetlights to reduce energy costs by 60 percent as well as transform them into a connected digital network that can optimize parking and traffic, enhance public safety and track air quality. The smart nodes can use real-time anonymous sensor

data to do things such as direct drivers to open parking spaces, help first responders during emergencies, track carbon emissions and identify intersections that can be improved for pedestrians and cyclists.

Continuing his commitment to growing San Diego's reputation as a hub for innovation, Mayor Kevin Faulconer was joined in May 2018 by local businesses and innovation leaders to announce San Diego has been selected to participate in a new program by the U.S. Department of Transportation to advance the testing of unmanned aircraft technology, grow the innovation economy and create jobs.² The U.S. Department of Transportation's "Unmanned Aircraft Systems Integration Pilot Program" is an opportunity for state, local and tribal governments to partner with private sector innovators, operators and manufacturers to accelerate the development of drone technology.

The City of San Diego continues to be a leader in its commitments to reduce greenhouse gas (GHG), and for a second consecutive year, it is ahead of pace in reducing GHG emissions.³ The City's Climate Action Plan, which calls for eliminating half of all GHG emissions in the City, aims for all electricity used in the City to be from renewable sources by 2035. Additionally, it was announced in 2017 that San Diego will become a "2030 District" – an urban area where the private sector and local building industry leaders commit to sustainability and economic growth. The goal is to have a 50 percent reduction in energy, water and transportation emissions in participating buildings by 2030.⁴ Recently, the City of San Diego was ranked number one in solar energy capacity nationwide as a result of increased solar energy installations, and has increased its solar energy capacity by 60 percent, leading the nation in solar capacity among the various cities surveyed.⁵

San Diego is recognized around the world as a center for scientific breakthroughs and discoveries. Anchored by its research institutions, scientific research and development is a critical part of San Diego's innovation economy. Research institutions as well as commercial research and development businesses make up one of the largest and most significant economic contributors to the region, generating \$14.4 billion in gross regional product (GRP).⁶ For instance, San Diego based genome

¹ Smart City San Diego. San Diego Tourism Authority website. Retrieved March 2018.

² U.S. Transportation Department Selects San Diego as National Unmanned Aircraft System Testing Partner. Mayor Faulconer News Room. City of San Diego Website. Retrieved July 2018.

³ 2017 Annual Report: Climate Action Plan. City of San Diego website. Retrieved March 2018.

⁴ Smart City. City of San Diego website. Retrieved March 2018.

⁵ Shining Cities 2017 Report. April 04, 2017. Environment California website. Retrieved March 2018.

⁶ Research Institutes: Economic Impact Study. Our Economy. San Diego Regional Economic Development Corp website. Retrieved March 2018.

sequencing company Illumina was ranked in the 50 Smartest Companies of 2017 by the Massachusetts Institute of Technology (MIT) Technology Review list, rated higher than companies like Facebook, Microsoft, Tesla, IBM, and others. San Diego, with the assistance of the San Diego Regional Economic Development Corporation announced a collaborative effort that would help Illumina expand in San Diego; the City provided a tax rebate in exchange for keeping 300 well-paying jobs in San Diego. Additionally, in October 2017 the City awarded the Maritime Alliance with a \$50,000 grant to launch a Blue Tech incubator designed to grow ocean- and water-based industries and put San Diego front and center globally for blue technology.

Tourism

In 2017, San Diego had approximately 35 million visitors, who spent over \$10.8 billion at thousands of San Diego area businesses.⁴ San Diego is a top five travel destination for Americans, and the 11th most visited City by overseas visitors.⁵ In 2016, Money magazine named San Diego the top travel destination in its inaugural Best in Travel awards because San Diego has "beautiful beaches, a fantastic climate, [and] plenty to see and do (and eat)".⁶

San Diego is home to the world-renowned San Diego Zoo, San Diego Zoo Safari Park, and Sea World. In addition, San Diego offers other activities for visitors seeking cultural and recreational experiences. Balboa Park is a 1,200-acre urban park with 17 museums and cultural institutions, several performing arts venues, gardens, hikes, and various cultural attractions that draw millions of visitors to the park each year. In 2016, the San Diego City Council approved to the Plaza de Panama project, which will create a pedestrian friendly plaza in Balboa Park. The project includes creating more than six acres of vehicle free parkland, gardens, reflecting pools, a rooftop park and plazas. The project will also include the construction of a three level underground parking garage and additional paid parking spaces.⁷

San Diego Convention The Center (Convention Center) is a 2.6 million square foot convention center located on San Diego Bay and next to San Diego's historic Gaslamp Quarter. During Fiscal Year 2017, the Convention Center drew more than 898,000 attendees participating in one of the 149 events, with attendees directly spending \$673.9 million in our region.⁸ In 2017, Comic-Con International agreed to stay in San Diego 2021.⁹ Other major contributors included a record 21 medical meetings that accounted for 49 percent of the



¹ 50 Smartest Companies 2017. MIT Technology Review website. Retrieved March 2018.

² Illumina, City reach proposed deal. July 15, 2014. NBC San Diego website. Retrieved March 2018.

³ San Diego Launches Business incubator to Grow Blue Teach Industry. Mayor Kevin Faulconer Newsroom. City of San Diego Website. Retrieved March 2018.

⁴ 2018 Visitor Industry General Facts. San Diego Tourism Authority website. Retrieved March 2018.

⁵ 2016 Annual Report. San Diego Tourism Authority website. Retrieved March 2018.

⁶ Money. March 14, 2016. Best in Travel. Time.com. Retrieved March 2018.

⁷ Transformation Plaza de Panama Project Wins City Council Approval. November 15, 2016. City of San Diego website. Retrieved March 2018.

⁸ San Diego Convention Center FY 2017 Annual Report.

⁹ Comic-Con is Here to Stay - through 2021. San Diego Union Tribune website. Retrieved March 2018.

convention center's regional economic impact. In 2018, the Convention Center is projected to generate \$27.5 million in tax revenue for the City of San Diego, and have a \$1.2 billion regional impact, making it one of San Diego's most important economic drivers for growth in sales, lodging and tourism revenue. The number of people in attendance is projected to exceed 860,000, each participating in one of the 108 projected events hosted at the Convention Center. In Fiscal Year 2018, the convention center is expected to host 17 medical meetings. The top four medical meetings that will take place in 2018 are the Society for Neuroscience, American Society of Hematology, American Academy of Dermatology, and American Thoracic Society.

Major Events

Aside from the many permanent attractions available to visitors, San Diego is also the host to several annual major sporting events such as the Holiday Bowl, Rock 'n' Roll San Diego Marathon, and the San Diego Crew Classic. According to the San Diego Tourism Authority, Golf Digest cites San Diego as one of the "top 50 golf destinations in the world" due to its high number of playable days. San Diego's Torrey Pines Municipal Golf Course is home to the annual Farmers Insurance Open played each January. This year the City of San Diego hosted the first and second rounds of the 2018 NCAA Men's Basketball games, the San Diego Bayfair, 2019 Rugby World Cup Qualifier and Women's National Team Exhibition, and will host the USA Ultimate National Championships. PETCO Park in downtown San Diego is home to the San Diego Padres, and is one of the top ballparks in the country. After more than a dozen years in operation, Petco Park hosted the 2016 Major League Baseball All-Star Game for the first time on July 12, 2016.



In addition, as part of commitment to deliver worldclass major championship competition and its long-standing support of public golf, the United States Golf Association announced Torrey Pines Golf Course as the site of the 2021 U.S. Open Championship (U.S. Open).4 With the announcement of the U.S. Open, it is expected that Torrey Pines will be an tourist destination in the coming years, and serve as a major benefit to the local economy. It is projected have similar

attendance as the previous U.S. Open held in San Diego in 2008 with approximately 295,000 attendees. San Diego hosts major holiday celebrations including the Big Bay Boom on the Fourth of July and Balboa Park's December Nights during the winter holiday season. San Diego is also home to the MCAS Miramar Air Show, an air show featuring civilian and military aircraft, and the annual San Diego Pride Festival and Parade, which is among the largest in the United States.

¹ San Diego Convention Center 2018 Forecast. San Diego Convention Center Corporation website. Retrieved March 2018.

² San Diego Convention Center 2018 Forecast. San Diego Convention Center Corporation website. Retrieved March 2018.

³ A Year-Round Golf Paradise. San Diego Tourism Authority website. Retrieved March 2018.

⁴ News Release. 2021 U.S. Open at Torrey Pines. City of San Diego website. Retrieved April 2016.

⁵ U.S. Open Returns to Torrey Pines in 2021. SanDiego.org website. Retrieved March 2018.

Transportation

Passage in and out of the region is provided by four major freeways running north and south, and four freeways running east and west. San Diego is served by the San Diego International Airport at Lindbergh Field. In 2017, the Airport Authority announced that for the second time since its inception, it exceeded the 20 million passenger mark in a single year. The 21.1 million passengers in Fiscal Year 2017 was an increase of 3.6 percent over 2016's total of 20.4 million passengers. San Diego International Airport has seen strong and steady growth in recent years due to many factors including an increase in the number of nonstop flights, new routes and destinations, enhancements of airport and airline capacity, and a steady improvement in the economy. Additionally, the Airport Authority recently completed construction of a parking plaza adjacent to the newly expanded Terminal 2. The parking plaza includes a parking structure with three parking levels and offers 2,900 parking stalls with integrated parking technology and customer service measures.

Besides its system of freeways and surface streets, San Diego, in cooperation with the San Diego Metropolitan Transit System, has established a light-rail system that connects San Diego's downtown with outlying communities in the eastern and southern portions of the county. The Coaster Commuter rail line links communities along the coast from Oceanside to downtown San Diego, and is a service provided by the North County Transit District.

The Coaster and Amtrak trains provide passenger rail service to San Diego along the coastal rail corridor. Passenger and freight trains also share the predominately single-track corridor. The Coaster provides commuter rail service between Oceanside and downtown San Diego. Amtrak provides intercity passenger rail service from downtown San Diego to Los Angeles, and north to San Luis Obispo.

The Metropolitan Transit System's San Diego Trolley includes three lines serving many popular areas and attractions throughout San Diego. The Mid-Coast Corridor Transit Project, began in fall of 2016, with service projecting to begin in 2021. The project will extend Trolley service from the Santa Fe Depot in Downtown San Diego to the University City community. Metropolitan Transit System also operates 95 bus routes, including eight high-frequency, limited-stop Rapid bus service lines. In March 2018, Metropolitan Transit System opened the region's first freeway-level transit stations to enhance reliability and efficiency of a service that connects the Mid-City communities with Downtown San Diego, as well as Escondido.

San Diego is providing greater access to efficient and sustainable transit options. In April 2018, the City of San Diego was selected as one of 22 municipalities to take part in a national collaborative exploring how emerging technologies and mobility options can improve transportation.⁵ Selected cities will work together to identify transportation solutions that use technological innovation such as considering private sector partnerships that complement local transit systems. The Smart Cities Collaborative will offer guidance on how to safely and efficiently keep people and goods moving through the City with attention to new technologies like ridesourcing services and bikeshare programs.

³ Ibid.

Comprehensive Annual Financial Report - Fiscal Years Ended June 30, 2017 & 2016. San Diego County Regional Airport Authority website. Retrieved March 2018.

² Ibid.

⁴ Mid-Coast Trolley. Transportation. SANDAG website, Retrieved March 2018.

⁵ San Diego Selected for National Smart Cities Collaborative. Communications Department Newsroom, City of San Diego website. Retrieved July 2018.

Achievements

In January 2018, the City of San Diego was honored with a first-of-its-kind national certification for using data to drive effective results for residents. Bloomberg Philanthropies' What Works Cities Initiative recognized the City for its use of innovative public outreach tools including resident satisfaction surveys, the Get It Done mobile app and a progressive open data policy. The award encourages cities across the country to emulate awardees in their approach to using data and evidence to enhance government effectiveness.¹

In April 2018, San Diego was named the nation's top performing data-driven city by Governing magazine. The magazine's annual "Equipt to Innovate" report ranked San Diego No. 1 nationally for using data to improve performance and create a culture of efficiency. It also recognized San Diego as one of the top five cities nationwide for being resident-involved, employee-engaged and smartly resourced. It reflects the City's focus on increasing its use of data and technology to improve transparency and performance. ²

General City Statistics

The following tables provide general statistics for the City of San Diego as of the publication date. The statistics are provided by the Parks and Recreation, Library, Public Safety, and Public Utilities Departments.

General Information ¹	
Area of City (square miles) ²	325
Population ³	1,406,318
Median Age	33.8
Housing Units	515,412
2010 Median Household Income	\$61,118
Ethnicity-Persons	
Hispanic	28.8%
Non-Hispanic	71.2%
White	45.1%
Asian & Pacific Islander	16.1%
Black	6.2%
Other	3.8%

¹ Demographics and Socioeconomic Profile 2010. SANDAG website. Retrieved March 2018, unless otherwise footnoted.

³ E-1 Population Estimates. Demographics. California Department of Finance website. Retrieved March 2018.

Parks and Recreation	
Acres of Park Land (excluding water acres)	36,127
Acres of Regional Parks (Balboa Park, Mission Bay, and Mission Regional Trails)	12,607
Acres of Major Open Space Parks (Black Mountain Park, Los Penasquitos Canyon Preserve, Otay Valley Regional Park, San Pasqual, and Tri-Canyon Open Space Parks)	9,881

City of San Diego Recognized for Effective Modern Governance. Communications Department Newsroom, City of San Diego website. Retrieved March 2018.

² 2017 Census Gazetteer Files - Places. United States Census Bureau website. Retrieved March 2018.

² San Diego Ranks No. 1 Nationally for Data-Driven Solutions in Government. Mayor Faulconer News Room, City of San Diego Website. Retrieved July 2018.

Parks and Recreation	
Number of Recreation Centers	57
Golf Courses	3
Swimming Pools	13
Tennis Courts	153
Seniors Centers	12
Skate Parks	7

Libraries	
Number of Libraries	36
Library Books and Audio-Visual Materials	3,025,168
Government Documents	1,679,827
Items Checked-Out (Circulation)	6,322,664

Public Safety	
Fire Equipment	
Number of Fire Stations	49
Type I Engines	48
Truck Companies	13
Crash Rescue (Airport)	2
Type III Engines	11
Water Tenders	3
Water Fire Hydrants	25,534
Lifeguard Equipment	
4-wheel Drive/All-terrain Vehicles	56
Surf Rescue Patrol Vessels	9
Fire Boats	3
Personal Watercraft for Rescue and Patrol	12
Multi-Purpose Emergency Rescue Vehicle (MERV)	1
Police Equipment	
Police Vehicles	1,374
Motorcycles and Scooters	116
Canines	37
Aircraft	4
Police Stations	10

Public Utilities	
Miles of Water Mains	3,294
Number of Meters in Service	283,751
Number of Impounding Dams and Reservoirs	10
Number of Water Treatment Plants	3
Miles of Sewer Mains	3,032
Millions of Gallons of Sewage Treated Per Day (on average)	156