

FISCAL YEAR

2024

ADOPTED
BUDGET



Volume 1
City Profile

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY





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San Diego at a Glance

The City of San Diego, widely known as America's Finest City, is best known for its ideal climate, beautiful beaches, and array of world-class attractions. As the eighth largest city in the nation and the second largest city in California, the City's total population is estimated at 1,381,162 as of July 1, 2022. San Diego's population has decreased by 5,796 people from the 2020 Census. 2022 population estimates were released on May 18, 2023.¹



San Diego covers 326 square miles of land area and an additional 47 square miles of water area for an aggregate total of 372 square miles.² Due to the unique topography of the City, which includes numerous beaches, mesas, mountains, and canyons, the climate can vary significantly over short geographical distances, resulting in microclimates throughout the region.

San Diego spans over 70 miles of pristine Pacific Ocean coastline offering a wide variety of beaches and amenities. With its great weather, and miles of sandy beaches, San Diego is known worldwide as one of the best tourist destinations and is a great place for residents to relax year-round.

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. U.S. News & World Report recently released their rankings of the 2023 best national universities in the United States. UC San Diego, University of San Diego, and San Diego State University made the list ranking at 34, 97, and 151, respectively.³

UC San Diego is world renowned and recognized as one of the top universities for research and development (R&D) receiving over \$1.64 billion in sponsored research funding for Fiscal Year 2022 (July 2021 – June 2022), which is a 6.5 percent increase over the previous year.⁴ Research centers under the umbrella of UC San Diego include the Scripps Institution of Oceanography (Scripps Oceanography), San Diego Supercomputer Center, California Institute for Telecommunications and Information Technology (Calit2), Center for Energy Research, and Office of Innovation & Commercialization Center. Scripps Oceanography is one of the largest and most renowned centers for ocean, earth, and atmospheric science research in the world. San Diego State University also received an increased investment in research with nearly \$164.5 million in grant and research funding during that same time frame.⁵ San Diego State University plans to expand their academic and research programs, aided by their expansion into Mission Valley and adjacent land to the University.

¹ Schedule. United States Census Bureau website. Retrieved June 2023.

² 2022 Census Gazetteer Files-Places. United States Census Bureau website. Retrieved June 2023.

³ Best Colleges in San Diego. USnews website. Retrieved March 2023

⁴ UCSD News. UCSD website. Retrieved March 2023.

⁵ SDSU Newscenter. SDSU website. Retrieved March 2023.

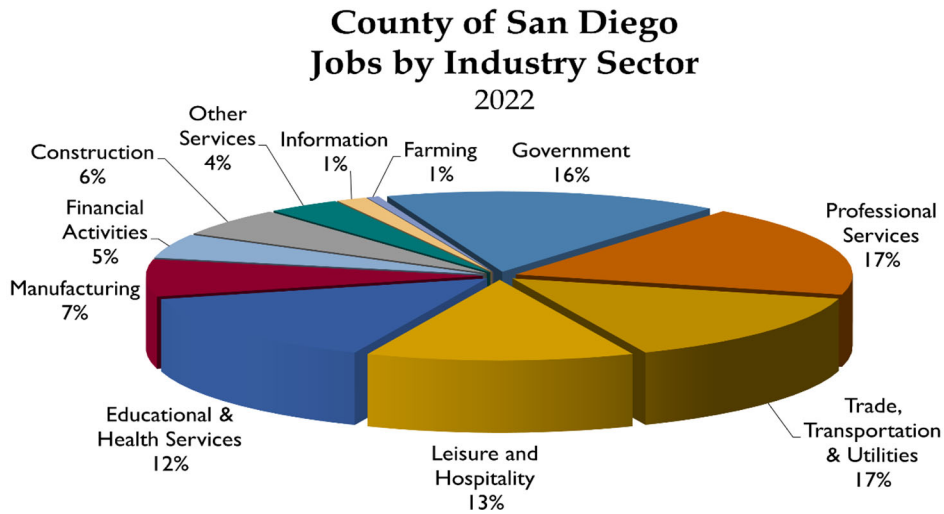
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Local Economy

San Diego policymakers, businesses and educators are working collaboratively to create a thriving innovation ecosystem consisting of some of the world's smartest companies and a talented and loyal workforce. The City's proximity to Mexico and global recruitment capabilities gives San Diego easy access to international markets. Built upon a strong foundation in defense spending, the San Diego economy has benefited from the increase in demand for international trade, high-tech manufacturing, research and development, advantages of a blue economy and a dynamic tourism industry. San Diego's economic base has undergone a transformation in recent years to become more diversified, which has helped hedge the risk of impacts from one specific sector.

However, the defense and military industries continue to play a significant role in the San Diego economy. The San Diego Military Advisory Council (SDMAC) issued a Military Economic Impact Study in December 2022 (SDMAC Study) estimating that in 2022, defense-related activities and spending generated approximately \$56.2 billion of Gross Regional Product (GRP) for San Diego County, or 24.5 percent of the region's total GRP. In 2022, the military was responsible for approximately 356,058 jobs in the region, or 23.2 percent of all employment in the region. The SDMAC Study further estimates that \$36.0 billion in federal defense funds were allocated to San Diego County.

Figure 1 County of San Diego Jobs by Industry Sector for 2022.



Source: State of California Economic Employment Development

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. San Diego's innovation economy is a center for scientific breakthroughs and discoveries as a result of its research institutions and scientific research and development. Research institutions as well as commercial research and development businesses are a significant economic contributor to the region, bringing in more than \$9.1 billion and \$5.1 billion in venture

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capital funding in 2021 and 2022, respectively. At the moment, San Diego is only behind five other cities in receiving venture capital investment in the United States⁶

The City's economic base is anchored by higher education and major scientific research institutions, which provide a foundation to create new manufacturing products. The top exports from the San Diego Area are computer and electronic parts, chemicals, machinery, transportation equipment, and other miscellaneous manufacturing goods. The San Diego area was the 18th largest exporter among U.S. Metro areas with an export value of \$23.7 billion in 2021.⁷

In 2022, San Diego County's life science workforce consisted of over 77,000 direct employees, and continued to be a driving force in the local economy. Life science jobs in San Diego County paid an average of \$144,000 yearly, which represents a regional economic impact of \$57.4 billion. Biotechnology represented 44 percent of life sciences direct employment, with research and testing following at 18 percent.⁸

Tourism

In 2022, San Diego had approximately 28.8 million visitors, who spent approximately \$13.6 billion at San Diego area businesses. This industry typically generates over \$1.0 billion annually in State and local taxes. Since the height of the COVID-19 pandemic, the San Diego tourism industry has rebounded strongly. According to the San Diego Tourism Authority, San Diego had the second-highest hotel occupancy in the country through September 2022, at 74.4%, and consistently ranked in the top five of destinations for average hotel daily rates and revenue per available room. The primary economic indicators of transient occupancy tax include room rates, occupancy, and room demand growth, all of which are projected to see growth in 2024 and are expected to exceed 2019 levels, indicative of increased tourism in the region.⁹



Transient occupancy tax revenues exceeded pre-pandemic levels in Fiscal Year 2022 by approximately \$4.5 million and the Fiscal Year 2024 Adopted Budget projects transient occupancy tax revenues to continue to see growth. Additional details on the impacts and recovery related to tourism revenue is discussed in detail in the General Fund Revenues Section of this Volume.

While San Diego is primarily known for its miles of beaches and amazing weather, San Diego is also home to an abundance of attractions for visitors of all ages. These destinations include 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 21 museums and cultural institutions, several performing arts venues, gardens, hikes, art galleries, and various cultural attractions that bring millions of people to visit the park each year.

⁶ 2022 San Diego Impact Report. Connect website. Retrieved July 2023.

⁷ San Diego-Chula Vista-Carlsbad, CA Goods Exports. Department of Commerce. Retrieved July 2023.

⁸ California Economic Impact Report. Biocom California Website. Retrieved July 2023.

⁹ Visitor Industry Performance. San Diego Tourism Authority website. Retrieved July 2023.

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The San Diego 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. For 2022, Convention Center events generated approximately \$693.2 million in direct attendee spending, making it one of the biggest drivers in the City for sales, lodging, and tourism revenue.¹⁰ Every year, the convention center hosts several large events and conventions, but the most well-known is Comic Con International, which is historically the largest economic generator for the Convention Center and one of the largest for the City of San Diego. Comic Con International has committed to staying in San Diego through 2024. Comic Con International had its regular main event in July 2023. Comic Con at its peak attracted more than 135,000 attendees and generated a regional economic impact of approximately \$150.0 million. The San Diego Convention Center's Fiscal Year 2022 Annual Report notes that as a result of 91 Convention Center events, and over 300,000 visitors from around the world, spending at restaurants, hotels, and attractions reached \$507.8 million with a regional impact of \$863.0 million.¹¹ Although group events have been much slower to recover attendance increased in 2022 as people became comfortable gathering again, and countries lifted COVID-19 travel restrictions. Convention attendance returned more quickly to San Diego than it did in many of our peer cities, with attendees taking advantage of our destination's outdoor attractions and restaurants.



Transportation

San Diego is well connected to the Southern California region by interstates, trains and light rail. The region is served by the San Diego International Airport at Lindbergh Field. The San Diego International Airport prior to 2020 broke traffic records for six consecutive years with 25.2 million passengers recorded for 2019; however, the COVID-19 pandemic significantly impacted air travel. As of 2022, air traffic is still down with 22.0 million passengers when compared to 2019, but compared to 2021's 15.6 million passengers, 2022 air traffic increased by 6.4 million passengers or 41.1 percent, making strides towards pre-pandemic levels.¹² San Diego International Airport is focused on advancing the Airport Development Plan to further support and expand air travel to and from San Diego.

San Diego, in cooperation with the San Diego Metropolitan Transit System, has established a light-rail system that connects downtown with other outlying communities in the northern, eastern, and southern portions of the county. Amtrak also 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 and went into service on November 21, 2021.¹³ The trolley project extended Trolley service from the Santa Fe Depot in Downtown San Diego to the University City community, next to the University of California San Diego. Metropolitan Transit System also operates 94 bus routes, including eight high-frequency, limited-stop Rapid bus service lines. The Metropolitan Transit System has freeway level transit stations to enhance reliability and efficiency of a service that connects the Mid-City communities with Downtown San Diego and

¹⁰ Conventions Generate \$1.2 Billion for San Diego Regional Economy in 2022. San Diego Convention Center website. Retrieved July 2023.

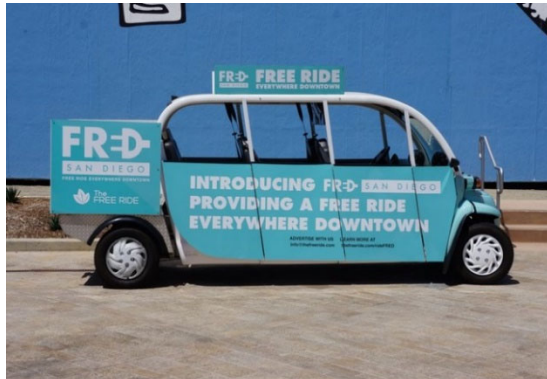
¹¹ SDCC Annual Report FY2022. San Diego Convention Center website. Retrieved July 2023.

¹² San Diego Passenger Traffic Record. San Diego International Airport website. Retrieved July 2023

¹³ Mid-Coast Trolley Extension. SANDAG Website. Retrieved March 2023.

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Escondido. Additionally, the Metropolitan Transit System has limited South Bay rapid bus service to the South Bay community, which connects the southern community to downtown San Diego.¹⁴



San Diego is providing greater access to efficient and sustainable transit options. The "Free Ride Everywhere Downtown", also known as FRED, is designed by Circuit and exists to create more transportation options; FRED facilitate trips within Downtown San Diego to residents and visitors for free via electric vehicles.¹⁵ The Beach Bug, a new on-demand shuttle, provides similar services to FRED in the Pacific Beach community. The Beach Bug can take passengers anywhere in the Pacific Beach community for free, and offers a convenient and direct connection to and from the Balboa Avenue Transit Station.¹⁶

The City of San Diego is focused on creating more options for mobility, and is working on land use changes, incorporating new perspectives on community design, promoting active transportation, and changing parking rules and standards to contribute to expanded mobility options.

The City's efforts include:

- Installing pedestrian improvements, including sidewalks, street lighting and parklets
- Expanding bike lanes and installing more bike racks
- Reducing parking space requirements when building developments near transit
- Retiming traffic signals to reduce vehicle fuel consumption and installing roundabouts
- Implementing the "City of Villages" strategy of the City's [General Plan](#), which focuses on growth in pedestrian-friendly, mixed-use areas linked to an improved transit system

The City is concentrating much of its efforts in Transit Priority Areas, which are areas within half a mile of existing or planned transit stops¹⁷

Demographic Statistics

As the eighth largest city in the United States and the second largest in California, the City of San Diego has 1.4 million residents comprised of an ethnically and culturally diverse population. Since 2021, the population of the City has decreased by 449; San Diego reached a population peak of 1,425,976 in 2018 and is estimated at 1,381,162 as of July 1, 2022. Estimates for City populations as of July 1, 2023 are scheduled for release in May 2024.

Influenced by its close proximity to an international border and the Pacific Rim, more than 40.0 percent of the City's population speaks a language other than English at home, and more than 25.0 percent are considered a foreign-born person. Immigration from various parts of the world has been and continues to be a major contributor to San Diego's ethnic and cultural diversity. Having the privilege of being a multicultural melting pot positions the City's labor force for success in the global economy.

¹⁴ South Bay Rapid. Metropolitan Transit System website. Retrieved July 2023.

¹⁵ Civic San Diego. Downtown San Diego Partnership Team Launch Downtown Circulator Program. City of San Diego website. Retrieved July 2023.

¹⁶ Pacific Beach Shuttle. City of San Diego Sustainability and Mobility Department website. Retrieved July 2023.

¹⁷ Mobility and Land Use. City of San Diego Sustainability and Mobility Department website. Retrieved July 2023.

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San Diego’s strong history and reputation with the military and defense industry have built the nation’s largest military community, which makes up nearly 10.0 percent of the population in the region. The San Diego Association of Governments (SANDAG) forecasts the City’s population to be 1.59 million by 2035 and 1.63 million by 2050.¹⁸

The following **Figures 2 through 4** provide more detail about the City of San Diego’s demographics including: Population by Age, Educational Attainment, and Race Identification, respectively.

Figure 2: Population By Age
 Source: U.S. Census Bureau, 2017 - 2021 American Community Survey 5-Year Estimates.

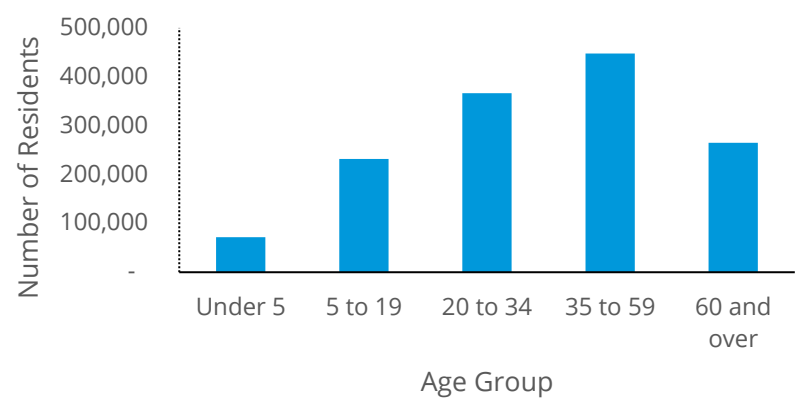
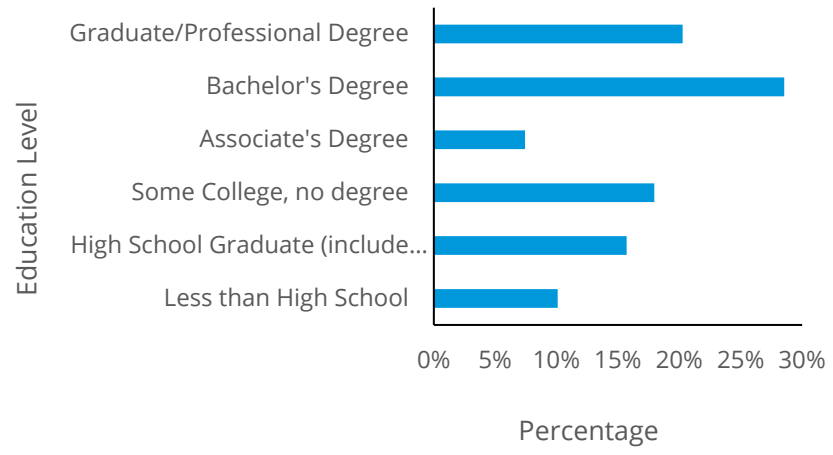


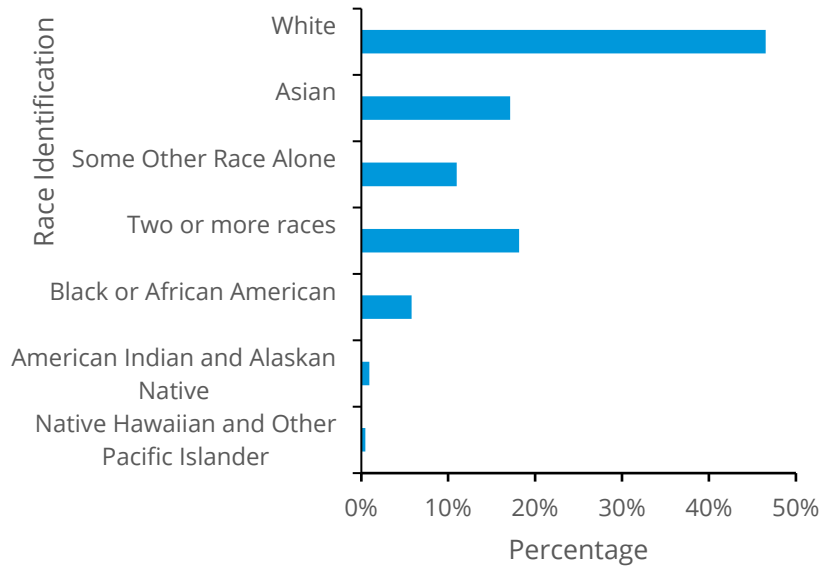
Figure 3: Educational Attainment
 Source: U.S. Census Bureau, 2017 - 2021 American Community Survey 5-Year Estimates.



¹⁸ SANDAG Series 14 Regional Growth Forecast. SANDAG website. Retrieved July 2023.

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Figure 4: Race Identification >
Source: U.S. Census Bureau, 2017 - 2021 American Community Survey 5-Year Estimates.





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