

FISCAL YEAR

2024

PROPOSED BUDGET



Volume 1 City Profile

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY





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City Profile

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 was estimated at 1,381,611 as of July 1, 2021. San Diego's population has decreased by approximately 0.4 percent between the 2020 Census and the estimated 2021 population as of July 1, 2021 for an aggregate decrease of 5,321. 2021 population estimates were released on May 26, 2022.¹



San Diego covers 325 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 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.

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.³ 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.⁴ 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.

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

¹ Schedule. United States Census Bureau website.

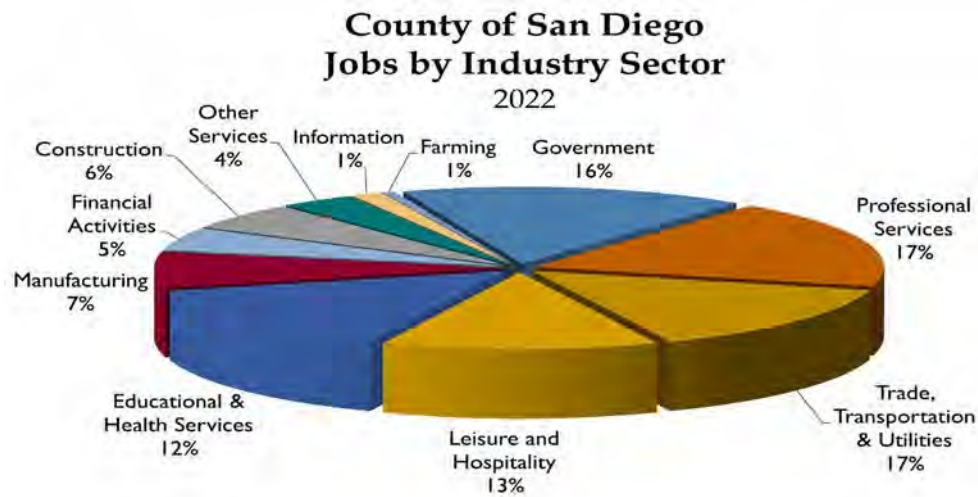
² 2022 Census Gazetteer Files-Places. United States Census Bureau website. Retrieved March 2023.

City Profile

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 23.0 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 displays the 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 \$3.40 billion in venture capital funding in 2019.⁵

³ UCSD News. UCSD website. Retrieved March 2023.

⁴ SDSU Newscenter. SDSU website. Retrieved March 2023.

⁵ 2019 San Diego Innovation Report. Connect website. Retrieved March 2023.

City Profile

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 \$32.4 billion in 2021.⁶

San Diego County's life science industry directly employed more than 71,000 people in 2021, generating \$49.8 billion in GRP. Research and Manufacturing represented 31.0 percent of life sciences direct employment, with Biotechnology following at about 29.0 percent of direct employment.⁷

Tourism

In 2022, San Diego had approximately 28.8 million visitors, who spent over \$13.6 billion at San Diego area businesses.⁸ This industry typically generates over \$855.0 million annually in State and local taxes. Since the height of the COVID-19 pandemic, the San Diego tourism industry experienced a strong recovery by being proclaimed one of the top three destinations in the country and beating all west coast destinations in Fiscal Year 2022 to the point of gaining market share. 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 The Fiscal Year 2024 Proposed Budget projects transient occupancy tax revenues to exceed pre-pandemic levels. 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 17 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 San Diego-Chula Vista-Carlsbad, CA Goods Exports. Department of Commerce. Retrieved March 2023.

⁷ California Economic Impact Report. Biocom California Website. Retrieved March 2023.

⁸ Visitor Industry Performance. San Diego Tourism Authority website. Retrieved March 2023.

⁹ Lodging Forecast Update. San Diego Tourism Authority website. Retrieved March 2023.

City Profile

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 2022. 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 is estimating visitor spending to reach \$507.8.0 million in Fiscal Year 2022, held 91 events, had 300,000 plus visitors from around the world, and had regional impact of \$863.0 million.¹¹ Although group events have been much slower to recover, ultimately, events approached 75.0 percent of their pre-pandemic attendance levels and at times exceeding the 2019 attendance.

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, since the inception of the COVID-19 pandemic, air travel has been significantly impacted by the pandemic. As of 2022, air traffic is still down compared to 2019, but compared to 2021's 15.6 million passengers, 2022 air traffic is up 6.4 million passengers or 41.0 percent making a stride back 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 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

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

¹¹ Comic-Con is Back! San Diego Convention Center website. Retrieved July 2022.

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

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

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

City Profile



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; and facilitate trips within Downtown San Diego to residents and visitors for free via electric vehicles.¹⁵

The City continues to work on the Downtown Mobility Plan. The plan calls for the installation of two-way cycle tracks on major roads in downtown for use by cyclists and scooter riders, and the creation of a safe passage from Balboa Park to the San Diego Convention Center

and other popular destinations. In downtown, Sixth Avenue and Beech Street are being converted to two-way Class IV protected bike lanes. Additionally, the J Street protected bike lane will be extended to 16th Street, and Park Boulevard, and C Street will receive protected bike lanes, as part of the landmark Downtown Mobility Plan. Currently, the first two phases of the project have been substantially completed and phase 3A1 has been fully funded. Scheduled to be substantially completed by the end of 2023, this phase will implement bikeways within Downtown San Diego to provide linkages within and to surrounding neighborhoods. The project scope includes street resurfacing, traffic striping, traffic signal modifications, ADA improvements, construction of bicycle facilities, and angled parking conversion.

Demographic Statistics

Being 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 2020, the population of the City has decreased by 5,321; San Diego reached a population peak of 1,425,976 in 2018 and is estimated at 1,381,611 as of July 1, 2021. Estimates for City populations as of July 1, 2022 are scheduled for release in May 2023.

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.

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 2050.¹⁶

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

¹⁶ SANDAG Series 14 Regional Growth Forecast. SANDAG website. Retrieved March 2023.

City Profile

The following **Figures 2 through 4** provide more detail about the City of San Diego's population demographic 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.

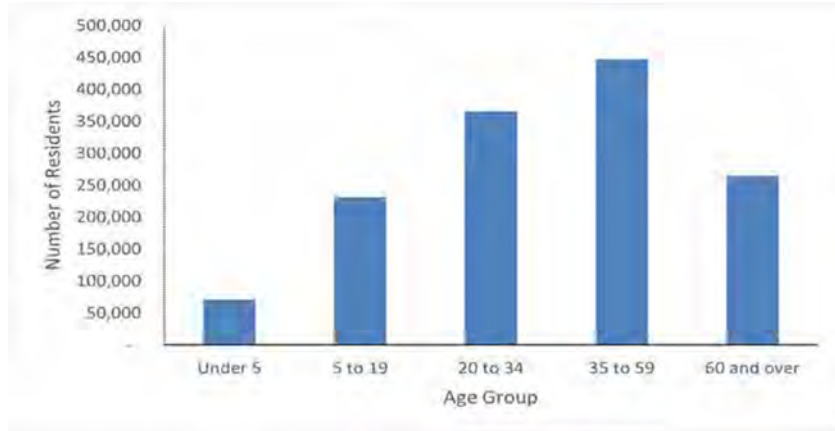


Figure 3: Educational Attainment
 Source: U.S. Census Bureau, 2017 - 2021 American Community Survey 5-Year Estimates.

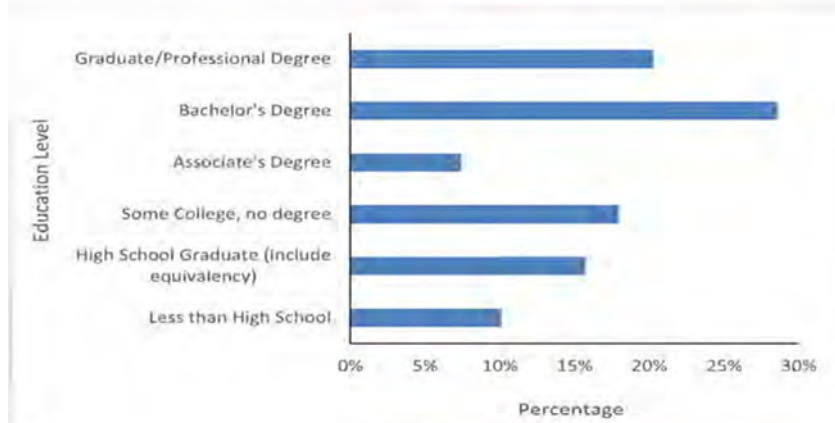
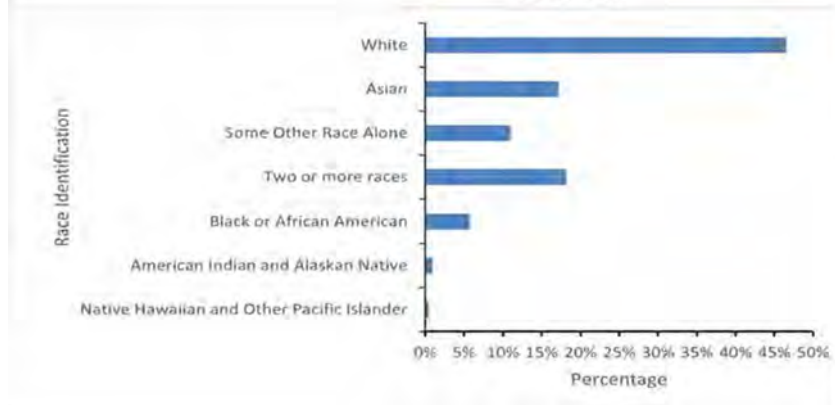


Figure 4: Race Identification
 Source: U.S. Census Bureau, 2017 - 2021 American Community Survey 5-Year Estimates.





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