

RESOLUTION NUMBER R 298096

ADOPTED ON JUN 17 2003

WHEREAS, in November 1979, the California voters approved a constitutional amendment (Proposition 4) which added article XIII B to the California Constitution; and

WHEREAS, in 1980, the State Legislature added Division 9 to Title 1 of the California Government Code (commencing with section 7900) to implement article XIII B; and

WHEREAS, said Government Code sections require the governing body of each local jurisdiction in California to establish, by resolution, the tax appropriations limit for the following fiscal year predicated upon the appropriations limit for the prior fiscal year multiplied by a determinable factor; and

WHEREAS, the FY 2003 limit was established by Resolution No. R-296726 on June 24, 2002; and

WHEREAS, section 7910 of the Government Code requires that the documentation used to determine the City's tax appropriations limit be made available to the public fifteen (15) days prior to the Council meeting at which the tax appropriations limit resolution is to be considered;

NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that pursuant to the authority of California Government Code, Division 9, Title 1 (sections 7900 et seq.) there is hereby established the following tax appropriations limit for the City of San Diego:

Established for Fiscal Year 2002      \$603,258,862

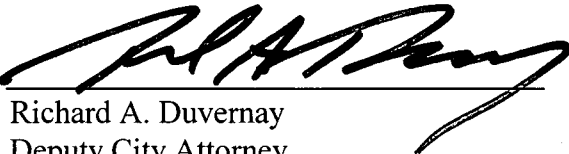
Established for Fiscal Year 2003      \$684,004,095

Established for Fiscal Year 2004      \$807,446,834

BE IT FURTHER RESOLVED, that this Council hereby declares that, pursuant to the requirements of section 7910 of the California Government Code, the documentation upon which the tax appropriations limit herein established has been determined, which is attached hereto as Exhibit A, has been made available for public information and review at the office of the City Clerk since June 2, 2003.

APPROVED: CASEY GWINN, City Attorney

By

  
Richard A. Duvernay  
Deputy City Attorney

RAD:jab  
06/03/03  
Or.Dept:Treasurer?FinancingServices  
R-2003-1438  
Form=fytaxres.frm

**TAX APPROPRIATIONS LIMITS  
FOR FISCAL YEARS 2002, 2003 AND 2004 (PROPOSED)**

|   |               |
|---|---------------|
| FY 2002 Tax Appropriations Limit            | \$603,258,862 |
| FY 2003 Tax Appropriations Limit            | \$684,004,095 |
| FY 2004 Tax Appropriations Limit (Proposed) | \$807,466,834 |

**ADJUSTED TAX APPROPRIATIONS**

|   |               |
|---|---------------|
| Actual Tax Appropriations for FY 2002 <sup>(1)</sup>    | \$541,033,407 |
| Budgeted Tax Appropriations for FY 2003 <sup>(2)</sup>  | \$554,556,774 |
| Projected Tax Appropriations for FY 2004 <sup>(2)</sup> | \$564,402,529 |

(1) Based on tax appropriations adjusted for annual debt service payments on voter approved indebtedness.

(2) Based on tax appropriations adjusted for annual debt service payments on voter approved indebtedness and annual debt service payments on bonds issued for qualified capital outlays.

## ALTERNATIVE ADJUSTMENT FACTORS

Under Proposition 111, there are two options available for each of the major adjustment factors. The values of these factors for the purpose of calculating the Fiscal Year 2004 adjustment are as follows:

### Price Factor:

- |  |         |
|--|---------|
| (A) Percent growth in State Per Capita Personal Income                           | + 2.31% |
| (B) Percent change in Assessed Valuation due to new non-residential construction | +16.05% |

### Population Factor:

- |   |        |
|---|--------|
| (C) Percent growth in County Population | +1.69% |
| (D) Percent growth in City Population   | +1.72% |

### Annual Adjustment Factors:

Based upon the above data, the four alternative adjustment factors are as follows:

|                  |                   |                   |               |
|------------------|-------------------|-------------------|---------------|
| (A x C) =        | (1.0231) x        | (1.0169) =        | 1.0404        |
| (A x D) =        | (1.0231) x        | (1.0172) =        | 1.0407        |
| (B x C) =        | (1.1605) x        | (1.0169) =        | 1.1801        |
| <b>(B x D) =</b> | <b>(1.1605) x</b> | <b>(1.0172) =</b> | <b>1.1805</b> |

The recommended limit was calculated using the factor of (B x D), resulting in an 18.05% increase to the limit.

Source data supporting the above calculation is provided in Attachments 5-A and 5-B.

## RECOMMENDED CALCULATION OF PERMITTED GROWTH IN LIMIT

### Recommended Adjustment Factors

The recommended appropriations limit of \$807,448,503 is based on the following factors:

|   |        |
|---|--------|
| Price Factor (Assessed valuation due to new non-residential construction) | 16.05% |
| Population Factor (Change in City Population)                             | 1.72%  |

To calculate the actual adjustment factor, the above factors were converted as follows:

$$\text{Price change converted to adjustment factor} = (16.05 + 100) \div (100) = 1.1605$$

$$\text{Population change converted to adjustment factor} = (1.72 + 100) \div (100) = 1.0172$$

$$\text{Combined adjustment factor} = (1.1605) \times (1.0172) = 1.1805$$

### Calculation of FY 2004 Limit

Fiscal Year 2004 Limit = (FY 2003 limit) x (Adjustment Factor)

$$= (\$684,004,095) \times (1.1805) = \mathbf{\$807,466,834}$$

**HISTORY OF PRICE AND POPULATION FACTORS &  
TAX APPROPRIATIONS LIMITS  
FOR FISCAL YEARS 1981 TO 2004 (Proposed)**

| Fiscal Year | Price Adjustment | Population Adjustment | Total Adjustment | Appropriations Limit         |
|-------------|------------------|-----------------------|------------------|------------------------------|
| 1981        | 10.71%           | 2.89%                 | 13.35%           | \$151,754,049                |
| 1982        | 12.11%           | 2.49%                 | 14.90%           | \$169,717,309                |
| 1983        | 9.12%            | 2.49%                 | 11.84%           | \$185,590,901                |
| 1984        | 6.79%            | 2.40%                 | 9.35%            | \$193,998,271                |
| 1985        | 2.35%            | 2.13%                 | 4.53%            | \$209,004,242                |
| 1986        | 4.74%            | 2.85%                 | 7.73%            | \$221,866,905                |
| 1987        | 3.74%            | 2.32%                 | 6.15%            | \$233,915,121                |
| 1988        | 2.30%            | 3.06%                 | 5.43%            | \$298,900,060 <sup>(1)</sup> |
| 1989        | 3.04%            | 2.43%                 | 5.54%            | \$319,282,815                |
| 1990        | 3.93%            | 2.78%                 | 6.82%            | \$345,607,293                |
| 1991        | 4.98%            | 3.11%                 | 8.24%            | \$387,569,525                |
| 1992        | 4.21%            | 3.65%                 | 8.01%            | \$617,411,893 <sup>(2)</sup> |
| 1993        | 4.14%            | 3.06%                 | 7.33%            | \$627,846,154                |
| 1994        | -6.40%           | 2.34%                 | 1.69%            | \$659,301,246                |
| 1995        | 2.72%            | 2.23%                 | 5.01%            | \$673,410,293                |
| 1996        | 7.10%            | 1.42%                 | 2.14%            | \$448,603,272 <sup>(3)</sup> |
| 1997        | 0.71%            | 1.33%                 | 6.11%            | \$475,160,586                |
| 1998        | 4.67%            | 1.19%                 | 5.92%            | \$504,620,542                |
| 1999        | 4.67%            | 1.46%                 | 6.20%            | \$539,035,663                |
| 2000        | 4.15%            | 2.56%                 | 6.82%            | \$512,052,218 <sup>(4)</sup> |
| 2001        | 4.91%            | 2.15%                 | 7.17%            | \$548,766,362                |
| 2002        | 7.82%            | 1.96%                 | 9.93%            | \$603,258,862                |
| 2003        | 11.38%           | 1.80%                 | 13.38%           | \$684,004,095                |
| 2004        | 16.05%           | 1.72%                 | 18.05%           | \$807,466,834 (Proposed)     |

(1) \$52 million waiver approved for 4 year period (FY 88 to FY 91).

(2) \$273 million waiver approved for 4 year period (FY 92 to FY 95).

(3) Limit fell due to end of 4 year waiver authorizing \$273 million increase in limit. Fiscal Year 1996 was the first year of a new 4 year waiver authorizing a \$50 million increase in the limit.

(4) Limit fell due to the end of a 4 year waiver authorizing a \$50 million increase in the limit.

May 1, 2003

Dear Fiscal Officer:

**Subject: Price and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction uses their percentage change in population factor for January 1, 2003, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2003-04. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2003-04 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations, as noted.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228, for the various population options available to special districts to assess population change in their district. Article XIII B, Section 9, of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. No State agency reviews the appropriations limit.

**Population Certification**

The population certification program applies only to cities and counties. Revenue and Taxation Code 11005.6, mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 5, 2003.**

Address questions about the price and population data to the Demographic Research Unit at (916) 323-4086.

Sincerely,

STEVE PEACE  
Director

May 1, 2003

R-298096

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2003-2004 appropriation limit is:

Per Capita Personal Income

| Fiscal Year<br>(FY) | Percentage change<br>over prior year |
|---------------------|--------------------------------------|
| 2003-2004           | 2.31                                 |

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2003-2004 appropriation limit.

**2003-2004:**

Per Capita Change = 2.31 percent  
 Population Change = 1.69 percent

Per Capita converted to a ratio:  $\frac{2.31 + 100}{100} = 1.0231$

Population converted to a ratio:  $\frac{1.69 + 100}{100} = 1.0169$

Calculation of factor for FY 2003-2004:  $1.0231 \times 1.0169 = 1.0404$



Enclosure II  
Annual Percent Change in Population Minus Exclusions (\*)  
January 1, 2002 to January 1, 2003 and Total Population, January 1, 2003

| County<br>City | Percent Change<br>2002-2003 | -- Population Minus Exclusions -- |           | Total<br>Population |
|----------------|-----------------------------|-----------------------------------|-----------|---------------------|
|                |                             | 1-1-02                            | 1-1-03    | 1-1-2003            |
| SAN DIEGO      |                             |                                   |           |                     |
| CARLSBAD       | 2.93                        | 87,702                            | 90,271    | 90,271              |
| CHULA VISTA    | 4.96                        | 189,629                           | 199,038   | 199,680             |
| CORONADO       | 0.73                        | 16,462                            | 16,582    | 26,353              |
| DEL MAR        | 0.47                        | 4,482                             | 4,503     | 4,503               |
| EL CAJON       | 0.49                        | 96,194                            | 96,664    | 96,664              |
| ENCINITAS      | 2.37                        | 59,738                            | 61,153    | 61,153              |
| ESCONDIDO      | 1.13                        | 136,473                           | 138,015   | 138,015             |
| IMPERIAL BEACH | 0.64                        | 27,441                            | 27,616    | 27,616              |
| LA MESA        | 0.44                        | 54,532                            | 54,772    | 55,688              |
| LEMON GROVE    | 0.53                        | 25,241                            | 25,374    | 25,374              |
| NATIONAL CITY  | 0.55                        | 52,232                            | 52,521    | 59,774              |
| OCEANSIDE      | 1.90                        | 166,646                           | 169,805   | 169,805             |
| POWAY          | 0.71                        | 49,381                            | 49,732    | 49,833              |
| SAN DIEGO      | 1.72                        | 1,233,626                         | 1,254,820 | 1,275,112           |
| SAN MARCOS     | 4.87                        | 60,577                            | 63,528    | 63,528              |
| SANTEE         | 0.26                        | 52,966                            | 53,106    | 53,609              |
| SOLANA BEACH   | 0.73                        | 13,233                            | 13,329    | 13,329              |
| VISTA          | 1.11                        | 91,749                            | 92,768    | 92,768              |
| UNINCORPORATED | 1.14                        | 412,957                           | 417,646   | 458,504             |
| COUNTY TOTAL   | 1.77                        | 2,831,261                         | 2,881,243 | 2,961,579           |

(\*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions and state and federal correctional institutions.

**ASSESSED VALUATION ATTRIBUTABLE TO  
NEW NON-RESIDENTIAL CONSTRUCTION**

$$\begin{aligned} \text{Valuation due to new non-residential construction}^{(1)} &= \frac{\text{New non-residential construction}}{\text{Change in assessed valuation}^{(2)}} \\ &= \frac{\$1,365,778,693}{\$8,508,869,007} \\ &= 0.1605 \\ &= 0.1605 * 100 \\ &= 16.05\% \end{aligned}$$

(1) As provided by the San Diego County Assessor's Office

(2) Assessed valuation for 2002 = \$99,412,626,818; and Assessed Valuation for 2001 = \$90,903,757,811.



# COUNTY OF SAN DIEGO

GREGORY J. SMITH  
ASSESSOR/RECORDER/COUNTY CLERK



ASSESSOR'S OFFICE  
1600 PACIFIC HIGHWAY, RM 103  
SAN DIEGO, CA 92101-2480  
(619) 236-3771 Fax (619) 557-4056

RECORDER/COUNTY CLERK'S OFFICE  
1600 PACIFIC HIGHWAY, RM 260  
SAN DIEGO, CA 92101-2480  
(619) 237-0502 FAX (619) 557-4155

## 2002 INVENTORY OF PARCELS AND VALUES - CITY OF SAN DIEGO

|                             |       | <u>PARCELS</u> | <u>UNITS</u> | <u>ASSESSED VALUES</u> |
|-----------------------------|-------|----------------|--------------|------------------------|
| RESIDENTIAL                 | TOTAL | 316,184        | 462,859      | 69,834,055,081         |
| Time-share Condominiums     |       | 4,572          | 4,572        | 23,658,882             |
| Mobilehomes                 |       | 1,358          | 1,348        | 46,493,273             |
| Vacant                      |       | 6,801          | 26           | 775,956,660            |
| Single Family               |       | 200,198        | 200,240      | 43,811,073,625         |
| Duplex or 2 Houses          |       | 5,907          | 11,811       | 926,428,508            |
| Multi 2 to 4 Houses         |       | 11,807         | 33,049       | 2,274,241,661          |
| Multi 5 to 15 Units         |       | 5,332          | 41,936       | 2,086,072,354          |
| Multi 16 to 60 Units        |       | 1,125          | 30,080       | 1,434,022,850          |
| Multi 61 Units and Up       |       | 754            | 61,822       | 4,751,202,646          |
| Condominium                 |       | 77,365         | 77,595       | 13,644,725,901         |
| Transitional                |       | 965            | 380          | 60,178,721             |
| COMMERCIAL                  | TOTAL | 11,170         | 44,201       | 19,409,068,761         |
| Vacant                      |       | 1,173          | 37           | 666,702,056            |
| Store Building              |       | 5,814          | 4,248        | 9,847,770,495          |
| Shopping Center             |       | 404            | 76           | 2,349,590,350          |
| Hotel Motel                 |       | 386            | 33,523       | 2,839,899,983          |
| Service Station             |       | 320            | 41           | 188,819,541            |
| Office Condominiums         |       | 306            | 75           | 44,801,575             |
| Parking or Used Car Lot     |       | 911            | 362          | 599,092,937            |
| Trailer Park                |       | 53             | 2,164        | 102,637,767            |
| Auto Sales & Service Agency |       | 122            | 146          | 145,535,914            |
| General                     |       | 1,681          | 3,529        | 2,624,218,143          |
| INDUSTRIAL                  | TOTAL | 4,396          | 11,828       | 6,748,398,896          |
| Vacant                      |       | 1,019          | 17           | 562,880,087            |
| Factory                     |       | 1,036          | 1,495        | 3,347,883,595          |
| Warehousing                 |       | 1,454          | 7,077        | 2,324,335,643          |
| Bulk Storage                |       | 25             | 3            | 22,027,840             |
| Extractive & Mining         |       | 48             | 5            | 56,018,743             |
| Industrial Condominiums     |       | 283            | 85           | 131,100,582            |
| General                     |       | 531            | 3,146        | 304,152,406            |
| IRRIGATED FARM              | TOTAL | 100            | 105          | 29,907,805             |
| RURAL LAND (Non-irrigated)  | TOTAL | 720            | 21           | 270,721,294            |
| INSTITUTIONAL               | TOTAL | 952            | 4,105        | 2,262,734,351          |
| RECREATIONAL                | TOTAL | 2,622          | 1,479        | 747,198,563            |
| MISCELLANEOUS               | TOTAL | 197            | 694          | 110,542,067            |
| GRAND TOTAL                 |       | 336,341        | 525,292      | 99,412,626,818         |

The above data is provided for your information and represents total assessed values of real property, prior to exemptions. If you have any questions, please contact Craig Rustad, Chief Deputy, Valuation, at (619) 531-5475.

GREGORY J. SMITH  
County Assessor

R-298096



# COUNTY OF SAN DIEGO

GREGORY J. SMITH  
ASSESSOR/RECORDER/COUNTY CLERK



## ASSESSOR'S OFFICE

1600 PACIFIC HIGHWAY, RM 103  
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(619) 237-0502 FAX (619) 557-4155

### 2001 INVENTORY OF PARCELS AND VALUES - CITY OF SAN DIEGO

|                             |       | PARCELS | UNITS   | ASSESSED VALUE |
|-----------------------------|-------|---------|---------|----------------|
| RESIDENTIAL                 | TOTAL | 312,323 | 456,175 | 63,663,266.24  |
| Time-share Condominiums     |       | 4,574   | 4,574   | 23,688.19      |
| Mobilehomes                 |       | 1,225   | 1,215   | 38,976.18      |
| Vacant                      |       | 6,736   | 14      | 698,614.42     |
| Single Family               |       | 198,340 | 198,516 | 40,221,851.08  |
| Duplex or 2 Houses          |       | 5,973   | 11,949  | 876,525.12     |
| Multi 2 to 4 Houses         |       | 11,809  | 33,065  | 2,096,940.72   |
| Multi 5 to 15 Units         |       | 5,358   | 41,986  | 1,916,429.92   |
| Multi 16 to 60 Units        |       | 1,115   | 29,583  | 1,349,602.66   |
| Multi 61 Units and Up       |       | 739     | 58,933  | 4,109,709.10   |
| Condominium                 |       | 75,656  | 75,953  | 12,270,568.75  |
| Transitional                |       | 798     | 387     | 60,360.02      |
| COMMERCIAL                  | TOTAL | 11,211  | 43,090  | 17,785,454.18  |
| Vacant                      |       | 1,198   | 30      | 622,897.44     |
| Store Building              |       | 5,827   | 3,824   | 8,975,231.23   |
| Shopping Center             |       | 403     | 54      | 2,131,435.82   |
| Hotel Motel                 |       | 395     | 33,177  | 2,630,480.72   |
| Service Station             |       | 320     | 20      | 182,564.45     |
| Office Condominiums         |       | 303     | 57      | 42,614.58      |
| Parking or Used Car Lot     |       | 900     | 345     | 570,530.87     |
| Trailer Park                |       | 53      | 2,097   | 101,711.80     |
| Auto Sales & Service Agency |       | 125     | 129     | 133,148.37     |
| General                     |       | 1,687   | 3,357   | 2,394,838.80   |
| INDUSTRIAL                  | TOTAL | 4,409   | 10,922  | 6,299,538.60   |
| Vacant                      |       | 1,052   | 9       | 572,264.10     |
| Factory                     |       | 1,028   | 802     | 3,059,091.50   |
| Warehousing                 |       | 1,452   | 6,982   | 2,194,788.30   |
| Bulk Storage                |       | 22      | 0       | 16,100.70      |
| Extractive & Mining         |       | 45      | 2       | 41,033.70      |
| Industrial Condominiums     |       | 283     | 46      | 120,786.50     |
| General                     |       | 527     | 3,081   | 295,473.60     |
| IRRIGATED FARM              | TOTAL | 108     | 83      | 24,958.90      |
| RURAL LAND (Non-irrigated)  | TOTAL | 785     | 18      | 346,141.40     |
| INSTITUTIONAL               | TOTAL | 946     | 4,035   | 2,119,792.00   |
| RECREATIONAL                | TOTAL | 2,374   | 1,197   | 610,223.10     |
| MISCELLANEOUS               | TOTAL | 11      | 0       | 54,383.10      |
| GRAND TOTAL                 |       | 332,167 | 515,520 | 90,903,757.81  |

The above data is provided for your information and represents total assessed values of real property, prior to exemptions. If you have any questions, please contact Craig Rustad, Chief Deputy, Valuation, at (619) 531-5475.

GREGORY J. SMITH  
County Assessor

R-298096

SAN DIEGO COUNTY ASSESSORS OFFICE  
 NON-RESIDENTIAL NEW CONSTRUCTION (PROP 111)  
 ASSESSMENT RDLL 2002

PA640380 PA6433-01  
 RUN DATE 10/29/02

1001-00 COUNTY GENERAL

| TAX RATE<br>AREA | VALUE           |
|------------------|-----------------|
| 59246            | \$205,700       |
| 59382            | \$365,000       |
| 59425            | \$750,000       |
| 59485            | \$12,000        |
| 59499            | \$26,700        |
| 63035            | \$1,100,000     |
| 63061            | \$660,000       |
| 64106            | \$9,961,000     |
| 65006            | \$1,395,300     |
| 65007            | \$36,100        |
| 65010            | \$109,612       |
| 65045            | \$48,800        |
| 65076            | \$10,000        |
| 74002            | \$620,000       |
| 75003            | \$48,650        |
| 75022            | \$4,300         |
| 76009            | \$236,654       |
| 79025            | \$145,000       |
| 81034            | \$61,000        |
| 82003            | \$25,000        |
| 82012            | \$20,000        |
| 82173            | \$15,000        |
| 82196            | \$225,800       |
| 83024            | \$105,000       |
| 83072            | \$1,975,000     |
| 83396            | \$49,000        |
| 83403            | \$380,000       |
| 83410            | \$87,000        |
| 84039            | \$1,300,000     |
| 86072            | \$200,000       |
| 87020            | \$846,619       |
| 87038            | \$34,800        |
| 87144            | \$3,362,811     |
| 87180            | \$3,750,000     |
| 87182            | \$65,000        |
| 87213            | \$4,305,804     |
| 94105            | \$50,000        |
| 98000            | \$100,000       |
| 98008            | \$28,490        |
| FUND TOTAL       | \$1,365,778,693 |

R-298096

IF A TAX RATE (TRA) IS NOT LISTED, IT INDICATES THAT NO NEW NON-RESIDENTIAL CONSTRUCTION OCCURRED DURING THE TAX YEAR.