



Appendix R:

Murrieta Economic Trends & Conditions Report

DRAFT

Economic Trends and Conditions Murrieta General Plan Update

Prepared for:

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CONTENTS

Tables	ii
Figures	iii
CHAPTER 1 INTRODUCTION	1
1.1 Overview/Purpose.....	1
1.2 Murrieta and its Regional Context.....	2
1.3 Sources of Information	4
1.4 Overview of the Report.....	4
CHAPTER 2 SUMMARY AND KEY FINDINGS.....	5
CHAPTER 3 ECONOMIC PROFILE	20
3.1 Geographic Units of Analysis.....	20
3.2 City and Regional Economic Trends	23
3.3 Analysis of Industrial Specialization	28
3.4 Comparative Wage Trends	29
3.5 City Historic Trends.....	31
3.5 Murrieta Employees and Labor Force Commute Patterns.....	35
CHAPTER 4 DEMOGRAPHIC TRENDS.....	37
4.1 Population and Households	37
4.2 Racial and Ethnic Distribution.....	43
4.3 Age Distribution	47
4.4 Income.....	50
4.5 Education	54
4.6 Labor Force.....	58
CHAPTER 5 HOUSING TRENDS	62
5.1 Housing Stock.....	62
5.2 Housing Tenure.....	63
5.3 Building Permits	65
5.4 Home Price Trends	68
CHAPTER 6 COMMERCIAL TRENDS	73
6.1 Retail Market	73
6.2 Office/Industrial Park Market.....	82
6.3 Hotel Market Survey.....	89
CHAPTER 7 FINANCIAL CONDITIONS.....	92
7.1 General Fund.....	92
7.2 Library Fund	105
7.3 Community Services District.....	109
7.4 Fire District	109
7.5 Gas Tax Fund.....	114
7.6 Murrieta Redevelopment Agency (RDA).....	114

APPENDIX A..... 115
APPENDIX B PROJECT REFERENCES..... 119

TABLES

2-1	Regional Employment Structure.....	13
3-1	Regional Comparison of Employment Trends	23
3-2	Employment Distribution and Specialization by NAICS Sectors	26
3-3	Average Wage Historic Trend: 2005 to 2008.....	29
3-4	Comparison of Average Wage by NAICS Sectors: 2008.....	30
3-5	City Employment Trends by NAICS Sectors: 2005 to 2009 Q1	31
3-6	Wage Trends by NAICS Sectors	34
3-7	Place of Residence, Murrieta Employees: 2008	36
3-8	Place of Work, Murrieta Residents: 2008.....	36
4-1	Historic Population and Household Growth Trends.....	38
4-2	Historic Population Growth Trends.....	39
4-3	Population and Household Characteristics	42
4-4	Race and Ethnicity, City of Murrieta.....	44
4-5	Race and Ethnicity, City of Murrieta and Surrounding Cities and Counties.....	46
4-6	Age Distribution	47
4-7	Age Distribution, Murrieta and Surrounding Cities and Counties	48
4-8	Household Income Characteristics	50
4-9	Educational Attainment	54
4-10	Educational Attainment, Murrieta and Surrounding Cities and Counties	56
4-11	Labor Force Composition	58
4-12	Labor Force Composition, Murrieta and Surrounding Cities and Counties.....	61
5-1	Housing Stock by Type, Murrieta and Riverside County.....	62
5-2	Housing Tenure, Murrieta and Surrounding Cities and Counties	64
5-3	Building Permits, Murrieta	65
5-4	Average Unit Construction Cost, Murrieta.....	67
5-5	Average Home Price Trends, Murrieta.....	69
5-6	Average Home Price Trends, Riverside County.....	70
5-7	Single Family Home Median Price Trends.....	71
5-8	Condominium Median Price Trends.....	72
6-1	Historic Taxable Sales Transactions.....	74
6-2	Comparison of per capita Taxable Sales Transactions	75
6-3	Per Capita Taxable Sales Transactions, Murrieta and Surrounding Cities and Counties....	77
6-4	GAFO Per Capita Taxable Sales	78
6-5	Major GAFO Retail Centers	79
6-6	Major GAFO and Building Materials Retailers.....	80
6-7	Total and Vacant Retail Square Footage	82
6-8	Office and Industrial Market.....	84
6-9	Inland Empire Office Market.....	85
6-10	Recent Period Absorption Analysis, Inland Empire	85
6-11	Recent Period Absorption Analysis, Southwest Riverside County	86
6-12	Proposed Office Development.....	87
6-13	Proposed Industrial Development.....	87

6-14	Recent Period Absorption Analysis, Murrieta.....	88
6-15	Hotel Market Survey.....	90
6-16	Estimated Average Occupancy Rate, Murrieta.....	91
6-17	Estimated Average Occupancy Rate, Temecula.....	91
7-1	General Fund Growth Trends, 2000-01 to 2009-10	93
7-2	General Fund Revenue Trends, 2000-01 to 2009-10.....	95
7-3	Distribution of General Fund Revenues, 2000-01 to 2009-10.....	97
7-4	Distribution of Key General Fund Revenues, 2000-01 to 2009-10.....	99
7-5	General Fund Expenditure Trends, 2000-01 to 2009-10	102
7-6	Distribution of General Fund Expenditures, 2000-01 to 2009-10.....	103
7-7	General Fund Per Capita Revenues & Expenditures Trend, Current Dollars	106
7-8	General Fund Per Capita Revenues & Expenditures Trend, Constant Dollars	106
7-9	Library Fund Growth Trends, 2000-01 to 2009-10	107
7-10	Library Fund Per Capita Revenues & Expenditures Trend, Current Dollars	108
7-11	Library Fund Per Capita Revenues & Expenditures Trend, Constant Dollars	108
7-12	CSD Fund Growth Trends, 2000-01 to 2009-10	110
7-13	CSD Per Capita Revenues and Expenditures Trend, Current Dollars	111
7-14	CSD Per Capita Revenues and Expenditures Trend, Constant Dollars.....	111
7-15	Fire District Fund Growth Trends, 2000-01 to 2009-10.....	112
7-16	Fire District Per Capita Revenues and Expenditures Trend, Current Dollars	113
7-17	Fire District Per Capita Revenues and Expenditures Trend, Constant Dollars	113
A-1	List of Zip Codes: Murrieta and Temecula Valley Sub-region	115
A-2	EDD Employment Adjusted for Self-Employment	116
A-3	SRHA Estimation of Historic Place Data	117
A-4	Employment Estimates for Comparison Communities.....	118

FIGURES

1-1	Regional Context Map.....	3
2-1	Murrieta Historic Population Trend: 1992 to 2009	5
2-2	Residential Building Units, Murrieta.....	6
2-3	Long-term Employment Trend: 1991 to 2009 Q1	7
2-4	Regional Employment Growth: 2005 to 2008.....	8
2-5	Local Serving Jobs as Percent of Total.....	9
2-6	Estimated Export Base Jobs per Capita: 2008.....	10
2-7	Labor Force Composition: 2008.....	11
2-8	Commute Patterns, Murrieta: 2008.....	12
2-9	Regional Per Capita Retail Sales: 2007	14
2-10	Office Space Net Absorption and Deliveries, Inland Empire: 2002 to 2009 YTD	15
2-11	Industrial Space Net Absorption and Deliveries, Inland Empire: 2002 to 2009 YTD	16
2-11	General Fund Growth Trends, 2000-01 to 2009-10	17
2-12	Top Seven General Fund Revenues in Constant Dollars, 2000-01 and 2009-10	18
2-13	Distribution of General Fund Expenditures, 2000-01 and 2009-10	19
3-1	Economic Regions of Analysis.....	21
3-2	Long-term Employment Trend: 1991 to 2009 Q1	22
3-3	City Share of Sub-Regional Economy.....	24
3-4	Distribution of Employment in City and Sub-region in 2008	25
3-5	Estimated Share of Local Serving Jobs	27
3-6	Estimated Export Base Jobs per Capita: 2008.....	28
3-7	Job Gains by NAICS Sectors: 2005 to 2008.....	32
3-8	Job Losses by NAICS Sectors: 2007 to 2009 Q1	33
3-9	Average Wages by NAICS Sectors: 2008	35
4-1	Historic Population	39
4-2	Population Characteristics	40
4-3	Average Annual Growth Rate of Population.....	41
4-4	Household Population.....	42
4-5	Persons per Household.....	43
4-6	Race and Ethnicity, City of Murrieta.....	45
4-7	Race and Ethnicity, City of Murrieta and Surrounding Cities and Counties.....	46
4-8	Age Distribution, Murrieta	48
4-9	Age Distribution, Murrieta and Surrounding Cities and Counties	49
4-10	Median Household Income, Murrieta and Surrounding Cities and Counties.....	51
4-11	Median and Average Income, in Actual Dollars	52
4-12	Median and Average Income, in Constant Dollars.....	53
4-13	Educational Attainment, Murrieta	55
4-14	Educational Attainment, Murrieta and Surrounding Counties	56
4-15	Educational Attainment, Murrieta and Surrounding Cities and Counties	57
4-16	Labor Force Composition, Murrieta and Surrounding Cities and Counties.....	59
4-17	Percent Change in Labor Force Composition.....	59
4-18	Labor Force Composition, Murrieta and Surrounding Counties	60

4-19	Labor Force Composition, Murrieta and Surrounding Cities and Counties	61
5-1	Percentage of Single Family Housing, Murrieta and Riverside County.....	63
5-2	Percent Owner Occupied, Murrieta and Surrounding Cities and Counties	64
5-3	Residential Building Units, Murrieta.....	66
5-4	Single and Multi-Family Units, Murrieta	66
5-5	Average Construction Cost of Single-and Multi-Family Units, Murrieta.....	68
5-6	Average Home Price Trend, Murrieta	69
5-7	Average Home Price Trend, Riverside County	70
5-8	Single Family Home Median Price Trends.....	71
5-9	Condominium Median Price Trends.....	72
6-1	Historic Taxable Sales Transactions.....	74
7-1	General Fund Growth Trends, 2000-01 to 2009-10	93
7-2	Top Seven General Fund Revenues, 2000-01 and 2009-10	100
7-3	Distribution of General Fund Expenditures, 2000-01 and 2009-10	104
7-4	Library Fund Growth Trends, 2000-01 to 2009-10	107
7-5	CSD Growth Trends, 2000-01 to 2009-10.....	110
7-6	Fire District Growth Trends, 2000-01 to 2009-10.....	112

CHAPTER 1 INTRODUCTION

1.1 Overview/Purpose

The purpose of this report is to provide an understanding of the demographic and economic conditions and trends in the City of Murrieta and its surrounding region. This information provides the background for evaluating significant economic issues, goals and policies related to the City of Murrieta's General Plan update process.

This economic trends report presents key findings from analyses of employment, demographic, residential and commercial market trends. These findings will facilitate discussion of existing and future economic development efforts and provide the framework for preparing the General Plan Economic Element goals and policies. These goals and policies will be developed in consultation with City Staff to ensure that the City recognizes and takes advantage of opportunities in the economic growth context of the surrounding Temecula Valley Sub-region, San Diego County and Riverside County.

The current General Plan update process is especially challenging given the recent economic downturn. Historically Murrieta benefitted from the housing boom preceding the downturn, which resulted in growth in household demand for local services and retail development. The City is now faced with the challenge of identifying new sources of growth which are more diversified and adaptable to recessionary pressures. In this context, one policy thrust is to encourage the expansion of the City's export base employment that would provide local job options to its highly skilled and educated workforce, currently experiencing high levels of out-commuting. Further, a diversified economy would provide local job opportunities to the City's workforce with the potential for increased wage levels, thus stimulating further demand for local services and retail development, particularly regional retail development.

Expansion of economic activity can lead to the increased generation of public revenues for ongoing services and capital improvements in order to maintain a high quality of life. Infrastructure investments will need to be prioritized along with new financing sources in addition to redevelopment property tax increment.

1.2 Murrieta and its Regional Context

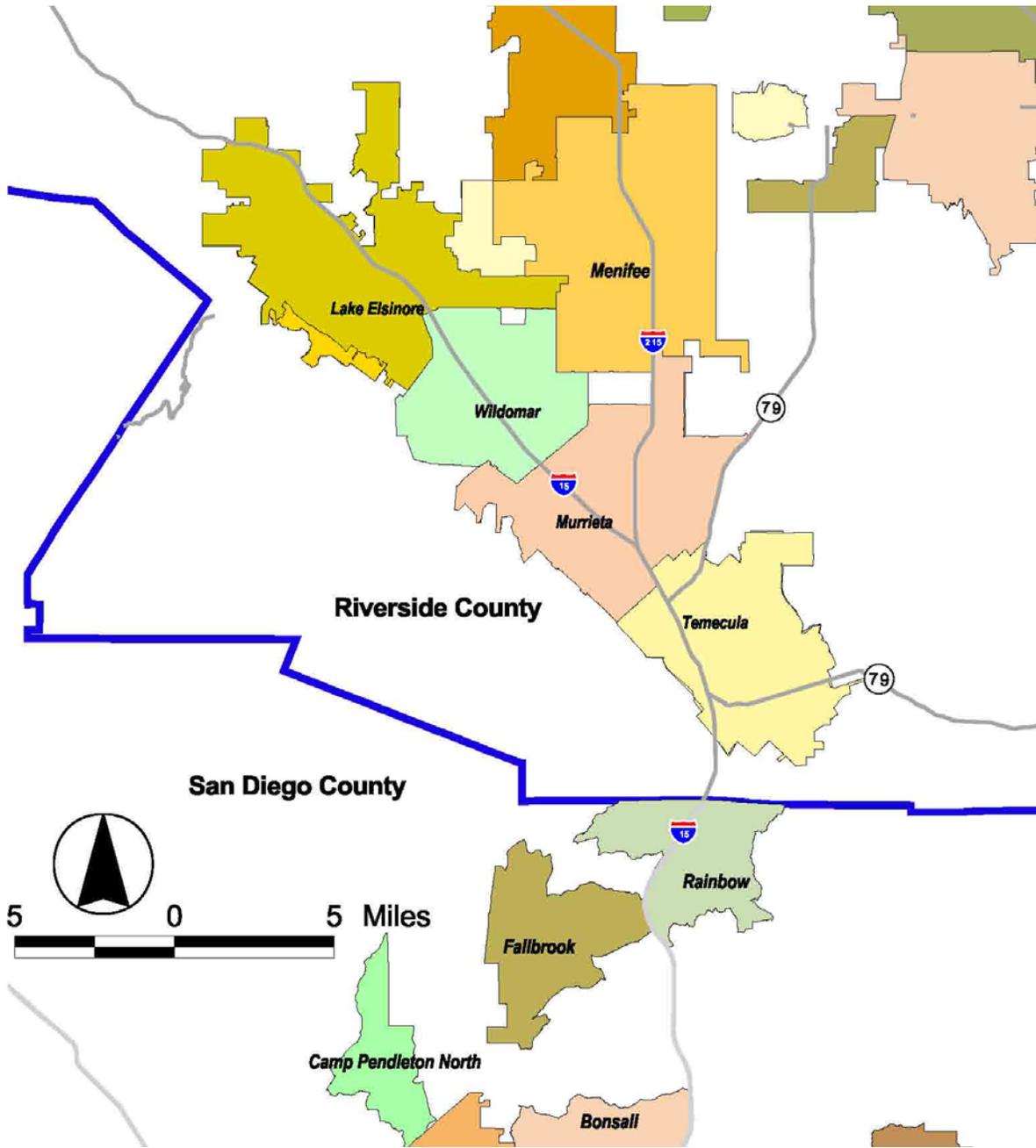
The City of Murrieta is located in southwestern Riverside County, immediately north of the City of Temecula and San Diego County border, as shown in Figure 1-1. Murrieta and the surrounding cities of Temecula to the southeast, Menifee to the northeast and Wildomar to the northwest, along with the unincorporated areas northerly and easterly of Murrieta along the I-215 and Highway 79 corridors, taken together are defined in this study as the Temecula Valley Sub-region.

As shown in Figure 1-1, the city is well served by two freeways that traverse the city in a generally north-south direction: 1) Interstate Highway 15; and 2) Interstate Highway 215. The city is also served by the north-south Winchester Corridor (Highway 79). This corridor begins to the south in Temecula at its intersection with Interstate Highway 15 and proceeds northerly along the eastern side of Murrieta and continues through the City of Menifee, eventually reaching Interstate Highway 10, which is a major east-west interstate corridor.

At present, rail transportation to other Southern California locations is accessed from the Metrolink station located in the City of Corona 31 miles north of Murrieta. Plans to extend the rail network to southwest Riverside County are currently underway. Further, several stations along the California High Speed Rail are planned within the Temecula Valley Region, with one station being located somewhere within the City of Murrieta in the general vicinity of the confluence of Interstate 15 and Interstate 215. This area, called the “Golden Triangle”, is positioned to become a major regional node of business, retail and residential development.

Further, the Temecula Valley sub-region is served by several major airports, including the Ontario International Airport in San Bernardino County to the north located within 49 miles of Murrieta, the John Wayne Airport in Orange County at about 65 miles, the San Diego International Airport at 68 miles to the southwest and the Los Angeles International Airport located in the City of Los Angeles about 68 miles from Murrieta.

Figure 1-1
Regional Context Map



Source: Stanley R. Hoffman Associates, Inc.

1.3 Sources of Information

This study is based upon information from several sources including:

- Annual employment data from 2005 to 2008 and the first quarter of 2009 from the California Employment Development Department (EDD) and the Census Longitudinal Employee Household Dynamics (LEHD).
- Demographic data from the 2000 U.S. Bureau of the Census, American Community Survey 2008, and the California Department of Finance, 1991 to 2009;
- Taxable sales data for Murrieta and nearby communities for the 1997 to 2007 time period from the California State Board of Equalization;
- Office and industrial market trends data for Murrieta and the Temecula Valley sub-region from Co Star for the 2007 to 2009 time period.
- Residential building activity data from 1996 to 2008 from the Census Bureau for Murrieta and Temecula.
- Retail market inventory data from CB Richard Ellis, Co Star and field surveys undertaken by the consultants in Murrieta and its surrounding areas through December 2009.
- Revenue and expenditure trends from fiscal years 2000-01 to 2009-10 for the City's General Fund, Library Fund, Community Services District and Fire Fund.

1.4 Overview of the Report

The following sections of the report address the existing demographics and market conditions in the City, as well as economic trends:

- Chapter 2 summarizes key findings and conclusions of this study.
- Chapter 3 examines the economic base of Murrieta and provides comparisons with the Temecula Valley Sub-region, Riverside County, San Diego County and Southern California;
- Chapter 4 provides information on demographic conditions and trends for the City and surrounding areas;
- Chapter 5 presents data on residential trends including housing price, construction trends and permitting activity for the City and surrounding areas;
- Chapter 6 provides information on commercial trends and conditions, including taxable retail sales, retail inventory and office and industrial development activity for the City and surrounding areas;
- Chapter 7 discusses revenue and expenditure trends from fiscal years 2000-01 to 2009-10 for the City's General Fund, Library Fund, Community Services District and Fire Fund;
- Appendix A presents technical tables used in the economic base analysis;
- Appendix B is the list of contacts and references used in this study.

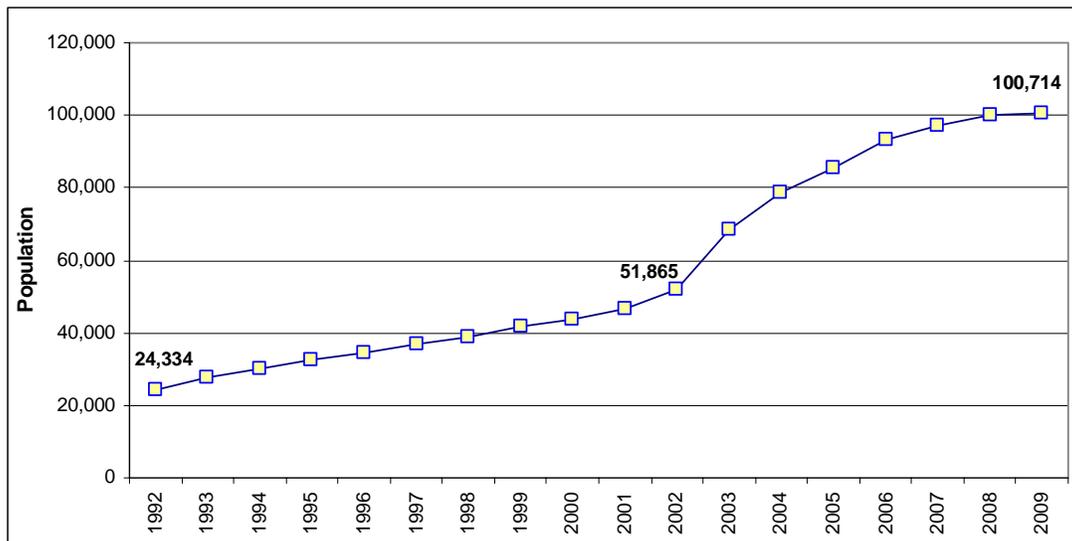
CHAPTER 2 SUMMARY AND KEY FINDINGS

The findings and conclusions of this study are summarized here under the various sub-heading as detailed further in the chapters of this study. The points presented below emphasize the most critical dimensions of the City’s present state of affairs and identifies key challenges and opportunities for future growth prospects. These critical dimensions include the City’s economic base, demographic attributes, regional location and accessibility, and commercial trends.

Demographic Trends

- The City of Murrieta was incorporated in 1991 with an estimated population of 24,334 at the beginning of 1992, according to the California Department of Finance (DOF).
- As shown in Figure 2-1, the City’s population grew to 51,865 in 2002, more than doubling over a 10-year period.
- Population growth rate accelerated rapidly over the 2002 to 2007 time period, with population almost doubling from 51,865 in 2002 to 97,329 in 2007 in just 5 years.
- The City’s population was estimated to have reached 100,714 by January 2009.

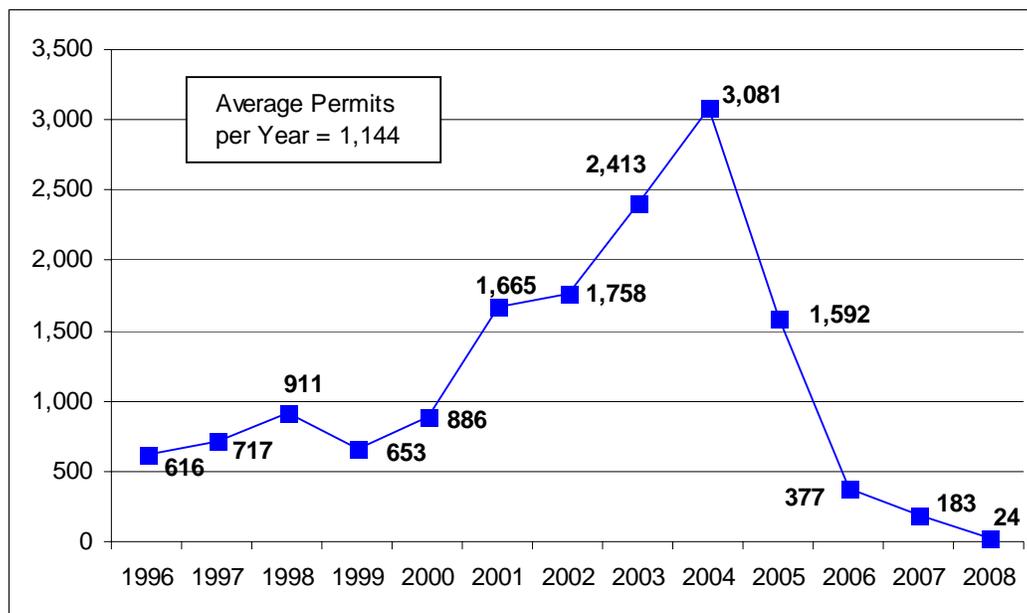
Figure 2-1
Historic Population
City of Murrieta
1992 to 2009



Source: Stanley R. Hoffman Associates, Inc.
California Department of Finance, 1992 to 2009

- As shown in Figure 2-2, this rapid population growth over the 2002 to 2007 time period was led by high levels of residential construction, as shown by permitting activity over 2001 to 2005 relative to the preceding 5-year time period.
- As shown in Figure 2-2, residential permitting activity slowed down beginning 2006.
- Residential permitting activity declined from 1,592 units in 2005 to 377 units in 2006, well below the 1996 to 2008 average of 1,144 per year.
- This decline continued into 2008 when permits for only 24 residential units were granted.
- The City's population grew at an annual average growth rate of 8.71 percent over the 1992 to 2009 time period compared to overall Riverside County, which grew at 3.0 percent per annum over this time period.
- The number of households in the City of Murrieta increased from 7,538 in 1992 to 32,677 in 2009 with the average household size decreasing from 3.22 in 1992 to 3.06 in 2009.

Figure 2-2
Residential Building Units Permitting Activity
City of Murrieta
1996 to 2008

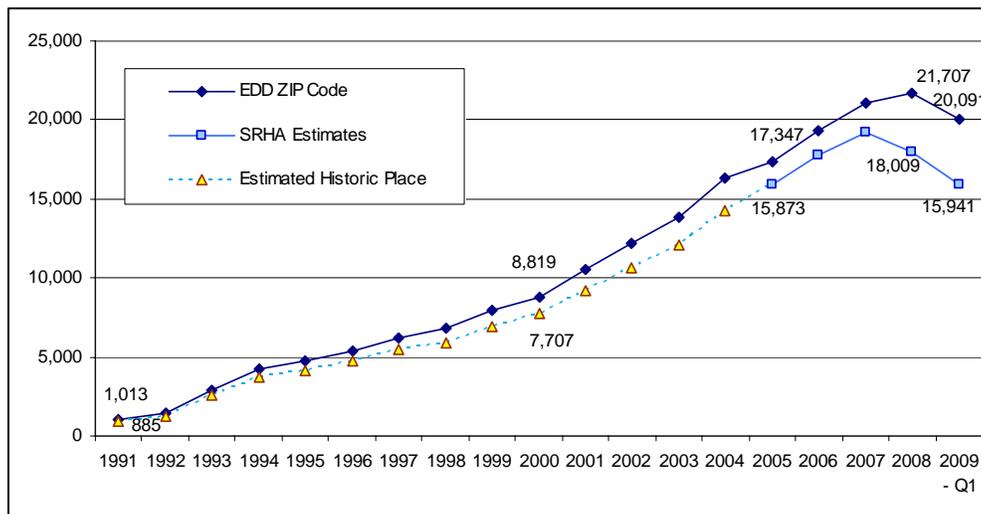


Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

Historic Employment Trend: 1991 to First Quarter 2009

- Employment estimates for the City prepared for this report by Stanley R. Hoffman Associates, Inc. (SRHA estimates) based on data obtained from the California Employment Department (EDD) at the place code level indicate that employment in the City grew from 885 jobs in 1991 to an annual average of 18,009 jobs by 2008, as shown in Figure 2-3.
- In an earlier study prepared for the City in 2006 by Economics and Politics, Inc. employment estimates for the City were assembled by aggregating ZIP codes in the City, which would then also include areas in unincorporated Riverside County. This data showed employment growing from 1,013 in 1991 to 17,347 in 2005. Data update for this geography indicates employment to have reached a peak of 21,707 by 2008, declining to 20,091 by the first quarter of 2009.
- Based on recent place code data from EDD for the first quarter of 2009, the SRHA estimates indicate a significant decline of 2,068 jobs from the year 2008 in City employment to 15,941 jobs, reflecting the ongoing national economic downturn.
- Most of the recent job losses in the City have been concentrated in local serving sectors like Retail, Construction, and Accommodation and Food services.

**Figure 2-3
Long-term Employment Trend
City of Murrieta
Annual 1991 to First Quarter 2009**



1. EDD ZIP code data is included here to draw comparisons with the Economic and Politics, Inc. report prepared for the City in 2006. Zip code data from 1991 to 2005 was obtained from the Economics and Politics, Inc. report and ZIP code updates for 2005 to 2009 Q1 were obtained from EDD.
2. SRHA estimates prepared for the present report is based on EDD place code employment estimates adjusted for self-employment rate from 2005 to 2009 Q1.
3. Estimated Historic Place trend is based on the relationship between SRHA Estimates and EDD ZIP Code data over the 2005 to 2009 Q1 time period, as applied to the historic 1991 to 2005 ZIP code data.

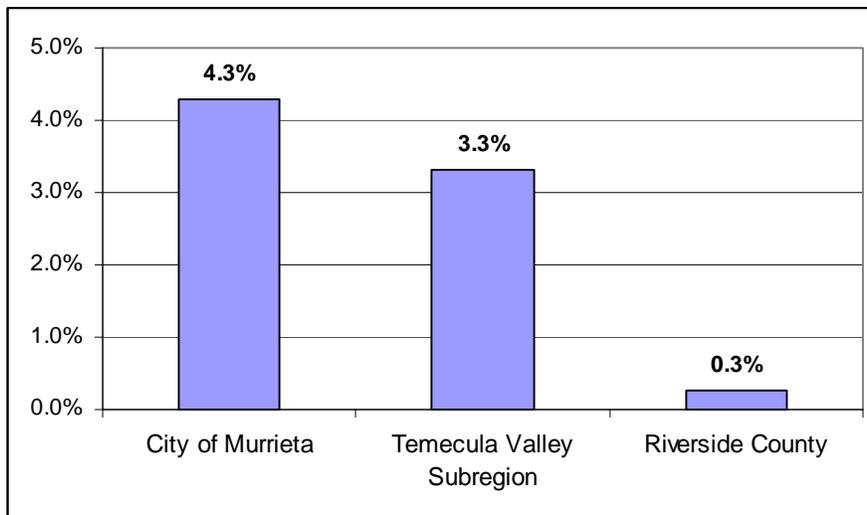
Source: Stanley R. Hoffman Associates, Inc.
Economics and Politics, Inc.
California Employment Development Department (EDD).

Regional Employment Growth Comparison: 2005 to 2008

- Based on the SRHA estimates, total employment in the City grew from 15,873 in 2005 to 18,009 in 2008 at an annual average growth rate of 4.3 percent, as shown in Figure 2-4.
- In comparison, employment in the surrounding Temecula Valley Region grew at 3.3 percent, while Riverside County stayed flat.
- As shown, the City’s share of the surrounding Temecula Valley sub-region increased slightly from 20.8 percent in 2005 to 21.4 percent in 2008.

**Figure 2-4
Regional Employment Growth
Murrieta and Surrounding Areas
2005 to 2008**

	2005	2006	2007	2008	Annual Average Growth Rate 2005 to 2008
City of Murrieta	15,873	17,780	19,253	18,009	4.3%
Temecula Valley Sub-region	76,387	83,917	86,331	84,296	3.3%
City as % Sub-region	20.8%	21.2%	22.3%	21.4%	
Riverside County	662,712	693,857	694,155	667,844	0.3%
Sub-region as % County	11.5%	12.1%	12.4%	12.6%	

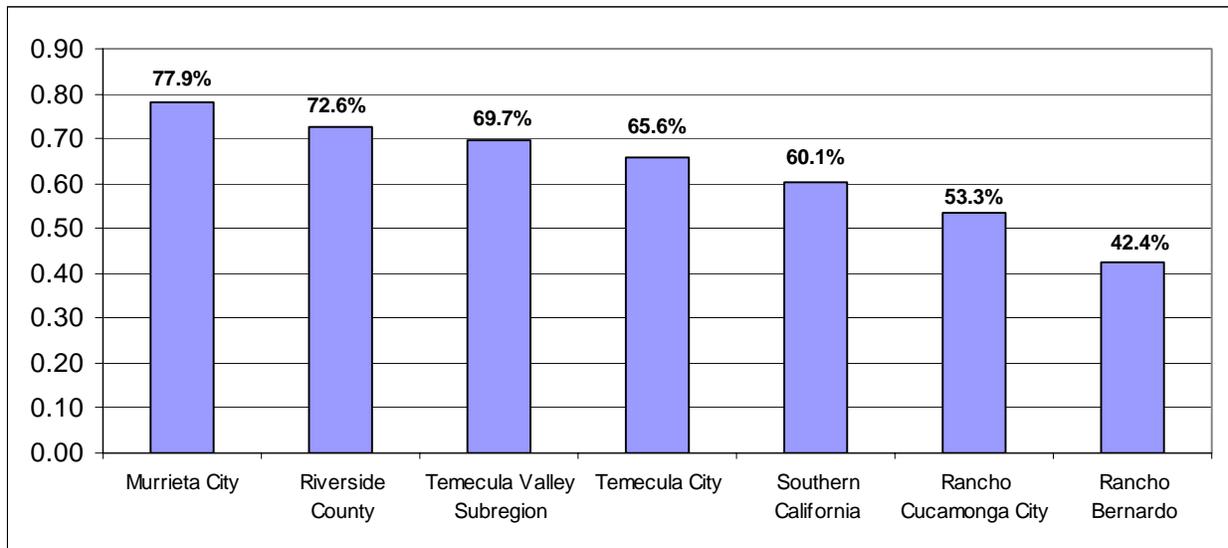


Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD).

Local Serving Employment

- The employment structure in the City is dominated by sectors that have a predominantly local serving orientation. Growth in these sectors is primarily driven by local household demand for products and services.
- These sectors include Retail, Construction, Accommodation and Food Services, Educational Services, Health Care and Social Assistance, Arts and Entertainment, Other Services and Government, which comprised nearly 78 percent of the total employment in the City in 2008, as shown in Figure 2-5.
- The largest sectors in the City in 2008 included the Retail Trade (19.2 percent), Local Government (14.4 percent), Health Care and Social Assistance (13.4 percent), Construction (9.7 percent) and Accommodation and Food Services (9.6 percent).
- In comparison to other surrounding regions and communities, Murrieta had a noticeably higher share of local serving jobs, as shown in Figure 2-5.
- As a result of jobs concentration in lower to medium skills, average wages in the City in 2008 were about 28 percent lower, at around \$36,000, compared to Southern California at around \$50,000.
- Local serving jobs in the City were estimated to have an average wage of \$34,400.

Figure 2-5
Local Serving Jobs as Percent of Total ¹
City of Murrieta and Surrounding Communities
2008



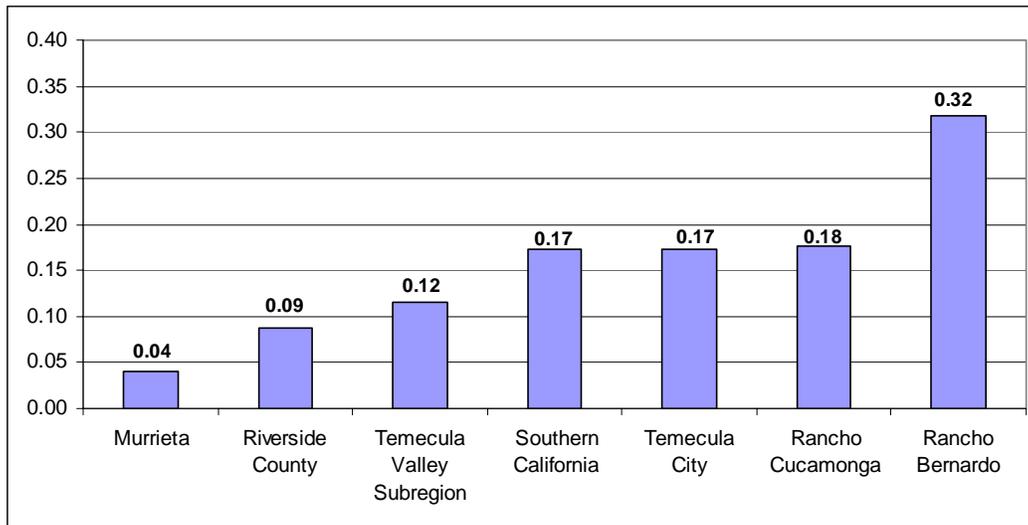
1. Includes employment in Retail, Construction, Accommodation and Food Services, Educational Services, Health Care and Social Assistance, Arts and Entertainment, Other Services and Government

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD).
Census Longitudinal Employee Household Dynamics (LEHD).

Export-Base Employment

- Conversely, sectors with a predominantly export-base orientation comprised the remaining 22 percent of the City’s employment base. Such jobs serve a wider market, and therefore, are impacted by larger dynamics at the regional and higher levels.
- These sectors include Manufacturing, Transportation and Warehousing, Wholesale Trade, Professional, Scientific and Technical, Information, Management of Companies, and Administration and Waste Management.
- When examined on a per capita basis, as shown in Figure 2-6, Murrieta had only 0.04 jobs per capita or 40 jobs per 1000 city residents in export base industries.
- This was lower compared to the Riverside County estimate of 0.09 jobs per capita, and significantly lower compared to the neighboring communities of Temecula City at 0.17 jobs per capita, the Rancho Bernardo community in San Diego City at 0.32 jobs per capita and Rancho Cucamonga at 0.18 jobs per capita.
- Export-base jobs in the City were estimated to have an average wage of \$41,600, higher than the overall average wage of about \$36,000.

Figure 2-6
Estimated Annual Average Export Base Jobs ¹Per Capita
Murrieta and Surrounding Communities
2008



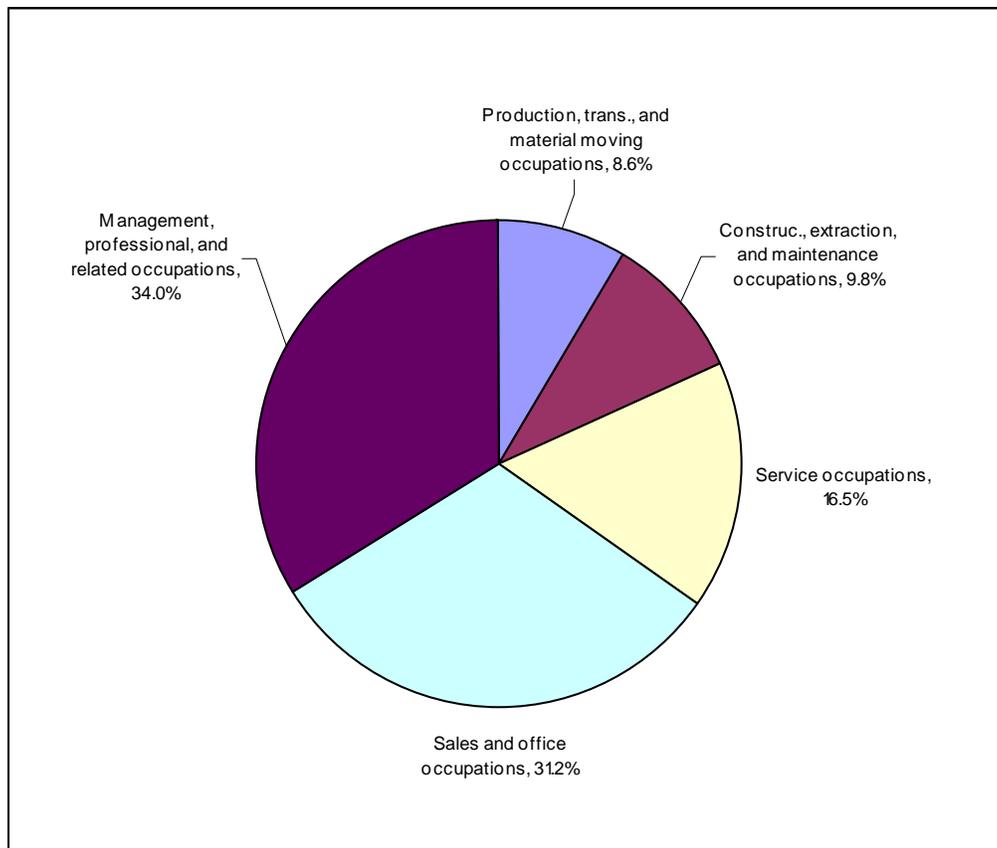
1. Includes employment in the Manufacturing, Wholesale Trade, Transportation and Warehousing, Professional, Scientific and Technical, Information, Finance and Insurance, Management of Companies and Administration, Support Services and Waste Management.

Source: Stanley R. Hoffman Associates, Inc.

City Labor Force Strengths

- Nearly 37 percent of City residents 16 years or older had at least associate or college education in 2008, of which 27.4 percent had a college, graduate or professional degree.
- In comparison, in the surrounding counties of Riverside, San Diego and San Bernardino, about 33 percent of population 16 years or older had at least an associate or college degree, of which 25.3 percent had a college, graduate or professional degree.
- Further, only about 9 percent of the population had no high school diploma compared to about 19 percent in the surrounding counties of Riverside, San Diego and San Bernardino.
- As a percent of total jobs in 2008, management, service and sales related jobs comprised 81.7 percent of the total labor force, as shown in Figure 2-7.

Figure 2-7
Labor Force Composition in 2008
City of Murrieta

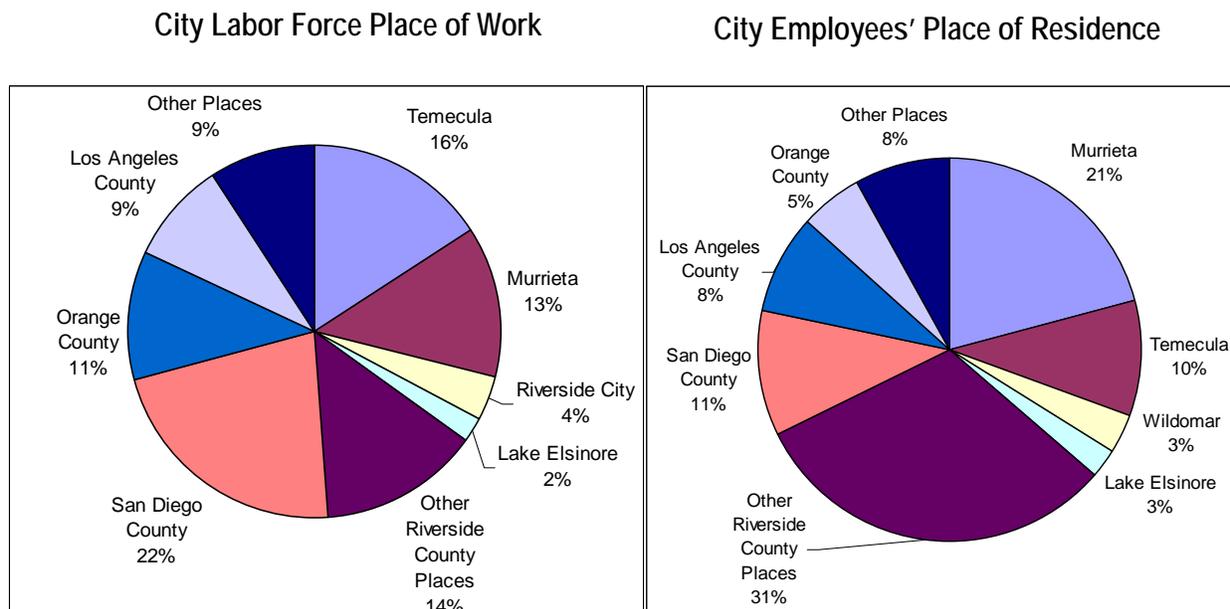


Source: Stanley R. Hoffman Associates, Inc.
American Community Survey 2006-2008

Labor Force and Commuting

- As shown in Figure 2-8 (left panel), only about 13 percent of the City’s labor force is employed in jobs within Murrieta or 87 percent of the labor force commutes to areas outside the City.
- About 16 percent of the labor force commutes to Temecula City for employment, while another 22 percent commutes into San Diego County.
- In comparison, as shown in Figure 2-8 (right panel), of individuals employed within the City, about 21 percent also live within Murrieta.
- About 10 percent of individuals working in Murrieta commute from Temecula, 3 percent from Wildomar and another 3 percent from Lake Elsinore, with about 31 percent commuting in from other parts of Riverside County.
- About 11 percent of employees in Murrieta commute in from San Diego County followed by Los Angeles County (8 percent) and Orange County (5 percent).
- The employment, labor and commute data indicate that residents with higher education and occupational skills are largely commuting out of the City for work.

Figure 2-8
Commute Patterns in 2008
City of Murrieta



Source: Stanley R. Hoffman Associates, Inc.
Census Longitudinal Employee Household Dynamics (LEHD), 2008.

Regional Economic Growth Opportunities

- A look at the surrounding regional economy indicates that the City has the potential to attract firms that offer higher skilled jobs especially due to its educated and skilled resident labor force, land use development opportunities, existing regional freeway accessibility and future transit development programs.
- For example, as shown in Table 2-1, the nearby communities of Temecula City in Riverside County and Rancho Bernardo in San Diego City have relatively higher shares of export-base jobs, which are medium to high skill and therefore offer higher wages, on average.
- Rancho Bernardo, at a distance of about 42 miles from the City along the Interstate-15, has nearly 60 percent of its job base in export base activities, especially in Manufacturing and Professional, Scientific and Technical services (see Appendix Table A-4).
- Given that Murrieta has a significant share of residents with both higher education and higher skill levels, there is the potential for growth in the export-base industries within the City.
- Additionally, the mismatch between the type of local jobs and the resident labor force skills is evident in the high share of out-commute to work (about 86 percent of resident labor force). The diversification of the economic base through the attraction of export-base jobs will also help address this imbalance, especially given the impetus and recent legislation to reduce vehicle miles travelled and greenhouse gas emissions.

**Table 2-1
Regional Employment Structure
Murrieta and Comparison Communities
2008**

	Murrieta City	Temecula City	Temecula Valley Region	Rancho Cucamonga City	Rancho Bernardo City	Riverside County	Southern California
Population	100,714	102,604	221,183	177,736	70,780	2,107,653	20,874,212
Total Jobs	18,009	51,738	84,296	66,868	39,137	667,844	9,043,269
Local Serving Jobs ¹	14,032	33,947	58,726	35,637	16,607	484,613	5,437,092
Local Serving Jobs per Capita	0.14	0.33	0.27	0.20	0.23	0.23	0.26
Local Serving as Percent Total	78%	66%	70%	53%	42%	73%	60%
Export Base Jobs ²	3,978	17,791	25,570	31,231	22,530	183,231	3,606,178
Export Base Jobs per Capita	0.04	0.17	0.12	0.18	0.32	0.09	0.17
Export Base as Percent Total	22%	34%	30%	47%	58%	27%	40%

1. Includes Construction, Retail, Health Care and Social Assistance, Accommodation and Food Services, Government, Educational Services, Arts and Entertainment and Other Services.

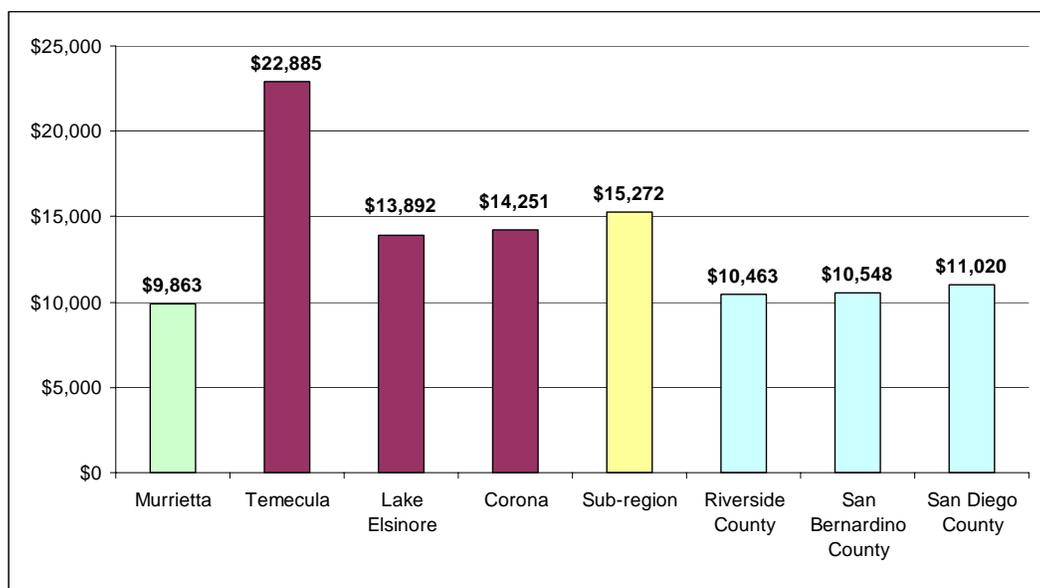
2. Includes Manufacturing, Wholesale Trade, Transportation and Warehousing, Information, Professional, Scientific and Technical Services, Finance and Insurance, Management of Companies, and Administration, Support Services and Waste Management.

Source: Stanley R. Hoffman Associates, Inc.

Retail Trends

- Total taxable sales increased over the 1994 to 2007 time period from about \$231 million in 1994 to about \$1.14 billion in 2007 with an annualized growth rate of 13.05 percent in constant 2008 dollars.
- Retail taxable sales increased from about \$207 million in 1994 to about \$991 million in 2007.
- Non-retail taxable sales increased from about \$24 million or 10 percent of total in 1994 to about \$146 million, or 13 percent of the total in 2007.
- While the bulk of taxable sales are still generated primarily from households, this trend suggests that businesses that generated taxable sales to other businesses were increasing within the City's economic base.
- Retail sales per capita in the City increased from \$6,840 in 1994 to \$9,863 in 2007, in constant 2008 dollars.
- As shown in Figure 2-9, Murrieta's retail sales per capita is performing about 6 percent below the County of Riverside average of \$10,463 and about 35 percent below the comparison sub-region (comprised of the neighboring cities of Temecula, Lake Elsinore and Corona), which was estimated to have a retail per capita average of \$15,272.
- Murrieta's retail centers are generally comprised of community oriented, "big-box" centers including anchors such as Target, WalMart and Kohl's. The City noticeably lacks a regional shopping center although one is planned for the Golden Triangle area where Interstate 15 and Interstate 215 meet.

Figure 2-9
Regional Per Capita Retail Sales
City of Murrieta and Surrounding Communities
2007
(in Constant 2008 Dollars)

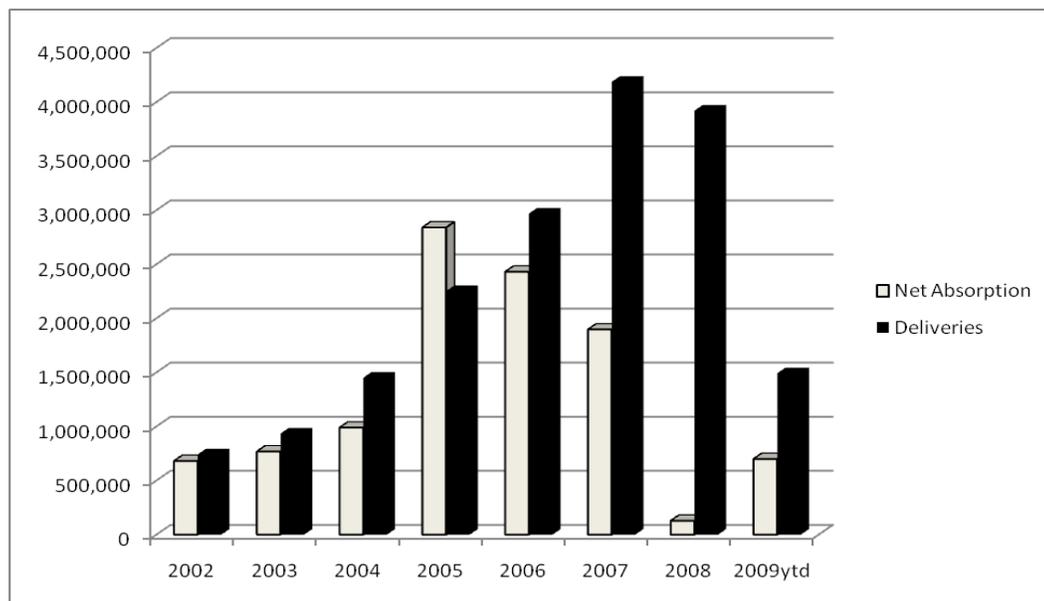


Source: Stanley R. Hoffman Associates, Inc.

Office Market Trends

- According to Grubb & Ellis, the Inland Empire office and industrial rents are lowest of any Southern California region.
- Inland Empire is a significant factor in Southern California industrial development, but has only emerged in recent years as a location for office development.
- The Inland Empire offers lower lease rates than any market in the region, while at the same time experiencing higher vacancy rates than any other area, both for industrial and office properties.
- The overall Inland Empire office market slowed significantly in 2008, absorbing space at an average net rate of just 32,105 square feet per quarter (128,423 square feet over 12 months) compared to 474,242 square feet average per quarter (1,896,969 square feet over 12 months) in 2007, as shown in Figure 2-10.
- In Murrieta, at the average rate of absorption experienced over the past 11 quarters (26,257 square feet average), currently available space (457,801 square feet) represents a 17 quarter (4 ¼ year) supply. At the rate of absorption experienced in peak year of 2007 (51,566 square feet per quarter), current available space represents a 9 quarter (2 ¼ year) supply.
- As the Murrieta office market improves and evolves over future years, it will attract a growing proportion of professional, medical and technical employment, particular in buildings along major highway corridors and in the city's Golden Triangle area.

Figure 2-10
Office Space Net Absorption and Deliveries
Inland Empire
2002 to 2009 YTD

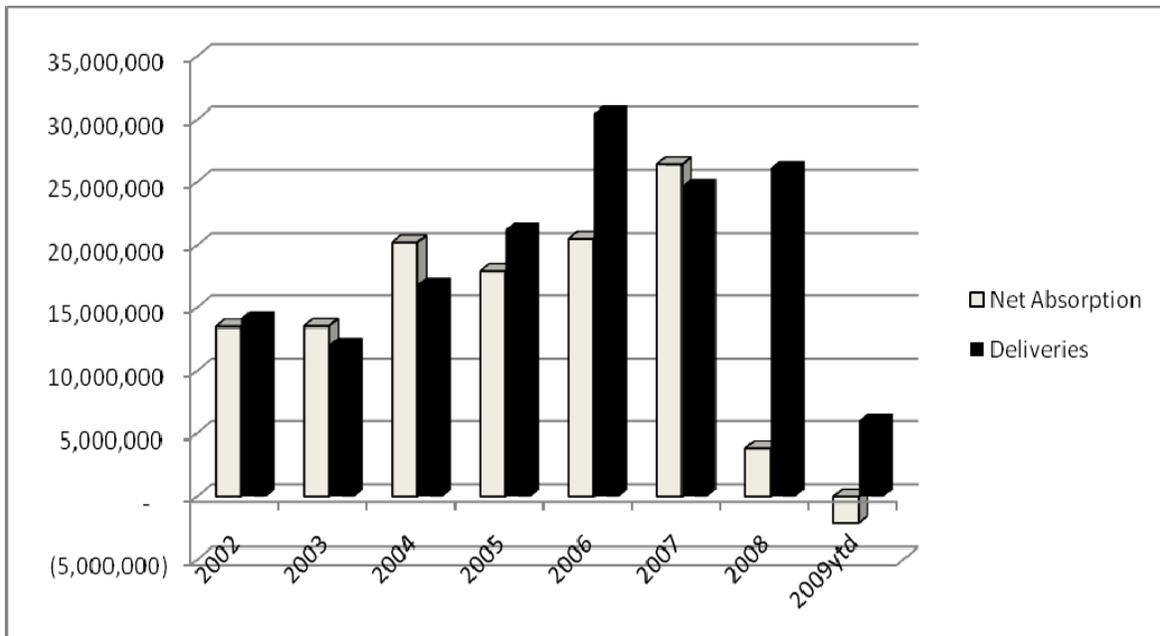


Source: Stanley R. Hoffman Associates, Inc.

Industrial Market Trends

- The Inland Empire industrial market has been impacted far more than the office market in the current slowdown, in terms of vacancies and rental rates.
- The overall Inland Empire industrial market dropped dramatically in 2008, absorbing space at an average net rate of just 969,284 square feet per quarter (3,877,134 square feet for 12 months) compared to 6,607,733 square feet average per quarter (26,430,933 square feet for 12 months) in 2007, as shown in Figure 2-11.
- In Murrieta, at the average rate of absorption experienced over the past 11 quarters (36,834 square feet average), currently available space (998,958 square feet) represents a 28 quarter (7 year) supply. At the rate of absorption experienced in peak year of 2007 (111,383 square feet per quarter), current available space represents a 9 quarter (2 ¼ year) supply.
- As the Murrieta Industrial market improves, it will be well- positioned in both geographic and demographic terms to attract a range of Research & Development (R&D) and Light Industrial users.

Figure 2-11
Industrial Space Net Absorption and Deliveries
Inland Empire
2002 to 2009 YTD



Source: Stanley R. Hoffman Associates, Inc.

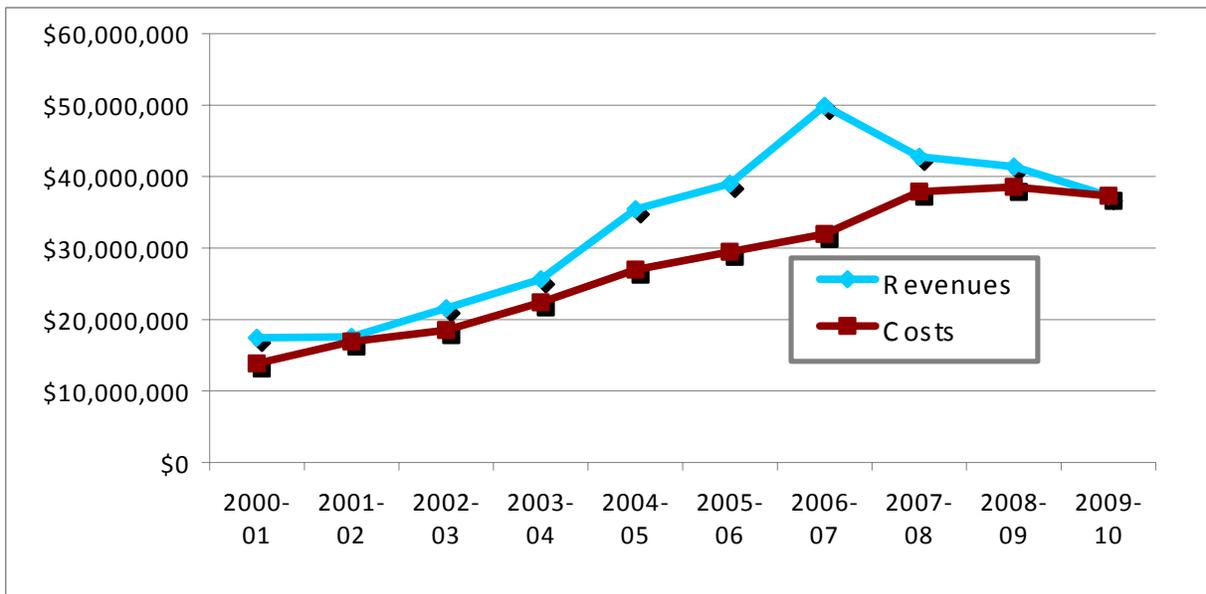
Hotel Market Trends

- Of the total hotel/motel inventory of 1,698 rooms in 16 facilities in the cities of Murrieta and Temecula, as of December 2009, Murrieta had one 65-room hotel in the City, which represents about 4 percent of the total Murrieta-Temecula inventory.
- The occupancy rate is estimated at about 67 percent for the one hotel in Murrieta and relatively less at 55 percent for the facilities in Temecula. Generally, a vibrant lodging market is considered to have at least 70 to 75 percent occupancy rates. However, the lack of lodging facilities in Murrieta does suggest some opportunities at good locations, particularly with freeway visibility and access.

Municipal Finance Trends

- As shown in Figure 2-11, General Fund revenues grew faster than expenditures until fiscal year 2006-07; then declined to essentially breakeven with expenditures by fiscal year 2009-10.

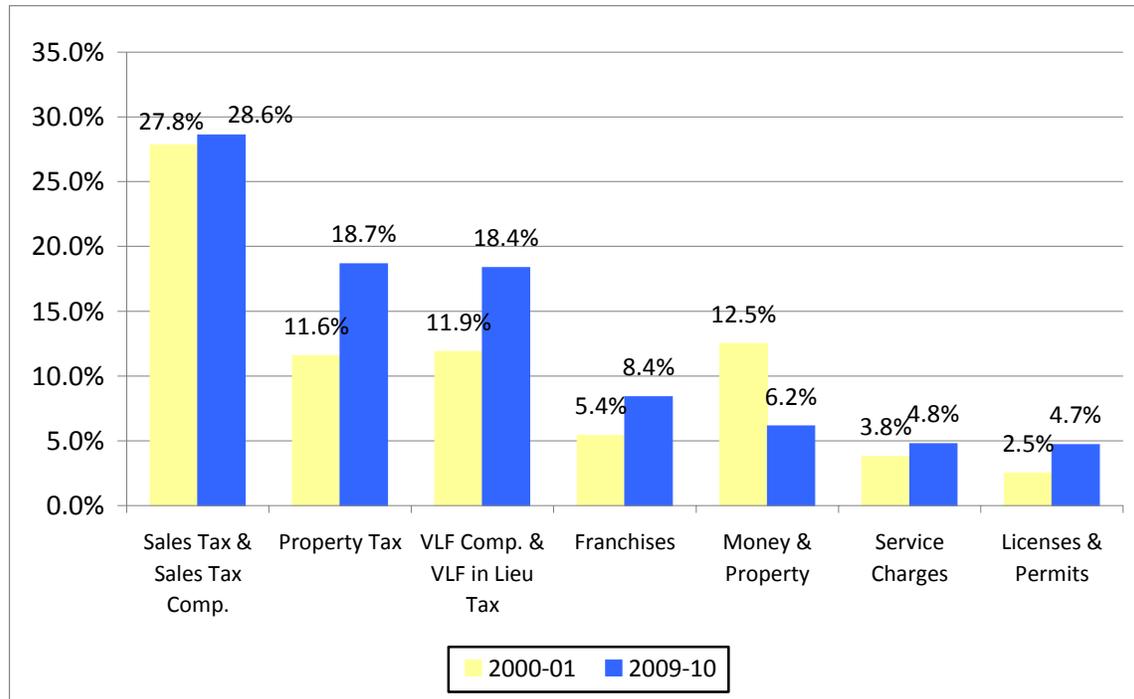
Figure 2-11
General Fund Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

- General Fund revenues increased from \$17.46 million in 2000-01 to about \$37.31 million in 2009-10 in current dollars, growing at an average annual rate of 8.8 percent.
- As shown in Figure 2-12, the major categories of revenues in the fiscal year 2009-10 included Sales Tax and Sales Tax Compensation (28.6 percent), Property Tax (18.7 percent), Motor Vehicle License Fee (VLF) and VLF in Lieu (18.4 percent), Franchise Fees (8.4 percent), Money and Property (6.2 percent), Service Charges (4.8 percent) and Licenses and Fees (4.7 percent).
- Per capita General Fund revenues decreased in current dollars from \$394.35 per capita in 2000-01 to \$370.45 per capita in 2009-10, representing an average annual decrease of 0.7 percent.

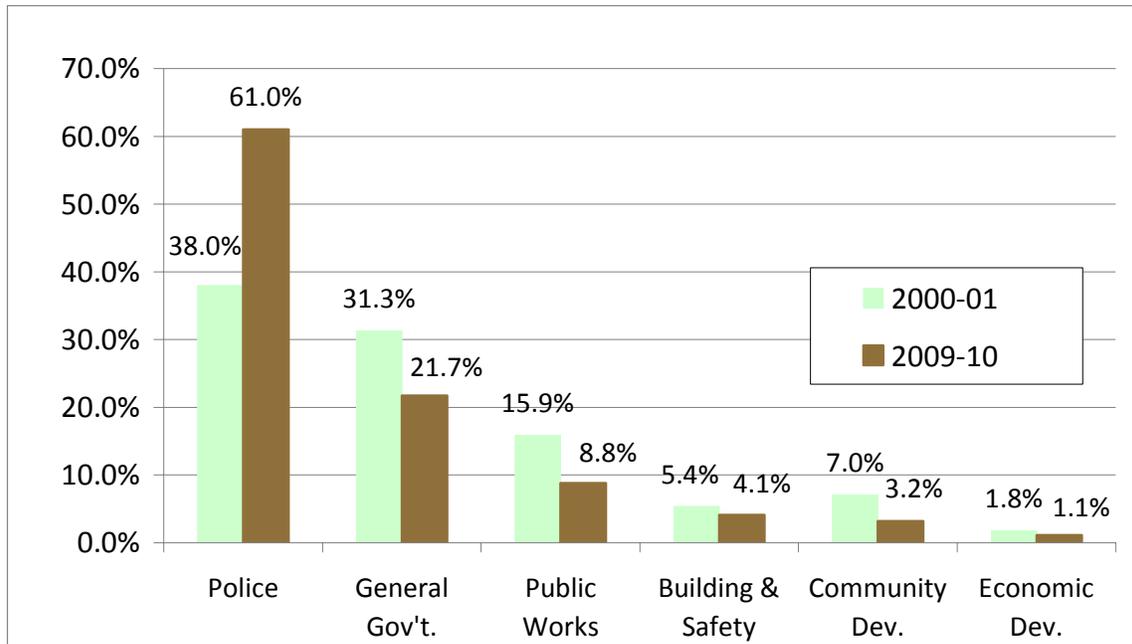
Figure 2-12
Top Seven General Fund Revenues, 2000-01 and 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

- General Fund expenditures increased from \$13.83 million in 2000-01 to about \$37.31 million in 2009-10 at an average annual rate of 11.7 percent.
- As shown in Figure 2-13, the major categories of expenditures in the fiscal year 2009-10 included Police (61.0 percent), General Government (21.7 percent), Public Works (8.8 percent), Building Safety (4.1percent), Community Development (3.2 percent) and Economic Development (1.1 percent).
- Police expenditures showed the largest increase growing from 38 percent of the total expenditures in 2000-01 to 61 percent in 2009-10, while Public Works declined during this time from 16 percent to 9 percent.
- General Fund costs increased in current dollars from about \$312.40 per capita in 2000-01 to \$370.45 per capita in 2009-10, at an average annual growth rate of 1.9 percent.

Figure 2-13
Distribution of General Fund Expenditures, 2000-01 and 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 3 ECONOMIC PROFILE

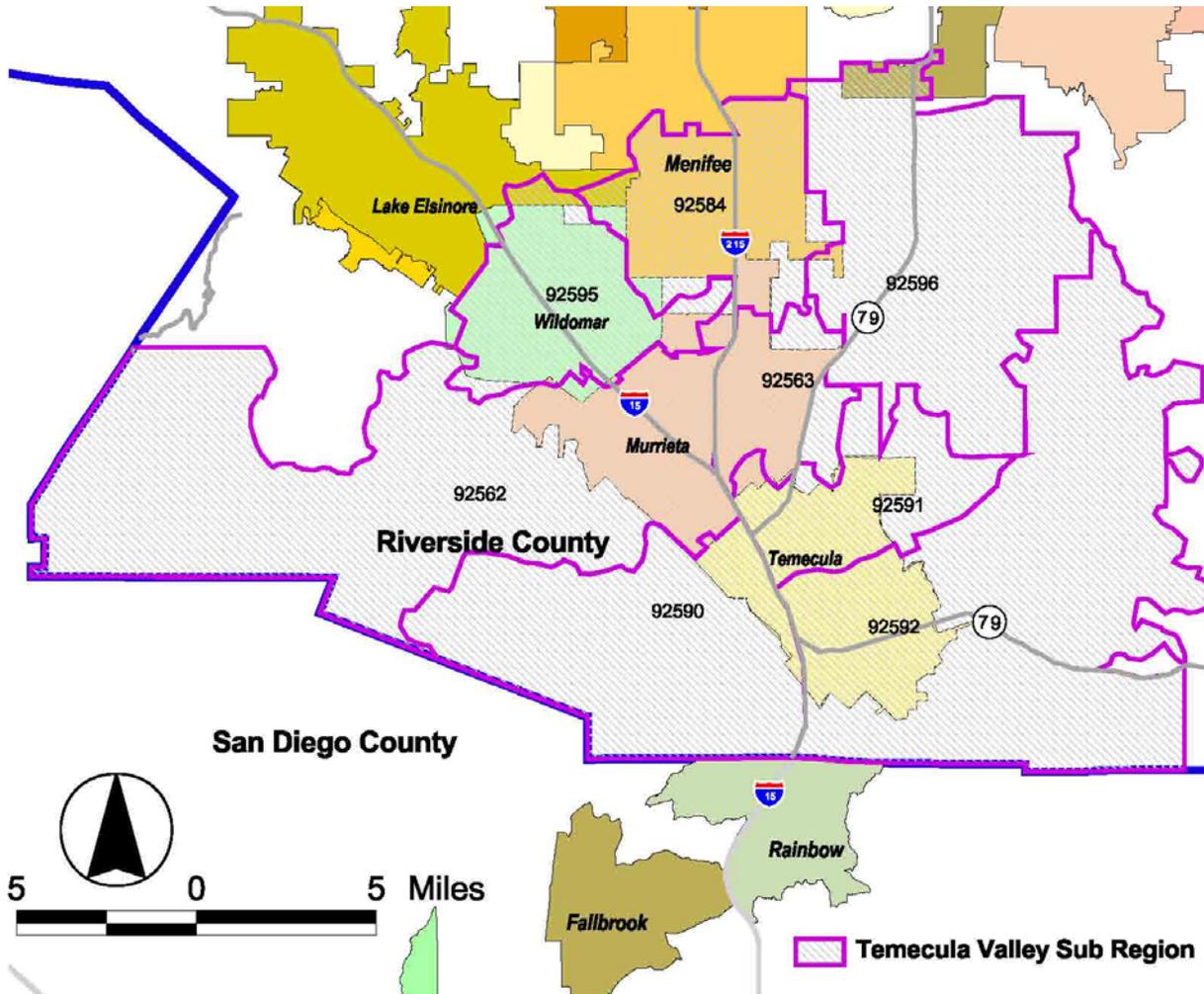
This chapter presents an analysis of the economy of the City of Murrieta over a historic period of 2005 to 2008. Information is also provided for the Temecula Valley sub-regional economy and Riverside County. Jobs and wages data for the City, the Temecula Valley sub-region and the County are obtained from the California Employment Development Department (EDD) ES-202 employment and payroll database. These data have been adjusted to include Census estimates of self-employment for Riverside County. All wage data is presented in constant 2008 dollars.

3.1 Geographic Units of Analysis

Jobs and wages data for the City, the Temecula Valley sub-region and the County are obtained from the California Employment Development Department (EDD) ES-202 employment and payroll database. The employment and payroll information over the 2005 to 2008 time period is provided by the EDD based on a place code basis for the City and as an aggregation of ZIP codes for the Temecula Valley sub-region, as shown in Figure 3-1 and Appendix Table A-1. These data have been adjusted to include Census ACS 2006-2008 estimates of self-employment for Riverside County, as shown in Appendix Table A-2 for the City. All wage data is presented in constant 2008 dollars. Additionally, the City and the sub-region are compared to Riverside County and the Southern California region for economic specialization and wage distribution. The information at county-level was also obtained from the EDD. Data for Southern California was assembled by aggregating the counties of Los Angeles, Orange, San Bernardino, Riverside and San Diego. Also presented are comparison of the City's economy to surrounding communities in the Inland Empire and San Diego County to provide benchmarks of relative performance and opportunities to inform policy recommendations.

Data is analyzed for the 2005 to 2008 time period for Murrieta to identify industries that grew historically and those that have been impacted by the recent downturn in the U.S. economy. Further, the relative growth of jobs in the City classified into local-serving and export-base jobs is examined to facilitate an understanding of the strengths and opportunities of the City's economy. Local serving jobs, by definition, are driven primarily by local residential demand, which is affected by cycles of high vacancies and foreclosures. In comparison, export base jobs serve a wider market, and therefore, are impacted by larger dynamics at the regional and higher levels.

Figure 3-1
 Economic Regions of Analysis
 Murrieta and Temecula Valley Sub-region

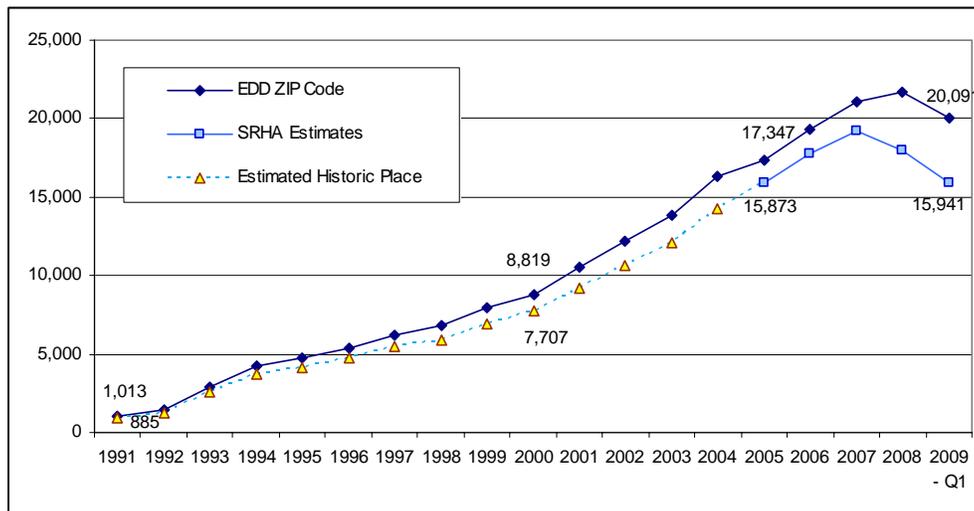


Source: Stanley R. Hoffman Associates, Inc.

The employment estimates prepared for the City in this report (SRHA estimates) were also compared to employment estimates presented previously in a report prepared for the City by Economics and Politics, Inc in August 2006 for the 1991 to 2005 time period. The SRHA estimates differ from the above mentioned 2006 report in three ways – a) these estimates have been assembled on a place code basis as opposed to ZIP codes for the City of Murrieta for Annual 2005 to First Quarter 2009; b) these data were procured from the EDD by the North American Industrial Classification System (NAICS) categories, as opposed to Standard Industrial Classification (SIC) codes used in the 2006 study; and c) the current NAICS employment data procured from EDD for the City was adjusted for self-employment rates for Riverside County obtained from the American Community Survey (ACS) 2006 to 2008 3-year estimates, as mentioned earlier.

The SRHA employment estimates over the 2005 to First Quarter 2009 time period for Murrieta prepared for the current report were compared to the Economic and Politics, Inc. numbers by establishing the relationship between current EDD estimates for the City place-code and City ZIP codes. The 2005 to 2008 place to ZIP code proportion (approximately 87 percent) was applied to the historic 1991 to 2005 ZIP code estimates in the 2006 study to get a long-term place trend for the City of Murrieta, as shown in Figure 3-2 and Appendix Table A-3.

Figure 3-2
Long-term Employment Trend
City of Murrieta
Annual 1991 to First Quarter 2009



Source: Stanley R. Hoffman Associates, Inc.
Economics and Politics, Inc., 2006
California Employment Development Department

3.2 City and Regional Economic Trends

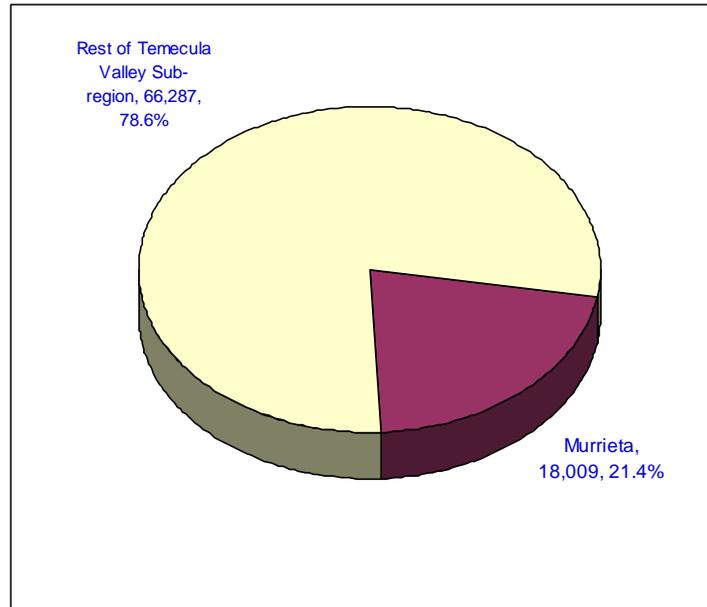
As shown in Table 3-1, total estimated annual average employment in the City grew from 15,873 in 2005 to 18,009 in 2008 at an annual average growth rate of 4.3 percent. In comparison, employment in the Temecula Valley sub-region also increased over this time period from 76,387 to 84,296 at 3.3 percent annual average growth rate, while employment growth in Riverside County remained relatively flat. The City's share of the sub-regional economy grew marginally from 20.8 percent in 2005 to 21.4 percent in 2008, as shown in Figure 3-3. Provisional First Quarter 2009 data shows a decline to 15,941 jobs, as shown later in this chapter.

**Table 3-1
Regional Comparison of Employment Trends
City, Temecula Valley Sub-region and Riverside County
2005 to 2008**

	2005	2006	2007	2008	Annual Average Growth Rate 2005 to 2008
City of Murrieta	15,873	17,780	19,253	18,009	4.3%
Temecula Valley Sub-region	76,387	83,917	86,331	84,296	3.3%
City as % Sub-region	20.8%	21.2%	22.3%	21.4%	
Riverside County	662,712	693,857	694,155	667,844	0.3%
Sub-region as % County	11.5%	12.1%	12.4%	12.6%	

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)

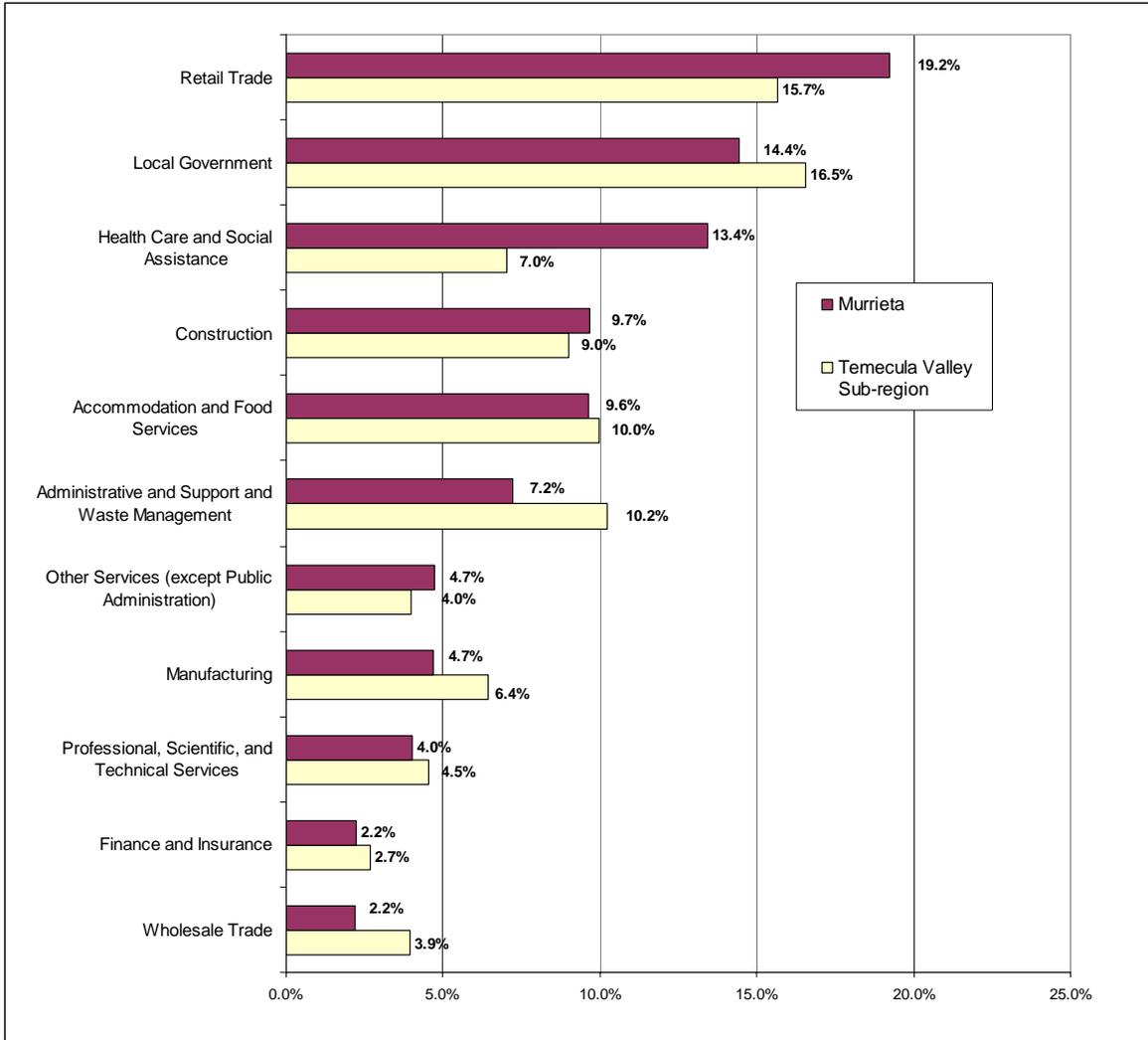
Figure 3-3
City Share of Temecula Valley Sub-region
2008



Source: Stanley R. Hoffman Associates, Inc.

As shown in Figure 3-4 and Table 3-2, in 2008, the Retail Trade sector comprised 19.2 percent (3,446 jobs) of the total jobs in the City, followed by Local Government at 14.4 percent (2,601 jobs) and Health Care and Social Assistance at 13.4 percent (2,417 jobs). These sectors are followed by Construction at 9.7 percent (1,739 jobs) and Accommodation and Food Services at 9.6 percent (1,736 jobs). The above sectors have a large component of local serving activities, with the exception of a portion of Health Care and Social Services, which provides specialized medical services to a larger regional base and Accommodation and Food Services, which serves visitors as well as local residents. Taken together with Real Estate, Rental and Leasing (1.5 percent), Arts and Entertainment, Educational Services, Government and Other Services, primarily local serving sectors comprised nearly 77.9 percent of the total employment in the City, as shown in Table 3-2. In comparison, in 2008, activities like Manufacturing (4.7 percent), Professional Scientific and Technology (4.0 percent), Wholesale Trade (2.2 percent) and Transportation and Warehousing (0.9 percent) comprised only about 12 percent of the total jobs in the City. The above categories together with intermediary support services like Administrative, Support and Waste Management (7.2 percent) and Finance and Insurance (2.2 percent) comprised the balance, i.e., 22.1 percent of total employment in the City, as shown in Table 3-2, an approximation for the export base of the City.

Figure 3-4
Distribution of Annual Average Employment
Murrieta and Temecula Valley Sub-region
2008



Source: Stanley R. Hoffman Associates, Inc.

Table 3-2
Annual Average Employment Distribution and Specialization by NAICS Sectors
Murrieta and Surrounding Regions
2008

	Murrieta		Temecula Valley ¹		Riverside County		Southern California ²	
	Jobs	% Distr.	Jobs	% Distr.	Jobs	% Distr.	Jobs	% Distr.
EMPLOYMENT BY SECTORS: 2008								
Construction	1,739	9.7%	7,582	9.0%	63,269	9.5%	489,122	5.4%
Manufacturing	844	4.7%	5,433	6.4%	49,070	7.3%	835,653	9.2%
Wholesale Trade	398	2.2%	3,327	3.9%	21,473	3.2%	439,222	4.9%
Retail Trade	3,466	19.2%	13,198	15.7%	89,759	13.4%	951,951	10.5%
Transportation and Warehousing	155	0.9%	791	0.9%	19,553	2.9%	266,890	3.0%
Information	156	0.9%	1,230	1.5%	7,954	1.2%	310,942	3.4%
Finance and Insurance	405	2.2%	2,243	2.7%	13,568	2.0%	328,107	3.6%
Real Estate and Rental and Leasing	270	1.5%	2,049	2.4%	13,141	2.0%	203,724	2.3%
Professional, Scientific, and Technical Services	723	4.0%	3,832	4.5%	25,479	3.8%	645,328	7.1%
Management of Companies and Enterprises	0	0.0%	80	0.1%	3,486	0.5%	109,832	1.2%
Administrative and Support and Waste Management	1,298	7.2%	8,633	10.2%	42,647	6.4%	670,204	7.4%
Educational Services	104	0.6%	1,039	1.2%	5,483	0.8%	161,075	1.8%
Health Care and Social Assistance	2,417	13.4%	5,924	7.0%	55,201	8.3%	763,318	8.4%
Arts, Entertainment, and Recreation	328	1.8%	1,209	1.4%	11,224	1.7%	181,978	2.0%
Accommodation and Food Services	1,736	9.6%	8,418	10.0%	64,631	9.7%	745,313	8.2%
Other Services (except Public Administration)	849	4.7%	3,370	4.0%	32,037	4.8%	549,893	6.1%
Federal Government	129	0.7%	331	0.4%	6,691	1.0%	123,942	1.4%
Local Government	2,601	14.4%	13,940	16.5%	105,941	15.9%	922,211	10.2%
Other Employment	393	2.2%	1,667	2.0%	37,236	5.6%	344,566	3.8%
TOTAL	18,009	100.0%	84,296	100.0%	667,844	100.0%	9,043,269	100.0%
Estimated Local Serving Sectors ³	14,032	77.9%	58,726	69.7%	484,613	72.6%	5,437,092	60.1%
Estimated Population	100,714		84,296		2,107,653		20,874,212	
Estimated Local Serving Jobs per Capita	0.14		0.70		0.23		0.26	
Estimated Export Base Sectors ⁴	3,978	22.1%	25,570	30.3%	183,231	27.4%	3,606,178	39.9%
Estimated Population	100,714		84,296		2,107,653		20,874,212	
Estimated Export Base Jobs per Capita	0.04		0.30		0.09		0.17	
LOCATION QUOTIENTS: 2008								
Construction		1.79		1.66		1.75		1.00
Manufacturing		0.51		0.70		0.80		1.00
Wholesale Trade		0.46		0.81		0.66		1.00
Retail Trade		1.83		1.49		1.28		1.00
Transportation and Warehousing		0.29		0.32		0.99		1.00
Information		0.25		0.42		0.35		1.00
Finance and Insurance		0.62		0.73		0.56		1.00
Real Estate and Rental and Leasing		0.67		1.08		0.87		1.00
Professional, Scientific, and Technical Services		0.56		0.64		0.53		1.00
Management of Companies and Enterprises		0.00		0.08		0.43		1.00
Administrative and Support and Waste Management		0.97		1.38		0.86		1.00
Educational Services		0.33		0.69		0.46		1.00
Health Care and Social Assistance		1.59		0.83		0.98		1.00
Arts, Entertainment, and Recreation		0.90		0.71		0.84		1.00
Accommodation and Food Services		1.17		1.21		1.17		1.00
Other Services (except Public Administration)		0.78		0.66		0.79		1.00
Federal Government		0.52		0.29		0.73		1.00
Local Government		1.42		1.62		1.56		1.00
Other Employment		0.57		0.52		1.46		1.00

1. As defined by ZIP Codes listed in Appendix A-1.

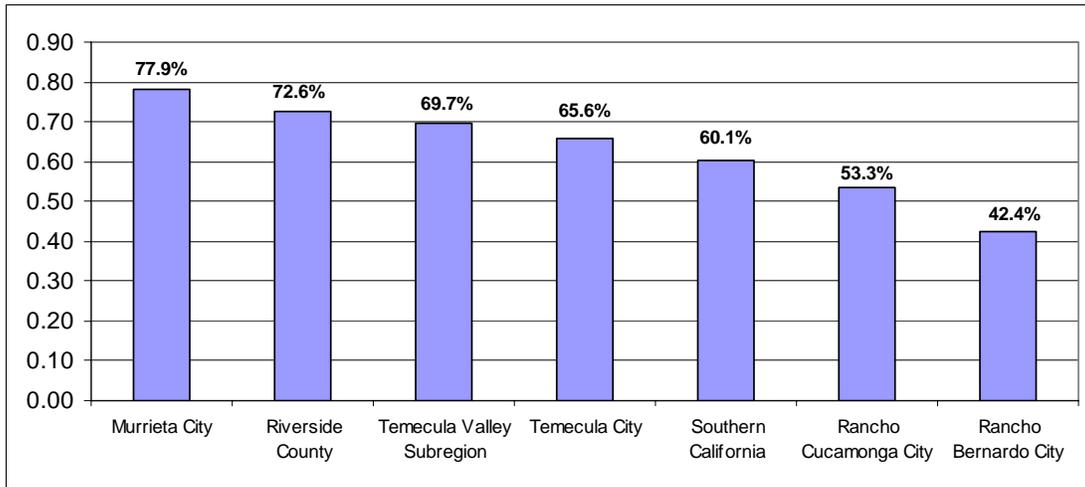
2. Including Riverside County, San Bernardino County, Los Angeles County, Orange County and San Diego County.

3. Includes Construction, Retail, Health Care and Social Assistance, Accommodation and Food Services, Government, Real Estate, Rental and Leasing, Educational Services, Arts and Entertainment and Other Services.

4. Includes Manufacturing, Wholesale Trade, Transportation and Warehousing, Information, Professional, Scientific and Technical Services, Finance and Insurance, Management of Companies, and Administration, Support Services, and Waste Management.

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)

Figure 3-5
Estimated Annual Average Share of Local Serving Jobs ¹
Murrieta and Surrounding Communities
2008



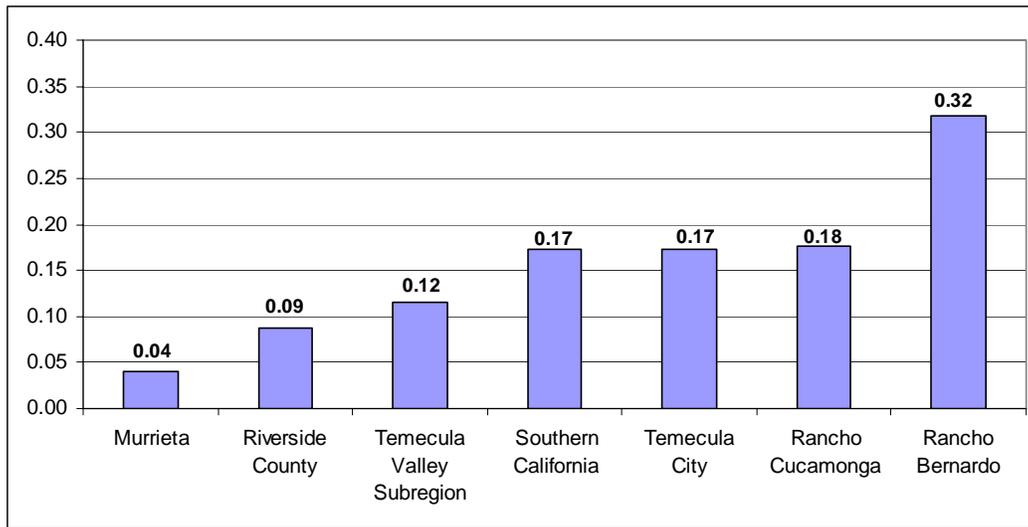
1. Includes employment in Retail, Construction, Accommodation and Food Services, Educational Services, Health Care and Social Assistance, Arts and Entertainment, Other Services and Government.

Source: Stanley R. Hoffman Associates, Inc.

The City had a higher proportion of local serving jobs (77.9 percent) when compared to the Temecula Valley sub-region, Riverside County and the Southern California regional economy. As shown in Figure 3-4, local serving jobs comprised 72.6 percent of the total in Riverside County, 69.7 percent in the Temecula Valley sub-region and 65.6 percent in Temecula City. Southern California on the whole had 60.1 percent share of local serving jobs with communities like Rancho Cucamonga and Rancho Bernardo having even lower shares at 53.3 percent and 42.4 percent, respectively.

Conversely, when examined on a per capita basis, as shown in Figure 3-6, Murrieta had only 0.04 jobs per capita or 40 jobs per 1000 city residents in export base industries. These numbers were slightly lower than the Riverside County estimate of 0.09 jobs per capita but significantly lower than the neighboring communities of Temecula City at 0.17 jobs per capita, Rancho Bernardo in San Diego City at 0.32 jobs per capita and Rancho Cucamonga at 0.18 jobs per capita (for employment details on Temecula City, Rancho Cucamonga and Rancho Bernardo, see Appendix Table A-4).

Figure 3-6
Estimated Annual Average Export Base Jobs ¹Per Capita
Murrieta and Surrounding Communities
2008



1. Includes employment in the Manufacturing, Wholesale Trade, Transportation and Warehousing, Professional, Scientific and Technical, Information, Finance and Insurance, Management of Companies and Administration, Support Services and Waste Management.

Source: Stanley R. Hoffman Associates, Inc.

3.3 Analysis of Industrial Specialization

Also shown previously in Table 3-2 are location quotients by sector, which are indicators of economic specialization for the City relative to the Southern California region. These quotients are calculated by dividing the employment share by sector within the City by the employment share by sector within the Southern California region. A quotient greater than 1.00 for any particular sector indicates that the share of that sector within the City is greater relative to the region, or in other words, the City's economy is relatively more specialized in that sector compared to the region. Location quotients for the Temecula Valley sub-region and Riverside County were similarly estimated relative to the Southern California region.

As shown in Table 3-2, the City's economy is relatively more specialized compared to Southern California in Retail Trade (1.83), Construction (1.79), Health Care and Social Assistance (1.59), Local Government (1.42) and Accommodation and Food Services (1.17). As stated before, these sectors are primarily associated with residential growth. Sectors within the City that are least specialized relative to the region include Information (0.25), Transportation and Warehousing (0.29), Wholesale Trade (0.46), Manufacturing (0.51), Finance and Insurance (0.62) and Professional, Scientific and Technical Services (0.56). In contrast, the surrounding Temecula Valley sub-region is significantly more specialized than the City of Murrieta, as benchmarked to the Southern California region in Real Estate, Rental and Leasing (1.08), Wholesale Trade (0.81) and Manufacturing (0.70).

3.4 Comparative Wage Trends

Further, as shown in Table 3-3, overall wage trends provide another set of indicators to compare the economic performance of the City relative to the Temecula Valley sub-region and the County. Overall wages in the City declined about 4.4 percent in inflation adjusted dollars from \$37,730 in 2005 to \$36,077 in 2008. Average wages in the Temecula Valley sub-region also declined from \$38,098 in 2005 to \$36,096 in 2008. This decline is observed at the overall Riverside County and Southern California region, with the latter showing a smaller drop compared to the City, sub-region and County. Further, the average wages in Southern California were significantly higher (38 to 43 percent higher in 2008) compared to the other three areas.

As shown in Table 3-4, average wages vary by sectors, but trend similarly within the Temecula Valley sub-region. For example, within Murrieta wages are estimated to range from a high of 1.25 to 1.45 times the city-wide average in office professional and Federal Government jobs and only about 0.35 to 0.70 times for sectors like Accommodation and Food Services, Educational Services and Retail Trade. These trends are similar for the Temecula Valley sub-region. In Riverside County, the ratio of average sector wages to economy-wide average wages vary from a high of 1.95 (Federal Government) to a low of 0.50 (Accommodation and Food Services). The wage structure of the Southern California regional economy on the whole is different from Riverside County with average sectoral wages ranging from a high of \$87,000 in the Information sector to a low of \$18,919 in Accommodation and Food Services. This indicates the relatively higher concentration of skilled, thus higher paid jobs on the whole outside the Riverside County area, which explains the greater wage disparities.

Table 3-3
Average Wage Historic Trend
Murrieta and Surrounding Regions
2005 to 2008
(Constant 2008 Dollars)

	2005	2006	2007	2008	Percent Change 2005 to 2008
City of Murrieta	\$37,730	\$37,550	\$36,878	\$36,077	-4.4%
Temecula Valley Sub-region	\$38,098	\$37,541	\$37,244	\$36,096	-5.3%
City as ratio of Sub-region	1.0	1.0	1.0	1.0	
Riverside County	\$35,828	\$35,414	\$35,406	\$34,786	-2.9%
Sub-region as ratio of County	1.1	1.1	1.1	1.0	
Southern California	\$50,940	\$50,145	\$49,560	\$49,746	-2.3%

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)

Table 3-4
Comparison of Average Wage by NAICS Sectors
Murrieta and Surrounding Areas
2008
 (Constant 2008 Dollars)

	Murrieta	Temecula Valley Region	Riverside County	Southern California ¹
Construction	\$45,906	\$47,806	\$39,972	\$52,919
Manufacturing	43,259	44,895	43,695	56,038
Wholesale Trade	54,214	43,990	44,345	57,818
Retail Trade	26,566	26,114	25,441	30,002
Transportation and Warehousing	37,460	35,947	35,699	44,551
Information	43,297	50,501	45,900	87,070
Finance and Insurance	54,754	55,178	49,432	85,140
Real Estate and Rental and Leasing	39,686	48,665	26,800	50,631
Professional, Scientific, and Technical Services	47,114	53,330	41,444	77,919
Management of Companies and Enterprises	30,023	40,434	43,384	81,972
Administrative and Support and Waste Management	43,812	31,367	22,458	33,201
Educational Services	24,608	32,655	30,037	39,442
Health Care and Social Assistance	47,579	42,932	40,272	47,289
Arts, Entertainment, and Recreation	20,475	19,347	23,422	59,809
Accommodation and Food Services	13,327	14,698	17,221	18,919
Other Services (except Public Administration)	27,851	23,987	17,657	24,147
Federal Government	54,593	51,375	67,827	64,355
Local Government	<u>46,250</u>	<u>41,029</u>	<u>48,469</u>	<u>54,517</u>
Economy-wide Average	\$37,730	\$36,096	\$34,786	\$49,155
	<i>Local Serving Jobs</i> ²	\$34,429	\$33,405	\$40,247
	<i>Export Base Jobs</i> ³	\$41,607	\$42,080	\$60,922

1. Including Riverside County, San Bernardino County, Los Angeles County, Orange County and San Diego County.

2. Includes Construction, Retail, Health Care and Social Assistance, Accommodation and Food Services, Government, Real Estate, Rental and Leasing, Educational Services, Arts and Entertainment and Other Services.

3. Includes Manufacturing, Wholesale Trade, Transportation and Warehousing, Information, Professional, Scientific and Technical Services, Finance and Insurance, Management of Companies, and Administration, Support Services, and Waste Management.

Source: Stanley R. Hoffman Associates, Inc.
 California Employment Development Department (EDD).

3.5 City Historic Trends

As shown in Table 3-5, total employment in the City grew from 15,873 in 2005 to 18,009 in 2008 at an average annual growth rate of 4.3 percent. These figures include estimates for self-employment over the EDD ES-202 employment and payroll department, as explained in Appendix Table A-2. While not large, sectors that experienced the highest annual average growth rates over the 2005 to 2008 time period included Professional, Scientific and Technical (17.7 percent), Finance and Insurance (13.0 percent) and Wholesale Trade (11.5 percent). Sectors that declined significantly over the 2005 to 2008 time period included Real Estate, Rental and Leasing (-4.9 percent), Construction (-2.9 percent) and Information (-1.6 percent). Provisional First Quarter data for 2009 have been provided for information, as shown in Table 3-5.

**Table 3-5
Employment Trend¹ by NAICS Sectors
City of Murrieta
Annual 2005 to First Quarter 2009**

	Annual 2005	Annual 2006	Annual 2007	Annual 2008	First Quarter 2009	Change 2005 to 2008	Annual Average Growth Rate 2005 to 2008
Estimates of Total Employment (Incl. Self Employed)							
Construction	1,902	2,254	2,060	1,739	1,333	-163	-2.9%
Manufacturing	798	712	858	844	730	45	1.9%
Wholesale Trade	288	414	363	398	324	111	11.5%
Retail Trade	3,224	3,373	3,811	3,466	3,011	242	2.4%
Transportation and Warehousing	139	175	185	155	115	15	3.5%
Information	171	186	183	156	134	-15	-3.1%
Finance and Insurance	281	420	453	405	356	124	13.0%
Real Estate and Rental and Leasing	314	335	303	270	222	-44	-4.9%
Professional, Scientific, and Technical S	443	522	707	723	567	280	17.7%
Management of Companies and Enterp	64	0	0	0	0	-64	n/a
Administrative and Support and Waste	1,145	1,515	1,525	1,298	1,141	153	4.3%
Educational Services	29	57	74	104	111	75	52.6%
Health Care and Social Assistance	2,005	2,220	2,482	2,417	2,424	412	6.4%
Arts, Entertainment, and Recreation	405	465	468	328	259	-77	-6.8%
Accommodation and Food Services	1,292	1,598	1,813	1,736	1,506	444	10.3%
Other Services (except Public Administr	879	788	963	849	735	-30	-1.1%
Federal Government	24	25	63	129	124	105	75.2%
Local Government	2,210	2,395	2,570	2,601	2,548	391	5.6%
Other Employment	<u>260</u>	<u>327</u>	<u>372</u>	<u>393</u>	<u>300</u>	<u>132</u>	<u>14.7%</u>
TOTAL	15,873	17,780	19,253	18,009	15,941	2,136	4.3%

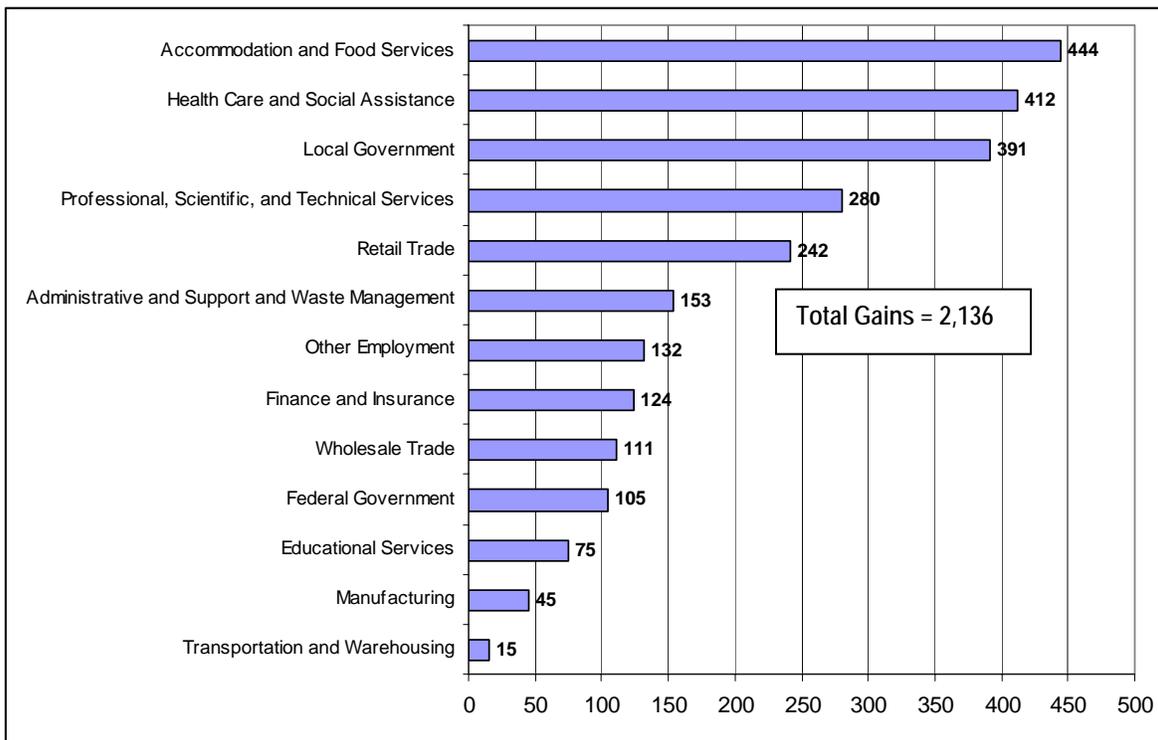
1. Employment data by NAICS industries has been adjusted for self-employment based on estimates from the American Community Survey 2006-2008.

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)
American Community Survey, 2006-08

As shown in Figure 3-7, about 58 percent of the employment growth of 2,136 over the annual 2005 to annual 2008 period was concentrated in Accommodation and Food Services, Health Care and Social Assistance and Local Government, which are all typically local serving activities. However, Professional, Scientific and Technical Services jobs also grew during this time period, comprising the fourth largest individual sectoral share of growth at 13 percent of the total growth.

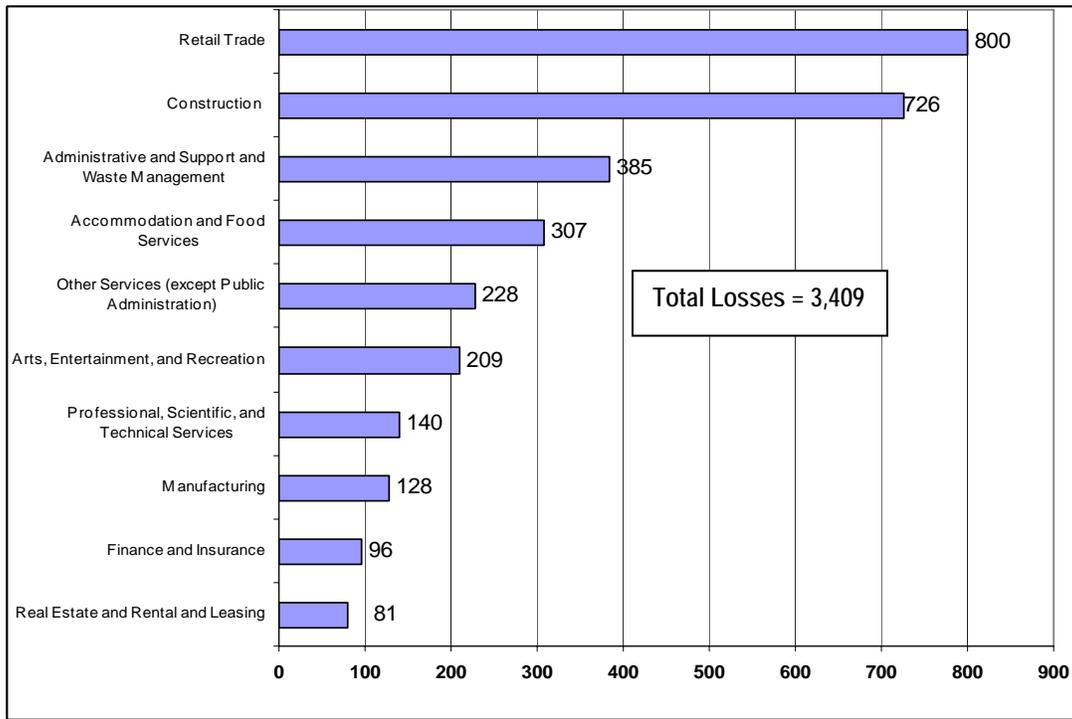
However, the City experienced a net loss of 1,244 jobs between the annual estimates for 2007 and 2008. This declining trend is indicated in provisional data for the first quarter of the year 2009, as obtained from the EDD. This data indicates that there has been a significant decrease of employment from the 2007 peak annual employment estimate of 19,253 to 15,941 jobs reported for the first quarter of 2009 – a net loss of 3,312 jobs (a total loss of 3,409 jobs and total gain of 98 jobs). As shown in Figure 3-8, of the total 3,409 job losses during this period nearly 24 percent was in Retail Trade followed by Construction at 21 percent, Administration, Support and Waste Management at 11 percent and Accommodation and Food Services at 9 percent, totaling for a share of 65 percent.

Figure 3-7
Job Gains by NAICS Sectors
City of Murrieta
Annual 2005 to Annual 2008



Source: Stanley R. Hoffman Associates, Inc.

Figure 3-8
Job Losses by NAICS Sectors
City of Murrieta
Annual 2007 to First Quarter 2009



Source: Stanley R. Hoffman Associates, Inc.

The overall average wage in the City showed a small decline from annual average of \$37,730 in 2005 to \$36,077 in 2008, as shown in Table 3-6. In 2008, within the private sectors, average wages in Wholesale Trade sector was the highest at around \$51,507 followed by Construction at \$45,876 and Finance and Insurance at \$45,435, as shown in Figure 3-10. However, jobs in the above sectors comprised only 14 percent of the total.

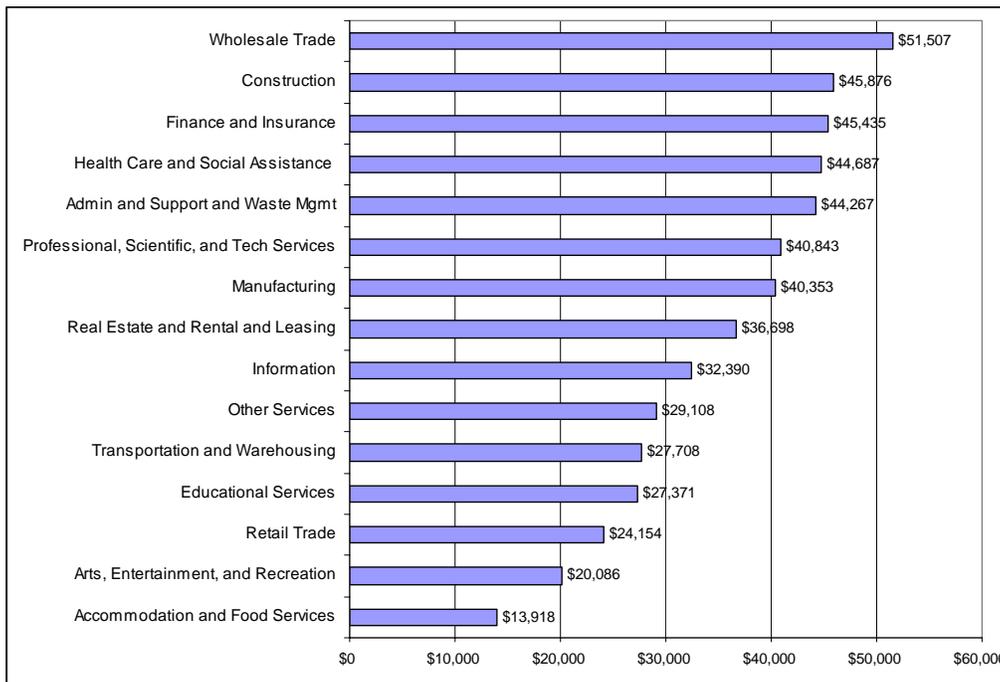
Government jobs (local, state and federal) had average wages around \$47,500. Sectors with the lowest average wages in the City included Accommodation and Food Services (\$13,918), Arts, Entertainment and Recreation (\$20,086) and Retail Trade (\$24,154). Jobs in the lowest three wage sectors comprised nearly 31 percent of the total employment in the City. This explains the low overall average wages (\$36,077) in the City in 2008.

Table 3-6
Wage Trends by NAICS Sectors
City of Murrieta
2005 to 2008
(Constant 2008 Dollars)

	2005	2006	2007	2008	Percent Change 2005 to 2008
Construction	\$45,906	\$47,703	\$46,849	\$45,876	-0.1%
Manufacturing	\$43,259	\$42,154	\$41,262	\$40,353	-6.7%
Wholesale Trade	\$54,214	\$49,950	\$54,877	\$51,507	-5.0%
Retail Trade	\$26,566	\$25,443	\$25,184	\$24,154	-9.1%
Transportation and Warehousing	\$37,460	\$23,723	\$25,902	\$27,708	-26.0%
Information	\$43,297	\$48,142	\$41,728	\$32,390	-25.2%
Finance and Insurance	\$54,754	\$49,054	\$49,823	\$45,435	-17.0%
Real Estate and Rental and Leasing	\$39,686	\$48,474	\$40,492	\$36,698	-7.5%
Professional, Scientific, and Technical Services	\$47,114	\$47,800	\$41,920	\$40,843	-13.3%
Management of Companies and Enterprises	\$30,023	n/a	n/a	n/a	n/a
Administrative and Support and Waste Management	\$43,812	\$41,026	\$44,118	\$44,267	1.0%
Educational Services	\$24,608	\$25,187	\$29,897	\$27,371	11.2%
Health Care and Social Assistance	\$47,579	\$46,370	\$45,611	\$44,687	-6.1%
Arts, Entertainment, and Recreation	\$20,475	\$20,409	\$20,758	\$20,086	-1.9%
Accommodation and Food Services	\$13,327	\$13,652	\$13,555	\$13,918	4.4%
Other Services (except Public Administration)	\$27,851	\$28,195	\$28,435	\$29,108	4.5%
Federal Government	\$54,593	\$59,176	\$49,658	\$47,857	-12.3%
Local Government	\$46,250	\$46,407	\$47,172	\$47,431	<u>2.6%</u>
TOTAL	\$37,730	\$37,550	\$36,878	\$36,077	-4.4%

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)

**Figure 3-9
Average Wages by NAICS Sectors
City of Murrieta
2008**



Source: Stanley R. Hoffman Associates, Inc.

3.5 Murrieta Employees and Labor Force Commute Patterns

As shown in Table 3-7, according to the US Census Bureau, in 2008 about 21 percent of individuals employed in the City of Murrieta also lived in the City. About 10 percent of employees in Murrieta commute from Temecula, while about 31 percent commute from other parts of Riverside County. About 11 percent of the individuals employed in Murrieta commute from San Diego County followed by 8 percent from Los Angeles County.

In comparison, as shown in Table 3-8, an overwhelming majority of Murrieta Residents out-commute to their place of employment. While about 16 percent of Murrieta residents commute to Temecula for work, only about 13 percent work within Murrieta. Another 20 percent of the City residents commute to other parts of Riverside County, while another 22 percent out-commute to San Diego County for employment. The above data suggests that the diverse City workforce is not being absorbed by the existing economic base of the City. Policy would need to address this gap through measures to promote economic diversification, particularly within the manufacturing, professional, scientific and technical, information and finance and insurance sectors.

Table 3-7
Place of Residence of Murrieta Employees
2008

Place of Residence	Murrieta Employees	Percent Share
<u>Riverside County</u>		
Murrieta	3,662	20.9%
Temecula	1,702	9.7%
Wildomar	560	3.2%
Lake Elsinore	454	2.6%
Other Riverside County Places	<u>5,492</u>	<u>31.4%</u>
<i>Riverside County</i>	11,870	67.9%
San Diego County	1,845	10.6%
Los Angeles County	1,436	8.2%
Orange County	945	5.4%
Other Locations	1,389	7.9%
Total	17,485	100.0%

Source: Stanley R. Hoffman Associates, Inc.

Census Longitudinal Employee Household Dynamics (LEHD), 2008.

Table 3-8
Place of Employment of Murrieta Labor Force
2008

Place of Employment	Murrieta Labor	Percent Share
<u>Riverside County</u>		
Temecula	4,551	15.9%
Murrieta	3,662	12.8%
Riverside City	1,167	4.1%
Lake Elsinore	640	2.2%
Other Riverside County Places	<u>3,920</u>	<u>13.7%</u>
<i>Riverside County</i>	13,940	48.8%
San Diego County	6,318	22.1%
Orange County	3,180	11.1%
Los Angeles County	2,518	8.8%
Other Locations	2,606	9.1%
Total	28,562	100.0%

Source: Stanley R. Hoffman Associates, Inc.

Census Longitudinal Employee Household Dynamics (LEHD), 2008.

CHAPTER 4 DEMOGRAPHIC TRENDS

This chapter presents information on the demographic trends for the City of Murrieta from the 2000 Census, updated information for 2008, where available from the American Community Survey and to 2009 from the California Department of Finance. These data include information on population, household, housing characteristics, labor force and other demographic indicators. The earliest population estimates provided by the California Department of Finance was for 1992 since the City of Murrieta was officially incorporated as a city on July 1, 1991. Population figures for 1990 for Murrieta Census Designated Place (CDP), which is defined by the U.S. Census Bureau, as a concentration of a population that is the statistical counterpart of an incorporated place is available but was not used. This is due to the fact that the City of Murrieta was not incorporated until July 1, 1991 as stated on the City's website, so population figures provided by the U.S. Census Bureau for 1990 were not reliable and therefore not used in this report.

4.1 Population and Households

As shown in Table 4-1, total population in the City grew from 24,334 in the 1992 to 100,714 in the 2009 at an annual average growth rate of 7.76 percent. Riverside County population grew at a lower rate from 1992 to 2009, experiencing an annual average growth rate of 2.68 percent. Growth rates for household population – which excludes group quarter population -- for both Murrieta and Riverside County were similar to population growth rates for the 1992 to 2009 time period.

By January 2009, according to the California Department of Finance (DOF), population in the City was estimated to have reached 100,714. Household population grew from 24,245 in 1992 to 100,054 in 2009 at an annual average growth of 7.75 percent. Population and household growth rates are almost the same for the 1992 to 2009 time period, based on information from DOF. These trends are similar in Riverside County, where the population and households grew at similar rates at 2.68 percent and 2.70 percent respectively between the 1992 and 2000 time period.

Table 4-1
 Historic Population and Household Growth Trends
 City of Murrieta and Riverside County
 1992 to 2009

	1992	2000	2009	Change 1992 to 2009	Percent Change	AAGR ¹ 1992 to 2009
A. City of Murrieta						
Population	24,334	43,902	100,714	76,380	313.9%	7.76%
Household Population	24,245	43,719	100,054	75,809	312.7%	7.75%
Housing Units	9,712	14,793	34,293	24,581	253.1%	6.87%
Households	7,538	14,136	32,677	25,139	333.5%	8.03%
Persons Per Household	3.22	3.09	3.06			
Vacancy	22.38%	4.44%	4.71%			
B. Riverside County						
Population	1,275,484	1,535,125	2,107,653	832,169	65.2%	2.68%
Household Population	1,248,956	1,500,903	2,072,532	823,576	65.9%	2.70%
Housing Units	512,830	581,089	780,112	267,282	52.1%	2.23%
Households	430,421	502,782	677,582	247,161	57.4%	2.42%
Persons Per Household	2.90	2.99	3.06			
Vacancy	16.07%	13.48%	13.14%			

1. AAGR is defined as Average Annual Growth Rate

Sources: Stanley R. Hoffman Associates, Inc.

California Department of Finance, 1992, 2000 and 2009

As shown in Table 4-1, the population of the City almost doubled for the 1990 to 2000 time period, and then more than doubled for the 1992 to 2009 time period. Persons per household experienced a decline from 3.22 in 1990 to 3.06 in 2009. However, Riverside County population and household population steadily increased from 1992 to 2009. This trend can be seen in persons per household for the 1992 to 2009 period which increased from 2.90 to 3.06 persons per household.

Table 4-2 shows the population growth from 1992 to 2009 for the City of Murrieta, surrounding cities and surrounding counties. These cities are: Temecula, Lake Elsinore and Corona, and the counties are: Riverside County, San Bernardino County and San Diego County. The lowest annual average growth rate is at 1.24 percent for the San Diego County and the highest growth rate is at 8.71 percent for the City of Murrieta for the 1992 to 2009 time period.

Figure 4-1 shows the historic population of the City of Murrieta from 1992 to 2009. Based on the City's website, the City of Murrieta was incorporated July 1, 1991. The City experienced a steady growth from 24,334 to 43,902 in the 1992 to 2000 time period. Then from the 2000 to 2009 time period, there was a more rapid population growth from 43,902 to 100,714, more than doubling the 2000 population.

Table 4-2
 Historic Population Growth Trends
 City of Murrieta and Surrounding Cities and Counties
 1992 to 2009

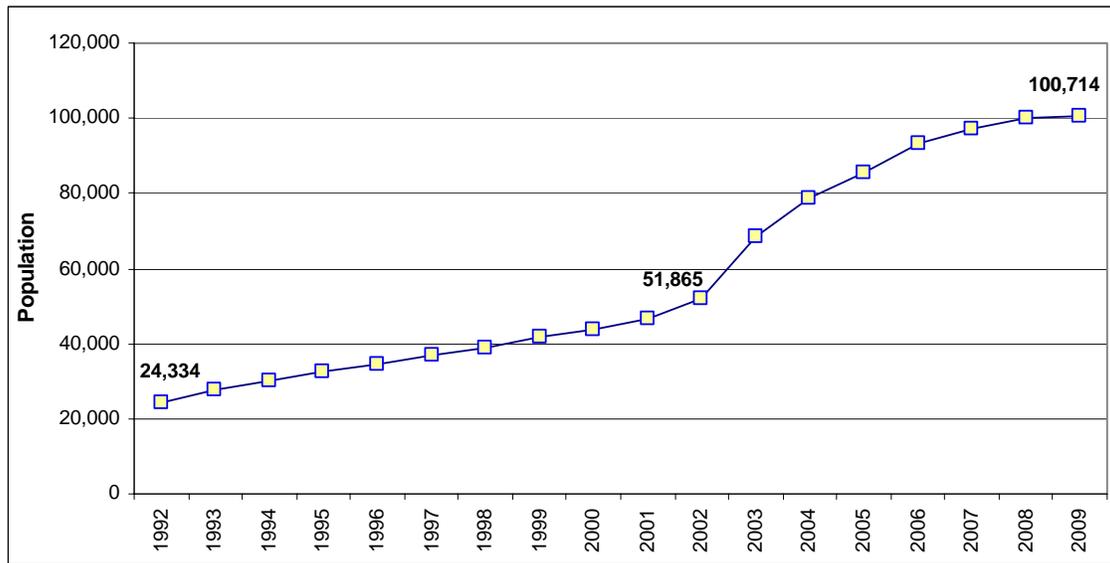
	1992	2000	2009	Change 1992 to 2009	Percent Change	AAGR ¹ 1992 to 2009
City of Murrieta	24,334	43,902	100,714	76,380	313.9%	8.71%
<u>Surrounding Cities</u>						
Temecula	31,622	56,607	102,604	70,982	224.5%	7.17%
Lake Elsinore	21,605	28,756	50,267	28,662	132.7%	5.09%
Corona	86,850	123,757	148,597	61,747	71.1%	3.21%
Riverside County	1,275,484	1,535,125	2,107,653	832,169	65.2%	3.00%
San Bernardino County	1,516,475	1,701,374	2,060,950	544,475	35.9%	1.82%
San Diego County	2,572,449	2,801,336	3,173,407	600,958	23.4%	1.24%

1. AAGR - Average Annual Growth Rate

Sources: Stanley R. Hoffman Associates, Inc.

California Department of Finance, 1992, 2000 and 2009

Figure 4-1
 Historic Population
 City of Murrieta
 1992 to 2009

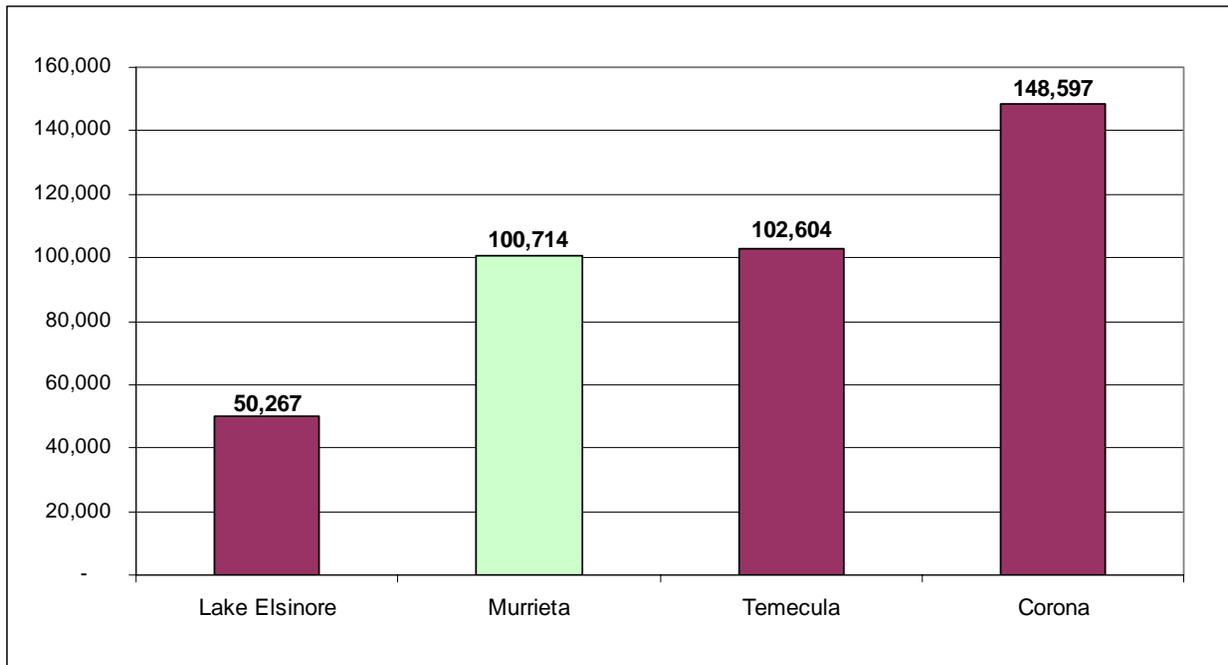


Source: Stanley R. Hoffman Associates, Inc.

California Department of Finance, 1992 to 2009

Figure 4-2 displays population characteristics for the City of Murrieta and surrounding cities. The City has the third largest population at 100,714 among the surrounding cities falling just below Temecula's population of 102,604. Within this sub-region, the City of Corona has the largest estimated population with 148,597. Lake Elsinore has the smallest population of the four compared cities at 50,267.

Figure 4-2
Population Characteristics
City of Murrieta and Surrounding Cities and Counties
2009

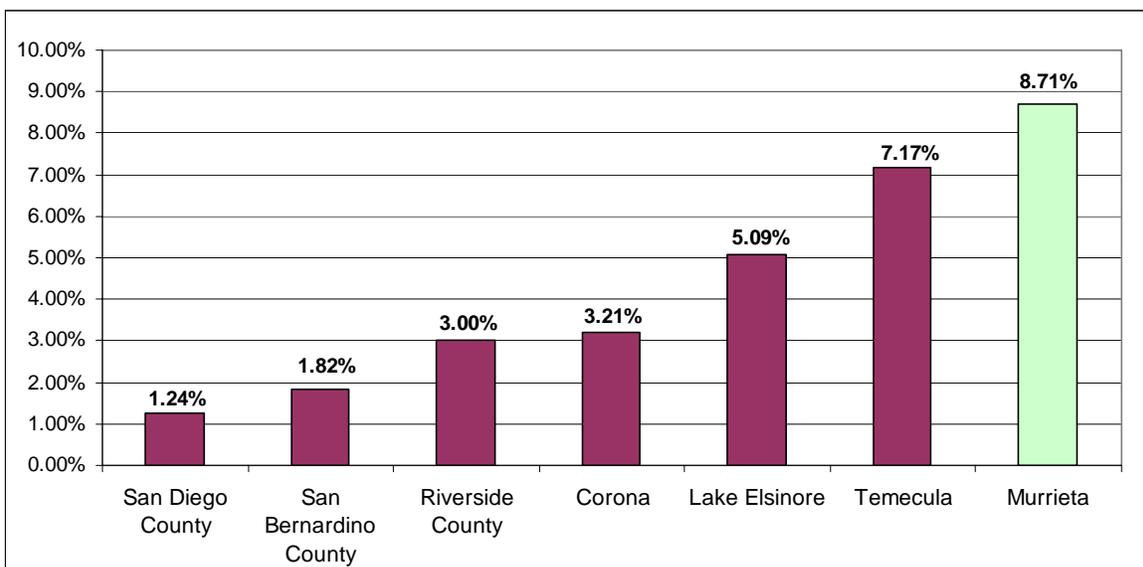


Source: Stanley R. Hoffman Associates, Inc.
California Department of Finance, 2009

As shown in Figure 4-3, the City of Murrieta has the largest average annual growth rates at 8.71 percent. The County of San Diego has the lowest growth rate at 1.24 percent. The Counties had lower average annual growth rates that ranged from 1.24 percent to 3.00 percent compared to the cities of Corona, Lake Elsinore and Temecula that ranged from 3.21 percent to 8.71 percent average annual growth rate.

As shown in Table 4-3 and Figure 4-4, the household population of Murrieta is the second smallest among the four cities with 100,054 households which is slightly below Temecula’s household population of 102,582. Figure 4-4 reflects the cities’ household population in relation to each other. Household population trends for the cities were similar to that of population trends. Corona, Temecula, Murrieta and Lake Elsinore had household populations that ranged from 50,194 households to 147,965 households.

Figure 4-3
Average Annual Growth Rate of Population
City of Murrieta and Surrounding Cities and Counties
1992 to 2009



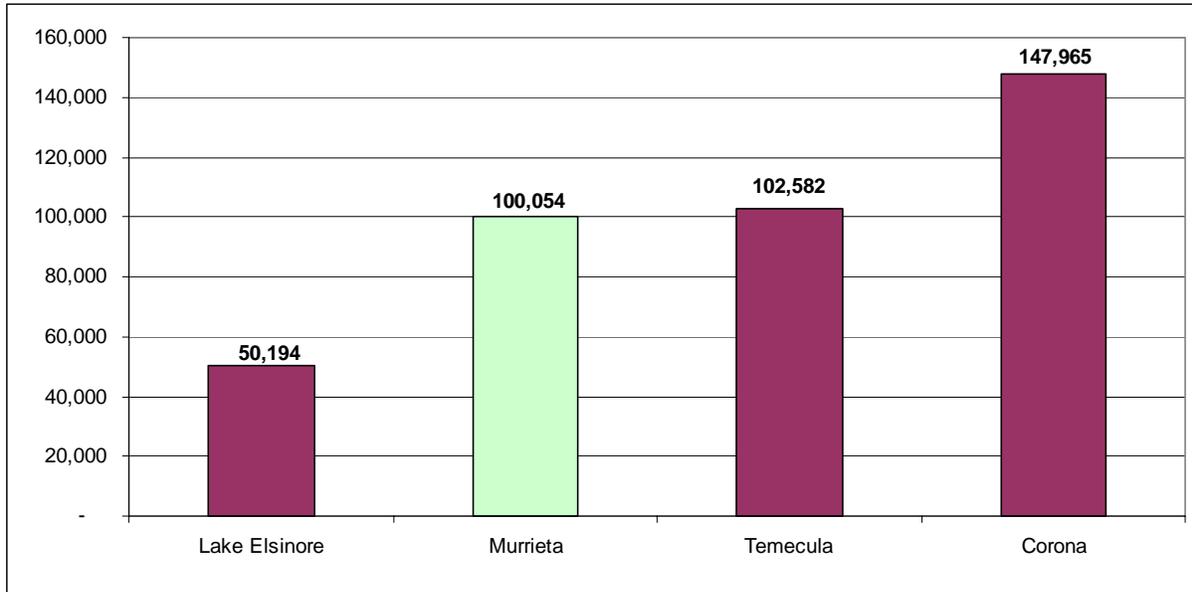
Source: Stanley R. Hoffman Associates, Inc.
 California Department of Finance, 2009

**Table 4-3
Population and Household Characteristics
City of Murrieta and Surrounding Cities and Counties: 2009**

	Population	Household Population	Occupied Units	Persons Per Household
City of Murrieta	100,714	100,054	32,677	3.20
<u>Surrounding Cities</u>				
Temecula	102,604	102,582	31,560	3.13
Lake Elsinore	50,267	50,194	15,014	4.79
Corona	148,597	147,965	43,949	2.41
Riverside County	2,107,653	2,072,532	677,582	2.87
San Bernardino County	2,060,950	2,008,900	610,352	3.44
San Diego County	3,173,407	3,074,598	1,099,130	2.98

Sources: Stanley R. Hoffman Associates, Inc.
California Department of Finance

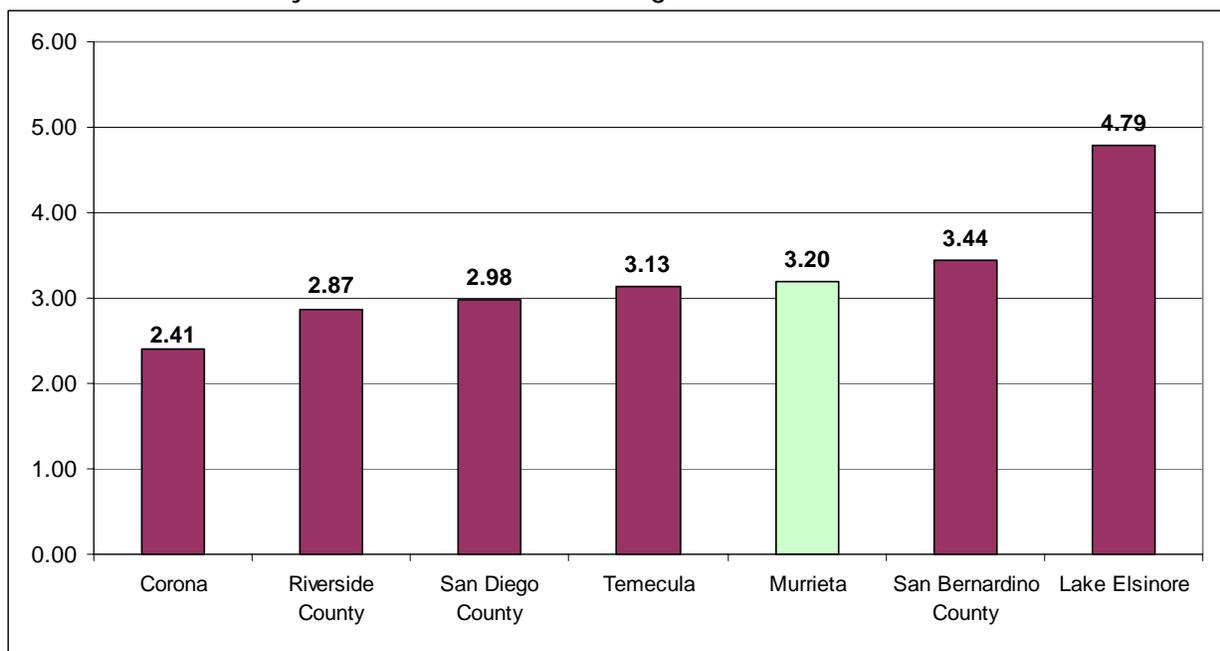
**Figure 4-4
Household Population
City of Murrieta and Surrounding Cities and Counties: 2009**



Source: Stanley R. Hoffman Associates, Inc.

Figure 4-5 shows the persons per household for the City of Murrieta and surrounding cities and counties. Murrieta has the third highest persons per household at 3.20. Lake Elsinore had the highest persons per household at 4.79 followed by San Bernardino County with 3.44 persons per household. Corona had the lowest persons per household at 2.41 compared to the other cities and counties. Riverside County, San Diego County and Temecula had persons per household at 2.87, 2.98 and 3.13 respectively.

Figure 4-5
Persons per Household
City of Murrieta and Surrounding Cities and Counties: 2009



Source: Stanley R. Hoffman Associates, Inc.
 California Department of Finance, 2009

4.2 Racial and Ethnic Distribution

As shown in Table 4-4, ethnic composition in the City has shifted over the 2000 to 2008 time period. While the Hispanic, Asian, Black and other populations in the City experienced general growth, the non Hispanic White population in the City declined. The non Hispanic White population in the City declined from 80.1 percent in 1990 to 71.2 percent in 2000 to 56.4 percent in 2008. The Hispanic or Latino population and the Asian population in the City experienced an opposite trend as both populations increased from the 1990 to 2008 time period. The Hispanic or Latino population increased from 17.2 percent in 1990 to 18.0 percent in 2000 to 26.4 percent in 2008 and the Asian

population increased from 0.4 percent in 1990 to 3.3 in 2000 to 7.9 percent in 2008. The Black population increased from 0.6 percent in 1990 to 4.8 percent in 2008 and all Other Races comprised 1.7 percent of the population in 1990 and increased to 4.5 percent of the population in 2008.

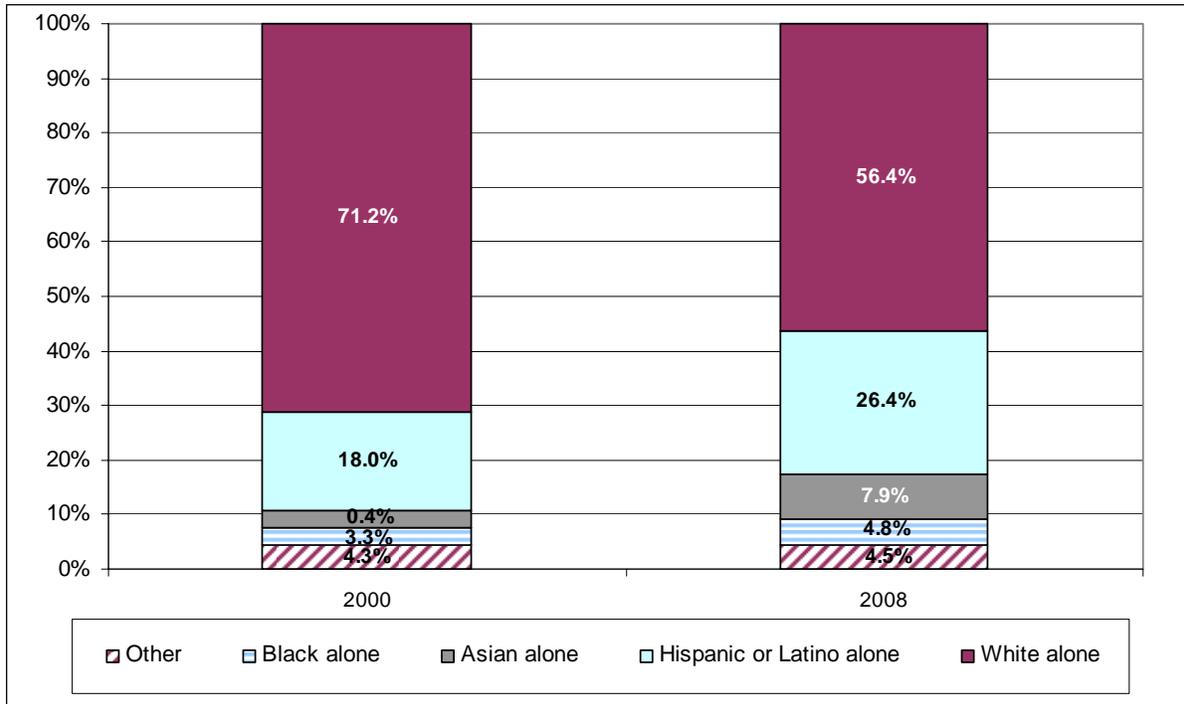
In Figure 4-6, the White population comprises the majority of the total population in the City. The White population decreased from about 80 percent in 1990 to about 56 percent in 2008. The next highest ethnic group in Murrieta is the Hispanic or Latino population. In 1990, the Hispanic or Latino population comprised about 17 percent of the total City population but increased to about 26 percent of the total population in 2008. In 2008, the White population and the Hispanic population comprised about 83 percent of the total population in the City.

**Table 4-4
Race and Ethnicity
City of Murrieta
2000 to 2008**

	2000		2008	
	Total	Percent Total	Total	Percent Total
White alone	31,591	71.2%	54,702	56.4%
Hispanic or Latino alone	7,961	18.0%	25,592	26.4%
Asian alone	1,449	3.3%	7,710	7.9%
Black alone	1,448	3.3%	4,691	4.8%
Other	1,901	4.3%	4,334	4.5%
Total	44,350	100.0%	97,029	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 2000 Decennial Census
2006-2008 American Community Survey

Figure 4-6
Race and Ethnicity
City of Murrieta
1990 to 2008



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, Decennial Census 2000, American Community Survey 2006-2008

Table 4-5 and Figure 4-7 displays the ethnic breakdown of the City of Murrieta and surrounding cities and counties. The City of Murrieta has the second highest percentage of the White population in the City compared to all the other cities and counties at 56.4 percent with only the City of Temecula have a higher percent of non Hispanic Whites at 61.0 percent. San Diego County has a comparable percentage of the White population with 51.2 percent. Riverside County, the City of Corona, the City of Lake Elsinore and San Bernardino County had lower percentages of the White population at 42.6 percent, 41.8 percent, 41.1 percent and 36.3 percent, respectively.

San Bernardino County, the City of Lake Elsinore, and Riverside County have the highest distribution of Hispanics at 46.7 percent, 46.5 percent and 43.1 percent respectively. The cities with the lowest percentage of Hispanic populations are Temecula at 22.3 percent and Murrieta at 26.4 percent.

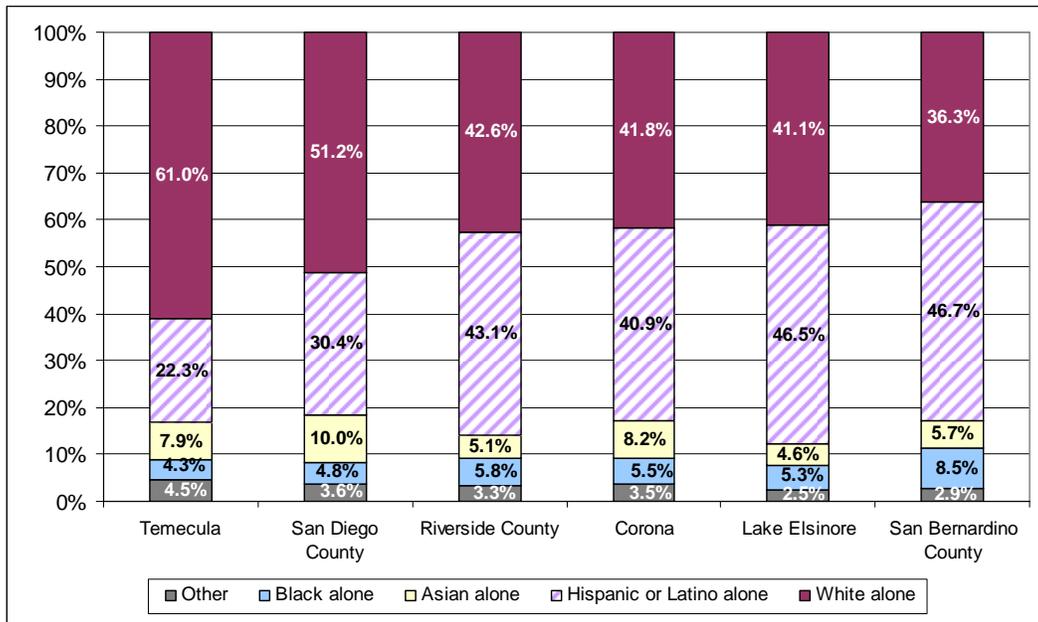
**Table 4-5
Race and Ethnicity
City of Murrieta and Surrounding Cities and Counties
2008**

	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	San Bernardino County	San Diego County
White alone	54,702	57,182	17,115	65,454	876,498	725,194	1,520,037
Hispanic or Latino alone	25,592	20,926	19,362	64,012	885,934	933,875	901,183
Asian alone	7,710	7,413	1,896	12,893	104,541	114,173	295,849
Black alone	4,691	4,047	2,217	8,612	119,517	169,301	141,925
Other	4,334	4,243	1,027	5,554	68,742	57,210	106,949
Total	97,029	93,811	41,617	156,525	2,055,232	1,999,753	2,965,943

	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	San Bernardino County	San Diego County
White alone	56.4%	61.0%	41.1%	41.8%	42.6%	36.3%	51.2%
Hispanic or Latino alone	26.4%	22.3%	46.5%	40.9%	43.1%	46.7%	30.4%
Asian alone	7.9%	7.9%	4.6%	8.2%	5.1%	5.7%	10.0%
Black alone	4.8%	4.3%	5.3%	5.5%	5.8%	8.5%	4.8%
Other	4.5%	4.5%	2.5%	3.5%	3.3%	2.9%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000 Decennial Census
2006-2008 American Community Survey

**Figure 4-7
Race and Ethnicity
City of Murrieta and Surrounding Cities and Counties
2008**



Source: Stanley R. Hoffman Associates, Inc.
American Community Survey 2006-2008

4.3 Age Distribution

The following tables and figures display the age distribution of the population in the City of Murrieta in 2000 and 2008. Estimates are from the 2000 Decennial Census and from the 2006 to 2008 American Community Survey.

Table 4-6 shows the age distribution in the City from 2000 to 2008. The population in the age group from 35 to 64 years of age has the highest distribution of the City's population from the 2000 to 2008 population from 38.0 percent in 2000 then decreasing to 34.8 percent in 2008. Population in the age group less than 18 years of age also shows a decline from 33.5 percent in 2000 to 31.2 percent in 2008. In contrast, the population of people ranging from 18 to 34 years of age experienced an increase from 17.2 percent in 2000 to 2008 time period to 24.7 percent. The population group over 65 years of age experienced a decline over the 2000 to 2008 time period from 11.3 percent in 2000 to 9.4 percent in 2008.

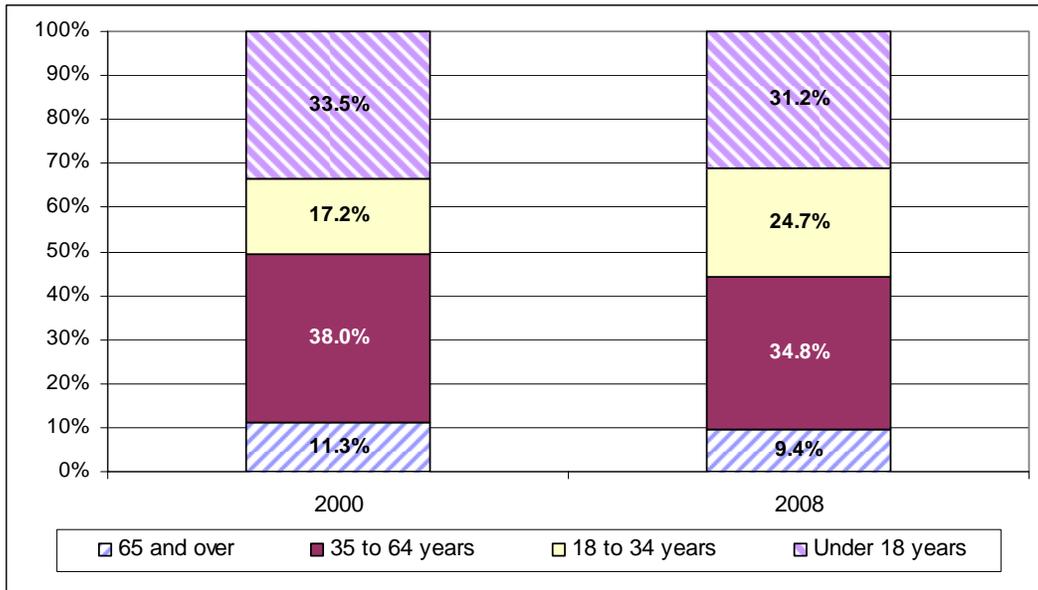
As shown in Figure 4-8, the largest age group for the City of Murrieta is age group ranging from 35 to 64 years of age. This is also the mature working age population, as well. In 2008, this age group comprised about 35 percent of the total population in the City. The second largest age group is population in the age group less than 18 years of age at about 31 percent. The third largest age group is the age group of 18 to 34 years at about 25 percent. This group constitutes the entry level and less experienced working age population. The population of people greater than 65 years of age is the smallest age group for the City of Murrieta at 9.4 percent in 2008.

**Table 4-6
Age Distribution
City of Murrieta
1990 to 2008**

	2000		2008	
	Total	Percent Total	Total	Percent Total
Under 18 years	14,876	33.5%	30,243	31.2%
18 to 34 years	7,610	17.2%	23,947	24.7%
35 to 64 years	16,872	38.0%	33,749	34.8%
65 and over	4,992	11.3%	9,090	9.4%
Total	44,350	100.0%	97,029	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U. S. Census Bureau, Decennial Census 2000
American Community Survey, 2006-2008

Figure 4-8
Age Distribution
City of Murrieta
2000 to 2008



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, Decennial Census 2000, American Community Survey 2006-2008

Table 4-7
Age Distribution
City of Murrieta and Surrounding Cities and Counties
2008

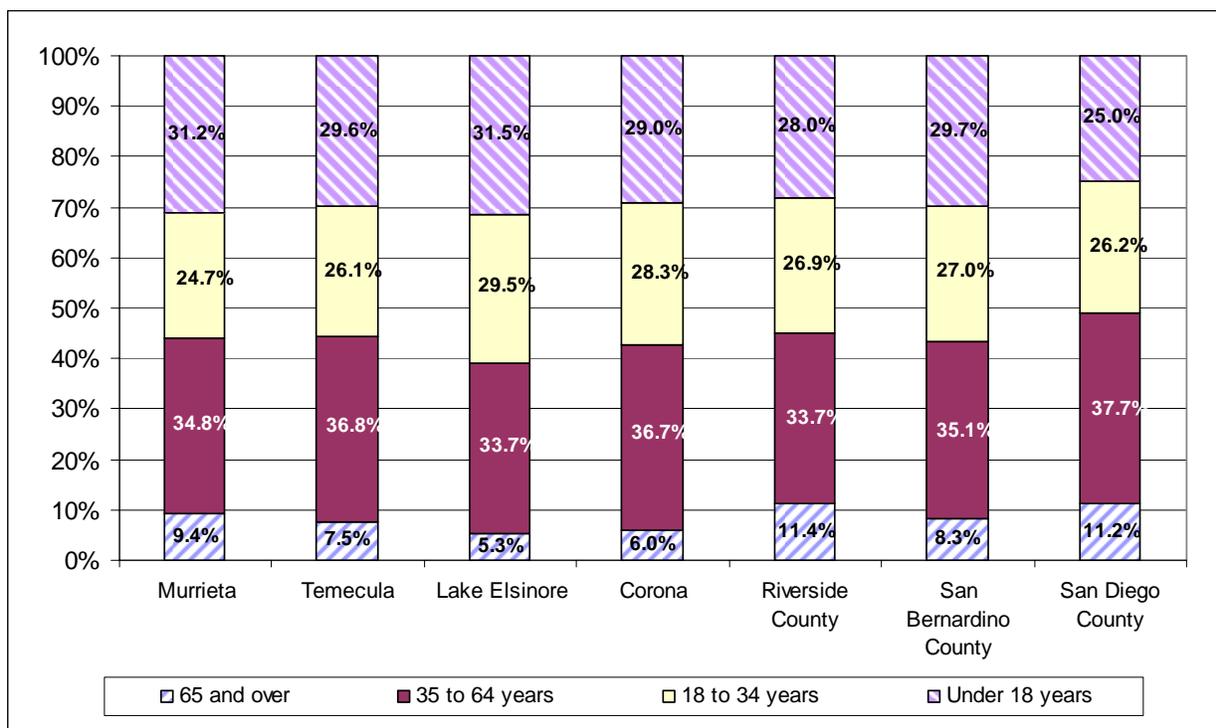
	San						
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	Bernardino County	San Diego County
Under 18 years	30,243	27,810	13,095	45,429	576,261	593,719	740,346
18 to 34 years	23,947	24,441	12,297	44,289	552,127	539,022	776,240
35 to 64 years	33,749	34,567	14,020	57,378	693,003	701,271	1,118,051
65 and over	9,090	6,993	2,205	9,429	233,841	165,741	331,306
Total	97,029	93,811	41,617	156,525	2,055,232	1,999,753	2,965,943
	San						
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	Bernardino County	San Diego County
Under 18 years	31.2%	29.6%	31.5%	29.0%	28.0%	29.7%	25.0%
18 to 34 years	24.7%	26.1%	29.5%	28.3%	26.9%	27.0%	26.2%
35 to 64 years	34.8%	36.8%	33.7%	36.7%	33.7%	35.1%	37.7%
65 and over	9.4%	7.5%	5.3%	6.0%	11.4%	8.3%	11.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Median Age (in yrs)	30.7	31.9	28.7	30.0	31.6	30.3	34.2

Source: Stanley R. Hoffman Associates, Inc.
American Community Survey, 2006-2008

Table 4-7 compares the age distribution of age groups in the City of Murrieta and surrounding cities and counties. Similar to the City of Murrieta in 2008, all the other cities and counties displayed the population in the age group from 35 to 64 years of age to be the largest in their cities and the population greater than 65 years of age to be the smallest in their cities.

Figure 4-9 displays the age distribution for the City of Murrieta and surrounding cities and counties. Murrieta has the lowest distribution of persons from 18 to 34 years of age at 24.7 percent compared to all the other cities and counties. The City of Lake Elsinore has the highest percentage of this age group in its City with 29.5 percent of the total city population. In contrast, Murrieta has the second highest percentage of persons less than 18 years of age compared to other cities with 31.2 percent of the total city population. The only other City with a higher percentage in this age group is Lake Elsinore at 31.5 percent. Murrieta with a median age of 30.7 years is roughly in the middle of the range of 28.7 years for Lake Elsinore to 34.2 years for San Diego County.

Figure 4-9
Age Distribution
City of Murrieta and Surrounding Cities and Counties
2008



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, Decennial Census 1990 and 2000, American Community Survey 2006-2008

4.4 Income

Table 4-8 displays the median and average household incomes and the average annual growth rates from 2000 to 2008 for the City of Murrieta and surrounding cities and counties for the years 2000 and 2008. Average household income is defined as the mean income of all households in the City, while the median income is the income statistic for the 50th percentile household within the City.

As shown in Table 4-8, the median household income in actual dollars for the City of Murrieta went from about \$61,000 in 2000 to about \$79,000 in 2008 with an average annual growth rate of 3.33 percent in the 2000 to 2008 time period. The average household income went from about \$73,000 in 2000 to about \$84,000 in 2008. Temecula had a similar average annual growth rate for median income at 3.34 percent.

Table 4-8
Household Income Characteristics
City of Murrieta and Surrounding Cities and Counties
1990 to 2008 (in Actual Dollars)

Household Income	In Actual Dollars			In Constant Dollars		
	2000	2008	AAGR ¹ from 2000 to 2008	2000	2008	AAGR ¹ from 2000 to 2008
City of Murrieta						
Median	\$60,911	\$79,135	3.33%	\$79,869	\$79,135	-0.12%
Average	\$72,929	\$84,331	1.83%	\$95,627	\$84,331	-1.56%
<u>Temecula</u>						
Median	\$59,516	\$77,394	3.34%	\$78,039	\$77,394	-0.10%
Average	\$68,852	\$87,604	3.06%	\$90,281	\$87,604	-0.38%
<u>Lake Elsinore</u>						
Median	\$41,884	\$58,496	4.26%	\$54,920	\$58,496	0.79%
Average	\$51,522	\$59,717	1.86%	\$67,557	\$59,717	-1.53%
<u>Corona</u>						
Median	\$59,615	\$78,120	3.44%	\$78,169	\$78,120	-0.01%
Average	\$69,028	\$95,832	4.19%	\$90,512	\$95,832	0.72%
<u>Riverside County</u>						
Median	\$42,887	\$58,168	3.88%	\$56,235	\$58,168	0.42%
Average	\$56,445	\$72,473	3.17%	\$74,013	\$72,473	-0.26%
<u>San Bernardino County</u>						
Median	\$42,066	\$56,575	3.77%	\$55,158	\$56,575	0.32%
Average	\$53,251	\$69,016	3.29%	\$69,824	\$69,016	-0.15%
<u>San Diego County</u>						
Median	\$47,067	\$63,727	3.86%	\$61,716	\$63,727	0.40%
Average	\$63,468	\$80,789	3.06%	\$83,222	\$80,789	-0.37%

1. AAGR - Average Annual Growth Rate

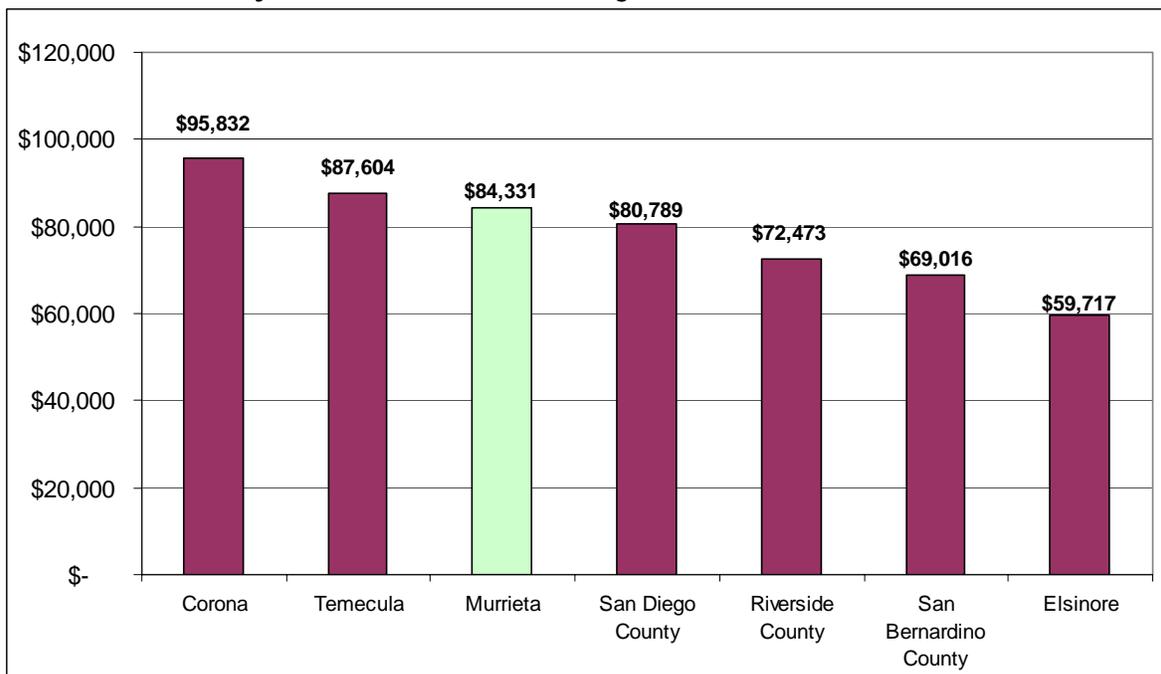
Source: Stanley R. Hoffman Associates, Inc.

U. S. Census Bureau, Decennial Census 2000, American Community Survey, 2006-2008

In constant 2008 dollars, median household income slightly decreased from \$79,869 in 2000 to \$79,135 in 2008. The average annual growth rates decreased for average incomes for all cities and counties except for Corona which increased slightly at an annual rate of 0.72 percent. The cities with negative average annual growth rates for median incomes were Temecula at -0.10 percent and Murrieta at -0.12 percent.

Figure 4-10 displays average household income for the City of Murrieta and surrounding cities and counties. The City of Elsinore, San Bernardino County, and Riverside County had the lowest average household incomes at \$59,717, \$69,016 and \$72,473 respectively. Murrieta had an average household income of \$84,331 which is between the average income for San Diego County at \$80,789 and Temecula at \$87,604. The city with the highest average income is Corona at \$95,832.

Figure 4-10
Average Household Income
City of Murrieta and Surrounding Cities and Counties: 2008

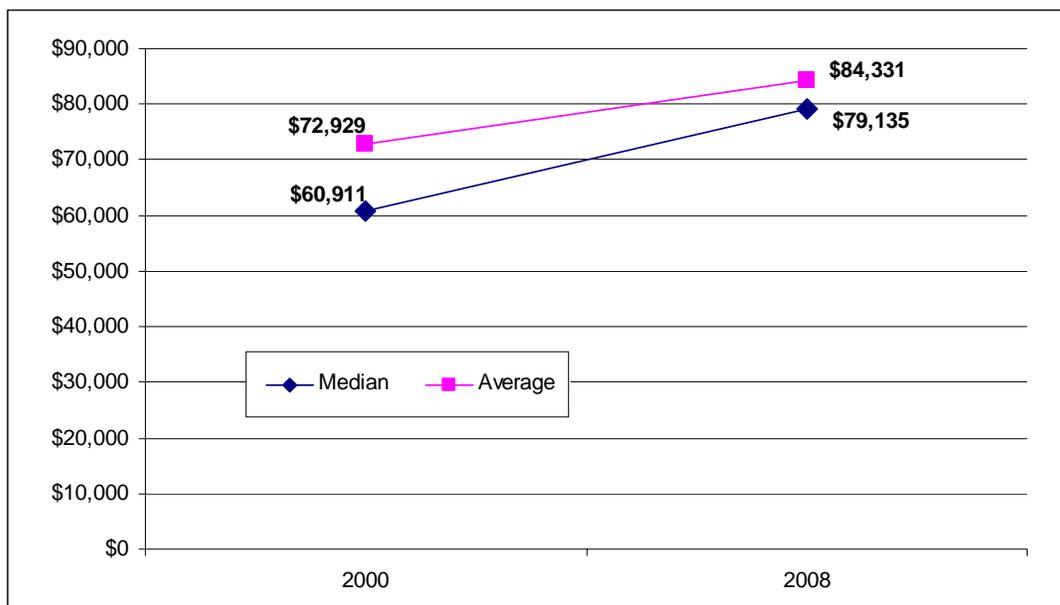


Source: Stanley R. Hoffman Associates, Inc.
 U.S. Bureau of the Census, American Community Survey 2006-2008

Figure 4-11 compares the median and average household income for Murrieta in actual dollars for the years 2000 and 2008. Average household income is higher than median household income for the 2000 to 2008 time period. Average income estimates were not provided by the U.S. Census Bureau, Decennial Census for the year 1990 since the City was not incorporated until July, 1991.

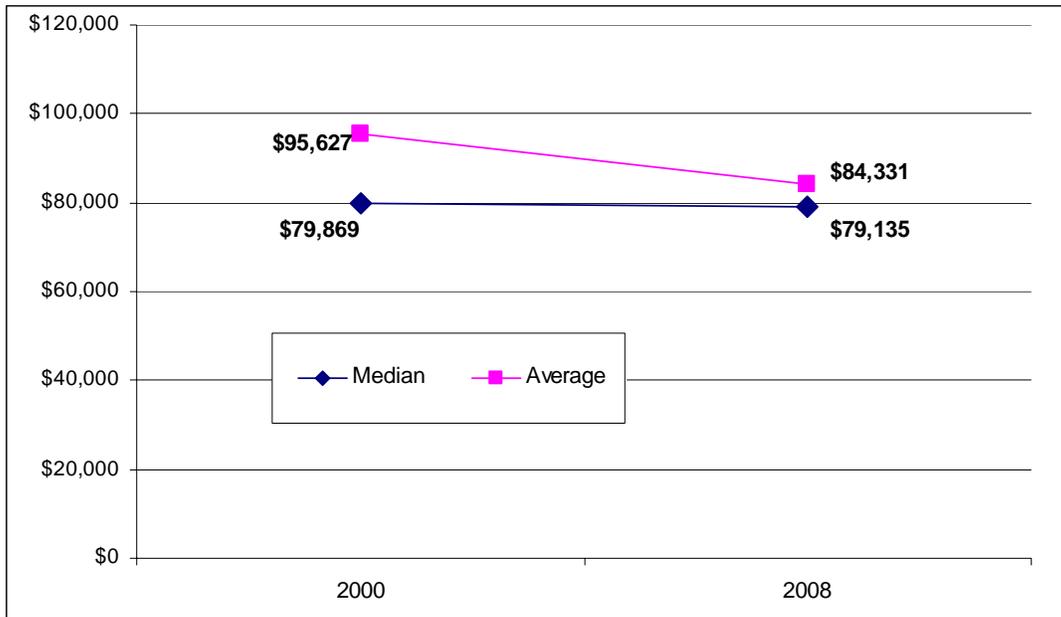
Figure 4-12 compares the median and average household income for Murrieta in 2008 constant dollars. Average household income decreased from about \$95,627 in 2000 to about \$84,331 in 2008. Median income slightly decreased over the 2000 to 2008 time period from about \$79,869 in 2000 to \$79,135 in 2008.

Figure 4-11
Median and Average Income, in Actual Dollars
City of Murrieta
(in Actual Dollars)



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, American Community Survey 2006-2008

Figure 4-12
Median and Average Income, in Constant Dollars
City of Murrieta
(in Constant 2008 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, American Community Survey 2006-2008

4.5 Education

The following tables and figures display the educational attainment of Murrieta and surrounding cities and counties. Estimates are based on the 2000 Decennial Census and 2006 to 2008 American Community Survey.

Table 4-9 shows the educational attainment for the City of Murrieta for the years 2000 and 2008. Overall, the increasing educational attainment of the City was positive. As shown in the table, individuals with some college, no degree comprised the largest educational grouping in the City at 28.7 percent in 2008. The percentage of individuals in the City that had at least a Bachelor's degree had an overall increase from 23.0 percent in 2000 to 27.4 percent in 2008. This trend was the same for the percentage of individuals in the city with Associates degrees which increased from 8.9 percent in 2000 to 9.4 percent in 2008.

The percentage of individuals in the total City population that had at least an Associates degree increased from about 32.0 percent in 2000 to about 37.0 percent in 2008. The percent of individuals with no High School diplomas dropped from 10.0 percent in 2000 to 8.7 percent in 2008. This shows that over the 2000 to 2008 time period, individuals in the City received more advanced degrees as the distribution of the population increased for individuals with Bachelor's degrees and decreased for individuals with no high school diploma.

Table 4-9
Educational Attainment
City of Murrieta
2000 to 2008

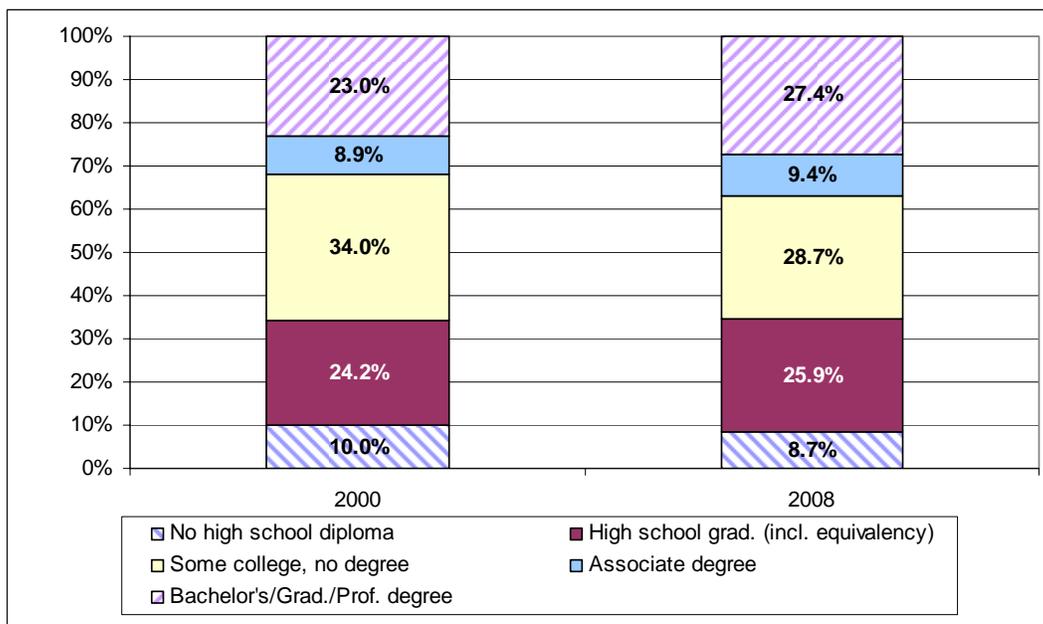
Educational Level	2000		2008	
	Total	Percent Total	Total	Percent Total
City of Murrieta				
Bachelor's/Grad./Prof. degree	6,131	23.0%	15,781	27.4%
Associate degree	2,362	8.9%	5,385	9.4%
Some college, no degree	9,060	34.0%	16,513	28.7%
High school grad. (incl. equivalency)	6,450	24.2%	14,871	25.9%
No high school diploma	2,661	10.0%	4,977	8.7%
Total Persons	26,664	100.0%	57,527	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U. S. Census Bureau, Decennial Census 2000, American Community Survey, 2006-2008

As shown in Figure 4-13, the percent of individuals with a Bachelor's or Graduate/Professional degree increased from 23.0 percent in 2000 to 27.4 percent in 2008. In 2008, the percentage of individuals with at least an Associate's degree comprised just under 37 percent of the total City.

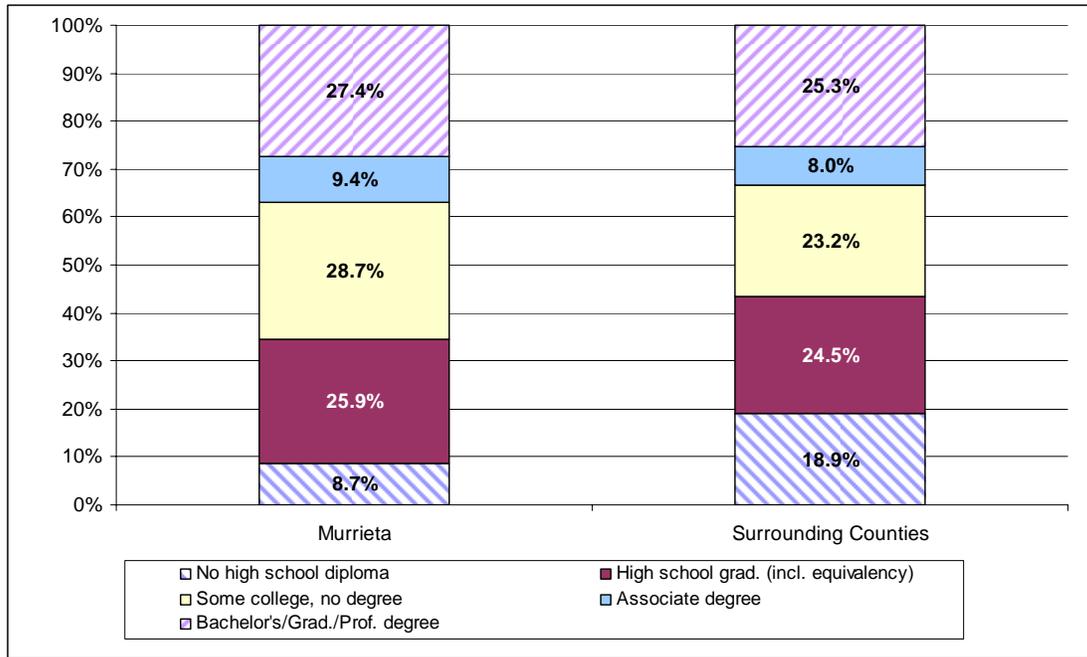
Figure 4-14 shows a comparison of educational attainment between the City of Murrieta and surrounding counties in 2008. The percent of individuals with no high school diploma was about 10 percentage points lower in Murrieta than in the other counties. The other significant groups that differ between Murrieta and surrounding counties are the percent of individuals that have some college but no degree comprising about 29 percent in the City and 23.4 percent in surrounding counties.

Figure 4-13
Educational Attainment
City of Murrieta
2000 to 2008



Source: Stanley R. Hoffman Associates, Inc.
 U.S. Bureau of the Census, Decennial Census 1990 and 2000,
 American Community Survey 2006-08.

Figure 4-14
Educational Attainment
City of Murrieta and Surrounding Counties
2008



Source: Stanley R. Hoffman Associates, Inc.
 U.S. Bureau of the Census, American Community Survey 2006-2008

Table 4-10
Educational Attainment
City of Murrieta and Surrounding Cities and Counties
2008

	San Diego County								Surrounding Counties
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	Bernardino County	San Diego County	San Diego County	
Bachelor's/Grad./Prof. degree	15,781	16,845	4,123	22,406	249,407	210,337	635,228	1,094,972	
Associate degree	5,385	5,432	1,248	8,512	93,877	98,940	153,141	345,958	
Some college, no degree	16,513	15,115	5,932	22,971	299,993	274,956	430,039	1,004,988	
High school grad. (incl. equivalency)	14,871	14,128	8,107	22,798	350,239	326,685	383,257	1,060,181	
No high school diploma	<u>4,977</u>	<u>5,052</u>	<u>4,762</u>	<u>17,364</u>	<u>270,600</u>	<u>266,917</u>	<u>279,732</u>	<u>817,249</u>	
Total Persons	57,527	56,572	24,172	94,051	1,264,116	1,177,835	1,881,397	4,323,348	

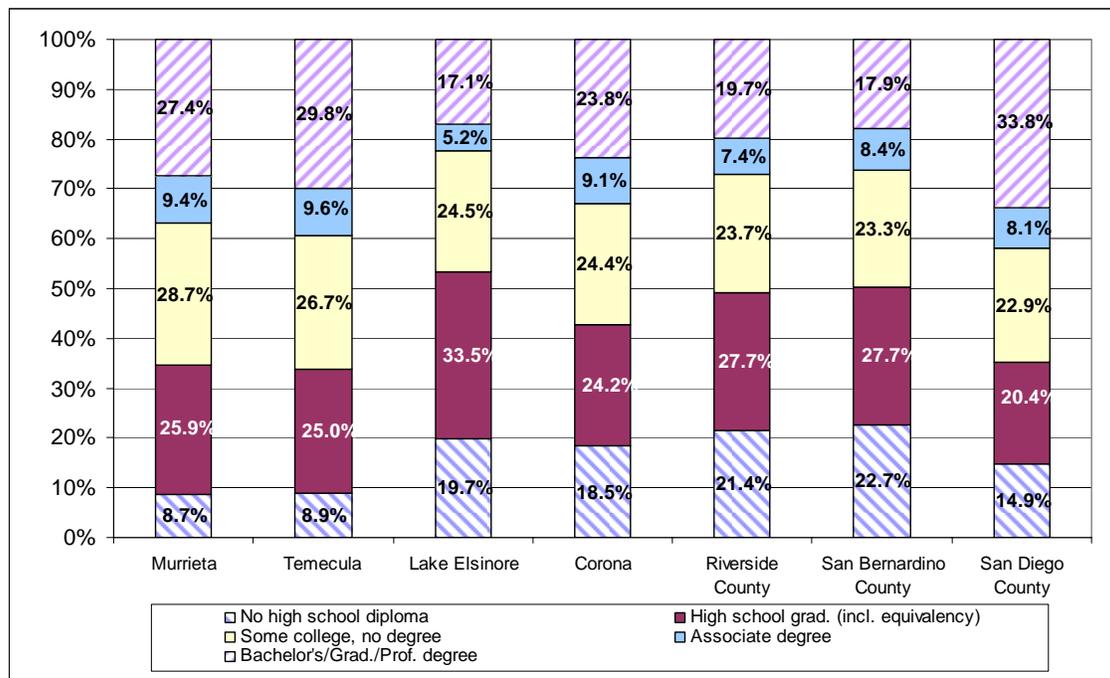
	San Diego County								Surrounding Counties
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	Bernardino County	San Diego County	San Diego County	
Bachelor's/Grad./Prof. degree	27.4%	29.8%	17.1%	23.8%	19.7%	17.9%	33.8%	25.3%	
Associate degree	9.4%	9.6%	5.2%	9.1%	7.4%	8.4%	8.1%	8.0%	
Some college, no degree	28.7%	26.7%	24.5%	24.4%	23.7%	23.3%	22.9%	23.2%	
High school grad. (incl. equivalency)	25.9%	25.0%	33.5%	24.2%	27.7%	27.7%	20.4%	24.5%	
No high school diploma	<u>8.7%</u>	<u>8.9%</u>	<u>19.7%</u>	<u>18.5%</u>	<u>21.4%</u>	<u>22.7%</u>	<u>14.9%</u>	<u>18.9%</u>	
Total Persons	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Stanley R. Hoffman Associates, Inc.
 American Community Survey 2006-2008

Table 4-10 displays the educational attainment of individuals in the City of Murrieta and surrounding cities and counties in 2008. San Diego County has the largest composition of individuals with Bachelor's or Graduate/Professional degrees at 33.8 percent. Temecula and Murrieta have the next largest compositions of individuals with Bachelor's or Graduate/Professional degrees at 29.8 percent and 27.4 percent respectively. The jurisdictions that have the lowest percentage of this educational attainment level are San Bernardino County at 17.9 percent and the City of Lake Elsinore at 17.1 percent.

As shown in Figure 4-15, jurisdictions with higher percentages of individuals with Bachelor's or Graduate/Professional degrees have lower percentages of individuals with no high school diplomas which is the case for San Diego County, Temecula, Murrieta and Corona. Also, the reverse of this trend which is that cities with higher percentage of individuals with no high school diplomas have lower percentages of individuals with Bachelor's or Graduate/Professional degrees holds true for San Bernardino County and Lake Elsinore.

Figure 4-15
Educational Attainment
City of Murrieta and Surrounding Cities and Counties
2008



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, American Community Survey 2006-2008

4.6 Labor Force

Table 4-11 displays the labor force composition of Murrieta from 2000 to 2008. The employed population, or labor force, in the City of Murrieta, age 16 years and over, more than doubled from 18,817 in 2000 to 42,448 in 2008, based on the 2006-2008 American Community Survey.

During the 2000 to 2008 time period, labor force increased in management, service and sales related occupations whereas the construction and production related occupations decreased. As shown in Figure 4-16, residents in management related services increased in absolute numbers from an estimated 6,529 jobs in 2000 to an estimated 14,436 jobs in 2008. Following the same trend, sales related occupations increased from an estimated 5,692 jobs in 2000 to an estimated 13,230 jobs in 2008. As percent of total jobs in 2008, management, service and sales related jobs comprised of an estimated 84.0 percent of the total labor force whereas construction and production related jobs comprised about 16.5 percent of the labor force.

Figure 4-17 shows the change of labor force in the City of Murrieta for the 2000 to 2008 time period. There was a noticeable increase in all occupations especially in management and sales related occupations by an estimated of 7,907 and 7,538 jobs respectively. Service related jobs also increased by an estimated 4,283 jobs.

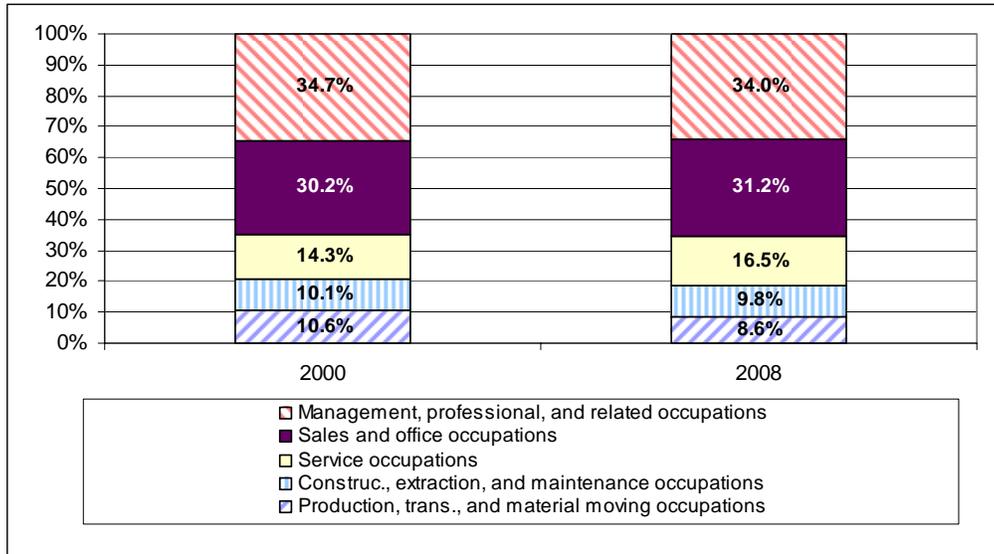
**Table 4-11
Labor Force Composition
City of Murrieta
2000 to 2008**

Labor Force Category	2000		2008		Percent Change 2000-2008
	Total	Percent of Total	Total	Percent of Total	
<u>City of Murrieta</u>					
Management, professional, and related occupations	6,529	34.7%	14,436	34.0%	121.1%
Service occupations	2,700	14.3%	6,983	16.5%	158.6%
Sales and office occupations	5,692	30.2%	13,230	31.2%	132.4%
Construc., extraction, and maintenance occupations	1,907	10.1%	4,158	9.8%	118.0%
Production, trans., and material moving occupations	1,989	10.6%	3,641	8.6%	83.1%
Total	18,817	100.0%	42,448	100.0%	125.6%

Source: Stanley R. Hoffman Associates, Inc.

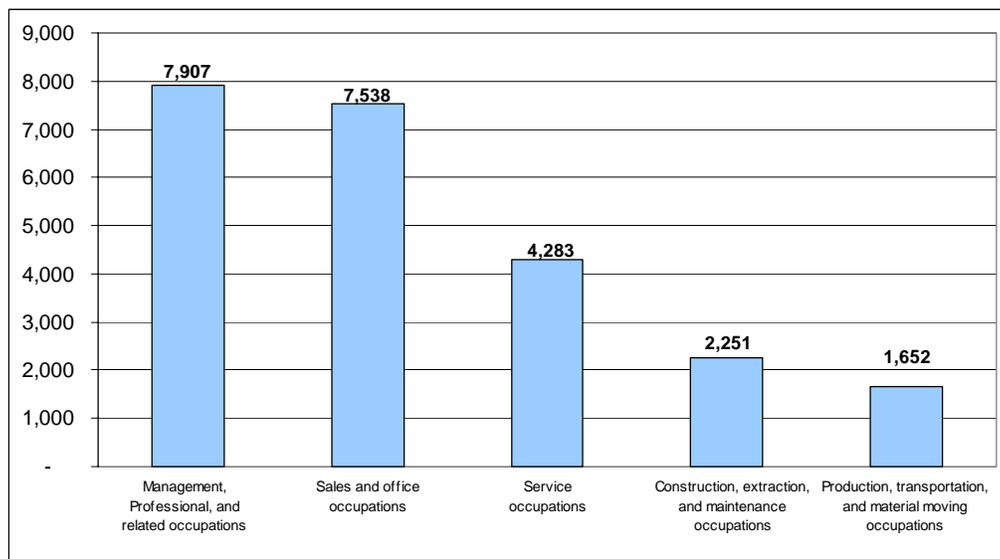
U.S. Census Bureau, Decennial Census 1990 and 2000, American Community Survey 2006-2008

Figure 4-16
Labor Force Composition
City of Murrieta
2000 to 2008



Source: Stanley R. Hoffman Associates, Inc.
 U.S. Bureau of the Census, Decennial Census 1990 and 2000, American Community Survey 2006-2008

Figure 4-17
Change in Labor Force Composition
City of Murrieta
2000 to 2008

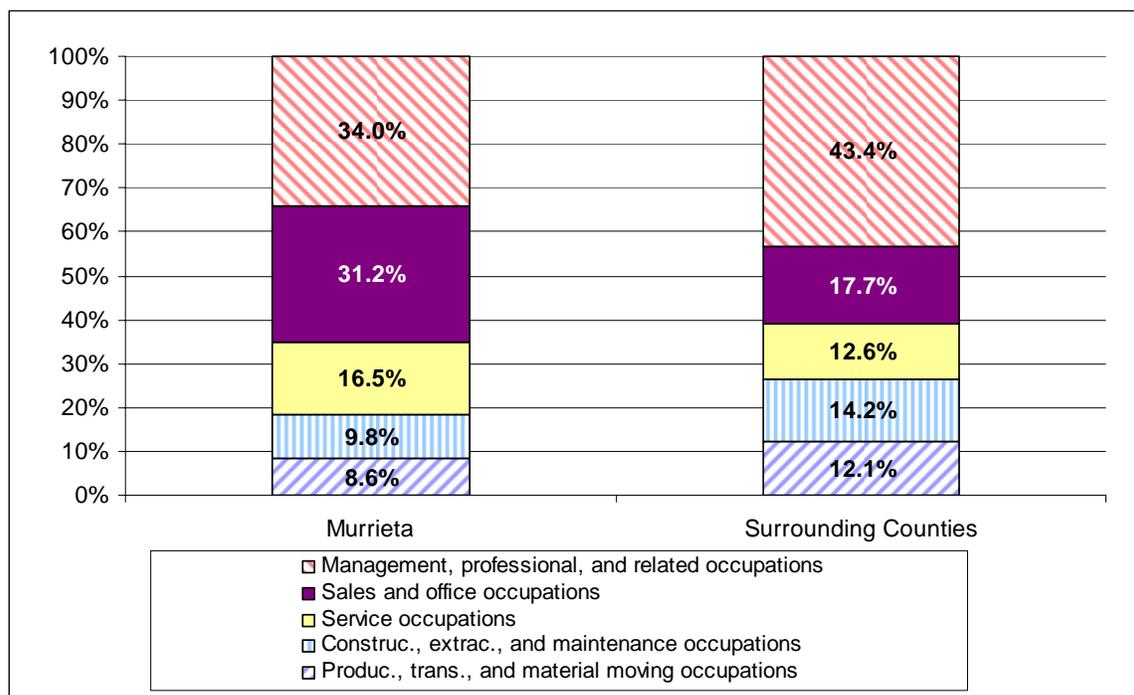


Source: Stanley R. Hoffman Associates, Inc.
 American Community Survey 2006-2008

Figure 4-18 shows the relative similarity of the labor force composition between the City of Murrieta and surrounding counties in 2008. The biggest differences between Murrieta and the sub-region are the percent of individuals in management related occupations and sales and office occupations. For Murrieta, management related occupations, as percent of total, are 34.0 percent of the City total and 43.3 percent for the surrounding counties. The composition of sales and office occupations, as percent of the total, is 31.2 percent for the City of Murrieta and 18.0 percent for surrounding counties. The composition of sales and office occupations, as percent of the total, is 31.2 percent for the City of Murrieta and 18.0 percent for surrounding counties.

Table 4-12 displays the labor force composition for the City of Murrieta and surrounding cities and counties. San Diego County, Temecula, and Corona have the largest composition of management, professional, and related occupations at 51.0 percent, 48.5 percent and 42.5 percent respectively. Murrieta and Corona have the highest composition of sales and office related occupations at 31.2 percent and 20.5 percent respectively.

Figure 4-18
Labor Force Composition
City of Murrieta and Surrounding Counties
2008



Source: Stanley R. Hoffman Associates, Inc.
American Community Survey 2006-2008

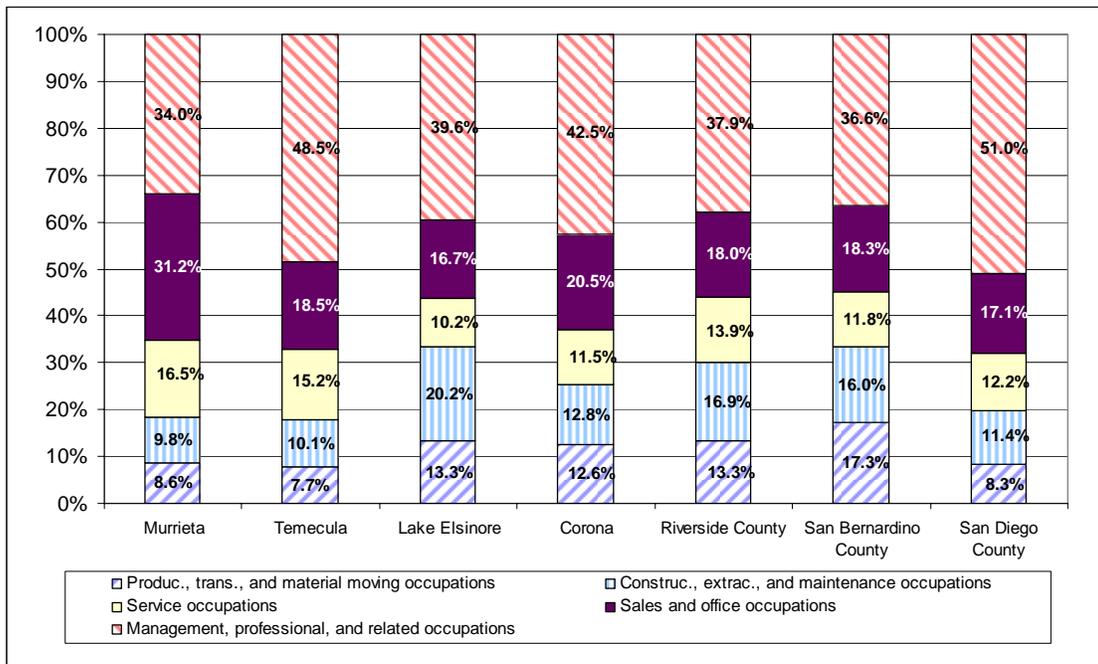
**Table 4-12
Labor Force Composition
City of Murrieta and Surrounding Cities and Counties
2008**

Labor Force Category	San Bernardino County							
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	San Bernardino County	San Diego County	Surrounding Counties
Management, prof., and related occup.	14,436	17,021	5,711	24,724	249,797	232,507	537,830	1,020,134
Service occupations	6,983	5,347	1,471	6,704	91,849	74,720	128,793	295,362
Sales and office occupations	13,230	6,491	2,405	11,947	118,722	116,081	180,409	415,212
Construc., extrac., and maintenance occup.	4,158	3,528	2,915	7,455	111,159	101,725	120,711	333,595
Produc., trans., and material moving occup.	3,641	<u>2,702</u>	<u>1,921</u>	<u>7,333</u>	<u>87,409</u>	<u>109,911</u>	<u>87,445</u>	<u>284,765</u>
Total	42,448	35,089	14,423	58,163	658,936	634,944	1,055,188	2,349,068

Labor Force Category	San Bernardino County							
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	San Bernardino County	San Diego County	Surrounding Counties
Management, prof., and related occup.	34.0%	48.5%	39.6%	42.5%	37.9%	36.6%	51.0%	43.4%
Service occupations	16.5%	15.2%	10.2%	11.5%	13.9%	11.8%	12.2%	12.6%
Sales and office occupations	31.2%	18.5%	16.7%	20.5%	18.0%	18.3%	17.1%	17.7%
Construc., extrac., and maintenance occup.	9.8%	10.1%	20.2%	12.8%	16.9%	16.0%	11.4%	14.2%
Produc., trans., and material moving occup.	<u>8.6%</u>	<u>7.7%</u>	<u>13.3%</u>	<u>12.6%</u>	<u>13.3%</u>	<u>17.3%</u>	<u>8.3%</u>	<u>12.1%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U. S. Census Bureau, American Community Survey 2006-2008

**Figure 4-19
Labor Force Composition
City of Murrieta and Surrounding Cities and Counties
2008**



Source: Stanley R. Hoffman Associates, Inc.
American Community Survey 2006-2008

CHAPTER 5 HOUSING TRENDS

This chapter presents information on the housing trends for the City of Murrieta from the California Department of Finance, U.S. Census Bureau American Community Survey (ACS) 2008. These data include information on the housing stock, housing tenure, building permit and construction cost data.

Housing estimates from the California Department of Finance (DOF) were based on 1992 figures, rather than 1990 figures, because that was the first year that DOF provided housing estimates for the City due to the City's incorporation on July of 1991.

5.1 Housing Stock

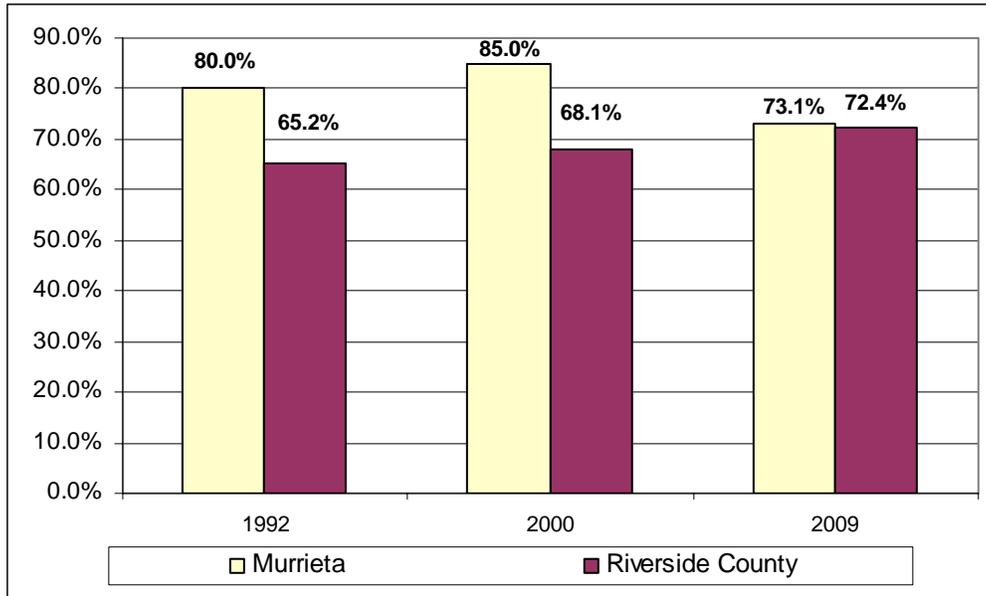
As shown in Table 5-1, housing stock dramatically increased over the 1992 to 2009 period by about 17,307 units from 7,768 in 1992 to 25,075 in 2009, as reported by the Department of Finance. As of 2009, the majority of housing units in Murrieta were single-family homes comprising 73.1 percent of the total housing units. The number of single family homes initially increased from 7,768 (80.0 percent) in 1990 to 12,580 (85.0 percent) in 2000 to 25,075 (73.1 percent) in 2009. Multi-family homes comprised 21.9 percent of the total housing in 2009 which increased from 13.3 percent in 1990. Riverside County, similar to Murrieta, had a majority of single-family housing units at 72.4 percent in 2009 which increased from 65.2 percent in 1990. Multi-family housing decreased in the 1992 to 2009 time period for Riverside County from 19.8 percent in 1992 to 16.5 percent in 2009.

**Table 5-1
Housing Stock by Type
City of Murrieta and Riverside County
1992 to 2009**

Housing Unit Type	1992		2000		2009	
	Units	Percent	Units	Percent	Units	Percent
<u>City of Murrieta</u>						
Single	7,768	80.0%	12,580	85.0%	25,075	73.1%
Multiple	1,292	13.3%	1,672	11.3%	7,513	21.9%
Mobile Homes	<u>652</u>	<u>6.7%</u>	<u>541</u>	<u>3.7%</u>	<u>1,705</u>	<u>5.0%</u>
Total	9,712	100.0%	14,793	100.0%	34,293	100.0%
<u>Riverside County</u>						
Single	334,184	65.2%	395,578	68.1%	564,836	72.4%
Multiple	101,523	19.8%	102,918	17.7%	128,592	16.5%
Mobile Homes	<u>77,123</u>	<u>15.0%</u>	<u>82,593</u>	<u>14.2%</u>	<u>86,684</u>	<u>11.1%</u>
Total	512,830	100.0%	581,089	100.0%	780,112	100.0%

Source: Stanley R. Hoffman Associates, Inc.
California Department of Finance (DOF), 1992, 2000, and 2009

Figure 5-1
Percentage of Single Family Housing
City of Murrieta and Riverside County
1992 to 2009



Source: Stanley R. Hoffman Associates, Inc.
 California Department of Finance, 1992, 2000 and 2009

5.2 Housing Tenure

Table 5-2 shows the comparison in housing tenure of Murrieta and surrounding cities and counties based on the 2008 American Community Survey. The City of Murrieta had 75.5 percent of the housing units as owner occupied and 24.5 percent of the housing units were renter occupied in 2008. Compared to the surrounding cities and counties, the City had the highest proportion of housing units occupied by owners at 75.5 percent. Corona had the lowest proportion of owner occupied housing units at 67.3 percent.

Figure 5-2 displays the percentage of owner occupied housing units for the City of Murrieta compared to other surrounding cities and counties cities. Murrieta has the largest proportion of owner occupied housing units at 75.5 percent. Of the counties, Riverside County had the highest proportion of owner occupied housing units at 67.7 percent. The lowest proportion of owner occupied housing units was for San Diego County at 56.4 percent.

**Table 5-2
Housing Tenure
City of Murrieta and Surrounding Cities and Counties
2008**

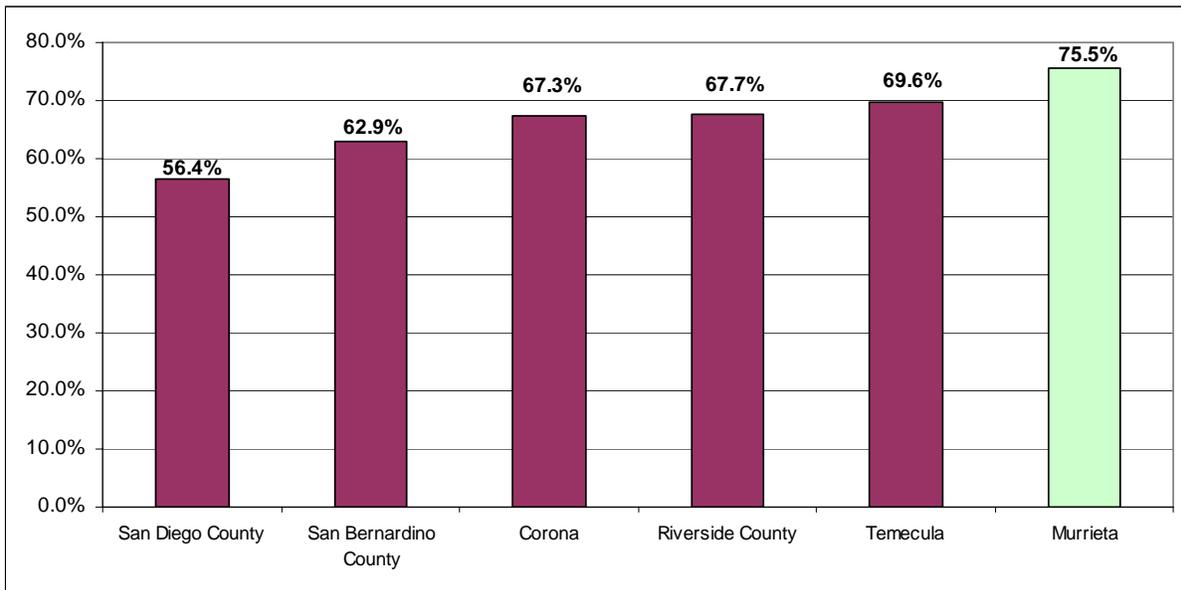
	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	San Bernardino County	San Diego County
Owner Occupied	22,546	20,607	n/a	31,579	438,193	365,279	585,307
Renter Occupied	<u>7,318</u>	8,992	<u>n/a</u>	15,356	209,250	215,082	452,651
Total	29,864	29,599	n/a	46,935	647,443	580,361	1,037,958

	Murrieta	Temecula	Lake Elsinore	Corona	Riverside County	San Bernardino County	San Diego County
Owner Occupied	75.5%	69.6%	n/a	67.3%	67.7%	62.9%	56.4%
Renter Occupied	<u>24.5%</u>	<u>30.4%</u>	<u>n/a</u>	<u>32.7%</u>	<u>32.3%</u>	<u>37.1%</u>	<u>43.6%</u>
Total	100.0%	100.0%	n/a	100.0%	100.0%	100.0%	100.0%

1. Information was not provided for Lake Elsinore by ACS 2008.

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, American Community Survey (ACS), 2008

**Figure 5-2
Percentage Owner Occupied Housing Units
City of Murrieta and Surrounding Cities and Counties
2008**



Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, American Community Survey (ACS), 2008

5.3 Building Permits

Table 5-3 shows the number of residential single-family and multi-family building permits for Murrieta from 1996 to 2008 from the U.S. Census Bureau. Of the total residential units, 81.2 percent of the building permits were for single-family homes while 18.8 percent were for multi-family units in the 1996 to 2008 time period. The annualized growth rate of single-family homes in the same time period was 1,007 units per year. The majority of multi-family permits were for buildings with more than five units or more.

Figure 5-3 displays the total number of residential building permits from 1996 to 2008. The City experienced a sizable growth in the 2002 to 2004 time period as the number of annual building permits went from 1,758 in 2002 to 3,081 in 2004. However, just as the number of annual building permits hit its peak in 2004, there was a sharp decline from 3,081 permits in 2004 to just 377 permits in 2006 and less in 2007 and 2008.

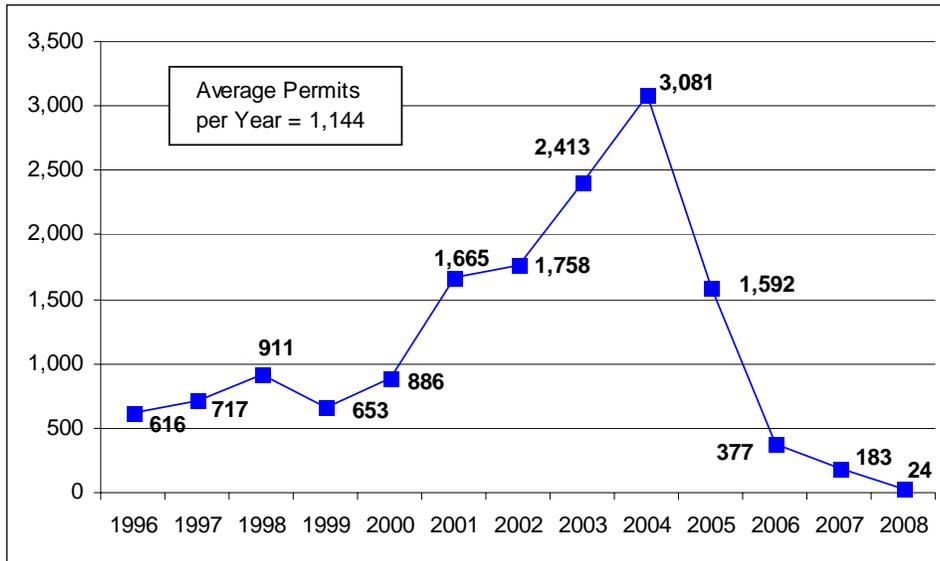
Figure 5-4 displays the number of single family and multi-family residential building permits from 1996 to 2008. The number of single-family building permits steadily increased over the 1996 to 2001 time period, then increased overall from the 2001 to 2004 time period, then declined sharply from the 2004 to 2008 time period. There were not as many multi-family building permits as single family building permits in the 1996 to 2008 time period. Most multi-family building permits were filed during the 2000 to 2006 time period.

**Table 5-3
Residential Building Permits
City of Murrieta
1996 to 2008**

Year	Number of Permitted Units					Total Units	Percent Single Family	Percent Multi-family
	Single Family	Multi-family	2 Family	3-4 Family	5+ Family			
1996	616	0	0	0	0	616	100.0%	0.0%
1997	713	4	4	0	0	717	99.4%	0.6%
1998	833	78	14	0	64	911	91.4%	8.6%
1999	653	0	0	0	0	653	100.0%	0.0%
2000	886	0	0	0	0	886	100.0%	0.0%
2001	1,069	596	12	0	584	1,665	64.2%	35.8%
2002	1,648	110	8	48	54	1,758	93.7%	6.3%
2003	1,530	883	90	96	697	2,413	63.4%	36.6%
2004	2,509	572	2	132	438	3,081	81.4%	18.6%
2005	1,137	455	4	203	248	1,592	71.4%	28.6%
2006	377	0	0	0	0	377	100.0%	0.0%
2007	93	90	0	90	0	183	50.8%	49.2%
2008	15	9	0	9	0	24	62.5%	37.5%
Total	12,079	2,797	134	578	2,085	14,876	81.2%	18.8%
Avg. permits per yr.	929	215	10	44	160	1,144	6.2%	1.4%

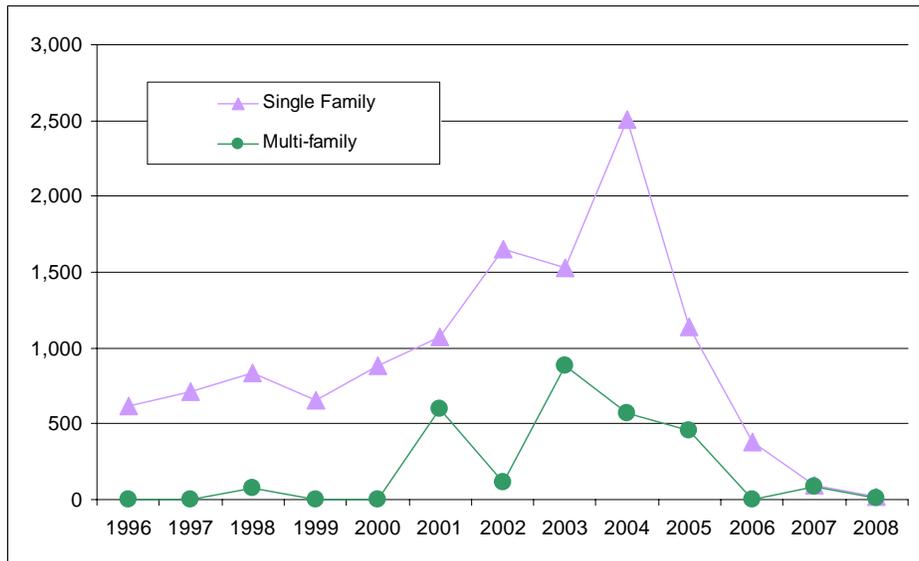
Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

Figure 5-3
Residential Building Units
City of Murrieta
1996 to 2008



Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

Figure 5-4
Single and Multi-Family Units
City of Murrieta
1996 to 2008



Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

Table 5-4 shows the construction costs for residential units in the City of Murrieta for the 1996 to 2008 time period from the U.S. Census Bureau. In 1996, the average construction cost per single-family unit was \$222,452 and in 2008, the average construction cost per single-family unit was \$375,142 in constant 2008 dollars. For multi-family units with more than five units in a building, the average construction cost per unit was \$48,959 in 1998 and \$100,411 in 2005.

Figure 5-5 displays the construction cost of single-family homes in Murrieta in 2008 constant dollars for the 1996 to 2008 time period. In 2008, based on total construction costs from the U.S. Census Bureau, the average construction costs for single-family was \$375,142. The lowest average construction cost for a single-family unit was in 2005 at \$193,438. From 2005 to 2006, the City experienced a sharp increase in average construction cost for a single-family unit from \$193,438 to \$375,577 respectively.

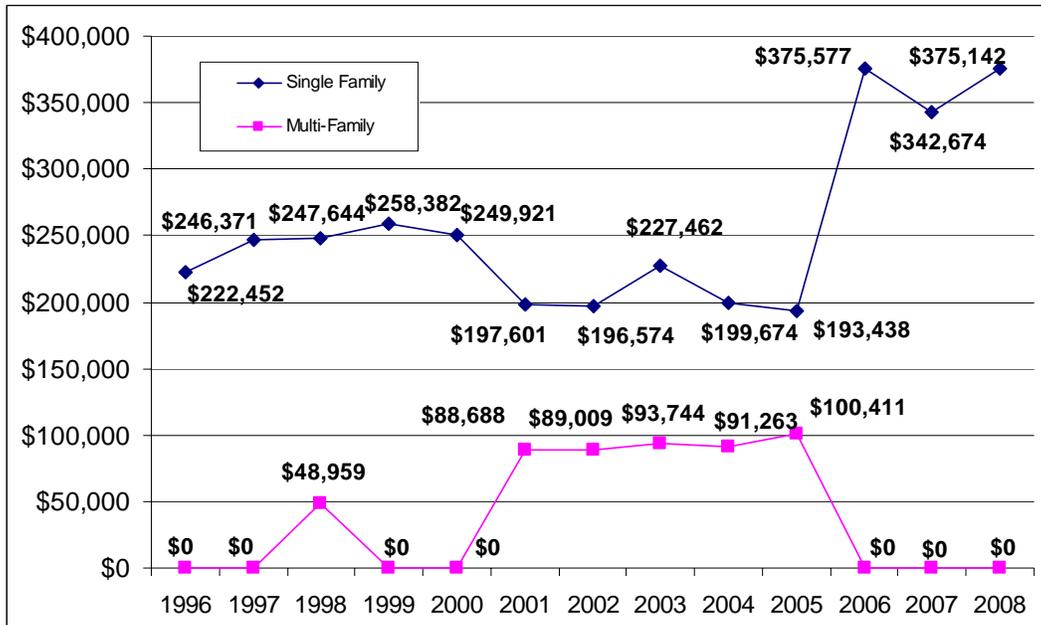
The average construction costs of multi-family units for the same time are also shown in Figure 5-5. In 1998, the first year that multi-family building permits were filed during the 1996 to 2008 time period, the average construction cost of a multi-family unit was \$48,959 in 2008 constant dollars. Highest average construction costs for multi-family units were highest in 2005 at \$100,411 per unit. There were no average construction costs for the years 1996, 1997, 1999, 2000, 2006, 2007 and 2008 because no multi-family building permits were filed for those years.

Table 5-4
Average Unit Construction Cost
City of Murrieta
1996 to 2008
(in Constant 2008 Dollars)

Year	Total Construction Costs				Number of Permitted Units				Average Unit Construction Cost			
	Single Family	2 Family	3-4 Family	5+ Family	Single Family	2 Family	3-4 Family	5+ Family	Single Family	2 Family	3-4 Family	5+ Family
1996	\$137,030,329	\$0	\$0	\$0	616	0	0	0	\$222,452	\$0	\$0	\$0
1997	\$175,662,420	\$490,326	\$0	\$0	713	4	0	0	\$246,371	\$122,582	\$0	\$0
1998	\$206,287,291	\$3,387,955	\$0	\$3,133,369	833	14	0	64	\$247,644	\$241,997	\$0	\$48,959
1999	\$168,723,586	\$0	\$0	\$0	653	0	0	0	\$258,382	\$0	\$0	\$0
2000	\$221,430,152	\$0	\$0	\$0	886	0	0	0	\$249,921	\$0	\$0	\$0
2001	\$211,235,268	\$1,525,067	\$0	\$51,794,057	1,069	12	0	584	\$197,601	\$127,089	\$0	\$88,688
2002	\$323,953,820	\$991,211	\$5,278,786	\$4,806,491	1,648	8	48	54	\$196,574	\$123,901	\$109,975	\$89,009
2003	\$348,016,314	\$10,710,605	\$17,786,505	\$65,339,233	1,530	90	96	697	\$227,462	\$119,007	\$185,276	\$93,744
2004	\$500,982,575	\$237,046	\$13,419,519	\$39,973,016	2,509	2	132	438	\$199,674	\$118,523	\$101,663	\$91,263
2005	\$219,938,968	\$428,577	\$20,514,660	\$24,902,048	1,137	4	203	248	\$193,438	\$107,144	\$101,057	\$100,411
2006	\$141,592,479	\$0	\$0	\$0	377	0	0	0	\$375,577	\$0	\$0	\$0
2007	\$31,868,712	\$0	\$9,528,541	\$0	93	0	90	0	\$342,674	\$0	\$105,873	\$0
2008	\$5,627,127	\$0	\$2,009,910	\$0	15	0	9	0	\$375,142	\$0	\$223,323	\$0
Total	\$2,692,349,040	\$17,770,787	\$68,537,921	\$189,948,213	12,079	134	578	2,085				

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

Figure 5-5
Average Construction Cost of Single and Multi-Family Homes
City of Murrieta
1996 to 2008
(in Constant 2008 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

5.4 Home Price Trends

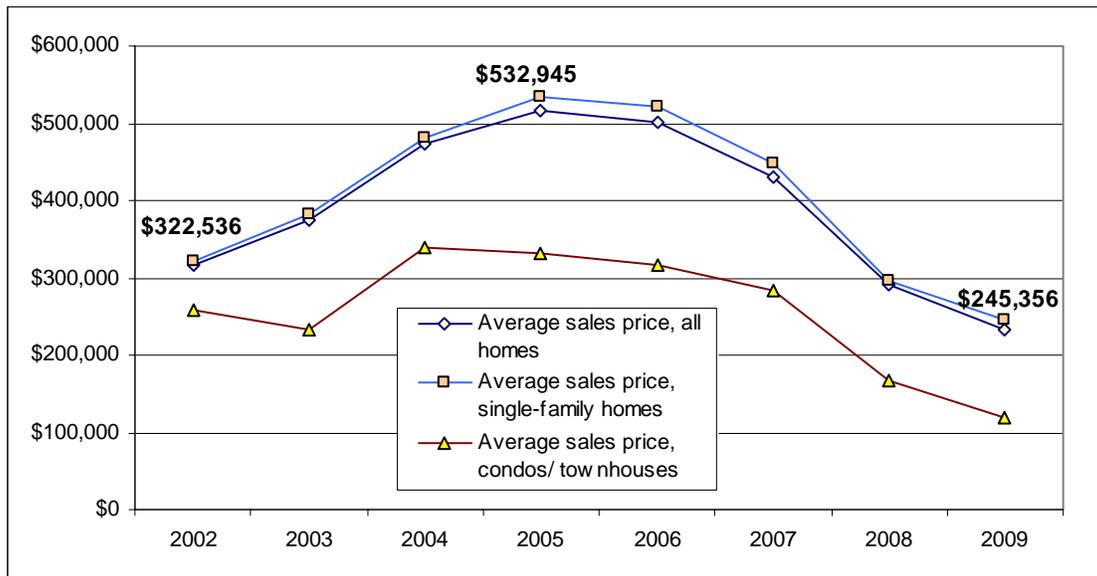
The following tables show home price trends for the City of Murrieta from RAND California and Data Quick News data. Table 5-5 shows average home price trends for the City from 2002 to 2009 in constant 2009 dollars. In 2002, the average sales price of single family homes in the City was about \$322,500. From 2002 to 2005, the average single family home prices increased to about \$533,000. After 2005, average single family home prices declined to about \$245,000 in 2009, or a 54 percent decline. This trend was the same for average condominium and townhouse prices as they increased from about \$258,000 in 2002 to about \$339,000 in 2004, and then declined to about \$120,000 in 2009, or a 65 percent decline. Similarly to Murrieta as shown in Table 5-6, Riverside County experienced an increase in average single family home prices from about \$252,000 in 2002 to about \$469,000 in 2004, and then declining to about \$245,000 in 2009 resulting in about a 48 percent decline. Average condominium and townhouse prices for Riverside County increased from about \$181,000 in 2002 to about \$326 in 2005, then decreased to about \$153,000 in 2009, or a 53 percent decline.

Table 5-5
Average Home Price Trends
City of Murrieta
2002 to 2009
(in Constant 2009 Dollars)

	Average sales price, all homes	Number of sales, all homes	Average sales price, single-family homes	Number of sales, single-family homes	Average sales price, condos/townhouses	Number of sales, condos/townhouses
2002	\$317,490	380	\$322,536	336	\$258,228	33
2003	\$373,497	388	\$382,585	339	\$232,378	34
2004	\$473,324	351	\$479,995	317	\$338,753	24
2005	\$516,411	500	\$532,945	425	\$331,292	68
2006	\$501,959	292	\$522,257	246	\$315,261	29
2007	\$429,123	146	\$447,254	128	\$284,611	18
2008	\$290,522	266	\$295,568	235	\$166,221	24
2009	\$234,125	264	\$245,356	222	\$119,875	33

Source: Stanley R. Hoffman Associates, Inc.
RAND California.
California Association of Realtors and DataQuick News

Figure 5-6
Average Home Price Trend
City of Murrieta
2002 to 2009
(in Constant 2009 Dollars)



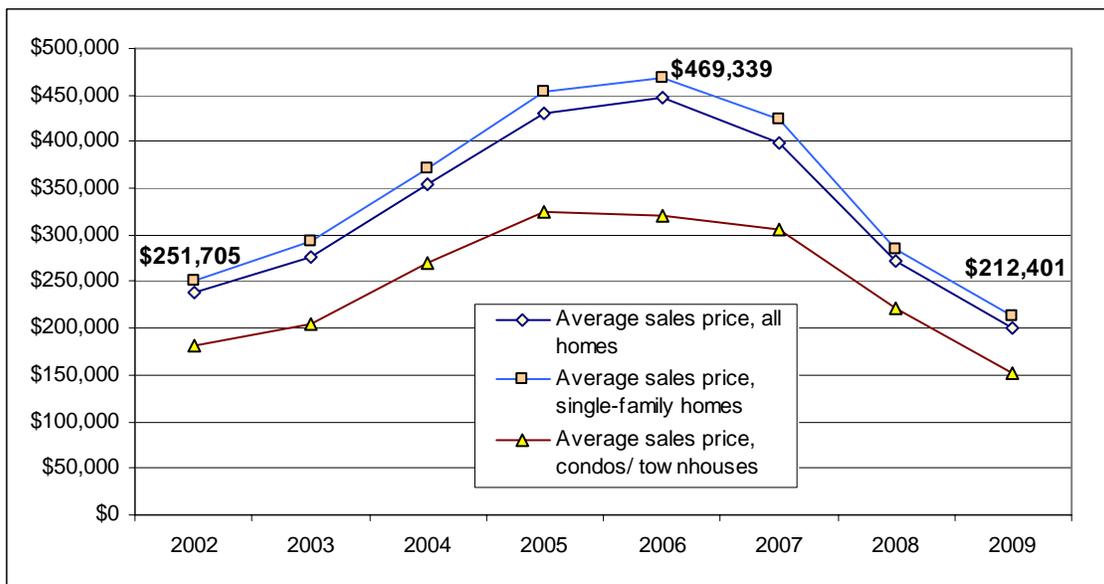
Source: Stanley R. Hoffman Associates, Inc.
RAND California from California Association of Realtors and DQ News.

Table 5-6
Average Home Price Trends
Riverside County
2002 to 2009
(in Constant 2009 Dollars)

	Average sales price, all homes	Number of sales, all homes	Average sales price, single-family homes	Number of sales, single-family homes	Average sales price, condos/townhouses	Number of sales, condos/townhouses
2002	\$239,341	4,570	\$251,705	3,935	\$181,231	532
2003	\$276,896	4,890	\$292,863	4,156	\$204,656	544
2004	\$353,389	5,525	\$371,645	4,750	\$271,087	604
2005	\$429,766	6,358	\$453,457	5,623	\$325,744	636
2006	\$447,587	4,765	\$469,339	3,728	\$321,513	395
2007	\$399,123	2,951	\$423,868	2,575	\$306,581	355
2008	\$271,770	3,560	\$284,811	3,115	\$221,200	292
2009	\$200,449	4,209	\$212,401	3,642	\$152,720	352

Source: Stanley R. Hoffman Associates, Inc.
RAND California.
California Association of Realtors and DataQuick News

Figure 5-7
Average Home Price Trend
Riverside County
2002 to 2009
(in Constant 2009 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
RAND California from California Association of Realtors and DQ News.

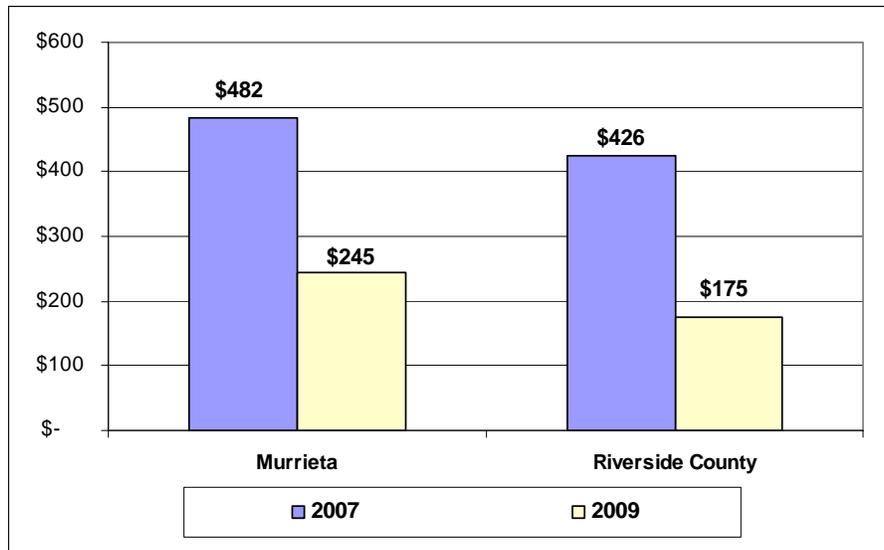
Table 5-7 and Figure 5-8 show that the bulk of the change was from 2007 to 2009 with single family home median prices declining about 49 percent in Murrieta and about 59 percent in Riverside County. Similarly, the bulk of the median condo price decline was from 2007 to 2009 with Table 5-8 and Figure 5-9 showing about a 60 percent decline for Murrieta and a 54 percent decline for Riverside County.

Table 5-7
Single Family Home Median Price Trends
City of Murrieta and Riverside County
2007 and 2009
(in Constant 2009 Dollars)

	March 2007		March 2009		Percent Change in Median SFR Price	
	Sales of Single Family Homes	Price Median SFR (\$1,000)	Sales of Single Family Homes	Price Median SFR (\$1,000)		
Murrieta	92562	67	502.9	108	250.0	-50.3%
	92563	<u>63</u>	<u>461.8</u>	<u>146</u>	<u>240.0</u>	<u>-48.0%</u>
<i>Estimated Median</i>		130	482.4	254	245.0	-49.2%
Riverside County		1,894	425.9	3,726	175.0	-58.9%

Source: Stanley R. Hoffman Associates, Inc.
DataQuick News

Figure 5-8
Single Family Home Median Price Trends
City of Murrieta and Riverside County
2007 and 2009
(in Constant 2009 Dollars)



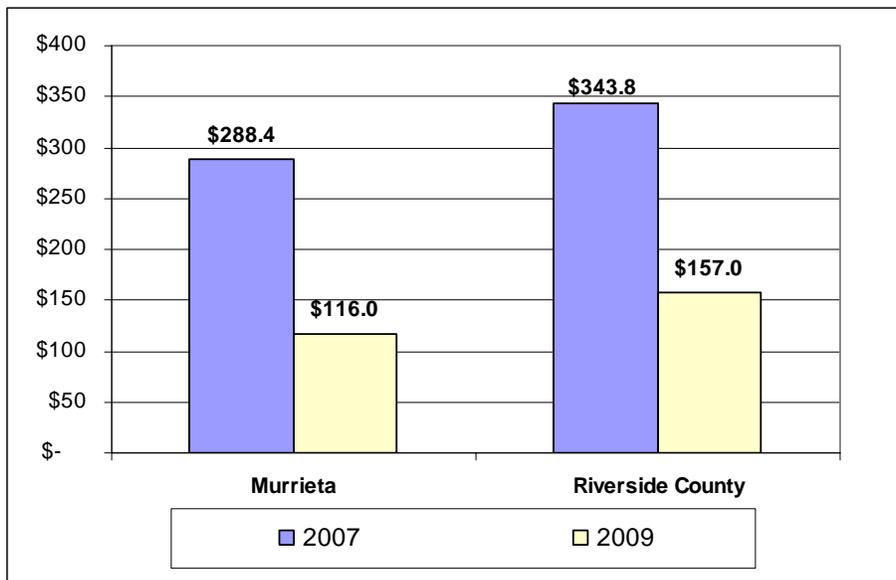
Source: Stanley R. Hoffman Associates, Inc.
DataQuick News.

Table 5-8
Condominium Median Price Trends
City of Murrieta and Riverside County
2007 and 2009
(in Constant 2009 Dollars)

		March 2007		March 2009		Percent Change in Median SFR Price
		Sales Count Condos	Price Median Condos (\$1,000)	Sales Count Condos	Price Median Condos (\$1,000)	
Murrieta	92562	11	\$282.2	11	\$105.0	-62.8%
	92563	16	\$294.5	14	\$127.0	-56.9%
	<i>Estimated Median</i>	27	\$288.4	25	\$116.0	-59.8%
Riverside County		310	\$343.8	248	\$157.0	-54.3%

Source: Stanley R. Hoffman Associates, Inc.
DataQuick News

Figure 5-9
Condominium Median Price Trends
City of Murrieta and Riverside County
2007 and 2009
(in Constant 2009 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
DataQuick News.

CHAPTER 6 COMMERCIAL TRENDS

This Chapter presents retail and office/industrial trends for the City of Murrieta for the 1994 to 2007 time period. Data was gathered from the 1994 to 2007 State Board of Equalization, 2007 California Department of Finance and CB Richard Ellis for retail taxable sales data, Co Star for office and industrial data and AAA and travel websites for hotel and motel data.

6.1 Retail Market

Taxable Retail Sales Trends. The following tables present historic taxable retail sales trends for the City and taxable retail sales trends for Murrieta and surrounding cities and counties for 2007 which is the latest year for which these data have been published by the California Board of Equalization. These tables present the data for Murrieta and surrounding cities and counties including Temecula, Lake Elsinore, Corona, Riverside County, San Bernardino County, and San Diego County.

Table 6-1 shows the historic taxable sales transactions of Murrieta from 1994 to 2007 in constant 2008 dollars. Total taxable sales increased over the 1994 to 2007 time period from about \$231 million in 1994 to about \$1.14 billion in 2007 with an annualized growth rate of 13.05 percent. Retail taxable sales increased from about \$207 million in 1994 to about \$991 million in 2007. Non-retail taxable sales increased from about \$24 million in 1994 to about \$146 million in 2007.

As shown in Figure 6-1, non-retail, or business-to-business taxable sales increased as a percentage of total taxable sales from 10 percent in 1994 to 13 percent in 2007. While the bulk of taxable sales is still generated primarily from households, this trend suggests that businesses that generated taxable sales to other businesses were increasing within the City's economic base.

Table 6-1
Historic Taxable Sales Transactions
City of Murrieta
1994 to 2007
(in Thousands of Constant 2008 Dollars)

Year	Retail	Non-Retail	Total
1994	\$207,248	\$23,569	\$230,817
1995	\$242,122	\$25,615	\$267,738
1996	\$294,878	\$33,055	\$327,933
1997	\$307,885	\$34,404	\$342,289
1998	\$349,257	\$41,421	\$390,678
1999	\$391,884	\$48,590	\$440,474
2000	\$411,417	\$53,089	\$464,506
2001	\$512,124	\$62,855	\$574,979
2002	\$586,188	\$72,973	\$659,161
2003	\$759,848	\$84,145	\$843,993
2004	\$917,032	\$114,466	\$1,031,499
2005	\$1,004,531	\$139,193	\$1,143,724
2006	\$1,051,523	\$147,000	\$1,198,523
2007	\$990,765	\$146,430	\$1,137,195
AAGR	12.79%	15.09%	13.05%

Source: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 1994 - 2007

Figure 6-1
Historic Taxable Sales Transactions
City of Murrieta
1994 to 2007
(in Constant 2008 Dollars)

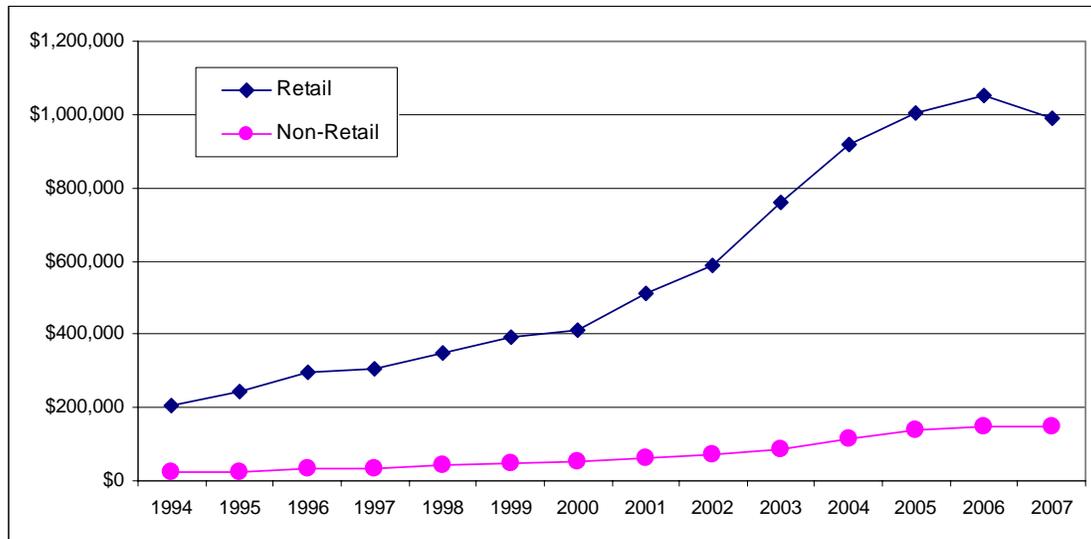


Table 6-2
Comparison of per capita Taxable Sales Transactions
City of Murrieta
1994 to 2007
(in Constant 2008 Dollars)

Retail Group	1994	2007	1994-2007		Average Annual Rate of Growth
			Difference in Sales	% Change	
Apparel Stores	\$234	\$316	\$82	35.2%	2.3%
General Merchandise	275	1,810	1,535	557.9%	15.6%
Food Stores	782	762	(20)	-2.6%	-0.2%
Eating & Drinking Places	595	912	318	53.4%	3.3%
Home Furnishings & Appliances	23	873	850	3670.5%	32.2%
Bldg. Mtrls. & Farm Implements	2,677	1,157	(1,520)	-56.8%	-6.3%
Auto Dealers & Auto Supplies	27	1,187	1,159	4237.6%	33.6%
Service Stations	719	1,019	300	41.7%	2.7%
Other Retail Stores	<u>1,507</u>	<u>1,827</u>	<u>320</u>	<u>21.2%</u>	<u>1.5%</u>
Retail Subtotal	\$6,840	\$9,863	\$3,023	44.2%	2.9%
All Other Outlets	<u>\$778</u>	<u>\$1,458</u>	<u>\$680</u>	<u>87.4%</u>	<u>4.9%</u>
Total Taxable Sales	\$7,618	\$11,320	\$3,703	48.6%	3.1%
Retail as % of Total	89.8%	87.1%			
Population	30,300	97,031			

Sources: Stanley R. Hoffman Associates, Inc.
California Department of Finance, 1994, 2007
California State Board of Equalization, 1994, 2007

Table 6-2 shows a comparison of per capita taxable sales from 1994 to 2007 in constant 2008 dollars. Per capita total taxable sales increased from \$7,618 in 1994 to \$11,320 in 2007 with an annualized growth rate of 3.1 percent. Retail taxable sales comprised 89.8 percent of total taxable sales in 1994 then decreased to 87.1 percent of total taxable sales in 2007. Retail sales per capita increased from \$6,840 in 1994 to \$9,863 in 2007. General Merchandise retail group had the highest increase by \$1,535 per capita over the 1994 to 2007 time period. The Building Materials retail group declined the most over the same time period from \$2,677 in 1994 to 1,157 in 2007 in constant 2008 dollars.

As shown in Table 6-3, on a retail per capita basis, Murrieta is performing below both the County of Riverside's and the sub-regional averages. In addition to Murrieta, for comparison purposes, the sub-region is defined as the neighboring cities of Temecula to the south and Lake Elsinore to the north plus Corona farther north along the I-15 corridor. Murrieta at an overall retail sales per capita ratio of \$9,863 is performing about 6 percent below the County of Riverside's retail per capita average of \$10,463 and about 35 percent below the sub-regional retail per capita average of \$15,272.

Murrieta is not capturing its fair share of household expenditures from within the City and its environs. This is particularly striking for General Merchandise and Apparel, as shown in Table 6-3. Murrieta's General Merchandise per capita sales of \$1,810 is only 57 percent of Temecula's per capita sales of \$4,255. Murrieta's Apparel per capita estimate of \$316 is even lower at 23 percent of Temecula's per capita sales of \$1,357. The Other Retail Stores category is also about 44 percent of the Temecula average per capita. These striking differences have implications for the potential of regional retailing opportunities in Murrieta, particularly since General Merchandise, Apparel and Other Retail Stores comprise key components of regional retail centers. This also has implications for the City's fiscal health given the importance of sales tax revenues.

Murrieta appears to be performing at or near the area per capita average for Home Furnishings and Appliances and Building Materials, but is estimated to be lagging in per capita sales in Eating and Drinking Places. The Eating and Drinking Places per capita average of \$912 is about 57 percent of Riverside County's average per capita estimate of \$1,612 and even lower at 37 percent of Temecula average per capita of \$2,445.

And finally, in the retail sales tax category of Auto Dealers and Auto Supplies, Murrieta's per capita average of \$1,187 is about 39 percent of the Riverside County per capita average and only 22 percent of Temecula's per capita average. While retail sales of automobiles, trucks and recreational vehicles have slowed considerably during the recessionary downturn from 2007 through 2010, Murrieta should evaluate its long term opportunities to capture a higher proportion of the automotive retail category in the future.

Table 6-3
Per Capita Taxable Sales Transactions
City of Murrieta and Surrounding Cities and Counties
2007
(in thousands of Constant 2008 Dollars)

PANEL A - Taxable Retail Transactions by Jurisdiction (in thousands)

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	Riverside County	San Bernardino County	San Diego County
Apparel Stores	\$30,681	\$131,852	\$47,041	\$99,002	\$308,576	\$1,171,013	\$987,164	\$2,034,512
General Merchandise	\$175,595	\$413,334	\$148,174	\$358,707	1,095,810	\$3,593,134	\$3,293,664	\$5,673,538
Food Stores	\$73,911	\$73,193	\$37,512	\$89,216	273,832	\$1,352,609	\$1,273,368	\$1,994,237
Eating & Drinking Places	\$88,534	\$237,481	\$65,855	\$232,780	624,650	\$2,388,039	\$2,297,322	\$4,784,500
Home Furnishings & Appliances	\$84,735	\$88,162	\$9,138	\$84,808	266,843	\$843,945	\$895,732	\$1,420,933
Building Materials & Farm Implem.	\$112,226	\$130,488	\$68,201	\$296,914	607,829	\$1,961,911	\$1,791,105	\$2,768,385
Auto Dealers & Auto Supplies	\$115,128	\$523,215	\$141,161	\$409,244	1,188,748	\$4,301,385	\$4,383,392	\$6,321,987
Service Stations	\$98,864	\$218,835	\$102,905	\$313,504	734,108	\$2,835,690	\$3,268,798	\$3,755,121
Other Retail Stores	\$177,318	\$406,487	\$40,848	\$194,352	<u>819,005</u>	\$2,794,790	\$3,145,279	\$5,285,332
Retail Subtotal	\$956,992	\$2,223,047	\$660,835	\$2,078,527	\$5,919,401	\$21,242,516	\$21,335,824	\$34,038,545
% of Sub-Region	16.2%	37.6%	11.2%	35.1%	100.0%			
% of Riverside County	4.5%	10.5%	3.1%	9.8%	27.9%	100.0%	100.4%	160.2%

PANEL B - Per Capita Taxable Retail Transactions

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	Riverside County	San Bernardino County	San Diego County
Apparel Stores	\$316	\$1,357	\$989	\$679	\$796	\$577	\$488	\$659
General Merchandise	1,810	4,255	3,115	2,459	2,827	1,770	1,628	1,837
Food Stores	762	753	789	612	707	666	630	646
Eating & Drinking Places	912	2,445	1,384	1,596	1,612	1,176	1,136	1,549
Home Furnishings & Appliances	873	908	192	581	688	416	443	460
Building Materials & Farm Implem.	1,157	N/A	1,434	2,036	1,568	966	885	896
Auto Dealers & Auto Supplies	1,187	5,386	2,968	2,806	3,067	2,119	2,167	2,047
Service Stations	1,019	2,253	2,163	2,150	1,894	1,397	1,616	1,216
Other Retail Stores	<u>1,827</u>	<u>4,185</u>	<u>859</u>	<u>1,333</u>	<u>2,113</u>	<u>1,377</u>	<u>1,555</u>	<u>1,711</u>
Retail Subtotal	\$9,863	\$22,885	\$13,892	\$14,251	\$15,272	\$10,463	\$10,548	\$11,020
2007 Population	97,031	97,141	47,568	145,847	387,587	2,030,315	2,022,710	3,088,891

PANEL C - Comparison of Riverside County Cities to County Per Capita Retail Transactions

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	Riverside County	San Bernardino County	San Diego County
Apparel Stores	0.55	2.35	1.71	1.18	1.38	1.00	0.85	1.14
General Merchandise	1.02	2.40	1.76	1.39	1.60	1.00	0.92	1.04
Food Stores	1.14	1.13	1.18	0.92	1.06	1.00	0.94	0.97
Eating & Drinking Places	0.78	2.08	1.18	1.36	1.37	1.00	0.97	1.32
Home Furnishings & Appliances	2.10	2.18	0.46	1.40	1.66	1.00	1.07	1.11
Building Materials & Farm Implem.	1.20	N/A	1.48	2.11	1.62	1.00	0.92	0.93
Auto Dealers & Auto Supplies	0.56	2.54	1.40	1.32	1.45	1.00	1.02	0.97
Service Stations	0.73	1.61	1.55	1.54	1.36	1.00	1.16	0.87
Other Retail Stores	1.33	3.04	0.62	0.97	1.54	1.00	1.13	1.24
Retail Subtotal	0.94	2.19	1.33	1.36	1.46	1.00	1.01	1.05

1. Sub Region represents a sum of taxable sales for the listed cities of Murrieta, Temecula, Lake Elsinore, and Corona only.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2007
California Department of Finance, 2007

Table 6-4 displays the per capita taxable sales for General Merchandise, Apparel, Home Furnishings and Other retail groups, which is referred to by the acronym “GAFO” or retailing categories generally found in regional type retail centers. Murrieta’s per capita GAFO ratio of \$4,827 is about 17 percent higher than Riverside County’s ratio, but is just 75 percent of the sub-regional ratio and only 45 percent of Temecula’s ratio.

Table 6-5 displays the identified GAFO retail centers in Murrieta, Temecula, Menifee and Lake Elsinore. The four cities have a total of about 7.9 million square feet of gross leasable area (GLA). Of the 7.9 million, more than half or 4.7 million square feet of GLA is GAFO type retail. Temecula holds the bulk of the total retail with 3.7 million square feet of GLA (46.3 percent). Temecula is also home to a 1.0 million square foot regional shopping center which plays a factor in their having the largest share of GAFO type retailers at 42.3 percent of total retail. Murrieta has about 3.0 million square feet (38.4 percent) of total retail GLA with 37.0 percent GAFO type retail. Murrieta’s retail centers are generally comprised of community oriented, “big-box” centers including anchors such as Target, Walmart and Kohl’s. The City noticeably lacks a regional shopping center although one is planned for the Golden Triangle area where Interstate 15 and Interstate 215 meet. Lake Elsinore and Menifee have less retail shopping centers than Temecula or Murrieta comprising about 11.5 percent of the total retail GLA for Lake Elsinore and 3.7 percent for Menifee. However, Lake Elsinore does have a retail outlet mall adjacent to Interstate I-15 and three centers anchored by a Wal-Mart, Target and Costco, respectively. The major GAFO and Building Materials retailers in the Murrieta, Temecula, Menifee and Lake Elsinore are listed in Table 6-5.

Table 6-4
GAFO¹ Per Capita Taxable Sales
City of Murrieta and Surrounding Cities and Counties
2007
(in Constant 2008 Dollars)

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	Riverside County	San Bernardino County	San Diego County
General Merchandise	\$1,810	\$4,255	\$3,115	\$2,459	\$2,827	\$1,770	\$1,628	\$1,837
Apparel Stores	316	1,357	989	679	796	577	488	659
Home Furnishings & Appliances	873	908	192	581	688	416	443	460
Other Retail Stores	<u>\$1,827</u>	<u>\$4,185</u>	<u>\$859</u>	<u>\$1,333</u>	<u>\$2,113</u>	<u>\$1,377</u>	<u>\$1,555</u>	<u>\$1,711</u>
GAFO Total	\$4,827	\$10,704	\$5,155	\$5,052	\$6,425	\$4,139	\$4,114	\$4,667

1. GAFO is defined as General Merchandise, Apparel Stores, Home Furnishings and Other Retail

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2007

Table 6-5
Major GAFO¹ Retail Centers
Murrieta, Temecula, Menifee and Lake Elsinore
December 2009

Store	Location	City	Total Center GLA (Sq.Ft.)	GAFO GLA ² 2007 (Sq.Ft.)
<u>MURRIETA</u>				
Murrieta Springs Plaza	25320 Madison Ave	Murrieta	272,905	106,448
Cal Oaks Plaza	41090 California Oaks Road	Murrieta	320,000	153,172
California Oaks Center	40414 California Oaks Road	Murrieta	92,593	32,955
Murrieta Town Center	39885 Alta Murrieta Drive	Murrieta	390,702	91,510
Corning Plaza	26540 Jefferson Avenue	Murrieta	95,000	16,300
Gateway Centre	26341 Jefferson Avenue	Murrieta	112,058	53,036
Jefferson Plaza	26755 Jefferson Avenue	Murrieta	42,155	22,305
Jefferson Business Park	26835 Jefferson Avenue	Murrieta	454,799	279,864
Jefferson Gateway	26019 Jefferson Avenue	Murrieta	39,034	11,700
Madison Square	25080 Madison Avenue	Murrieta	106,600	89,625
Village Walk	41451 Kalmia St	Murrieta	311,575	256,472
Murrieta Spectrum	25125 Madison Ave	Murrieta	175,000	118,360
Murrieta Plaza	40396 Murrieta Hot Springs Rd	Murrieta	215,000	142,376
Kohls	24661 Madison Ave	Murrieta	79,625	79,625
Super Target Center	NWC I-215 and Clinton Keith	Murrieta	180,000	150,000
Wal-Mart Store #2952	41200 Murrieta Hot Springs Rd	Murrieta	<u>144,000</u>	<u>144,000</u>
			3,031,046	1,747,748
		<i>Share of Subregion Total</i>	38.4%	37.1%
<u>TEMECULA</u>				
Winchester Meadows	40405 Winchester Road	Temecula	200,000	33,563
Commons At Temecula	40500 Winchester Road	Temecula	320,550	231,280
Bel Villagio	41577 Margarita Road	Temecula	116,470	34,000
Palm Plaza Shopping Center	26495 Ynez Road	Temecula	341,612	217,083
Tower Plaza	27511 Ynez Road	Temecula	134,510	28,000
32425 Highway 79 S	32425 Highway 79 S	Temecula	101,784	40,000
Vail Ranch Shopping Center	SEC 31845 Hwy 79 S	Temecula	204,204	35,902
Staples	32120 Highway 79 South	Temecula	23,942	23,942
Redhawk Towne Center	32797 Redhawk Pky	Temecula	345,113	149,500
Temecula Town Center	29720 Rancho California Road	Temecula	542,822	204,097
Promenade In Temecula	40820 Winchester Road	Temecula	1,013,000	830,207
Etco Plaza	27270 Madison Avenue	Temecula	25,794	11,564
Butterfield Station	33145 State Highway 79	Temecula	75,000	63,750
Butterfield Ranch	43842 Butterfield Stage Road	Temecula	55,685	16,305
Costco	26610 Ynez Road	Temecula	<u>152,452</u>	<u>76,226</u>
			3,652,938	1,995,419
		<i>Share of Subregion Total</i>	46.3%	42.4%
<u>MENIFEE</u>				
Menifee Town Center	30145 Antelope Road	Menifee	114,562	54,188
Super Target	30340 Haun Rd	Menifee	<u>180,000</u>	<u>135,000</u>
			294,562	189,188
		<i>Share of Subregion Total</i>	3.7%	4.0%
<u>LAKE ELSINORE</u>				
Lake Elsinore Outlet Center	17600 Collier Ave.	Lake Elsinore	368,785	368,785
Lake Elsinore City Center	31700 Grape St.	Lake Elsinore	215,000	125,000
Oak Grove Crossing	18287 Collier Ave.	Lake Elsinore	176,000	130,000
Costco	29315 Central Ave.	Lake Elsinore	<u>150,000</u>	<u>150,000</u>
			909,785	773,785
		<i>Share of Subregion Total</i>	11.5%	16.4%
		Subregion Total Gross Leasable Area	7,888,331	4,706,140

1. GAFO is defined as General Merchandise, Apparel, Furniture and Other
2. GLA stands for Gross Leasable Area.

Sources: Stanley R. Hoffman Associates, Inc.
MyMurrieta.com
CB Richard Ellis

Table 6-6
Major GAFO¹ and Building Material Retailers
Murrieta, Temecula, Menifee and Lake Elsinore
December 2009

Name	Address	City	Zip	Center Name	Sq Ft
GAFO RETAILERS					
MURRIETA					
Target	41040 California Oaks Rd	Murrieta	92562	Cal Oaks Plaza	126,750
Kohls	24661 Madison Ave	Murrieta	92562	Free Standing Store	79,625
Wal-Mart Store #2952	41200 Murrieta Hot Springs Rd	Murrieta	92562	Free Standing Store	144,000
Sam's Club	40500 Murrieta Hot Springs Rd	Murrieta	92562	Free Standing Store	155,000
Best Buy	25080 Madison Ave	Murrieta	92562	Madison Square	43,750
Staples	25070 Madison Ave.	Murrieta	92562	Madison Square	42,875
Big Lots	25260 Madison Ave.	Murrieta	92562	Murrieta Springs Plaza	52,250
Ross Dress For Less	39845 Alta Murrieta Dr	Murrieta	92563	Murrieta Town Center	26,250
Super Target	NWC I-215 and Clinto Keith Rd	Murrieta	92562	Orchard	180,000
TEMECULA					
Best Buy	32937 Hwy 79	Temecula	92592	Butterfield Station	40,500
Costco	26610 Ynez Road	Temecula	92591	Free Standing Store	152,425
Staples	32120 Highway 79 South	Temecula	92592	Free Standing Store	23,942
Kmart	26471 Ynez Road	Temecula	92591	Kmart Shopping Center	79,875
JC Penney	40640 Winchester Road	Temecula	92591	Promenade at Temecula	124,656
Macy's Promenade Mall	40900 Winchester Road	Temecula	92591	Promenade at Temecula	165,000
Macy's Temecula	40780 Winchester Road	Temecula	92591	Promenade at Temecula	200,000
Sears	40710 Winchester Road	Temecula	92591	Promenade at Temecula	111,392
Mervyns (Ex)	26443 Ynez Road	Temecula	92591	Promenade at Temecula	76,186
Kohls	32085 Redhawk Pkwy	Temecula	92592	Redhawk Towne Center	80,000
Wal-Mart Store #2708	32225 Highway 79 South	Temecula	92592	Redhawk Towne Center	149,500
Ross Dress For Less	32155 State Highway 79	Temecula	92592	Redhawk Towne Center	30,000
Marshalls	32155 Hwy 79 South	Temecula	92592	Redhawk Towne Center	31,000
Target	29676 Rancho California Rd	Temecula	92591	Temecula Town Center	98,000
Big Lots	27411 Ynez Road	Temecula	92592		40,000
MENIFEE					
Super Target	30340 Haun Rd	Menifee	92584	Free Standing Store	180,000
Kohls	30252 Haun Rd.	Menifee	92584	Countryside Marketplace	80,000
Best Buy	30178 Haun Rd.	Menifee	92584	Countryside Marketplace	40,500
Lowe's		Menifee	92584	Countryside Marketplace	130,000
LAKE ELSINORE					
Walmart	31700 Grape St.	Lake Elsinore	92530	Lake Elsinore City Center	120,000
Target	18287 Collier Ave.	Lake Elsinore	92530	Oak Grove Crossing	130,000
Costco	29315 Central Ave.	Lake Elsinore	92532	Free Standing Store	150,000
Big Lots	32241 Mission Road	Lake Elsinore	92530	Lake Elsinore Town Center	30,000
BUILDING MATERIALS					
MURRIETA					
Home Depot	25100 Madison Ave	Murrieta	92562		140,000
Lowe's	24701 Madison Ave	Murrieta	92562		182,000
Dixieline Lumber	27826 Clinton Keith Road	Murrieta	92562		27,540
ICI Dulux Paint	41604 Date St.	Murrieta	92562		5,000
Sherwin-Williams	26499 Jefferson Ave. #L	Murrieta	92562		4,600
RCP Block & Brick ¹	25725 Jefferson Ave	Murrieta	92562		n/a
Primo Floors	26199 Jefferson Ave	Murrieta	92562		1,000
J & W Lumber Company	25217 Jefferson Ave	Murrieta	92562		21,600
Murrieta Landscape Materials ¹	24975 Adams Ave	Murrieta	92562		n/a
Standards of Excellence	41379 Date St. South	Murrieta	92564		8,000
TEMECULA					
Vista Paint Windows and Covering	27250 Madison Ave # F	Temecula	92590		6,400
Frazee Paint & Wallcovering	27355 Jefferson Ave # G	Temecula	92590		4,500
Hobknob	27488 Enterprise Cir W # 3	Temecula	92590		4,500
Temecula Valley Building Mtrls	43189 Business Park Dr	Temecula	92590		9,000
Sherwin-Williams	41662 Enterprise Cir N # A	Temecula	92590		7,500
Dan's Feed & Seed	41065 1st St	Temecula	92590		2,000
Brandel Masonry Supplies	42368 Rio Nedo	Temecula	92590		2,400
Dunn-Edwards Paint #54	41680 Enterprise Circle, South	Temecula	92590		10,000
Lowe's	40390 Winchester Road	Temecula	92591		168,000
Home Depot	32020 Hwy 79 South	Temecula	92592		150,000

Sources: Stanley R. Hoffman Associates, Inc.
 MyMurrieta.com
 CB Richard Ellis

Table 6-7 displays total and vacant retail square footage provided by Costar at an aggregate level for Murrieta, Temecula, the Interstate 15 Corridor which is defined as the area along the Interstate 15 running from Lake Elsinore, south to the northern boundary of the City of Murrieta and the Interstate 215 Corridor which is defined as the area north of the northern edge of Murrieta, running north to and including the City of Menifee along Interstate 215, and north along Highway 79 through French Valley to the Winchester area. Vacancy is defined as currently vacant space as well as short-term, occupied space that is available for lease.

This total area had an overall estimated retail space of 23.0 million square feet and a vacancy rate of 20.2 percent. Community, neighborhood and strip commercial retail, that primarily serves the local community, had about 13.0 million square feet of retail space with a 23.5 percent vacancy rate. All Other Retail, which includes regional, power centers and theme/festival centers had a total of about 10.0 million square feet and a vacancy rate of about 16.0 percent. The vacancy rate for All Other Retail is lower than Community retail possibly because the retail shopping centers that are relatively larger with national chain retailers are probably better able to handle economic downturns than the smaller, locally owned retailers and shopping centers.

Overall, Temecula was estimated to have the lowest vacancy rate of about 14 percent. The vacancy rates for the I-15 and I-215 corridors ranged from about 20 to 30 percent. Murrieta was estimated to fall roughly within the middle of this range at about 24 percent.

Table 6-7
Total and Vacant Retail Square Footage
Murrieta, Temecula and Surrounding Areas
December 2009

	Murrieta	Temecula	I-15 Corridor¹	I-215 Corridor²	Total Square Footage
Community, Neighborhood and Strip Commercial					
Vacant Space	1,176,013	729,196	373,318	819,213	3,097,740
Total Rentable Space	4,690,688	3,973,638	2,410,023	2,091,670	13,166,019
Vacancy Rate	25.1%	18.4%	15.5%	39.2%	23.5%
All Other Retail³					
Vacant Space	652,991	452,243	380,087	121,072	1,606,393
Total Rentable Space	2,877,595	4,713,204	1,438,550	1,065,608	10,094,957
Vacancy Rate	22.7%	9.6%	26.4%	11.4%	15.9%
Total Retail					
Vacant Space	1,829,004	1,181,439	753,405	940,285	4,704,133
Total Rentable Space	7,568,283	8,686,842	3,848,573	3,157,278	23,260,976
Vacancy Rate	24.2%	13.6%	19.6%	29.8%	20.2%

1. I -15 Corridor is defined as the area along the Interstate 15 running from Lake Elsinore south to the northern boundary of the City of Murrieta.
2. I -215 Corridor is defined as the area north of the northern edge of the City of Murrieta, running north to and including the City of Menifee along Interstate 215, and north along Highway 79 through French Valley to the Winchester area.
3. Includes Regional, Power Center and Theme/Festival Centers.

Sources: Stanley R. Hoffman Associates, Inc.
Costar, December 2009.

6.2 Office/Industrial Park Market

The following section presents findings and conclusions from a review of the Industrial and Office segments of the commercial real estate market in the Inland Empire, including specific information regarding Southwest Riverside County and the city of Murrieta. The study involved an analysis of data obtained primarily from Costar Group, Inc., a provider of real estate information that maintains a national database of commercial properties. In addition, regional data were obtained from Grubb & Ellis, a commercial real estate brokerage firm.

Inland Empire is defined as the entire counties of Riverside and San Bernardino. For purposes of this analysis, Southwest Riverside County has been divided into four sub-areas, including: the city of Murrieta; the city of Temecula; an area along Interstate 15 running from Lake Elsinore south to the

northern boundary of the city of Murrieta; and an area north of the northern edge of the city of Murrieta, running north to and including the city of Menifee along Interstate 215, and north along Highway 79 through French Valley to the Winchester area.

A number of commercial real estate terms are used throughout the report. They are defined by Costar Group as follows:

- **Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.
- **Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.
- **Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.
- **Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.
- **Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation.
- **Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available.

Inland Empire Market Area. The key findings for the Inland Empire industrial and office markets are summarized below and in Tables 6-8, 6-9 and 6-10:

- Inland Empire includes Riverside County and San Bernardino County, encompassing 485 square miles
- 4.2 million residents (2.1 million in Riverside County)
- By 2030, expect 7 million total residents; second fastest-growing area (behind Los Angeles County) in Southern California region
- Inland Empire lost over 76,000 non-farm jobs in past 12 months
- Unemployment rate currently 14.2%, versus 12.0% statewide
- Costar's comprehensive office property database (all office properties, regardless of size) shows that Southwest Riverside County (as defined in the following pages) contains 7.9% of total Inland Empire office space and 1.0% of total Inland Empire vacant office space

- Costar's industrial property database (all industrial properties, regardless of size) indicates that Southwest Riverside County contains 4.3% of total Inland Empire industrial space and 3.9% of total Inland Empire vacant industrial space
- According to Grubb & Ellis, which reports quarterly on commercial properties in market areas throughout Southern California (surveying office buildings of 20,000 square feet or larger and industrial properties of 10,000 square feet or larger), Inland Empire office and industrial rents are lowest of any Southern California region.
- Inland Empire is a significant factor in Southern California industrial development, but has only emerged in recent years as a location for office development
- The Inland Empire industrial market has been impacted far more than the office market in the current slowdown, in terms of vacancies and rental rates. As shown on the following, the Inland Empire offers lower lease rates than any market in the region, while at the same time experiencing higher vacancy rates than any other area, both for Industrial and Office properties.

**Table 6-8
Office and Industrial Market
Southern California Area
Third Quarter 2009**

**Southern California Office Market Summary by Area
Third Quarter 2009**

	Inland Empire	Los Angeles County	Orange County	San Diego County	Totals/ Weighted Averages
Total Square Feet	27,455,544	189,628,548	86,210,904	71,864,453	375,159,449
Vacant Square Feet	6,476,443	29,519,994	16,696,282	15,550,492	68,243,211
Vacancy Rate (Total)	23.60%	15.60%	19.40%	21.60%	18.20%
Net Absorption (YTD)	-69,607	-4,384,630	-1,568,918	-940,463	-6,963,618
Under Construction SF	493,684	1,522,978	82,042	358,462	2,457,166
Asking Rent					
Class A	\$2.17	\$3.06	\$2.50	\$2.87	\$2.83
Class B	\$1.63	\$2.26	\$2.01	\$2.25	\$2.15

**Southern California Industrial Market Summary by Area
Third Quarter 2009**

	Inland Empire	Los Angeles County	Orange County	San Diego County	Totals/ Weighted Averages
Total Square Feet	430,928,985	987,735,183	265,985,670	172,724,235	1,857,374,073
Vacant Square Feet	55,189,414	31,665,632	17,352,117	20,597,647	124,804,810
Vacancy Rate (Total)	12.80%	3.20%	6.50%	12.00%	6.70%
Net Absorption (YTD)	-6,414,027	-7,745,956	-3,029,385	-3,319,143	-20,508,511
Under Construction SF	1,453,768	369,563	0	246,050	2,069,381
Asking Rent					
WH/Dist	\$0.32	\$0.48	\$0.58	\$0.66	\$0.47
Flex	\$0.64	\$0.86	\$1.05	\$1.27	\$0.87

Source: Stanley R. Hoffman Associates, Inc.
Grub & Ellis

**Table 6-9
Inland Empire Office Market
Third Quarter 2009**

	Class A	Class B	Class C	Totals
Existing Inventory				
Buildings	125	3,137	2,022	5,284
Rentable Area (SF)	9,079,003	41,138,879	14,789,590	65,007,472
Vacant Space				
Square Feet	3,099,444	6,770,053	1,325,356	11,194,853
Vacancy Rate	34.1%	16.5%	9.0%	17.2%
YTD Net Absorption (SF)	197,142	593,871	-91,292	699,721
YTD Deliveries (SF)	573,702	918,507	0	1,492,209
Under Construction (SF)	192,078	195,773	0	387,851
Quoted Rates (\$/SF/mo)	\$2.32	\$1.79	\$1.36	\$1.87

Source: Stanley R. Hoffman Associates, Inc.
Grub & Ellis

**Table 6-10
Recent Period Absorption Analysis
Inland Empire
2007 to 2009**

Period	Office		Industrial	
	Total Square Feet	Average per Quarter	Total Square Feet	Average per Quarter
2009 YTD (3 quarters)	699,721	233,240	-2,116,077	-705,359
2008 (4 quarters)	128,423	32,105	3,877,134	969,284
2007 (4 quarters)	1,896,969	474,242	26,430,933	6,607,733
11 quarter totals	2,725,113	247,738	28,191,990	2,562,908

Source: Stanley R. Hoffman Associates, Inc.
Co Star Group, Inc.

Southwest Riverside County Market Area. The key findings for the Southwest Riverside County industrial and office markets are summarized below and in Tables 6-11, 6-12, 6-13 and 6-14:

- Includes areas between San Diego County line and Lake Elsinore on I-15, from Menifee south on I-215 to intersection with I-15, and from Winchester south on Highway 79 to intersection with I-15
- Includes cities of Murrieta, Temecula, Wildomar, and Lake Elsinore, and unincorporated communities such as French Valley, Winchester and surrounding areas
- Most significant concentrations of office buildings: city of Lake Elsinore along I-15 near Highway 74 and between I-15 and Lake Elsinore; city of Murrieta west of I-15, Highway 79 near Murrieta Hot Springs Road, and along I-215 near Golden Triangle; city of Temecula along I-15 (especially to the west near Rancho California Road) and along Highway 79
- Most significant concentrations of industrial buildings: city of Lake Elsinore near I-15; city of Murrieta west of I-15 and in Golden Triangle; city of Temecula along I-215 (especially to west) and east of I-15 near county line; French Valley along Highway 79

Table 6-11
Recent Period Absorption Analysis
Southwest Riverside County
2007 to 2009

Period	Office		Industrial	
	Total Square Feet	Average per Quarter	Total Square Feet	Average per Quarter
2009 YTD (3 quarters)	180,963	60,321	-423,729	-141,243
2008 (4 quarters)	181,857	45,464	39,696	9,924
2007 (4 quarters)	298,413	74,603	542,699	135,675
11 quarter totals	661,233	60,112	158,666	14,424

Source: Stanley R. Hoffman Associates, Inc.
 Co Star Group, Inc.

Table 6-12
Proposed Office Development
City of Murrieta
2007 to 2009

Building Address	Building Class	Rentable Building Area	Building Park	Developer Name	Number Of Stories
25230 Hancock Ave	A	78,000	Crossroads Corporate Center	Whitaker Investment Corporation	3
25250 Hancock Ave	A	39,018	Crossroads Corporate Center	Whitaker Investment Corporation	3
25480 Medical Center Dr	A	26,000	Murrieta Pointe II		2
23151 Palomar Rd	A	58,000	Palomar Office Center	Kal Pacific & Associates	2
Jackson Ave	B	80,322	Creekside Corporate Center	Truax Development	3
Jackson Ave	B	80,322	Creekside Corporate Center	Truax Development	3
Jackson Ave	B	80,322	Creekside Corporate Center	Truax Development	3
Jefferson Ave @ Murrieta Hot Springs	B	12,000		The Garrett Group	1
Kalmia St	B	47,817		Rossi Properties, Inc.	2
41864 Kalmia St	B	9,150			1
NEC Murrieta Hot Springs Rd	B	47,756	Springs Plaza		1
Winchester Rd	B	9,535	French Valley Crossings		1
City Total		568,242			

Source: Stanley R. Hoffman Associates, Inc.
Co Star Group, Inc.

Table 6-13
Proposed Industrial Development
City of Murrieta
2007 to 2009

Building Address	Building Class	Rentable Building Area	Building Park	Property Type	Secondary Type
41166 Elm St	B	17,622		Flex	
SW Jefferson Ave @ Fig St.	A	8,300	Jefferson Business Park	Industrial	Showroom
Madison Ave @ Golden Gate Circle	B	7,500	Madison & Golden Gate Business Park	Industrial	Distribution
Madison Ave @ Golden Gate Circle	B	7,500	Madison & Golden Gate Business Park	Industrial	Distribution
City Total		40,922			

Source: Stanley R. Hoffman Associates, Inc.
Co Star Group, Inc.

Table 6-14
Recent Period Absorption Analysis
City of Murrieta
2007 to 2009

Period	Office		Industrial	
	Total Square Feet	Average per Quarter	Total Square Feet	Average per Quarter
2009 YTD (3 quarters)	38,307	12,769	-105,952	-35,317
2008 (4 quarters)	44,253	11,063	65,599	16,400
2007 (4 quarters)	206,263	51,566	445,532	111,383
11 quarter totals	288,823	26,257	405,179	36,834

Source: Stanley R. Hoffman Associates, Inc.
Co Star Group, Inc.

Summary of Industrial and Office Market Findings

Office. The overall Inland Empire market office slowed significantly in 2008, absorbing space at an average net rate of just 32,105 square feet per quarter (128,423 square feet over 12 months) compared to 474,242 square feet average per quarter (1,896,969 square feet over 12 months) in 2007.

- For the first 3 quarters of 2009, Inland Empire office absorption is averaging 233,240 per quarter (932, 960 square feet annualized).
- Murrieta total office space of 1,728,772 square feet is 33.8% of total in Southwest Riverside County and 2.7% of total Inland Empire.
- Murrieta office space vacancy rate is 23.0%, compared to 22.0% for Southwest Riverside County and 17.2% for Inland Empire.
- Murrieta currently vacant office space of 398,258 square feet is 35.5% of total in Southwest Riverside County and 3.6% of total Inland Empire.
- Murrieta office inventory is 23.4% Class A, 68.5% Class B and 8.1% Class C.
- Medical office space is 40.5% of Murrieta office inventory; Medical office vacancy rate is 15.9%, compared to 28.0% for general office space.
- Currently proposed office development in Murrieta totals 568,242 square feet.
- In Murrieta, at the average rate of absorption experienced over the past 11 quarters (26,257 square feet average), currently available space (457,801 square feet) represents a 17 quarter (4 ¼ year) supply. At rate of absorption experienced in peak year of 2007 (51,566 square feet per quarter), current available space represents a 9 quarter (2 ¼ year) supply.
- As the Murrieta office market improves and evolves over future years, it will attract a growing proportion of professional, medical and technical employment, particular in buildings along major highway corridors and in the city’s Golden Triangle area.

Industrial. The overall Inland Empire market office dropped dramatically in 2008, absorbing space at an average net rate of just 969,284 square feet per quarter (3,877,134 square feet for 12 months) compared to 6,607,733 square feet average per quarter (26,430,933 square feet for 12 months) in 2007.

- For the first 3 quarters of 2009, Inland Empire office net absorption is averaging *negative* 705,309 per quarter (*negative* 2,821,236 square feet annualized).
- Murrieta total industrial space of 6,097,506 square feet is 28.8% of total in Southwest Riverside County and 1.2% of total Inland Empire.
- Murrieta industrial space vacancy rate is 10.8%, compared to 11.4% for Southwest Riverside County and 12.7% for Inland Empire.
- Murrieta currently vacant industrial space of 801,775 square feet is 33.5% of total in Southwest Riverside County and 1.3% of total Inland Empire.
- Murrieta industrial inventory is 83.1% warehouse/manufacturing and 16.9% flex.
- Currently proposed industrial development in Murrieta totals 40,922 square feet.
- In Murrieta, at the average rate of absorption experienced over the past 11 quarters (36,834 square feet average), currently available space (998,958 square feet) represents a 28 quarter (7 year) supply. At rate of absorption experienced in peak year of 2007 (111,383 square feet per quarter), current available space represents a 9 quarter (2 ¼ year) supply.
- As the Murrieta Industrial market improves and evolves over future years, it is well-positioned in both geographic and demographic terms to attract a range of Research & Development (R&D) and Light Industrial users.

6.3 Hotel Market Survey

Table 6-15 presents the inventory of an estimated 1,698 hotel/motel rooms in 16 facilities in the Cities of Murrieta and Temecula as of December 2009. As shown on Table 6-15, Murrieta has one 65-room hotel in the City which represents about 4 percent of the total inventory. Also, Temecula is reported to have another 142-room hotel scheduled to open in 2010. Hotel room rates in Murrieta and Temecula range from an estimated amount of \$54 to \$130 per night. The occupancy rate is estimated at about 67 percent for the one hotel in Murrieta (Figure 6-16) and relatively less at 55 percent for the facilities in Temecula (Figure 6-17). Generally, a vibrant lodging market is considered to have at least 70 to 75 percent occupancy rates. However, the lack of lodging facilities in Murrieta does suggest some opportunities at good locations, particularly with freeway visibility and access.

Table 6-15
Hotel Inventory
City of Murrieta and Temecula
December 2009

Name	Address	Average Rates	Rooms
<u>Murrieta</u>			
Comfort Inn and Suites	41005 California Oaks Rd.	\$99	65
Total Rooms			65
Average Room Rate			\$99
<u>Temecula</u>			
Best Western County Inn	27706 Jefferson Ave.	\$67	74
Embassy Suites	29345 Rancho California Rd.	\$119	176
Extended Stay America	27622 Jefferson Ave.	\$74	107
Fairfield Inn & Suites	27416 Jefferson Ave.	\$89	94
Hampton Inn & Suites	28190 Jefferson Ave.	\$108	99
Holiday Inn Express	27660 Jefferson Ave.	\$81	90
La Quinta Inn & Suites	27330 Jefferson Ave.	\$89	56
Loma Vista Bed & Breakfast	33350 La Serena Way	\$130	10
Pechanga Resort & Casino	45000 Pechanga Pkwy.	\$99	522
Quality Inn	27338 Jefferson Ave.	\$69	74
Ramada Inn	28980 Old Town Front St.	\$55	70
Rancho California Inn	41873 Moreno Rd.	\$54	24
Rodeway Inn	28718 Old Town Front St.	\$54	39
Springhill Suites	28220 Jefferson Ave.	\$99	134
Temecula Creek Inn	44501 Ranbow Canyon Rd.	\$99	129
Total Rooms			1,698
Average Room Rate			\$86

Source: Stanley R. Hoffman Associates, Inc.
AAA Southern California & Las Vegas Tour Book
www.tripadvisor.com
www.priceline.com

Table 6-16
Estimated Average Occupancy Rate
City of Murrieta
December 2009

	Actual FY 2006-07	Actual FY 2007-08	Estimated FY 2008-09	Estimated FY 2009-10
Transient Occupancy Tax (TOT)	\$181,873	\$159,397	\$150,000	\$125,000
TOT Rate	10%	10%	10%	10%
Estimated Gross Receipts ¹	\$1,818,730	\$1,593,970	\$1,500,000	\$1,250,000
Gross Receipts in 2009 Constant \$'s	\$1,932,601	\$1,625,669	\$1,514,094	\$1,250,000
Average Gross Receipts²				\$1,580,591
Estimated Maximum Gross Receipts³				\$2,348,775
Estimated Average Occupancy Rate				67.3%

1. This is the estimated annual gross hotel receipts based on the average TOT rate.
2. This is the average of estimated gross receipts over the 4-year period in constant 2009 dollars.
3. This is the estimated maximum annual gross hotel receipts based on average gross receipts, total rooms and the average room rate. The total rooms and average room rates can be found in Table 6-14.

Source: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Operating Budget 2009-10

Table 6-17
Estimated Average Occupancy Rate
City of Temecula
December 2009

	Actual FY 2006-07	Actual FY 2007-08	Estimated FY 2008-09	Estimated FY 2009-10
Transient Occupancy Tax (TOT)	\$2,284,168	\$2,417,726	\$2,100,000	\$2,336,801
TOT Rate	8%	8%	8%	8%
Estimated Gross Receipts ¹	\$28,552,100	\$30,221,575	\$26,250,000	\$29,210,013
Gross Receipts in 2009 Constant \$'s	\$30,339,751	\$30,822,591	\$26,496,637	\$29,210,013
Average Gross Receipts²				\$29,217,248
Estimated Maximum Gross Receipts³				\$53,134,948
Estimated Average Occupancy Rate				55.0%

1. This is the estimated annual gross hotel receipts based on the average TOT rate.
2. This is the average of estimated gross receipts over the 4-year period in constant 2009 dollars.
3. This is the estimated maximum annual gross hotel receipts based on average gross receipts, total rooms and the average room rate. The total rooms and average room rates can be found in Table 6-14.

Source: Stanley R. Hoffman Associates, Inc.
City of Temecula, Annual Operating Budget 2009-10

CHAPTER 7 FINANCIAL CONDITIONS

This chapter addresses financial trends in the City of Murrieta over a ten-year period, from fiscal years 2000-01 to 2009-10 for the City General Fund and other key funds. The funds for providing the ongoing operations and maintenance costs for the City are the focus of the financial trends presented in this chapter. The required capital financing of infrastructure will be addressed during later phases of the General Plan update.

The General Fund is the main operating fund of the City and provides the majority of the revenues to fund public services for the City's residents and businesses. The services provided through the General Fund include police, public works, building and safety, community development and economic development. Some operational costs for street engineering and street maintenance are paid through the Gas Tax budget unit whose revenues largely consist of State gasoline tax.

The operating budget for the City also includes several other key funds. The Library Fund provides library services; the Community Services District (CSD) provides parks, recreation, lighting and landscaping services; and the Fire District provides fire protection. This chapter is based on information from the City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11* and historic information provided by the City's Finance department.

7.1 General Fund

Table 7-1 and Figure 7-1 present General Fund growth trends over the ten-year period from fiscal year 2000-01 to adopted budget Fiscal Year 2009-10 in current dollars. As shown, revenues grew at an average annual rate of 8.8 percent over this time period, more slowly than expenditures, which grew at an average annual rate of 11.7 percent. During this time period, net General Fund revenues have fluctuated and outpaced expenditures until 2009-10, when revenues and costs are the same, as indicated by the revenue/cost ratio of 1.00. As shown in Table 7-1, net General Fund revenues decreased from about \$3.63 million in 2000-01 to about \$2.84 million in 2008/09. The largest net surplus reported was in 2006-07 at \$17.97 million, followed by the years 2005-06 and 2004-05, when net surpluses were about \$9.50 million and about \$8.47 million, respectively.

Table 7-1
General Fund Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	General Fund Revenues	General Fund Costs	Net General Fund	General Fund Revenue/Cost Ratio
2000-01	\$17,462,547	\$13,833,586	\$3,628,961	1.26
2001-02	17,598,574	16,929,180	669,393	1.04
2002-03	21,588,048	18,506,582	3,081,466	1.17
2003-04	25,639,753	22,387,092	3,252,661	1.15
2004-05	35,435,401	26,968,541	8,466,861	1.31
2005-06	38,970,605	29,473,782	9,496,823	1.32
2006-07	49,907,382	31,939,382	17,967,999	1.56
2007-08	42,778,512	37,878,199	4,900,313	1.13
2008-09	41,396,350	38,560,938	2,835,412	1.07
2009-10	37,309,125	37,309,125	0	1.00
Average Annual Growth Rate	8.8%	11.7%	n/a	

Sources: Stanley R. Hoffman Associates, Inc.

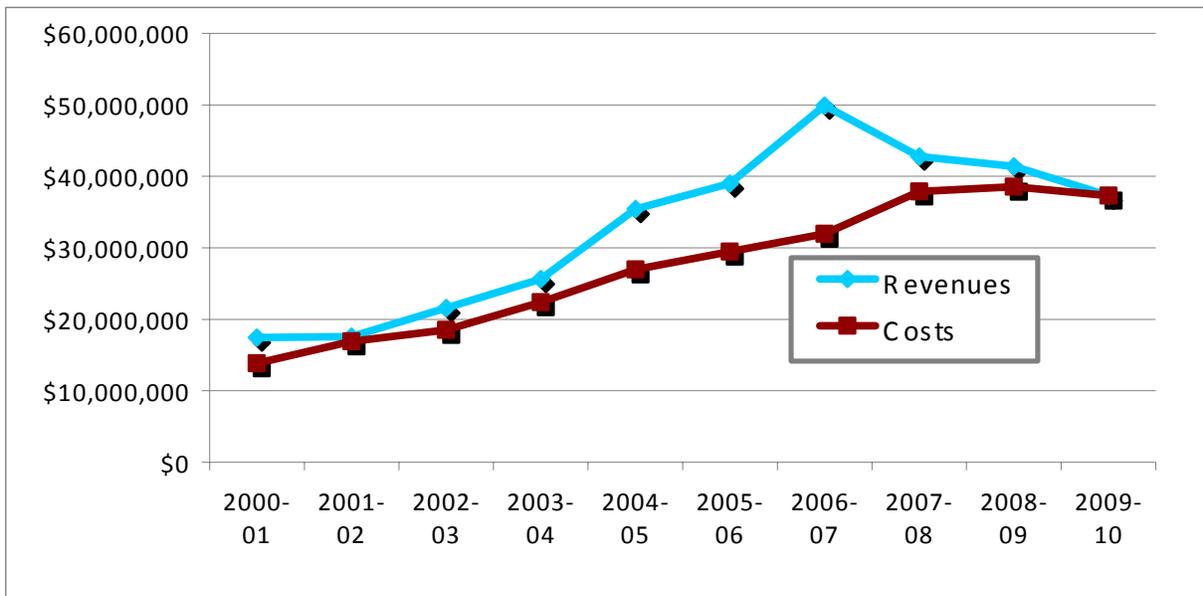
City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05

City of Murrieta, *Annual Operating Budget, Fiscal Year 2008-2009*

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

California Department of Finance, *E-4 Population Estimates, 2001-2009*

Figure 7-1
General Fund Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

General Fund Revenue Growth Trends. Table 7-2 shows the detailed General Fund revenues over the ten-year period from fiscal years 2000-01 to 2009-10. As shown, revenues increased from \$17.46 million in 2000-01 to about \$37.31 million in 2009-10, growing at an average annual rate of 8.8 percent. The major categories of revenues that grew at a faster rate than the total General Fund revenues were Fines and Forfeitures (23.1 percent), Licenses and Permits (16.7 percent), Intergovernmental Revenues (12.1 percent) and Taxes (11.2 percent).

When combined, Vehicle in Lieu Tax (VLF) Revenues and VLF Compensation grew at an average annual rate of about 14.2 percent from 2000-01 to 2009-10. The decrease shown in VLF Revenues is due to the impacts of the VLF for Property Tax swap that the California Legislature approved in 2004, which reduced City VLF by about 90.0 percent, but backfilled a compensatory amount in property tax revenues. These lost VLF revenues are reflected in the VLF Compensation category beginning in fiscal year 2004-05. Similarly, the State reduced by 25 percent, the amount of sales tax received by jurisdictions, but replaced it with an equal amount in compensation. Thus, the combined Sales Tax and Sales Tax Compensation revenues grew at an average annual rate of about 9.1 percent over this same period.

General Fund Distribution of Revenues. Table 7-3 presents the overall distribution of the General Fund revenue amounts by the categories presented in Table 7-2. In 2000-01, about 46.9 percent of General Fund revenues were comprised of taxes (including property tax, sales tax, and franchise tax) and about 11.9 percent of revenues were comprised of VLF tax. In 2009-10, about 56.1 percent of the revenues were comprised of taxes and 18.4 percent were comprised of VLF Use of Money and Property represented about 12.5 percent of total revenues in 2000-01 and about 6.1 percent of total revenues in 2009-10.

The distribution of major General Fund revenues by type of revenue for 2000-01 and 2009-10 is shown in Table 7-4. Figure 7-2 presents the top seven General Fund revenues. Sales Tax and Sales Tax Compensation represent the largest share of revenues in both 2000-01 and 2009-10. These revenues increased slightly from 27.8 percent of the total General Fund revenues in 2000-01 to 28.6 percent in 2009-10.

Property Tax revenues increased from 11.6 percent of the total General Fund revenues in 2000-01 to 18.7 percent of the total General Fund revenues in 2009-10. VLF Tax revenue and VLF

Table 7-2 (page 1 of 2)
General Fund Revenue Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

General Fund Revenue Category	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual ¹	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Adopted	Average Annual Growth: 2000-01 to 2009-10
Taxes											
Property Tax	\$2,021,095	\$2,373,729	\$2,746,191	\$3,554,292	\$4,668,907	\$6,297,872	\$8,163,445	\$8,007,644	\$7,550,000	\$6,965,000	14.7%
Sales Tax	4,863,314	5,050,165	5,956,185	8,517,836	8,480,169	8,830,898	9,576,785	8,949,259	8,006,900	7,956,762	5.6%
Sales Tax Compensation Fund	0	0	0	0	2,152,067	2,654,233	3,240,999	3,216,325	2,769,034	2,713,653	4.7%
Transient Occupancy Tax	0	0	0	129,355	157,343	164,164	181,873	159,397	150,000	150,000	-0.6%
Property Transfer Taxes	362,659	430,456	779,776	1,122,127	1,427,062	1,609,138	700,985	439,614	400,000	400,000	1.1%
Franchises	944,914	1,037,986	1,198,423	1,703,356	1,881,766	2,157,628	2,521,913	3,130,531	3,100,000	3,130,000	14.2%
Total Taxes	\$8,191,982	\$8,892,336	\$10,680,575	\$15,026,966	\$18,767,314	\$21,713,933	\$24,386,000	\$23,902,770	\$21,975,934	\$21,290,415	11.2%
Fines & Forfeitures											
Animal Administration Citations	\$0	\$5,620	\$0	\$0	\$0	\$0	\$0	\$1,800	\$7,500	\$500	-47.3%
Miscellaneous Fines	2,735	2,790	5,266	8,651	17,316	19,725	20,450	22,503	20,000	20,000	24.7%
Administrative Citations	9,250	17,575	0	0	0	58,575	28,630	20,715	40,000	20,000	8.9%
False Alarm	0	0	0	0	0	0	0	0	45,000	0	n/a
Fines - P.C. 1202.5	0	0	0	0	0	254,121	307,699	337,889	225,000	340,000	7.5%
Traffic Safety Fines	112,439	203,125	0	0	0	258,574	246,495	185,981	500,000	430,000	16.1%
Total Fines & Forfeitures	\$124,424	\$229,110	\$5,266	\$8,651	\$17,316	\$590,996	\$603,274	\$568,888	\$837,500	\$810,500	23.1%
Licenses & Permits											
Building Permits/Non-Residential	\$0	\$0	\$0	\$0	\$0	\$628,404	\$697,757	\$536,912	\$460,386	\$783,363	5.7%
Miscellaneous Permits	0	0	0	0	0	0	0	0	231,198	18,496	n/a
Permit Issuance Fee	0	0	0	0	0	393,758	315,785	207,017	255,250	199,796	-15.6%
Residential Building Permits	0	0	0	0	0	346,588	45,850	23,570	130,429	26,112	-47.6%
Business Licenses	267,300	303,520	381,733	488,716	564,025	633,817	642,955	597,638	550,000	551,250	8.4%
Development Services Fees	0	0	0	0	0	0	192,357	247,869	0	100,000	n/a
Vacant Home Property	0	0	0	0	0	0	0	17,290	70,000	50,000	n/a
Permit Fee Revenue	167,102	0	0	0	0	0	0	0	15,000	15,000	-23.5%
Transportation Permit Fee	5,301	7,507	0	0	0	18,473	19,871	15,420	15,000	15,000	12.3%
Bingo Licenses/Fees	100	100	100	150	150	200	0	300	0	0	n/a
Total Licenses & Permits	\$439,803	\$311,127	\$381,833	\$488,866	\$564,175	\$2,021,240	\$1,914,575	\$1,646,017	\$1,727,263	\$1,759,017	16.7%
Charges for Services											
Plan Checks - Building	\$0	\$0	\$0	\$0	\$0	\$203,819	\$82,321	\$70,787	\$0	\$132,737	-10.2%
Miscellaneous	0	0	0	0	0	85,670	71,988	145,933	14,700	3,700	-54.4%
Administrative Cost Reimb.	0	0	0	0	0	0	0	0	494,000	591,220	19.7%
CFD Administrative Charges	0	0	0	0	0	0	0	0	51,175	60,000	17.2%
Citywide Overhead	0	0	0	353,532	572,126	129,762	651,037	342,942	300,000	200,000	-9.1%
Planning-Inspection/Plan Check	335,207	435,226	635,774	367,215	671,792	638,751	585,186	559,640	600,000	540,000	5.4%
Inspections Charges	0	0	0	0	0	173,838	158,047	114,947	200,000	200,000	3.6%
Building and Safety	0	0	1,867,186	1,532,470	4,075,695	0	0	0	0	0	n/a
Public Works Charges	319,397	441,728	792,431	682,431	566,934	98,756	44,768	31,177	50,000	50,000	-18.6%
Abatement Reimbursement	6,812	15,253	742	13,655	2,977	0	5,621	3,687	0	0	n/a
GIS Processing Fees	0	0	0	11,951	124,564	102,513	34,312	16,983	0	0	n/a
Residential Building Plan Check	0	0	0	0	0	276,507	11,960	0	0	0	n/a
Total Charges for Services	\$661,416	\$892,207	\$3,296,133	\$2,961,255	\$6,014,088	\$1,709,615	\$1,645,241	\$1,286,096	\$1,709,875	\$1,777,657	11.6%
Other Revenue											
Miscellaneous	22,452	6,171	24,300	\$268,637	\$15,073	\$632,357	\$54,599	\$147,898	\$3,550	\$6,300	-13.2%
Donations	0	0	0	0	0	0	0	0	50,000	0	n/a
Total Other Revenue	\$22,452	\$6,171	\$24,300	\$268,637	\$15,073	\$632,357	\$54,599	\$147,898	\$53,550	\$6,300	-13.2%
Transfer in Accounts											
Transfer In-Fire Fund	\$92,000	\$92,000	\$40,000	\$40,000	\$40,000	\$85,000	\$85,000	\$290,000	\$628,268	\$300,000	14.0%
Transfer In-Library Fund	8,500	8,500	29,691	0	0	1,000	10,000	18,000	64,000	44,000	20.0%
Transfer In-Low/Moderate Hous.	0	0	0	0	0	0	0	0	469,169	500,000	6.6%
Transfer In-Redevelopment	0	344,450	0	0	0	0	0	0	0	0	n/a
Transfer In-Reserve Account	0	0	0	0	0	202,385	0	18,000	120,095	30,000	0
Transfer In-NPDES Fund	47,000	46,600	0	0	0	4,000	42,250	90,250	4,000	4,000	0
Transfer In-DIF Fund	170,973	180,007	107,651	0	0	1,347,257	549,163	1,107,713	260,000	0	n/a
Transfer In-CSD Fund	120,597	39,595	45,000	58,166	56,845	102,897	118,910	122,125	115,868	0	n/a
Transfer In-Building Department	0	0	0	0	0	159,830	175,917	182,700	0	0	n/a
Transfer In-CFD	0	0	0	0	0	248,336	0	140,282	0	0	n/a
Transfer In-Seized Assets Fund	52,025	56,400	0	0	0	0	0	0	0	0	n/a
Transfer In-Impound Yard Fund	10,000	10,000	0	0	0	175,400	74,300	60,000	0	0	n/a
Transfer In-SLEFS Fund	294,021	100,247	0	0	0	124,334	180,882	180,882	0	0	n/a
Transfer In-Traffic Safety	10,000	10,000	0	0	0	9,500	14,880	4,550	0	0	n/a
Transfer In-Area Drainage Fund	0	0	0	0	0	0	7,491,524	0	0	0	n/a
Transfer In-Gas Tax Fund	450,000	450,000	0	0	0	0	0	0	0	0	n/a
Transfer In-Measure A Fund	317,966	344,938	0	0	0	0	0	0	0	0	n/a
Transfer In-Trust Fund	75,000	0	0	0	0	0	0	0	0	0	n/a
Transfer In-Block Grant Fund	0	0	0	0	5,635	0	0	0	0	0	n/a
Transfer In-Foundation	0	0	0	0	0	15,000	0	0	0	0	n/a
Total Transfers In	\$1,648,082	\$1,682,738	\$222,342	\$98,166	\$102,480	\$2,474,939	\$8,742,826	\$2,214,501	\$1,661,400	\$878,000	-6.8%

Table 7-2 (page 2 of 2)
General Fund Revenue Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

General Fund Revenue Category	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual ¹	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Adopted	Average Annual Growth: 2000-01 to 2009-10
Use of Money & Property											
Directional Sign Program	\$19,825	\$29,824	\$9,892	\$99,417	\$194,160	\$182,210	\$110,460	\$85,430	\$100,000	\$85,000	17.6%
Interest Income	1,073,892	1,147,214	965,473	232,269	1,058,599	1,534,908	3,118,910	3,587,643	1,050,000	2,000,000	7.2%
Lease/Rental Income	0	0	0	0	0	13,411	152,113	134,690	133,430	211,670	99.3%
Proceeds of Fixed Asset Deposits	1,071,863	3,256	0	273	8,122	4,233	10,313	1,981	0	1,000	-53.9%
Unclaimed Funds	7,322	21,407	28,817	32,398	13,430	3,996	11,206	8,349	15,000	0	n/a
Vendor Remuneration	11,525	11,672	11,955	11,181	12,379	6,658	6,336	12,073	0	0	n/a
<i>Total Use of Money & Property</i>	<i>\$2,184,427</i>	<i>\$1,213,373</i>	<i>\$1,016,137</i>	<i>\$375,537</i>	<i>\$1,286,690</i>	<i>\$1,745,416</i>	<i>\$3,409,338</i>	<i>\$3,830,167</i>	<i>\$1,298,430</i>	<i>\$2,297,670</i>	<i>0.6%</i>
Intergovernmental Revenue											
VLF Tax ¹	\$2,080,100	\$2,572,905	\$3,035,262	\$3,081,503	\$836,941	\$505,884	\$615,029	\$438,628	\$300,000	\$300,000	-18.6%
VLF Compensation ¹	0	0	0	0	4,108,392	5,603,743	6,825,684	7,666,122	7,259,818	6,551,914	9.8%
Federal Reimbursement	265,558	183,542	0	0	0	225,664	248,956	0	0	64,945	-14.5%
State Reimbursements	163,841	238,321	0	689,500	1,189,967	50,310	288,678	160,154	38,379	33,609	-16.1%
Off Highway License Fees	860	1,100	1,364	2,033	2,670	3,200	0	0	0	0	n/a
County Reimbursement	88,930	120,778	0	0	0	139,864	157,844	200,951	136,000	0	n/a
Other Agency Reimbursement	327	0	0	0	0	0	0	0	0	317,822	114.8%
<i>Total Intergovernmental Revenue</i>	<i>\$2,599,616</i>	<i>\$3,116,646</i>	<i>\$3,036,626</i>	<i>\$3,773,036</i>	<i>\$6,137,970</i>	<i>\$6,528,665</i>	<i>\$8,136,191</i>	<i>\$8,465,855</i>	<i>\$7,734,197</i>	<i>\$7,268,290</i>	<i>12.1%</i>
Use of Reserves											
Use of Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,301,139	\$949,313	n/a
Fund Balance Carry Over	0	0	0	0	0	0	0	0	2,362,340	0	n/a
<i>Total Use of Reserves</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$3,663,479</i>	<i>\$949,313</i>	<i>n/a</i>
General Fund Program Revenues											
Program Revenues	\$1,320,096	\$885,406	\$1,497,626	\$1,300,208	\$1,180,580	\$0	\$0	\$0	\$0	\$0	-2.8%
General Plan Fee	15,932	22,165	0	0	0	71,375	44,800	27,500	30,000	27,000	6.0%
Vehicle Abatement	30,479	72,198	0	0	0	85,467	70,045	100,705	90,000	90,000	12.8%
Waste Management	0	0	0	0	0	0	0	57,372	82,655	8,250	-62.1%
Police Services	204,366	241,904	1,427,193	1,338,431	1,349,716	312,663	338,495	477,715	487,067	116,713	-6.0%
State P.O.S.T.	19,476	33,193	0	0	0	28,522	27,171	52,823	40,000	25,000	2.8%
Facility Indicator Fee	0	0	0	0	0	660	0	0	5,000	5,000	65.9%
<i>Total General Fund Program</i>	<i>\$1,590,349</i>	<i>\$1,254,866</i>	<i>\$2,924,820</i>	<i>\$2,638,639</i>	<i>\$2,530,295</i>	<i>\$498,687</i>	<i>\$480,511</i>	<i>\$716,114</i>	<i>\$734,722</i>	<i>\$271,963</i>	<i>-17.8%</i>
Miscellaneous Revenue											
Cash Received-Over or Short	(\$4)	\$0	\$16	\$0	\$0	(\$76)	(\$72)	\$18	\$0	\$0	n/a
Govpartner Prior Year Revenue	0	0	0	0	0	554,833	0	0	0	0	n/a
Transfer In-Telecomm. Fund	0	0	0	0	0	0	25,000	0	0	0	n/a
<i>Total Miscellaneous</i>	<i>(\$4)</i>	<i>\$0</i>	<i>\$16</i>	<i>\$0</i>	<i>\$0</i>	<i>\$554,757</i>	<i>\$24,928</i>	<i>\$18</i>	<i>\$0</i>	<i>\$0</i>	<i>n/a</i>
CIP Revenues											
Area Drainage Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$187	\$0	\$0	n/a
Development Impact Fee	0	0	0	0	0	500,000	509,900	0	0	0	n/a
<i>Total CIP Revenue</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$500,000</i>	<i>\$509,900</i>	<i>\$187</i>	<i>\$0</i>	<i>\$0</i>	<i>n/a</i>
General Fund Total	\$17,462,547	\$17,598,574	\$21,588,048	\$25,639,753	\$35,435,401	\$38,970,605	\$49,907,382	\$42,778,512	\$41,396,350	\$37,309,125	8.8%

Note: 1. Average annual growth rate for Vehicle License Fee (VLF) Compensation, Sales Tax Compensation and Admissions taxes is based on 5 years, to start in fiscal year 2004-05 when these revenues were first received.

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05
City of Murrieta, Annual Operating Budget, Fiscal Year 2008-2009
City of Murrieta, Operating Budget, Fiscal Years 2009/10 and 2010/11

Table 7-3 (page 1 of 2)
Distribution of General Fund Revenues, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Revenue Category	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual ¹	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Adopted
<u>Taxes</u>										
Property Tax	11.6%	13.5%	12.7%	13.9%	13.2%	16.2%	16.4%	18.7%	18.2%	18.7%
Sales Tax	27.8%	28.7%	27.6%	33.2%	23.9%	22.7%	19.2%	20.9%	19.3%	21.3%
Sales Tax Compensation Fund	0.0%	0.0%	0.0%	0.0%	6.1%	6.8%	6.5%	7.5%	6.7%	7.3%
Transient Occupancy Tax	0.0%	0.0%	0.0%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%
Property Transfer Taxes	2.1%	2.4%	3.6%	4.4%	4.0%	4.1%	1.4%	1.0%	1.0%	1.1%
Franchises	5.4%	5.9%	5.6%	6.6%	5.3%	5.5%	5.1%	7.3%	7.5%	8.4%
<i>Total Taxes</i>	46.9%	50.5%	49.5%	58.6%	53.0%	55.7%	48.9%	55.9%	53.1%	57.1%
<u>Fines & Forfeitures</u>										
Animal Administration Citations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous Fines	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%
Administrative Citations	0.1%	0.1%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.1%	0.1%
False Alarm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Fines - P.C. 1202.5	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.6%	0.8%	0.5%	0.9%
Traffic Safety Fines	0.6%	1.2%	0.0%	0.0%	0.0%	0.7%	0.5%	0.4%	1.2%	1.2%
<i>Total Fines & Forfeitures</i>	0.7%	1.3%	0.0%	0.0%	0.0%	1.5%	1.2%	1.3%	2.0%	2.2%
<u>Licenses & Permits</u>										
Building Permits/Non-Residential	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	1.4%	1.3%	1.1%	2.1%
Miscellaneous Permits	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%
Permit Issuance Fee	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.6%	0.5%	0.6%	0.5%
Residential Building Permits	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.1%	0.1%	0.3%	0.1%
Business Licenses	1.5%	1.7%	1.8%	1.9%	1.6%	1.6%	1.3%	1.4%	1.3%	1.5%
Development Services Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	0.0%	0.3%
Vacant Home Property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%
Permit Fee Revenue	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transportation Permit Fee	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bingo Licenses/Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Total Licenses & Permits</i>	2.5%	1.8%	1.8%	1.9%	1.6%	5.2%	3.8%	3.8%	4.2%	4.7%
<u>Charges for Services</u>										
Plan Checks - Building	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.2%	0.2%	0.0%	0.4%
Miscellaneous	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.0%	0.0%
Administrative Cost Rebursement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	1.6%
CFD Administrative Charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Citywide Overhead	0.0%	0.0%	0.0%	1.4%	1.6%	0.3%	1.3%	0.8%	0.7%	0.5%
Planning-Inspection/Plan Check	1.9%	2.5%	2.9%	1.4%	1.9%	1.6%	1.2%	1.3%	1.4%	1.4%
Inspections Charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	0.3%	0.5%	0.5%
Building and Safety	0.0%	0.0%	8.6%	6.0%	11.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Public Works Charges	1.8%	2.5%	3.7%	2.7%	1.6%	0.3%	0.1%	0.1%	0.1%	0.1%
Abatement Reimbursement	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GIS Processing Fees	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	0.1%	0.0%	0.0%	0.0%
Residential Building Plan Check	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%
<i>Total Charges for Services</i>	3.8%	5.1%	15.3%	11.5%	17.0%	4.4%	3.3%	3.0%	4.1%	4.8%
<u>Other Revenue</u>										
Miscellaneous	0.1%	0.0%	0.1%	1.0%	0.0%	1.6%	0.1%	0.3%	0.0%	0.0%
Donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
<i>Total Other Revenue</i>	0.1%	0.0%	0.1%	1.0%	0.0%	1.6%	0.1%	0.3%	0.1%	0.0%
<u>Transfer in Accounts</u>										
Transfer In-Fire Fund	0.5%	0.5%	0.2%	0.2%	0.1%	0.2%	0.2%	0.7%	1.5%	0.8%
Transfer In-Library Fund	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%
Transfer In-Low/Moderate Hous.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	1.3%
Transfer In-Redevelopment	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Reserve Account	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.3%	0.1%
Transfer In-NPDES Fund	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.0%	0.0%
Transfer In-DIF Fund	1.0%	1.0%	0.5%	0.0%	0.0%	3.5%	1.1%	2.6%	0.6%	0.0%
Transfer In-CSD Fund	0.7%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%	0.3%	0.3%	0.0%
Transfer In-Building Department	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%	0.0%	0.0%
Transfer In-CFD	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.3%	0.0%	0.0%
Transfer In-Seized Assets Fund	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Impond Yard Fund	0.1%	0.1%	0.0%	0.0%	0.0%	0.5%	0.1%	0.1%	0.0%	0.0%
Transfer In-SLEFS Fund	1.7%	0.6%	0.0%	0.0%	0.0%	0.3%	0.4%	0.4%	0.0%	0.0%
Transfer In-Traffic Safety	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Area Drainage Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%
Transfer In-Gas Tax Fund	2.6%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Measure A Fund	1.8%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Trust Fund	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Block Grant Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer In-Foundation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Total Transfers In</i>	9.4%	9.6%	1.0%	0.4%	0.3%	6.4%	17.5%	5.2%	4.0%	2.4%

Table 7-3 (page 2 of 2)
Distribution of General Fund Revenues, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Revenue Category	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual ¹	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Adopted
Use of Money & Property										
Directional Sign Program	0.1%	0.2%	0.0%	0.4%	0.5%	0.5%	0.2%	0.2%	0.2%	0.2%
Interest Income	6.1%	6.5%	4.5%	0.9%	3.0%	3.9%	6.2%	8.4%	2.5%	5.4%
Lease/Rental Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.6%
Proceeds of Fixed Asset Dep.	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unclaimed Funds	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vendor Remuneration	<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
<i>Total Use of Money & Property</i>	12.5%	6.9%	4.7%	1.5%	3.6%	4.5%	6.8%	9.0%	3.1%	6.2%
Intergovernmental Revenue										
VLF Tax ¹	11.9%	14.6%	14.1%	12.0%	2.4%	1.3%	1.2%	1.0%	0.7%	0.8%
VLF Compensation ¹	0.0%	0.0%	0.0%	0.0%	11.6%	14.4%	13.7%	17.9%	17.5%	17.6%
Federal Reimbursement	1.5%	1.0%	0.0%	0.0%	0.0%	0.6%	0.5%	0.0%	0.0%	0.2%
State Reimbursements	0.9%	1.4%	0.0%	2.7%	3.4%	0.1%	0.6%	0.4%	0.1%	0.1%
Off Highway License Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
County Reimbursement	0.5%	0.7%	0.0%	0.0%	0.0%	0.4%	0.3%	0.5%	0.3%	0.0%
Other Agency Reimbursement	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.9%</u>
<i>Total Intergovernmental Revenue</i>	14.9%	17.7%	14.1%	14.7%	17.3%	16.8%	16.3%	19.8%	18.7%	19.5%
Use of Reserves										
Use of Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	2.5%
Fund Balance Carry Over	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>5.7%</u>	<u>0.0%</u>
<i>Total Use of Reserves</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.8%	2.5%
General Fund Program Revenues										
Program Revenues	7.6%	5.0%	6.9%	5.1%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%
General Plan Fee	0.1%	0.1%	0.0%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%	0.1%
Vehicle Abatement	0.2%	0.4%	0.0%	0.0%	0.0%	0.2%	0.1%	0.2%	0.2%	0.2%
Waste Management	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.0%
Police Services	1.2%	1.4%	6.6%	5.2%	3.8%	0.8%	0.7%	1.1%	1.2%	0.3%
State P.O.S.T.	0.1%	0.2%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Facility Indicator Fee	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
<i>Total General Fund Program</i>	9.1%	7.1%	13.5%	10.3%	7.1%	1.3%	1.0%	1.7%	1.8%	0.7%
Miscellaneous Revenue										
Cash Received-Over or Short	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Govpartner Prior Year Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%
Transfer In-Telecommunication F	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.1%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
<i>Total Miscellaneous</i>	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%
CIP Revenues										
Area Drainage Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Development Impact Fee	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>1.3%</u>	<u>1.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
<i>Total CIP Revenue</i>	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	1.0%	0.0%	0.0%	0.0%
General Fund Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: 1. Average annual growth rate for Vehicle License Fee (VLF) Compensation, Sales Tax Compensation and Admissions taxes is based on 5 years, to start in fiscal year 2004-05 when these revenues were first received.

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05
City of Murrieta, Annual Operating Budget, Fiscal Year 2008-2009
City of Murrieta, Operating Budget, Fiscal Years 2009/10 and 2010/11

Table 7-4
 Distribution of Key General Fund Revenues, 2000-01 and 2009-10
 City of Murrieta Public Financial Trends Analysis
 (In Current Dollars)

Revenue Category	2000-01	2009-10
Sales Tax & Sales Tax Compensation	27.8%	28.6%
Property Tax	11.6%	18.7%
VLF Comp. & VLF in Lieu Tax	11.9%	18.4%
Franchises	5.4%	8.4%
Use of Money & Property	12.5%	6.2%
Charges for Services	3.8%	4.8%
Licenses & Permits	2.5%	4.7%
Use of Reserves	0.0%	2.5%
Transfers In	9.4%	2.4%
Fines & Forfeitures	0.7%	2.2%
Intergovernmental Revenue	3.0%	1.1%
Property Transfer Tax	2.1%	1.1%
General Fund Program Revenues	9.1%	0.7%
Transient Occupancy Tax	0.0%	0.3%
Miscellaneous & Other Revenue	0.1%	0.0%
CIP Revenue	<u>0.0%</u>	<u>0.0%</u>
	100.0%	100.0%

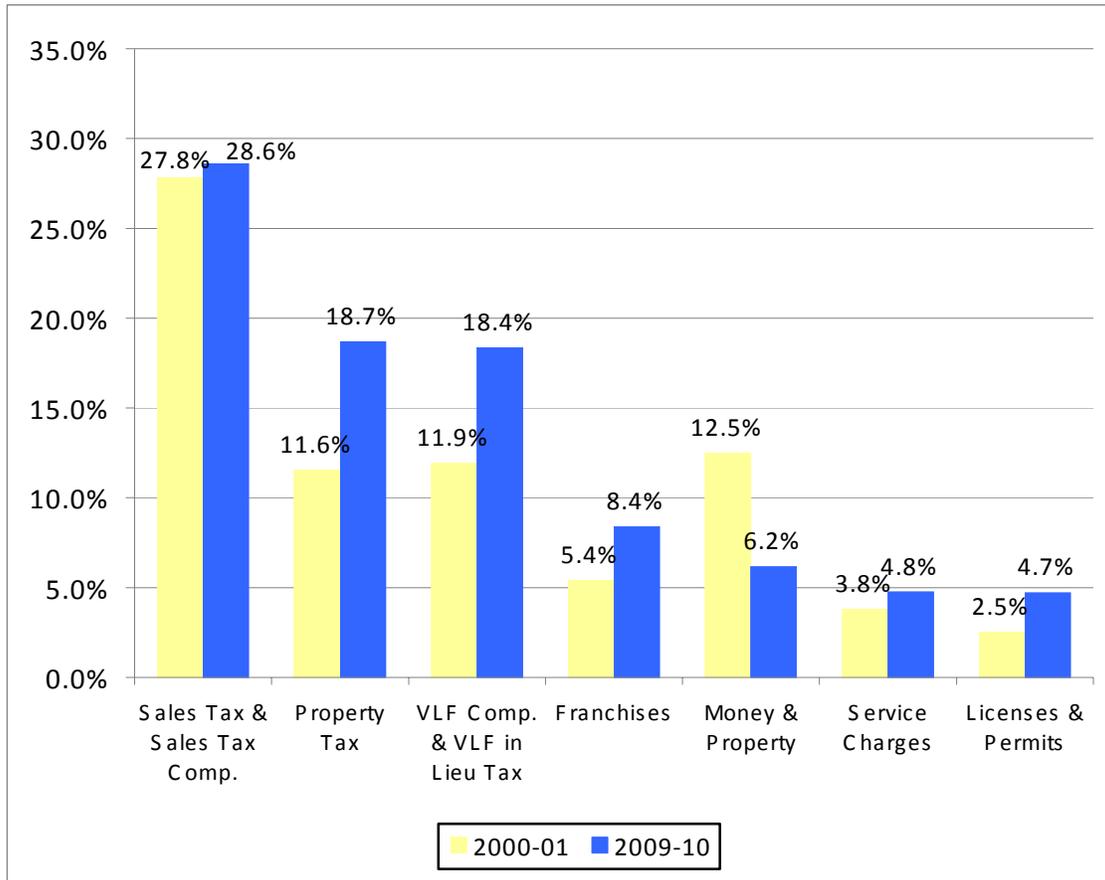
Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, General Fund Revenues
 and Expenditures, Fiscal Year 2000/01 through 2009/10

City of Murrieta, *Annual Operating Budget, Fiscal Year 2008-2009*

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

Figure 7-2
Top Seven General Fund Revenues, 2000-01 and 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

Compensation combined also increased, from 11.9 percent to 18.4 percent of the total. Franchises increased from 5.4 percent of total revenues in 2000-01 to 8.4 percent of total revenues in 2009-10. Charges for Services and Licenses and Permits also increased their share of total General Fund revenues over the period. Use of Money and Property's share decreased from 12.5 percent in 2000-01 to 6.2 percent in 2009-10.

General Fund Expenditures Growth Trends. Table 7-5 shows trends in General Fund expenditures from fiscal years 2000-01 to 2009-10. General Fund expenditures increased from \$13.83 million in 2000-01 to about \$37.31 million in 2009-10. As mentioned earlier, the total General Fund expenditures grew faster than General Fund revenues, at an average annual rate of 11.7 percent compared with 8.8 percent. Expenditures are grouped into two categories, as shown in panel A and panel B in Table 7-5: A) General Government citywide costs and B) Non-General Government direct service delivery costs. Non-General Government expenditures grew faster than General Government expenditures, at an average annual rate of 13.3 percent compared with 7.2 percent. As a result, General Government costs, as a percentage of total General Fund expenditures, decreased from 31.3 percent in 2000-01 to 21.7 percent in 2009-10. Of the Non-General Government expenditures, police services grew at an annual average rate of 17.7 percent over the period.

General Fund Distribution of Expenditures. As shown in Table 7-6 and Figure 7-3, police costs represent the largest share of the budget in both years, followed by General Government. In 2000-01, about 38.0 percent of the total General Fund expenditures were allocated for Police services, followed by General Government at 31.3 percent of the total. Combined, these two categories comprised just over 69.0 percent of the total General Fund expenditures in 2000-01. In 2009-10, about 61.0 percent of the expenditures were allocated for Police services alone, followed by General Government at 21.7 percent of the total expenditures, or 82.7 percent of total expenditures.

In the distribution of other Non-General Government services, Public Works is the third largest cost in both 2000-01 and 2009-10, however Public Works' share of the total General Fund expenditures decreased to 8.8 percent in 2009-10 from 15.9 percent in 2000-01. Some of the decrease in Public Works' share of total costs is attributable to the shift of operational costs for Public Works engineering and maintenance costs directly related to streets that are covered in the

Table 7-5
General Fund Expenditure Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

General Fund Expenditures	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted	Average Annual Growth 2000-01 to 2009-10
<u>A. General Government</u>											
City Council	\$133,564	\$153,803	\$263,794	\$296,498	\$241,490	\$223,241	\$235,806	\$251,500	\$280,492	\$250,614	7.2%
City Attorney	133,484	194,522	202,304	183,341	197,819	207,849	367,464	860,934	600,000	600,066	18.2%
Administration - General	386,192	428,126	492,922	508,320	829,321	744,447	868,488	1,180,676	678,992	715,750	7.1%
Human Resources	196,344	221,488	301,272	350,531	477,473	533,442	616,339	647,940	928,598	740,574	15.9%
Risk Management	848,027	76,259	383,542	230,393	626,198	584,384	0	0	0	0	-7.2%
Animal Control	0	0	0	0	0	0	0	132,858	171,400	172,800	14.0%
Information Services	359,823	298,906	409,330	408,142	182,863	428,036	0	0	0	0	3.5%
City Clerk	282,576	362,786	326,434	453,111	485,443	512,520	704,411	722,026	821,231	751,385	11.5%
Finance	381,747	393,255	449,518	566,154	1,004,948	1,271,779	1,368,902	1,559,598	3,176,040	2,001,291	20.2%
Business Licenses	51,539	50,391	82,367	89,140	104,822	94,573	0	0	0	0	n/a
Purchasing	0	0	0	0	0	0	0	72,611	186,340	219,278	73.8%
Solid Waste Management	12,737	13,663	15,159	24,510	37,096	49,284	24,399	59,484	41,002	8,000	-5.0%
Community Events & Promotions	137,399	130,619	164,857	234,115	266,353	257,860	360,436	153,356	288,057	236,171	6.2%
Non-Departmental	1,405,483	1,363,767	1,852,856	4,130,725	4,093,212	2,663,238	4,141,829	4,890,628	3,018,554	2,408,953	6.2%
<i>Total</i>	\$4,328,914	\$3,687,586	\$4,944,356	\$7,474,981	\$8,547,038	\$7,570,653	\$8,688,074	\$10,531,611	\$10,190,706	\$8,104,882	7.2%
<u>B. Non-General Government</u>											
Development Services (Planning, GIS)	974,931	986,982	814,396	937,437	1,108,260	1,328,287	1,152,587	1,428,763	1,168,208	1,188,614	2.2%
Economic Development	243,841	226,136	257,970	415,526	295,453	482,284	416,161	235,104	411,923	424,366	6.3%
Fire District	91,000	0	0	0	0	0	0	0	0	0	n/a
Library Fund	0	0	65,000	0	0	0	0	0	0	0	n/a
Building & Safety	741,673	751,838	1,164,070	1,409,819	2,451,083	2,134,651	1,767,411	1,824,454	1,589,292	1,543,658	8.5%
Public Works	2,199,676	1,906,036	2,391,506	2,487,693	2,794,319	3,295,649	3,715,311	3,802,259	3,811,594	3,277,271	4.5%
Police	5,253,551	9,370,603	8,869,284	9,661,636	11,772,387	14,662,258	16,199,838	20,056,008	21,389,215	22,770,334	17.7%
<i>Total</i>	\$9,504,672	\$13,241,594	\$13,562,226	\$14,912,111	\$18,421,503	\$21,903,129	\$23,251,308	\$27,346,588	\$28,370,232	\$29,204,243	13.3%
GRAND TOTAL GENERAL FUND	\$13,833,586	\$16,929,180	\$18,506,582	\$22,387,092	\$26,968,541	\$29,473,782	\$31,939,382	\$37,878,199	\$38,560,938	\$37,309,125	11.7%
<u>CALCULATION OF GENERAL GOVERNMENT COSTS</u>											
General Government Costs	\$4,328,914	\$3,687,586	\$4,944,356	\$7,474,981	\$8,547,038	\$7,570,653	\$8,688,074	\$10,531,611	\$10,190,706	\$8,104,882	
<i>divided by</i>											
Total General Fund Expenditures	\$13,833,586	\$16,929,180	\$18,506,582	\$22,387,092	\$26,968,541	\$29,473,782	\$31,939,382	\$37,878,199	\$38,560,938	\$37,309,125	
<i>equals</i>											
General Government as a Percent Total General Fund Expenditures	31.3%	21.8%	26.7%	33.4%	31.7%	25.7%	27.2%	27.8%	26.4%	21.7%	

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05
City of Murrieta, Annual Operating Budget, Fiscal Year 2008-2009
City of Murrieta, Operating Budget, Fiscal Years 2009/10 and 2010/11

Table 7-6
Distribution of General Fund Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Expenditure Category	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Adopted
<u>General Government</u>										
City Council	1.0%	0.9%	1.4%	1.3%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%
City Attorney	1.0%	1.1%	1.1%	0.8%	0.7%	0.7%	1.2%	2.3%	1.6%	1.6%
Administration - General	2.8%	2.5%	2.7%	2.3%	3.1%	2.5%	2.7%	3.1%	1.8%	1.9%
Human Resources	1.4%	1.3%	1.6%	1.6%	1.8%	1.8%	1.9%	1.7%	2.4%	2.0%
Risk Management	6.1%	0.5%	2.1%	1.0%	2.3%	2.0%	0.0%	0.0%	0.0%	0.0%
Animal Control	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.5%
Information Services	2.6%	1.8%	2.2%	1.8%	0.7%	1.5%	0.0%	0.0%	0.0%	0.0%
City Clerk	2.0%	2.1%	1.8%	2.0%	1.8%	1.7%	2.2%	1.9%	2.1%	2.0%
Finance	2.8%	2.3%	2.4%	2.5%	3.7%	4.3%	4.3%	4.1%	8.2%	5.4%
Business Licenses	0.4%	0.3%	0.4%	0.4%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%
Purchasing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.5%	0.6%
Solid Waste Management	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	0.0%
Community Events & Promotions	1.0%	0.8%	0.9%	1.0%	0.9%	1.1%	0.4%	0.7%	0.7%	0.6%
Non-Departmental	<u>10.2%</u>	<u>8.1%</u>	<u>10.0%</u>	<u>18.5%</u>	<u>15.2%</u>	<u>9.0%</u>	<u>13.0%</u>	<u>12.9%</u>	<u>7.8%</u>	<u>6.5%</u>
<i>Total</i>	31.3%	21.8%	26.7%	33.4%	31.7%	25.7%	27.2%	27.8%	26.4%	21.7%
<u>Non-General Government</u>										
Development Services (Planning, GIS)	7.0%	5.8%	4.4%	4.2%	4.1%	4.5%	3.6%	3.8%	3.0%	3.2%
Economic Development	1.8%	1.3%	1.4%	1.9%	1.1%	1.6%	1.3%	0.6%	1.1%	1.1%
Fire District	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Library Fund	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Building & Safety	5.4%	4.4%	6.3%	6.3%	9.1%	7.2%	5.5%	4.8%	4.1%	4.1%
Public Works	15.9%	11.3%	12.9%	11.1%	10.4%	11.2%	11.6%	10.0%	9.9%	8.8%
Police	<u>38.0%</u>	<u>55.4%</u>	<u>47.9%</u>	<u>43.2%</u>	<u>43.7%</u>	<u>49.7%</u>	<u>50.7%</u>	<u>52.9%</u>	<u>55.5%</u>	<u>61.0%</u>
<i>Total</i>	68.7%	78.2%	73.3%	66.6%	68.3%	74.3%	72.8%	72.2%	73.6%	78.3%
General Fund Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

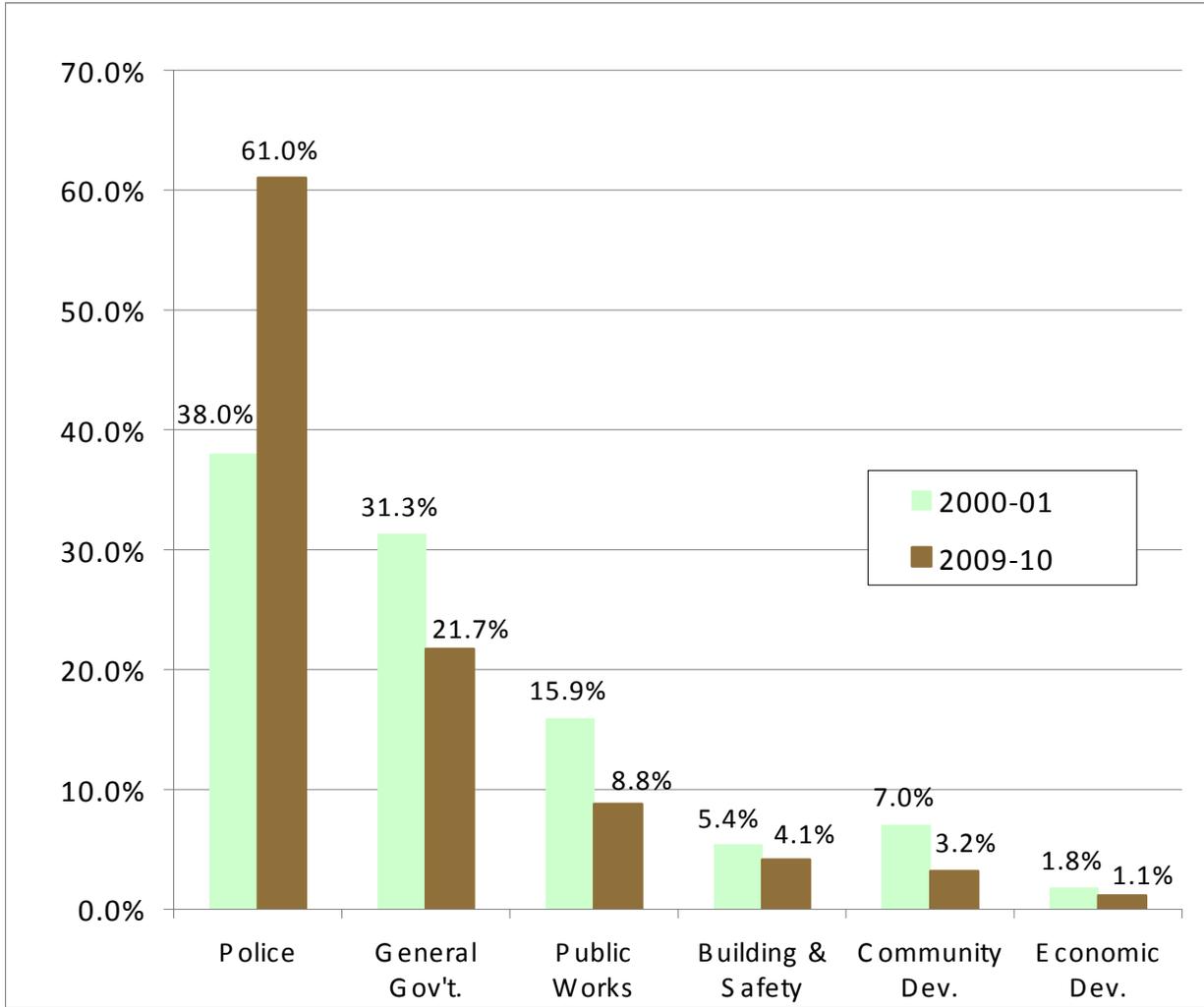
Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05

City of Murrieta, *Annual Operating Budget, Fiscal Year 2008-2009*

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

Figure 7-3
Distribution of General Fund Expenditures, 2000-01 and 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

Gas Tax budget unit in 2009-10. Community Development was the fourth largest cost in 2000-01 and dropped to fifth largest cost in 2009-10. Building and Safety became the fourth largest cost in 2009-10.

General Fund Per Capita Revenues and Costs. Per capita revenues and costs are presented in Table 7-7 and Table 7-8. As shown in Table 7-7, per capita General Fund revenues decreased from \$394.35 per capita in 2000-01 to \$370.45 per capita in 2009-10, representing an average annual decrease of 0.7 percent. General Fund costs increased from about \$312.40 per capita in 2000-01 to \$370.45 per capita in 2009-10, at an average annual growth rate of 1.9 percent. As shown, the revenue/cost ratio was about 1.07 in the 2008-09 budget and at 1.00, or break-even, in the 2009-10 budget.

Population increased at an average annual rate of about 9.6 percent annually over the 2000-01 to 2009-10 period. Inflation averaged about 2.7 percent per year over this time period. As shown in Table 7-8 when the per capita revenues and expenditures are adjusted for inflation, per capita revenues decreased in constant dollars at about 3.6 percent annually. Per capita expenditures decreased at about 1.1 percent annually.

7.2 Library Fund

The Library Fund provides library services to the City utilizing a dedicated portion of the property tax as the major source of revenue. Table 7-9 and Figure 7-4 present Library Fund growth trends over the ten-year period from fiscal year 2000-01 to fiscal year 2009-10 in current dollars. As shown, Library Fund revenues grew at an average annual rate of 16.0 percent over this time period, and expenditures grew at a faster average annual rate of 18.6 percent. During this time period, net General Fund revenues have outpaced expenditures until 2008-09 and 2009-10, when revenues and costs are the same, as indicated by the revenue/cost ratio of 1.00.

As shown in Table 7-10, in current dollars per capita Library Fund revenues increased from \$13.97 per capita in 2000-01 to \$23.28 per capita in 2009-10, representing an average annual increase of 5.8 percent. Library Fund costs increased from about \$11.37 per capita in 2000-01 to \$23.28 per capita in 2009-10, at an average annual growth rate of 8.3 percent. As shown, the revenue/cost ratio was about 1.23 in 2000-01 and at 1.00, or break-even, in the year 2009-10. As shown in Table 7-11, when the per capita revenues and expenditures are adjusted for inflation, per capita revenues increased in constant dollars at about 2.8 percent annually and per capita expenditures increased faster at about 5.1 percent annually.

Table 7-7
General Fund Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	Population	General Fund Per Capita Revenues	General Fund Per Capita Expenditures	General Fund Revenue/Cost Ratio
2000-01	44,282	\$394.35	\$312.40	1.26
2001-02	46,437	\$378.98	\$364.56	1.04
2002-03	51,905	\$415.91	\$356.55	1.17
2003-04	68,391	\$374.90	\$327.34	1.15
2004-05	78,783	\$449.78	\$342.31	1.31
2005-06	85,328	\$456.72	\$345.42	1.32
2006-07	93,221	\$535.37	\$342.62	1.56
2007-08	97,031	\$440.87	\$390.37	1.13
2008-09	99,576	\$415.73	\$387.25	1.07
2009-10	100,714	\$370.45	\$370.45	1.00
Average Annual Growth Rate	9.6%	-0.7%	1.9%	n/a

Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05

City of Murrieta, *Annual Operating Budget, Fiscal Year 2008-2009*

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

California Department of Finance, *E-4 Population Estimates, 2001-2009*

Table 7-8
General Fund Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Constant Dollars)

Fiscal Year	Population	General Fund Per Capita Revenues	General Fund Per Capita Expenditures	General Fund Revenue/Cost Ratio
2000-01	44,282	\$514.49	\$407.57	1.26
2001-02	46,437	\$476.13	\$458.02	1.04
2002-03	51,905	\$511.36	\$438.37	1.17
2003-04	68,391	\$450.78	\$393.60	1.15
2004-05	78,783	\$520.97	\$396.49	1.31
2005-06	85,328	\$507.99	\$384.20	1.32
2006-07	93,221	\$567.30	\$363.06	1.56
2007-08	97,031	\$454.17	\$402.14	1.13
2008-09	99,576	\$405.10	\$377.35	1.07
2009-10	100,714	\$370.45	\$370.45	1.00
Average Annual Growth Rate	9.6%	-3.6%	-1.1%	n/a

Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, General Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2004/05

City of Murrieta, *Annual Operating Budget, Fiscal Year 2008-2009*

City of Murrieta, *Operating Budget, Fiscal Year 2009/10 and 2010/11*

California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Consumers, Los Angeles-Riverside-Orange County, CA, 2009*

Table 7-9
Library Fund Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	Library Fund Revenues	Library Fund Expenditures	Net Library Fund	Library Fund Revenue/Cost Ratio
2000-01	\$618,740	\$503,307	\$115,433	1.23
2001-02	682,723	543,629	139,094	1.26
2002-03	921,843	766,932	154,910	1.20
2003-04	1,037,547	659,476	378,071	1.57
2004-05	1,473,743	787,434	686,309	1.87
2005-06	2,295,404	2,260,079	35,325	1.02
2006-07	2,401,596	2,263,508	138,088	1.06
2007-08	2,314,783	1,893,269	421,514	1.22
2008-09	2,222,779	2,222,779	0	1.00
2009-10	2,344,382	2,344,382	0	1.00
Average Annual Growth Rate	16.0%	18.6%	n/a	

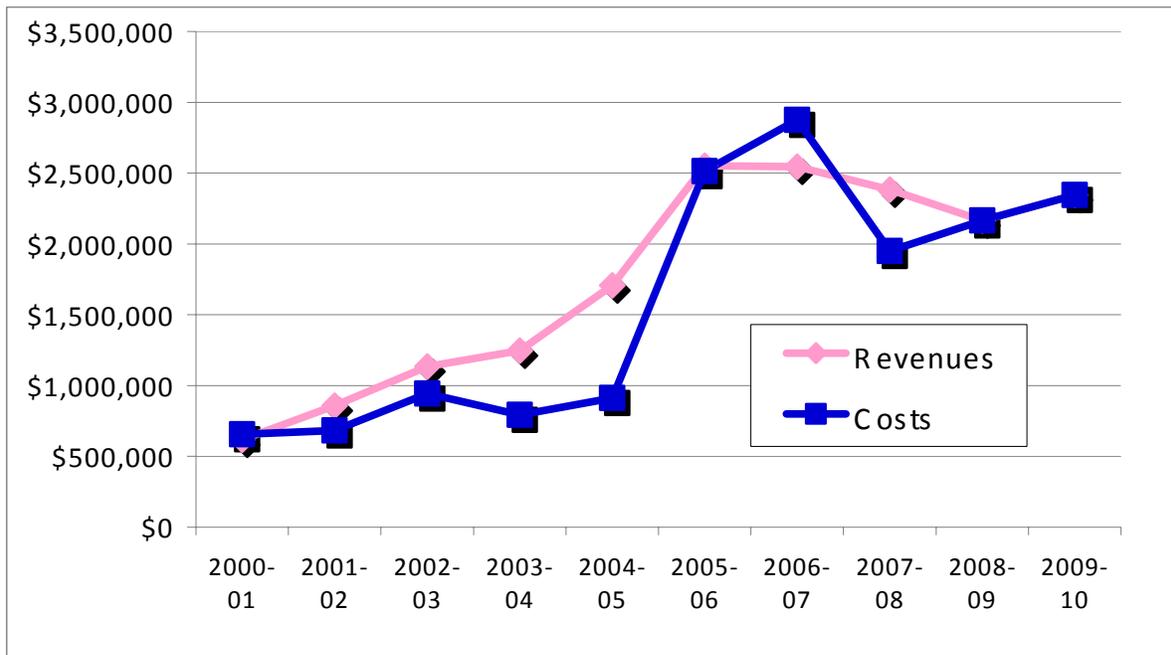
Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, Library Fund Revenues and Expenditures, Fiscal Years 2000/01 through 2005/06

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Figure 7-4
Library Fund Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

Table 7-10
Library Fund Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	Population	Library Fund Per Capita Revenues	Library Fund Per Capita Expenditures	Library Fund Revenue/Cost Ratio
2000-01	44,282	\$13.97	\$11.37	1.23
2001-02	46,437	\$14.70	\$11.71	1.26
2002-03	51,905	\$17.76	\$14.78	1.20
2003-04	68,391	\$15.17	\$9.64	1.57
2004-05	78,783	\$18.71	\$9.99	1.87
2005-06	85,328	\$21.04	\$26.49	0.79
2006-07	93,221	\$25.76	\$29.12	0.88
2007-08	97,031	\$23.86	\$19.51	1.22
2008-09	99,576	\$21.55	\$22.32	0.97
2009-10	100,714	\$23.28	\$23.28	1.00
Average Annual Growth Rate	9.6%	5.8%	8.3%	n/a

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, Library Fund Expenditures, Fiscal Years 2000/01 through 2005/06
City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*
California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Table 7-11
Library Fund Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Constant Dollars)

Fiscal Year	Population	Library Fund Per Capita Revenues	Library Fund Per Capita Expenditures	Library Fund Revenue/Cost Ratio
2000-01	44,282	\$18.23	\$14.83	1.23
2001-02	46,437	\$18.47	\$14.71	1.26
2002-03	51,905	\$21.84	\$18.17	1.20
2003-04	68,391	\$18.24	\$11.59	1.57
2004-05	78,783	\$21.67	\$11.58	1.87
2005-06	85,328	\$29.92	\$29.46	1.02
2006-07	93,221	\$27.30	\$30.85	0.88
2007-08	97,031	\$24.58	\$20.10	1.22
2008-09	99,576	\$21.75	\$21.75	1.00
2009-10	100,714	\$23.28	\$23.28	1.00
Average Annual Growth Rate	9.6%	2.8%	5.1%	n/a

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, Library Fund Expenditures, Fiscal Years 2000/01 through 2005/06
City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*
California Department of Finance, *Report E-4 Population Estimates, 2001-2009*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, November 2009*

7.3 Community Services District

The Community Services District (CSD) is funded by parcel assessments and is responsible for all parks and recreation activities, including the lighting and landscape maintenance districts throughout the City. The CSD boundary is contiguous with the City limits. As shown in Table 7-12 and Figure 7-5, CSD revenues grew at an average annual rate of 13.2 percent over this time period and expenditures grew at almost the same average annual rate of 13.3 percent over the fiscal year 2000/01 to fiscal year 2009/10 period.

As shown in Table 7-13, per capita CSD revenues increased from \$74.49 per capita in 2000-01 to \$99.59 per capita in 2009-10, representing an average annual increase of 3.3 percent. CSD costs increased from about \$73.64 per capita in 2000-01 to \$99.59 per capita in 2009-10, at an average annual growth rate of 3.4 percent. As shown in Table 7-14, when the per capita revenues and expenditures are adjusted for inflation, per capita revenues increased in constant dollars at about 0.3 percent annually and per capita expenditures increased at about 0.4 percent annually.

7.4 Fire District

The Fire District boundary is also contiguous with the City limits and provides revenue for fire protection with a dedicated portion of the property tax and parcel assessments. Table 7-15 and Figure 7-6 present Fire District growth trends over the ten-year period from fiscal year 2000-01 to fiscal year 2009-10 in current dollars. Fire District revenues grew at an average annual rate of 14.0 percent over this time period, and expenditures grew at almost the same average annual rate of 14.4 percent. During this time period, net General Fund revenues have outpaced expenditures until 2008-09 when expenditures exceeded costs by \$478,705. In 2009-10 revenues and costs are the same, as indicated by the revenue/cost ratio of 1.00.

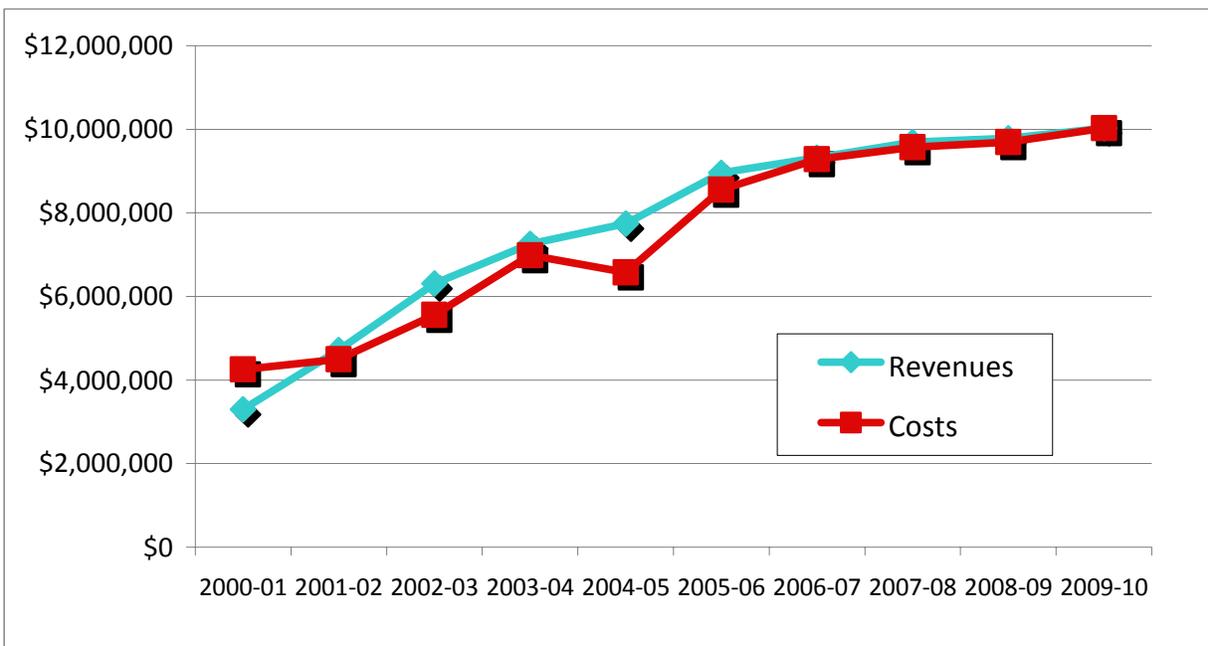
As shown in Table 7-16, per capita Fire District revenues increased at an average annual rate of 4.1 percent, from \$90.83 per capita in 2000-01 to \$130.00 per capita in 2009-10. Fire District costs increased from about \$88.15 per capita in 2000-01 to \$130.00 per capita in 2009-10, at an average annual growth rate of 4.4 percent. The revenue/cost ratio was 1.03 in 2000-01 and at 1.00, or break-even, in the year 2009-10. As shown in Table 7-17, when the per capita revenues and expenditures are adjusted for inflation, per capita revenues increased in constant dollars at about 1.0 percent annually and per capita expenditures increased at about 1.4 percent annually.

Table 7-12
Community Services District (CSD) Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	CSD Revenues	CSD Costs	Net CSD	CSD Revenue/Cost Ratio
2000-01	\$3,298,346	\$3,260,744	\$37,601	1.01
2001-02	3,755,947	3,580,242	\$175,705	1.05
2002-03	5,134,423	4,520,018	614,405	1.14
2003-04	6,039,798	5,812,813	226,985	1.04
2004-05	6,689,592	5,677,477	1,012,115	1.18
2005-06	8,056,326	7,695,611	360,715	1.05
2006-07	8,797,163	8,309,286	487,877	1.06
2007-08	9,410,628	9,289,889	120,739	1.01
2008-09	10,040,966	9,946,325	94,641	1.01
2009-10	10,030,269	10,030,269	0	1.00
Average Annual Growth Rate	13.2%	13.3%	n/a	

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, Community Services District Revenues and Expenditures, Fiscal Years 2000/01 through 2005/06
City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*
California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Figure 7-5
Community Services District (CSD) Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

Table 7-13
Community Services District (CSD) Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	Population	CSD Per Capita Revenues	CSD Per Capita Expenditures	CSD Revenue/Cost Ratio
2000-01	44,282	\$74.49	\$73.64	1.01
2001-02	46,437	\$80.88	\$77.10	1.05
2002-03	51,905	\$98.92	\$87.08	1.14
2003-04	68,391	\$88.31	\$84.99	1.04
2004-05	78,783	\$84.91	\$72.06	1.18
2005-06	85,328	\$88.56	\$90.19	0.98
2006-07	93,221	\$94.37	\$93.97	1.00
2007-08	97,031	\$96.99	\$95.74	1.01
2008-09	99,576	\$100.07	\$99.89	1.00
2009-10	100,714	\$99.59	\$99.59	1.00
Average Annual Growth Rate	9.6%	3.3%	3.4%	n/a

Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, Community Services District Expenditures, Fiscal Years 2000/01 through 2005/06

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Table 7-14
Community Services District Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Constant Dollars)

Fiscal Year	Population	CSD Per Capita Revenues	CSD Per Capita Expenditures	CSD Revenue/Cost Ratio
2000-01	44,282	\$97.18	\$96.07	1.01
2001-02	46,437	\$101.62	\$96.86	1.05
2002-03	51,905	\$121.62	\$107.07	1.14
2003-04	68,391	\$106.19	\$102.20	1.04
2004-05	78,783	\$98.35	\$83.47	1.18
2005-06	85,328	\$105.02	\$100.31	1.05
2006-07	93,221	\$100.00	\$99.58	1.00
2007-08	97,031	\$99.91	\$98.63	1.01
2008-09	99,576	\$98.26	\$97.33	1.01
2009-10	100,714	\$99.59	\$99.59	1.00
Average Annual Growth Rate	9.6%	0.3%	0.4%	n/a

Sources: Stanley R. Hoffman Associates, Inc.

City of Murrieta, Finance Department, Community Services District Expenditures, Fiscal Years 2000/01 through 2005/06

City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*

California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

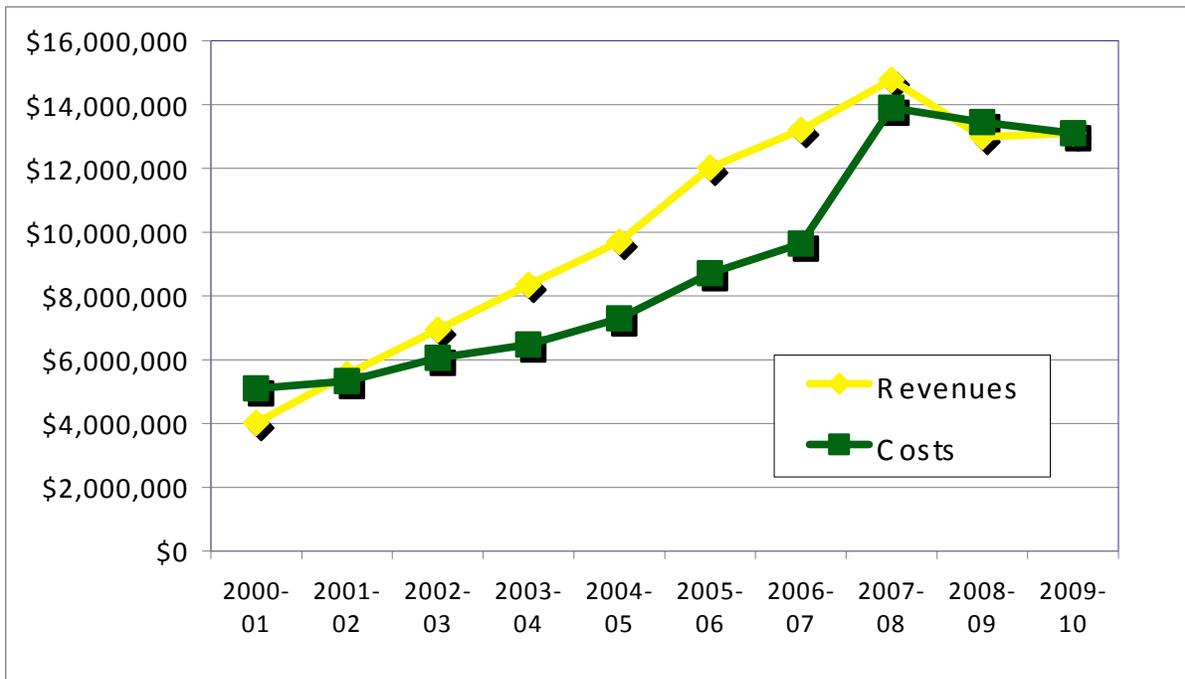
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, November 2009*

Table 7-15
Fire District Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	Fire District Revenues	Fire District Costs	Net Fire District	Revenue/Cost Ratio
2000-01	\$4,021,947	\$3,903,373	\$118,574	1.03
2001-02	4,412,546	4,240,545	172,001	1.04
2002-03	5,647,992	4,924,629	723,363	1.15
2003-04	6,944,447	5,380,575	1,563,872	1.29
2004-05	8,368,156	6,293,634	2,074,522	1.33
2005-06	10,808,303	7,825,082	2,983,221	1.38
2006-07	12,462,340	8,641,475	3,820,865	1.44
2007-08	14,337,935	13,489,168	848,767	1.06
2008-09	13,323,212	13,801,917	(478,705)	0.97
2009-10	13,093,001	13,093,001	0	1.00
Average Annual Growth Rate	14.0%	14.4%	n/a	

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, Fire District Revenues and Expenditures, Fiscal Years 2000/01 through 2005/06
Fiscal Years 2000/01 through 2005/06
City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*
California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Figure 7-6
Fire District Growth Trends, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)



Source: Stanley R. Hoffman Associates, Inc.

Table 7-16
Fire District Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Current Dollars)

Fiscal Year	Population	Fire District Per Capita Revenues	Fire District Per Capita Expenditures	Fire District Revenue/Cost Ratio
2000-01	44,282	\$90.83	\$88.15	1.03
2001-02	46,437	\$95.02	\$91.32	1.04
2002-03	51,905	\$108.81	\$94.88	1.15
2003-04	68,391	\$101.54	\$78.67	1.29
2004-05	78,783	\$106.22	\$79.89	1.33
2005-06	85,328	\$120.81	\$91.71	1.32
2006-07	93,221	\$133.69	\$97.53	1.37
2007-08	97,031	\$147.77	\$139.02	1.06
2008-09	99,576	\$133.03	\$138.61	0.96
2009-10	100,714	\$130.00	\$130.00	1.00
Average Annual Growth Rate	9.6%	4.1%	4.4%	n/a

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, Fire District Expenditures, Fiscal Years 2000/01 through 2005/06
City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*
California Department of Finance, *Report E-4 Population Estimates, 2001-2009*

Table 7-17
Fire District Per Capita Revenues and Expenditures, 2000-01 to 2009-10
City of Murrieta Public Financial Trends Analysis
(In Constant Dollars)

Fiscal Year	Population	Fire District Per Capita Revenues	Fire District Per Capita Expenditures	Fire District Revenue/Cost Ratio
2000-01	44,282	\$118.50	\$115.00	1.03
2001-02	46,437	\$119.38	\$114.73	1.04
2002-03	51,905	\$133.78	\$116.65	1.15
2003-04	68,391	\$122.09	\$94.60	1.29
2004-05	78,783	\$123.03	\$92.53	1.33
2005-06	85,328	\$140.89	\$102.00	1.38
2006-07	93,221	\$141.66	\$103.35	1.37
2007-08	97,031	\$152.22	\$143.21	1.06
2008-09	99,576	\$130.38	\$135.06	0.97
2009-10	100,714	\$130.00	\$130.00	1.00
Average Annual Growth Rate	9.6%	1.0%	1.4%	n/a

Sources: Stanley R. Hoffman Associates, Inc.
City of Murrieta, Finance Department, Fire District Expenditures, Fiscal Years 2000/01 through 2005/06
City of Murrieta, *Operating Budget, Fiscal Years 2009/10 and 2010/11*
California Department of Finance, *Report E-4 Population Estimates, 2001-2009*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, November 2009*

7.5 Gas Tax Fund

The City's Gas Tax Fund is a special revenue fund that is earmarked for road related improvements, including costs for Public Works Engineering and Maintenance personnel as well as maintenance supplies, contract services and street lighting. The City's *Fiscal Years 2009/10 and 2010/11 Operating Budget* states that all budgeted and future Gas Tax revenues will be used for operations including personnel and street maintenance costs. Based on the current City Budget, fiscal year 2008-09 Gas Tax revenues are budgeted at about \$1.66 million and fiscal year 2009-10 adopted Gas Tax revenues are about \$1.60 million. The City Budget states that reserves in the Gas Tax Fund are committed to capital projects.

7.6 Murrieta Redevelopment Agency (RDA)

The City's Redevelopment Agency is fully funded by property tax increment. The funding provides administration for the Murrieta RDA, contributes 20 percent of the tax increment to the Low/Moderate Income Housing Fund and provides property tax increment bond financing for project area infrastructure improvements. Property tax increment to the RDA is budgeted at \$6.89 million for fiscal year 2008-2009 and adopted fiscal year 2009-2010 property tax increment revenues are \$8.54 million.

APPENDIX A

Table A-1
List of ZIP Codes
Murrieta City and Comparison Areas

	ZIP Codes
City of Murrieta	92562 92563
City of Temecula	92590 92591 92592
Temecula Valley Sub-Region	92562 92563 92584 92590 92591 92592 92595
City of Rancho Cucamonga	91701 91730 91737 91739
City of Rancho Bernardo	92127 92128

Source: Stanley R. Hoffman Associates, Inc.

Table A-2
EDD Employment Adjusted for Self-Employment
City of Murrieta

	Annual 2005	Annual 2006	Annual 2007	Annual 2008	Firsr Quarter 2009
EDD - ES-202 - Quaterly Employment Data					
Construction	1,646	1,950	1,782	1,505	1,154
Manufacturing	777	693	835	821	711
Wholesale Trade	273	393	345	378	307
Retail Trade	3,034	3,175	3,587	3,262	2,834
Transportation and Warehousing	129	162	171	143	106
Information	166	180	177	151	130
Finance and Insurance	256	383	413	369	325
Real Estate and Rental and Leasing	237	253	229	204	168
Professional, Scientific, and Technical Services	359	423	573	586	460
Management of Companies and Enterprises	64	0	0	0	0
Administrative and Support and Waste Management a	912	1,207	1,215	1,034	909
Educational Services	29	56	73	103	109
Health Care and Social Assistance	1,876	2,077	2,322	2,261	2,268
Arts, Entertainment, and Recreation	377	433	436	305	241
Accommodation and Food Services	1,251	1,547	1,756	1,681	1,459
Other Services (except Public Administration)	649	582	711	627	543
Federal Government	24	25	63	129	124
Local Government	2,210	2,395	2,570	2,601	2,548
Other Employment	<u>236</u>	<u>313</u>	<u>334</u>	<u>296</u>	<u>172</u>
TOTAL	14,505	16,247	17,593	16,456	14,567

American Community Survey - 2006-08 Estimates of Self Employment by Sector

Construction	13.5%
Manufacturing	2.6%
Wholesale Trade	5.1%
Retail Trade	5.9%
Transportation and Warehousing	7.5%
Information	3.1%
Finance and Insurance	8.8%
Real Estate and Rental and Leasing	24.5%
Professional, Scientific, and Technical Services	19.0%
Management of Companies and Enterprises	0.0%
Administrative and Support and Waste Management a	20.3%
Educational Services	1.3%
Health Care and Social Assistance	6.4%
Arts, Entertainment, and Recreation	6.9%
Accommodation and Food Services	3.2%
Other Services (except Public Administration)	26.2%
Federal Government	0.0%
Local Government	0.0%
TOTAL	8.6%

	Annual 2005	Annual 2006	Annual 2007	Annual 2008	Firsr Quarter 2009
Estimates of Total Employment (Incl. Self Employed)					
Construction	1,902	2,254	2,060	1,739	1,333
Manufacturing	798	712	858	844	730
Wholesale Trade	288	414	363	398	324
Retail Trade	3,224	3,373	3,811	3,466	3,011
Transportation and Warehousing	139	175	185	155	115
Information	171	186	183	156	134
Finance and Insurance	281	420	453	405	356
Real Estate and Rental and Leasing	314	335	303	270	222
Professional, Scientific, and Technical Services	443	522	707	723	567
Management of Companies and Enterprises	64	0	0	0	0
Administrative and Support and Waste Management	1,145	1,515	1,525	1,298	1,141
Educational Services	29	57	74	104	111
Health Care and Social Assistance	2,005	2,220	2,482	2,417	2,424
Arts, Entertainment, and Recreation	405	465	468	328	259
Accommodation and Food Services	1,292	1,598	1,813	1,736	1,506
Other Services (except Public Administration)	879	788	963	849	735
Federal Government	24	25	63	129	124
Local Government	2,210	2,395	2,570	2,601	2,548
Other Employment	<u>260</u>	<u>327</u>	<u>372</u>	<u>393</u>	<u>300</u>
TOTAL	15,873	17,780	19,253	18,009	15,941

1. Employment data by NAICS industries has been adjusted for self-employment based on estimates from the American Community Survey 2006-2008.

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)
American Community Survey, 2006-08

Table A-3
SRHA Estimation of Historic Place Data
City of Murrieta

Year	Murrieta EDD ZIP Code ¹	Murrieta SRHA Estimates ²	Ratio of SRHA Estimates to EDD ZIP Code	Historic Place Estimates ³
1991	1,013			885
1992	1,477			1,291
1993	2,935			2,565
1994	4,216			3,685
1995	4,715			4,121
1996	5,399			4,719
1997	6,237			5,451
1998	6,789			5,933
1999	7,978			6,972
2000	8,819			7,707
2001	10,486			9,164
2002	12,167			10,633
2003	13,849			12,103
2004	16,361			14,299
2005	17,347	15,873	91.5%	
2006	19,322	17,780	92.0%	
2007	21,124	19,253	91.1%	
2008	21,707	18,009	83.0%	
2009 - Q1	20,091	15,941	79.3%	
Average Ratio			87.4%	

1. ZIP Code Data for 1991 to 2005 were obtained from the report prepared by Economics and Politics, Inc. for the City in 2006. ZIP Code Updates for 2005 to 2009 Q1 were obtained from the EDD.

2. Estimates prepared by Stanley R. Hoffman Associates, Inc. (SRHA) from 2005 to 2009 Q1 are based on place code data obtained from the EDD, adjusted for self-employment rates.

3. Historic Place Estimates for 1991 to 2005 are based on applying the average 2005 to 2009 - Q1 ratio of 87.4 percent between the SRHA Estimates and and EDD ZIP Code data to the historic 1991 to 2005 ZIP Code data.

Source: Stanley R. Hoffman Associates, Inc.
Economics and Politics, Inc., 2006.
California Employment Development Department (EDD).

Table A-4
EDD Employment Estimates
City of Murrieta and Other Surrounding Communities

	Murrieta		Temecula City		Rancho Cucamonga		Rancho Bernardo		Southern California ¹	
	Jobs	% Distr.	Jobs	% Distr.	Jobs	% Distr.	Jobs	% Distr.	Jobs	% Distr.
EMPLOYMENT BY SECTORS: 2008										
Construction	1,739	9.7%	3,747	7.2%	4,341	6.5%	1,357	3.5%	489,122	5.4%
Manufacturing	844	4.7%	4,262	8.2%	9,504	14.2%	9,157	23.4%	835,653	9.2%
Wholesale Trade	398	2.2%	2,772	5.4%	3,172	4.7%	921	2.4%	439,222	4.9%
Retail Trade	3,466	19.2%	8,336	16.1%	8,422	12.6%	3,497	8.9%	951,951	10.5%
Transportation and Warehousing	155	0.9%	429	0.8%	2,657	4.0%	275	0.7%	266,890	3.0%
Information	156	0.9%	746	1.4%	579	0.9%	857	2.2%	310,942	3.4%
Finance and Insurance	405	2.2%	1,576	3.0%	3,025	4.5%	2,325	5.9%	328,107	3.6%
Real Estate and Rental and Leasing	270	1.5%	1,518	2.9%	2,295	3.4%	681	1.7%	203,724	2.3%
Professional, Scientific, and Technical Services	723	4.0%	2,352	4.5%	2,605	3.9%	6,339	16.2%	645,328	7.1%
Management of Companies and Enterprises	0	0.0%	0	0.0%	634	0.9%	372	1.0%	109,832	1.2%
Administrative and Support and Waste Management	1,298	7.2%	5,655	10.9%	9,055	13.5%	2,283	5.8%	670,204	7.4%
Educational Services	104	0.6%	919	1.8%	579	0.9%	818	2.1%	161,075	1.8%
Health Care and Social Assistance	2,417	13.4%	2,010	3.9%	4,343	6.5%	3,180	8.1%	763,318	8.4%
Arts, Entertainment, and Recreation	328	1.8%	383	0.7%	612	0.9%	838	2.1%	181,978	2.0%
Accommodation and Food Services	1,736	9.6%	5,208	10.1%	6,206	9.3%	4,227	10.8%	745,313	8.2%
Other Services (except Public Administration)	849	4.7%	1,678	3.2%	2,838	4.2%	973	2.5%	549,893	6.1%
Federal Government	129	0.7%	171	0.3%	216	0.3%	129	0.3%	123,942	1.4%
Local Government	2,601	14.4%	8,824	17.1%	5,018	7.5%	0	0.0%	922,211	10.2%
Other Employment	<u>393</u>	<u>2.2%</u>	<u>1,151</u>	<u>2.2%</u>	<u>766</u>	<u>1.1%</u>	<u>906</u>	<u>2.3%</u>	<u>344,566</u>	<u>3.8%</u>
TOTAL	18,009	100.0%	51,738	100.0%	66,868	100.0%	39,137	100.0%	9,043,269	100.0%
Estimated Local Serving Sectors²	14,032	77.9%	33,947	65.6%	35,637	53.3%	16,607	42.4%	5,437,092	60.1%
Estimated Population	100,714		102,604		177,736		70,780		20,874,212	
Estimated per Capita Local Serving Jobs	0.14		0.33		0.20		0.23		0.26	
Estimated Export Base Sectors³	3,978	22.1%	17,791	34.4%	31,231	46.7%	22,530	57.6%	3,606,178	39.9%
Estimated Population	100,714		102,604		177,736		70,780		20,874,212	
Estimated per Capita Export Base Jobs	0.04		0.17		0.18		0.32		0.17	
LOCATION QUOTIENTS: 2008										
Construction		1.79		1.34		1.20		0.64		1.00
Manufacturing		0.51		0.89		1.54		2.53		1.00
Wholesale Trade		0.46		1.10		0.98		0.48		1.00
Retail Trade		1.83		1.53		1.20		0.85		1.00
Transportation and Warehousing		0.29		0.28		1.35		0.24		1.00
Information		0.25		0.42		0.25		0.64		1.00
Finance and Insurance		0.62		0.84		1.25		1.64		1.00
Real Estate and Rental and Leasing		0.67		1.30		1.52		0.77		1.00
Professional, Scientific, and Technical Services		0.56		0.64		0.55		2.27		1.00
Management of Companies and Enterprises		0.00		0.00		0.78		0.78		1.00
Administrative and Support and Waste Management		0.97		1.47		1.83		0.79		1.00
Educational Services		0.33		1.00		0.49		1.17		1.00
Health Care and Social Assistance		1.59		0.46		0.77		0.96		1.00
Arts, Entertainment, and Recreation		0.90		0.37		0.45		1.06		1.00
Accommodation and Food Services		1.17		1.22		1.13		1.31		1.00
Other Services (except Public Administration)		0.78		0.53		0.70		0.41		1.00
Federal Government		0.52		0.24		0.24		0.24		1.00
Local Government		1.42		1.67		0.74		0.00		1.00
Other Employment		0.57		0.58		0.30		0.61		1.00
TOTAL		1.00		1.00		1.00		1.00		1.00

1. Including Riverside County, San Bernardino County, Los Angeles County, Orange County and San Diego County.

2. Includes Construction, Retail, Health Care and Social Assistance, Accommodation and Food Services, Government, Educational Services, Arts and Entertainment and Other Services.

3. Includes Manufacturing, Wholesale Trade, Transportation and Warehousing, Information, Professional, Scientific and Technical Services, Finance and Insurance, Management of Companies, and Administration, Support Services and Waste Management.

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)

APPENDIX B PROJECT REFERENCES

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