



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Joshua Nelson – City Manager
From: Yamini Pathak – Director of Finance
Date: June 5, 2024
Subject: 2024-2025 Appropriations Limit

The City of Industry is required to annually establish its appropriations limit for the upcoming fiscal year. The 2024-2025 Appropriations Limit has been calculated by using the growth in the non-residential assessed valuation due to new construction within the City and the County of Los Angeles' population growth adjustment factors. The 2024-2025 growth rate has been calculated to be 1.05933 which increases the appropriations limit to \$1,151,263,379.

The Appropriations Limit must be adopted by City Council resolution. A notice should be posted as to the availability of the documentation used in determining the appropriations limit. The resolution may be adopted no sooner than 15 days after the date of posting on the notice. This resolution setting the appropriation limit should be placed on the June 27, 2024 City Council Agenda.

We have attached the following documents:

- 1) Notice Of Availability Of Documents Used in Determining the Appropriations Limit
- 2) Draft Resolution
- 3) Calculation
- 4) Supporting Documentation

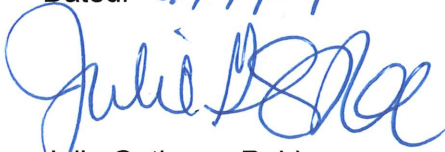
NOTICE OF AVAILABILITY OF DOCUMENTATION
USED IN DETERMINATION OF PROPOSED
APPROPRIATION LIMIT FOR THE 2024-2025 FISCAL
YEAR PURSUANT TO ARTICLE XIIB OF THE
CALIFORNIA CONSTITUTION

Please take notice that the documentation used in the determination of the proposed appropriations limit for the City of Industry for 2024-2025 fiscal year pursuant to Article XIIB of the California Constitution is on file and available for public review in the Office of the City Clerk, City Administrative Offices, 15625 Mayor Dave Way, City of Industry, California.

The Proposed appropriations limit for 2024-2025 fiscal year will be considered by the City Council at their regular meeting of June 27, 2024 at 9:00 a.m. in the Council Chambers, City Administrative Offices, 15625 Mayor Dave Way, City of Industry, California.

Dated:

4/4/24



Julie Gutierrez-Robles
City Clerk

EXHIBIT A

ANNUAL APPROPRIATIONS LIMIT CALCULATION
FOR FISCAL YEAR 2024-25

Inflation Factor (Selected higher of the following):				
Growth in the California per capita personal income	3.62%	State Department of Finance		
Growth in the non-residential assessed valuation due to new construction within the City	5.88%	HDL Coren & Cone	1.0588 Factor	Selected for Calculation
Population Factor (Selected higher of the following):				
City	-0.23%	State Department of Finance		
County	0.05%	State Department of Finance	1.0005 Factor	Selected for Calculation

Annual Limits Calculation:

Appropriations Limit for Fiscal Year 2023-24: \$ 1,086,785,073 (A)

Adjustment Factors For Fiscal Year 2024-25:

Inflation Factor (B) Population Factor (C)

1.0588 1.0005

Combined Factor (B times C)

1.05933 0.05933 (D)

Adjustment for Inflation & Population (A times D): \$ 64,478,306

Appropriation Limit for Fiscal Year 2024-25: \$ 1,151,263,379

THE CITY OF INDUSTRY

NONRESIDENTIAL NEW CONSTRUCTION

2022/23 TO 2023/24 TAX YEARS - IN PARCEL NUMBER ORDER

Parcel	Use Category	Owner	Prior Year Improvements	Current Year Improvements	Percent Change
8208-013-026	Commercial	Liberty Property Lp	36,790	105,117	+ 185.7%
8208-014-032	Industrial	Hunsaker Family Trust	4,644,638	5,202,000	+ 12.0%
8208-014-033	Industrial	Hunsaker David C Trust Hunsaker Famil	3,993,424	6,242,400	+ 56.3%
8242-030-005	Industrial	Teledyne Instruments Inc	4,268,349	4,638,737	+ 8.7%
8245-004-015	Commercial	Ryder Truck Rentals Inc	549,695	574,904	+ 4.6%
8250-001-012	Commercial	Amar Industry Hills Llc	1,875,700	2,000,000	+ 6.6%
8250-001-013	Industrial	Amar Industry Hills Llc	1,507,259	2,740,000	+ 81.8%
8250-001-014	Industrial	Amar Industry Hills Llc	1,507,259	2,834,000	+ 88.0%
8250-001-015	Industrial	Amar Industry Hills Llc	1,024,933	2,103,000	+ 105.2%
8250-001-016	Industrial	Amar Industry Hills Llc	803,869	3,126,000	+ 288.9%
8250-001-017	Industrial	Amar Industry Hills Llc	435,423	1,222,000	+ 180.6%
8264-002-022	Industrial	Knights Group Usa Llc	1,854,298	2,600,000	+ 40.2%
8264-003-015	Industrial	Quality Naturally Foods Inc	4,730,033	5,072,212	+ 7.2%
8264-004-093	Industrial	Freedom International Group Limited	0	10,967,040	+ 99,999.9%
8264-006-033	Industrial	17891 17907 Arenth Avenue Llc	2,460,478	5,865,000	+ 138.4%
8264-009-023	Industrial	17969 Railroad St Owner Llc	1,870,561	1,963,792	+ 5.0%
8264-019-018	Industrial	Morehouse Foods Inc	5,131,846	5,322,152	+ 3.7%
8264-020-028	Industrial	Purple River Investments Llc	2,540,410	3,122,638	+ 22.9%
8265-068-010	Commercial	Costco Wholesale Corporation	15,978,354	16,469,667	+ 3.1%
8561-020-004	Industrial	Custom Alloy Sales Inc	3,057,309	4,024,499	+ 31.6%
8562-016-001	Industrial	Feterik Enterprises Nelson Llc	35,006,000	39,015,000	+ 11.5%
8564-013-017	Institutional	Southern California Sheet Metal	6,526,799	6,773,976	+ 3.8%
8719-005-014	Industrial	Srg Libbey Llc Lessor	24,478,374	38,893,605	+ 58.9%
8727-013-011	Industrial	Prospect Puente Llc	40,607	51,000	+ 25.6%
8760-023-008	Industrial	Smit Jillian Et Al Trust George G Cross D	485,657	529,526	+ 9.0%
8762-001-002	Industrial	Aet Investments Llc	255,931	1,400,000	+ 447.0%
8762-001-003	Industrial	Wright Walnut Owner Llc	289,906	1,700,000	+ 486.4%
8762-001-004	Industrial	Wright Walnut Owner Llc	443,899	2,200,000	+ 395.6%
8762-001-026	Commercial	New Wave Lending Group Llc	3,222,078	3,479,707	+ 8.0%
29 Parcels Listed			129,019,879	180,237,972	+ 39.7%

This calculation reflects the 2023/24 increase in taxable values for this city due to non-residential new construction as a percentage of the total taxable value **Increase** (as of the 2023/24 lien year roll date). This percentage may be used as an alternative to the change in California per-capita personal income for calculating a taxing agency's annual adjustment of its Appropriation Limit pursuant to Article XIII B of the State Constitution as Amended by Proposition 111 in June, 1990.

Total Change in Non-Residential Valuation Due to New Development	51,218,093
Less Automatic 2.000% Assessors's Inflation Adjustment	-2,580,398
Actual Change in Non-Residential Valuation	48,637,695
Change in Total Assessed Value	827,348,453
= Alternate 2024/25 Appropriations Limit Factor	5.88%

Includes taxable primary parcels with known nonresidential use codes, no prior lien year transfers, and improvement value increases greater than 2.0% Change in Total Assessed Value is the assessed value change of the locally assessed secured and unsecured tax rolls.

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. [California Revenue and Taxation Code section 2228](#) provides additional information regarding the appropriations limit. [Article XIII B, section 9\(C\) of the California Constitution](#) exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2024.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
 Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	23-24	1-1-23	1-1-24	1-1-24
Los Angeles				
Agoura Hills	-0.44	19,928	19,841	19,841
Alhambra	0.05	81,753	81,790	81,811
Arcadia	-0.13	55,855	55,783	55,783
Artesia	-0.21	16,053	16,019	16,019
Avalon	-0.57	3,332	3,313	3,313
Azusa	-0.35	49,595	49,420	49,420
Baldwin Park	-0.06	70,700	70,660	70,660
Bell	-0.34	33,414	33,301	33,301
Bellflower	-0.03	77,014	76,990	76,990
Bell Gardens	-0.49	38,569	38,381	38,381
Beverly Hills	-0.45	31,950	31,806	31,806
Bradbury	-0.77	905	898	898
Burbank	0.11	105,484	105,603	105,603
Calabasas	-0.50	22,857	22,742	22,742
Carson	-0.52	92,399	91,920	91,924
Cerritos	-0.53	48,063	47,806	47,806
Claremont	0.03	37,673	37,686	37,686
Commerce	0.57	12,055	12,124	12,124
Compton	-0.37	94,016	93,671	93,671
Covina	0.19	50,390	50,485	50,485
Cudahy	-0.52	22,327	22,210	22,210
Culver City	0.89	39,859	40,213	40,213
Diamond Bar	-0.43	53,566	53,335	53,335
Downey	-0.15	111,656	111,493	111,493
Duarte	3.04	22,958	23,656	23,656
El Monte	0.08	106,649	106,738	106,786
El Segundo	-0.08	16,953	16,939	16,964
Gardena	0.22	59,896	60,028	60,028
Glendale	-0.25	192,072	191,586	191,586
Glendora	-0.32	51,374	51,209	51,209
Hawaiian Gardens	-0.29	13,600	13,560	13,560
Hawthorne	-0.37	85,886	85,566	85,566
Hermosa Beach	-0.42	19,169	19,088	19,088
Hidden Hills	0.17	1,724	1,727	1,727
Huntington Park	-0.31	53,374	53,209	53,219
Industry	-0.23	427	426	426
Inglewood	-0.53	106,628	106,065	106,065
Irwindale	0.74	1,488	1,499	1,499

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	23-24	1-1-23	1-1-24	1-1-24
La Canada Flintridge	-0.20	20,089	20,048	20,048
La Habra Heights	-0.45	5,513	5,488	5,488
Lakewood	-0.25	80,365	80,162	80,162
La Mirada	-0.40	48,271	48,077	48,077
Lancaster	-0.10	169,939	169,776	172,631
La Puente	-0.19	37,530	37,459	37,459
La Verne	0.06	31,678	31,697	31,697
Lawndale	-0.55	31,026	30,855	30,855
Lomita	-0.38	20,397	20,320	20,320
Long Beach	-0.18	459,315	458,498	458,813
Los Angeles	0.27	3,800,438	3,810,548	3,814,318
Lynwood	-0.23	66,424	66,271	66,271
Malibu	-0.18	10,640	10,621	10,621
Manhattan Beach	-0.50	34,367	34,195	34,195
Maywood	-0.49	24,572	24,451	24,451
Monrovia	1.39	37,563	38,087	38,087
Montebello	0.32	61,730	61,930	61,930
Monterey Park	-0.42	59,592	59,340	59,347
Norwalk	-0.39	100,732	100,341	101,172
Palmdale	-0.02	166,089	166,055	166,055
Palos Verdes Estates	-0.44	13,031	12,974	12,974
Paramount	-0.34	52,331	52,153	52,153
Pasadena	1.09	138,187	139,692	139,692
Pico Rivera	-0.32	61,014	60,820	60,820
Pomona	0.68	151,132	152,166	152,166
Rancho Palos Verdes	-0.50	41,106	40,902	40,919
Redondo Beach	-0.27	68,424	68,239	68,239
Rolling Hills	-0.53	1,686	1,677	1,677
Rolling Hills Estates	0.46	8,495	8,534	8,534
Rosemead	0.08	50,503	50,541	50,541
San Dimas	-0.31	34,027	33,920	33,920
San Fernando	0.04	23,633	23,643	23,643
San Gabriel	-0.09	38,648	38,613	38,613
San Marino	0.23	12,350	12,379	12,379
Santa Clarita	-0.27	231,045	230,428	230,428
Santa Fe Springs	-0.34	18,574	18,511	18,640
Santa Monica	0.34	92,598	92,912	92,912
Sierra Madre	-0.15	10,925	10,909	10,909
Signal Hill	-0.35	11,488	11,448	11,448
South El Monte	-0.21	19,482	19,441	19,441

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	23-24	1-1-23	1-1-24	1-1-24
South Gate	0.03	92,701	92,729	92,729
South Pasadena	-0.37	26,367	26,270	26,270
Temple City	-0.18	36,040	35,975	35,975
Torrance	-0.36	143,433	142,910	142,910
Vernon	-0.49	206	205	205
Walnut	-0.10	27,896	27,867	27,867
West Covina	0.65	108,404	109,105	109,105
West Hollywood	-0.44	35,229	35,075	35,075
Westlake Village	-0.45	7,938	7,902	7,902
Whittier	0.22	87,333	87,527	87,527
Unincorporated	-0.19	998,818	996,956	997,587
County Total	0.05	9,810,925	9,815,428	9,824,091

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.