EXHIBIT 7

OFFICIAL STATEMENT

$25,070,000
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE BONDS
SERIES 2002B
(FIRE AND LIFE SAFETY FACILITIES PROJECT)

INTRODUCTION

General

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish certain information in connection with the issuance and sale of the Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2002B (Fire and Life Safety Facilities Project) in the aggregate principal amount of $25,070,000 (the "Bonds"). The Bonds, in book-entry form, will be issued pursuant to an indenture, dated as of June 1, 2002 (the "Indenture"), between the Public Facilities Financing Authority of the City of San Diego, a California joint powers authority (the "Authority"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The proceeds of the Bonds will be used to (i) finance certain real property and improvements to certain fire and life safety facilities of the City of San Diego (the "Project"); (ii) fund capitalized interest; (iii) fund a Reserve Account for the Bonds; and (iv) pay costs of issuance with respect to the Bonds

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Bonds are payable from and secured by a pledge of Revenues (as defined in the Indenture), consisting primarily of lease payments made by the City of San Diego (the "City") under a lease, dated as of June 1, 2002 (the "Lease"), between the City and the Authority. Such lease payments are defined as "Base Rental Payments" or "Base Rental," and are designed to be sufficient, in both time and amount, to pay when due the principal of and interest on the Bonds. The City shall make Base Rental Payments to the Trustee, as assignee of the Authority under the Assignment Agreement, dated as of June 1, 2002 (the "Assignment Agreement"), between the Authority and the Trustee, for the use and possession of the real property encumbered by the Lease (the "Leased Property") during each annual period. The Trustee shall deposit such Base Rental Payments in the Bond Fund established under the Indenture. The Indenture provides that the Trustee will apply Base Rental Payments (as defined herein) and other monies received by it for the benefit of the registered owners of the Bonds (the "Owners") to the payment of principal of, premium, if any, and interest on the Bonds, and will perform certain other functions. See **"APPENDIX C – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS – The Indenture."** As used herein, the term "Bonds" means the Bonds, and any Additional Bonds issued under the Indenture.

The Leased Property will consist of certain fire station properties located within the City limits. See **"THE LEASED PROPERTY"** and **"RISK FACTORS – Substitution and Removal of Leased Property."**

Neither the Bonds nor the obligation of the City to make Base Rental Payments under the Lease constitutes an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make such Base Rental Payments constitutes an indebtedness of the City, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. See **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"** and **"RISK FACTORS."**

Brief descriptions of the Bonds, Security and Sources of Payment for the Bonds, the Project, the Leased Property, Risk Factors and the Authority follow. A brief description of the City is provided in **"APPENDIX A – THE**

A labor agreement with POA is in place through June 30, 2003. POA will receive a 2% increase effective July 2002. The POA will also receive a 1.7% increase in retirement compensation effective July 2002.

PENSION PLAN

All benefited City employees participate with the full-time employees of the San Diego Unified Port District (the "District") in the City Employees' Retirement System ("CERS"). CERS is a public employee retirement system that acts as a common investment and administrative agent for the City and the District. Through various benefit plans, CERS provides retirement benefits to all general, safety (police and fire), and legislative members.

The CERS plans are structured as defined benefit plans in which benefits are based on salary, length of service, and age. City employees are required to contribute a percentage of their annual salary to CERS. State legislation requires the City to contribute to CERS at rates determined by actuarial valuations.

The City's last actuarial valuation dated June 30, 2000 stated the funding ratio (Valuation of Assets available for Benefits to Total Actuarial Accrued Liability), of the CERS fund to be 97.3%. The CERS fund has an Unfunded Actuarial Accrued Liability (UAAL) of $68.959 million as of June 30, 2000. The UAAL is the difference between total actuarial accrued liabilities of $2.528 billion and assets allocated to funding of $2.459 billion. The UAAL is amortized over a 30-year period, which started July 1, 1991, with each year's amortization payment reflected as a portion of the percentage of payroll representing the employer's contribution rate. As of June 30, 2000, there were 21 years remaining in the amortization period.

The CERS Retirement Board has received the Actuary's report on the results of the actuarial valuation for the year ended June 30, 2001. In that report, the new UAAL as of June 30, 2001, is $283.89 million. That reflects actuarial accrued liabilities of $2.809 billion and assets allocated to funding of $2.526 billion. The assumptions and calculations made in the June 30, 2001, actuarial valuation are subject to review, approval, or revisions by the Retirement Board. Therefore, the UAAL as of June 30, 2001, may change.

INSURANCE, CLAIMS, AND LITIGATION

Workers' Compensation and Long-Term Disability

The City is self-insured for Workers' Compensation and Long-term Disability. The City's self-insured liability for Workers' Compensation and Long-term Disability is accounted for in the Self Insurance Fund. The Self Insurance Fund for Workers' Compensation and Long-Term Disability is supported by contributions from each of the City's operating funds. These contributions are determined by multiplying an annually established rate by the gross salaries payable from each of the City's operating funds. As of June 30, 2001, there is a fund equity deficit in the Self Insurance Fund of approximately $29,281,000. It is anticipated that individual claim settlements will be funded through participating operating fund contributions subsequent to the filing of a claim and prior to its settlement.

OFFICIAL STATEMENT
$93,200,000
CITY OF SAN DIEGO, CALIFORNIA
2002-03 Tax Anticipation Notes
Series A

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Notes being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

General

The purpose of this Official Statement (the "Official Statement"), which includes the cover page and attached Appendices, is to provide certain information concerning the sale and delivery of $93,200,000 aggregate principal amount of City of San Diego, California 2002-03 Tax Anticipation Notes, Series A (the "Notes") issued by the City of San Diego (the "City"). The Notes, in accordance with California law, are general obligations of the City, and are secured by and payable from property tax moneys received by the City and if such property tax moneys are insufficient to enable the City to make such payments, then from such other legally available taxes, income, revenue, cash receipts and other moneys attributable to the City's fiscal year beginning on July 1, 2002 and ending on June 30, 2003 ("Fiscal Year 2002-03") and legally available for payment thereof, all as more particularly described under the caption "The Notes—Security for the Notes" below.

The Notes are issued under the authority of Section 92 of the City Charter of the City, Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code and a resolution adopted by the City Council of the City on May 14, 2002 (the "Resolution"). The Notes are being issued to finance the seasonal cash flow deficits in the City's General Fund (the "General Fund") during Fiscal Year 2002-03.

City of San Diego Short-Term Borrowing Program

The City has issued tax anticipation notes every year since the mid-1960's (except for Fiscal Year 1978-79) to meet its cash flow requirements. In Fiscal Year 2001-02, the City sold a single series of tax anticipation notes in the aggregate principal amount of $73,000,000, the repayment of which has been fully funded. The City has never defaulted on the payment of principal of and interest on any of its short-term or long-term debt obligations.

The City may issue in Fiscal Year 2002-03 an additional series of City of San Diego, California 2002-03 Tax Anticipation Notes (the "Additional Notes") in an aggregate principal amount such that the combined principal amount of the Notes and the Additional Notes does not exceed $150,000,000. See "THE NOTES—Additional Notes."

PENSION PLAN

All benefited City employees participate with the full-time employees of the San Diego Unified Port District (the "District") in the City Employees' Retirement System ("CERS"). CERS is a public employee retirement system that acts as a common investment and administrative agent for the City and the District. Through various benefit plans, CERS provides retirement benefits to all general, safety (police and fire), and legislative members.

The CERS plans are structured as defined benefit plans in which benefits are based on salary, length of service, and age. City employees are required to contribute a percentage of their annual salary to CERS. State legislation requires the City to contribute to CERS at rates determined by actuarial valuations.

The City's last actuarial valuation dated June 30, 2000 stated the funding ratio (Valuation of Assets available for Benefits to Total Actuarial Accrued Liability), of the CERS fund to be 97.3%. The CERS fund has an Unfunded Actuarial Accrued Liability (UAAL) of $68.959 million as of June 30, 2000. The UAAL is the difference between total actuarial accrued liabilities of $2.528 billion and assets allocated to funding of $2.459 billion. The UAAL is amortized over a 30-year period, which started July 1, 1991, with each year's amortization payment reflected as a portion of the percentage of payroll representing the employer's contribution rate. As of June 30, 2000, there were 21 years remaining in the amortization period.

The CERS Retirement Board has received the Actuary's report on the results of the actuarial valuation for the year ended June 30, 2001. In that report, the new UAAL as of June 30, 2001, is $283.89 million. That reflects actuarial accrued liabilities of $2.809 billion and assets allocated to funding of $2.526 billion. The assumptions and calculations made in the June 30, 2001, actuarial valuation are subject to review, approval, or revisions by the Retirement Board. Therefore, the UAAL as of June 30, 2001, may change.

INSURANCE, CLAIMS, AND LITIGATION

Workers' Compensation And Long-Term Disability

The City is self-insured for Workers' Compensation and Long-term Disability. The City's self-insured liability for Workers' Compensation and Long-term Disability is accounted for in the Self Insurance Fund. The Self Insurance Fund for Workers' Compensation and Long-Term Disability is supported by contributions from each of the City's operating funds. These contributions are determined by multiplying an annually established rate by the gross salaries payable from each of the City's operating funds. As of June 30, 2001, there is a fund equity deficit in the Self Insurance Fund of approximately $29,281,000. It is anticipated that individual claim settlements will be funded through participating operating fund contributions subsequent to the filing of a claim and prior to its settlement.

Employee Group Health Insurance

Employee Group Health coverage is provided to employees and retirees by third party group health insurance carriers through an annual "cafeteria plan" selection process.

NEW ISSUE — BOOK-ENTRY-ONLY

RATINGS: Moody's: MIG-1
Standard & Poor's: SP-1+
Fitch: F1+

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, under statutes and court decisions and assuming continuing compliance by the City with certain conditions imposed by applicable federal tax law as described herein, interest on the Notes is not included in gross income for federal income tax purposes and is not treated as a specific item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations. Such interest, however, is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Notes is exempt from present State of California personal income. See "Tax Matters" herein.

$110,900,000
City of San Diego, California
2003-04 Tax Anticipation Notes
Series A

1.75% Interest Rate @ 100.939% Price to Yield .800%

CUSIP No: 797 236 SZ0

Dated: July 1, 2003 **Due: June 30, 2004**

The City of San Diego, California 2003-04 Tax Anticipation Notes, Series A (the "Notes") are being issued to finance working capital needs of the City of San Diego (the "City") during the Fiscal Year beginning July 1, 2003 and ending June 30, 2004 ("Fiscal Year 2003-04"). The Notes are being issued in fully registered form only and will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. Ownership interests in the Notes may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. Purchasers of such beneficial interests will not receive physical delivery of the Notes. Principal of and interest on the Notes will be payable by the Paying Agent to DTC. DTC will in turn remit such principal and interest to the DTC Participants (as hereinafter defined), who will in turn remit such principal and interest to the Beneficial Owners (as hereinafter defined) of the Notes. See "APPENDIX D—BOOK-ENTRY ONLY SYSTEM" hereto.

The Notes, in accordance with California law, are general obligations of the City, but are payable from property tax moneys received by the City and if such property tax moneys are insufficient to enable the City to make such payments, then from such other legally available taxes, income, revenue, cash receipts and other moneys attributable to the City's Fiscal Year 2003-04 that are lawfully available for payment of the Notes and the interest thereon. The City pledges as security for the payment of the principal of and interest on the Notes (1) from the first property tax moneys received by the City on or after November 30, 2003, an amount equal to one-half of the total principal and interest due with respect to the Notes on or before the maturity thereof; and (2) from the remaining property tax moneys received by the City on or after April 10, 2004, an amount equal to the difference between (a) the total principal and interest due with respect to the Notes on or before the maturity thereof and (b) the amount previously deposited in the Repayment Fund. In the event that by April 30, 2004 such property tax moneys are insufficient to enable the City to make such transfers, the City is obligated to thereafter transfer other legally available taxes, income, revenue, cash receipts and other moneys attributable to the Fiscal Year 2003-04 to the Repayment Fund so that the amounts in such fund are at least equal to the amounts required to pay the principal of and interest on the Notes as they become due. The Repayment Fund and all amounts held therein are pledged and irrevocably set aside to the payment of the Notes. See "The Notes" herein.

Principal of the Notes is payable in lawful money of the United States of America at maturity. Interest on the Notes will be payable in like lawful money on June 30, 2004. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months and will accrue from the date of issuance of the Notes. The Notes are not subject to redemption prior to maturity.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Notes are offered when, as and if issued and received by the original purchasers, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the City by the City Attorney. Public Resources Advisory Group, Los Angeles, California, is serving as Financial Advisor to the City in connection with the issuance of the Notes. It is anticipated that the Notes, in book-entry form, will be available for delivery through the facilities of DTC on or about July 1, 2003.

Dated: June 16, 2003

Goldman, Sachs & Co.

PENSION PLAN

All benefited City employees participate with the full-time employees of the San Diego Unified Port District (the "District") in the City Employees' Retirement System ("CERS"). CERS is a public employee retirement system that acts as a common investment and administrative agent for the City and the District. Through various benefit plans, CERS provides retirement benefits to all general, safety (police and fire), and legislative members.

The CERS plans are structured as defined benefit plans in which benefits are based on salary, length of service, and age. City employees are required to contribute a percentage of their annual salary to CERS. State legislation requires the City to contribute to CERS at rates determined by actuarial valuations.

The City's last actuarial valuation dated June 30, 2002 stated the funding ratio (Valuation of Assets available for Benefits to Total Actuarial Accrued Liability), of the CERS fund to be 77.3%. The CERS fund has an Unfunded Actuarial Accrued Liability (UAAL) of $720.7 million as of June 30, 2002, which represents a $436.8 million increase in the UAAL since the previous actuarial calculation dated June 30, 2001. The UAAL is the difference between total actuarial accrued liabilities of $3.169 billion and assets allocated to funding of $2.448 billion. The increase in the UAAL as of June 30, 2002, results primarily from investment losses. The UAAL is amortized over a 30-year period, which started July 1, 1991, with each year's amortization payment reflected as a portion of the percentage of payroll representing the employer's contribution rate. As of June 30, 2002, there were 19 years remaining in the amortization period. See "**LITIGATION POTENTIALLY AFFECTING THE GENERAL FUNDS OF THE CITY- Other Litigations and Claims**" for a discussion of a pending litigation relating to employer contribution levels being lower than actuarial rate.

INSURANCE, CLAIMS, AND LITIGATION

Workers' Compensation And Long-Term Disability

The City is self-insured for Workers' Compensation and Long-term Disability. The City's self-insured liability for Workers' Compensation and Long-term Disability is accounted for in the Self Insurance Fund. The Self Insurance Fund for Workers' Compensation and Long-Term Disability is supported by contributions from each of the City's operating funds. These contributions are determined by multiplying an annually established rate by the gross salaries payable from each of the City's operating funds. As of June 30, 2002, there is a fund equity deficit in the Self Insurance Fund of approximately $29.3 million. It is anticipated that individual claim settlements will be funded through participating operating fund contributions subsequent to the filing of a claim and prior to its settlement.

Employee Group Health Insurance

Employee Group Health coverage is provided to employees and retirees by third party group health insurance carriers through an annual "cafeteria plan" selection process.

Public Liability Insurance

The City carries public liability insurance in the amount of $54 million in excess of the City's $1 million self-insured retention. This means that the City may pay up to the first $1 million in any one insured public liability loss and that insured losses above $1 million and up to $54 million are paid by