

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING
DISTRICT PUBLIC FINANCING AUTHORITY
Meeting of February 26, 2026**

DATE ISSUED: February 19, 2026

SUBJECT:

Otay Mesa Enhanced Infrastructure Financing District Fiscal Year 2025 Annual Report and Annual Review of the Infrastructure Financing Plan

CONTACT/PHONE NUMBER:

Marisol Valdovinos, Financing Coordinator, 619-236-6903
Richard Eyre, Financial Operations Manager, 619-236-6899

DESCRIPTIVE SUMMARY OF ITEM:

This item includes:

1. Adoption of the District's FY 2025 Annual Report; and
2. Annual review of the District's Infrastructure Financing Plan.

STAFF RECOMMENDATION:

Adopt a resolution approving the Otay Mesa Enhance Infrastructure Financing District's (District) Fiscal Year (FY) 2025 Annual Report and annual review of the District's Infrastructure Financing Plan (IFP).

EXECUTIVE SUMMARY OF ITEM:

The California Government Code §53398.66.(j)(3) requires the Public Financing Authority (Authority) adopt an Annual Report containing certain District information for the prior fiscal year on or before June 30 of each year after holding a public hearing.

The FY 2025 Annual Report has been prepared by the Department of Finance (Attachment 1). The report was made available to the public on the District's website on January 20, 2026. Written notices were mailed to residents and land owners within the District bounds, advising them of the availability of the Annual Report on the District's website and advised the public hearing would be in early 2026.

In compliance with statutory requirements, the District’s FY 2025 Annual Report includes the following information:

Description of projects undertaken in the fiscal year

The CIP budget for FY 2025 designated funding for Hidden Trails Neighborhood Park, Dennery Ranch Neighborhood Park, Fire Station #49, Siempre Viva Road Improvements and Airway Road Improvements.

Capital Description	FY 2025 Budget
Hidden Trails Neighborhood Park (S-00995)	\$850,000
Dennery Ranch Neighborhood Park (RD22001)	\$4,368,165
Fire Station #49 (S-00784)	\$1,500,000
Siempre Viva Road Improvements (P-19006)	\$500,000
Airway Road Improvements (P-19007)	\$500,000

Chart comparing budget to actual revenues and expenses

Fiscal Year 2025 property tax revenues were \$6,537,057, 6.91% under the budgeted amount of \$7,022,373 (not including interest earned). Administrative expenditure was \$147,465, 7.72% under the budgeted amount of \$159,810.

FISCAL YEAR 2025 BUDGET VS ACTUALS		
	Budget	Actual
Property Tax Revenue	\$7,022,373	\$6,537,057
CIP	\$7,718,165	\$251,228
Administrative Costs	\$159,810	\$147,465

Amount of District revenue received

As shown above, a total of \$6,537,057 in tax increment revenues including property tax revenues in lieu of Vehicle Licensing Fees were received.

Assessment of the status of the District’s projects

LA MEDIA ROAD IMPROVEMENTS (S-15018)

This project will improve and reconfigure La Media Road between SR-905 to Siempre Viva Road. La Media Road will be upgraded to a six-lane primary arterial

from SR905 to Airway Road and a five-lane major between Airway Road and Siempre Viva Road, with three southbound lanes and two northbound lanes. This project will also improve drainage at the intersection of La Media Road and Airway Road. Improvements from Siempre Viva to Otay Truck Route will be constructed under a different project. La Media Road is part of the designated Truck Route for the Otay Mesa Port of Entry.

These improvements are needed to accommodate future development and future truck traffic. Property acquisition began in Fiscal Year 2021 and was completed in Fiscal Year 2022. The construction phase began in Fiscal Year 2023 and was completed in Fiscal Year 2026. A minimum five-year wetland and vernal pool monitoring period is required after construction completion.

HIDDEN TRAILS NEIGHBORHOOD PARK (S-00995)

This project provides for the acquisition, design, and construction of an approximately 4.0 useable acre neighborhood park serving the Ocean View Hills Community. Amenities include an open turf area, children's play area, picnic areas, a new comfort station, public art, landscaping, and other park improvements.

Land acquisition began in Fiscal Year 2008 and was completed in Fiscal Year 2012. This project's General Development Plan phase was completed in Fiscal Year 2021. Design began in Fiscal Year 2022 and was completed in Fiscal Year 2025. Construction began following the Notice to Proceed issued in October 2025. Current work includes site clearing, rough grading, drainage improvements, and retaining wall installation, will be executed in the coming months.

DENNERY RANCH NEIGHBORHOOD PARK (RD22001)

This project provides for the acquisition, design, and construction of a 9 useable acre park site in the Otay Mesa Community Plan and the Dennerly Ranch Precise Plan areas. The park may include a multi-purpose court, multi-purpose sports fields, comfort station, children's play area, picnic area and facilities, open turf area, staging area, and trail with connectivity to the Otay Valley Regional Park.

This project provides population-based park acreage in accordance with the City's General Plan standards to accommodate the park and recreational needs of the residents within the Dennerly Ranch Subdivision. This turn-key project will be designed and constructed by the developer, Tri Pointe Homes, LLC. The project is currently in design. During permitting last year, modifications to the stormwater conveyance system were determined to be necessary. This required additional design evaluation, coordination with other agencies, and a Substantial Conformance Review to be completed for the proposed stormwater infrastructure. An updated cost estimate and schedule will be prepared for construction of the project once additional engineering design and updated construction documents are completed. Design and programming are now nearing completion to advance priority improvements that can be constructed within the allocated budget, positioning the project for the next phase of development. Construction is anticipated to begin in

Fiscal Year 2027 and conveyance of the completed park to the City is expected to occur in Fiscal Year 2028.

FIRE STATION #49 (S-00784)

Fire Station #49 provides for an approximately 13,000 square foot double house fire station located across the intersection of Ocean View Hills Parkway and Sea Fire Point and will serve the community. The fire station will accommodate 3 apparatus bays and will also have a training room and outside training area.

The new fire station will comply with current station design and construction standards and specifications. Land acquisition was completed in Fiscal Year 2022. In Fiscal Year 2025 the project primarily focused on scoping and initial surveys. A CEQA addendum is currently underway to confirm compliance with the Environmental Impact Report. CEQA clearance is anticipated within Fiscal Year 2026 which will facilitate Design-Build solicitation in Fiscal Year 2027; however, should a Mitigated Negative Declaration be required, solicitation may be deferred to a subsequent fiscal year.

SIEMPRE VIVA ROAD IMPROVEMENTS (P-19006)

The Siempre Viva Road Improvements Project is currently undergoing a feasibility study which is anticipated to be completed by June 2026. The study will evaluate upgrading the existing Siempre Viva Road into a six-lane primary arterial roadway extending from Britannia Boulevard to approximately 600 feet east of La Media Road. The project area includes a segment of Siempre Viva Road from Inbound Street (cul-de-sac) to La Media Road that is currently an unpaved dirt road approximately one-quarter mile (1,320 linear feet) in length. This segment is located within a multi-habitat planning area and includes a waterway, requiring environmental and hydrologic considerations. The feasibility study will consist of preliminary engineering and technical investigations, topographic and right-of-way surveys, a desktop geotechnical investigation and report, traffic analysis, hydrology and hydraulics studies, conceptual drawings, and preparation of an engineer's opinion of probable construction cost.

AIRWAY ROAD IMPROVEMENTS (P-19007)

The Airway Road Improvements Project (P-19007) completed a feasibility study at the end of December 2025. The study focused on upgrading the existing roadway into a four-lane major corridor from La Media Road to Harvest Road. Situated in an industrial zone southeast of San Diego, Airway Road is a critical truck route serving heavy vehicle traffic. The study included preliminary traffic analysis, geotechnical review, utility assessments, and conceptual designs for two roadway alternatives, incorporating drainage and wet utility evaluations to support future infrastructure needs. The feasibility study has been submitted to the Transportation Department January 2026 to determine the next steps.

Amount of revenues expended to assist private business

The primary purpose of the District is to fund capital improvements that serve the community at-large. In FY 2025, no revenues were expended to assist private businesses. Furthermore, it is not anticipated that District revenues will be used to assist private businesses going forward.

Review of District's IFP

Pursuant to Government Code section 53398.66(j)(1), the Authority is required to review the District's IFP, at least annually, and make any amendments that are necessary and appropriate. For the current year, staff has no recommended amendments to the IFP for the Authority's consideration.

ENVIRONMENTAL IMPACT:

This activity is not a project pursuant to CEQA Guidelines Section 15378(b)(5) as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment. Thus, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

CONCLUSION:

The Annual Report for the District has been reviewed by the Department of Finance, and City Attorney. It is recommended that the Authority adopt the resolution approving the District's FY 2025 Annual Report and confirm the annual review of the District's IFP.

Respectfully submitted,

Richard Eyre
Financial Operations Manager
City of San Diego
Department of Finance – Debt Management Division

Attachment: Otay Mesa EIFD Fiscal Year 2025 Annual Report