

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

DATE ISSUED: February 19, 2026

SUBJECT:

Otay Mesa Enhanced Infrastructure Financing District Budget for Fiscal Year 2027

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 the Fiscal Year (FY) 2027 Proposed Budget for the Otay Mesa Enhanced Infrastructure Financing District (District)

STAFF RECOMMENDATION:

Adopt a resolution approving the District's FY 2027 Budget.

EXECUTIVE SUMMARY OF ITEM:

The District's proposed FY 2027 budget totals \$9,725,299. Funding sources include projected Tax Increment revenue and property tax revenue received in lieu of Vehicle License Fees (\$9,440,304) as well as a prior year fund balance (\$285,197) totaling \$9,725,501. The proposed budget has operating and Capital Improvement Project (CIP) expenditure components as follows:

Budget Category	Fund	Description	Amount
Operating	200803	<ul style="list-style-type: none">• Staff services to the District• Contractual services for independent financial audit• Public noticing and County fees• Operating Reserve	\$474,960
CIP	400870	<ul style="list-style-type: none">• S- 23008 Beyer Park Phase II• RD26001 Caliente Ave• RD26000 Beyer Blvd	\$2,440,870 \$1,040,809 \$5,768,660
		Total Proposed Budget	\$9,725,299

Operating Budget

The operating budget functions to reimburse the City for projected expenses of providing operational staff services to the District, in accordance with the adopted Memorandum of Understanding (MOU). The proposed operating budget of \$474,960 is based on estimated staff services to be provided to the District, including operating and CIP budget development and monitoring; financial review, support and reporting for District operations and bond issuances; coordination of bond authorization and issuance; monitoring of TI allocation and bonding capacity; as needed consultation with the Planning Department; operating reserve and legal counsel. Details of the proposed operating budget are provided in Attachment 1 to this report.

CIP- Budget

The CIP budget represents the District's investment in Otay Mesa infrastructure projects. As noted in the MOU, the City and District acknowledge that all projects are City projects, and as such, will be prioritized by the City pursuant to Council Policy 800-14: Prioritizing Capital Improvement Program. The proposed FY 2027 CIP budget of \$9.25 million is proposed to be appropriated to provide supplemental funding for three eligible projects with immediate funding needs, as follows:

Beyer Park Phase II S-23008, \$2,440,870: This project is fully funded with EIFD revenue and other sources. Improvements include construction of pedestrian walkways and decomposed granite walking paths, a dog park, a comfort station, a parking lot, picnic areas, security, and sports field lighting and multiuse athletic fields.

Caliente Ave RD26001, \$1,040,809 (partially funded): This project provides for design and construction of Caliente Avenue from its current dead-end (southerly of Airway Road) to the intersection of the future Beyer Boulevard extension to meet the criteria for a modified four-lane urban collector roadway with intersection turn lanes as set forth in the Southwest Village Specific Plan. Improvements include pavement, concrete medians, sidewalk, curb and gutter, landscaping, environmental mitigation, bike lanes, sewer, water, and storm drain facilities, and street lighting. Project includes right-of-way acquisition costs, should the necessary right-of-way not be available via the subdivision dedication process. The project is being designed and constructed by a developer (Tri Pointe Homes) in accordance with a Reimbursement Agreement with the City of San Diego, subject to City Council review and approval in FY 2027.

Beyer Blvd RD26000, \$5,768,660 (partially funded): This project provides for design and construction of Beyer Boulevard from Enright Drive to the southerly extension of Caliente Avenue as a four-lane roadway. Improvements include pavement, raised median, sidewalk, curb and gutter, landscaping, environmental mitigation, bike lanes, sewer, water and storm drain facilities and street lighting. This road segment is approximately 8,000 feet long. All manufactured slopes surrounding Beyer Boulevard will be revegetated with native plant species. The proposed Beyer Boulevard extension will incorporate wildlife movement features including three wildlife undercrossings, a wildlife overcrossing, and wildlife fencing along both sides of the road. The project is

being designed and constructed by a developer (Tri Pointe Homes) in accordance with a Reimbursement Agreement with the City of San Diego, subject to City Council review and approval in FY 2027.

Staff will continue to monitor priority CIP needs and provide regular updates to the Public Financing Authority (Authority) at least annually through the budget process.

FY 2027 Bond Issuance

There is a potential need to issue EIFD bonds by the end of FY 2027 with debt service payments beginning in FY 2028. Based on current projections, Fire Station #49 (S-00784) and Caliente Avenue (RD26001) are anticipated to be ready for bond funding at that time. The timing and amount of the bond issuance are subject to change, as they depend on project readiness and the pace of expenditures.

ENVIRONMENTAL IMPACT:

The approval of the Otay Mesa Enhanced Infrastructure Financing District's Fiscal Year 2027 Budget is not a project pursuant to CEQA Guidelines Section 15378(b)(4) as it is a government fiscal activity which does not involve any commitment to any new, specific project which may result in a potentially significant physical impact on the environment. Thus, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Furthermore, the Beyer Park Phase II project was analyzed in the Final Mitigated Negative Declaration for the Beyer Park Project (Project No. 589554/SCH No. 2020049049) which was adopted by the City of San Diego's Development Services Department on November 19, 2020, and the extension of Beyer Boulevard and Caliente Avenue were identified in the Otay Mesa Community Plan Update and associated Final Program Environmental Impact Report (PEIR) (Project No. 30330/304032 / SCH No. 2004651076) which was certified by the San Diego City Council on March 11, 2014 (Resolution R-308810). The Southwest Village Specific Plan is also preparing a Supplemental Environmental Impact Report to the Final PEIR for the Otay Mesa Community Plan Update, which will address environmental impacts from the construction of the Beyer Boulevard and Caliente Avenue facilities. The allocation of funds towards these projects is a part of a series of subsequent discretionary actions and is not considered to be a separate project for the purposes of CEQA review pursuant to CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

CONCLUSION:

It is recommended that the Authority adopt the resolution approving the District's FY 2027 Proposed Budget.

Respectfully submitted,

Otay Mesa PFA Board Meeting of
February 26, 2026
Page | 4

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

Attachment:

Attachment 1: Otay Mesa EIFD Fiscal Year 2027 Proposed Budget