

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY**

Meeting of June 15, 2020

DATE ISSUED: June 15, 2020

SUBJECT:

Otay Mesa Enhanced Infrastructure Financing District (District) Operating and Capital Improvement Program Budgets for Fiscal Year 2021; and annual review of District's Infrastructure Financing Plan (IFP).

CONTACT/PHONE NUMBER:

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DESCRIPTIVE SUMMARY OF ITEM:

This item includes:

1. The proposed District Operating Budget for Fiscal Year 2021.
2. The proposed District Capital Improvement Program Budget for Fiscal Year 2021.
3. Annual review of the District's IFP.

STAFF RECOMMENDATION:

Adopt a resolution approving the District's Fiscal Year 2021 operating and capital improvement program budgets; and confirming the annual review of District's Infrastructure Financing Plan (IFP).

EXECUTIVE SUMMARY OF ITEM:

Fiscal Year 2021 Proposed Budget

It is projected that the District will receive Tax Increment (TI) revenue in the amount of \$1,185,182 in the fiscal year starting July 1, 2020 (Fiscal Year 2021). In addition, there is a Fiscal Year 2019 carryforward balance of \$37,920 that results in total estimated revenue of \$1,223,102 available to appropriate.

The District's proposed budget has both an operating component and a CIP component as follows:

Budget Category	Fund	Description	FY 2021 Amount
Operating	200803	<ul style="list-style-type: none"> Staff services to the District Contractual Services for Independent financial audit Consultant costs related to bond issuance in FY22 	\$85,500
CIP	400870	<ul style="list-style-type: none"> S-15018 La Media Road Improvements 	\$1,137,602
		Total Fiscal Year 2021 Proposed Budget	\$1,223,102

The proposed budget for Fiscal Year 2021 reflects an increase in operating costs of approximately \$16,000 from the Fiscal Year 2020 budget and an increase of approximately \$410,000 in capital cost to support capital improvement projects.

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 City-EIFD Memorandum of Understanding (MOU). The proposed operating budget of \$85,500 is based on estimated staff services to be provided to the District for annual CIP preparation and approvals, legal counsel, meetings, financial reporting, and contractual services for an independent financial audit and bond issuance. Details of the proposed operating budget are provided in Attachment 1 to this report and are further described in the estimated revenue and expense statements included as Attachment 2 to this report. Bond financings are anticipated to begin in Fiscal Year 2022 and that fiscal year’s budget will reflect the associated increased use of City staff resources.

Capital Improvement Program Budget

The capital improvement program (CIP) budget represents the District’s investment in Otay Mesa infrastructure projects. As noted in the MOU, the City and District acknowledge that EIFD projects are all City projects, and as such, will be prioritized by the City pursuant to Council Policy 800-14: Prioritizing Capital Improvement Program.

The proposed Fiscal Year 2021 CIP program budget is estimated to be \$1,137,602. These funds are proposed to be appropriated to the La Media Road Improvements

(S-15018) project. This road improvement is part of an integrated transportation network identified in the Otay Mesa Community Plan that will provide mobility and accessibility to the residents and businesses of the community. It is also part of the designated Truck Route for the Otay Mesa Port of Entry; and once completed will accommodate future development and commercial traffic.

Review of District’s Infrastructure Financing Plan

Pursuant to newly enacted Government Code section 53398.66(j)(1), the Authority must review the District’s Infrastructure Financing Plan (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.

CONCLUSION:

It is recommended that the Authority adopt the resolution approving the District's Fiscal Year 2021 operating and capital improvement program budgets; and confirming the annual review of District's Infrastructure Financing Plan.

Respectfully submitted,

Tom Tomlinson

Assistant Planning Director

City of San Diego

Attachments:

Attachment 1: Proposed District Operating Budget

Attachment 2: Proposed District Revenue and Expense Statements