

ROUNDTABLE NOTES

1. Industrial Land: types, supply and capacity & evaluation of 1981 community plan

November 9, 2005

Purpose of Roundtable Discussion

- **Discuss market demand forecasts**
- **Discuss the future of industrial employment in San Diego**
- **Evaluate the actual implementation of the vision established in the 1981 plan**

Lessons Learned:

1. **Industrial evolution to higher capacity**
2. **Global influences on local manufacturing**
3. **Complementary land uses need further analysis/discussion**
4. **Capacity versus supply**
5. **Base sector industries are changing**
6. **Cross border trade uses are unique to the area**
7. **Role for Otay Mesa in region as economic engine**

Notes:

- Global changes affect types of manufacturing that can be competitive in Southern California
- Ontario remains Southern California's distribution center due to transportation and costs advantages
- Opportunity to shift from industrial supply to capacity—jobs and economic growth
- Non-retail employment density in Otay Mesa is very low: 6.2 employees per net acre
- Long term availability of industrial land in County, but short term delivery shortage, especially in key sub-markets
- 6,500 acres of undeveloped or underutilized industrial land available in Otay Mesa and County Otay Mesa
- Manufacturing not likely to be done in Otay Mesa because of low-cost labor in Tijuana, along with skilled labor force and adequate supplies
- Land values and a new POE could shift a lot of border operations businesses to the County
- Will City's Otay Mesa remain heavily border-related or diversify?—depends on amenities, infrastructure, land use mix
- SANDAG and City need to resolve industrial supply numbers issues
- Focus should be on expanding base sectors and creating higher income jobs
- New base sectors have different land use needs—these sectors need to be accommodated
- Manufacturing in San Diego is primarily comprised of small businesses
- Industrial land uses evolve over time into higher capacity uses
- More warehousing and distribution occurring directly in Tijuana
- Opening of freeways may change characteristics of industrial land in Otay Mesa
- Otay Mesa should prioritize employment but include other supporting land uses
- Need an industrial sanctuary

2. Parks

November 15, 2005

Purpose of Roundtable Discussion:

- **Discuss policy considerations, facility needs, possible sites and innovative alternatives that provide an equivalent level of service**
- **Understand concepts to direct detailed land planning and identification of policy issues**

Lessons Learned:

- 1. Joint use remains a key land planning principle**
- 2. Flexibility in meeting levels of service**
- 3. Parks not to be buffers**
- 4. Population per household rate for Otay Mesa appears too high**
- 5. Safe linkages**

Notes:

- Joint use remains a valid concept
- General consensus is beginning to develop that the persons per household forecast applied to the community plan update may be too high
- Indicators for flexibility are present, recognizing a need to balance interests and ideas
- Active recreation and children's' parks cannot be used as buffers, greenways OK
- Consider a community park and recreation center that also benefits industrial users and is funded by industrial development
- Flexibility for urban pocket parks would be considered in exceptional urban town centers, consistent with City of Villages theme
- Trail linkages needed to and from neighborhoods linked throughout Otay Mesa and the region (Otay Valley Regional Park, etc.); connectivity is important
- Grade separated crossings needed over the freeway and potentially arterials to ensure service radii are met
- Parks cannot be located within drainage areas
- Flexibility OK, provided equivalent or greater level of service is met

3. Schools

November 18, 2005

Purpose

Discuss policy considerations pertaining to planning for schools in Otay Mesa

Lessons Learned:

- 1. Joint use remains a key land planning principle**
- 2. Southwestern College – high school site opportunity**
- 3. Alternative facilities, multi-story schools, site design and K-8 schools**
- 4. School generation rates only slightly increasing for multi-family**
- 5. California Department of Education must approve school sites based on guidelines**

Notes:

- San Ysidro High School is at capacity, a new high school will be needed with introduction of residential uses
- Due to high land costs, San Ysidro School District willing to look at multi-story schools, smaller sites, annex and K-8
- School generation rates have increased, especially with MF housing
- School district more concerned about transportation links to schools than exact service radii
- SWUHSD interested in a synergistic relationship with SWC
- Should schools be sited in light industrial, district concerns include car accessibility, student transportation, adjacent industrial users concerns
- School districts like joint use but prefer to own land due to California Department of Education requirements
- Park and Recreation prefers to own land with joint use agreement
- No schools at ends of runway (Brown Field) but flexibility elsewhere
- California Department of Education needs to approve school sites--State representative can make a preliminary determination of school sites
- Important to direct funding generated by new development to the communities generating the new funding and need for new facilities
- Workshop needed between SYSD and City of San Diego
- School district prefers to approximate location of school sites

4. International Trade

November 22, 2005

Purpose of Roundtable Discussion

- **Discuss the characteristics, needs and trends for businesses directly involved in cross-border trade**
- **Discuss timeline/issues associated with a third border crossing**

Lessons Learned:

- 1. Customs and Border Protection (CBP) will consider, as one alternative, shifting commercial operations to new port of entry**
- 2. Most businesses associated with international trade in Otay Mesa are the logistics users**
- 3. Manufacturing does not have a substantial presence in Otay Mesa**
- 4. Otay Mesa and East Otay Mesa need to be considered together**
- 5. Truck storage supports international trade**

Notes:

- CBP might prefer to consolidate commercial operations at Otay Mesa II because of cost and operational efficiencies achieved over operating two facilities.
- International trade should be a priority for Otay Mesa, with other uses in balance with this important function.
- The Twin Plants concept was never fully realized, as very little manufacturing actually occurred on the United States side in direct relationship to the *maquiladoras*.
- Substantially improved infrastructure is key to improving Otay Mesa
- Need to look at Otay Mesa, East Otay Mesa and environs comprehensively.
- Otay Mesa has not become an area attractive to manufacturers or primary industries and remains a relatively minor employment district in the region.
- Customs and Border Protection pointed to the new Calexico facility as a good, modern POE
- CBP is open to both passenger and commercial operations at Otay Mesa II, provided the operations are segregated. CBP will work with the community before any decisions are made.
- Under the aggressive schedule proposed, the POE would open in 2014 (construction commencing in 2011).
- Supply chain is very sensitive to delays, with companies having limited inventories, relying upon just-in-time deliveries. Parts go back and forth across the border several times.
- Truck storage, logistics needed to support international trade
- US has formally requested a third port of entry with Mexico (Otay Mesa II)
- Third POE is in CBP's five-year plan and steps are being taken to begin study of its functionality

5. Brown Field & Concept of a Cross Border Terminal

December 13, 2005

Purpose of Roundtable Discussion

- **Discuss alternative development frameworks for Brown Field to provide policy direction for later study**
- **Discuss possibility of a cross border terminal**

Lessons Learned:

1. **Importance of Brown Field to the community**
2. **Limitation on reducing size of airport runway**
3. **Important to Customs and Border Protection, logistics and operates as a port of entry for inbound flights**
4. **Hillsboro, Oregon Airport as the model**
5. **Need to begin master plan update**
6. **Cross Border Terminal would provide direct access to Tijuana Airport**

Notes:

- Brown Field is very important to the Otay Mesa business community and property owners
- Brown Field is underutilized today and poorly funded—need to make better use of facility and leases
- Changing or reducing Brown Field requires preparation of an airport master plan and concurrence of the FAA—this is a lengthy, highly technical process (two or more years) which should be coordinated with the community plan
- 1/3 of traffic is corporate/commercial
- Air traffic at Brown Field has been much less than forecasts
- Brown Field is important for CBP as a base of operations and POE for planes arriving from Mexico and is critical for customs brokers in meeting needs of international trade
- Executive jets using Brown Field can need up to 6,000 feet of runway plus 1,000 foot overrun, similar to Hillsboro's corporate airport—consider the possibility of slightly shortening Brown Field's runway from 8,000 feet
- Development of Brown Field has been piecemeal, mirroring the development of Otay Mesa
- Community is very interested in using the Hillsboro airport model for Brown Field while also allowing for small scale cargo operations in support of cross border trade
- ALUC's technical working group will inform the ALUCP update underway, which will regulate land uses around the airport
- CBT would provide a special POE for access to Tijuana airport—study suggests strong market for CBT
- CBT would supplement airport system, not replace any airport or need to improve SAN
- Should CBT be accommodated somehow in the OMCPU, such as transportation and supporting land uses?

6. Local Infrastructure Need

December 16, 2005

Purpose of Roundtable Discussion

- **Review infrastructure needs and funding deficit**
- **Discuss other funding mechanisms/options available**
- **Discuss County's infrastructure needs as relates to Otay Mesa**

Lessons Learned:

1. **Current funding system too slow to meet infrastructure needs**
2. **Combination of land uses and funding sources needed to dramatically accelerate badly needed infrastructure, which is what Otay Mesa needs most to succeed**
3. **Discussions with County need to occur**

Notes:

- The drainage channel along La Media Road is a top priority improvement (\$24 million), which is needed before other roadway improvements can be made
- East arterial road improvements will cost \$60 million—improvements occur incrementally only along property frontage as development occurs
- Funding mechanisms and patterns of development are inadequate to fund needed community infrastructure—more than 30 years before these improvements can be completed
- County's east Otay Mesa properties also need City's Otay Mesa infrastructure for development
- Infrastructure projects cannot be fully identified and funding plan developed until the community plan is completed
- A needed sanitary trunk sewer cannot be completed until SR-905 is complete
- Utilities are not funded through the FBA
- A combination of funding sources is needed for Otay Mesa because it's so big and so much is needed to be done so traditional sources of funding will not be adequate
- Residential development generates more fee revenue and does it more quickly, so residential development can be used to complete infrastructure much more quickly, especially in combination with multiple funding sources
- Infrastructure improvements will help mitigate conflicts—the perception is skewed in part because of the inadequacy of existing infrastructure

7. Truck Traffic, Air Quality & Land Use Planning

January 6, 2006

Purpose of Roundtable Discussion

- **Review local and regional truck traffic patterns and volumes**
- **Discuss Cal ARB Land Use Handbook Guidelines, what it means for Otay Mesa**
- **Overview of regulations for air pollution sources by APCD, other agencies**
- **Discuss issues/considerations in land use planning adjacent to freeways and light industrial uses**
- **Overview of future air quality regulations and impact on long-term land use planning**

Lessons Learned:

1. **Cal ARB Handbook is a guide - local conditions, local agency input, and community input needed to determine appropriate buffers**
2. **Most international trade truck traffic occurs in an area around logistics users, which is fairly contained south of Airway Road**
3. **New regulations will reduce emissions, but truck traffic growth will add to emissions**
4. **Need to understand truck idling concentrations**

Notes:

- 84% of trucks through Otay Mesa are destined for places outside Otay Mesa
- Truck traffic volume to double in 15 years
- Mexico's customs practices and intensity of maquila operations create need for drayage
- The arrival of a long haul truck to Otay Mesa generates about seven localized, shuttle truck trips (drayage), as cargo makes the rounds of customs brokers and is repackaged for clearance through customs.
- Most logistics business associated with cross border movement of cargo are located south of Airway Road
- California EPA is developing a goods movement action plan that will consider (1) infrastructure needs, (2) environmental quality and protection, and (3) improving communities.
- More stringent truck emissions standards take effect in California in 2007.
- Reduced sulphur diesel fuel standard for California will take affect in 2006. Mexico will also follow suit for border regions in 2008.
- Dick Smith, SDAPCD, will check into where the buffer should be measured from within the freeway corridor (note: for siting schools, the measurement is taken from the edge of the nearest general purpose travel lane).
- The studies referenced in the ARB handbook are from I-710 and I-405. Would diesel particulates present in the air dissipate differently along SR-905?
- Truck idling at the border and logistics facilities needs to be considered.
- Cal EPA explained that land use decisions are local decisions and that the ARB used the Air Quality Land Use Planning Handbook as an educational document intended to inform the local air Districts.

- The handbook buffer zones are advisory. However, Mr. Smith noted that, in the absence of information that showed why a situation was different from the default scenario, the SDAPCD would support the use of the default values. If SDAPCD were presented with evidence showing that this situation were different that that used as the basis of the handbook, then it could support narrower buffer zones.
- Estimated risks from diesel particulates need to be taken in the context of background risks-- a freeway buffer would encompass areas where the concentrations of emissions were elevated above background
- Studies of the 405 and 710 freeways showed that emissions from the freeways dropped to background levels in about 300 feet. Dr. Libicki noted that those studies were conducted down wind of the freeway; background levels of contaminants might be achieved closer to the freeway under crosswind and upwind situations.

8. SR-905, SR-125 and SR-11 Corridor Planning and Funding Considerations

January 13, 2006

Purpose of Discussion

- **Status of funding and construction schedules for freeways and interchanges**
- **Identify role of existing and planned bi-national transportation system in facilitating international trade**
- **Discuss how a mix of uses can be harmoniously integrated into multi-function corridors**
- **Identify potential contributions of proposed development to funding and phasing of freeways and interchanges**

Lessons Learned:

1. **No new maps until SR-905 is complete**
2. **Agencies need to coordinate work with representatives to build consensus on re-allocating funds to SR-905**
3. **Development could help carry interest costs to close \$121 million funding gap; otherwise ready to bid project in April**
4. **SR-11 desired at same time as third port of entry: 2014**
5. **Increase development intensity/density to support transit**
6. **CTV would be interested in tolling SR-11**

Notes:

- Until SR-905 is complete or at least assured, no new maps can be approved
- Studying how to improve east-west arterial access across SR-125
- Potential funding sources to close the \$121 million funding gap for constructing SR-905 involve borrowing money which needs to be backed by a funding source to carry the interest on bonds—City of San Diego could help close this gap
- Consensus on how to use truck route funds appropriated by Filner is needed in order for him to sponsor legislation to re-allocate these funds to SR-905
- Multi-agency goal to open the third POE and SR-11 by 2014
- SANDAG would like SR-11 coordinated with the new POE, to avoid a SR-905 situation
- Funding alternatives such as pay-as-you-go would provide more certainty to getting SR-11 completed.
- More development intensity/density is needed to make high frequency, rapid transit work in Otay Mesa and East Otay Mesa
- California Transportation Ventures would consider helping to develop SR-11 with tolls
- Rapid bus or similar could be appropriate along Airway or Otay Mesa Roads, provided the land uses would support it