



Economics Research Associates

Project Report

**Fiscal Impact Analysis of Otay Mesa
Community Plan Update**

Prepared for

**City of San Diego
San Diego, California**

Submitted by

Economics Research Associates

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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives or any other data source used in preparing or presenting this study.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



I. EXECUTIVE SUMMARY

MNA Consulting, on behalf of the City of San Diego, retained Economics Research Associates (ERA) to conduct a fiscal impact analysis of the Otay Mesa Community Plan Update. In this analysis, ERA evaluates the net fiscal impact to the City of San Diego’s General Fund of three community plan update scenarios developed by the Otay Mesa Community Plan Update Planning Team and a “No Project,” or no change, scenario¹. Net fiscal impacts are evaluated annually between 2007 and 2030 and at build out in current dollars.

ERA utilized information provided by the Planning Team to derive a development program for each scenario, as shown in the figure below. Assumptions based on current Otay Mesa real estate trends and statistics, the July 2006 Traffic Modeling Analysis Memo, the City’s Draft Fiscal Year 2007 Public Facilities Financing Plan, and ERA’s previous market analysis report were used to derive projected absorption of acres and to project a development program, development values, employees and residents for each scenario. At this time, infrastructure elements such as lane miles and parks are still tentative. ERA estimated the absorption of lane miles and park acres based on the direction of the Planning Team.

Exhibit I – 1 Incremental Development Program Summary

Development Type	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Single Family (Units)	1,807	1,807	1,407	1,645
Multifamily - For Sale (Units)	14,532	15,413	8,928	4,563
Multifamily - Rental (Units)	4,844	5,138	2,976	1,521
Mixed Use Office (Bldg SF)	1,144,826	1,315,651	854,124	-
Retail (Bldg SF)*	1,581,195	937,046	1,894,962	2,576,835
Hotel (Bldg SF)	374,320	-	-	-
Industrial (Bldg SF)	17,850,365	18,515,265	21,066,661	28,226,880
Required Parks (Acres)	225	237	149	95
Lane Miles	279	275	270	282
Miles	93	91	89	95

*Includes Retail Center Office

Source: Economics Research Associates

The fiscal impact analysis was developed based on a proportional revenue/cost approach. ERA reviews the City of San Diego Annual Fiscal Year 2007 Budget to establish existing service standards and revenues. For revenues and costs that are expected to grow or decrease on a proportional basis, ERA determines a pro-rata share of costs and revenues and uses these figures to project proportional revenues and costs. Major revenues such as

¹ ERA uses the No Project Scenario outlined in the Draft FY 2007 Public Facilities Financing Plan and Facilities Benefits document (PFFP) as a base. PFFP Industrial acres were reduced to account for right-of-way acres included under industrial, per the Planning Team. The annual absorption of industrial and commercial acres was adjusted to better align with market demand.

Exhibit I - 2

Net Fiscal Impacts	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out
Scenario 1																									
Revenues	267	1,075	2,172	3,455	5,004	6,817	8,662	10,329	11,614	13,023	14,561	16,148	17,840	19,605	21,637	23,724	25,861	28,066	30,355	32,251	34,049	35,945	37,677	38,729	46,511
Expenses	387	1,092	1,913	4,824	6,162	7,515	8,869	9,997	11,083	12,246	13,409	16,563	17,804	19,046	20,002	20,958	21,915	22,889	23,864	24,776	25,686	26,597	27,216	27,320	27,416
Net Fiscal Impacts	(120)	(17)	259	(1,368)	(1,158)	(698)	(206)	332	531	777	1,152	(415)	36	560	1,635	2,765	3,947	5,177	6,490	7,475	8,363	9,348	10,462	11,409	19,095
Scenario 2																									
Revenues	263	1,070	2,183	3,469	5,131	6,987	8,839	10,521	11,822	13,246	14,800	16,403	18,049	19,627	21,186	22,756	24,389	26,071	27,801	29,583	31,416	33,304	35,246	37,124	45,640
Expenses	387	1,090	1,912	4,819	6,174	7,529	8,883	10,016	11,105	12,271	13,437	16,594	17,825	19,036	19,941	20,846	21,751	22,656	23,561	24,465	25,370	26,275	27,180	27,927	28,158
Net Fiscal Impacts	(124)	(21)	271	(1,350)	(1,043)	(542)	(45)	506	717	975	1,363	(190)	223	591	1,245	1,910	2,638	3,415	4,241	5,117	6,046	7,028	8,066	9,197	17,482
Scenario 3																									
Revenues	255	1,050	2,131	3,395	5,021	6,834	8,388	9,541	10,846	12,242	13,745	15,296	16,953	18,682	20,658	22,150	22,740	23,294	23,897	24,522	25,162	25,816	26,491	27,190	34,446
Expenses	359	1,038	1,834	4,721	6,059	7,397	8,470	9,537	10,604	11,749	12,895	16,032	17,256	18,481	19,437	19,712	19,832	19,941	20,049	20,158	20,267	20,375	20,490	20,600	21,247
Net Fiscal Impacts	(104)	12	297	(1,326)	(1,038)	(563)	(82)	4	242	493	850	(735)	(303)	201	1,221	2,438	2,908	3,354	3,848	4,364	4,895	5,441	6,001	6,590	13,198
No Project																									
Revenues	457	1,194	1,663	2,704	3,881	4,944	5,989	7,156	8,289	9,283	10,034	10,675	11,390	12,126	12,930	13,728	14,556	15,392	16,039	16,478	16,999	17,532	18,078	18,638	29,123
Expenses	725	983	1,611	4,367	5,392	6,293	7,235	8,173	9,032	9,759	10,377	10,994	11,611	12,229	12,560	12,891	13,223	13,549	15,612	15,723	15,835	15,946	16,058	16,169	18,284
Net Fiscal Impacts	(267)	211	52	(1,663)	(1,511)	(1,350)	(1,246)	(1,016)	(743)	(476)	(343)	(319)	(221)	(103)	370	836	1,333	1,843	428	755	1,164	1,586	2,021	2,469	10,839

Source: Economics Research Associates

property tax, sales tax, VLF revenues, and other costs such as police, fire, street maintenance, and parks and recreation costs that may not change proportionally with development are calculated separately.

Summary of Findings

Exhibit I - 2 displays the projected net fiscal impact of the City of San Diego due to each scenario between 2007 and 2030 and at build out. As displayed in the table, each scenario is expected to produce net fiscal revenues at build out. However, during the analysis period there are several years of net fiscal costs that vary by scenario.

Between 2006 and 2009 each of the scenarios produces one to two years of net fiscal costs. These net fiscal costs result from a short-term timing difference between when revenues are received for new development and when the costs of servicing new development are paid. The City must immediately provide services for new development once it is built, but the property taxes generated by the new development are not received for several months.

Net annual costs also crop up in year 2010 and in 2018 as new fire stations begin operations. In Scenarios 1 through 3 the fiscal impact becomes negative in 2010 with the onset of the first new fire station, but revenues from development quickly grow to support the station and net fiscal impacts are positive by 2013. Scenario 1 and 2 have a net annual cost in 2018, but revenues are able to fully support the costs of the second new fire station by 2019. With fewer new residents, Scenario 3 is able to support the costs of a second fire station by 2020.

The No Project Scenario has several years of net annual costs, from 2010 through 2020. Industrial space has a lower development value per acre compared to other land uses and, thus, provides a lower amount of property taxes. The No Project Scenario includes the highest proportion of industrial acres of all the scenarios and the lowest proportion of residential units. Without the support of the relatively high-property tax producing residential land, it takes several years before this scenario can fully support the first fire station. Given that fewer dwelling units are built, the construction and operation of the second fire station is pushed back until 2025 for this scenario.

As residential, commercial, and industrial acres are developed the net annual losses are phased out and fiscal impacts remain positive for all scenarios after 2020.

Exhibit I-3

Annual Net Impact at Build Out		
Scenario 1	\$	19.1 Million
Scenario 2	\$	17.5 Million
Scenario 3	\$	13.2 Million
No Project Scenario	\$	10.8 Million

Source: Economics Research Associates

As shown in *Exhibit I-3*, Scenario 1 has the greatest net impact to the City of San Diego at build out. The No Project Scenario has the lowest net impact.

Balancing the costs due to new residential development with the higher property and sales tax revenues from residential and commercial developments, Scenario 1 has the greatest net annual impact of \$19 million at build out. Scenario 1 is also the only scenario with planned visitor space. Scenario 1's anticipated sales tax, property tax, and transient occupancy tax receipts help to generate the highest revenues of all the scenarios.

With the greatest proportion of residential and office development, Scenario 2 generates the most property taxes at build out, but also the highest expenditures. Though the greatest number of new residents is anticipated in Scenario 2, this alternative has substantially lower retail space than the other scenarios and produces less sales tax. At approximately \$18 million, the annual net fiscal impacts of Scenario 2 are approximately \$1.6 million less than the fiscal impacts of Scenario 1.

Scenario 3 falls more than \$4 million under Scenario 2 in net fiscal impact at build out. Aside from the no change scenario, "No Project Scenario," Scenario 3 had the least amount of residential development and the most industrial development. The scenario has low expenditures, but also low property taxes.

The No Project Scenario has the lowest net annual impact of all the scenarios. As mentioned previously, the No Project Scenario has the largest proportion of industrial development and lowest proportion of residential. With lower development values than other land uses, industrial development produces relatively low property taxes. In addition, the amount of industrial acres attributed to this scenario is higher than the anticipated demand between 2006 and 2030. The industrial development is not expected to be fully absorbed until 2054 and retail development, which is dependent on residential support, is not expected to be fully absorbed until 2049. This scenario's revenues have a difficult time covering the costs of the currently planned fire station in 2010 and produce a net fiscal cost between 2010 and 2020. While the scenario is estimated to provide \$11 million in annual impact at build out, the aggregate fiscal impact of this scenario is substantially lower than Scenarios 1-3.

II. INTRODUCTION

The Otay Mesa Community Plan was adopted in 1981, and is currently being updated. The Plan Area is bounded by the Otay River Valley and the City of Chula Vista on the north, the International Border on the south, Interstate 805 on the west, and the County of San Diego on the east.

A consultant team (“Planning Team”) was developed to support various aspects of the plan update that include but are not limited to transportation, engineering, design and physical characteristics, and fiscal implications of the proposed scenarios. MNA Consulting, on behalf of the City of San Diego, retained Economics Research Associates (ERA) to conduct a market analysis and fiscal impact analysis of the Otay Mesa Community Plan Update. The initial market analysis was delivered in November 2005 and an addendum to the market analysis was provided in December of 2007.

In this report, ERA evaluates the net fiscal impact to the City of San Diego’s General Fund of three community plan update scenarios developed by the Otay Mesa Planning Team and a “No Project,” or no change scenario². Net fiscal impacts are evaluated annually between 2007 and 2030 and at build out, whenever build out may occur.

Resources

ERA utilized land use information provided for each scenario from the City of San Diego and MW Steele to derive a development program and the fiscal impacts for each scenario. Assumptions based on current Otay Mesa real estate trends and statistics from Market Pointe Realty and Costar, the Traffic Modeling Analysis Memo³, the draft financing plan from the Development Planning & Financing Group, Inc. (DPFG), the City’s Draft Fiscal Year 2007 Public Facilities Financing Plan and Facilities Benefits Assessment, and ERA’s previous market analysis report were used to derive projected absorption of acres and to project a development program, development values, employees and residents for each scenario. At this time, infrastructure elements such as lane miles and parks are still tentative. ERA estimated lane miles and the absorption of lane miles and park acres based on the direction of the Consulting Team.

The City of San Diego’s Annual Fiscal Year 2007 Budget was used as a basis in building the fiscal analysis. ERA also utilized secondary data from the Bureau of Labor Statistics (BLS) Consumer Expenditure Reports and San Diego Association of Governments (SANDAG) to build the analysis.

Outline of Document

The following sections will present the development program, methodology and outcomes of the fiscal impact model developed by ERA. The land use information, base assumptions, and projected development programs for each scenario are elaborated in Section III. The modeling methodology and assumptions including the development of the

² ERA uses the No Project Scenario outlined in the Draft FY 2007 Public Facilities Financing Plan and Facilities Benefits document (PFFP) as a base. PFFP Industrial acres were reduced to account for right-of-way acres included under industrial per the Planning Team. The annual absorption of industrial and commercial acres was also adjusted to better align with market demand.

³ Traffic Modeling Analysis Memo, July 12, 2006, Rev. August 30, 2006.



base fiscal costs and revenues factors are summarized in Section IV. Section V presents the fiscal revenues and costs from each scenario. Section VI presents conclusions and the net fiscal impacts due to each scenario.

III. DEVELOPMENT PROGRAM ASSUMPTIONS AND INPUTS

This section outlines the developable acres for each scenario, absorption assumptions, and the assumptions used to translate acres into a projected development program. Additional inputs are reviewed such as development values, employees and new residents.

Developable Acres

ERA estimated potential development for Scenarios 1 through 3 based on land plan attributes provided by the Plan Consultant Team. The land attribute tables provided by the Planning Team reflect total land uses (developed and proposed) in the Otay Mesa Community Plan Area.

Potential development for the no project scenario is based on information in the Public Facilities Financing Plan prepared by the City. ERA has adjusted total industrial land use figures to better reflect restrictions of acres capable for development.

Exhibit III-1 displays the total acres by land use for each scenario at build out.

Exhibit III-1

Total Acres / Units

Land Use Categories	Scenario 1 ¹	Scenario 2 ¹	Scenario 3 ¹	No Project Scenario ²
Visitor Commercial	113	0	0	
Regional Commercial	89	89	89	
Community Commercial	101	101	246	
Neighborhood Commercial	5	5	5	
Heavy Commercial	79	45	45	
Village Center Retail	48	72	38	
Village Center Office	76	88	57	
<i>Subtotal Commercial Acres</i>	<i>512</i>	<i>400</i>	<i>481</i>	<i>435</i>
Heavy Industrial	371	372	372	
Light Industrial	724	741	1667	
Scientific Research	48	48	48	
Business Park	1,013	1,001	343	
<i>Subtotal Industrial Acres</i>	<i>2,156</i>	<i>2,161</i>	<i>2,430</i>	<i>2,885</i>
Residential Units	24,944	26,188	17,072	11,490

¹From Planning Team. Land Use Scenario Alternatives, 5/09/07

²Adjusted figures from Draft FY 2007 Public Facilities Financing Plan. Current zoning is not as refined as the land use categories proposed for the Community Plan Update Scenarios. Thus, existing zoning is aggregated into major categories.

Source: Planning Team, Economics Research Associates

This study reviews the fiscal impacts to the City as a result of new development, thus ERA considers only the impacts of incremental development. Total acres are reduced by the

amount of existing developed acres in each scenario⁴ to determine the incremental developable acres. *Exhibit III-2* summarizes the acres available for development by major land use category.

Exhibit III - 2
Incremental Acres / Units

Major Land Use Categories	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Commercial/Retail	233	109	221	
Commercial /Mixed Use Office	76	88	57	
<i>Subtotal Commercial Acres</i>	<i>309</i>	<i>197</i>	<i>278</i>	<i>322</i>
Industrial	1,138	1,181	1,343	1,800
Residential Units	21,183	22,357	13,311	7,729

Note: Existing developed acres subtracted from each land use category varies by scenario.

Source: Planning Team, Economics Research Associates

Absorption

ERA projected absorption of non-residential incremental acres based on the Market Analysis⁵ and Market Analysis Addendum⁶, shown in *Exhibit III-3*. The demand for each land use in the Market Analysis is used to develop a base absorption schedule for all scenarios. Scenario's absorptions were then adjusted based on the number of new households and other factors.

Exhibit III-4 through Exhibit III-7 show projected acreage absorption by land use for each scenario. The following sections describe the development of the absorption schedules in more detail.

Residential Absorption

Annual residential absorption for Scenarios 1 through 3 was provided by Leppert Engineering, the Planning Team Engineer. To get an accurate picture of the pace of residential development, these residential absorption schedules were developed taking into account market demand as well as developer's building expectations and volume requirements.

For the No Project Scenario, ERA utilized the absorption schedule provided in the Public Facilities Financing Plan.

⁴ Existing developed acres differ by scenario because currently developed parcels may be included in varying proposed land use areas in different scenarios. It also should be noted that the developed acres a land use is reduced by does not reflect the existing development of that land use (i.e. if an area is designated mixed use office , total mixed use acres will be reduced by the developed parcels, but the existing parcels may currently be used as residential or light industrial.)

⁵ Economics Research Associates. *Real Estate Market Analysis, Otay Mesa Community Plan*. November 7, 2005.

⁶ Economics Research Associates. *Addendum to the Real Estate Market Analysis, Otay Mesa Community Plan*. December 15, 2006.



**Exhibit III - 3
Market Analysis - Projected Market Demand (Acres)**

		Projected 2006 - 2010 (1)	Projected 2010 - 2020	Projected 2020 - 2030	Total
Industrial (2)					
	Low	450	243	68	762
	Moderate	573	304	81	958
	High	573	528	169	1,269
Office					
	Low	4	8	8	20
	Moderate	4	10	11	25
	High	5	11	13	29
Retail (3)					
		10	29	48	87
		13	36	60	109
Residential (4)					
		2,948	8,046	13,497	24,491
	Single Family occupied		3,935	5,365	9,300
	Multi-Family occupied	2,948	4,111	8,132	15,191

- (1) Residential units demanded between 2000 and 2010 in the Market Analysis were adjusted for actual units absorbed between 2000 and 2006.
- (2) From updated Industrial Absorption estimates produced in Addendum.
- (3) Based on absorption of dwelling units.
- (4) Residential units anticipated, assuming changes in housing policy

Source: ERA Market Analysis (11/2005), Market Analysis Addendum (12/06), Economics Research Associates



**Exhibit III-4
Scenario 1 Annual Absorption of Incremental Acres**

Year	<u>Residential</u>		<u>Industrial</u>			<u>Commercial/Village Mixed Use</u>	
	Single Family Units	Multi-Family Units	Heavy Industrial	Light Industrial*	Scientific Research	Mixed Use Office	Commercial /Retail
2007	75	200	0.0	50.0	0.0	1.0	3.0
2008	150	500	10.0	50.0	0.0	1.2	3.0
2009	200	600	10.0	50.0	0.0	1.2	3.0
2010	275	700	10.0	50.0	0.0	1.2	4.0
2011	350	800	15.0	40.0	0.0	3.3	4.0
2012	350	800	15.0	40.0	0.0	3.3	10.0
2013	350	800	15.0	40.0	0.0	3.3	10.0
2014	57	800	15.0	40.0	0.0	3.3	10.0
2015	0	800	15.0	40.0	0.0	3.3	10.0
2016	0	900	15.0	40.0	0.0	3.3	10.0
2017	0	900	15.0	40.0	0.0	3.3	10.0
2018	0	950	15.0	40.0	0.0	3.3	10.0
2019	0	1000	15.0	40.0	0.0	3.3	10.0
2020	0	1000	15.0	40.0	0.0	3.3	10.0
2021	0	1000	8.0	20.0	5.0	2.3	25.0
2022	0	1000	8.0	20.0	5.0	2.3	25.0
2023	0	1000	8.0	20.0	5.0	2.3	25.0
2024	0	1000	8.0	20.0	5.0	5.0	25.0
2025	0	1000	8.0	20.0	5.0	5.0	25.0
2026	0	1000	8.0	20.0	5.0	5.0	0.5
2027	0	1000	8.0	20.0	5.0	5.0	0.0
2028	0	1000	8.0	20.0	5.0	5.0	0.0
2029	0	626	8.0	20.0	5.0	5.0	0.0
2030	0	0	8.0	20.0	3.0	1.9	0.0
2031	0	0	0.9	15.0	0.0	0.0	0.0
2032	0	0	0.0	14.4	0.0	0.0	0.0
2033	0	0	0.0	0.0	0.0	0.0	0.0
2034	0	0	0.0	0.0	0.0	0.0	0.0
2035	0	0	0.0	0.0	0.0	0.0	0.0
2036	0	0	0.0	0.0	0.0	0.0	0.0
2037	0	0	0.0	0.0	0.0	0.0	0.0
2038	0	0	0.0	0.0	0.0	0.0	0.0
2039	0	0	0.0	0.0	0.0	0.0	0.0
2040	0	0	0.0	0.0	0.0	0.0	0.0
2041	0	0	0.0	0.0	0.0	0.0	0.0
2042	0	0	0.0	0.0	0.0	0.0	0.0
2043	0	0	0.0	0.0	0.0	0.0	0.0
2044	0	0	0.0	0.0	0.0	0.0	0.0
2045	0	0	0.0	0.0	0.0	0.0	0.0
Total	1,807	19,376	260.9	829.4	48.0	76.4	232.5

*Includes Light Industrial and Business Park Acres

Source: Economics Research Associates



**Exhibit III-5
Scenario 2 Annual Absorption of Incremental Acres**

Year	<u>Residential</u>		<u>Industrial</u>			<u>Commercial/Village Mixed Use</u>	
	Single Family Units	Multi-Family Units	Heavy Industrial	Light Industrial*	Scientific Research	Mixed Use Office	Commercial /Retail
2007	75	200	0.0	50.0	0.0	1.0	3.0
2008	150	500	10.0	50.0	0.0	1.2	3.0
2009	200	600	10.0	50.0	0.0	1.2	4.0
2010	275	700	10.0	50.0	0.0	1.2	4.0
2011	350	800	15.0	40.0	0.0	3.3	11.0
2012	350	800	15.0	40.0	0.0	3.3	11.0
2013	350	800	15.0	40.0	0.0	3.3	11.0
2014	57	800	15.0	40.0	0.0	3.3	11.0
2015	0	800	15.0	40.0	0.0	3.3	11.0
2016	0	900	15.0	40.0	0.0	3.3	11.0
2017	0	900	15.0	40.0	0.0	3.3	11.0
2018	0	950	15.0	40.0	0.0	3.3	11.0
2019	0	1000	15.0	40.0	0.0	3.3	7.1
2020	0	1000	15.0	40.0	0.0	3.3	0.0
2021	0	1000	8.0	20.0	5.0	5.0	0.0
2022	0	1000	8.0	20.0	5.0	5.0	0.0
2023	0	1000	8.0	20.0	5.0	5.0	0.0
2024	0	1000	8.0	20.0	5.0	5.0	0.0
2025	0	1000	8.0	20.0	5.0	5.0	0.0
2026	0	1000	8.0	20.0	5.0	5.0	0.0
2027	0	1000	8.0	20.0	5.0	5.0	0.0
2028	0	1000	8.0	20.0	5.0	5.0	0.0
2029	0	1000	8.0	20.0	5.0	5.0	0.0
2030	0	800	8.0	20.0	3.1	5.2	0.0
2031	0	0	1.7	15.0	0.0	0.0	0.0
2032	0	0	0.0	15.0	0.0	0.0	0.0
2033	0	0	0.0	15.0	0.0	0.0	0.0
2034	0	0	0.0	15.0	0.0	0.0	0.0
2035	0	0	0.0	10.9	0.0	0.0	0.0
2036	0	0	0.0	0.0	0.0	0.0	0.0
2037	0	0	0.0	0.0	0.0	0.0	0.0
2038	0	0	0.0	0.0	0.0	0.0	0.0
2039	0	0	0.0	0.0	0.0	0.0	0.0
2040	0	0	0.0	0.0	0.0	0.0	0.0
2041	0	0	0.0	0.0	0.0	0.0	0.0
2042	0	0	0.0	0.0	0.0	0.0	0.0
2043	0	0	0.0	0.0	0.0	0.0	0.0
2044	0	0	0.0	0.0	0.0	0.0	0.0
2045	0	0	0.0	0.0	0.0	0.0	0.0
Total	1,807.0	20,550.0	261.7	870.9	48.1	87.8	109.1

*Includes Light Industrial and Business Park Acres

Source: Economics Research Associates



**Exhibit III-6
Scenario 3 Annual Absorption of Incremental Acres**

Year	<u>Residential</u>		<u>Industrial</u>			<u>Commercial/Village Mixed Use</u>	
	Single Family Units	Multi-Family Units	Heavy Industrial	Light Industrial*	Scientific Research	Mixed Use Office	Commercial /Retail
2007	75	200	0.0	50.0	0.0	1.0	3.0
2008	150	500	10.0	50.0	0.0	1.2	3.0
2009	200	600	10.0	50.0	0.0	1.2	3.0
2010	275	700	10.0	50.0	0.0	1.2	4.0
2011	350	800	15.0	40.0	0.0	3.3	10.0
2012	350	800	15.0	40.0	0.0	3.3	10.0
2013	7	800	15.0	40.0	0.0	3.3	10.0
2014	0	800	15.0	40.0	0.0	3.3	10.0
2015	0	800	15.0	40.0	0.0	3.3	10.0
2016	0	900	15.0	40.0	0.0	3.3	10.0
2017	0	900	15.0	40.0	0.0	3.3	10.0
2018	0	950	15.0	40.0	0.0	3.3	10.0
2019	0	1000	15.0	40.0	0.0	3.3	10.0
2020	0	1000	15.0	40.0	0.0	3.3	10.0
2021	0	1000	8.0	20.0	5.0	2.3	25.0
2022	0	154	8.0	20.0	5.0	2.3	20.0
2023	0	0	8.0	20.0	5.0	1.4	10.0
2024	0	0	8.0	20.0	5.0	1.4	6.0
2025	0	0	8.0	20.0	5.0	1.4	6.0
2026	0	0	8.0	20.0	5.0	1.4	6.0
2027	0	0	8.0	20.0	5.0	1.4	6.0
2028	0	0	8.0	20.0	5.0	1.4	6.0
2029	0	0	8.0	20.0	5.0	2.3	6.0
2030	0	0	8.0	20.0	3.2	2.3	6.0
2031	0	0	1.2	15.0	0.0	1.8	6.0
2032	0	0	0.0	15.0	0.0	0.0	5.3
2033	0	0	0.0	15.0	0.0	0.0	0.0
2034	0	0	0.0	15.0	0.0	0.0	0.0
2035	0	0	0.0	15.0	0.0	0.0	0.0
2036	0	0	0.0	15.0	0.0	0.0	0.0
2037	0	0	0.0	15.0	0.0	0.0	0.0
2038	0	0	0.0	15.0	0.0	0.0	0.0
2039	0	0	0.0	15.0	0.0	0.0	0.0
2040	0	0	0.0	15.0	0.0	0.0	0.0
2041	0	0	0.0	15.0	0.0	0.0	0.0
2042	0	0	0.0	15.0	0.0	0.0	0.0
2043	0	0	0.0	15.0	0.0	0.0	0.0
2044	0	0	0.0	15.0	0.0	0.0	0.0
2045	0	0	0.0	15.0	0.0	0.0	0.0
2046	0	0	0.0	9.0	0.0	0.0	0.0
2047	0	0	0.0	0.0	0.0	0.0	0.0
2048	0	0	0.0	0.0	0.0	0.0	0.0
2049	0	0	0.0	0.0	0.0	0.0	0.0
2050	0	0	0.0	0.0	0.0	0.0	0.0
Total	1,407	11,904	261.2	1,034.0	48.2	57.0	221.3

*Includes Light Industrial and Business Park Acres

Source: Economics Research Associates



**Exhibit III-7
No Project Scenario Annual Absorption of Incremental Acres**

Year	<u>Residential</u>		<u>Industrial</u>	<u>Commercial</u>
	Single Family Units	Multi-Family Units	Industrial	Commercial
2007	69	642	50.0	4.0
2008	0	108	60.0	4.2
2009	90	468	60.0	5.2
2010	200	575	60.0	5.2
2011	200	550	55.0	7.3
2012	200	400	55.0	7.3
2013	250	400	55.0	7.3
2014	250	395	55.0	7.3
2015	250	300	55.0	7.3
2016	136	250	55.0	7.3
2017	0	250	55.0	7.3
2018	0	250	55.0	7.3
2019	0	250	55.0	7.3
2020	0	250	55.0	7.3
2021	0	250	35.0	13.3
2022	0	250	35.0	13.3
2023	0	250	35.0	13.3
2024	0	246	35.0	12.4
2025	0	0	35.0	7.4
2026	0	0	35.0	7.4
2027	0	0	35.0	7.4
2028	0	0	35.0	7.4
2029	0	0	35.0	7.4
2030	0	0	35.0	7.4
2031	0	0	28.0	7.4
2032	0	0	28.0	7.4
2033	0	0	28.0	7.4
2034	0	0	28.0	7.4
2035	0	0	28.0	7.4
2036	0	0	28.0	7.4
2037	0	0	28.0	7.4
2038	0	0	28.0	7.4
2039	0	0	28.0	7.4
2040	0	0	28.0	7.4
2041	0	0	28.0	7.4
2042	0	0	28.0	7.4
2043	0	0	28.0	7.4
2044	0	0	28.0	7.4
2045	0	0	28.0	7.4
2046	0	0	28.0	7.4
2047	0	0	28.0	7.4
2048	0	0	28.0	7.4
2049	0	0	28.0	0.5
2050	0	0	28.0	0.0
2051	0	0	28.0	0.0
2052	0	0	28.0	0.0
2053	0	0	28.0	0.0
2054	0	0	26.0	0.0
2055	0	0	0.0	0.0
Total	1,645.0	6,084.0	1,800.0	321.5

Source: Economics Research Associates

Industrial Absorption

The Market Analysis' moderate and high demand scenarios were reviewed in projecting annual industrial absorption. For the fiscal analysis, ERA used an industrial absorption with a slightly higher acreage than the moderate scenario over the 2007 to 2030 period. Beyond 2030 acres are absorbed at a rate similar to the previous 2020 – 2030 period.

The same industrial absorption schedule is used for Scenarios 1 through 3. Industrial is broken out between light, heavy, and scientific industrial acres. Heavy industrial is expected to build out later than light industrial. Scientific research a smaller subtype of industrial is also expected to get absorbed later in the study period, as other parts of central San Diego County get built out.

The No Project Scenario has a much higher portion of industrial acres and current zoning does not break down acres into subtypes. For this scenario, a similar schedule is assumed between 2007 and 2020. Annual developed industrial acres are adjusted upward between 2020 and beyond under the assumption that there would be more cheap land available for development.

Retail Absorption

Retail acres are supported by residential spending, as well as employee spending and the spending of visitors drawn from other parts of the region. The original Market Analysis calculates the retail demand based on the above factors.

For the fiscal impact analysis, ERA uses the Market Analysis retail demand as a base, but also adds retail space demanded by the number of incremental households beyond those projected in the first market analysis. Using factors in the Market Analysis, almost 36 square feet of retail space is demanded by each incremental household.

The retail absorption schedule is different for each scenario because the number of new residences varies in each scenario.

Mixed Use Office

Industrial space, as well as retail space, is frequently used as office. The mixed-use office category looks solely at space designated for office use.

ERA uses the office space demand presented in the Market Analysis to build annual absorption. The Market Analysis' figures are adjusted upward if and when light industrial reaches build out before the mixed use office, assuming those who would otherwise use business parks for office space will move to the mixed-use office.

Roads and Parks

The Planning Team has tentatively identified which parcels parks, schools, and fire stations will be located, but the actual size of the public infrastructure or absorption of public infrastructure has not been determined.



The maintenance costs of public infrastructure such as parks and roads should be included in a realistic net fiscal impact. Thus, ERA estimated park acres and estimated park absorption using available information.

For park acres, ERA uses the required park acres for each scenario. ERA bases the absorption of the park acres on total industrial, commercial, and residential acres developed in each scenario. In reality, the City may be able to develop joint-use parks with schools or other community institutions thus lowering the park acres to be maintained by the City.

Lane miles were calculated with guidance from consultant engineers. For each scenario it is estimated that there will be 163 community arterial lane miles. These arterials will be put in place between 2010 and 2020. In-tract residential and industrial roads will be developed with the residential and industrial acres. Residential in-tract lane miles are estimated at 0.07 per residential acre. Industrial in-tract lane miles are estimated at 0.04 per industrial acre.

Development Program

Exhibit III - 8 is a summary of incremental development resulting from each project scenario at build out. The assumptions used to develop the incremental development summary are explained in more detail in the following section.

Exhibit III – 8 Projected Incremental Development at Build Out

Exhibit III-8

Development Type	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Single Family (Units)	1,807	1,807	1,407	1,645
Multifamily - For Sale (Units)	14,532	15,413	8,928	4,563
Multifamily - Rental (Units)	4,844	5,138	2,976	1,521
Mixed Use Office (Bldg SF)	1,144,826	1,315,651	854,124	-
Retail (Bldg SF)*	1,581,195	937,046	1,894,962	2,576,835
Hotel (Bldg SF)	374,320	-	-	-
Industrial (Bldg SF)	17,850,365	18,515,265	21,066,661	28,226,880
Required Parks (Acres)	225	237	149	95
Lane Miles	279	275	270	282
Miles	93	91	89	95

*Includes Retail Center Office and Retail Center Retail

Source: Economics Research Associates

Product Types

Exhibits III-9 - 11 display the detailed development assumptions used for Scenarios 1 through 3. In **Table 1 in Appendix A – D**, these assumptions are applied to the incremental acres for each scenario to arrive at the incremental building square footage. Development program assumptions for the No Project Scenario are based on average of estimates made for the other scenarios. The annual absorption of the projected development program is presented in *Exhibits III – 12 through Exhibits III-15*.



Exhibit III - 9
Scenario #1 Projected Development Program Assumptions

Land Use	Gross Acreage	Sub-Type	Type by Acre	FAR
Commercial/Retail Center				
Visitor Commercial	113	80% Hotel 20% Retail	90 23	0.22 0.22
Regional Commercial	89	60% Retail 40% Office	54 36	0.21 0.21
Community Commercial	101	80% Retail 20% Office	81 20	0.23 0.23
Neighborhood Commercial	5	90% Retail 10% Office	5 1	0.23 0.23
Heavy Commercial	79	100% Retail 0% Office	79 -	0.33 0.33
Community Village - Retail	23	100% Retail	23	0.23
Neighborhood Village - Retail	11	100% Retail	11	0.23
Urban Village - Retail	14	100% Retail	14	0.23
Totals/Weighted Averages				
Commercial - Retail	289		66%	0.25
Commercial - Retail Office	56		13%	0.22
Commercial - Hotel	90		21%	0.22
Commercial & MU Retail	435		100%	0.24
Mixed Use Office				
Community Village - Office	46	100% Office	46	0.43
Neighborhood Village - Office	2	100% Office	2	0.43
Urban Village - Office	28	100% Office	28	0.43
Mixed Use Office - Weighted Average	76		76	0.43
Industrial				
Heavy Industrial	371	100% Industrial	371	0.45
Light Industrial (includes institutional)	724	100% Industrial	724	0.45
Scientific Research	48	100% Industrial	48	0.45
Business Park	1,013	75% Industrial 25% Office	760 253	0.45 0.45
Business Park Office				
Light Industrial (Light Ind'l & Bus. Park)	1,737			
Industrial Total/Averages	2,156		100%	0.45
Office Total/% of Light Industrial	253		15%	0.45
Residential				
	Acres	Dwelling Units		Density
Residential	1,154	3,762 Single Family 8,429 Multifamily		
Village Center Residential	268	400 Single Family 7,645 Multifamily		
Business Park Residential	168	- Single Family 4,708 Multifamily		
Total Residential	1,590	24,944 Total Units		
Existing Residential	586	3761		
Incremental Residential	1,004	21,183		21.09
Required Park Acres	226			

Source: Planning Team, Economics Research Associates



**Exhibit III- 10
Scenario #2 Projected Development Program Assumptions**

<u>Land Use</u>	<u>Gross Acreage</u>	<u>Sub-Type</u>	<u>Type by Acre</u>	<u>FAR</u>
<u>Commercial/Retail Center</u>				
Visitor Commercial	0	80% Hotel 20% Retail	- -	0.22 0.22
Regional Commercial	89	60% Retail 40% Office	53 36	0.21 0.21
Community Commercial	101	80% Retail 20% Office	81 20	0.23 0.23
Neighborhood Commercial	5	90% Retail 10% Office	5 1	0.23 0.23
Heavy Commercial	45	100% Retail 0% Office	45 -	0.33 0.33
Community Village - Retail	43	100% Retail	43	0.23
Neighborhood Village - Retail	2	100% Retail	2	0.23
Urban Village - Retail	26	100% Retail	26	0.23
<u>Total/Weighted Averages</u>				
Commercial - Retail	256		82%	0.24
Commercial - Retail Office	56		18%	0.22
Commercial - Hotel	-		0%	
Commercial & MU Retail	312		100%	0.24
<u>Mixed Use Office</u>				
Community Village - Office	43	100% Office	43	0.43
Neighborhood Village - Office	2	100% Office	2	0.43
Urban Village - Office	42	100% Office	42	0.43
Mixed Use Office - Weighted Average	88		88	0.43
<u>Industrial</u>				
Heavy Industrial	372	100% Industrial	372	0.45
Light Industrial (includes institutional)	741	100% Industrial	741	0.45
Scientific Research	48	100% Industrial	48	0.45
Business Park	1,001	75% Industrial 25% Office	750 250	0.45 0.45
Business Park Office				
Light Industrial (Light Ind'l & Bus. Park)	1,741			
Industrial Total/Averages	2,161		100%	0.45
Office Total/% of Light Industrial	250		14%	0.45
<u>Residential</u>				
	Acres	Dwelling Units		Density
Residential	1,135	3,762 Single Family 8,093 Multifamily		
Village Center Residential	384	700 Single Family 13,563 Multifamily		
Business Park Residential	-	- Single Family - Multifamily		
Total Residential	1,520	26,118 Total Units		
Existing Residential	586	3,761		
Incremental Residential	934	22,357		23.95
Required Park Acres	238			

Source: Planning Team, Economics Research Associates



Exhibit III - 11
Scenario #3 Projected Development Program Assumptions

Land Use	Gross Acreage	Sub-Type	Type by Acre	FAR
Commercial/Retail Center				
Visitor Commercial	0	80% Hotel 20% Retail	- -	0.22 0.22
Regional Commercial	89	60% Retail 40% Office	54 36	0.21 0.21
Community Commercial	246	80% Retail 20% Office	197 49	0.23 0.23
Neighborhood Commercial	5	90% Retail 10% Office	5 1	0.23 0.23
Heavy Commercial	45	100% Retail 0% Office	45 -	0.33 0.33
Community Village - Retail	22	100% Retail	22	0.23
Neighborhood Village - Retail	11	100% Retail	11	0.23
Urban Village - Retail	6	100% Retail	6	0.23
Totals /Weighted Averages				
Commercial - Retail	339		80%	0.24
Commercial - Retail Office	86		20%	0.22
Commercial - Hotel	-		0%	
Commercial & MU Retail	424		100%	0.24
Mixed Use Office				
Community Village - Office	43	100% Office	43	0.43
Neighborhood Village - Office	2	100% Office	2	0.43
Urban Village - Office	12	100% Office	12	0.43
Mixed Use Office - Weighted Average	57		57	0.43
Industrial				
Heavy Industrial	372	100% Industrial	372	0.45
Light Industrial (includes institutional ind.)	1,667	100% Industrial	1,667	0.45
Scientific Research	48	100% Industrial	48	0.45
Business Park	343	75% Industrial 25% Office	257 86	0.45 0.45
Business Park Office				
Light Industrial (Light Ind'l & Bus. Park)	2,010			
Industrial Total/Averages	2,430		100%	0.45
Office Total/% of Light Industrial	86		4%	0.45
Residential				
Residential	Acres	Dwelling Units		Density
Residential	1,154	3,762 Single Family 8,428 Multifamily		
Village Center Residential	201	300 Single Family 4,582 Multifamily		
Business Park Residential	-	- Single Family - Multifamily		
Total Residential	1,355	17,072 Total Units		
Existing Residential	586	3,761		
Incremental Residential	769	13,311		17.31
Required Park Acres	150			

Source: Planning Team, Economics Research Associates

Residential Product Assumptions

Land use attributes provided by the Planning Team designate the number of single-family and multi-family dwelling units for each scenario.

ERA estimates that 75 percent of multi-family dwelling units will be for-sale product while 25 percent will be rental product, the same assumption made in planning for school facilities.

Commercial Product Assumptions

The three land use plan scenarios for the Otay Mesa Community Plan will include community, regional, neighborhood, heavy, and, in some scenarios, visitor commercial land use designations. It is expected that visitor commercial will include a portion of hotel uses and that other retail centers will also include community-serving office uses (such as dentists and banks). For the purposes of this study, ERA translates these designations into retail, retail center office, and hotel building square footage, by:

- First, assuming an 80 percent gross-to-net acre ratio.
- Second, ERA splits commercial space between retail and retail center office net acres. In the case of visitor commercial designated acres, net acres are split between hotel, retail, and retail center office net acres based on ERA estimates. ERA estimates the overall distribution of retail, retail center office, and hotel for each scenario.
- Third, ERA utilized the floor-to-area ratios (FAR) used by the Traffic Modeling Analysis Memo (dated July 12, 2006, Rev. Aug. 30, 2006) as a basis to estimate building square footages.

Industrial Product Assumptions

Similar to commercial development, ERA uses land designated heavy, light, and scientific industrial and business park to estimate industrial building square feet.

- ERA estimates net acres using a gross-to-net ratio of 80 percent.
- For business park acres, ERA assumes 25 percent will be utilized as office space and the balance will be light industrial/warehouse and distribution uses.
- For industrial, ERA uses the Market Analysis average FAR of 0.45 for incremental development.

Mixed Use Village Assumptions

The three project scenarios offer three types of mixed-use villages—community village land use, neighborhood village land use, and an urban village land use. The village land use designates areas of higher density development that include multifamily residential, office, and retail uses, as well as institutional uses, such as schools and parks.

For purposes of the fiscal impact study, ERA identifies the acreage to each appointed use. The land use plans specifically designate the acres and dwelling units allotted to retail, office, or residential. ERA then:

- Estimates for-sale and multifamily units using the same 75 percent for-sale/25 percent rental estimate as non-village residential.
- Retail building square footage is estimated based on the same gross-to-net ratios and FAR's as the commercial-only land uses and is included in the Commercial/Retail category.
- Mixed use village office space is the only land use designation for solely office uses. Mixed use office space is calculated based on the same gross-to-net ratios and FAR's as the commercial-only land use, but is included as its own category of "stand alone" office space.

**Exhibit III - 12
Development Program
OTAY MESA MODEL**

Scenario: 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Industrial SF	784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	517,493	517,493	517,493	517,493	517,493	517,493	517,493	517,493	517,493	486,130	249,337	225,815	
Office Industrial SF	119,550	119,550	119,550	119,550	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820	35,865	34,430
Other Industrial	664,530	821,346	821,346	821,346	766,848	766,848	766,848	766,848	766,848	766,848	766,848	766,848	766,848	766,848	469,673	469,673	469,673	469,673	469,673	469,673	469,673	469,673	469,673	438,310	213,472	191,385	
Retail Center SF	20,403	20,403	20,403	27,203	27,203	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	170,021	170,021	170,021	170,021	170,021	3,400	-	-	-	-	-	-	
Retail Center - Retail SF	17,449	17,449	17,449	23,265	23,265	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	145,404	145,404	145,404	145,404	145,404	2,908	-	-	-	-	-	-	
Retail Center - Office SF	2,954	2,954	2,954	3,939	3,939	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	24,616	24,616	24,616	24,616	24,616	492	-	-	-	-	-	-	
Mixed-Use Office SF	14,985	17,982	17,982	17,982	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	34,465	34,465	34,465	74,923	74,923	74,923	74,923	74,923	74,923	28,471	-	-	
Hotel SF	4,830	4,830	4,830	6,440	6,440	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	40,249	40,249	40,249	40,249	40,249	805	-	-	-	-	-	-	
Hotel Rooms	6	6	6	8	8	20	20	20	20	20	20	20	20	20	50	50	50	50	50	1	-	-	-	-	-	-	
Residential	275	650	800	975	1,150	1,150	1,150	857	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	626	-	-	-	
Single Family	75	150	200	275	350	350	350	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multi Family	200	500	600	700	800	800	800	800	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	626	-	-	-	
Ownership	150	375	450	525	600	600	600	600	600	675	675	713	750	750	750	750	750	750	750	750	750	750	470	-	-	-	
Rental	50	125	150	175	200	200	200	200	200	225	225	238	250	250	250	250	250	250	250	250	250	250	157	-	-	-	
Park Acres	6	9	9	10	11	11	11	10	10	10	10	10	11	11	10	10	10	10	10	8	8	8	6	3	1	1	
Cumulative Lane Miles	3	7	13	18	40	63	85	106	127	149	170	192	214	236	240	245	250	254	259	263	268	273	276	277	278	279	
Cumulative Road Miles	1	4	6	9	16	22	29	35	41	47	53	59	65	71	74	76	78	81	83	85	88	90	92	92	93	93	
Fire Stations	-	-	-	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	Total	
Industrial SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,850,365	
Office Industrial SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,983,098	
Other Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,867,267	
Retail Center SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,581,195	
Retail Center - Retail SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,352,262	
Retail Center - Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	228,933	
Mixed-Use Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,144,826	
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374,320	
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	468	
Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,183	
Single Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,807	
Multi Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,376	
Ownership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,532	
Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,844	
Park Acres	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225	
Cumulative Lane Miles	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279
Cumulative Road Miles	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
Fire Stations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2

Source: Economics Research Associates and Otay Mesa Planning Team

**Exhibit III - 13
Development Program
OTAY MESA MODEL**

Scenario: 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Industrial SF	784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	517,493	517,493	517,493	517,493	517,493	517,493	517,493	517,493	517,493	487,698	261,883	235,224	
Office Industrial SF	112,637	112,637	112,637	112,637	90,110	90,110	90,110	90,110	90,110	90,110	90,110	90,110	90,110	90,110	45,055	45,055	45,055	45,055	45,055	45,055	45,055	45,055	45,055	45,055	45,055	33,791	33,791
Other Industrial	671,443	828,259	828,259	828,259	772,378	772,378	772,378	772,378	772,378	772,378	772,378	772,378	772,378	772,378	472,438	472,438	472,438	472,438	472,438	472,438	472,438	472,438	472,438	442,643	228,092	201,433	
Retail Center SF	25,767	25,767	34,355	34,355	94,478	94,478	94,478	94,478	94,478	94,478	94,478	94,478	60,981	-	-	-	-	-	-	-	-	-	-	-	-	-	
Retail Center - Retail SF	21,664	21,664	28,886	28,886	79,436	79,436	79,436	79,436	79,436	79,436	79,436	79,436	51,272	-	-	-	-	-	-	-	-	-	-	-	-	-	
Retail Center - Office SF	4,102	4,102	5,470	5,470	15,042	15,042	15,042	15,042	15,042	15,042	15,042	15,042	9,709	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mixed-Use Office SF	14,985	17,982	17,982	17,982	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	74,923	74,923	74,923	74,923	74,923	74,923	74,923	74,923	74,923	77,920	-	-	
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential	275	650	800	975	1,150	1,150	1,150	857	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	800	-	-	
Single Family	75	150	200	275	350	350	350	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multi Family	200	500	600	700	800	800	800	800	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	800	-	-	
Ownership	150	375	450	525	600	600	600	600	600	675	675	713	750	750	750	750	750	750	750	750	750	750	750	600	-	-	
Rental	50	125	150	175	200	200	200	200	200	225	225	238	250	250	250	250	250	250	250	250	250	250	250	200	-	-	
Park Acres	7	9	10	11	12	12	12	11	11	11	11	11	11	10	8	8	8	8	8	8	8	8	8	7	2	2	
Cumulative Lane Miles	3	7	12	17	39	61	83	104	124	146	167	188	209	231	235	239	243	248	252	256	260	265	269	272	273	274	
Cumulative Road Miles	1	4	6	9	15	21	27	33	39	45	51	57	63	69	71	73	75	77	80	82	84	86	88	90	90	90	
Fire Stations	-	-	-	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	Total	
Industrial SF	235,224	235,224	170,929	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,515,265	
Office Industrial SF	33,791	33,791	24,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,961,915	
Other Industrial	201,433	201,433	146,375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,553,350	
Retail Center SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	937,046	
Retail Center - Retail SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	787,857	
Retail Center - Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149,189	
Mixed-Use Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,315,651	
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,357	
Single Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,807	
Multi Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,550	
Ownership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,413	
Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,138	
Park Acres	2	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	237	
Cumulative Lane Miles	274	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275
Cumulative Road Miles	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
Fire Stations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2

Source: Economics Research Associates, Planning Team

Exhibit III - 14
Development Program
OTAY MESA MODEL

Scenario: 3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Industrial SF	784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	517,493	517,493	517,493	517,493	517,493	517,493	517,493	517,493	517,493	489,266	254,042	235,224	
Office Industrial SF	33,439	33,439	33,439	33,439	26,751	26,751	26,751	26,751	26,751	26,751	26,751	26,751	26,751	26,751	13,375	13,375	13,375	13,375	13,375	13,375	13,375	13,375	13,375	13,375	10,032	10,032	
Other Industrial	750,641	907,457	907,457	907,457	835,737	835,737	835,737	835,737	835,737	835,737	835,737	835,737	835,737	835,737	504,117	504,117	504,117	504,117	504,117	504,117	504,117	504,117	504,117	475,890	244,010	225,192	
Retail Center SF	25,689	25,689	25,689	34,251	85,629	85,629	85,629	85,629	85,629	85,629	85,629	85,629	85,629	85,629	214,072	171,257	85,629	51,377	51,377	51,377	51,377	51,377	51,377	51,377	51,377	51,377	45,383
Retail Center - Retail SF	21,109	21,109	21,109	28,145	70,363	70,363	70,363	70,363	70,363	70,363	70,363	70,363	70,363	70,363	175,908	140,726	70,363	42,218	42,218	42,218	42,218	42,218	42,218	42,218	42,218	42,218	37,292
Retail Center - Office SF	4,580	4,580	4,580	6,106	15,265	15,265	15,265	15,265	15,265	15,265	15,265	15,265	15,265	15,265	38,164	30,531	15,265	9,159	9,159	9,159	9,159	9,159	9,159	9,159	9,159	8,091	
Mixed-Use Office SF	14,985	17,982	17,982	17,982	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	34,465	34,465	20,978	20,978	20,978	20,978	20,978	20,978	20,978	34,465	34,465	26,972	-
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	275	650	800	975	1,150	1,150	807	800	800	900	900	950	1,000	1,000	1,000	154	-	-	-	-	-	-	-	-	-	-	-
Single Family	75	150	200	275	350	350	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multi Family	200	500	600	700	800	800	800	800	800	900	900	950	1,000	1,000	1,000	154	-	-	-	-	-	-	-	-	-	-	
Ownership	150	375	450	525	600	600	600	600	600	675	675	713	750	750	750	116	-	-	-	-	-	-	-	-	-	-	
Rental	50	125	150	175	200	200	200	200	200	225	225	238	250	250	250	39	-	-	-	-	-	-	-	-	-	-	
Park Acres	4	6	7	8	8	8	7	7	7	7	7	8	8	8	7	4	3	3	3	3	3	3	3	3	2	1	1
Cumulative Lane Miles	3	8	14	20	43	66	88	110	132	154	176	198	221	243	248	250	252	253	254	256	257	258	260	261	262	262	
Cumulative Road Miles	2	4	7	10	17	24	30	36	43	49	55	62	69	75	78	79	79	80	81	81	82	83	83	84	84	85	
Fire Stations	-	-	-	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	Total	
Industrial SF	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	141,134	-	-	-	-	-	-	-	-	-	21,066,661	
Office Industrial SF	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	6,019	-	-	-	-	-	-	-	-	-	691,511	
Other Industrial	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	135,115	-	-	-	-	-	-	-	-	-	20,375,151	
Retail Center SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,894,962	
Retail Center - Retail SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,557,137	
Retail Center - Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337,825	
Mixed-Use Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	854,124	
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,311	
Single Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,407	
Multi Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,904	
Ownership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,928	
Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,976	
Park Acres	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	149	
Cumulative Lane Miles	263	263	264	265	265	266	266	267	268	268	269	269	270	270	270	270	270	270	270	270	270	270	270	270	270
Cumulative Road Miles	85	85	86	86	86	86	87	87	87	88	88	88	89	89	89	89	89	89	89	89	89	89	89	89	89
Fire Stations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2

Source: Economics Research Associates and Otay Mesa Planning Team

**Exhibit III - 15
Development Program
OTAY MESA MODEL**

Scenario: No Project

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Industrial SF	784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	439,085	439,085	
Office Industrial SF	78,408	94,090	94,090	94,090	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	43,908	43,908
Other Industrial	705,672	846,806	846,806	846,806	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	395,176	395,176	
Retail Center SF	32,060	33,663	41,678	41,678	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	106,600	106,600	106,600	99,226	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	
Retail Center - Retail SF	25,599	26,879	33,278	33,278	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	85,116	85,116	85,116	79,228	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	
Retail Center - Office SF	6,462	6,785	8,400	8,400	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	21,484	21,484	21,484	19,998	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	
Mixed-Use Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential	711	108	558	775	750	600	650	645	550	386	250	250	250	250	250	250	250	246	-	-	-	-	-	-	-	-	-	
Single Family	69	-	90	200	200	200	250	250	250	136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multi Family	642	108	468	575	550	400	400	395	300	250	250	250	250	250	250	250	250	246	-	-	-	-	-	-	-	-	-	
Ownership	482	81	351	431	413	300	300	296	225	188	188	188	188	188	188	188	188	185	-	-	-	-	-	-	-	-	-	
Rental	161	27	117	144	138	100	100	99	75	63	63	63	63	63	63	63	63	62	-	-	-	-	-	-	-	-	-	
Park Acres	4	3	4	5	4	4	4	4	4	3	3	3	3	3	2	2	2	2	1	1	1	1	1	1	1	1	1	
Cumulative Lane Miles	6	9	15	22	46	68	90	113	135	155	175	195	215	235	238	241	244	247	249	250	251	253	254	256	257	258		
Cumulative Road Miles	3	5	8	11	18	25	31	38	44	50	55	61	66	71	73	74	76	77	78	79	79	80	81	81	82	83		
Fire Stations	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	Total	
Industrial SF	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	407,722	-	28,226,880	
Office Industrial SF	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	40,772	-	2,822,688	
Other Industrial	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	366,949	-	25,404,192	
Retail Center SF	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	4,008	-	-	-	-	-	-	-	2,576,835
Retail Center - Retail SF	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	3,200	-	-	-	-	-	-	-	2,057,492
Retail Center - Office SF	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	808	-	-	-	-	-	-	-	519,343
Mixed-Use Office SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,729
Single Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,645
Multi Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,084
Ownership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,563
Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,521
Park Acres	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	95
Cumulative Lane Miles	259	260	261	262	263	265	266	267	268	269	270	271	272	273	275	276	277	278	279	280	281	282	282	282	282
Cumulative Road Miles	83	84	84	85	85	86	86	87	88	88	89	89	90	90	91	91	92	93	93	94	94	95	95	95	95
Fire Stations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2

Source: Economics Research Associates, Planning Team, Draft FY 2007 Public Facilities Financing Plan



Development Values

ERA derives projected development values⁷ for each land use type based on the current Otay Mesa market. The development values are shown in *Exhibit III - 16*.

ERA used average size and average price per foot data from Market Pointe Realty to derive the average single-family sale price and average for-sale multifamily price.

Commercial, industrial and rental residential values were derived using the income approach. ERA uses Otay Mesa and South Bay CoStar rental rates, as well as San Diego market capitalization rates from the California Real Estate Journal to calculate values per unit. For retail, office, and industrial, vacancy rates of 7 percent and operating overhead costs of 5 percent are assumed (a vacancy rate of 30 percent is used for hotel development). For rental real estate, a vacancy rate of 5 percent and a 25 percent operating overhead expenses is assumed. A 98 percent efficiency rate is assumed for industrial; an efficiency rate of 85 percent is used for retail and office space.

Development Value Absorption

ERA built a schedule of absorption for development values utilizing the development values derived in *Exhibit III - 16* and the annual absorption of units for each scenario. Development value absorption for each scenario can be found in **Appendices A – D**.

Additional Characteristics

Household Income Absorption

ERA used household price ranges and apartment rents to derive additional housing and household income characteristics. These are shown in the table below.

Exhibit III - 17

Estimated Household Income

Residential Unit Type	Value/Annual Rent	Monthly Mortgage/ Monthly Rent ¹	Estimated Household Income ²
<i>For Sale</i>			
Single Family	\$675,000	\$ 3,626	\$ 145,060
Multi-family	\$378,056	\$ 2,151	\$ 86,025
<i>Rental</i>			
Multi-family	\$	\$ 1,460	\$ 58,400

¹Mortgage based on a 15 percent down payment, and a 30 year mortgage at a 6.5% APR. Avg. monthly rent from MarketPointe Realty 3Q 2006

²Occupancy costs assumed as 30% of monthly income.

Source: Economics Research Associates

⁷ Development values are used to determine assessed values to derive property taxes to the City of San Diego.



Exhibit III - 16
ESTIMATED DEVELOPMENT VALUE
(In 2007 \$ Millions)

Land Use	Basis for Valuation		Average Assessed Value per Unit
	Avg. Unit Size (Sq.Ft.) (1)	Price Per Sq.Ft.(1)	
FOR SALE RESIDENTIAL			
<i>Single Family</i>	2,500	\$270.00	\$675,000
<i>Multifamily For Sale</i>	1,204	\$314.00	\$378,056

	Basis for Valuation		Average Assessed Value per Unit (6)
	Average Room Rate	Rental Rate /Unit/Mo.	
COMMERCIAL & INDUSTRIAL			
<i>Rental Residential (1)</i>		\$1,460	\$249,660
<i>Retail (2)</i>		\$1.92	\$315
<i>Office (3)</i>		\$2.00	\$300
<i>Lodging (4)</i>	\$80.00		\$194,180
<i>Industrial (5)</i>		\$0.55	\$95

- (1) 3Q 2006 Information from MarketPointe Realty
(2) Retail rate based on 3Q2006 Costar direct average retail rates in Otay Mesa and review of South San Diego rates in CBRE Retail Report for 3Q2006.
(3) CoStar Office Rate for 3Q 2006 South San Diego.
(4) Rate based on November 2006 phone survey of existing Otay Mesa room rates.
(5) Otay Mesa Industrial rate reported by Costar.
(6) Average Assessed Value per Unit for commercial & industrial based on occupancy of 93% (70% for lodging), efficiency rates of 85 to 98%, operating costs of 5%, and cap rates based on rates reported by the California Real Estate Journal in 2006. Retail has a cap rate of 5.5%, Office has a cap rate of 6%, Industrial cap rate of 6%. 10% cap rate for hotel market based on Korpacz Real Estate Investor Survey 3Q2006.
Rental residential value based on occupancy of 95%, operating costs of 25% and a cap rate of 5%.

Source: Economic Research Associates



ERA derived incomes of new households using an income to housing cost ratio. ERA assumed average housing cost (mortgage payment or rent) to be 30 percent.

Household income is then aggregated based on when the dwelling unit is built to calculate the incremental and cumulative household incomes.

See **Appendices A – D** for annual absorption of household income for each scenario.

Persons & Employees

Exhibit III - 18 displays cumulative incremental residents and employees as a result of each scenario.

New Residents

Table 5 in Appendices A – D presents the calculation of incremental residents as a result of each scenario. Persons per household are assumed at 3.98 for single family units and 3.45 for multi family units. These assumptions are based on a community planning survey prepared by True North Research for the Otay Mesa Community Plan Update.

New dwelling unit absorption rates, as shown in previous *Exhibits III - 12-15*, are used to calculate annual absorption of new residents for each scenario.

New Employees

Table 6 in Appendices A – D displays the expected employees for each commercial type. Commercial absorption rates, as shown in *Exhibits III - 12-15* are used to calculate the number of annual and cumulative new employees.

Exhibit III-18

Cumulative Residents and Employees

Residents & Employees	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1														
Residents	989	3,311	6,177	9,686	13,839	17,992	22,145	25,132	27,892	30,997	34,102	37,379	40,829	44,279
Employees	1,085	2,316	3,546	4,797	6,047	7,416	8,785	10,154	11,523	12,893	14,262	15,631	17,000	18,369
Scenario 2														
Residents	989	3,311	6,177	9,686	13,839	17,992	22,145	25,132	27,892	30,997	34,102	37,379	40,829	44,279
Employees	1,079	2,304	3,552	4,800	6,216	7,632	9,048	10,464	11,880	13,296	14,712	16,127	17,452	18,609
Scenario 3														
Residents	989	3,311	6,177	9,686	13,839	17,992	20,780	23,540	26,300	29,405	32,510	35,787	39,237	42,687
Employees	883	1,912	2,940	3,993	5,230	6,467	7,704	8,941	10,178	11,415	12,652	13,889	15,126	16,363
No Project Scenario														
Residents	2,490	2,862	4,835	7,615	10,308	12,484	14,859	17,217	19,247	20,651	21,513	22,376	23,238	24,101
Employees	953	2,084	3,237	4,390	5,504	6,617	7,731	8,845	9,959	11,072	12,186	13,300	14,414	15,528

Residents & Employees	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Buildout
Scenario 1											
Residents	47,729	51,179	54,629	58,079	61,529	64,979	68,429	71,879	74,039	74,039	74,039
Employees	19,563	20,756	21,950	23,305	24,660	25,530	26,390	27,250	28,110	28,757	29,337
Scenario 2											
Residents	47,729	51,179	54,629	58,079	61,529	64,979	68,429	71,879	75,329	78,089	78,089
Employees	19,462	20,315	21,168	22,021	22,874	23,727	24,580	25,433	26,286	27,125	28,493
Scenario 3											
Residents	46,137	46,669	46,669	46,669	46,669	46,669	46,669	46,669	46,669	46,669	46,669
Employees	17,568	18,655	19,450	20,151	20,852	21,553	22,254	22,954	23,709	24,440	28,351
No Project Scenario											
Residents	24,963	25,826	26,688	27,537	27,537	27,537	27,537	27,537	27,537	27,537	27,537
Employees	16,431	17,334	18,237	19,119	19,890	20,660	21,430	22,200	22,970	23,741	38,306

Source: Economics Research Associates

IV. METHODOLOGY

In this analysis, fiscal impact is defined as the net annual fiscal revenue or cost to the City of San Diego’s General Fund due to the updated Otay Mesa Community Plan. In other words, the analysis quantifies the anticipated fiscal status of the City during the absorption period and at buildout of the project, taking into account the fiscal revenues less fiscal expenditures due to the new development.

To derive the fiscal revenues and expenditures for the project, ERA:

- (1) Applies a prorated share of current revenues and variable expenditure to revenue and expenditure line items that are expected to increase on a proportional basis, and
- (2) Separately calculates major revenue streams and costs, such as property tax revenue, sales tax revenues, and police and fire costs using special models.

Proportional Cost/Revenue Approach

ERA uses a proportional revenue/cost approach to calculate revenues and expenditures that are expected to increase on a consistent basis with new development. ERA calculates pro rata revenue/cost to the City under existing circumstances and applies these factors to incremental development during the absorption period.

The City of San Diego Annual Budget for Fiscal Year 2007 revenues and expenditures are pro rated based on a total citywide equivalent dwelling unit (EDU) factor. The total equivalent dwelling unit takes into account the share of services used by both employees and residents.

Equivalent Dwelling Units

Exhibit IV -1 shows the equivalent dwelling unit calculation for the City of San Diego. According to 2006 California Department of Finance estimates, the City of San Diego has a population of 1.3 million and almost 500,000 dwelling units. Civilian employment (jobs by place of work) is estimated at 796,000 using SANDAG information.

The calculation equates employment in the City of San Diego to 35 percent of the services that a residential dwelling would use and then adjusts the figure to account for persons per dwelling unit.

Exhibit IV – 1 City of San Diego Total Equivalent Dwelling Units

Employment	795,979
Employment Resident Equivalent - 1 employee = 0.35 residents	278,593
Employment Resident Equivalent/Persons per Dwelling Unit	105,419
Employment Resident Equivalent Dwelling Unit	105,419
Residential Dwelling Units ¹	478,038
Total Equivalent Dwelling Units (EDU)	583,457
Source: SANDAG, Economics Research Associates	

Exhibit IV-2**Cumulative Project EDU**

Cumulative Project EDU	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1	419	1,232	2,195	3,335	4,651	5,982	7,314	8,352	9,333	10,414	11,496	12,627	13,808	14,990
Scenario 2	418	1,230	2,195	3,336	4,673	6,011	7,348	8,393	9,380	10,468	11,555	12,693	13,868	15,022
Scenario 3	392	1,178	2,114	3,229	4,543	5,856	6,827	7,791	8,755	9,819	10,883	11,996	13,160	14,324
No Project Scenario	837	1,095	1,806	2,733	3,631	4,378	5,176	5,968	6,666	7,199	7,597	7,994	8,392	8,789

Cumulative Project EDU	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Buildout
Scenario 1	16,148	17,306	18,464	19,643	20,823	21,938	23,052	24,166	24,906	24,992	25,068
Scenario 2	16,135	17,247	18,360	19,473	20,586	21,699	22,812	23,925	25,038	25,949	26,131
Scenario 3	15,484	15,782	15,887	15,980	16,073	16,165	16,258	16,351	16,451	16,548	17,066
No Project Scenario	9,159	9,529	9,898	10,261	10,363	10,465	10,567	10,669	10,771	10,873	12,802

Source: Economics Research Associates

ERA also calculates the equivalent dwelling units that will be produced by the development under each scenario. Similarly to the City of San Diego Total EDU calculation, new employees (*Exhibit III – 18*) are equated to residential units by the share of services they require and the figure is adjusted by persons per dwelling unit. A summary of Total Project EDU for each scenario is shown in *Exhibits IV – 2*. The calculation of Project EDU can be found in **Table 7 in Appendices A – D**.

Total Proportional Revenues and Expenses

As mentioned previously, the City of San Diego Annual Budget for Fiscal Year 2007 revenues and expenditures are pro rated based on a total citywide equivalent dwelling unit (EDU) factor. Revenues and expenses that will be affected proportionally by new development are aggregated (on an EDU basis) into a total pro-rata revenue and total pro-rata expense figure.

Revenues or expenses that are calculated separately are not included in the pro rata revenue or expense figure. Charges for current services are also excluded under the assumption that these are “pass throughs” and have no net impact on the General Fund.

The pro rated budget factors are then applied to total Project EDU, to determine revenues and expenditures as a result of the development.

Special Models for Revenues

For major revenues that may not change proportionately to new development ERA calculated values separately. Property tax, real property tax, and VLF in-lieu fees, and sales tax are calculated separately to quantify realistic impacts.

Property Tax

Assessed values are calculated by incorporating the appreciation limitations of Proposition 13 and market appreciation. For-sale units are turned over at a rate of 10 percent (units turn over every 10 years). Rental residential and commercial units are turned over at a rate of 5 percent (units turn over every 20 years). Once a property has been added to the assessment rolls, Proposition 13 limits appreciation to 2%. Properties are only appreciated by the market appreciation rate when initially added to the assessment rolls and when properties turnover.

Following the Proposition 13 guidelines, ERA appreciates a properties’ value by the real appreciation rate when initially added to the rolls and when the property turns over. ERA assumes a 2 percent real appreciation rate. Otherwise, property values are appreciated by the Proposition 13 2% limitation. This study is in current dollars and ERA does not take into account monetary inflation.

To calculate the incremental new assessed value due to each scenario, the projected assessed value of the new development is reduced by the existing base value of the land and any improvements. ERA uses a \$400,000 per acre base value assumption used by DPFG Consulting in the Draft Infrastructure Financing Report to estimate base values for each scenario.



Property taxes are taken as 1 percent of assessed values. DPGF Consulting estimated the City of San Diego 1 percent tax distribution rate for the Otay Mesa Community Plan area at 11.86 percent for the Draft Infrastructure Financing District Report. ERA utilizes this rate to calculate the distribution of the 1 percent property tax going to the City of San Diego.

There is a one year lag in the tax receipts because properties are assessed in July, but the City does not receive taxes until the next January.

It should be noted that ERA evaluated fiscal impacts for the 2007 – 2030 study period, as well as at build out. To compare property taxes between scenarios ERA used 2040 as the hypothetical build out. Please note that build out for each scenario will occur at different periods and 2040 is used only for calculation purposes.

Real Property Tax Revenues

Real Property Transfer Tax is estimated at \$0.55 of every \$1,000 of real property sale value.

This formula is applied to new properties and to the value of properties that turn over each year. As with property taxes, there is a one-year lag on real property transfer tax.

VLF & VLF In-Lieu Fees

The motor vehicle license fee (VLF) is a charge on owners of registered motor vehicles. The VLF rate was amended by the State in late 2004 and a portion has been replaced with VLF in-lieu fees. These adjustment revenues are expected to continue in the short term, but are subject to change.

VLF was reduced from an historic 2 percent fee in 2004 and has since been reduced to 0.65 percent. ERA estimates the increase in the actual VLF on a per capita basis.

VLF In-Lieu fee is a property tax swap introduced by the State to account for the reduction in local 2 percent VLF funds. Growth in City VLF In-Lieu fees are calculated based on growth in city-wide assessed values.

ERA used VLF allocations published by the State Controller's Office, Division of Accounting and Reporting as of October 2005 to determine base values. Increases in the VLF adjustment are approximated based on the VLF growth attributable to the development in each scenario.

Sales Tax Impacts

ERA estimates sales tax revenues generated by new retail developments as well as offsite sales generated by new residents.

New Retail Sales

ERA first derives gross leasable area (GLA) based on an efficiency of 85 percent. The GLA is then multiplied by a standard sales per square foot estimate of \$300 to derive total sales for each scenario's proposed retail. Total sales are adjusted to account for taxable sales, estimated at 85 percent.



Taxable sales are then adjusted for sales drawn away from existing San Diego retail centers. In reality, ERA expects the amount of sales drawn away from other parts of San Diego to be small considering the internal support generated by new residents due to the Project Scenarios #1 -3. In addition Otay Mesa's proximity to the border will draw Mexican cross-border spending. To be conservative, ERA included a 10 percent retail transfer factor for Scenarios #1-3. The No Project Scenario has a significant amount of retail, but will produce lower internal support compared to other scenarios. For the No Project Scenario, ERA includes a 25 percent retail transfer factor.

Offsite Sales

Using the market values for single-family and multi-family units, ERA generates the average household incomes for each scenario. The US Bureau of Labor Statistics Consumer Expenditure Survey is then used to determine estimated consumer spending for new residents.

Projected resident spending is adjusted for taxable spending as well as the capture percentage that is expected to remain in the City of San Diego.

Sales Tax

Sales taxes are taken as 1 percent of residents' projected taxable consumer spending in the City of San Diego.

Transient Occupancy Tax Impacts

Transient Occupancy Tax is assessed on hotel rooms, motel rooms, and other transient lodging.

Scenario 1 includes Visitor Commercial land uses and the development program used for this scenario projects estimated hotel rooms and may produce transient occupancy tax for the City of San Diego.

ERA estimates total room receipts using a standard occupancy rate of 70 percent and an average room rate of \$80.00. The average room rate of \$80.00 for new Otay Mesa hotels was estimated using current San Diego hotel room rates from the San Diego Convention & Visitor Bureau and a brief survey of existing Otay Mesa hotel rates.

Transient Occupancy Tax is calculated at 10 percent of total room rate receipts.

Special Models for Expenses

For major costs that may not change proportionately to new development ERA calculated values separately. In this study, police, fire and life safety, and parks maintenance costs are calculated separately.

Fire Costs

Fire service costs are estimated based on the operating costs for incremental fire stations.

At this time, information regarding the fire facilities required for each plan is tentative. The City is still completing its analysis to determine the required fire facilities for each



scenario. In concurrence with the Planning Team’s current assessment, ERA has assumed that there will be at least two new fire stations in Otay Mesa.

Fire Station #49 is currently planned under the existing Otay Mesa Public Facilities Financing Plan. In the City of San Diego FY 2008 Capital Improvement Program Budget the operating budget of Fire Station #49 is estimated at almost \$1.95 million. The operating costs for the two new fire stations are based on Fire Station #49.

It should be noted that it is possible that a third new fire station may be required pending further analysis from the City of San Diego Fire Department.

Police Costs

Police costs are calculated using the Fiscal Year 2007 police service standards and are based on an equivalent dwelling unit (EDU) basis.

ERA first calculates the share of variable police expenditures. Total police expenditures are reduced by grant funds and Charges for Current Services to account for discretionary spending. Overhead—which includes administration and operations support—is also removed from the net police expenditures. Variable police costs are then calculated per current Citywide EDU.

The historical police costs per EDU are applied to each scenario’s Project EDU to estimate annual police costs for each scenario.

Other Costs and Revenues – Street Maintenance

ERA assumes the City will contribute basic maintenance costs to the Otay Mesa Community Plan Area. Only street maintenance impacts to the General Fund are reviewed. Costs under Enterprise Funds or Special Districts are covered by special assessments and/or enterprise revenues and, therefore, have no net fiscal impact on the General Fund.

Net street maintenance costs includes General Fund Street Division costs by incremental lane mile or mile and also accounts for revenues from transfers made to the General Fund from Special Funds, such as the Gas Tax, TransNet and Storm Drain Funds.

From information provided by the City of San Diego Street Division, ERA derived the following street expenditure factors:

Exhibit IV-3

Street Maintenance Expenditure Factors			
Paved Area Life Cycle Maint. Costs (1)	\$	14,286	per Lane Mile
Street Sweeping (2)	\$	70	per Mile
Street Lighting / Electricity (3)	\$	2,480	per Mile
Storm Drain (4)	\$	1,900	per Mile

(1) Figure reflects annualized cost of resurfacing pavement and replacement of pavement across a 21 year cycle. Pavements are resurfaced in the 7th and 14th year at a cost of \$75,000 per mile (est. 2 lane road) and are replaced in the 21st year at a cost of \$450,000.

(2) \$35 per curb mile. 2 curbs per mile.

(3) Street repair and electricity costs based on citiwide average of approx. 14 street lights mile. Includes Street light repair costs of \$86 per light and annual electricity costs of approximately \$88.

(4) ERA estimate based on inflated historical Street Division - Storm Drain expense.

Source: City of San Diego Street Division and Economics Research Associates



Exhibit IV-4 reviews the historical FY 2007 Street Division revenues. Revenues are primarily transfers from non-discretionary funds that may be used for street maintenance, such as Gas Tax, Transnet, and the Storm Drain Fund.

Exhibit IV-4

General Fund Street Division Revenues

REVENUES		Pro-Rata Share of Residents		Pro-Rated Revenues	
		Share	Amount	Per Capita	
Charges for Current Services	\$ 1,169,000	0%	\$ -	\$	-
Parking Citations ³	900,000	0%			
Revenue from other agencies ³	20,000	0%		\$	-
Miscellaneous Revenue ³	338,000	0%			
Transfer Gas Tax Fund ⁴	18,338,562	100%	18,338,562	\$	13.99
Transfer Street Division Storm Drain Fund	4,991,513	100%	4,991,513	\$	3.81
Transfers from TransNet Fund	10,751,034	100%	10,751,034	\$	8.20
Streets and Storm Drains Revenues	\$36,508,109		\$34,081,109	\$	25.99
Streets and Storm Drains Revenue Dist.		Gen. Fund			
Revenue/Resident	\$				25.99

¹ERA has excluded cost items or portions of items that are covered by special assessments and/or enterprise revenues, as they are expected to be 'pass throughs' by means of assessments and/or user charges

²General Services - Street Division maintains and repairs all streets, sidewalks, storm drains, street lights and traffic lights.

³ These revenues are accounted in General Fund Revenues

⁴ERA has estimated Gas Tax receipts by using per/capita factors. Actual formula allocations may vary depending upon the relative growth in statewide gas tax collections and appropriations

Source: Economics Research Associates, City of San Diego Annual FY 2007 Budget

V. FISCAL IMPACTS

Annual fiscal impacts for each scenario at build out are presented in the following sections. **Appendices A through D** show the detailed calculation of annual impacts through 2030.

Fiscal Revenues

The Fiscal Revenues Section describes the fiscal revenues expected from build out of the three project scenarios and no project alternative of the Otay Mesa Community Plan Update. This section reviews the proportional revenue calculations and reviews the special models for property tax, sales tax and transient occupancy tax.

Prorated Revenues

Exhibit V-1, on the next page, analyzes the City of San Diego’s Proposed 2007 Budget on a per equivalent dwelling unit basis. ERA has estimated a total of \$237.56 per equivalent dwelling unit for General Fund revenues expected to grow on proportional basis with new development.

Charges for Service are not included on the revenue or on the expense side and revenues calculated separately, such as Property Tax and Sales Tax, are also excluded. Other revenues that will not directly produced by the development, such as Transfers from Other Funds and Sale of Personal City Property, are excluded from the pro rata EDU figure.

The General Fund revenue per equivalent dwelling unit share is applied to the development’s expected equivalent dwelling units to arrive at total proportional revenues from the proposed development.

Exhibit V-2
Annual Revenues Estimated on a Proportional Basis, at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Pro-Rata Revenues	6.0	6.2	4.1	3.0

Source: Economics Research Associates

Property Tax

As discussed in the Methodology Section, ERA calculates the assessed value of properties based on the annual Proposition 13 2% appreciation limitation, appreciating these values by the real appreciation rate only when they are first added to the assessment rolls and when they turnover. The value of the new development is then reduced by the existing assessed value of the land to isolate the impacts due to new development.

Total property taxes are calculated at 1 percent of assessed value. The City is projected to receive 11.86 percent of the 1 percent tax according to the County of San Diego’s current tax distribution rate in the specific tax rate area.

Exhibit V-3 presents the estimated incremental assessed value and property tax from each scenario at build out.



**Table V - 1
City of San Diego - Annual Budget for Fiscal Year 2007
PRO-RATED REVENUE DISTRIBUTION**

<i>City of San Diego Total Equivalent Dwelling Unit (EDU)</i> ¹			
	583,457		
Summary of Adopted Revenues			
CITY RESOURCES/REVENUES	GENERAL PURPOSE FUNDS	Share	Per EDU
Property Tax Revenue	\$344,196,284	33.7%	<i>See Note</i>
Sales Tax	234,876,334	23.0%	<i>See Note</i>
Safety Sales Tax ²	8,193,840	0.8%	14.04
Property Transfer Tax	14,872,876	1.5%	<i>See Note</i>
Transient Occupancy Tax	72,862,596	7.1%	<i>See Note</i>
Total Other Taxes	\$330,805,646	32.4%	\$14.04
General Business Taxes	14,042,000	1.4%	24.07
Parking Meter Revenue	6,868,315	0.7%	11.77
Other Licenses and Permits	9,793,164	1.0%	16.78
Total Licenses & Permits	\$30,703,479	3.0%	\$52.62
California Vehicle Code Violations	7,493,928	0.7%	12.84
Other California and Municipal Violations	596,400	0.1%	1.02
City Parking Violations	19,453,901	1.9%	33.34
Litigation Awards and Cost Recovery	7,382,000	0.7%	12.65
Total Fines, Forfeitures & Penalties	\$34,926,229	3.4%	\$59.86
Interest Earnings	1,000,000	0.1%	
Franchises	64,783,012	6.3%	111.03
Rents & Concessions	32,662,515	3.2%	
Money/Property	\$98,445,527	9.6%	\$111.03
Motor Vehicle License Fee	9,255,341	0.9%	<i>See Note</i>
Other State Grants and Allocations	7,296,533	0.7%	
Federal Grants	3,154,174	0.3%	
Revenue from Other Sources	10,318,883	1.0%	
Unified Port District Reimbursement	833,765	0.1%	
Total Revenue From Other Agencies	\$30,858,696	3.0%	\$0.00
Total Charges for Current Services	\$88,304,517	8.6%	\$0.00
Sale of Personal Property	136,000	0.0%	
Miscellaneous Revenue	670,428	0.1%	
Total Other Revenue	\$806,428	0.1%	\$0.00
Total Estimated Resources (Less Transfers)	\$959,046,806	93.9%	\$237.56
Engineering Services to Other City Funds	7,094,681	0.7%	
Street Maintenance Services to Other City Funds	15,742,547	1.5%	
General Government and Financial Services to Other City Funds	2,991,568	0.3%	
Miscellaneous Services to Other City Funds	1,664,458	0.2%	
Environmental Growth Fund	8,791,932	0.9%	
Other Transfers and Contributions	25,871,106	2.5%	
Total Transfers from Other Funds	\$62,156,292	6.1%	\$0.00
Total General Fund Revenue/ Pro-rated Revenue	\$1,021,203,098	100.0%	\$237.56

¹Table IV - I

²State apportioned sales tax distributed to the City of San Diego assumed to increase on EDU basis.

Note:

Property Taxes, Sales/Use Tax, Motor Vehicle License Fees, and Transient Occupancy Tax are calculated separately. ERA has excluded Charges for Services for all applicable departments. Costs supported by these revenues are also excluded from expenditures.

Revenues not directly affected by new development, such as Transfers from Other Funds, Other Resources, Revenues from Other Agencies, and Interest Earnings, and Rents & Concessions, have been excluded from total pro-rated revenue.

Source: City of San Diego Annual Budget for Fiscal Year 2007 (Schedule I & III), Economics Research Associates

Exhibit V-3
Assessed Value and Annual Property Taxes at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Incremental Assessed Value	19,715	20,217	14,586	12,044
Property Taxes	22.9	23.5	17.0	14.2

Source: Economics Research Associates

Real Property Transfer Tax

Real property transfer taxes are calculated at \$0.55 for every \$1,000 of real property sale value. Real property transfer taxes are assessed as properties come onto the assessment roles for the first time and when properties are turned over.

Exhibit V-4
Real Property Transfer Tax (In \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Real Property Transfer Tax	0.9	0.9	0.6	0.5

Source: Economics Research Associates

VLF Fees

The current 0.65% VLF fees are projected based on a per capita basis. \$5.92 per person is applied to each scenarios' projected residents.

VLF in-lieu fees are increased proportionally in relation to the development's new assessed value. ERA evaluates only the incremental portion of the VLF in-lieu fees due to the new development in each scenario.

Exhibit V-5
VLF Fees and VLF In-Lieu Fees (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
VLF Fees and VLF In-Lieu Fees	12.4	12.7	9.3	7.8

Source: Economics Research Associates

Sales Tax

Sales taxes are produced by onsite sales at retail developments and offsite sales by new residents.

As described in the Methodology Section, ERA calculated new onsite taxable sales using each scenario's projected retail square footage. Estimated annual household income and the BLS Consumer Expenditure Survey were used to estimate the taxable household offsite expenditures that will be captured in the City of San Diego.

Sales are taken at 1 percent of new onsite sales and resident offsite sales.



**Exhibit V-6
Annual Sales Tax at Build Out (in \$ Millions)**

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
<i>New Taxable Onsite Sales</i>	263.8	153.7	303.8	334.5
<i>Offsite Sales</i>	74.7	78.6	47.4	29.0
Sales Tax	3.4	2.3	3.5	3.6

Source: Economics Research Associates

Transient Occupancy Tax

Transient Occupancy Tax is calculated at 10 percent of estimated room rate receipts. At this time, Scenario #1 is the only scenario that includes hotel rooms.

It should be noted that new residents and employees may generate additional hotel room demand. This demand is not included in this study.

**Exhibit V-7
Annual Transient Occupancy Tax at Build Out (in \$ Millions)**

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Transient Occupancy Tax	1.0	-	-	-

Source: Economics Research Associates

Total Revenues

The table below shows projected total revenues at build out as a result of each Otay Mesa Community Plan Update scenario.

**Exhibit V-8
Total Annual Revenues at Build Out (in \$ Millions)**

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Total Revenues	46.5	45.6	34.4	29.1

Source: Economics Research Associates

Fiscal Costs

City expenditures are analyzed on a proportional cost basis, with exception to fire, police and public safety, parks, and street maintenance expenditures. These are calculated separately.



Using this approach, ERA assumes that the City’s costs for servicing the development changes proportionally based on the amount of total resident dwelling units and employment equivalent dwelling units added to the City’s service area.

Detailed calculation of annual costs are shown in **Appendix A – D, Tables 16 - 20.**

Prorated Expenses

In *Table V-9*, on the next page, the City of San Diego’s Proposed Fiscal Year 2007 Proposed Budget is pro rated on an equivalent dwelling unit basis. ERA then calculated the variable share of each cost line item, considering that economies of scale would reduce the direct expenditure increase for some line items. ERA estimated the variable share based on its experience with jurisdictions of similar scale.

The variable share is applied to each Otay Mesa Community Plan Update alternative’s expected equivalent dwelling units to arrive at the expenditure from the proposed development.

Exhibit V-10

Annual Expenditures Estimated on a Proportional Basis, at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Pro-Rata Expenditures	7.0	7.3	4.8	3.6

Source: Economics Research Associates

Fire

Fire service costs are estimated based on the operating costs for incremental fire stations as a result of the development. Capital costs to build new fire stations are not included in this study.

At this time, the City of San Diego Fire Department is in the midst of analyzing the fire facility requirements for each scenario thus fire service is tentative. ERA has assumed that at least two new fire stations, in addition to the existing fire station, will be required for all scenarios.

As describe in the Methodology Section, the proposed operating budget for Fire Station #49, which is planned in the current public facilities financing plan for Otay Mesa, is used as a prototype for both new Otay Mesa fire stations.

Fire Station #49, the first incremental fire station in Otay Mesa, is to be funded by a facilities benefits assessment. Using these funds, the station may not be developed until 2010 or 2011. There is also a possibility that a developer may construct the fire station earlier and get reimbursed by the City. ERA has conservatively included operating costs for a fire station in 2010.

According to the City, the second fire station is likely to be developed between Fiscal Year 2015 and 2020. ERA has included operating costs for the second incremental fire station in 2018 for Project Scenarios #1, Project Scenario #2, and Project Scenario #3. In the No Project Scenario development is projected to occur at slower pace than the other project



**Table V - 9
City of San Diego - Proposed Budget Expenditures for Fiscal Year 2007**

<i>Equivalent Dwelling Units (EDU)</i>	583,457
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Summary of Adopted Expenditures	GEN. PURPOSE FUNDS	Share	General Fund Less Charges for Current Services	Expenditure Per EDU	Share of Variable Costs	Pro Rata Expenditure Per EDU
CITY EXPENDITURES						
Total Internal Support/Management Expenditures	\$82,985,595	8.1%	\$ 41,019,534	\$70.30	35%	\$24.61
City Attorney	36,205,158	3.5%	36,205,158	62.05	35%	21.72
Community and Legislative Services	3,804,389	0.4%	3,804,389	6.52	35%	2.28
Citywide Program Expenditures	46,383,612	4.5%	46,383,612	79.50	35%	22.00
Customer Service	2,060,780	0.2%	2,060,780	3.53	35%	1.24
Engineering and Capital Projects	35,241,744	3.5%	10,248,571	17.57	35%	6.15
General Services (Excluding Street Division) ²	25,585,689	2.5%	25,585,689	43.85	35%	15.35
General Services - Street Division	50,681,086	5.0%	50,681,086	86.86		Calculated Separately
Public Works	190,520	0.0%	190,520	0.33	35%	0.11
Real Estate Assets	4,786,795	0.5%	4,021,795	6.89	35%	2.41
Total Operations Support Expenditures	\$204,939,773	20.1%	\$179,181,600	\$307.10		\$71.26
Community and Economic Development	10,948,786	1.1%	10,667,647	18.28	75%	13.71
Family Justice Center	670,728	0.1%	670,728	1.15	35%	0.40
Neighborhood Code Compliance	6,708,037	0.7%	6,708,037	11.50	100%	11.50
Planning	6,846,724	0.7%	6,619,844	11.35	65%	7.37
Total Neighborhood Services	\$25,174,275	2.5%	\$24,666,256	\$42.28		\$32.99
Environmental Services	38,222,681	3.7%	37,311,936	63.95	100%	63.95
Storm water	13,561,608	1.3%	13,561,608	23.24	100%	23.24
Total Sanitation and Health	\$51,784,289	5.1%	\$50,873,544	\$87.19		\$87.19

**Table V - 9 (Cont.)
City of San Diego - Proposed Budget Expenditures for Fiscal Year 2007**

Public Safety	2,227,970	0.2%				Calculated Separately
Office of Homeland Security	1,562,766	0.2%	1,562,766	2.68	40%	1.07
Police	360,134,725	35.3%				Calculated Separately
San Diego Fire-Rescue	169,509,660	16.6%				Calculated Separately
Total Public Safety	\$533,435,121	52.2%	\$1,562,766	\$2.68	40%	\$1.07
Park and Recreation	84,140,359	8.2%	79,480,921	136.22	50%	Calculated Separately
Total Park and Recreation	\$84,140,359	8.2%	\$79,480,921	\$136.22		Calculated Separately
Library	38,743,686	3.8%	37,098,907	63.58	100%	63.58
Total Library Expenditure	\$38,743,686	3.8%	\$37,098,907	\$63.58		\$63.58
Total Operating Expenditures / Pro-Rated Expenses	\$1,021,203,098	100.0%		\$709.36		\$280.70

²The Street Division was moved into the General Fund under General Services in 2007. General Services - Street Division is broken out separately for this analysis.

Note: Variable costs are based on ERA estimates.

ERA has excluded Charges for Services for all applicable departments for both Revenues and Expenditures.

Police and Public Safety, Fire, Street Maintenance and Parks are reviewed separately in the following tables.

Source: City of San Diego Proposed Budget for Fiscal Year 2007 (Schedule I & III), Economics Research Associates



scenarios. ERA has included the operating costs for the second incremental fire station in 2025 for this alternative.

There is also a possibility of a third incremental fire station depending on units developed. This information was not available at this time and has not been included in this study. Fire expenditures were reviewed based on the historical cost per incident and historical incidents per existing City EDU.

Annual recurring Fire-Rescue costs at build out, as a result of the Otay Mesa Community Plan are estimated in the table below.

Exhibit V-11
Annual Fire Costs at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
New Fire Stations	2	2	2	2
Fire Service Operating Costs	3.9	3.9	3.9	3.9

Source: Economics Research Associates

Police

The police costs to service the Otay Mesa area are calculated on an EDU basis. To obtain variable police costs, ERA subtracted overhead as well as grant funded expenditures and services covered by fee from total police expenditures.

Exhibit V-12
Annual Police Costs at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Police Service Costs	12.8	13.4	8.7	6.5

Source: Economics Research Associates

Parks

Parks costs are calculated based on estimated current city park maintenance costs per acre of \$5,308.

Exhibit V-13
Annual Park Maintenance Costs at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Park Maintenance Costs	1.2	1.3	0.8	0.5

Source: Economics Research Associates



Other Costs and Revenues

ERA includes the City’s baseline costs and revenues impacts for street maintenance in this section.

Net street maintenance costs include both street maintenance expenditures as well as revenues transferred to the General Fund in support of street division costs. As described in the Methodology Section, cost factors derived using City of San Diego Street Division input were used to estimate annual street maintenance expenditures. Revenues are primarily transfers from non-discretionary funds that may be used for street maintenance, such as Gas Tax, Transnet, and the Storm Drain Fund.

The following table displays net street maintenance costs for each scenario at Build Out.

Exhibit V-15
Annual Net Street Maintenance Costs at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Net Street Maintenance Costs	2.5	2.3	3.0	3.7

Source: Economics Research Associates

Fiscal Expenditures

Exhibit V – 16 displays total annual fiscal expenditures resulting from the development of each Otay Mesa Community Plan Update scenario at Build Out.

Exhibit V-16
Annual Fiscal Expenditures at Build Out (in \$ Millions)

	Scenario 1	Scenario 2	Scenario 3	No Project Scenario
Fiscal Expenditures	27.4	28.2	21.2	18.3

Source: Economics Research Associates

VI. CONCLUSION: Net Fiscal Impact

Exhibit VI –1 through 4 present the net fiscal impacts of each Otay Mesa Community Plan scenario to the City of San Diego’s General Fund across the study period. *Exhibit VI- 5*, below, summarizes the fiscal impacts of the scenarios at build out.

As displayed in the table, each scenario is expected to produce net fiscal revenues at build out. However during the analysis period, there are a several years of net fiscal costs that vary by scenario.

Between 2006 and 2009 each of the scenarios produces one to two years of net fiscal costs. These net fiscal costs result from a short-term timing difference between when revenues are received for new development and when the costs of servicing new development are paid. The City must immediately provide services for new development once it is built, but the property taxes generated by the new development are not received for several months.

Net annual costs also crop up in year 2010 and in 2018 as new fire stations begin operations. In Scenarios 1 through 3 the fiscal impact becomes negative in 2010 with the onset of the first new fire station, but revenues from development grow to support the station and net fiscal impacts are positive by 2013. Scenarios 1 through 3 have a net annual cost in 2018. Scenarios 1 and 2 are able to fully support the costs of the second new fire station by 2019. With fewer new residents, Scenario 3 is able to support the costs of a second fire station by 2020.

The No Project Scenario has several years of net annual costs, from 2010 through 2020. Industrial space has a lower development value per acre compared to other land uses and provides a lower amount of property taxes. The No Project Scenario includes the highest proportion of industrial acres of all the scenarios and the lowest proportion of residential units. Without the support of the relatively high-property tax producing residential land, it takes several years before this scenario can fully support the first fire station. Given that fewer dwelling units are built, the construction and operation of the second fire station is pushed back until 2025 for this scenario.

As residential, commercial, and industrial acres are developed the net annual losses are phased out and fiscal impacts remain positive for all scenarios after 2020.

Exhibit VI-5

Annual Net Impact at Build Out		
Scenario 1	\$	19.1 Million
Scenario 2	\$	17.5 Million
Scenario 3	\$	13.2 Million
No Project Scenario	\$	10.8 Million

Source: Economics Research Associates

As shown in *Exhibit VI-5*, Scenario 1 has the greatest net impact to the City of San Diego at build out. The No Project Scenario has the lowest net impact.

Balancing the costs due to new residential development with the higher property and sales tax revenues from residential and commercial developments, Scenario 1 has the greatest net annual impact of \$19 million at build out. Scenario 1 is also the only scenario with planned visitor space. Scenario 1's anticipated sales tax, property tax, and transient occupancy tax receipts help to generate the highest revenues of all the scenarios.

With the greatest proportion of residential and office development, Scenario 2 generates the most property taxes at build out, but also the highest expenditures. Though the greatest number of new residents is anticipated in Scenario 2, this alternative has substantially lower retail space than the other scenarios and produces less sales tax. The annual net fiscal impacts of this scenario fall approximately \$1.6 million under Scenario 1, at approximately \$18 million.

Scenario 3 falls more than \$4 million under Scenario 2 in net fiscal impact at build out. Aside from the no change scenario, "No Project Scenario," Scenario 3 had the least amount of residential development and the most industrial development. The scenario has low expenditures, but also low property taxes.

The No Project Scenario has the lowest net annual impact of all the scenarios. As mentioned previously, the No Project Scenario has the largest proportion of industrial development and lowest proportion of residential. With lower development values than other land uses, industrial development produces relatively low property taxes. In addition, the amount of industrial acres attributed to this scenario is higher than the anticipated demand between 2006 and 2030. The industrial development is not expected to be fully absorbed until 2054 and retail development, which is dependent on residential support, is not expected to be fully absorbed until 2049. This scenario's revenues have a difficult time covering the costs of the currently planned fire station in 2010 and produce a net fiscal cost between 2010 and 2020. While the scenario is estimated to provide \$11 million in annual impact at build out, the aggregate fiscal impact of this scenario is substantially lower than Scenarios 1-3.

Exhibit VI - 1
Otay Mesa Community Plan Net Fiscal Impacts
 '(\$000)

Scenario	1
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	419	1,232	2,195	3,335	4,651	5,982	7,314	8,352	9,333	10,414	11,496	12,627	13,808	14,990	16,148	17,306	18,464	19,643	20,823	21,938	23,052	24,166	24,906	24,992	25,068	
<i>Lane Miles</i>	3	7	13	18	40	63	85	106	127	149	170	192	214	236	240	245	250	254	259	263	268	273	276	277	279	
REVENUES																										
Property Tax	-	213	629	1,144	1,787	2,567	3,397	4,261	4,898	5,508	6,189	6,897	7,657	8,472	9,318	10,202	11,119	12,070	13,075	14,117	15,103	16,121	17,175	18,037	22,901	
Property Transfer Tax	-	114	220	281	360	447	498	542	462	469	522	556	602	651	691	733	775	819	874	921	921	967	1,015	955	912	
VLFF Revenues (.65% VLF and In Lieu Fees)	110	326	594	928	1,333	1,762	2,208	2,536	2,850	3,200	3,564	3,954	4,371	4,804	5,255	5,722	6,206	6,717	7,245	7,746	8,262	8,797	9,230	9,459	12,402	
Sales Tax	45	105	171	256	348	509	670	813	953	1,096	1,239	1,384	1,530	1,677	1,993	2,310	2,626	2,943	3,260	3,298	3,331	3,364	3,385	3,385	3,385	
Transient Occupancy Tax	12	25	37	53	70	111	152	193	234	276	317	358	399	440	543	646	749	851	954	956	956	956	956	956	956	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	99	293	521	792	1,105	1,421	1,737	1,984	2,217	2,474	2,731	3,000	3,280	3,561	3,836	4,111	4,386	4,667	4,947	5,212	5,476	5,741	5,917	5,937	
Total Revenues	267	1,075	2,172	3,455	5,004	6,817	8,662	10,329	11,614	13,023	14,561	16,148	17,840	19,605	21,637	23,724	25,861	28,066	30,355	32,251	34,049	35,945	37,677	38,729	46,511	
EXPENDITURES																										
Police	214	629	1,122	1,704	2,377	3,057	3,738	4,268	4,770	5,322	5,875	6,453	7,057	7,660	8,252	8,844	9,436	10,039	10,641	11,211	11,781	12,350	12,728	12,772	12,811	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903
Parks and Recreation	33	79	129	183	240	300	360	413	465	519	574	629	685	742	794	847	899	953	1,007	1,049	1,091	1,133	1,166	1,182	1,196	
Street Maintenance	22	37	46	48	288	527	766	1,020	1,277	1,530	1,783	2,034	2,283	2,533	2,520	2,507	2,494	2,481	2,467	2,454	2,441	2,428	2,428	2,449	2,469	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	118	346	616	936	1,306	1,679	2,053	2,344	2,620	2,923	3,227	3,544	3,876	4,208	4,533	4,858	5,183	5,514	5,845	6,158	6,471	6,783	6,991	7,015	
Total Expenditures	387	1,092	1,913	4,824	6,162	7,515	8,869	9,997	11,083	12,246	13,409	16,563	17,804	19,046	20,002	20,958	21,915	22,889	23,864	24,776	25,686	26,597	27,216	27,320	27,416	
TOTAL ANNUAL IMPACT	(120)	(17)	259	(1,368)	(1,158)	(698)	(206)	332	531	777	1,152	(415)	36	560	1,635	2,765	3,947	5,177	6,490	7,475	8,363	9,348	10,462	11,409	19,095	

Source: Economics Research Associates

Exhibit VI - 2
Otay Mesa Community Plan Net Fiscal Impacts
 '(\$000)

Scenario	2
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	418	1,230	2,195	3,336	4,673	6,011	7,348	8,393	9,380	10,468	11,555	12,693	13,868	15,022	16,135	17,247	18,360	19,473	20,586	21,699	22,812	23,925	25,038	25,949	26,131	
<i>Lane Miles</i>	3	7	12	17	39	61	83	104	124	146	167	188	209	231	235	239	243	248	252	256	260	265	269	272	275	
REVENUES																										
Property Tax	-	215	633	1,153	1,800	2,605	3,444	4,317	4,963	5,582	6,272	6,990	7,760	8,572	9,388	10,205	11,053	11,932	12,842	13,786	14,763	15,775	16,823	17,907	23,485	
Property Transfer Tax	-	114	221	283	361	458	501	545	466	473	526	560	607	649	675	696	736	777	820	864	909	956	1,004	1,054	941	
VLF Revenues (.65% VLF and In Lieu Fees)	110	328	599	935	1,352	1,785	2,235	2,568	2,886	3,241	3,609	4,004	4,420	4,838	5,257	5,690	6,139	6,603	7,083	7,580	8,094	8,625	9,174	9,675	12,683	
Sales Tax	53	121	209	305	508	710	913	1,098	1,279	1,464	1,648	1,834	1,967	2,000	2,033	2,066	2,099	2,132	2,165	2,198	2,231	2,264	2,297	2,323	2,323	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	99	292	522	792	1,110	1,428	1,746	1,994	2,228	2,487	2,745	3,015	3,295	3,569	3,833	4,097	4,362	4,626	4,891	5,155	5,419	5,684	5,948	6,165	
Total Revenues	263	1,070	2,183	3,469	5,131	6,987	8,839	10,521	11,822	13,246	14,800	16,403	18,049	19,627	21,186	22,756	24,389	26,071	27,801	29,583	31,416	33,304	35,246	37,124	45,640	
EXPENDITURES																										
Police	214	629	1,122	1,705	2,388	3,072	3,755	4,289	4,794	5,350	5,905	6,487	7,087	7,677	8,245	8,814	9,383	9,952	10,520	11,089	11,658	12,227	12,796	13,261	13,354	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903
Parks and Recreation	36	85	139	196	260	324	388	445	501	559	617	676	734	789	832	876	919	962	1,006	1,049	1,092	1,136	1,179	1,217	1,256	
Street Maintenance	21	31	35	30	262	494	726	974	1,226	1,473	1,720	1,965	2,208	2,451	2,431	2,412	2,392	2,372	2,353	2,333	2,314	2,294	2,274	2,262	2,310	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	117	345	616	936	1,312	1,687	2,063	2,356	2,633	2,938	3,244	3,563	3,893	4,217	4,529	4,841	5,154	5,466	5,779	6,091	6,403	6,716	7,028	7,284	
Total Expenditures	387	1,090	1,912	4,819	6,174	7,529	8,883	10,016	11,105	12,271	13,437	16,594	17,825	19,036	19,941	20,846	21,751	22,656	23,561	24,465	25,370	26,275	27,180	27,927	28,158	
TOTAL ANNUAL IMPACT	(124)	(21)	271	(1,350)	(1,043)	(542)	(45)	506	717	975	1,363	(190)	223	591	1,245	1,910	2,638	3,415	4,241	5,117	6,046	7,028	8,066	9,197	17,482	

Source: Economics Research Associates

Exhibit VI - 3
Otay Mesa Community Plan Net Fiscal Impacts
 '(\$000)

Scenario	3
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	392	1,178	2,114	3,229	4,543	5,856	6,827	7,791	8,755	9,819	10,883	11,996	13,160	14,324	15,484	15,782	15,887	15,980	16,073	16,165	16,258	16,351	16,451	16,548	17,066	
<i>Lane Miles</i>	3	8	14	20	43	66	88	110	132	154	176	198	221	243	248	250	252	253	254	256	257	258	260	261	270	
REVENUES																										
Property Tax	-	212	626	1,137	1,777	2,570	3,396	3,958	4,536	5,138	5,810	6,509	7,260	8,066	8,902	9,780	10,228	10,563	10,892	11,230	11,578	11,936	12,303	12,688	16,978	
Property Transfer Tax	-	114	220	282	361	457	499	400	425	454	506	539	586	635	674	717	533	488	492	505	518	531	545	562	641	
VLF Revenues (.65% VLF and In Lieu Fees)	109	325	591	923	1,334	1,762	2,052	2,350	2,660	3,006	3,365	3,751	4,164	4,592	5,040	5,261	5,425	5,585	5,750	5,919	6,094	6,273	6,461	6,652	9,261	
Sales Tax	52	119	192	286	470	655	819	982	1,145	1,312	1,479	1,647	1,817	1,987	2,363	2,643	2,780	2,862	2,945	3,027	3,109	3,192	3,274	3,356	3,512	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	93	280	502	767	1,079	1,391	1,622	1,851	2,080	2,333	2,585	2,850	3,126	3,403	3,678	3,749	3,774	3,796	3,818	3,840	3,862	3,884	3,908	4,054	
Total Revenues	255	1,050	2,131	3,395	5,021	6,834	8,388	9,541	10,846	12,242	13,745	15,296	16,953	18,682	20,658	22,150	22,740	23,294	23,897	24,522	25,162	25,816	26,491	27,190	34,446	
EXPENDITURES																										
Police	200	602	1,081	1,650	2,321	2,993	3,489	3,982	4,474	5,018	5,561	6,131	6,725	7,320	7,913	8,065	8,119	8,166	8,214	8,261	8,309	8,356	8,407	8,457	8,721	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	23	57	93	133	178	222	260	298	336	375	415	456	497	539	578	599	614	627	641	654	667	681	694	707	789	
Street Maintenance	26	48	67	80	334	587	853	1,119	1,385	1,649	1,912	2,175	2,436	2,698	2,697	2,715	2,737	2,759	2,780	2,802	2,824	2,846	2,868	2,888	3,043	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	110	331	594	906	1,275	1,644	1,916	2,187	2,458	2,756	3,055	3,367	3,694	4,021	4,346	4,430	4,460	4,486	4,512	4,538	4,564	4,590	4,618	4,645	
Total Expenditures	359	1,038	1,834	4,721	6,059	7,397	8,470	9,537	10,604	11,749	12,895	16,032	17,256	18,481	19,437	19,712	19,832	19,941	20,049	20,158	20,267	20,375	20,490	20,600	21,247	
TOTAL ANNUAL IMPACT	(104)	12	297	(1,326)	(1,038)	(563)	(82)	4	242	493	850	(735)	(303)	201	1,221	2,438	2,908	3,354	3,848	4,364	4,895	5,441	6,001	6,590	13,198	

Source: Economics Research Associates

Exhibit VI - 4
Otay Mesa Community Plan Net Fiscal Impacts
 '(\$000)

Scenario	No Project																						Build out			
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
<i>Project Equivalent Dwelling Units</i>	837	1,095	1,806	2,733	3,631	4,378	5,176	5,968	6,666	7,199	7,597	7,994	8,392	8,789	9,159	9,529	9,898	10,261	10,363	10,465	10,567	10,669	10,771	10,873	12,802	
<i>Lane Miles</i>	6	9	15	22	46	68	90	113	135	155	175	195	215	235	238	241	244	247	249	250	251	253	254	256	282	
REVENUES																										
Property Tax	-	364	504	863	1,369	1,887	2,365	2,907	3,469	4,013	4,452	4,783	5,126	5,482	5,851	6,219	6,599	6,994	7,397	7,661	7,933	8,214	8,504	8,802	14,191	
Property Transfer Tax	-	194	94	208	292	313	310	356	384	392	359	319	335	350	367	372	389	406	421	362	372	382	393	403	484	
VLFF Revenues (.65% VLF and In Lieu Fees)	192	263	449	713	981	1,227	1,505	1,793	2,070	2,292	2,458	2,631	2,809	2,995	3,179	3,369	3,567	3,768	3,897	4,030	4,167	4,308	4,453	4,603	7,773	
Sales Tax	66	113	187	272	377	477	580	683	783	875	959	1,043	1,127	1,211	1,357	1,504	1,650	1,786	1,863	1,940	2,017	2,094	2,170	2,247	3,634	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	199	260	429	649	863	1,040	1,230	1,418	1,584	1,710	1,805	1,899	1,994	2,088	2,176	2,264	2,351	2,438	2,462	2,486	2,510	2,535	2,559	2,583	
Total Revenues	457	1,194	1,663	2,704	3,881	4,944	5,989	7,156	8,289	9,283	10,034	10,675	11,390	12,126	12,930	13,728	14,556	15,392	16,039	16,478	16,999	17,532	18,078	18,638	29,123	
EXPENDITURES																										
Police	428	560	923	1,397	1,856	2,238	2,645	3,050	3,407	3,679	3,882	4,085	4,289	4,492	4,681	4,870	5,058	5,244	5,296	5,348	5,400	5,452	5,505	5,557	6,542	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	21	34	55	79	102	123	144	166	186	203	218	234	249	264	277	289	302	315	322	330	337	345	353	360	505	
Street Maintenance	41	82	127	173	463	752	1,041	1,330	1,617	1,904	2,192	2,479	2,767	3,054	3,080	3,106	3,132	3,158	3,182	3,205	3,228	3,251	3,274	3,297	3,740	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	235	307	507	767	1,019	1,229	1,453	1,675	1,871	2,021	2,132	2,244	2,356	2,467	2,571	2,675	2,778	2,880	2,909	2,938	2,966	2,995	3,023	3,052	
Total Expenditures	725	983	1,611	4,367	5,392	6,293	7,235	8,173	9,032	9,759	10,377	10,994	11,611	12,229	12,560	12,891	13,223	13,549	15,612	15,723	15,835	15,946	16,058	16,169	18,284	
TOTAL ANNUAL IMPACT	(267)	211	52	(1,663)	(1,511)	(1,350)	(1,246)	(1,016)	(743)	(476)	(343)	(319)	(221)	(103)	370	836	1,333	1,843	428	755	1,164	1,586	2,021	2,469	10,839	

Source: Economics Research Associates



Economics Research Associates

Appendix A
Scenario 1

Fiscal Impact Analysis of Otay Mesa Community Plan Update

Appendix Table A - 1
Annual Absorption - Scenario #1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
ACRES																														
Heavy Industrial	-	10.0	10.0	10.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	0.9	0	0	0	0	260.9
Scientific Research	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	3.0	0	0	0	0	48.0
Light Industrial (Light Industr. & Business Park)	50.0	50.0	50.0	50.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	15.0	14.4	0	0	0	829.4
Mixed Use Office	1.0	1.2	1.2	1.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	2.3	2.3	2.3	2.3	5.0	5.0	5.0	5.0	5.0	1.9	-	0	0	0	76.4	
Commercial/Retail	3.0	3.0	3.0	4.0	4.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	25.0	25.0	25.0	25.0	25.0	5.0	5.0	5.0	5.0	-	-	0	0	0	232.5	
Residential (Approximation) 21.09 Density	13.0	30.8	37.9	46.2	54.5	54.5	54.5	40.6	37.9	42.7	42.7	45.0	47.4	47.4	47.4	47.4	47.4	47.4	47.4	47.4	47.4	47.4	29.7	-	-	0	0	0	1,004.2	
Total Acreage Absorption	67	95	102	111	117	123	123	109	106	111	111	113	116	116	108	108	108	110	110	88	85	85	88	33	16	14	-	-	-	2,451
Cumulative Acreage Absorption	67	162	264	376	492	615	738	847	953	1,064	1,175	1,288	1,404	1,520	1,628	1,735	1,843	1,953	2,064	2,150	2,235	2,321	2,388	2,421	2,437	2,451	2,451	2,451	2,451	
Percentage Absorbed	2.7%	6.6%	10.8%	15.3%	20.1%	25.1%	30.1%	34.6%	38.9%	43.4%	47.9%	52.6%	57.3%	62.0%	66.4%	70.8%	75.2%	79.7%	84.2%	87.7%	91.2%	94.7%	97.4%	98.8%	99.4%	100.0%	100.0%	100.0%	100.0%	
DEVELOPMENT PROGRAM ABSORPTION (1)																														
Industrial																														
Heavy Industrial SF	100%	0.80	0.45																											
Scientific Research	100%	0.80	0.45																											
Light Industrial	100%	0.80	0.45	784,080	784,080	784,080	784,080	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264
Industrial Office	15%	0.80	0.45	119,550	119,550	119,550	119,550	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640	95,640
All Other Light Industrial	85%	0.80	0.45	664,530	664,530	664,530	664,530	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624	531,624
Total Industrial				784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488
Mixed Use Office	100%	0.80	0.43	14,985	17,982	17,982	17,982	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449
Commercial/Retail																														
Retail Center Retail	66%	0.80	0.25	17,449	17,449	17,449	23,265	23,265	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162	58,162
Retail Center Office	13%	0.80	0.22	2,954	2,954	2,954	3,939	3,939	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847
Subtotal Retail Center				20,403	20,403	20,403	27,203	27,203	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008	68,008
Hotel	21%	0.80	0.22	4,830	4,830	4,830	6,440	6,440	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100
Hotel Rooms (2)				6	6	6	8	8	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Residential Units																														
Single Family Units				275	650	800	975	1,150	1,150	1,150	857	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Multi-Family Units				75	150	200	275	350	350	350	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ownership	75%			200	500	600	700	800	800	800	800	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rental	25%			150	375	450	525	600	600	600	600	600	675	675	713	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750
Parks																														
Park Requirement				226.4																										
Cumulative Incremental Park Acres				6	15	24	35	45	57	68	78	88	98	108	118	129	140	150	160	169	180	190	198	206	213	220	223	224	225	225
Lane Miles																														
Community Arterials				162.75				16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Industrial Intract Lane Miles				0.04				2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Residential Intract Lane Miles				0.07				1	2	3	3	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Annual Incremental Lane Miles				3	5	5	6	22	22	22	21	21	21	21	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Cumulative Lane Miles				3	7	13	18	40	63	85	106	127	149	170	192	214	236	240	245	250	254	259	263	268	273	276	277	278	279	279
Roadway Miles																														
Community Arterials				35				3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Intract Lane Miles				2				1.46	2.28	2.53	2.82	3.01	3.01	3.01	2.52	2.43	2.59	2.59	2.68	2.76	2.76	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32
Total Road Miles				1.46	2.28	2.53	2.82	6.51	6.51	6.51	6.02	5.93	6.09	6.09	6.18	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26	6.26

(1) See Exhibits III-9 through Exhibits III-11 for details regarding development program factors.

(2) Assumes 800 square feet per room.

Source: Planning Team, Economics Research Associates

Appendix Table A-2
ESTIMATED DEVELOPMENT VALUE
(In 2007 \$ Millions)

Land Use	Basis for Valuation		Average Assessed Value per Unit
	Avg. Unit Size (Sq.Ft.) (1)	Price Per Sq.Ft.(1)	
FOR SALE RESIDENTIAL			
<i>Single Family</i>	2,500	\$270.00	\$675,000
<i>Multifamily For Sale</i>	1,204	\$314.00	\$378,056

	Basis for Valuation		Average Assessed Value per Unit (6)
	Average Room Rate	Rental Rate /Unit/Mo.	
COMMERCIAL & INDUSTRIAL			
<i>Rental Residential (1)</i>		\$1,460	\$249,660
<i>Retail (2)</i>		\$1.92	\$315
<i>Office (3)</i>		\$2.00	\$300
<i>Lodging (4)</i>	\$80.00		\$194,180
<i>Industrial (5)</i>		\$0.55	\$95

(1) 3Q 2006 Information from MarketPointe Realty

(2) Retail rate based on 3Q2006 Costar direct average retail rates in Otay Mesa and review of South San Diego rates in CBRE Retail Report for 3Q2006.

(3) CoStar Office Rate for 3Q 2006 South San Diego.

(4) Rate based on November 2006 phone survey of existing Otay Mesa room rates.

(5) Otay Mesa Industrial rate reported by Costar.

(6) Average Assessed Value per Unit for commercial & industrial based on occupancy of 93% (70% for lodging), efficiency rates of 85 to 98%, operating costs of 5%, and cap rates based on rates reported by the California Real Estate Journal in 2006. Retail has a cap rate of 5.5%, Office has a cap rate of 6%, Industrial cap rate of 6%. 10% cap rate for hotel market based on Korpacz Real Estate Investor Survey 3Q2006.

Rental residential value based on occupancy of 95%, operating costs of 25% and a cap rate of 5%.

Source: Economic Research Associates

Appendix Table A - 3
Annual Value Absorption
(\$000)

Scenario: 1

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out	
Commercial & Industrial	Value per Unit																										
Industrial	\$95 SF	74,677	89,612	89,612	89,612	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	46,300	\$1,700,092
Office	\$300 SF	4,501	5,401	5,401	5,401	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	10,353	10,353	10,353	22,506	22,506	22,506	22,506	22,506	22,506	22,506	8,552	\$343,894
Retail	\$315 SF	6,418	6,418	6,418	8,558	8,558	21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	53,487	53,487	53,487	53,487	53,487	1,070	-	-	-	-	-	\$497,429
Hotel	\$194,180 Room	\$1,172	\$1,172	\$1,172	\$1,563	\$1,563	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908	\$9,770	\$9,770	\$9,770	\$9,770	\$9,770	\$195	\$0	\$0	\$0	\$0	\$0	\$90,857
Residential																											
Single Family Stock	\$675,000 Unit	50,625	101,250	135,000	185,625	236,250	236,250	236,250	38,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,219,725
Multi-Family Stock																											
	For Sale \$378,056 Unit	69,191	172,979	207,574	242,170	276,766	276,766	276,766	276,766	276,766	311,361	311,361	328,659	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	216,569	-	\$5,493,910
	Rental \$249,660 Unit	12,483	31,208	37,449	43,691	49,932	49,932	49,932	49,932	49,932	56,174	56,174	59,294	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	39,072	\$1,209,353
For Sale Residential		107,333	243,021	305,125	384,104	463,084	463,084	463,084	265,309	226,834	255,188	255,188	269,365	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	177,497	-	6,713,635
Rental Residential, Commercial, & Industrial		99,252	133,812	140,053	148,825	157,052	172,233	172,233	172,233	172,233	172,233	178,475	178,475	181,595	184,716	184,716	185,311	185,311	185,311	197,464	197,464	135,473	134,208	134,208	110,865	54,852	3,841,625
Total Value		206,585	376,833	445,179	532,930	620,135	635,317	635,317	437,542	399,067	433,662	433,662	450,960	468,258	468,258	468,853	468,853	468,853	481,006	481,006	419,015	417,750	417,750	288,362	54,852	\$10,555,260	

Appendix Table A - 4
Household Income Absorption Scenario: **1**
(000)

<i>Cumulative Absorption</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	<i>Build Out</i>	
Single Family Units	75	225	425	700	1,050	1,400	1,750	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	
Ownership Multi-Family Units	150	525	975	1,500	2,100	2,700	3,300	3,900	4,500	5,175	5,850	6,563	7,313	8,063	8,813	9,563	10,313	11,063	11,813	12,563	13,313	14,063	14,532	14,532	14,532	
Rental Multi-Family Units	50	175	325	500	700	900	1,100	1,300	1,500	1,725	1,950	2,188	2,438	2,688	2,938	3,188	3,438	3,688	3,938	4,188	4,438	4,688	4,844	4,844	4,844	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out	
Single Family Stock	Household Income (1) \$145,060	10,879	32,638	61,650	101,542	152,313	203,083	253,854	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123
Multi-Family Stock																										
For Sale	\$86,025	12,904	45,163	83,874	129,037	180,652	232,266	283,881	335,496	387,111	445,177	503,244	564,536	629,055	693,573	758,091	822,610	887,128	951,647	1,016,165	1,080,684	1,145,202	1,209,720	1,250,109	1,250,109	1,250,109
Rental	\$58,400	2,920	10,220	18,980	29,200	40,880	52,560	64,240	75,920	87,600	100,740	113,880	127,750	142,350	156,950	171,550	186,150	200,750	215,350	229,950	244,550	259,150	273,750	282,890	282,890	282,890
Cumulative Household Income (000)	\$ 26,703	\$ 88,021	\$ 164,504	\$ 259,779	\$ 373,844	\$ 487,910	\$ 601,975	\$ 673,538	\$ 736,833	\$ 808,040	\$ 879,246	\$ 954,409	\$ 1,033,527	\$ 1,112,646	\$ 1,191,764	\$ 1,270,883	\$ 1,350,001	\$ 1,429,119	\$ 1,508,238	\$ 1,587,356	\$ 1,666,475	\$ 1,745,593	\$ 1,795,121	\$ 1,795,121	\$ 1,795,121	

(1) As presented in *Exhibit III - 17* Household Characteristics.
Source: Economics Research Associates

Appendix Table A - 5
Population Estimates

Scenario **1**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out	
Residential																										
Single Family Stock	3.98	299	597	796	1,095	1,393	1,393	1,393	227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,192	
Multi-Family Stock																										
For Sale	3.45	518	1,294	1,553	1,811	2,070	2,070	2,070	2,070	2,329	2,329	2,458	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	1,620	-	50,135
Rental	3.45	173	431	518	604	690	690	690	690	776	776	819	863	863	863	863	863	863	863	863	863	863	863	540	-	16,712
Total Population	989	2,322	2,866	3,510	4,153	4,153	4,153	2,987	2,760	3,105	3,105	3,278	3,450	2,160	-	74,039										
<i>Cumulative Population</i>	989	3,311	6,177	9,686	13,839	17,992	22,145	25,132	27,892	30,997	34,102	37,379	40,829	44,279	47,729	51,179	54,629	58,079	61,529	64,979	68,429	71,879	74,039	74,039		

¹From Community Planning Survey prepared for Source Pointe by True North Research.

Source: Economics Research Associates, True North Research

Appendix Table A - 6
Projected Employment

Scenario **1**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out	
Commercial & Industrial	Avg. Units per Emp	Employees																									
Mixed Use & Retail Center Office	250 SF	72	84	84	88	214	237	237	237	237	237	237	237	237	237	236	236	236	398	398	302	300	300	300	114	5,495	
Industrial Office	300 SF	399	399	399	399	319	319	319	319	319	319	319	319	319	319	159	159	159	159	159	159	159	159	159	159	159	6,610
Industrial (excluding Industrial Office)	1,172 SF	567	701	701	701	654	654	654	654	654	654	654	654	654	654	401	401	401	401	401	401	401	401	401	374	13,539	
Retail	400 SF	44	44	44	58	58	145	145	145	145	145	145	145	145	145	364	364	364	364	364	364	7	-	-	-	-	3,381
Hotel	1.5 Room	4	4	4	5	5	13	13	13	13	13	13	13	13	13	34	34	34	34	34	34	1	-	-	-	-	312
Annual Total New Employees		1,085	1,231	1,231	1,251	1,250	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,194	1,194	1,194	1,355	1,355	870	860	860	860	647	29,337	
<i>Cumulative Employees</i>		1,085	2,316	3,546	4,797	6,047	7,416	8,785	10,154	11,523	12,893	14,262	15,631	17,000	18,369	19,563	20,756	21,950	23,305	24,660	25,530	26,390	27,250	28,110	28,757		

Source: Economics Research Associates

Appendix Table A-7
Project EDU

Scenario **1**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Project Equivalent Dwelling Unit Calculation																									
Employees	1,085	1,231	1,231	1,251	1,250	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,194	1,194	1,194	1,355	1,355	870	860	860	860	647	29,337
Employment Resident Equivalent - 1 employee = 0.35 residents	380	431	431	438	438	479	479	479	479	479	479	479	479	479	418	418	418	474	474	304	301	301	301	227	10,268
Employment Resident Equivalent/Persons per Dwelling Unit @ 2.64	144	163	163	166	166	181	181	181	181	181	181	181	181	181	158	158	158	180	180	115	114	114	114	86	3,885
Annual New Employment Equivalent Dwelling Units	144	163	163	166	166	181	181	181	181	181	181	181	181	181	158	158	158	180	180	115	114	114	114	86	3,885
Annual New Dwelling Units	275	650	800	975	1,150	1,150	1,150	857	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	626	-	21,183
Total New EDUs	419	813	963	1,141	1,316	1,331	1,331	1,038	981	1,081	1,081	1,131	1,181	1,181	1,158	1,158	1,158	1,180	1,180	1,115	1,114	1,114	740	86	25,068
<i>Cumulative EDUs</i>	419	1,232	2,195	3,335	4,651	5,982	7,314	8,352	9,333	10,414	11,496	12,627	13,808	14,990	16,148	17,306	18,464	19,643	20,823	21,938	23,052	24,166	24,906	24,992	25,068

Source: Economics Research Associates

Appendix Table A - 8
City of San Diego - Property Tax Impacts
Scenario:

1

	2007	2010	2015	2020	2025	2030	Build out	
For Sale Residential New AV (000s)	\$ 107,333	\$ 932,251	\$ 1,881,393	\$ 1,346,825	\$ 1,417,710	\$ 1,028,123		
Rental Residential & Commercial New AV (\$000s)	\$ 99,252	\$ 422,691	\$ 845,984	\$ 907,977	\$ 950,862	\$ 569,605		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Proposition 13 AV Limitation less Inflation of 2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
<i>(In Current \$ 000s)</i>								
FOR SALE RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 107,333	\$ 1,103,247	\$ 3,422,411	\$ 5,520,870	\$ 8,120,319	\$ 10,586,732	\$ 13,163,265	
COMMERCIAL & RENTAL RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 99,252	\$ 553,925	\$ 1,602,774	\$ 2,944,150	\$ 4,608,637	\$ 5,986,513	\$ 7,532,195	
TOTAL ASSESSED VALUE (000's)								
Residential and Commercial	\$ 206,585	\$ 1,657,172	\$ 5,025,186	\$ 8,465,020	\$ 12,728,957	\$ 16,573,245	\$ 20,695,460	
ADJUSTMENT FOR BASE ASSESSED VALUE OF THE LAND								
Base Assessed Value	\$ 980,567	\$ 26,815	\$ 150,239	\$ 381,282	\$ 607,955	\$ 825,528	\$ 968,447	
INCREMENTAL ASSESSED VALUE	\$ 179,770	\$ 1,506,933	\$ 4,643,904	\$ 7,857,065	\$ 11,903,429	\$ 15,604,798	\$ 19,714,893	
TOTAL PROPERTY TAXES COLLECTED¹ (\$000s) @	1.00%	\$ 9,646	\$ 41,295	\$ 71,435	\$ 110,245	\$ 152,082	\$ 193,091	
ANNUAL INCREMENTAL PROPERTY TAXES TO THE CITY								
Share of Property Tax to the City of San Diego @	11.86%	\$ -	\$ 1,143,960	\$ 4,897,542	\$ 8,472,198	\$ 13,075,035	\$ 18,036,918	

¹Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January. A lag of one year is applied to account for the time between the addition of new development and City receipt of property taxes.
Source: Economics Research Associates, City of San Diego County Assessor's Office

Appendix Table A - 9

City of San Diego - Property Transfer Tax

Scenario:

1

	2007	2010	2015	2020	2025	2030	Build Out	
For Sale Residential New AV (000s)	\$ 107,333	\$ 932,251	\$ 1,881,393	\$ 1,346,825	\$ 1,417,710	\$ 1,028,123		
Rental Residential & Commercial New AV (\$000s)	\$ 99,252	\$ 422,691	\$ 845,984	\$ 907,977	\$ 950,862	\$ 569,605		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
Real Property Transfer Tax¹ (including annual turnovers)								
Residential Property Transfer Tax								
Residential Property Transfer Tax Assessment	\$ 59,033	\$ 262,446	\$ 319,788	\$ 485,209	\$ 647,076	\$ 582,270	\$ 723,979	
Residential Property Transfer Tax (with lag period)²		\$ 194,647	\$ 321,064	\$ 455,917	\$ 612,552	\$ 706,684	\$ 709,784	
COMMERCIAL & RENTAL RESIDENTIAL								
Commercial Property Transfer Tax Assessment	\$ 54,588	\$ 97,753	\$ 149,515	\$ 205,815	\$ 274,096	\$ 209,823	\$ 206,403	
Commercial Property Transfer Tax (with Lag)²		\$ 86,810	\$ 141,143	\$ 195,337	\$ 261,118	\$ 248,622	\$ 202,356	
TOTAL ANNUAL PROPERTY TRANSFER TAX								
Residential and Commercial	\$ -	\$ 281,456	\$ 462,207	\$ 651,254	\$ 873,670	\$ 955,307	\$ 912,140	

¹\$0.55 for every \$1000 of real property sale value

²Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January.

Source: Economics Research Associates, City of San Diego County Assessor's Office

**Appendix Table A - 10
Vehicle License Fee Revenues**

Scenario: **1**

VLF Revenues

Current Population Of the City ¹ =	1,311,162
Current Allocation of 0.65% VLF =	\$ 7,761,868
Per Capita VLF Allocation =	\$ 5.92

	2007	2010	2015	2020	2025	2030	Build Out
Otay Mesa Population Growth	989	9,686	27,892	44,279	61,529	74,039	74,039
VLF Revenues Attributed To Otay Mesa CP (000's)	\$ 6	\$ 57	\$ 165	\$ 262	\$ 364	\$ 438	\$ 438

Motor Vehicle In Lieu Fees (MVLF) Adjustment

Base Year (2004) Assessed Valuation of the City (\$000) =	\$ 127,126,461
Base Year (2004) Motor Vehicle In Lieu Fees Adjustment (MVLF) (\$000) =	\$ 73,487

	2007	2010	2015	2020	2025	2030	Build Out
Cumulative AV of New Developments (\$000s)	\$ 206,585	\$ 1,657,172	\$ 5,025,186	\$ 8,465,020	\$ 12,728,957	\$ 16,573,245	\$ 20,695,460
AV Adjustment for Base Value (\$000)	\$ (26,815)	\$ (150,239)	\$ (381,282)	\$ (607,955)	\$ (825,528)	\$ (968,447)	\$ (980,567)
Adjusted AV of Development(\$000)	\$ 179,770	\$ 1,506,933	\$ 4,643,904	\$ 7,857,065	\$ 11,903,429	\$ 15,604,798	\$ 20,695,460
Cumulative AV Growth (Citywide)	\$ 127,306,231	\$ 128,633,394	\$ 131,770,365	\$ 134,983,526	\$ 139,029,890	\$ 142,731,259	\$ 147,821,921
Incremental AV	0.141411%	0.42343%	0.39194%	0.53144%	0.63622%	0.27864%	16.27943%
Cumulative Citywide MVLF ²	\$ 73,591	\$ 74,358	\$ 76,172	\$ 78,029	\$ 80,368	\$ 82,508	\$ 85,450
Annual MVLF Adjustment Attributed To Otay Mesa CPA(000's)	\$ 104	\$ 871	\$ 2,684	\$ 4,542	\$ 6,881	\$ 9,021	\$ 11,963
TOTAL ANNUAL VLF REVENUES (000's)	\$ 110	\$ 928	\$ 2,850	\$ 4,804	\$ 7,245	\$ 9,459	\$ 12,402

¹From Table IV - 1

²Applying the Citywide AV Growth Rate (includes AV growth due to each scenario) to Current MVLF

Source: Economics Research Associates, County of San Diego Property Tax Services and California State Controller's Office

Appendix Table A-11
Effective Retail Sales Capture in San Diego

Retail Expenditure Items	Share Taxable	City's Capture	Effective Taxable Retail Sales Capture in San Diego
Food at home	40%	85%	34%
Food away from home	100%	70%	70%
Alcoholic beverages	100%	80%	80%
Household operations	75%	60%	45%
Housekeeping supplies	100%	55%	55%
Household furnishings and equipment	100%	40%	40%
Apparel and services	100%	65%	65%
Transportation			
Other vehicle expenses ¹	100%	75%	75%
Healthcare ²	40%	95%	38%
Entertainment ³	80%	65%	52%
Personal care products and services	100%	85%	85%
Reading	100%	70%	70%
Tobacco products and smoking supplies	100%	75%	75%
Miscellaneous	100%	85%	85%

Source: Economics Research Associates

Appendix Table A-12
Resident Offsite Sales Generation
Scenario:

1

Projected Average Household Income \$ 84,743

Cumulative Household Income (000) \$ 26,703 \$ 259,779 \$ 736,833 \$ 1,112,646 \$ 1,508,238 \$ 1,795,121 \$ 1,795,121

Household Expenditure	Expenditure as % of Gross HH Income	Effective Taxable Capture	Off-Site	2007	2010	2015	2020	2025	2030	Build Out
Food at home	4.8%	34.0%	10.0%	43	421	1,194	1,803	2,443	2,908	2,908
Food away from home	4.1%	70.0%	30.0%	230	2,235	6,341	9,575	12,979	15,448	15,448
Alcoholic beverages	0.8%	80.0%	20.0%	35	338	957	1,446	1,960	2,332	2,332
Household operations	1.3%	45.0%	35.0%	56	541	1,534	2,316	3,140	3,737	3,737
Housekeeping supplies	0.9%	55.0%	20.0%	28	268	761	1,148	1,557	1,853	1,853
Household furnishings and equipment	2.9%	40.0%	60.0%	188	1,826	5,179	7,821	10,602	12,619	12,619
Apparel and services	2.9%	65.0%	40.0%	203	1,976	5,606	8,465	11,475	13,658	13,658
Transportation										
Other vehicle expenses ¹	1.1%	75.0%	40.0%	84	820	2,326	3,512	4,761	5,666	5,666
Healthcare ²	0.9%	38.0%	40.0%	37	359	1,018	1,537	2,084	2,480	2,480
Entertainment ³	1.1%	52.0%	45.0%	71	688	1,952	2,947	3,995	4,755	4,755
Personal care products and services	0.9%	85.0%	25.0%	52	509	1,443	2,179	2,954	3,515	3,515
Reading	0.2%	70.0%	35.0%	14	141	399	603	817	972	972
Tobacco products and smoking supplies	0.4%	75.0%	25.0%	19	184	523	790	1,071	1,275	1,275
Miscellaneous	0.6%	85.0%	40.0%	51	499	1,416	2,138	2,898	3,450	3,450
Total Taxable Sales Capture in San Diego (\$000)				1,111	10,805	30,648	46,280	62,735	74,668	74,668

¹25% of BLS expenditure.

²25% of BLS expenditure.

³30% of BLS expenditure

Source: Bureau of Labor Statistics Consumer Expenditure Survey 2003, Economics Research Associates

Appendix Table A - 13

Sales Tax

Scenario:

1

	Rate	2007	2008	2009	2010	2015	2020	2025	2030	Buildout
Retail SF		17,449	17,449	17,449	23,265	58,162	58,162	145,404	-	
<i>Cumulative Retail SF</i>		<i>17,449</i>	<i>34,897</i>	<i>52,346</i>	<i>75,610</i>	<i>331,522</i>	<i>622,331</i>	<i>1,349,354</i>	<i>1,352,262</i>	1,352,262
Gross Leasable Area	85%	14,831	29,663	44,494	64,269	281,794	528,981	1,146,950	1,149,422	1,149,422
Taxable Onsite Sales (000s)										
Onsite Sales	\$300 per SF	\$4,449	\$8,899	\$13,348	\$19,281	\$84,538	\$158,694	\$344,085	\$344,827	\$344,827
Taxable Onsite Sales @	85%	\$3,782	\$7,564	\$11,346	\$16,389	\$71,857	\$134,890	\$292,472	\$293,103	\$293,103
<i>Less Estimated Retail Transfers</i>	<i>10%</i>	<i>\$378</i>	<i>\$756</i>	<i>\$1,135</i>	<i>\$1,639</i>	<i>\$7,186</i>	<i>\$13,489</i>	<i>\$29,247</i>	<i>\$29,310</i>	<i>\$29,310</i>
New Taxable Onsite Sales (000s)		\$3,404	\$6,808	\$10,211	\$14,750	\$64,672	\$121,401	\$263,225	\$263,792	\$263,792
Taxable Resident Offsite Sales		\$1,111	\$3,661	\$6,843	\$10,805	\$30,648	\$46,280	\$62,735	\$74,668	\$74,668
Total New Sales as a Result of Plan		\$4,514	\$10,469	\$17,054	\$25,555	\$95,320	\$167,682	\$325,960	\$338,460	\$338,460
Sales Tax (000)	1%	\$45	\$105	\$171	\$256	\$953	\$1,677	\$3,260	\$3,385	\$3,385

Source: Economics Research Associates

Appendix Table A-14

Transient Occupancy Tax due to New Development

Scenario:

1

	2007	2010	2015	2020	2025	2030	Buildout
Incremental Hotel Rooms	6	8	20	20	50	0	
<i>Cumulative New Hotel Rooms</i>	6	26	115	215	467	468	468
Room Revenues (000s)							
Room Rate @	\$80	\$176	\$764	\$3,350	\$6,288	\$13,633	\$13,663
Occupancy @	70%	\$123	\$535	\$2,345	\$4,401	\$9,543	\$9,564
Transient Occupancy Tax (000's)@	10%	\$12	\$53	\$234	\$440	\$954	\$956

Note: Room rate based on survey of current Otay Mesa hotels

Source: Economics Research Associates

Appendix Table A-15
Otay Mesa Community Plan Revenues
 '(\$000)

Scenario	1
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out
<i>Project Equivalent Dwelling Units</i>	419	1,232	2,195	3,335	4,651	5,982	7,314	8,352	9,333	10,414	11,496	12,627	13,808	14,990	16,148	17,306	18,464	19,643	20,823	21,938	23,052	24,166	24,906	24,992	25,068
<i>Lane Miles</i>	3	7	13	18	40	63	85	106	127	149	170	192	214	236	240	245	250	254	259	263	268	273	276	277	279
Property Tax	-	213	629	1,144	1,787	2,567	3,397	4,261	4,898	5,508	6,189	6,897	7,657	8,472	9,318	10,202	11,119	12,070	13,075	14,117	15,103	16,121	17,175	18,037	22,901
Property Transfer Tax	-	114	220	281	360	447	498	542	462	469	522	556	602	651	691	733	775	819	874	921	921	967	1,015	955	912
VLF Revenues (.65% VLF and In Lieu Fees)	110	326	594	928	1,333	1,762	2,208	2,536	2,850	3,200	3,564	3,954	4,371	4,804	5,255	5,722	6,206	6,717	7,245	7,746	8,262	8,797	9,230	9,459	12,402
Sales Tax	45	105	171	256	348	509	670	813	953	1,096	1,239	1,384	1,530	1,677	1,993	2,310	2,626	2,943	3,260	3,298	3,331	3,364	3,385	3,385	3,385
Transient Occupancy Tax	12	25	37	53	70	111	152	193	234	276	317	358	399	440	543	646	749	851	954	956	956	956	956	956	956
Pro-Rata Revenues																									
Project EDU pro rata share @ \$	238	99	293	521	792	1,105	1,421	1,737	1,984	2,217	2,474	2,731	3,000	3,280	3,561	3,836	4,111	4,386	4,667	4,947	5,212	5,476	5,741	5,917	5,937
Total Revenues	267	1,075	2,172	3,455	5,004	6,817	8,662	10,329	11,614	13,023	14,561	16,148	17,840	19,605	21,637	23,724	25,861	28,066	30,355	32,251	34,049	35,945	37,677	38,729	46,511

Source: Economics Research Associates

Appendix Table A-16
Otay Mesa Community Plan - Fire Service Cost Calculation
(000's)

Scenario: 1

Proposed Operating Budget for Prototype Fire station (1)

Estimated Staffing	12.97
Staffing Costs	\$ 1,807,584
Non-Personnel Costs	\$ 143,856
Total Operating Costs	<u>\$ 1,951,440</u>

Fire-Rescue Expenditure Generated by Otay Mesa							
Community Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	419	3,335	9,333	14,990	20,823	24,992	25,068
New Fire stations (2)	-	1	1	2	2	2	2
Fire Costs (000's)	\$ -	\$ 1,951	\$ 1,951	\$ 3,903	\$ 3,903	\$ 3,903	\$ 3,903

- (1) Fire station #49 is currently planned under the existing Otay Mesa Public Facilities Financing Plan. The operating costs for new Otay Mesa fire stations are based on the Operating Budget Effect impacts proposed in the City of San Diego FY 2008 Budget, Capital Improvement Program. This fire station is used as the prototypical fire station for incremental fire stations in the Otay Mesa area.
- (2) One new fire station is currently included under the existing Otay Mesa Public Facilities Financing Plan. It is to be funded by a facilities benefits assessment. Using these funds, the station may not be developed until 2010 or 2011. There is also a chance that a developer may construct the fire station earlier and get reimbursed by the City ERA has included a fire station operations in 2010. The second fire station is tentative and may be developed between Fiscal Year 2015 and 2020. third incremental fire station depending on units developed. This information was not available at this time and has not been included in this study

Source: City of San Diego, Proposed Budget 2008 Public Facilities Financing, Economics Research Associates

Appendix Table A - 17
Otay Mesa Specific Plan Police Costs
Scenario:

1

Proportional Police Costs

Total Police Expenditure (2007)	\$	360,134,725
Less Charges for Current Services		3,899,307
Less Grant Funds ¹		1,198,630
Police Expenditures from Discretionary Funds		355,036,788
Less Overhead ¹		56,866,046
Variable Police Expenditures		298,170,742
Share of Variable Cost		100%
Total Variable Expenditures	\$	298,170,742
Current Equivalent Dwelling Unit		583,457
Net Expenditure/EDU	\$	511.04

Police Expenditure Generated by Otay Mesa

Specific Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	419	3,335	9,333	14,990	20,823	24,992	25,068
Police Costs (000's)	\$ 214	\$ 1,704	\$ 4,770	\$ 7,660	\$ 10,641	\$ 12,772	\$ 12,811

¹The 2007 Proposed Budget does not provide detail on expenditure and revenue detail. 2006 figures.

Source: City of San Diego, FY 2007 Adopted Budget, Economics Research Associates

**Appendix Table A-18
Otay Mesa Parks Costs
Scenario:**

1

Parks Costs Per Acre

Population Based Park Costs per Acre ¹	\$ 5,308
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Park Expenditure	2007	2010	2015	2020	2025	2030	Build Out
<i>Cumulative Park Acres</i>	6	35	88	140	190	223	225
Annual Park & Recreation Costs (000's)	\$ 33	\$ 183	\$ 465	\$ 742	\$ 1,007	\$ 1,182	\$ 1,196

¹Park per Acre factor based on Cost Per Acre Maintenance Assessment District Reimbursements for FY 2005 and FY 2006.

Source: City of San Diego, Maintenance Assessment Districts Overview, Annual FY 2006 Budget, Economics Research Associates

Appendix Table A - 19

Other Cost and Revenues - Streets, Lighting, and Storm Drain Maintenance

Scenario:

1

Street and Landscaping Maintenance		2007	2010	2015	2020	2025	2030	Build Out
<i>New Residents</i>		989	9,686	27,892	44,279	61,529	74,039	74,039
<i>Lane Miles</i>		3	18	127	236	259	277	279
<i>Miles</i>		1	9	41	71	83	92	93
Street Maintenance Expenditures								
Paved Area Life Cycle Maint. Costs (1)	\$ 14,286 per Lane Mile	42	259	1,821	3,366	3,697	3,962	3,980
Street Sweeping	\$ 70 per Mile	0	1	3	5	6	6	7
Street Lighting / Electricity (2)	\$ 2,480 per Mile	4	23	101	177	206	229	230
Storm Drain (3)	\$ 1,900 per Mile	3	17	77	136	158	175	177
Street Maintenance Expenditures		48	300	2,002	3,684	4,067	4,373	4,393
Street Maintenance Revenue								
Street Maintenance Revenues (4)	\$ 25.99 per Resident	26	252	725	1,151	1,599	1,925	1,925
Net Street Maintenance Expenditures (\$000)		22	48	1,277	2,533	2,467	2,449	2,469

- (1) Figure reflects annualized cost of resurfacing pavement and replacement of pavement across a 21 year cycle. Front end costs of pavement maintenance may be lower. Pavements are resurfaced in the 7th and 14th year at a cost of \$75,000 per mile (est. 2 lane road) and are replaced in the 21st year at a cost of \$450,000.
- (2) Street repair and electricity costs based on citiwide average of approx. 14 street lights mile. Includes Street light repair costs of \$86 per light and annual electricity costs of approximately \$88.
- (3) ERA estimate based on inflated historical Street Division - Storm Drain expense.
- (4) See Exhibit IV-14

Source: City of San Diego Street Division and Economics Research Associates

Appendix Table A - 20
Otay Mesa Community Plan Expenses
(\$000)

Scenario: 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	419	1,232	2,195	3,335	4,651	5,982	7,314	8,352	9,333	10,414	11,496	12,627	13,808	14,990	16,148	17,306	18,464	19,643	20,823	21,938	23,052	24,166	24,906	24,992	25,068	
<i>Lane Miles</i>	3	7	13	18	40	63	85	106	127	149	170	192	214	236	240	245	250	254	259	263	268	273	276	277	279	
<i>Park Acres</i>	6	9	9	10	11	11	11	10	10	10	10	10	11	11	10	10	10	10	10	8	8	8	6	3	225	
Police	214	629	1,122	1,704	2,377	3,057	3,738	4,268	4,770	5,322	5,875	6,453	7,057	7,660	8,252	8,844	9,436	10,039	10,641	11,211	11,781	12,350	12,728	12,772	12,811	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	33	79	129	183	240	300	360	413	465	519	574	629	685	742	794	847	899	953	1,007	1,049	1,091	1,133	1,166	1,182	1,196	
Street Maintenance	22	37	46	48	288	527	766	1,020	1,277	1,530	1,783	2,034	2,283	2,533	2,520	2,507	2,494	2,481	2,467	2,454	2,441	2,428	2,428	2,449	2,469	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$ 281	118	346	616	936	1,306	1,679	2,053	2,344	2,620	2,923	3,227	3,544	3,876	4,208	4,533	4,858	5,183	5,514	5,845	6,158	6,471	6,783	6,991	7,015	7,037	
Total Revenues	387	1,092	1,913	4,824	6,162	7,515	8,869	9,997	11,083	12,246	13,409	16,563	17,804	19,046	20,002	20,958	21,915	22,889	23,864	24,776	25,686	26,597	27,216	27,320	27,416	

Source: Economics Research Associates

Appendix Table A - 21

Otay Mesa Community Plan Net Fiscal Impacts
(\$000)

Scenario	1
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	419	1,232	2,195	3,335	4,651	5,982	7,314	8,352	9,333	10,414	11,496	12,627	13,808	14,990	16,148	17,306	18,464	19,643	20,823	21,938	23,052	24,166	24,906	24,992	25,068	
<i>Lane Miles</i>	3	7	13	18	40	63	85	106	127	149	170	192	214	236	240	245	250	254	259	263	268	273	276	277	279	
REVENUES																										
Property Tax	-	213	629	1,144	1,787	2,567	3,397	4,261	4,898	5,508	6,189	6,897	7,657	8,472	9,318	10,202	11,119	12,070	13,075	14,117	15,103	16,121	17,175	18,037	22,901	
Property Transfer Tax	-	114	220	281	360	447	498	542	462	469	522	360	602	651	691	733	775	819	874	921	921	967	1,015	955	912	
VLF Revenues (.65% VLF and In Lieu Fees)	110	326	594	928	1,333	1,762	2,208	2,536	2,850	3,200	3,564	3,954	4,371	4,804	5,255	5,722	6,206	6,717	7,245	7,746	8,262	8,797	9,230	9,459	12,402	
Sales Tax	45	105	171	256	348	509	670	813	953	1,096	1,239	1,384	1,530	1,677	1,993	2,310	2,626	2,943	3,260	3,298	3,331	3,364	3,385	3,385	3,385	
Transient Occupancy Tax	12	25	37	53	70	111	152	193	234	276	317	358	399	440	543	646	749	851	954	956	956	956	956	956	956	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	99	293	521	792	1,105	1,421	1,737	1,984	2,217	2,474	2,731	3,000	3,280	3,561	3,836	4,111	4,386	4,667	4,947	5,212	5,476	5,741	5,917	5,937	
Total Revenues	267	1,075	2,172	3,455	5,004	6,817	8,662	10,329	11,614	13,023	14,561	16,148	17,840	19,605	21,637	23,724	25,861	28,066	30,355	32,251	34,049	35,945	37,677	38,729	46,511	
EXPENDITURES																										
Police	214	629	1,122	1,704	2,377	3,057	3,738	4,268	4,770	5,322	5,875	6,453	7,057	7,660	8,252	8,844	9,436	10,039	10,641	11,211	11,781	12,350	12,728	12,772	12,811	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	
Parks and Recreation	33	79	129	183	240	300	360	413	465	519	574	629	685	742	794	847	899	953	1,007	1,049	1,091	1,133	1,166	1,182	1,196	
Street Maintenance	22	37	46	48	288	527	766	1,020	1,277	1,530	1,783	2,034	2,283	2,533	2,520	2,507	2,494	2,481	2,467	2,454	2,441	2,428	2,428	2,449	2,469	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	118	346	616	936	1,306	1,679	2,053	2,344	2,620	2,923	3,227	3,544	3,876	4,208	4,533	4,858	5,183	5,514	5,845	6,158	6,471	6,783	6,991	7,015	
Total Expenditures	387	1,092	1,913	4,824	6,162	7,515	8,869	9,997	11,083	12,246	13,409	16,563	17,804	19,046	20,002	20,958	21,915	22,889	23,864	24,776	25,686	26,597	27,216	27,320	27,416	
TOTAL ANNUAL IMPACT	(120)	(17)	259	(1,368)	(1,158)	(698)	(206)	332	531	777	1,152	(415)	36	560	1,635	2,765	3,947	5,177	6,490	7,475	8,363	9,348	10,462	11,409	19,095	

Source: Economics Research Associates



Economics Research Associates

Appendix B
Scenario 2

Fiscal Impact Analysis of Otay Mesa Community Plan Update

Appendix Table B-2
ESTIMATED DEVELOPMENT VALUE
(In 2007 \$ Millions)

Land Use	Basis for Valuation		Average Assessed Value per Unit
	Avg. Unit Size (Sq.Ft.) (1)	Price Per Sq.Ft.(1)	
FOR SALE RESIDENTIAL			
<i>Single Family</i>	2,500	\$270.00	\$675,000
<i>Multifamily For Sale</i>	1,204	\$314.00	\$378,056

	Basis for Valuation		Average Assessed Value per Unit (6)
	Average Room Rate	Rental Rate /Unit/Mo.	
COMMERCIAL & INDUSTRIAL			
<i>Rental Residential (1)</i>		\$1,460	\$249,660
<i>Retail (2)</i>		\$1.92	\$315
<i>Office (3)</i>		\$2.00	\$300
<i>Lodging (4)</i>	\$80.00		\$194,180
<i>Industrial (5)</i>		\$0.55	\$95

(1) 3Q 2006 Information from MarketPointe Realty

(2) Retail rate based on 3Q2006 Costar direct average retail rates in Otay Mesa and review of South San Diego rates in CBRE Retail Report for 3Q2006.

(3) CoStar Office Rate for 3Q 2006 South San Diego.

(4) Rate based on November 2006 phone survey of existing Otay Mesa room rates.

(5) Otay Mesa Industrial rate reported by Costar.

(6) Average Assessed Value per Unit for commercial & industrial based on occupancy of 93% (70% for lodging), efficiency rates of 85 to 98%, operating costs of 5%, and cap rates based on rates reported by the California Real Estate Journal in 2006. Retail has a cap rate of 5.5%, Office has a cap rate of 6%, Industrial cap rate of 6%. 10% cap rate for hotel market based on Korpacz Real Estate Investor Survey 3Q2006.

Rental residential value based on occupancy of 95%, operating costs of 25% and a cap rate of 5%.

Source: Economic Research Associates

Appendix Table B - 3
Annual Value Absorption
(\$000)

Scenario: 2

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out		
Commercial & Industrial	Value per Unit																											
Industrial	\$95 SF	74,677	89,612	89,612	89,612	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	46,449	\$1,763,418	
Office	\$300 SF	4,501	5,401	5,401	5,401	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	23,406	\$395,209	
Retail	\$315 SF	8,106	8,106	10,808	10,808	29,722	29,722	29,722	29,722	29,722	29,722	29,722	29,722	19,184	-	-	-	-	-	-	-	-	-	-	-	-	\$294,785	
Hotel	\$194,180 Room	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residential																												
Single Family Stock	\$675,000 Unit	50,625	101,250	135,000	185,625	236,250	236,250	236,250	38,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,219,725	
Multi-Family Stock		69,191	172,979	207,574	242,170	276,766	276,766	276,766	276,766	276,766	311,361	311,361	328,659	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	345,957	276,766	
For Sale	\$378,056 Unit	56,708	141,771	170,125	198,479	226,834	226,834	226,834	226,834	226,834	255,188	255,188	269,365	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	226,834	\$5,826,788
Rental	\$249,660 Unit	12,483	31,208	37,449	43,691	49,932	49,932	49,932	49,932	49,932	56,174	56,174	59,294	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	62,415	49,932	\$1,282,628
For Sale Residential		107,333	243,021	305,125	384,104	463,084	463,084	463,084	265,309	226,834	255,188	255,188	269,365	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	283,542	226,834	7,046,513	
Rental Residential, Commercial, & Industrial		99,767	134,327	143,271	149,512	176,652	176,652	176,652	176,652	176,652	182,894	182,894	186,015	178,598	159,414	134,208	134,208	134,208	134,208	134,208	134,208	134,208	134,208	134,208	134,208	119,787	3,736,040	
Total Value		207,100	377,348	448,396	533,616	639,736	639,736	639,736	441,961	403,486	438,082	438,082	455,379	462,140	442,956	417,750	346,621	\$10,782,553										

Appendix Table B - 4
Household Income Absorption
(000)

Scenario: 2

<i>Cumulative Absorption</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	<i>Build Out</i>
Single Family Units	75	225	425	700	1,050	1,400	1,750	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807
Ownership Multi-Family Units	150	525	975	1,500	2,100	2,700	3,300	3,900	4,500	5,175	5,850	6,563	7,313	8,063	8,813	9,563	10,313	11,063	11,813	12,563	13,313	14,063	14,813	15,413	15,413
Rental Multi-Family Units	50	175	325	500	700	900	1,100	1,300	1,500	1,725	1,950	2,188	2,438	2,688	2,938	3,188	3,438	3,688	3,938	4,188	4,438	4,688	4,938	5,138	5,138
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Single Family Stock																									
	Household Income (1)																								
	\$145,060																								
	10,879	32,638	61,650	101,542	152,313	203,083	253,854	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123	262,123
Multi-Family Stock																									
For Sale	\$86,025	12,904	45,163	83,874	129,037	180,652	232,266	283,881	335,496	387,111	445,177	503,244	564,536	629,055	693,573	758,091	822,610	887,128	951,647	1,016,165	1,080,684	1,145,202	1,209,720	1,274,239	1,325,854
Rental	\$58,400	2,920	10,220	18,980	29,200	40,880	52,560	64,240	75,920	87,600	100,740	113,880	127,750	142,350	156,950	171,550	186,150	200,750	215,350	229,950	244,550	259,150	273,750	288,350	300,030
Cumulative Household Income (000s)	\$ 26,703	\$ 88,021	\$ 164,504	\$ 259,779	\$ 373,844	\$ 487,910	\$ 601,975	\$ 673,538	\$ 736,833	\$ 808,040	\$ 879,246	\$ 954,409	\$ 1,033,527	\$ 1,112,646	\$ 1,191,764	\$ 1,270,883	\$ 1,350,001	\$ 1,429,119	\$ 1,508,238	\$ 1,587,356	\$ 1,666,475	\$ 1,745,593	\$ 1,824,711	\$ 1,888,006	\$ 1,888,006

(1) As presented in *Exhibit III - 17* Household Characteristics.
 Source: Economics Research Associates

Appendix Table B - 5
Population Estimates

Scenario **2**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
	Persons per Household	Population																							
Residential																									
Single Family Stock	3.98	299	597	796	1,095	1,393	1,393	1,393	227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,192
Multi-Family Stock																									
For Sale	3.45	518	1,294	1,553	1,811	2,070	2,070	2,070	2,070	2,329	2,329	2,458	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,588	2,070
Rental	3.45	173	431	518	604	690	690	690	690	776	776	819	863	863	863	863	863	863	863	863	863	863	863	863	690
Total Population	989	2,322	2,866	3,510	4,153	4,153	4,153	2,987	2,760	3,105	3,105	3,278	3,450	2,760	78,089										
<i>Cumulative Population</i>	989	3,311	6,177	9,686	13,839	17,992	22,145	25,132	27,892	30,997	34,102	37,379	40,829	44,279	47,729	51,179	54,629	58,079	61,529	64,979	68,429	71,879	75,329	78,089	

¹From Community Planning Survey prepared for Source Pointe by True North Research.

Source: Economics Research Associates, True North Research

Appendix Table B - 6
Projected Employment

Scenario **2**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out	
Commercial & Industrial	Avg. Units per Emp	Employees																									
Mixed Use & Retail Center Office	250 SF	76	88	94	94	258	258	258	258	258	258	258	258	237	198	300	300	300	300	300	300	300	300	300	312	5,859	
Industrial Office	300 SF	375	375	375	375	300	300	300	300	300	300	300	300	300	300	150	150	150	150	150	150	150	150	150	150	150	6,540
Industrial (excluding Industrial Office)	1,172 SF	573	707	707	707	659	659	659	659	659	659	659	659	659	659	403	403	403	403	403	403	403	403	403	403	378	14,124
Retail	400 SF	54	54	72	72	199	199	199	199	199	199	199	199	128	-	-	-	-	-	-	-	-	-	-	-	-	1,970
Hotel	1.5 Room	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Total New Employees		1,079	1,225	1,248	1,248	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,324	1,157	853	853	853	853	853	853	853	853	853	840	28,493	
<i>Cumulative Employees</i>		1,079	2,304	3,552	4,800	6,216	7,632	9,048	10,464	11,880	13,296	14,712	16,127	17,452	18,609	19,462	20,315	21,168	22,021	22,874	23,727	24,580	25,433	26,286	27,125		

Source: Economics Research Associates

Appendix Table B-7
Project EDU

Scenario **2**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Project Equivalent Dwelling Unit Calculation																									
Employees	1,079	1,225	1,248	1,248	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,324	1,157	853	853	853	853	853	853	853	853	853	840	28,493
Employment Resident Equivalent - 1 employee = 0.35 residents	378	429	437	437	496	496	496	496	496	496	496	496	463	405	299	299	299	299	299	299	299	299	299	294	9,972
Employment Resident Equivalent/Persons per Dwelling Unit @ 2.64	143	162	165	165	188	188	188	188	188	188	188	188	175	153	113	113	113	113	113	113	113	113	113	111	3,774
Annual New Employment Equivalent Dwelling Units	143	162	165	165	188	188	188	188	188	188	188	188	175	153	113	113	113	113	113	113	113	113	113	111	3,774
Annual New Dwelling Units	275	650	800	975	1,150	1,150	1,150	857	800	900	900	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	800	22,357
Total New EDUs	418	812	965	1,140	1,338	1,338	1,338	1,045	988	1,088	1,088	1,138	1,175	1,153	1,113	911	26,131								
<i>Cumulative EDUs</i>	418	1,230	2,195	3,336	4,673	6,011	7,348	8,393	9,380	10,468	11,555	12,693	13,868	15,022	16,135	17,247	18,360	19,473	20,586	21,699	22,812	23,925	25,038	25,949	26,131

Source: Economics Research Associates

Appendix Table B - 8
City of San Diego - Property Tax Impacts
Scenario:

2

	2007	2010	2015	2020	2025	2030	Build out	
For Sale Residential New AV (000s)	\$ 107,333	\$ 932,251	\$ 1,881,393	\$ 1,346,825	\$ 1,417,710	\$ 1,361,002		
Rental Residential & Commercial New AV (\$000s)	\$ 99,767	\$ 427,110	\$ 883,261	\$ 889,813	\$ 671,039	\$ 656,619		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Proposition 13 AV Limitation less Inflation of 2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
<i>(In Current \$ 000s)</i>								
FOR SALE RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 107,333	\$ 1,103,247	\$ 3,422,411	\$ 5,520,870	\$ 8,120,319	\$ 11,111,647	\$ 13,815,932	
COMMERCIAL & RENTAL RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 99,767	\$ 559,161	\$ 1,652,232	\$ 2,975,258	\$ 4,243,328	\$ 5,720,394	\$ 7,325,178	
TOTAL ASSESSED VALUE (000's)								
Residential and Commercial	\$ 207,100	\$ 1,662,409	\$ 5,074,643	\$ 8,496,128	\$ 12,363,648	\$ 16,832,041	\$ 21,141,109	
ADJUSTMENT FOR BASE ASSESSED VALUE OF THE LAND								
Base Assessed Value	\$ 924,482	\$ 26,193	\$ 144,540	\$ 368,445	\$ 580,427	\$ 739,945	\$ 895,442	
INCREMENTAL ASSESSED VALUE	\$ 180,907	\$ 1,517,869	\$ 4,706,198	\$ 7,915,702	\$ 11,623,703	\$ 15,936,599	\$ 20,216,628	
TOTAL PROPERTY TAXES COLLECTED¹ (\$000s) @	1.00%	\$ 9,725	\$ 41,843	\$ 72,274	\$ 108,282	\$ 150,986	\$ 198,021	
ANNUAL INCREMENTAL PROPERTY TAXES TO THE CITY								
Share of Property Tax to the City of San Diego @	11.86%	\$ -	\$ 1,153,349	\$ 4,962,584	\$ 8,571,652	\$ 12,842,285	\$ 17,906,909	\$ 23,485,287

¹Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January. A lag of one year is applied to account for the time between the addition of new development and City receipt of property taxes.
Source: Economics Research Associates, City of San Diego County Assessor's Office

Appendix Table B - 9

City of San Diego - Property Transfer Tax

Scenario:

2

	2007	2010	2015	2020	2025	2030	Build Out	
For Sale Residential New AV (000s)	\$ 107,333	\$ 932,251	\$ 1,881,393	\$ 1,346,825	\$ 1,417,710	\$ 1,361,002		
Rental Residential & Commercial New AV (\$000s)	\$ 99,767	\$ 427,110	\$ 883,261	\$ 889,813	\$ 671,039	\$ 656,619		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
Real Property Transfer Tax¹ (including annual turnovers)								
Residential Property Transfer Tax								
Residential Property Transfer Tax Assessment	\$ 59,033	\$ 262,446	\$ 319,788	\$ 485,209	\$ 647,076	\$ 788,199	\$ 759,876	
Residential Property Transfer Tax (with lag period)²		\$ 194,647	\$ 321,064	\$ 455,917	\$ 612,552	\$ 796,853	\$ 744,977	
COMMERCIAL & RENTAL RESIDENTIAL								
Commercial Property Transfer Tax Assessment	\$ 54,872	\$ 98,278	\$ 153,581	\$ 189,568	\$ 216,845	\$ 256,007	\$ 199,688	
Commercial Property Transfer Tax (with Lag)²		\$ 88,680	\$ 144,989	\$ 193,004	\$ 207,425	\$ 257,543	\$ 195,773	
TOTAL ANNUAL PROPERTY TRANSFER TAX								
Residential and Commercial	\$ -	\$ 283,327	\$ 466,053	\$ 648,921	\$ 819,977	\$ 1,054,396	\$ 940,749	

¹\$0.55 for every \$1000 of real property sale value

²Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January.

Source: Economics Research Associates, City of San Diego County Assessor's Office

**Appendix Table B - 10
Vehicle License Fee Revenues**

Scenario: **2**

VLF Revenues

Current Population Of the City ¹ =	1,311,162
Current Allocation of 0.65% VLF =	\$ 7,761,868
Per Capita VLF Allocation =	\$ 5.92

	2007	2010	2015	2020	2025	2030	Build Out
Otay Mesa Population Growth	989	9,686	27,892	44,279	61,529	78,089	78,089
VLF Revenues Attributed To Otay Mesa CP (000's)	\$ 6	\$ 57	\$ 165	\$ 262	\$ 364	\$ 462	\$ 462

Motor Vehicle In Lieu Fees (MVLf) Adjustment

Base Year (2004) Assessed Valuation of the City (\$000) =	\$ 127,126,461
Base Year (2004) Motor Vehicle In Lieu Fees Adjustment (MVLf) (\$000) =	\$ 73,487

	2007	2010	2015	2020	2025	2030	Build Out
Cumulative AV of New Developments (\$000s)	\$ 207,100	\$ 1,662,409	\$ 5,074,643	\$ 8,496,128	\$ 12,363,648	\$ 16,832,041	\$ 21,141,109
AV Adjustment for Base Value (\$000)	\$ (26,193)	\$ (144,540)	\$ (368,445)	\$ (580,427)	\$ (739,945)	\$ (895,442)	\$ (924,482)
Adjusted AV of Development(\$000)	\$ 180,907	\$ 1,517,869	\$ 4,706,198	\$ 7,915,702	\$ 11,623,703	\$ 15,936,599	\$ 21,141,109
Cumulative AV Growth (Citywide)	\$ 127,307,368	\$ 128,644,330	\$ 131,832,659	\$ 135,042,162	\$ 138,750,164	\$ 143,063,060	\$ 148,267,570
Incremental AV	0.142305%	0.42576%	0.39745%	0.51233%	0.57662%	0.58922%	16.62998%
Cumulative Citywide MVLf ²	\$ 73,592	\$ 74,365	\$ 76,208	\$ 78,063	\$ 80,206	\$ 82,700	\$ 85,708
Annual MVLf Adjustment Attributed To Otay Mesa CPA(000's)	\$ 105	\$ 877	\$ 2,720	\$ 4,576	\$ 6,719	\$ 9,212	\$ 12,221
TOTAL ANNUAL VLF REVENUES (000's)	\$ 110	\$ 935	\$ 2,886	\$ 4,838	\$ 7,083	\$ 9,675	\$ 12,683

¹From Table IV - 1

²Applying the Citywide AV Growth Rate (includes AV growth due to each scenario) to Current MVLf

Source: Economics Research Associates, County of San Diego Property Tax Services and California State Controller's Office

Appendix Table B -11
Effective Retail Sales Capture in San Diego

Retail Expenditure Items	Share Taxable	City's Capture	Effective Taxable Retail Sales Capture in San Diego
Food at home	40%	85%	34%
Food away from home	100%	70%	70%
Alcoholic beverages	100%	80%	80%
Household operations	75%	60%	45%
Housekeeping supplies	100%	55%	55%
Household furnishings and equipment	100%	40%	40%
Apparel and services	100%	65%	65%
Transportation			
Other vehicle expenses ¹	100%	75%	75%
Healthcare ²	40%	95%	38%
Entertainment ³	80%	65%	52%
Personal care products and services	100%	85%	85%
Reading	100%	70%	70%
Tobacco products and smoking supplies	100%	75%	75%
Miscellaneous	100%	85%	85%

Source: Economics Research Associates

Appendix Table B-12
Resident Offsite Sales Generation
Scenario:

2

Projected Average Household Income \$ 84,448

Cumulative Household Income (000) \$ 26,703 \$ 259,779 \$ 736,833 \$ 1,112,646 \$ 1,508,238 \$ 1,888,006 \$ 1,888,006

Household Expenditure	Expenditure as % of Gross HH Income	Effective Taxable Capture	Off-Site	2007	2010	2015	2020	2025	2030	Build Out
Food at home	4.8%	34.0%	10.0%	43	422	1,197	1,807	2,450	3,066	3,066
Food away from home	4.1%	70.0%	30.0%	230	2,238	6,349	9,587	12,996	16,268	16,268
Alcoholic beverages	0.8%	80.0%	20.0%	35	338	959	1,447	1,962	2,456	2,456
Household operations	1.3%	45.0%	35.0%	56	541	1,533	2,315	3,139	3,929	3,929
Housekeeping supplies	0.9%	55.0%	20.0%	28	268	761	1,150	1,558	1,951	1,951
Household furnishings and equipment	2.9%	40.0%	60.0%	188	1,827	5,182	7,825	10,607	13,278	13,278
Apparel and services	2.9%	65.0%	40.0%	203	1,979	5,612	8,475	11,488	14,381	14,381
Transportation										
Other vehicle expenses ¹	1.1%	75.0%	40.0%	84	822	2,330	3,519	4,770	5,971	5,971
Healthcare ²	0.9%	38.0%	40.0%	37	360	1,021	1,541	2,089	2,615	2,615
Entertainment ³	1.1%	52.0%	45.0%	71	688	1,953	2,949	3,997	5,003	5,003
Personal care products and services	0.9%	85.0%	25.0%	52	509	1,445	2,182	2,958	3,702	3,702
Reading	0.2%	70.0%	35.0%	14	141	399	603	817	1,023	1,023
Tobacco products and smoking supplies	0.4%	75.0%	25.0%	19	185	525	794	1,076	1,346	1,346
Miscellaneous	0.6%	85.0%	40.0%	51	501	1,420	2,145	2,907	3,639	3,639
Total Taxable Sales Capture in San Diego (\$000)				1,112	10,819	30,687	46,339	62,815	78,631	78,631

¹25% of BLS expenditure.

²25% of BLS expenditure.

³30% of BLS expenditure

Source: Bureau of Labor Statistics Consumer Expenditure Survey 2003, Economics Research Associates

Appendix Table B - 13

Sales Tax

Scenario:

2

	Rate	2007	2008	2009	2010	2015	2020	2025	2030	Buildout
Retail SF		21,664	21,664	28,886	28,886	79,436	-	-	-	
<i>Cumulative Retail SF</i>		21,664	43,329	72,214	101,100	498,278	787,857	787,857	787,857	787,857
Gross Leasable Area	85%	18,415	36,829	61,382	85,935	423,536	669,678	669,678	669,678	669,678
Taxable Onsite Sales (000s)										
Onsite Sales	\$300 per SF	\$5,524	\$11,049	\$18,415	\$25,780	\$127,061	\$200,904	\$200,904	\$200,904	\$200,904
Taxable Onsite Sales @	85%	\$4,696	\$9,391	\$15,652	\$21,913	\$108,002	\$170,768	\$170,768	\$170,768	\$170,768
<i>Less Estimated Retail Transfers</i>	10%	\$470	\$939	\$1,565	\$2,191	\$10,800	\$17,077	\$17,077	\$17,077	\$17,077
New Taxable Onsite Sales (000s)		\$4,226	\$8,452	\$14,087	\$19,722	\$97,202	\$153,691	\$153,691	\$153,691	\$153,691
Taxable Resident Offsite Sales		\$1,112	\$3,666	\$6,851	\$10,819	\$30,687	\$46,339	\$62,815	\$78,631	\$78,631
Total New Sales as a Result of Plan		\$5,338	\$12,118	\$20,938	\$30,541	\$127,889	\$200,030	\$216,506	\$232,322	\$232,322
Sales Tax (000)	1%	\$53	\$121	\$209	\$305	\$1,279	\$2,000	\$2,165	\$2,323	\$2,323

Source: Economics Research Associates

Appendix Table B-14

Transient Occupancy Tax due to New Development

Scenario:

2

		2007	2010	2015	2020	2025	2030	Buildout
Incremental Hotel Rooms		0	0	0	0	0	0	
<i>Cumulative New Hotel Rooms</i>		<i>0</i>						
Room Revenues (000s)								
Room Rate @	\$80	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy @	70%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transient Occupancy Tax (000's)@	10%	\$0						

Note: Room rate based on survey of current Otay Mesa hotels

Source: Economics Research Associates

Appendix Table B-15
Otay Mesa Community Plan Revenues
 '(\$000)

Scenario	2
-----------------	----------

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out
<i>Project Equivalent Dwelling Units</i>	418	1,230	2,195	3,336	4,673	6,011	7,348	8,393	9,380	10,468	11,555	12,693	13,868	15,022	16,135	17,247	18,360	19,473	20,586	21,699	22,812	23,925	25,038	25,949	26,131
<i>Lane Miles</i>	3	7	12	17	39	61	83	104	124	146	167	188	209	231	235	239	243	248	252	256	260	265	269	272	275
Property Tax	-	215	633	1,153	1,800	2,605	3,444	4,317	4,963	5,582	6,272	6,990	7,760	8,572	9,388	10,205	11,053	11,932	12,842	13,786	14,763	15,775	16,823	17,907	23,485
Property Transfer Tax	-	114	221	283	361	458	501	545	466	473	526	560	607	649	675	696	736	777	820	864	909	956	1,004	1,054	941
VLF Revenues (.65% VLF and In Lieu Fees)	110	328	599	935	1,352	1,785	2,235	2,568	2,886	3,241	3,609	4,004	4,420	4,838	5,257	5,690	6,139	6,603	7,083	7,580	8,094	8,625	9,174	9,675	12,683
Sales Tax	53	121	209	305	508	710	913	1,098	1,279	1,464	1,648	1,834	1,967	2,000	2,033	2,066	2,099	2,132	2,165	2,198	2,231	2,264	2,297	2,323	2,323
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pro-Rata Revenues																									
Project EDU pro rata share @ \$	238	99	292	522	792	1,110	1,428	1,746	1,994	2,228	2,487	2,745	3,015	3,295	3,569	3,833	4,097	4,362	4,626	4,891	5,155	5,419	5,684	5,948	6,165
Total Revenues	263	1,070	2,183	3,469	5,131	6,987	8,839	10,521	11,822	13,246	14,800	16,403	18,049	19,627	21,186	22,756	24,389	26,071	27,801	29,583	31,416	33,304	35,246	37,124	45,640

Source: Economics Research Associates

Appendix Table B-16

Otay Mesa Community Plan - Fire Service Cost Calculation

(000's)

Scenario:

2

Proposed Operating Budget for Prototype Fire station (1)

Estimated Staffing	12.97
Staffing Costs	\$ 1,807,584
Non-Personnel Costs	\$ 143,856
Total Operating Costs	\$ 1,951,440

Fire-Rescue Expenditure Generated by Otay Mesa

Community Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	418	3,336	9,380	15,022	20,586	25,949	26,131
New Fire stations (2)	-	1	1	2	2	2	2
Fire Costs (000's)	\$ -	\$ 1,951	\$ 1,951	\$ 3,903	\$ 3,903	\$ 3,903	\$ 3,903

- (1) Fire station #49 is currently planned under the existing Otay Mesa Public Facilities Financing Plan. The operating costs for new Otay Mesa fire stations are based on the Operating Budget Effect impacts proposed in the City of San Diego FY 2008 Budget, Capital Improvement Program. This fire station is used as the prototypical fire station for incremental fire stations in the Otay Mesa area.
- (2) One new fire station is currently included under the existing Otay Mesa Public Facilities Financing Plan. It is to be funded by a facilities benefits assessment. Using these funds, the station may not be developed until 2010 or 2011. There is also a chance that a developer may construct the fire station earlier and get reimbursed by the City ERA has included a fire station operations in 2010. The second fire station is tentative and may be developed between Fiscal Year 2015 and 2020. third incremental fire station depending on units developed. This information was not available at this time and has not been included in this study

Source: City of San Diego, Proposed Budget 2008 Public Facilities Financing, Economics Research Associates

Appendix Table B - 17
Otay Mesa Specific Plan Police Costs
 Scenario:

2

Proportional Police Costs

Total Police Expenditure (2007)	\$	360,134,725
Less Charges for Current Services		3,899,307
Less Grant Funds ¹		1,198,630
Police Expenditures from Discretionary Funds		355,036,788
Less Overhead ¹		56,866,046
Variable Police Expenditures		298,170,742
Share of Variable Cost		100%
Total Variable Expenditures	\$	298,170,742
Current Equivalent Dwelling Unit		583,457
Net Expenditure/EDU	\$	511.04

Police Expenditure Generated by Otay Mesa

Specific Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	418	3,336	9,380	15,022	20,586	25,949	26,131
Police Costs (000's)	\$ 214	\$ 1,705	\$ 4,794	\$ 7,677	\$ 10,520	\$ 13,261	\$ 13,354

¹The 2007 Proposed Budget does not provide detail on expenditure and revenue detail. 2006 figures.

Source: City of San Diego, FY 2007 Adopted Budget, Economics Research Associates

**Appendix Table B-18
Otay Mesa Parks Costs
Scenario:**

2

Parks Costs Per Acre

Population Based Park Costs per Acre ¹	\$	5,308
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Park Expenditure	2007	2010	2015	2020	2025	2030	Build Out
<i>Cumulative Park Acres</i>	7	37	94	149	189	229	237
Annual Park & Recreation Costs (000's)	\$ 36	\$ 196	\$ 501	\$ 789	\$ 1,006	\$ 1,217	\$ 1,256

¹Park per Acre factor based on Cost Per Acre Maintenance Assessment District Reimbursements for FY 2005 and FY 2006.

Source: City of San Diego, Maintenance Assessment Districts Overview, Annual FY 2006 Budget, Economics Research Associates

Appendix Table B - 19

Other Cost and Revenues - Streets, Lighting, and Storm Drain Maintenance

Scenario:

2

Street and Landscaping Maintenance				2007	2010	2015	2020	2025	2030	Build Out
<i>New Residents</i>				989	9,686	27,892	44,279	61,529	78,089	78,089
<i>Lane Miles</i>				3	17	124	231	252	272	275
<i>Miles</i>				1	9	39	69	80	90	91
<u>Street Maintenance Expenditures</u>										
Paved Area Life Cycle Maint. Costs (1)	\$	14,286	per Lane Mile	40	244	1,777	3,295	3,598	3,892	3,933
Street Sweeping	\$	70	per Mile	0	1	3	5	6	6	6
Street Lighting / Electricity (2)	\$	2,480	per Mile	3	21	97	171	197	223	226
Storm Drain (3)	\$	1,900	per Mile	3	16	74	131	151	171	173
Street Maintenance Expenditures				46	282	1,951	3,602	3,952	4,292	4,340
<u>Street Maintenance Revenue</u>										
Street Maintenance Revenues (4)	\$	25.99	per Resident	26	252	725	1,151	1,599	2,030	2,030
Net Street Maintenance Expenditures (\$000)				21	30	1,226	2,451	2,353	2,262	2,310

- (1) Figure reflects annualized cost of resurfacing pavement and replacement of pavement across a 21 year cycle. Front end costs of pavement maintenance may be lower. Pavements are resurfaced in the 7th and 14th year at a cost of \$75,000 per mile (est. 2 lane road) and are replaced in the 21st year at a cost of \$450,000.
- (2) Street repair and electricity costs based on citiwide average of approx. 14 street lights mile. Includes Street light repair costs of \$86 per light and annual electricity costs of approximately \$88.
- (3) ERA estimate based on inflated historical Street Division - Storm Drain expense.
- (4) See Exhibit IV-14

Source: City of San Diego Street Division and Economics Research Associates

Appendix Table B - 20
Otay Mesa Community Plan Expenses
 (\$'000)

Scenario: 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	418	1,230	2,195	3,336	4,673	6,011	7,348	8,393	9,380	10,468	11,555	12,693	13,868	15,022	16,135	17,247	18,360	19,473	20,586	21,699	22,812	23,925	25,038	25,949	26,131	
<i>Lane Miles</i>	3	7	12	17	39	61	83	104	124	146	167	188	209	231	235	239	243	248	252	256	260	265	269	272	275	
<i>Park Acres</i>	7	9	10	11	12	12	12	11	11	11	11	11	11	10	8	8	8	8	8	8	8	8	8	7	237	
Police	214	629	1,122	1,705	2,388	3,072	3,755	4,289	4,794	5,350	5,905	6,487	7,087	7,677	8,245	8,814	9,383	9,952	10,520	11,089	11,658	12,227	12,796	13,261	13,354	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	36	85	139	196	260	324	388	445	501	559	617	676	734	789	832	876	919	962	1,006	1,049	1,092	1,136	1,179	1,217	1,256	
Street Maintenance	21	31	35	30	262	494	726	974	1,226	1,473	1,720	1,965	2,208	2,451	2,431	2,412	2,392	2,372	2,353	2,333	2,314	2,294	2,274	2,262	2,310	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	117	345	616	936	1,312	1,687	2,063	2,356	2,633	2,938	3,244	3,563	3,893	4,217	4,529	4,841	5,154	5,466	5,779	6,091	6,403	6,716	7,028	7,284	
Total Revenues	387	1,090	1,912	4,819	6,174	7,529	8,883	10,016	11,105	12,271	13,437	16,594	17,825	19,036	19,941	20,846	21,751	22,656	23,561	24,465	25,370	26,275	27,180	27,927	28,158	

Source: Economics Research Associates

Appendix Table B - 21

Otay Mesa Community Plan Net Fiscal Impacts
(\$000)

Scenario	2
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	418	1,230	2,195	3,336	4,673	6,011	7,348	8,393	9,380	10,468	11,555	12,693	13,868	15,022	16,135	17,247	18,360	19,473	20,586	21,699	22,812	23,925	25,038	25,949	26,131	
<i>Lane Miles</i>	3	7	12	17	39	61	83	104	124	146	167	188	209	231	235	239	243	248	252	256	260	265	269	272	275	
REVENUES																										
Property Tax	-	215	633	1,153	1,800	2,605	3,444	4,317	4,963	5,582	6,272	6,990	7,760	8,572	9,388	10,205	11,053	11,932	12,842	13,786	14,763	15,775	16,823	17,907	23,485	
Property Transfer Tax	-	114	221	283	361	458	501	545	466	473	526	560	607	649	675	696	736	777	820	864	909	956	1,004	1,054	941	
VLF Revenues (.65% VLF and In Lieu Fees)	110	328	599	935	1,352	1,785	2,235	2,568	2,886	3,241	3,609	4,004	4,420	4,838	5,257	5,690	6,139	6,603	7,083	7,580	8,094	8,625	9,174	9,675	12,683	
Sales Tax	53	121	209	305	508	710	913	1,098	1,279	1,464	1,648	1,834	1,967	2,000	2,033	2,066	2,099	2,132	2,165	2,198	2,231	2,264	2,297	2,323	2,323	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	99	292	522	792	1,110	1,428	1,746	1,994	2,228	2,487	2,745	3,015	3,295	3,569	3,833	4,097	4,362	4,626	4,891	5,155	5,419	5,684	5,948	6,165	
Total Revenues	263	1,070	2,183	3,469	5,131	6,987	8,839	10,521	11,822	13,246	14,800	16,403	18,049	19,627	21,186	22,756	24,389	26,071	27,801	29,583	31,416	33,304	35,246	37,124	45,640	
EXPENDITURES																										
Police	214	629	1,122	1,705	2,388	3,072	3,755	4,289	4,794	5,350	5,905	6,487	7,087	7,677	8,245	8,814	9,383	9,952	10,520	11,089	11,658	12,227	12,796	13,261	13,354	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	36	85	139	196	260	324	388	445	501	559	617	676	734	789	832	876	919	962	1,006	1,049	1,092	1,136	1,179	1,217	1,256	
Street Maintenance	21	31	35	30	262	494	726	974	1,226	1,473	1,720	1,965	2,208	2,451	2,431	2,412	2,392	2,372	2,353	2,333	2,314	2,294	2,274	2,262	2,310	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	117	345	616	936	1,312	1,687	2,063	2,356	2,633	2,938	3,244	3,563	3,893	4,217	4,529	4,841	5,154	5,466	5,779	6,091	6,403	6,716	7,028	7,284	
Total Expenditures	387	1,090	1,912	4,819	6,174	7,529	8,883	10,016	11,105	12,271	13,437	16,594	17,825	19,036	19,941	20,846	21,751	22,656	23,561	24,465	25,370	26,275	27,180	27,927	28,158	
TOTAL ANNUAL IMPACT	(124)	(21)	271	(1,350)	(1,043)	(542)	(45)	506	717	975	1,363	(190)	223	591	1,245	1,910	2,638	3,415	4,241	5,117	6,046	7,028	8,066	9,197	17,482	

Source: Economics Research Associates



Economics Research Associates

Appendix C
Scenario 3

Fiscal Impact Analysis of Otay Mesa Community Plan Update

Appendix Table C - 1
Annual Absorption - Scenario #3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
ACRES																						
Heavy Industrial	-	10.0	10.0	10.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Scientific Research	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Light Industrial (Light Industr. & Business Park)	50.0	50.0	50.0	50.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Mixed Use Office	1.0	1.2	1.2	1.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	2.3	2.3	1.4	1.4	1.4	1.4	1.4	1.4
Commercial/Retail	3.0	3.0	3.0	4.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	25.0	20.0	10.0	6.0	6.0	6.0	6.0	6.0
Residential (Approximation) 17.31 Density	15.9	37.5	46.2	56.3	66.4	66.4	46.6	46.2	46.2	52.0	52.0	54.9	57.8	57.8	8.9	-	-	-	-	-	-	-
Total Acreage Absorption	70	102	110	122	135	135	115	115	115	120	120	123	126	126	118	64	44	40	40	40	40	40
Cumulative Acreage Absorption	70	172	282	404	538	673	788	902	1,017	1,137	1,257	1,381	1,507	1,633	1,751	1,815	1,859	1,900	1,940	1,981	2,021	2,061
Percentage Absorbed	2.9%	7.2%	11.8%	16.9%	22.5%	28.2%	33.0%	37.7%	42.5%	47.6%	52.6%	57.8%	63.0%	68.3%	73.2%	75.9%	77.8%	79.5%	81.2%	82.9%	84.5%	86.2%
DEVELOPMENT PROGRAM ABSORPTION (1)																						
Industrial	% of Type	Gross to Net	FAR																			
Heavy Industrial SF	100%	0.80	0.45	-	156,816	156,816	156,816	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	125,453	125,453	125,453	125,453	125,453	125,453	125,453
Scientific Research	100%	0.80	0.45	-	-	-	-	-	-	-	-	-	-	-	-	78,408	78,408	78,408	78,408	78,408	78,408	78,408
Light Industrial	100%	0.80	0.45	784,080	784,080	784,080	784,080	627,264	627,264	627,264	627,264	627,264	627,264	627,264	627,264	313,632	313,632	313,632	313,632	313,632	313,632	313,632
Industrial Office	4%	0.80	0.45	33,439	33,439	33,439	33,439	26,751	26,751	26,751	26,751	26,751	26,751	26,751	26,751	13,375	13,375	13,375	13,375	13,375	13,375	13,375
All Other Light Industrial	96%	0.80	0.45	750,641	750,641	750,641	750,641	600,513	600,513	600,513	600,513	600,513	600,513	600,513	600,513	300,257	300,257	300,257	300,257	300,257	300,257	300,257
Total Industrial				784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	517,493	517,493	517,493	517,493	517,493	517,493	517,493
Mixed Use Office	100%	0.80	0.43	14,985	17,982	17,982	17,982	49,449	49,449	49,449	49,449	49,449	49,449	49,449	49,449	34,465	34,465	20,978	20,978	20,978	20,978	20,978
Commercial/Retail																						
Retail Center Retail	80%	0.80	0.25	21,109	21,109	21,109	28,145	70,363	70,363	70,363	70,363	70,363	70,363	70,363	70,363	175,908	140,726	70,363	42,218	42,218	42,218	42,218
Retail Center Office	20%	0.80	0.22	4,580	4,580	4,580	6,106	15,265	15,265	15,265	15,265	15,265	15,265	15,265	15,265	38,164	30,531	15,265	9,159	9,159	9,159	9,159
Subtotal Retail Center				25,689	25,689	25,689	34,251	85,629	85,629	85,629	85,629	85,629	85,629	85,629	85,629	214,072	171,257	85,629	51,377	51,377	51,377	51,377
Hotel	0%	0.80	0.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel Rooms (2)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Units	Ratio			275	650	800	975	1,150	1,150	807	800	800	900	900	950	1,000	1,000	1,000	154	-	-	-
Single Family Units				75	150	200	275	350	350	7	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Family Units				200	500	600	700	800	800	800	800	900	900	950	1,000	1,000	1,000	154	-	-	-	
Ownership	75%			150	375	450	525	600	600	600	600	675	713	750	750	750	116	-	-	-	-	
Rental	25%			50	125	150	175	200	200	200	200	225	225	238	250	250	39	-	-	-	-	
Parks																						
Park Requirement																						149.7
Cumulative Incremental Park Acres				4	11	18	25	33	42	49	56	63	71	78	86	94	102	109	113	116	118	121
Lane Miles																						
Community Arterials	162.75 Lane Mile							16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Industrial Intract Lane Miles	0.04 Lane miles/Acre			2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Residential Intract Lane Miles	0.07 Lane miles/Acre			1	3	3	4	5	5	3	3	3	4	4	4	4	4	4	1	-	-	-
Annual Incremental Lane Miles				3	5	6	6	23	23	22	22	22	22	22	23	23	23	5	2	1	1	
Cumulative Lane Miles				3	8	14	20	43	66	88	110	132	154	176	198	221	243	248	250	252	253	258
Roadway Miles																						
Community Arterials	35 Miles							3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	
Intract Lane Miles	2 Lanes/Mile							3.42	3.42	2.73	2.72	2.72	2.92	2.92	3.02	3.12	3.12	2.68	0.97	0.66	0.66	
Total Road Miles								6.92	6.92	6.23	6.22	6.22	6.42	6.42	6.52	6.62	6.62	6.28	0.97	0.66	0.66	

(1) See Exhibits III-9 through Exhibits III-11 for details regarding development program factors.

(2) Assumes 800 square feet per room.

Source: Planning Team, Economics Research Associates

Appendix Table C - 1
Annual Absorption - Scenario #3

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total	
ACRES																				
Heavy Industrial	8.0	8.0	1.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	261.2	
Scientific Research	5.0	3.2	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48.2	
Light Industrial (Light Industr. & Business Park)	20.0	20.0	15.0	15	15	15	15	15	15	15	15	15	15	15	15	15	15	9	1,034.0	
Mixed Use Office	2.3	2.3	1.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57.0	
Commercial/Retail	6.0	6.0	6.0	5.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	221.3	
Residential (Approximation)	17.31	Density	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	768.8	
Total Acreage Absorption	41	40	24	20	15	15	15	15	15	15	15	15	15	15	15	15	15	9	2,391	
Cumulative Acreage Absorption	2,103	2,142	2,166	2,187	2,202	2,217	2,232	2,247	2,262	2,277	2,292	2,307	2,322	2,337	2,352	2,367	2,382	2,391		
Percentage Absorbed	88.0%	89.6%	90.6%	91.5%	92.1%	92.7%	93.3%	94.0%	94.6%	95.2%	95.9%	96.5%	97.1%	97.7%	98.4%	99.0%	99.6%	100.0%		
DEVELOPMENT PROGRAM ABSORPTION (1)																				
	% of Type	Gross to Net																		
Industrial																				
Heavy Industrial SF	100%	0.80	125,453	125,453	18,818	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,096,034
Scientific Research	100%	0.80	78,408	50,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	755,853
Light Industrial	100%	0.80	313,632	313,632	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	141,134	16,214,774
Industrial Office	4%	0.80	13,375	13,375	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	10,032	6,019	691,511
All Other Light Industrial	96%	0.80	300,257	300,257	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	225,192	135,115	15,523,264
Total Industrial			517,493	489,266	254,042	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	235,224	141,134	21,066,661
Mixed Use Office	100%	0.80	34,465	34,465	26,972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	854,124
Commercial/Retail																				
Retail Center Retail	80%	0.80	42,218	42,218	42,218	37,292	-	-	-	-	-	-	-	-	-	-	-	-	-	1,557,137
Retail Center Office	20%	0.80	9,159	9,159	9,159	8,091	-	-	-	-	-	-	-	-	-	-	-	-	-	337,825
Subtotal Retail Center			51,377	51,377	51,377	45,383	-	-	-	-	-	-	-	-	-	-	-	-	-	1,894,962
Hotel	0%	0.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel Rooms (2)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Units		Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,311
Single Family Units			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,407
Multi-Family Units			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,904
Ownership		75%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,928
Rental		25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,976
Parks																				
Park Requirement		149.7																		
Cumulative Incremental Park Acres		148.7	131	133	135	136	137	138	139	140	141	142	143	143	144	145	146	147	148	149
Lane Miles																				
Community Arterials		162.75																		
Industrial Intract Lane Miles		0.04	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
Residential Intract Lane Miles		0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Incremental Lane Miles			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
Cumulative Lane Miles			260	261	262	262	263	263	264	265	265	266	266	267	268	268	269	269	270	270
Roadway Miles																				
Community Arterials		35																		
Intract Lane Miles		2	0.66	0.62	0.32	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.18
Total Road Miles			0.66	0.62	0.32	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.18

(1) See Exhibits III-9 through Exhibits III-11 for details
(2) Assumes 800 square feet per room.
Source: Planning Team, Economics Research Associate

Appendix Table C-2
ESTIMATED DEVELOPMENT VALUE
(In 2007 \$ Millions)

Land Use	Basis for Valuation		Average Assessed Value per Unit
	Avg. Unit Size (Sq.Ft.) (1)	Price Per Sq.Ft.(1)	
FOR SALE RESIDENTIAL			
<i>Single Family</i>	2,500	\$270.00	\$675,000
<i>Multifamily For Sale</i>	1,204	\$314.00	\$378,056

Land Use	Basis for Valuation		Average Assessed Value per Unit (6)
	Average Room Rate	Rental Rate /Unit/Mo.	
COMMERCIAL & INDUSTRIAL			
<i>Rental Residential (1)</i>		\$1,460	\$249,660
<i>Retail (2)</i>		\$1.92	\$315
<i>Office (3)</i>		\$2.00	\$300
<i>Lodging (4)</i>	\$80.00		\$194,180
<i>Industrial (5)</i>		\$0.55	\$95

(1) 3Q 2006 Information from MarketPointe Realty

(2) Retail rate based on 3Q2006 Costar direct average retail rates in Otay Mesa and review of South San Diego rates in CBRE Retail Report for 3Q2006.

(3) CoStar Office Rate for 3Q 2006 South San Diego.

(4) Rate based on November 2006 phone survey of existing Otay Mesa room rates.

(5) Otay Mesa Industrial rate reported by Costar.

(6) Average Assessed Value per Unit for commercial & industrial based on occupancy of 93% (70% for lodging), efficiency rates of 85 to 98%, operating costs of 5%, and cap rates based on rates reported by the California Real Estate Journal in 2006. Retail has a cap rate of 5.5%, Office has a cap rate of 6%, Industrial cap rate of 6%. 10% cap rate for hotel market based on Korpacz Real Estate Investor Survey 3Q2006.

Rental residential value based on occupancy of 95%, operating costs of 25% and a cap rate of 5%.

Source: Economic Research Associates

Appendix Table C - 3
Annual Value Absorption
(\$000)

Scenario: 3

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out		
Commercial & Industrial	Value per Unit																											
Industrial	\$95 SF	74,677	89,612	89,612	89,612	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	82,144	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287	46,598	\$2,006,416	
Office	\$300 SF	4,501	5,401	5,401	5,401	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	14,854	10,353	10,353	6,302	6,302	6,302	6,302	6,302	6,302	6,302	10,353	10,353	\$256,570	
Retail	\$315 SF	8,081	8,081	8,081	10,775	26,938	26,938	26,938	26,938	26,938	26,938	26,938	26,938	26,938	26,938	67,345	53,876	26,938	16,163	16,163	16,163	16,163	16,163	16,163	16,163	16,163	\$596,137	
Hotel	\$194,180 Room	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residential																												
Single Family Stock	\$675,000 Unit	50,625	101,250	135,000	185,625	236,250	236,250	4,725	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$949,725	
Multi-Family Stock		69,191	172,979	207,574	242,170	276,766	276,766	276,766	276,766	276,766	311,361	311,361	328,659	345,957	345,957	345,957	53,277	-	-	-	-	-	-	-	-	-		
For Sale	\$378,056 Unit	56,708	141,771	170,125	198,479	226,834	226,834	226,834	226,834	226,834	255,188	255,188	269,365	283,542	283,542	283,542	43,665	-	-	-	-	-	-	-	-	-	\$3,375,284	
Rental	\$249,660 Unit	12,483	31,208	37,449	43,691	49,932	49,932	49,932	49,932	49,932	56,174	56,174	59,294	62,415	62,415	62,415	9,612	-	-	-	-	-	-	-	-	-	\$742,988	
For Sale Residential		107,333	243,021	305,125	384,104	463,084	463,084	231,559	226,834	226,834	255,188	255,188	269,365	283,542	283,542	283,542	43,665	-	-	-	-	-	-	-	-	-	4,325,009	
Rental Residential, Commercial, & Industrial		99,742	134,303	140,544	149,479	173,868	173,868	173,868	173,868	173,868	180,110	180,110	183,231	186,351	186,351	189,399	123,127	82,526	71,751	71,751	71,751	71,751	71,751	71,751	71,751	75,802	73,114	3,602,111
Total Value		207,076	377,324	445,669	533,584	636,952	636,952	405,427	400,702	400,702	435,298	435,298	452,596	469,893	469,893	472,941	166,793	82,526	71,751	71,751	71,751	71,751	71,751	71,751	75,802	73,114	\$7,927,120	

**Appendix Table C - 4
Household Income Absorption
(000)**

Scenario: 3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
<i>Cumulative Absorption</i>																									
Single Family Units	75	225	425	700	1,050	1,400	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407
Ownership Multi-Family Units	150	525	975	1,500	2,100	2,700	3,300	3,900	4,500	5,175	5,850	6,563	7,313	8,063	8,813	8,928	8,928	8,928	8,928	8,928	8,928	8,928	8,928	8,928	8,928
Rental Multi-Family Units	50	175	325	500	700	900	1,100	1,300	1,500	1,725	1,950	2,188	2,438	2,688	2,938	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Single Family Stock																									
	Household Income (1)																								
	\$145,060	10,879	32,638	61,650	101,542	152,313	203,083	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099	204,099
Multi-Family Stock																									
For Sale	\$86,025	12,904	45,163	83,874	129,037	180,652	232,266	283,881	335,496	387,111	445,177	503,244	564,536	629,055	693,573	758,091	768,027	768,027	768,027	768,027	768,027	768,027	768,027	768,027	768,027
Rental	\$58,400	2,920	10,220	18,980	29,200	40,880	52,560	64,240	75,920	87,600	100,740	113,880	127,750	142,350	156,950	171,550	173,798	173,798	173,798	173,798	173,798	173,798	173,798	173,798	173,798
Cumulative Household Income (000s)	\$ 26,703	\$ 88,021	\$ 164,504	\$ 259,779	\$ 373,844	\$ 487,910	\$ 552,220	\$ 615,515	\$ 678,809	\$ 750,016	\$ 821,223	\$ 896,385	\$ 975,503	\$ 1,054,622	\$ 1,133,740	\$ 1,145,925									

(1) As presented in *Exhibit III - 17* Household Characteristics.
Source: Economics Research Associates

Appendix Table C - 5
Population Estimates

Scenario **3**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Residential																									
Persons per Household¹																									
Population																									
Single Family Stock	3.98	299	597	796	1,095	1,393	1,393	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,600
Multi-Family Stock																									
For Sale	3.45	518	1,294	1,553	1,811	2,070	2,070	2,070	2,070	2,329	2,329	2,458	2,588	2,588	2,588	398	-	-	-	-	-	-	-	-	30,802
Rental	3.45	173	431	518	604	690	690	690	690	776	776	819	863	863	863	133	-	-	-	-	-	-	-	-	10,267
Total Population	989	2,322	2,866	3,510	4,153	4,153	2,788	2,760	2,760	3,105	3,105	3,278	3,450	3,450	3,450	531	-	46,669							
<i>Cumulative Population</i>	989	3,311	6,177	9,686	13,839	17,992	20,780	23,540	26,300	29,405	32,510	35,787	39,237	42,687	46,137	46,669	46,669	46,669	46,669	46,669	46,669	46,669	46,669	46,669	46,669

¹From Community Planning Survey prepared for Source Pointe by True North Research.

Source: Economics Research Associates, True North Research

Appendix Table C - 6
Projected Employment

Scenario **3**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Commercial & Industrial	Avg. Units per Emp	Employees																								
Mixed Use & Retail Center Office	250 SF	78	90	90	96	259	259	259	259	259	259	259	259	259	259	291	260	145	121	121	121	121	121	174	174	4,768
Industrial Office	300 SF	111	111	111	111	89	89	89	89	89	89	89	89	89	89	45	45	45	45	45	45	45	45	45	45	2,305
Industrial (excluding Industrial Office)	1,172 SF	640	774	774	774	713	713	713	713	713	713	713	713	713	713	430	430	430	430	430	430	430	430	430	430	17,385
Retail	400 SF	53	53	53	70	176	176	176	176	176	176	176	176	176	176	440	352	176	106	106	106	106	106	106	106	3,893
Hotel	1.5 Room	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Total New Employees		883	1,029	1,029	1,052	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,205	1,087	796	701	701	701	701	701	755	731	28,351
<i>Cumulative Employees</i>		883	1,912	2,940	3,993	5,230	6,467	7,704	8,941	10,178	11,415	12,652	13,889	15,126	16,363	17,568	18,655	19,450	20,151	20,852	21,553	22,254	22,954	23,709	24,440	

Source: Economics Research Associates

Appendix Table C-7
Project EDU

Scenario **3**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Project Equivalent Dwelling Unit Calculation																									
Employees	883	1,029	1,029	1,052	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,205	1,087	796	701	701	701	701	701	755	731	28,351
Employment Resident Equivalent - 1 employee = 0.35 residents	309	360	360	368	433	433	433	433	433	433	433	433	433	433	422	380	278	245	245	245	245	245	264	256	9,923
Employment Resident Equivalent/Persons per Dwelling Unit @ 2.64	117	136	136	139	164	164	164	164	164	164	164	164	164	164	160	144	105	93	93	93	93	93	100	97	3,755
Annual New Employment Equivalent Dwelling Units	117	136	136	139	164	164	164	164	164	164	164	164	164	164	160	144	105	93	93	93	93	93	100	97	3,755
Annual New Dwelling Units	275	650	800	975	1,150	1,150	807	800	800	900	900	950	1,000	1,000	1,000	154	-	-	-	-	-	-	-	-	13,311
Total New EDUs	392	786	936	1,114	1,314	1,314	971	964	964	1,064	1,064	1,114	1,164	1,164	1,160	298	105	93	93	93	93	93	100	97	17,066
<i>Cumulative EDUs</i>	392	1,178	2,114	3,229	4,543	5,856	6,827	7,791	8,755	9,819	10,883	11,996	13,160	14,324	15,484	15,782	15,887	15,980	16,073	16,165	16,258	16,351	16,451	16,548	17,066

Source: Economics Research Associates

Appendix Table C - 8
City of San Diego - Property Tax Impacts
Scenario:

3

	2007	2010	2015	2020	2025	2030	Build out	
For Sale Residential New AV (000s)	\$ 107,333	\$ 932,251	\$ 1,611,393	\$ 1,346,825	\$ 327,207	\$ -		
Rental Residential & Commercial New AV (\$000s)	\$ 99,742	\$ 424,326	\$ 869,342	\$ 916,154	\$ 538,555	\$ 364,170		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Proposition 13 AV Limitation less Inflation of 2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
<i>(In Current \$ 000s)</i>								
FOR SALE RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 107,333	\$ 1,103,247	\$ 3,106,063	\$ 5,171,596	\$ 6,177,187	\$ 6,820,109	\$ 8,479,944	
COMMERCIAL & RENTAL RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 99,742	\$ 556,181	\$ 1,632,633	\$ 2,987,694	\$ 4,067,839	\$ 5,065,476	\$ 7,062,587	
TOTAL ASSESSED VALUE (000's)								
Residential and Commercial	\$ 207,076	\$ 1,659,428	\$ 4,738,696	\$ 8,159,290	\$ 10,245,026	\$ 11,885,585	\$ 15,542,531	
ADJUSTMENT FOR BASE ASSESSED VALUE OF THE LAND								
Base Assessed Value	\$ 956,213	\$ 27,954	\$ 161,420	\$ 406,769	\$ 653,111	\$ 776,093	\$ 856,893	
INCREMENTAL ASSESSED VALUE	\$ 179,122	\$ 1,498,009	\$ 4,331,928	\$ 7,506,179	\$ 9,468,932	\$ 11,028,692	\$ 14,586,318	
TOTAL PROPERTY TAXES COLLECTED ¹ (\$000s) @	1.00%	\$ 9,589	\$ 38,245	\$ 68,007	\$ 91,837	\$ 106,984	\$ 143,152	
ANNUAL INCREMENTAL PROPERTY TAXES TO THE CITY								
Share of Property Tax to the City of San Diego @	11.86%	\$ -	\$ 1,137,305	\$ 4,535,902	\$ 8,065,607	\$ 10,891,919	\$ 12,688,315	

¹Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January. A lag of one year is applied to account for the time between the addition of new development and City receipt of property taxes.
Source: Economics Research Associates, City of San Diego County Assessor's Office

Appendix Table C - 9

City of San Diego - Property Transfer Tax

Scenario:

3

	2007	2010	2015	2020	2025	2030	Build Out	
For Sale Residential New AV (000s)	\$ 107,333	\$ 932,251	\$ 1,611,393	\$ 1,346,825	\$ 327,207	\$ -		
Rental Residential & Commercial New AV (\$000s)	\$ 99,742	\$ 424,326	\$ 869,342	\$ 916,154	\$ 538,555	\$ 364,170		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
Real Property Transfer Tax¹ (including annual turnovers)								
Residential Property Transfer Tax								
Residential Property Transfer Tax Assessment	\$ 59,033	\$ 262,446	\$ 302,389	\$ 465,999	\$ 339,745	\$ 375,106	\$ 466,397	
Residential Property Transfer Tax (with lag period)²		\$ 194,647	\$ 282,129	\$ 437,084	\$ 333,083	\$ 367,751	\$ 457,252	
COMMERCIAL & RENTAL RESIDENTIAL								
Commercial Property Transfer Tax Assessment	\$ 54,858	\$ 98,177	\$ 151,337	\$ 208,118	\$ 165,410	\$ 199,541	\$ 187,915	
Commercial Property Transfer Tax (with Lag)²		\$ 87,118	\$ 142,878	\$ 197,538	\$ 159,404	\$ 194,691	\$ 184,231	
TOTAL ANNUAL PROPERTY TRANSFER TAX								
Residential and Commercial	\$ -	\$ 281,765	\$ 425,007	\$ 634,621	\$ 492,487	\$ 562,442	\$ 641,482	

¹\$0.55 for every \$1000 of real property sale value

²Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January.

Source: Economics Research Associates, City of San Diego County Assessor's Office

**Appendix Table C - 10
Vehicle License Fee Revenues**

Scenario: **3**

VLF Revenues

Current Population Of the City ¹ =	1,311,162
Current Allocation of 0.65% VLF =	\$ 7,761,868
Per Capita VLF Allocation =	\$ 5.92

	2007	2010	2015	2020	2025	2030	Build Out
Otay Mesa Population Growth	989	9,686	26,300	42,687	46,669	46,669	46,669
VLF Revenues Attributed To Otay Mesa CP (000's)	\$ 6	\$ 57	\$ 156	\$ 253	\$ 276	\$ 276	\$ 276

Motor Vehicle In Lieu Fees (MVLF) Adjustment

Base Year (2004) Assessed Valuation of the City (\$000) =	\$ 127,126,461
Base Year (2004) Motor Vehicle In Lieu Fees Adjustment (MVLF) (\$000) =	\$ 73,487

	2007	2010	2015	2020	2025	2030	Build Out
Cumulative AV of New Developments (\$000s)	\$ 207,076	\$ 1,659,428	\$ 4,738,696	\$ 8,159,290	\$ 10,245,026	\$ 11,885,585	\$ 15,542,531
AV Adjustment for Base Value (\$000)	\$ (27,954)	\$ (161,420)	\$ (406,769)	\$ (653,111)	\$ (776,093)	\$ (856,893)	\$ (956,213)
Adjusted AV of Development(\$000)	\$ 179,122	\$ 1,498,009	\$ 4,331,928	\$ 7,506,179	\$ 9,468,932	\$ 11,028,692	\$ 15,542,531
Cumulative AV Growth (Citywide)	\$ 127,305,583	\$ 128,624,469	\$ 131,458,388	\$ 134,632,640	\$ 136,595,393	\$ 138,155,153	\$ 142,668,991
Incremental AV	0.140901%	0.42087%	0.38747%	0.52678%	0.20922%	0.23964%	12.22604%
Cumulative Citywide MVLF ²	\$ 73,591	\$ 74,353	\$ 75,991	\$ 77,826	\$ 78,961	\$ 79,862	\$ 82,472
Annual MVLF Adjustment Attributed To Otay Mesa CPA(000's)	\$ 104	\$ 866	\$ 2,504	\$ 4,339	\$ 5,474	\$ 6,375	\$ 8,985
TOTAL ANNUAL VLF REVENUES (000's)	\$ 109	\$ 923	\$ 2,660	\$ 4,592	\$ 5,750	\$ 6,652	\$ 9,261

¹From Table IV - 1

²Applying the Citywide AV Growth Rate (includes AV growth due to each scenario) to Current MVLF

Source: Economics Research Associates, County of San Diego Property Tax Services and California State Controller's Office

Appendix Table C-11
Effective Retail Sales Capture in San Diego

Retail Expenditure Items	Share Taxable	City's Capture	Effective Taxable Retail Sales Capture in San Diego
Food at home	40%	85%	34%
Food away from home	100%	70%	70%
Alcoholic beverages	100%	80%	80%
Household operations	75%	60%	45%
Housekeeping supplies	100%	55%	55%
Household furnishings and equipment	100%	40%	40%
Apparel and services	100%	65%	65%
Transportation			
Other vehicle expenses ¹	100%	75%	75%
Healthcare ²	40%	95%	38%
Entertainment ³	80%	65%	52%
Personal care products and services	100%	85%	85%
Reading	100%	70%	70%
Tobacco products and smoking supplies	100%	75%	75%
Miscellaneous	100%	85%	85%

Source: Economics Research Associates

Appendix Table C-12
Resident Offsite Sales Generation
Scenario:

3

Projected Average Household Income \$ 86,089

Cumulative Household Income (000) \$ 26,703 \$ 259,779 \$ 678,809 \$ 1,054,622 \$ 1,145,925 \$ 1,145,925 \$ 1,145,925

Household Expenditure	Expenditure	Effective	Off-Site	2007	2010	2015	2020	2025	2030	Build Out
	as % of Gross HH Income	Taxable Capture								
Food at home	4.7%	34.0%	10.0%	43	416	1,087	1,689	1,835	1,835	1,835
Food away from home	4.1%	70.0%	30.0%	228	2,222	5,807	9,022	9,803	9,803	9,803
Alcoholic beverages	0.8%	80.0%	20.0%	34	336	877	1,362	1,480	1,480	1,480
Household operations	1.3%	45.0%	35.0%	56	542	1,415	2,198	2,389	2,389	2,389
Housekeeping supplies	0.9%	55.0%	20.0%	27	267	697	1,083	1,177	1,177	1,177
Household furnishings and equipment	2.9%	40.0%	60.0%	187	1,822	4,761	7,397	8,037	8,037	8,037
Apparel and services	2.9%	65.0%	40.0%	202	1,967	5,139	7,984	8,675	8,675	8,675
Transportation										
Other vehicle expenses ¹	1.0%	75.0%	40.0%	84	813	2,123	3,299	3,585	3,585	3,585
Healthcare ²	0.9%	38.0%	40.0%	36	355	928	1,441	1,566	1,566	1,566
Entertainment ³	1.1%	52.0%	45.0%	71	687	1,794	2,787	3,028	3,028	3,028
Personal care products and services	0.9%	85.0%	25.0%	52	506	1,321	2,053	2,230	2,230	2,230
Reading	0.2%	70.0%	35.0%	14	140	366	569	618	618	618
Tobacco products and smoking supplies	0.4%	75.0%	25.0%	19	181	473	734	798	798	798
Miscellaneous	0.6%	85.0%	40.0%	51	492	1,287	1,999	2,172	2,172	2,172
Total Taxable Sales Capture in San Diego (\$000)				1,104	10,744	28,075	43,618	47,394	47,394	47,394

¹25% of BLS expenditure.

²25% of BLS expenditure.

³30% of BLS expenditure

Source: Bureau of Labor Statistics Consumer Expenditure Survey 2003, Economics Research Associates

Appendix Table C - 13

Sales Tax

Scenario:

3

	Rate	2007	2008	2009	2010	2015	2020	2025	2030	Buildout
Retail SF		21,109	21,109	21,109	28,145	70,363	70,363	42,218	42,218	
<i>Cumulative Retail SF</i>		21,109	42,218	63,327	91,472	443,288	795,104	1,266,537	1,477,626	1,557,137
Gross Leasable Area	85%	17,943	35,885	53,828	77,751	376,795	675,838	1,076,556	1,255,982	1,323,566
Taxable Onsite Sales (000s)										
Onsite Sales	\$300 per SF	\$5,383	\$10,766	\$16,148	\$23,325	\$113,038	\$202,751	\$322,967	\$376,795	\$397,070
Taxable Onsite Sales @	85%	\$4,575	\$9,151	\$13,726	\$19,827	\$96,083	\$172,339	\$274,522	\$320,276	\$337,509
<i>Less Estimated Retail Transfers</i>	10%	\$458	\$915	\$1,373	\$1,983	\$9,608	\$17,234	\$27,452	\$32,028	\$33,751
New Taxable Onsite Sales (000s)		\$4,118	\$8,236	\$12,353	\$17,844	\$86,474	\$155,105	\$247,070	\$288,248	\$303,758
Taxable Resident Offsite Sales		\$1,104	\$3,640	\$6,804	\$10,744	\$28,075	\$43,618	\$47,394	\$47,394	\$47,394
Total New Sales as a Result of Plan		\$5,222	\$11,876	\$19,157	\$28,588	\$114,549	\$198,722	\$294,463	\$335,642	\$351,152
Sales Tax (000)	1%	\$52	\$119	\$192	\$286	\$1,145	\$1,987	\$2,945	\$3,356	\$3,512

Source: Economics Research Associates

Appendix Table C-14

Transient Occupancy Tax due to New Development

Scenario:

3

		2007	2010	2015	2020	2025	2030	Buildout
Incremental Hotel Rooms		0	0	0	0	0	0	
<i>Cumulative New Hotel Rooms</i>		<i>0</i>						
Room Revenues (000s)								
Room Rate @	\$80	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy @	70%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transient Occupancy Tax (000's)@	10%	\$0						

Note: Room rate based on survey of current Otay Mesa hotels

Source: Economics Research Associates

Appendix Table C-15
Otay Mesa Community Plan Revenues
 '(\$000)

Scenario	3
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	392	1,178	2,114	3,229	4,543	5,856	6,827	7,791	8,755	9,819	10,883	11,996	13,160	14,324	15,484	15,782	15,887	15,980	16,073	16,165	16,258	16,351	16,451	16,548	17,066	
<i>Lane Miles</i>	3	8	14	20	43	66	88	110	132	154	176	198	221	243	248	250	252	253	254	256	257	258	260	261	270	
Property Tax	-	212	626	1,137	1,777	2,570	3,396	3,958	4,536	5,138	5,810	6,509	7,260	8,066	8,902	9,780	10,228	10,563	10,892	11,230	11,578	11,936	12,303	12,688	16,978	
Property Transfer Tax	-	114	220	282	361	457	499	400	425	454	506	539	586	635	674	717	533	488	492	505	518	531	545	562	641	
VLF Revenues (.65% VLF and In Lieu Fees)	109	325	591	923	1,334	1,762	2,052	2,350	2,660	3,006	3,365	3,751	4,164	4,592	5,040	5,261	5,425	5,585	5,750	5,919	6,094	6,273	6,461	6,652	9,261	
Sales Tax	52	119	192	286	470	655	819	982	1,145	1,312	1,479	1,647	1,817	1,987	2,363	2,643	2,780	2,862	2,945	3,027	3,109	3,192	3,274	3,356	3,512	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	93	280	502	767	1,079	1,391	1,622	1,851	2,080	2,333	2,585	2,850	3,126	3,403	3,678	3,749	3,774	3,796	3,818	3,840	3,862	3,884	3,908	3,931	4,054
Total Revenues	255	1,050	2,131	3,395	5,021	6,834	8,388	9,541	10,846	12,242	13,745	15,296	16,953	18,682	20,658	22,150	22,740	23,294	23,897	24,522	25,162	25,816	26,491	27,190	34,446	

Source: Economics Research Associates

Appendix Table C-16

Otay Mesa Community Plan - Fire Service Cost Calculation

(000's)

Scenario:

3

Proposed Operating Budget for Prototype Fire station (1)

Estimated Staffing	12.97
Staffing Costs	\$ 1,807,584
Non-Personnel Costs	\$ 143,856
Total Operating Costs	\$ 1,951,440

Fire-Rescue Expenditure Generated by Otay Mesa

Community Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	392	3,229	8,755	14,324	16,073	16,548	17,066
New Fire stations (2)	-	1	1	2	2	2	2
Fire Costs (000's)	\$ -	\$ 1,951	\$ 1,951	\$ 3,903	\$ 3,903	\$ 3,903	\$ 3,903

- (1) Fire station #49 is currently planned under the existing Otay Mesa Public Facilities Financing Plan. The operating costs for new Otay Mesa fire stations are based on the Operating Budget Effect impacts proposed in the City of San Diego FY 2008 Budget, Capital Improvement Program. This fire station is used as the prototypical fire station for incremental fire stations in the Otay Mesa area.
- (2) One new fire station is currently included under the existing Otay Mesa Public Facilities Financing Plan. It is to be funded by a facilities benefits assessment. Using these funds, the station may not be developed until 2010 or 2011. There is also a chance that a developer may construct the fire station earlier and get reimbursed by the City. ERA has included a fire station operations in 2010. The second fire station is tentative and may be developed between Fiscal Year 2015 and 2020. A third incremental fire station depending on units developed. This information was not available at this time and has not been included in this study.

Source: City of San Diego, Proposed Budget 2008 Public Facilities Financing, Economics Research Associates

Appendix Table C - 17
Otay Mesa Specific Plan Police Costs
 Scenario:

3

Proportional Police Costs

Total Police Expenditure (2007)	\$	360,134,725
Less Charges for Current Services		3,899,307
Less Grant Funds ¹		1,198,630
Police Expenditures from Discretionary Funds		355,036,788
Less Overhead ¹		56,866,046
Variable Police Expenditures		298,170,742
Share of Variable Cost		100%
Total Variable Expenditures	\$	298,170,742
Current Equivalent Dwelling Unit		583,457
Net Expenditure/EDU	\$	511.04

Police Expenditure Generated by Otay Mesa

Specific Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	392	3,229	8,755	14,324	16,073	16,548	17,066
Police Costs (000's)	\$ 200	\$ 1,650	\$ 4,474	\$ 7,320	\$ 8,214	\$ 8,457	\$ 8,721

¹The 2007 Proposed Budget does not provide detail on expenditure and revenue detail. 2006 figures.

Source: City of San Diego, FY 2007 Adopted Budget, Economics Research Associates

**Appendix Table C-18
Otay Mesa Parks Costs
Scenario:**

3

Parks Costs Per Acre

Population Based Park Costs per Acre¹ \$ 5,308

Park Expenditure	2007	2010	2015	2020	2025	2030	Build Out
<i>Cumulative Park Acres</i>	4	25	63	102	121	133	149
Annual Park & Recreation Costs (000's)	\$ 23	\$ 133	\$ 336	\$ 539	\$ 641	\$ 707	\$ 789

¹Park per Acre factor based on Cost Per Acre Maintenance Assessment District Reimbursements for FY 2005 and FY 2006.

Source: City of San Diego, Maintenance Assessment Districts Overview, Annual FY 2006 Budget, Economics Research Associates

Appendix Table C - 19

Other Cost and Revenues - Streets, Lighting, and Storm Drain Maintenance

Scenario:

3

Street and Landscaping Maintenance		2007	2010	2015	2020	2025	2030	Build Out
<i>New Residents</i>		989	9,686	26,300	42,687	46,669	46,669	46,669
<i>Lane Miles</i>		3	20	132	243	254	261	270
<i>Miles</i>		2	10	43	75	81	84	89
Street Maintenance Expenditures								
Paved Area Life Cycle Maint. Costs (1)	\$ 14,286 per Lane Mile	44	287	1,879	3,473	3,634	3,727	3,861
Street Sweeping	\$ 70 per Mile	0	1	3	5	6	6	6
Street Lighting / Electricity (2)	\$ 2,480 per Mile	4	25	106	186	200	209	220
Storm Drain (3)	\$ 1,900 per Mile	3	19	81	143	154	160	169
Street Maintenance Expenditures		51	332	2,068	3,807	3,993	4,101	4,257
Street Maintenance Revenue								
Street Maintenance Revenues (4)	\$ 25.99 per Resident	26	252	684	1,110	1,213	1,213	1,213
Net Street Maintenance Expenditures (\$000)		26	80	1,385	2,698	2,780	2,888	3,043

- (1) Figure reflects annualized cost of resurfacing pavement and replacement of pavement across a 21 year cycle. Front end costs of pavement maintenance may be lower. Pavements are resurfaced in the 7th and 14th year at a cost of \$75,000 per mile (est. 2 lane road) and are replaced in the 21st year at a cost of \$450,000.
- (2) Street repair and electricity costs based on citiwide average of approx. 14 street lights mile. Includes Street light repair costs of \$86 per light and annual electricity costs of approximately \$88.
- (3) ERA estimate based on inflated historical Street Division - Storm Drain expense.
- (4) See Exhibit IV-14

Source: City of San Diego Street Division and Economics Research Associates

Appendix Table C - 20
Otay Mesa Community Plan Expenses
 '(\$000)

Scenario: 3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	392	1,178	2,114	3,229	4,543	5,856	6,827	7,791	8,755	9,819	10,883	11,996	13,160	14,324	15,484	15,782	15,887	15,980	16,073	16,165	16,258	16,351	16,451	16,548	17,066	
<i>Lane Miles</i>	3	8	14	20	43	66	88	110	132	154	176	198	221	243	248	250	252	253	254	256	257	258	260	261	270	
<i>Park Acres</i>	4	6	7	8	8	8	7	7	7	7	7	8	8	8	7	4	3	3	3	3	3	3	3	3	2	149
Police	200	602	1,081	1,650	2,321	2,993	3,489	3,982	4,474	5,018	5,561	6,131	6,725	7,320	7,913	8,065	8,119	8,166	8,214	8,261	8,309	8,356	8,407	8,457	8,721	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	23	57	93	133	178	222	260	298	336	375	415	456	497	539	578	599	614	627	641	654	667	681	694	707	789	
Street Maintenance	26	48	67	80	334	587	853	1,119	1,385	1,649	1,912	2,175	2,436	2,698	2,697	2,715	2,737	2,759	2,780	2,802	2,824	2,846	2,868	2,888	3,043	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$ 281	110	331	594	906	1,275	1,644	1,916	2,187	2,458	2,756	3,055	3,367	3,694	4,021	4,346	4,430	4,460	4,486	4,512	4,538	4,564	4,590	4,618	4,645	4,790	
Total Revenues	359	1,038	1,834	4,721	6,059	7,397	8,470	9,537	10,604	11,749	12,895	16,032	17,256	18,481	19,437	19,712	19,832	19,941	20,049	20,158	20,267	20,375	20,490	20,600	21,247	

Source: Economics Research Associates

Appendix Table C - 21

Otay Mesa Community Plan Net Fiscal Impacts
(\$000)

Scenario	3
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	392	1,178	2,114	3,229	4,543	5,856	6,827	7,791	8,755	9,819	10,883	11,996	13,160	14,324	15,484	15,782	15,887	15,980	16,073	16,165	16,258	16,351	16,451	16,548	17,066	
<i>Lane Miles</i>	3	8	14	20	43	66	88	110	132	154	176	198	221	243	248	250	252	253	254	256	257	258	260	261	270	
REVENUES																										
Property Tax	-	212	626	1,137	1,777	2,570	3,396	3,958	4,536	5,138	5,810	6,509	7,260	8,066	8,902	9,780	10,228	10,563	10,892	11,230	11,578	11,936	12,303	12,688	16,978	
Property Transfer Tax	-	114	220	282	361	457	499	400	425	454	506	539	586	635	674	717	533	488	492	505	518	531	545	562	641	
VLF Revenues (.65% VLF and In Lieu Fees)	109	325	591	923	1,334	1,762	2,052	2,350	2,660	3,006	3,365	3,751	4,164	4,592	5,040	5,261	5,425	5,585	5,750	5,919	6,094	6,273	6,461	6,652	9,261	
Sales Tax	52	119	192	286	470	655	819	982	1,145	1,312	1,479	1,647	1,817	1,987	2,363	2,643	2,780	2,862	2,945	3,027	3,109	3,192	3,274	3,356	3,512	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	93	280	502	767	1,079	1,391	1,622	1,851	2,080	2,333	2,585	2,850	3,126	3,403	3,678	3,749	3,774	3,796	3,818	3,840	3,862	3,884	3,908	4,054	
Total Revenues	255	1,050	2,131	3,395	5,021	6,834	8,388	9,541	10,846	12,242	13,745	15,296	16,953	18,682	20,658	22,150	22,740	23,294	23,897	24,522	25,162	25,816	26,491	27,190	34,446	
EXPENDITURES																										
Police	200	602	1,081	1,650	2,321	2,993	3,489	3,982	4,474	5,018	5,561	6,131	6,725	7,320	7,913	8,065	8,119	8,166	8,214	8,261	8,309	8,356	8,407	8,457	8,721	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	23	57	93	133	178	222	260	298	336	375	415	456	497	539	578	599	614	627	641	654	667	681	694	707	789	
Street Maintenance	26	48	67	80	334	587	853	1,119	1,385	1,649	1,912	2,175	2,436	2,698	2,697	2,715	2,737	2,759	2,780	2,802	2,824	2,846	2,868	2,888	3,043	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	110	331	594	906	1,275	1,644	1,916	2,187	2,458	2,756	3,055	3,367	3,694	4,021	4,346	4,430	4,460	4,486	4,512	4,538	4,564	4,590	4,618	4,645	
Total Expenditures	359	1,038	1,834	4,721	6,059	7,397	8,470	9,537	10,604	11,749	12,895	16,032	17,256	18,481	19,437	19,712	19,832	19,941	20,049	20,158	20,267	20,375	20,490	20,600	21,247	
TOTAL ANNUAL IMPACT	(104)	12	297	(1,326)	(1,038)	(563)	(82)	4	242	493	850	(735)	(303)	201	1,221	2,438	2,908	3,354	3,848	4,364	4,895	5,441	6,001	6,590	13,198	

Source: Economics Research Associates



Economics Research Associates

Appendix D
No Project Scenario

Fiscal Impact Analysis of Otay Mesa Community Plan Update

Appendix Table D - 1
Annual Absorption - Scenario: No Project

			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033			
ACRES																																
Industrial			50.0	60.0	60.0	60.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	28.0	28	28			
Commercial/Retail			4.0	4.2	5.2	5.2	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	13.3	13.3	13.3	12.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.38	7.38			
Residential (Approximation)	11.37	Density	62.6	9.5	49.1	68.2	66.0	52.8	57.2	56.7	48.4	34.0	22.0	22.0	22.0	22.0	22.0	22.0	21.6	-	-	-	-	-	-	-	-	-	-			
Total Acreage Absorption			117	74	114	133	128	115	119	111	96	84	84	84	84	70	70	70	69	42	42	42	42	42	42	42	35	35	35			
Cumulative Acreage Absorption			117	190	305	438	566	681	801	920	1,031	1,127	1,211	1,295	1,380	1,464	1,534	1,605	1,675	1,744	1,786	1,829	1,871	1,913	1,956	1,998	2,034	2,069	2,104			
Percentage Absorbed			4.2%	6.8%	10.9%	15.6%	20.2%	24.3%	28.6%	32.8%	36.8%	40.2%	43.2%	46.2%	49.2%	52.3%	54.8%	57.3%	59.8%	62.2%	63.8%	65.3%	66.8%	68.3%	69.8%	71.3%	72.6%	73.9%	75.1%			
DEVELOPMENT PROGRAM ABSORPTION (1)																																
Industrial	% of Type	Gross to Net	FAR																													
	100%	0.80	0.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100%	0.80	0.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Industrial	100%	0.80	0.45	784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	
	Industrial Office	10%	0.80	78,408	94,090	94,090	94,090	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	86,249	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	
	All Other Light Industrial	90%	0.80	705,672	846,806	846,806	846,806	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	776,239	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	493,970	
Total Industrial				784,080	940,896	940,896	940,896	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	862,488	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	548,856	
Mixed Use Office	100%	0.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial/Retail																																
Retail Center Retail	80%	0.80	0.23	25,599	26,879	33,278	33,278	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	46,718	85,116	85,116	85,116	79,228	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	
Retail Center Office	20%	0.80	0.23	6,462	6,785	8,400	8,400	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	11,792	21,484	21,484	21,484	19,998	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	
Subtotal Retail Center				32,060	33,663	41,678	41,678	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	58,510	106,600	106,600	106,600	99,226	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	
Hotel	0%	0.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel Rooms (2)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential Units	Ratio		711	108	558	775	750	600	650	645	550	386	250	250	250	250	250	250	250	250	246	-	-	-	-	-	-	-	-	-	-	
Single Family Units			69	-	90	200	200	200	250	250	250	136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multi-Family Units			642	108	468	575	550	400	395	300	250	250	250	250	250	250	250	250	250	250	246	-	-	-	-	-	-	-	-	-	-	-
Ownership	75%		482	81	351	431	413	300	300	296	225	188	188	188	188	188	188	188	188	188	185	-	-	-	-	-	-	-	-	-	-	
Rental	25%		161	27	117	144	138	100	100	99	75	63	63	63	63	63	63	63	63	63	62	-	-	-	-	-	-	-	-	-	-	
Parks																																
Park Requirement			96.2																													
Cumulative Incremental Park Acres			95.2	4	6	10	15	19	23	27	31	35	38	41	44	47	50	52	55	57	59	61	62	64	65	66	68	69	70	72		
Lane Miles																																
Community Arterials	162.75	Lane Mile					16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	
Industrial Intract Lane Miles	0.04	Lane miles/Acre	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Residential Intract Lane Miles	0.07	Lane miles/Acre	4	1	3	5	4	4	4	4	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Annual Incremental Lane Miles			6	3	6	7	23	22	22	22	21	20	20	20	20	20	20	20	3	3	3	3	1	1	1	1	1	1	1	1	1	
Cumulative Lane Miles			6	9	15	22	46	68	90	113	135	155	175	195	215	235	238	241	244	247	249	250	251	253	254	256	257	258	259			
Roadway Miles																																
Community Arterials	35	Miles				3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5		
Intract Lane Miles	2	Lanes/Mile	3.19	1.53	2.92	3.59	3.41	2.95	3.10	3.09	2.79	2.29	1.87	1.87	1.87	1.87	1.47	1.47	1.47	1.47	1.46	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70		
Total Road Miles			3.19	1.53	2.92	3.59	3.41	2.95	3.10	3.09	2.79	2.29	1.87	1.87	1.87	1.47	1.47	1.47	1.47	1.46	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70		

(1) See Exhibits III-9 through Exhibits III-1 for details regarding development program factors

(2) Assumes 800 square feet per room.

Source: Economics Research Associates

Appendix Table D - 1
Annual Absorption - Scenario: No Project

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	Total	
ACRES																								
Industrial	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	26	0	1,800.0	
Commercial/Retail	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	0.5	0	0	0	0	0	0	0	321.5
Residential (Approximation) 11.37 Density	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Acreage Absorption	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	29	28	28	28	28	26	-	2,802	
Cumulative Acreage Absorption	2,140	2,175	2,210	2,246	2,281	2,317	2,352	2,387	2,423	2,458	2,493	2,529	2,564	2,600	2,635	2,664	2,692	2,720	2,748	2,776	2,802	2,802	2,802	
Percentage Absorbed	76.4%	77.6%	78.9%	80.2%	81.4%	82.7%	84.0%	85.2%	86.5%	87.7%	89.0%	90.3%	91.5%	92.8%	94.1%	95.1%	96.1%	97.1%	98.1%	99.1%	100.0%	100.0%	100.0%	
DEVELOPMENT PROGRAM ABSORPTION (1)																								
Industrial	% of Type	Gross to Net	FAR																					
	100%	0.80	0.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100%	0.80	0.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Industrial	100%	0.80	0.45	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	407,722	28,226,880	
Industrial Office	10%	0.80	0.45	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	40,772	2,822,688	
All Other Light Industrial	90%	0.80	0.45	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	395,176	366,949	25,404,192	
Total Industrial				439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	439,085	407,722	28,226,880	
Mixed Use Office	100%	0.80		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial/Retail																								
Retail Center Retail	80%	0.80	0.23	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	47,230	2,057,492
Retail Center Office	20%	0.80	0.23	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	11,921	519,343
Subtotal Retail Center				59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	59,151	2,576,835
Hotel	0%	0.80		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel Rooms (2)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential Units		Ratio																						
Single Family Units				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,729	
Multi-Family Units				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,645	
Ownership		75%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,084	
Rental		25%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,563	
Parks																								
Park Requirement		96.2																						
Cumulative Incremental Park Acres		95.2		73	74	75	76	78	79	80	81	82	84	85	86	87	88	90	91	91	92	93	94	95
Lane Miles																								
Community Arterials		162.75 Lane Mile																						
Industrial Intract Lane Miles		0.04 Lane miles/Acre		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Residential Intract Lane Miles		0.07 Lane miles/Acre		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Annual Incremental Lane Miles				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Cumulative Lane Miles				260	261	262	263	265	266	267	268	269	270	271	272	273	275	276	277	278	279	280	281	282
Roadway Miles																								
Community Arterials		35 Miles																					35.0	
Intract Lane Miles		2 Lanes/Mile		0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.52	
Total Road Miles				0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.52	

(1) See Exhibits III-9 through Exhibits III-1 for details regarding develop

(2) Assumes 800 square feet per room.

Source: Economics Research Associates

Appendix Table D-2
ESTIMATED DEVELOPMENT VALUE
(In 2007 \$ Millions)

Land Use	Basis for Valuation		Average Assessed Value per Unit
	Avg. Unit Size (Sq.Ft.) (1)	Price Per Sq.Ft.(1)	
FOR SALE RESIDENTIAL			
<i>Single Family</i>	2,500	\$270.00	\$675,000
<i>Multifamily For Sale</i>	1,204	\$314.00	\$378,056

Land Use	Basis for Valuation		Average Assessed Value per Unit (6)
	Average Room Rate	Rental Rate /Unit/Mo.	
COMMERCIAL & INDUSTRIAL			
<i>Rental Residential (1)</i>		\$1,460	\$249,660
<i>Retail (2)</i>		\$1.92	\$315
<i>Office (3)</i>		\$2.00	\$300
<i>Lodging (4)</i>	\$80.00		\$194,180
<i>Industrial (5)</i>		\$0.55	\$95

(1) 3Q 2006 Information from MarketPointe Realty

(2) Retail rate based on 3Q2006 Costar direct average retail rates in Otay Mesa and review of South San Diego rates in CBRE Retail Report for 3Q2006.

(3) CoStar Office Rate for 3Q 2006 South San Diego.

(4) Rate based on November 2006 phone survey of existing Otay Mesa room rates.

(5) Otay Mesa Industrial rate reported by Costar.

(6) Average Assessed Value per Unit for commercial & industrial based on occupancy of 93% (70% for lodging), efficiency rates of 85 to 98%, operating costs of 5%, and cap rates based on rates reported by the California Real Estate Journal in 2006. Retail has a cap rate of 5.5%, Office has a cap rate of 6%, Industrial cap rate of 6%. 10% cap rate for hotel market based on Korpacz Real Estate Investor Survey 3Q2006.

Rental residential value based on occupancy of 95%, operating costs of 25% and a cap rate of 5%.

Source: Economic Research Associates

Appendix Table D - 4
Household Income Absorption
(000)

Scenario: **No Project**

<i>Cumulative Absorption</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	<i>Build Out</i>	
Single Family Units	69	69	159	359	559	759	1,009	1,259	1,509	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	
Ownership Multi-Family Units	482	563	914	1,345	1,757	2,057	2,357	2,654	2,879	3,066	3,254	3,441	3,629	3,816	4,004	4,191	4,379	4,563	4,563	4,563	4,563	4,563	4,563	4,563	4,563	
Rental Multi-Family Units	161	188	305	448	586	686	786	885	960	1,022	1,085	1,147	1,210	1,272	1,335	1,397	1,460	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out	
Household Income (1)																										
Single Family Stock	\$145,060	10,009	10,009	23,064	52,076	81,088	110,100	146,365	182,630	218,895	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623	238,623
Multi-Family Stock																										
For Sale	\$86,025	41,421	48,389	78,583	115,682	151,167	176,974	202,781	228,266	247,622	263,751	279,881	296,011	312,140	328,270	344,399	360,529	376,659	392,530	392,530	392,530	392,530	392,530	392,530	392,530	392,530
Rental	\$58,400	9,373	10,950	17,783	26,178	34,208	40,048	45,888	51,655	56,035	59,685	63,335	66,985	70,635	74,285	77,935	81,585	85,235	88,826	88,826	88,826	88,826	88,826	88,826	88,826	88,826
Cumulative Household Income (000s)	\$ 60,803	\$ 69,348	\$ 119,431	\$ 193,936	\$ 266,463	\$ 327,122	\$ 395,034	\$ 462,551	\$ 522,551	\$ 562,059	\$ 581,839	\$ 601,618	\$ 621,398	\$ 641,178	\$ 660,957	\$ 680,737	\$ 700,516	\$ 719,980								

(1) As presented in *Exhibit III - 17* Household Characteristics.
Source: Economics Research Associates

Appendix Table D - 5
Population Estimates

Scenario **No Project**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
	Persons per Household	Population																							
Residential																									
Single Family Stock	3.98	275	-	358	796	796	796	995	995	995	541	-	-	-	-	-	-	-	-	-	-	-	-	-	6,547
Multi-Family Stock																									
For Sale	3.45	1,661	279	1,211	1,488	1,423	1,035	1,035	1,022	776	647	647	647	647	647	647	647	637	-	-	-	-	-	-	15,742
Rental	3.45	554	93	404	496	474	345	345	341	259	216	216	216	216	216	216	216	212	-	-	-	-	-	-	5,247
Total Population	2,490	373	1,973	2,780	2,694	2,176	2,375	2,358	2,030	1,404	863	849	-	-	-	-	-	-	27,537						
<i>Cumulative Population</i>	2,490	2,862	4,835	7,615	10,308	12,484	14,859	17,217	19,247	20,651	21,513	22,376	23,238	24,101	24,963	25,826	26,688	27,537	27,537	27,537	27,537	27,537	27,537	27,537	27,537

¹From Community Planning Survey prepared for Source Pointe by True North Research.

Source: Economics Research Associates, True North Research

Appendix Table D - 6
Projected Employment

Scenario **No Project**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Commercial & Industrial	Avg. Units per Emp	Employees																								
Mixed Use & Retail Center Office	250 SF	26	27	34	34	47	47	47	47	47	47	47	47	47	47	86	86	86	80	48	48	48	48	48	48	2,077
Industrial Office	300 SF	261	314	314	314	287	287	287	287	287	287	287	287	287	287	183	183	183	183	183	183	183	183	183	183	9,409
Industrial (excluding Industrial Office)	1,172 SF	602	723	723	723	662	662	662	662	662	662	662	662	662	662	421	421	421	421	421	421	421	421	421	421	21,676
Retail	400 SF	64	67	83	83	117	117	117	117	117	117	117	117	117	117	213	213	213	198	118	118	118	118	118	118	5,144
Hotel	1.5 Room	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Total New Employees		953	1,130	1,153	1,153	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	903	903	903	882	770	770	770	770	770	770	38,306
<i>Cumulative Employees</i>		953	2,084	3,237	4,390	5,504	6,617	7,731	8,845	9,959	11,072	12,186	13,300	14,414	15,528	16,641	17,754	18,867	19,981	21,094	22,208	23,321	24,435	25,548	26,662	27,775

Source: Economics Research Associates

Appendix Table D-7
Project EDU

Scenario **No Project**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build Out
Project Equivalent Dwelling Unit Calculation																									
Employees	953	1,130	1,153	1,153	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	903	903	903	882	770	770	770	770	770	770	38,306
Employment Resident Equivalent - 1 employee = 0.35 residents	334	396	404	404	390	390	390	390	390	390	390	390	390	390	316	316	316	309	270	270	270	270	270	270	13,407
Employment Resident Equivalent/Persons per Dwelling Unit @ 2.64	126	150	153	153	148	148	148	148	148	148	148	148	148	148	120	120	120	117	102	102	102	102	102	102	5,073
Annual New Employment Equivalent Dwelling Units	126	150	153	153	148	148	148	148	148	148	148	148	148	148	120	120	120	117	102	102	102	102	102	102	5,073
Annual New Dwelling Units	711	108	558	775	750	600	650	645	550	386	250	250	250	250	250	250	246	-	-	-	-	-	-	-	7,729
Total New EDUs	837	258	711	928	898	748	798	793	698	534	398	398	398	398	370	370	370	363	102	102	102	102	102	102	12,802
<i>Cumulative EDUs</i>	837	1,095	1,806	2,733	3,631	4,378	5,176	5,968	6,666	7,199	7,597	7,994	8,392	8,789	9,159	9,529	9,898	10,261	10,363	10,465	10,567	10,669	10,771	10,873	12,802

Source: Economics Research Associates

Appendix Table D - 8
City of San Diego - Property Tax Impacts
Scenario:

No Project

	2007	2010	2015	2020	2025	2030	Build out	
For Sale Residential New AV (000s)	\$ 228,609	\$ 522,107	\$ 1,356,093	\$ 446,228	\$ 282,408	\$ -		
Rental Residential & Commercial New AV (\$000s)	\$ 124,833	\$ 377,489	\$ 630,394	\$ 580,774	\$ 473,964	\$ 354,410		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Proposition 13 AV Limitation less Inflation of 2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
<i>(In Current \$ 000s)</i>								
FOR SALE RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 228,609	\$ 796,735	\$ 2,468,508	\$ 3,302,655	\$ 4,049,732	\$ 4,471,223	\$ 5,559,393	
COMMERCIAL & RENTAL RESIDENTIAL ASSESSED VALUE								
(In \$ 000s)	\$ 124,833	\$ 533,113	\$ 1,327,196	\$ 2,216,615	\$ 3,124,252	\$ 4,008,289	\$ 7,604,979	
TOTAL ASSESSED VALUE (000's)								
Residential and Commercial	\$ 353,442	\$ 1,329,848	\$ 3,795,704	\$ 5,519,270	\$ 7,173,984	\$ 8,479,512	\$ 13,164,372	
ADJUSTMENT FOR BASE ASSESSED VALUE OF THE LAND								
Base Assessed Value	\$ 1,120,600	\$ 46,622	\$ 175,173	\$ 412,212	\$ 585,589	\$ 714,504	\$ 799,264	
INCREMENTAL ASSESSED VALUE	\$ 306,820	\$ 1,154,675	\$ 3,383,492	\$ 4,933,681	\$ 6,459,480	\$ 7,680,248	\$ 12,043,772	
TOTAL PROPERTY TAXES COLLECTED¹ (\$000s) @	1.00%	\$ 7,277	\$ 29,248	\$ 46,220	\$ 62,365	\$ 74,214	\$ 119,655	
ANNUAL INCREMENTAL PROPERTY TAXES TO THE CITY								
Share of Property Tax to the City of San Diego @	11.86%	\$ -	\$ 863,021	\$ 3,468,798	\$ 5,481,658	\$ 7,396,509	\$ 8,801,727	

¹Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January. A lag of one year is applied to account for the time between the addition of new development and City receipt of property taxes.
Source: Economics Research Associates, City of San Diego County Assessor's Office

Appendix Table D - 9

City of San Diego - Property Transfer Tax

Scenario:

No Project

	2007	2010	2015	2020	2025	2030	Build Out	
For Sale Residential New AV (000s)	\$ 228,609	\$ 522,107	\$ 1,356,093	\$ 446,228	\$ 282,408	\$ -		
Rental Residential & Commercial New AV (\$000s)	\$ 124,833	\$ 377,489	\$ 630,394	\$ 580,774	\$ 473,964	\$ 354,410		
APPRECIATION FACTOR:								
Year After Property First Sold	<i>Annual Rate</i>	2007	2010	2015	2020	2025	2030	2041
Real Appreciation Rate	2.0%	100%	106%	117%	129%	143%	158%	196%
Commercial Annual Turnover Rate	5.0%	5%	5%	5%	5%	5%	5%	5%
Residential Annual Turnover Rate	10.0%	10%	10%	10%	10%	10%	10%	10%
Real Property Transfer Tax¹ (including annual turnovers)								
Residential Property Transfer Tax								
Residential Property Transfer Tax Assessment	\$ 125,735	\$ 200,375	\$ 282,969	\$ 227,035	\$ 222,734	\$ 245,917	\$ 305,766	
Residential Property Transfer Tax (with lag period)²		\$ 125,528	\$ 276,702	\$ 217,639	\$ 266,713	\$ 241,095	\$ 299,771	
COMMERCIAL & RENTAL RESIDENTIAL								
Commercial Property Transfer Tax Assessment	\$ 68,658	\$ 91,517	\$ 109,516	\$ 139,466	\$ 138,813	\$ 168,629	\$ 187,512	
Commercial Property Transfer Tax (with Lag)²		\$ 82,127	\$ 107,160	\$ 132,680	\$ 153,819	\$ 162,309	\$ 183,835	
TOTAL ANNUAL PROPERTY TRANSFER TAX								
Residential and Commercial	\$ -	\$ 207,655	\$ 383,862	\$ 350,319	\$ 420,531	\$ 403,404	\$ 483,606	

¹\$0.55 for every \$1000 of real property sale value

²Property assessments and changes in assessments are made in July of each year, but Property Transfer Taxes are not received by the City until the next January.

Source: Economics Research Associates, City of San Diego County Assessor's Office

**Appendix Table D - 10
Vehicle License Fee Revenues**

Scenario: **No Project**

VLF Revenues

Current Population Of the City ¹ =	1,311,162
Current Allocation of 0.65% VLF =	\$ 7,761,868
Per Capita VLF Allocation =	\$ 5.92

	2007	2010	2015	2020	2025	2030	Build Out
Otay Mesa Population Growth	2,490	7,615	19,247	24,101	27,537	27,537	27,537
VLF Revenues Attributed To Otay Mesa CP (000's)	\$ 15	\$ 45	\$ 114	\$ 143	\$ 163	\$ 163	\$ 163

Motor Vehicle In Lieu Fees (MVLF) Adjustment

Base Year (2004) Assessed Valuation of the City (\$000) =	\$ 127,126,461
Base Year (2004) Motor Vehicle In Lieu Fees Adjustment (MVLF) (\$000) =	\$ 73,487

	2007	2010	2015	2020	2025	2030	Build Out
Cumulative AV of New Developments (\$000s)	\$ 353,442	\$ 1,329,848	\$ 3,795,704	\$ 5,519,270	\$ 7,173,984	\$ 8,479,512	\$ 13,164,372
AV Adjustment for Base Value (\$000)	\$ (46,622)	\$ (175,173)	\$ (412,212)	\$ (585,589)	\$ (714,504)	\$ (799,264)	\$ (1,120,600)
Adjusted AV of Development(\$000)	\$ 306,820	\$ 1,154,675	\$ 3,383,492	\$ 4,933,681	\$ 6,459,480	\$ 7,680,248	\$ 13,164,372
Cumulative AV Growth (Citywide)	\$ 127,433,281	\$ 128,281,135	\$ 130,509,952	\$ 132,060,142	\$ 133,585,941	\$ 134,806,709	\$ 140,290,833
Incremental AV	0.241351%	0.33398%	0.35271%	0.23660%	0.16718%	0.19242%	10.35534%
Cumulative Citywide MVLF ²	\$ 73,665	\$ 74,155	\$ 75,443	\$ 76,339	\$ 77,221	\$ 77,927	\$ 81,097
Annual MVLF Adjustment Attributed To Otay Mesa CPA(000's)	\$ 177	\$ 667	\$ 1,956	\$ 2,852	\$ 3,734	\$ 4,440	\$ 7,610
TOTAL ANNUAL VLF REVENUES (000's)	\$ 192	\$ 713	\$ 2,070	\$ 2,995	\$ 3,897	\$ 4,603	\$ 7,773

¹From Table IV - 1

²Applying the Citywide AV Growth Rate (includes AV growth due to each scenario) to Current MVLF

Source: Economics Research Associates, County of San Diego Property Tax Services and California State Controller's Office

Appendix Table D-11
Effective Retail Sales Capture in San Diego

Retail Expenditure Items	Share Taxable	City's Capture	Effective Taxable Retail Sales Capture in San Diego
Food at home	40%	85%	34%
Food away from home	100%	70%	70%
Alcoholic beverages	100%	80%	80%
Household operations	75%	60%	45%
Housekeeping supplies	100%	55%	55%
Household furnishings and equipment	100%	40%	40%
Apparel and services	100%	65%	65%
Transportation			
Other vehicle expenses ¹	100%	75%	75%
Healthcare ²	40%	95%	38%
Entertainment ³	80%	65%	52%
Personal care products and services	100%	85%	85%
Reading	100%	70%	70%
Tobacco products and smoking supplies	100%	75%	75%
Miscellaneous	100%	85%	85%

Source: Economics Research Associates

Appendix Table D-12
Resident Offsite Sales Generation
Scenario:

No Project

Projected Average Household Income \$ 93,153

Cumulative Household Income (000) \$ 60,803 \$ 193,936 \$ 522,551 \$ 641,178 \$ 719,980 \$ 719,980 \$ 719,980

Household Expenditure	Expenditure as % of		Off-Site	Effective Taxable Capture						Build Out
	Gross HH Income	Effective Taxable Capture		2007	2010	2015	2020	2025	2030	
Food at home	4.5%	34.0%	10.0%	92	294	791	971	1,090	1,090	1,090
Food away from home	4.0%	70.0%	30.0%	506	1,612	4,344	5,331	5,986	5,986	5,986
Alcoholic beverages	0.8%	80.0%	20.0%	76	244	656	805	904	904	904
Household operations	1.3%	45.0%	35.0%	128	407	1,096	1,345	1,510	1,510	1,510
Housekeeping supplies	0.9%	55.0%	20.0%	61	195	524	643	722	722	722
Household furnishings and equipment	2.9%	40.0%	60.0%	422	1,346	3,626	4,449	4,995	4,995	4,995
Apparel and services	2.8%	65.0%	40.0%	449	1,433	3,860	4,737	5,319	5,319	5,319
Transportation										
Other vehicle expenses ¹	1.0%	75.0%	40.0%	182	580	1,564	1,919	2,155	2,155	2,155
Healthcare ²	0.9%	38.0%	40.0%	79	251	676	829	931	931	931
Entertainment ³	1.1%	52.0%	45.0%	159	507	1,366	1,676	1,882	1,882	1,882
Personal care products and services	0.9%	85.0%	25.0%	115	366	987	1,211	1,360	1,360	1,360
Reading	0.2%	70.0%	35.0%	32	103	277	340	381	381	381
Tobacco products and smoking supplies	0.3%	75.0%	25.0%	38	122	329	404	454	454	454
Miscellaneous	0.5%	85.0%	40.0%	108	344	926	1,136	1,275	1,275	1,275
Total Taxable Sales Capture in San Diego (\$000)				2,446	7,802	21,022	25,794	28,964	28,964	28,964

¹25% of BLS expenditure.

²25% of BLS expenditure.

³30% of BLS expenditure

Source: Bureau of Labor Statistics Consumer Expenditure Survey 2003, Economics Research Associates

Appendix Table D - 13

Sales Tax

Scenario:

No Project

	Rate	2007	2008	2009	2010	2015	2020	2025	2030	Buildout
Retail SF		25,599	26,879	33,278	33,278	46,718	46,718	47,230	47,230	
Cumulative Retail SF		25,599	52,477	85,756	119,034	352,622	586,209	968,013	1,204,161	2,057,492
Gross Leasable Area	85%	21,759	44,606	72,892	101,179	299,728	498,278	822,811	1,023,537	1,748,868
Taxable Onsite Sales (000s)										
Onsite Sales	\$300 per SF	\$6,528	\$13,382	\$21,868	\$30,354	\$89,918	\$149,483	\$246,843	\$307,061	\$524,661
Taxable Onsite Sales @	85%	\$5,549	\$11,374	\$18,588	\$25,801	\$76,431	\$127,061	\$209,817	\$261,002	\$445,961
Less Estimated Retail Transfers	25%	\$1,387	\$2,844	\$4,647	\$6,450	\$19,108	\$31,765	\$52,454	\$65,250	\$111,490
New Taxable Onsite Sales (000s)		\$4,161	\$8,531	\$13,941	\$19,350	\$57,323	\$95,296	\$157,363	\$195,751	\$334,471
Taxable Resident Offsite Sales		\$2,446	\$2,790	\$4,805	\$7,802	\$21,022	\$25,794	\$28,964	\$28,964	\$28,964
Total New Sales as a Result of Plan		\$6,607	\$11,321	\$18,745	\$27,152	\$78,345	\$121,090	\$186,327	\$224,716	\$363,436
Sales Tax (000)	1%	\$66	\$113	\$187	\$272	\$783	\$1,211	\$1,863	\$2,247	\$3,634

Source: Economics Research Associates

Appendix Table D-14

Transient Occupancy Tax due to New Development

Scenario:

No Project

		2007	2010	2015	2020	2025	2030	Buildout
Incremental Hotel Rooms		0	0	0	0	0	0	
<i>Cumulative New Hotel Rooms</i>		<i>0</i>						
Room Revenues (000s)								
Room Rate @	\$80	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy @	70%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transient Occupancy Tax (000's)@	10%	\$0						

Note: Room rate based on survey of current Otay Mesa hotels

Source: Economics Research Associates

Appendix Table D-15
Otay Mesa Community Plan Revenues
 '(\$000)

Scenario	No Project																							Build out	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<i>Project Equivalent Dwelling Units</i>	837	1,095	1,806	2,733	3,631	4,378	5,176	5,968	6,666	7,199	7,597	7,994	8,392	8,789	9,159	9,529	9,898	10,261	10,363	10,465	10,567	10,669	10,771	10,873	12,802
<i>Lane Miles</i>	6	9	15	22	46	68	90	113	135	155	175	195	215	235	238	241	244	247	249	250	251	253	254	256	282
Property Tax	-	364	504	863	1,369	1,887	2,365	2,907	3,469	4,013	4,452	4,783	5,126	5,482	5,851	6,219	6,599	6,994	7,397	7,661	7,933	8,214	8,504	8,802	14,191
Property Transfer Tax	-	194	94	208	292	313	310	356	384	392	359	319	335	350	367	372	389	406	421	362	372	382	393	403	484
VLF Revenues (.65% VLF and In Lieu Fees)	192	263	449	713	981	1,227	1,505	1,793	2,070	2,292	2,458	2,631	2,809	2,995	3,179	3,369	3,567	3,768	3,897	4,030	4,167	4,308	4,453	4,603	7,773
Sales Tax	66	113	187	272	377	477	580	683	783	875	959	1,043	1,127	1,211	1,357	1,504	1,650	1,786	1,863	1,940	2,017	2,094	2,170	2,247	3,634
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pro-Rata Revenues																									
Project EDU pro rata share @ \$	238	199	260	429	649	863	1,040	1,230	1,418	1,584	1,710	1,805	1,899	1,994	2,088	2,176	2,264	2,351	2,438	2,462	2,486	2,510	2,535	2,559	3,041
Total Revenues	457	1,194	1,663	2,704	3,881	4,944	5,989	7,156	8,289	9,283	10,034	10,675	11,390	12,126	12,930	13,728	14,556	15,392	16,039	16,478	16,999	17,532	18,078	18,638	29,123

Source: Economics Research Associates

Appendix Table D-16

Otay Mesa Community Plan - Fire Service Cost Calculation

(000's)

Scenario:

No Project

Proposed Operating Budget for Prototype Fire station (1)

Estimated Staffing	12.97
Staffing Costs	\$ 1,807,584
Non-Personnel Costs	\$ 143,856
Total Operating Costs	\$ 1,951,440

Fire-Rescue Expenditure Generated by Otay Mesa

Community Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	837	2,733	6,666	8,789	10,363	10,873	12,802
New Fire stations (2)	-	1	1	1	2	2	2
Fire Costs (000's)	\$ -	\$ 1,951	\$ 1,951	\$ 1,951	\$ 3,903	\$ 3,903	\$ 3,903

- (1) Fire station #49 is currently planned under the existing Otay Mesa Public Facilities Financing Plan. The operating costs for new Otay Mesa fire stations are based on the Operating Budget Effect impacts proposed in the City of San Diego FY 2008 Budget, Capital Improvement Program. This fire station is used as the prototypical fire station for incremental fire stations in the Otay Mesa area.
- (2) One new fire station is currently included under the existing Otay Mesa Public Facilities Financing Plan. It is to be funded by a facilities benefits assessment. Using these funds, the station may not be developed until 2010 or 2011. There is also a chance that a developer may construct the fire station earlier and get reimbursed by the City ERA has included a fire station operations in 2010. The second fire station is tentative and may be developed between Fiscal Year 2015 and 2020. third incremental fire station depending on units developed. This information was not available at this time and has not been included in this study

Source: City of San Diego, Proposed Budget 2008 Public Facilities Financing, Economics Research Associates

Appendix Table D - 17
Otay Mesa Specific Plan Police Costs
Scenario:

No Project

Proportional Police Costs

Total Police Expenditure (2007)	\$	360,134,725
Less Charges for Current Services		3,899,307
Less Grant Funds ¹		1,198,630
Police Expenditures from Discretionary Funds		355,036,788
Less Overhead ¹		56,866,046
Variable Police Expenditures		298,170,742
Share of Variable Cost		100%
Total Variable Expenditures	\$	298,170,742
Current Equivalent Dwelling Unit		583,457
Net Expenditure/EDU	\$	511.04

Police Expenditure Generated by Otay Mesa

Specific Plan	2007	2010	2015	2020	2025	2030	Build Out
Equivalent Dwelling Units	837	2,733	6,666	8,789	10,363	10,873	12,802
Police Costs (000's)	\$ 428	\$ 1,397	\$ 3,407	\$ 4,492	\$ 5,296	\$ 5,557	\$ 6,542

¹The 2007 Proposed Budget does not provide detail on expenditure and revenue detail. 2006 figures.

Source: City of San Diego, FY 2007 Adopted Budget, Economics Research Associates

**Appendix Table D-18
Otay Mesa Parks Costs
Scenario:**

No Project

Parks Costs Per Acre

Population Based Park Costs per Acre¹ \$ 5,308

Park Expenditure	2007	2010	2015	2020	2025	2030	Build Out
<i>Cumulative Park Acres</i>	<i>4</i>	<i>15</i>	<i>35</i>	<i>50</i>	<i>61</i>	<i>68</i>	<i>95</i>
Annual Park & Recreation Costs (000's)	\$ 21	\$ 79	\$ 186	\$ 264	\$ 322	\$ 360	\$ 505

¹Park per Acre factor based on Cost Per Acre Maintenance Assessment District Reimbursements for FY 2005 and FY 2006.

Source: City of San Diego, Maintenance Assessment Districts Overview, Annual FY 2006 Budget, Economics Research Associates

Appendix Table D - 19

Other Cost and Revenues - Streets, Lighting, and Storm Drain Maintenance

Scenario:

No Project

Street and Landscaping Maintenance		2007	2010	2015	2020	2025	2030	Build Out
<i>New Residents</i>		2,490	7,615	19,247	24,101	27,537	27,537	27,537
<i>Lane Miles</i>		6	22	135	235	249	256	282
<i>Miles</i>		3	11	44	71	78	81	95
Street Maintenance Expenditures								
Paved Area Life Cycle Maint. Costs (1)	\$ 14,286 per Lane Mile	91	321	1,922	3,363	3,551	3,651	4,034
Street Sweeping	\$ 70 per Mile	0	1	3	5	5	6	7
Street Lighting / Electricity (2)	\$ 2,480 per Mile	8	28	109	177	193	202	235
Storm Drain (3)	\$ 1,900 per Mile	6	21	84	136	148	155	180
Street Maintenance Expenditures		105	371	2,118	3,681	3,897	4,013	4,455
Street Maintenance Revenue								
Street Maintenance Revenues (4)	\$ 25.99 per Resident	65	198	500	626	716	716	716
Net Street Maintenance Expenditures (\$000)		41	173	1,617	3,054	3,182	3,297	3,740

- (1) Figure reflects annualized cost of resurfacing pavement and replacement of pavement across a 21 year cycle. Front end costs of pavement maintenance may be lower. Pavements are resurfaced in the 7th and 14th year at a cost of \$75,000 per mile (est. 2 lane road) and are replaced in the 21st year at a cost of \$450,000.
- (2) Street repair and electricity costs based on citiwide average of approx. 14 street lights mile. Includes Street light repair costs of \$86 per light and annual electricity costs of approximately \$88.
- (3) ERA estimate based on inflated historical Street Division - Storm Drain expense.
- (4) See Exhibit IV-14

Source: City of San Diego Street Division and Economics Research Associates

Appendix Table D - 20
 Otay Mesa Community Plan Expenses
 '(\$000)

Scenario: No Project

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	837	1,095	1,806	2,733	3,631	4,378	5,176	5,968	6,666	7,199	7,597	7,994	8,392	8,789	9,159	9,529	9,898	10,261	10,363	10,465	10,567	10,669	10,771	10,873	12,802	
<i>Lane Miles</i>	6	9	15	22	46	68	90	113	135	155	175	195	215	235	238	241	244	247	249	250	251	253	254	256	282	
<i>Park Acres</i>	4	3	4	5	4	4	4	4	4	3	3	3	3	3	2	2	2	2	1	1	1	1	1	1	95	
Police	428	560	923	1,397	1,856	2,238	2,645	3,050	3,407	3,679	3,882	4,085	4,289	4,492	4,681	4,870	5,058	5,244	5,296	5,348	5,400	5,452	5,505	5,557	6,542	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	21	34	55	79	102	123	144	166	186	203	218	234	249	264	277	289	302	315	322	330	337	345	353	360	505	
Street Maintenance	41	82	127	173	463	752	1,041	1,330	1,617	1,904	2,192	2,479	2,767	3,054	3,080	3,106	3,132	3,158	3,182	3,205	3,228	3,251	3,274	3,297	3,740	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$ 281	235	307	507	767	1,019	1,229	1,453	1,675	1,871	2,021	2,132	2,244	2,356	2,467	2,571	2,675	2,778	2,880	2,909	2,938	2,966	2,995	3,023	3,052	3,594	
Total Revenues	725	983	1,611	4,367	5,392	6,293	7,235	8,173	9,032	9,759	10,377	10,994	11,611	12,229	12,560	12,891	13,223	13,549	15,612	15,723	15,835	15,946	16,058	16,169	18,284	

Source: Economics Research Associates

Appendix Table D - 21

Otay Mesa Community Plan Net Fiscal Impacts
(\$000)

Scenario	No Project																									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Build out	
<i>Project Equivalent Dwelling Units</i>	837	1,095	1,806	2,733	3,631	4,378	5,176	5,968	6,666	7,199	7,597	7,994	8,392	8,789	9,159	9,529	9,898	10,261	10,363	10,465	10,567	10,669	10,771	10,873	12,802	
<i>Lane Miles</i>	6	9	15	22	46	68	90	113	135	155	175	195	215	235	238	241	244	247	249	250	251	253	254	256	282	
REVENUES																										
Property Tax	-	364	504	863	1,369	1,887	2,365	2,907	3,469	4,013	4,452	4,783	5,126	5,482	5,851	6,219	6,599	6,994	7,397	7,661	7,933	8,214	8,504	8,802	14,191	
Property Transfer Tax	-	194	94	208	292	313	310	356	384	392	359	319	335	350	367	372	389	406	421	362	372	382	393	403	484	
VLF Revenues (.65% VLF and In Lieu Fees)	192	263	449	713	981	1,227	1,505	1,793	2,070	2,292	2,458	2,631	2,809	2,995	3,179	3,369	3,567	3,768	3,897	4,030	4,167	4,308	4,453	4,603	7,773	
Sales Tax	66	113	187	272	377	477	580	683	783	875	959	1,043	1,127	1,211	1,357	1,504	1,650	1,786	1,863	1,940	2,017	2,094	2,170	2,247	3,634	
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pro-Rata Revenues																										
Project EDU pro rata share @ \$	238	199	260	429	649	863	1,040	1,230	1,418	1,584	1,710	1,805	1,899	1,994	2,088	2,176	2,264	2,351	2,438	2,462	2,486	2,510	2,535	2,559	3,041	
Total Revenues	457	1,194	1,663	2,704	3,881	4,944	5,989	7,156	8,289	9,283	10,034	10,675	11,390	12,126	12,930	13,728	14,556	15,392	16,039	16,478	16,999	17,532	18,078	18,638	29,123	
EXPENDITURES																										
Police	428	560	923	1,397	1,856	2,238	2,645	3,050	3,407	3,679	3,882	4,085	4,289	4,492	4,681	4,870	5,058	5,244	5,296	5,348	5,400	5,452	5,505	5,557	6,542	
Fire	-	-	-	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	3,903	3,903	3,903	3,903	3,903	3,903	3,903
Parks and Recreation	21	34	55	79	102	123	144	166	186	203	218	234	249	264	277	289	302	315	322	330	337	345	353	360	505	
Street Maintenance	41	82	127	173	463	752	1,041	1,330	1,617	1,904	2,192	2,479	2,767	3,054	3,080	3,106	3,132	3,158	3,182	3,205	3,228	3,251	3,274	3,297	3,740	
Pro-Rata Expenditures																										
Project EDU pro rata share @ \$	281	235	307	507	767	1,019	1,229	1,453	1,675	1,871	2,021	2,132	2,244	2,356	2,467	2,571	2,675	2,778	2,880	2,909	2,938	2,966	2,995	3,023	3,594	
Total Expenditures	725	983	1,611	4,367	5,392	6,293	7,235	8,173	9,032	9,759	10,377	10,994	11,611	12,229	12,560	12,891	13,223	13,549	15,612	15,723	15,835	15,946	16,058	16,169	18,284	
TOTAL ANNUAL IMPACT	(267)	211	52	(1,663)	(1,511)	(1,350)	(1,246)	(1,016)	(743)	(476)	(343)	(319)	(221)	(103)	370	836	1,333	1,843	428	755	1,164	1,586	2,021	2,469	10,839	

Source: Economics Research Associates