

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY
Meeting of June 28, 2021**

DATE ISSUED: June 28, 2021

SUBJECT:

Otay Mesa Enhanced Infrastructure Financing District (District) Operating and Capital Improvement Program Budgets for Fiscal Year 2022; and annual review of District's Infrastructure Financing Plan (IFP).

CONTACT/PHONE NUMBER:

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DESCRIPTIVE SUMMARY OF ITEM:

This item includes:

1. The proposed District Operating Budget for Fiscal Year 2022.
2. The proposed District Capital Improvement Program Budget for Fiscal Year 2022.
3. Annual review of the District's IFP.

STAFF RECOMMENDATION:

Adopt a resolution approving the District's Fiscal Year 2022 operating and capital improvement program budgets; and confirming the annual review of the District's Infrastructure Financing Plan (IFP).

EXECUTIVE SUMMARY OF ITEM:

Fiscal Year 2022 Proposed Budget

It is projected that the District will receive Tax Increment (TI) revenue in the amount of approximately \$1,435,000 in the fiscal year starting July 1, 2021 (Fiscal Year 2022). In addition, there is a Fiscal Year 2020 carryforward balance of \$220,658. Of this balance, staff recommends the appropriation of \$100,000

to capital improvements in the FY22 Proposed District budget. This will leave a remaining balance of \$120,658 as a reserve for any unanticipated expenditures.

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

Budget Category	Fund	Description	FY 2022 Amount
Operating	200803	<ul style="list-style-type: none"> • Staff services to the District. • Contractual services for independent financial audit. • Consultant costs in FY22 related to bond issuance analysis. 	\$100,000
CIP	400870	<ul style="list-style-type: none"> • S-15018 La Media Road Improvements 	\$1,435,000
		Total Fiscal Year 2022 Proposed Budget	\$1,535,000

The proposed budget for Fiscal Year 2022 reflects an increase in operating costs of \$14,000 from the Fiscal Year 2021 budget, and an increase of \$297,398 to support capital improvement projects.

Operating Budget

The operating budget functions to reimburse the City for projected expenses of providing operational staff services to the District in accordance with the adopted City-EIFD Memorandum of Understanding (MOU). The proposed operating budget of \$100,000 is based on estimated staff services to be provided to the District for annual CIP preparation and approvals, legal counsel, meetings, financial reporting, and contractual services for an independent financial audit and bond issuance. Details of the proposed operating budget are provided in Attachment 1 to this report. Work on a potential bond issuance in FY23 will begin in FY22, and this Fiscal Year’s budget reflects the associated increased use of City staff resources.

Capital Improvement Program Budget

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

The proposed Fiscal Year 2022 CIP program budget is estimated to be \$1,435,000. These funds are proposed to be appropriated to the La Media Road Improvements

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

Review of District's Infrastructure Financing Plan

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

CONCLUSION:

It is recommended that the Authority adopt the resolution approving the District's Fiscal Year 2022 operating and capital improvement program budgets; and confirming the annual review of District's Infrastructure Financing Plan.

Respectfully submitted,

Tom Tomlinson
Assistant Planning Director
City of San Diego

Attachments:

Attachment 1: Proposed District Operating Budget