

OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT
INFRASTRUCTURE FINANCING PLAN

Prepared for:

THE OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT PUBLIC FINANCING AUTHORITY

Prepared by:

KEYSER MARSTON ASSOCIATES, INC.

JUNE 2017

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KEYSER MARSTON ASSOCIATES.

I. INTRODUCTION/GOALS

This Infrastructure Financing Plan (IFP) has been prepared by Keyser Marston Associates, Inc. (KMA), for the Otay Mesa Enhanced Infrastructure Financing District Public Financing Authority (PFA) regarding the establishment of the Otay Mesa Enhanced Infrastructure Financing District (Otay Mesa EIFD). The PFA's goals for the Otay Mesa EIFD are to facilitate economic development and improve the quality of life of Otay Mesa residents through the accelerated provision of needed infrastructure within the City of San Diego (City) Otay Mesa Community Plan Area (CPA), specifically the public improvements and facilities identified in the City's Otay Mesa Public Facilities Financing Plan (PFFP), adopted in March 2014 and amended in July 2015. If additional infrastructure needs not yet identified in the current PFFP are later identified, legislative actions by the City and IFP amendments may be required to expand the list of public improvements and facilities listed in this IFP.

The Otay Mesa EIFD is coterminous with the existing CPA boundary. Pursuant to California Government Code (Code) sections 53398.50 through 53398.88 (EIFD Law), the Otay Mesa EIFD is governed by the PFA, consisting of three (3) City Council members and two (2) public members. The Otay Mesa EIFD will be funded through property tax increment, including property tax in-lieu of vehicle license fee (VLF) increment, otherwise allocable to the City, and may be funded through governmental or private loans, grants, bonds, or any combination of these financing sources. The Otay Mesa EIFD does not increase existing taxes or impose any new tax, and no taxing agency other than the City will allocate tax revenues to the Otay Mesa EIFD.

As required by the EIFD Law, this IFP contains the following information:

- (a) A map of the Otay Mesa EIFD boundary is presented in Exhibit II-1 and Exhibit A, and a legal description of the boundary is also presented in Exhibit A.
- (b) A description of the public facilities and other forms of development or financial assistance proposed within the area of the Otay Mesa EIFD. No determination has been made at this time as to which specific projects may be funded by the private sector; governmental entities without Otay Mesa EIFD assistance; with assistance from the Otay Mesa EIFD; and/or jointly by governmental entities, the Otay Mesa EIFD and/or developers. Reference is made to the PFFP for a list of projects, their location, and estimated costs of development and financing sources. The estimated timing of funding (i.e., Facilities Benefit Assessments (FBAs), Development Impact Fees (DIFs), private, and other governmental agencies) reflected in the PFFP ranges from 2014 through 2062. It is anticipated that the Otay Mesa EIFD will assist specific PFFP projects as needed and in accordance with the capital improvement program established by the City for the PFFP identified projects. Financial assistance from the Otay Mesa EIFD may be used to accelerate the timing of construction for individual public infrastructure projects currently programmed to be financed with DIF revenue that has a long collection horizon of up to 50 years and, thereby, facilitate economic development.

(c) A financing section, containing all of the following:

- A specification of the maximum portion of the incremental tax revenue of each affected taxing entity to be committed to the Otay Mesa EIFD each year during which the Otay Mesa EIFD will receive incremental property tax revenue. It is important to note that no taxing entity other than the City will allocate tax increment revenues to the Otay Mesa EIFD. The maximum portion of the City's property tax increment revenue allocation to be committed to the EIFD will be 50% through June 30, 2022, and 100.0% throughout the remaining duration of the Otay Mesa EIFD.
- A projection of the amount of tax revenues expected to be received by the Otay Mesa EIFD in each year during which the Otay Mesa EIFD will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year. The projection for total cumulative property tax increment revenue for the duration of the Otay Mesa EIFD is \$970 million. The inputs and assumptions used in this IFP for financial projections are based on information available as of preparation of this IFP about recent historic, current, and anticipated trends. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected in this IFP.
- A plan for financing facilities to be assisted by the Otay Mesa EIFD, including a detailed description of any intention to incur debt. The Otay Mesa EIFD is projected to support a gross bonded indebtedness of \$172 million. The inputs and assumptions used in this IFP for financial projections are based on information available as of preparation of this IFP about recent historic, current, and anticipated trends. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected in this IFP.
- A limit on the total number of dollars of tax revenue, including property tax in-lieu of VLF increment, that may be allocated to the Otay Mesa EIFD pursuant to this IFP. After formation of the Otay Mesa EIFD, the maximum allocation limit set forth in this IFP will be \$1.1 billion. The inputs and assumptions used in this IFP for financial projections are based on information available as of preparation of this IFP about recent historic, current, and anticipated trends. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected in this IFP.
- A date on which the Otay Mesa EIFD will cease to exist, by which time all tax revenue allocation to the Otay Mesa EIFD will end. Pursuant to Code section 53398.63 (d)(5), the maximum duration of an EIFD is 45 years from the date on which the issuance of bonds by the EIFD is approved pursuant to Code section 53398.81(a), or the issuance of a loan to the Otay Mesa EIFD is approved by the governing board of city, county, or special district pursuant to Code section 53398.87. The end date of the Otay Mesa EIFD will be the date that is 45 years after the date of formation of the Otay Mesa

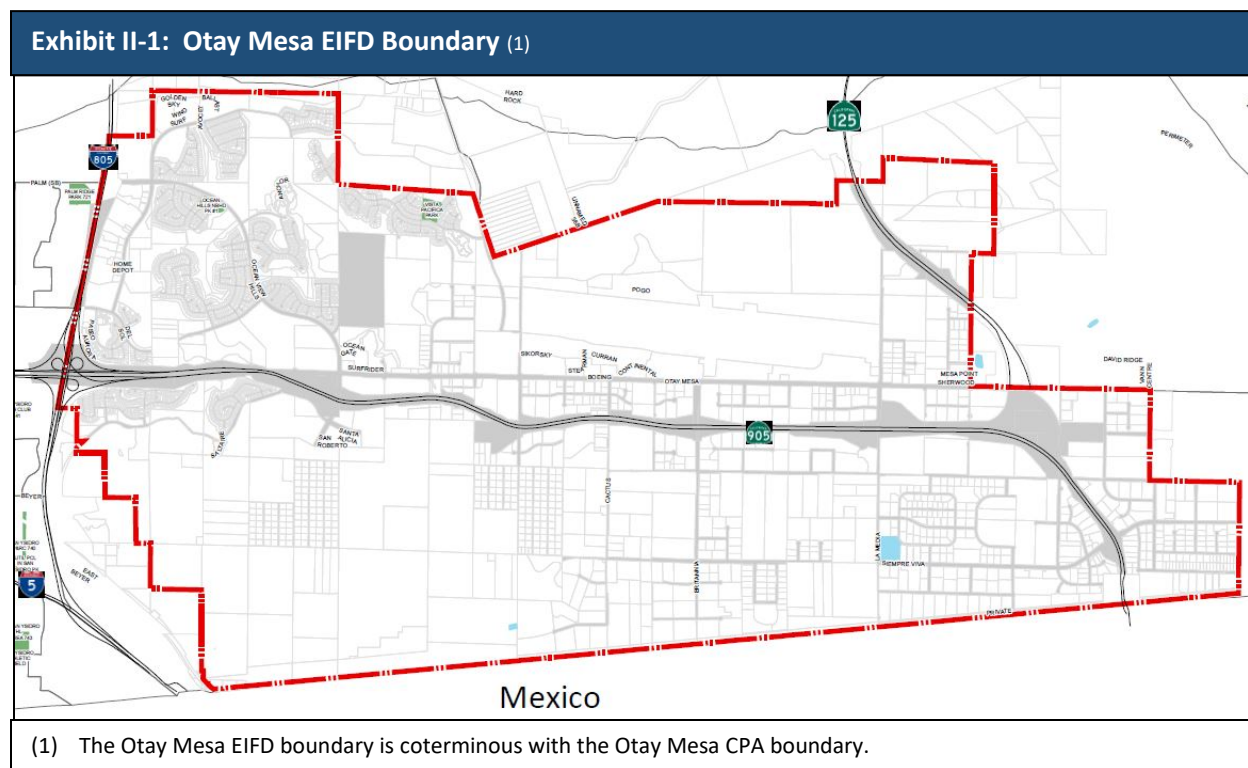
EIFD, by PFA resolution. Therefore, the financial projections in this IFP assume that the Otay Mesa EIFD will receive property tax increment revenue for a maximum period of 45 years from establishment of the Otay Mesa EIFD.

- An analysis of the costs to the City of providing facilities and services to the area of the Otay Mesa EIFD while the area is being developed and after the area is developed. It is projected that at build-out of the area of the Otay Mesa EIFD, the City would experience total annual expenditures of \$24.5 million, reflected in 2017 dollars.
 - An analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the Otay Mesa EIFD. It is projected that at build-out of the area of the Otay Mesa EIFD, the City would experience total annual revenues of \$11.2 million, reflected in 2017 dollars.
 - An analysis of the projected fiscal impact of the Otay Mesa EIFD and the associated development upon each affected taxing agency. Affected taxing agencies are defined as any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the Otay Mesa EIFD in the fiscal year prior to the designation of the Otay Mesa EIFD, but not including any county office of education, school district, or community college district. No taxing entity other than the City General Fund will allocate tax increment revenues to the Otay Mesa EIFD. Moreover, establishment of the Otay Mesa EIFD will not alter the amount and type of development planned within the Otay Mesa EIFD area. For these reasons, establishment of the Otay Mesa EIFD will not have a direct fiscal impact on affected taxing entities that are not allocating any tax revenue to the Otay Mesa EIFD. This IFP includes an analysis of the fiscal impact of the Otay Mesa EIFD and the associated development upon the City. It is projected that at build-out of the area of the Otay Mesa EIFD, the City will experience an annual fiscal impact of *negative* \$13.4 million, reflected in 2017 dollars. It should be noted that, even without allocation of City tax increment revenues to the Otay Mesa EIFD, the annual fiscal impact to the City's General Fund at build-out of the area of the Otay Mesa EIFD would still be negative.
- (d) Although no relocation of dwelling units is anticipated for any project identified in this IFP, if any relocation of dwelling units is determined to be required in the future for a project financed by the Otay Mesa EIFD, the Otay Mesa EIFD will comply with applicable relocation laws, including Code section 53398.56, the California Relocation Assistance Law, Code sections 7260 through 7277, and the implementing regulations set forth in California Code of Regulations, Title 25, Chapter 6, sections 6000 through 6198.

II. DESCRIPTION OF THE OTAY MESA EIFD

The Otay Mesa EIFD will encompass the entire CPA, which is comprised of residential, industrial, commercial, office, and other land uses, as well as vacant land. The Otay Mesa EIFD is located in the City and bounded by the Otay River Valley and the City of Chula Vista on the north, an unincorporated area of San Diego (County) to the east, the international border with Mexico and the City of Tijuana on the south, and Interstate 805 (I-805) on the west. The Otay Mesa EIFD will contain, or abut, four (4) major freeways, including I-805, State Route (SR) 905, SR 125, and SR 11. It will also contain the Brown Field Municipal Airport, and U.S.-Mexico border crossing facilities and infrastructure, including the Cross Border Xpress (Tijuana Airport connectivity to San Diego), and the existing Otay Mesa Port of Entry (POE). The future Otay Mesa East POE will be located east of the Otay Mesa EIFD in the unincorporated area of the County.

A map of the Otay Mesa EIFD boundary, which is coterminous with the CPA boundary, is shown in Exhibit II-1 below.



According to the San Diego Association of Governments (SANDAG), in 2015 the CPA contained 17,865 residents and 4,905 dwelling units. The City's current Otay Mesa Community Plan anticipates a total population of 67,035 residents and 18,774 dwelling units at build-out of the CPA (projected to occur in the next 20 to 30 years). Much of this residential growth will be in the Southwest and Central Village Areas, which are expected to add nearly 11,000 dwelling units at build-out. The Central Village will be bounded by SR 905 on the north and Britannia Boulevard on the east. It is planned to include nearly 5,000 multi-family

units, a school, park uses, public transit, and neighborhood retail. The Southwest Village is located south of San Ysidro High School, and west of Central Village. It is anticipated that the Southwest Village will include 1,400 single-family residential units, 4,500 multi-family residential units, a mixed-use town center, park uses, and public transit.

Although industrial lands have been re-designated to residential in order to accommodate the Central and Southwest Villages, the City's Otay Mesa Community Plan recognizes the area's strong economic base and potential for expansion of its industrial lands, predominantly on the east side. Planned industrial land use is anticipated to build-out at 2,510 acres, or 27.0% of the total acres within the CPA. The Murphy Development Company is expected to develop a majority of new industrial projects within the Otay Mesa EIFD, including the Brown Field Technology Park, Siempre Viva Business Park, and Brown Field Business Park. Brown Field Technology Park is a 50-acre master-planned corporate development entitled for over 3.2 million square feet (SF) of industrial park space located southwest of Brown Field Municipal Airport. Brown Field Business Park will be adjacent to the Brown Field Technology Park and is a 155-acre corporate industrial park entitled for 2.0 million SF of industrial space. Siempre Viva Business Park is a 116-acre development planned to include 2.1 million SF of corporate industrial buildings. Together, these industrial projects will total nearly 7.3 million SF.

The City and a private developer partner are also currently planning a multi-phase commercial project (Metropolitan Airpark) at the Brown Field Municipal Airport. This project was approved by the City in 2013. The project is estimated to cost more than \$1.0 billion and is planned to include 3.0 million SF of new construction on 331 acres within the next 20 years. Planned project elements include new aviation facilities, industrial buildings, hotels, restaurants, and other commercial amenities.

Development projections for land area and building SF within the Otay Mesa EIFD were prepared using data obtained from SANDAG, the City's Planning and Development Services Departments, the PFFP, interviews conducted with key stakeholders, broker reports, and other third-party data sources. Reference was also made to the City's current Otay Mesa Community Plan to estimate build-out capacity and incremental development throughout the duration of the Otay Mesa EIFD. Table II-1 below presents the estimated existing and incremental development for residential, industrial, commercial retail, and commercial office uses within the Otay Mesa EIFD. It is expected that projects assisted by the Otay Mesa EIFD will facilitate development of approximately 13,624 residential units, 510 acres of industrial development, 53 acres of commercial retail development, and 37 acres of commercial office development in the area. The projections below exclude development at the Brown Field Municipal Airport, which may impact overall incremental development projections.

Table II-1: Existing Development vs. Incremental Development (1)			
	Existing Development (2016) (2)	Total at Build-out (3)	Incremental Development
I. Residential (Units)			
A. Single-Family	2,878	4,273	1,395
B. Multi-Family	<u>2,272</u>	<u>14,501</u>	<u>12,229</u>
C. Total	5,150	18,774	13,624
II. Industrial (Acres)	2,302	2,812 (4)	510
III. Commercial – Retail (Acres)	124	177	53
IV. Commercial – Office (Acres)	88	125	37
(1) Excludes development plans for Brown Field. (2) Based on SANDAG 2012 estimates for non-residential developed acres and 2015 estimates for residential units, adjusted by KMA to reflect 2016 estimates. (3) Source: Otay Mesa Community Plan. (4) KMA estimate based on discussions with SANDAG and City of San Diego. Note that SANDAG land inventory tabulations were prepared in 2012 and the Otay Mesa Community Plan was subsequently adopted in 2014. Therefore, KMA has estimated remaining industrial land inventory after designation of the Southwest and Central Villages for mixed-use and residential development.			

Table II-2 below shows annual land and building absorption projections for residential, industrial, retail, and office development within the Otay Mesa EIFD area. Projected land absorption is estimated to range from 2 to 14 acres per year for each respective land use.

Table II-2: Annual Land and Building Absorption Projections (1)		
Land Use	Building (Units/SF/Rooms)	Land (Acres) (2)
I. Residential		
A. Single-Family	100 Units/Year	14 Acres/Year (3)
B. Multi-Family		
• Townhomes	250 Units/Year	13 Acres/Year (4)
• Apartments	250 Units/Year	13 Acres/Year (4)
II. Industrial	200,000 SF/Year	13 Acres/Year (5)
III. Commercial – Retail	50,000 SF/Year	4 Acres/Year (6)
A. Hotel	30 Rooms/Year	
IV. Commercial – Office	25,000 SF/Year	2 Acres/Year (7)
(1) Excludes development plans for Brown Field. (2) Allow for rounding. (3) Assumes an average residential density of 7 dwelling units per gross acre. (4) Assumes an average residential density of 20 dwelling units per gross acre. (5) Assumes a developable-to-gross land area ratio of 80.0% and an average FAR of 0.45. (6) Assumes a developable-to-gross land area ratio of 80.0% and an average FAR of 0.35. (7) Assumes a developable-to-gross land area ratio of 80.0% and an average FAR of 0.45.		

Estimates of assessed value were formulated for each land use type based on an evaluation of various data sources, including San Diego Multiple Listing Service (MLS), Costar Group, Inc., and interviews with key stakeholders. Table II-3 below presents an estimate of assessed value for both new development and undeveloped land with respect to residential, industrial, commercial retail, and commercial office uses within the Otay Mesa EIFD area.

Table II-3: Estimate of Assessed Value ⁽¹⁾		
<i>Land Use</i>	<i>Existing Assessed Value of Undeveloped Land ⁽²⁾</i>	<i>Projected Assessed Value of New Development</i>
I. Residential ⁽³⁾		
A. Single-Family	\$1.50/SF Land	\$500,000/Unit
B. Multi-Family		
• Townhomes	\$1.50/SF Land	\$325,000/Unit
• Apartments	\$1.50/SF Land	\$250,000/Unit
II. Industrial ⁽⁴⁾	\$4.00/SF Land	\$125/SF GBA
III. Commercial – Retail ⁽⁴⁾	\$5.00/SF Land	\$300/SF GBA
A. Hotel		\$250,000/Room
IV. Commercial – Office ⁽⁴⁾	\$4.00/SF Land	\$175/SF GBA
<p>(1) Sources: San Diego Multiple Listing Service (MLS); Costar Group, Inc.; interviews with key stakeholders; KMA estimates.</p> <p>(2) Assumes that undeveloped land assessed value escalates at a 2.0% annual rate.</p> <p>(3) Assumes a market escalation factor of 3.0% for residential development before completion and an assessed value escalation factor of 2.0% after completion per Proposition 13.</p> <p>(4) Assumes a market escalation factor of 3.0% for non-residential development before completion and an assessed value escalation factor of 2.0% after completion per Proposition 13.</p>		

III. DESCRIPTION OF THE PUBLIC FACILITIES PROPOSED IN THE OTAY MESA EIFD

Based on the information available to the PFA as of the date of this IFP and subject to change, the following is a description of the types of public facilities proposed in the area of the Otay Mesa EIFD. By forming the Otay Mesa EIFD, the PFA intends to provide financial assistance to some, or all of the public facilities listed in the PFFP and this IFP. The PFA will refer to the City's PFFP for project location and estimated costs of development and financial assistance. The estimated timing of funding (i.e., DIFs, FBAs, private, and other governmental entities) reflected in the PFFP ranges from 2014 through 2062. It is anticipated that the Otay Mesa EIFD will assist specific PFFP projects in accordance with the City's capital improvement program established for the PFFP identified projects.

Table III-1 below provides an estimate of costs associated with each project type in the City's current PFFP. This estimate excludes completed projects as of the date of this IFP. A more detailed breakout of these project types, and their associated costs, are presented in Exhibit B.

Table III-1: List of City Public Infrastructure Projects to Serve Otay Mesa EIFD ⁽¹⁾	
<i>Project Types</i>	<i>Estimated Cost ⁽²⁾⁽³⁾</i>
Transportation	\$899,505,000
Park	\$205,038,000
Police	\$19,400,000
Fire	\$16,900,000
Library	\$21,000,000
Water & Sewer	<u>\$30,915,000</u>
Total City Projects	\$1,192,758,000
(1) Source: Otay Mesa Public Facilities Financing Plan, 2014.	
(2) Reflected in 2014 dollars.	
(3) Excludes completed projects as of the date of this IFP.	

It is anticipated that public infrastructure projects in the Otay Mesa EIFD area will be financed by one or more funding sources and/or mechanisms. These funding sources may include the private sector, DIF and FBA revenues (collectively, DIFs), Otay Mesa EIFD property tax increment revenue, Otay Mesa EIFD issued bonds, governmental or private grants and loans, and/or other funding sources. City Charter section 77.1, entitled "Infrastructure Fund," was approved by City voters in 2016 to establish a dedicated infrastructure fund to provide capital improvements and maintenance. It should be noted that funds from this "Infrastructure Fund" may also be allocated to infrastructure projects within the Otay Mesa EIFD area. As stated above, it is anticipated that Otay Mesa EIFD revenue will be applied to specific PFFP projects and in accordance with the City's capital improvement program established for Otay Mesa PFFP identified projects. As of the date of this IFP, no determination has been made regarding which specific projects will be financed by the private sector; governmental entities without assistance from the Otay Mesa EIFD; by the Otay Mesa EIFD; and/or jointly by the Otay Mesa EIFD and governmental entities and/or private developers. Determination of specific project financing sources is speculative, until actual implementation of each specific project.

IV. FINANCING SECTION

This IFP includes financial projections intended to illustrate potential property tax increment revenue generation and supportable bond issuances throughout the duration of the Otay Mesa EIFD. These illustrative financial projections are presented for planning purposes and are not intended to represent specific forecasts of future outcomes. These financial projections rely, in part, on research of appropriate market and financial parameters relating to absorption of new development, assessed value upon completion, escalation rates, bond underwriting factors, and/or discount rate assumptions. The inputs and

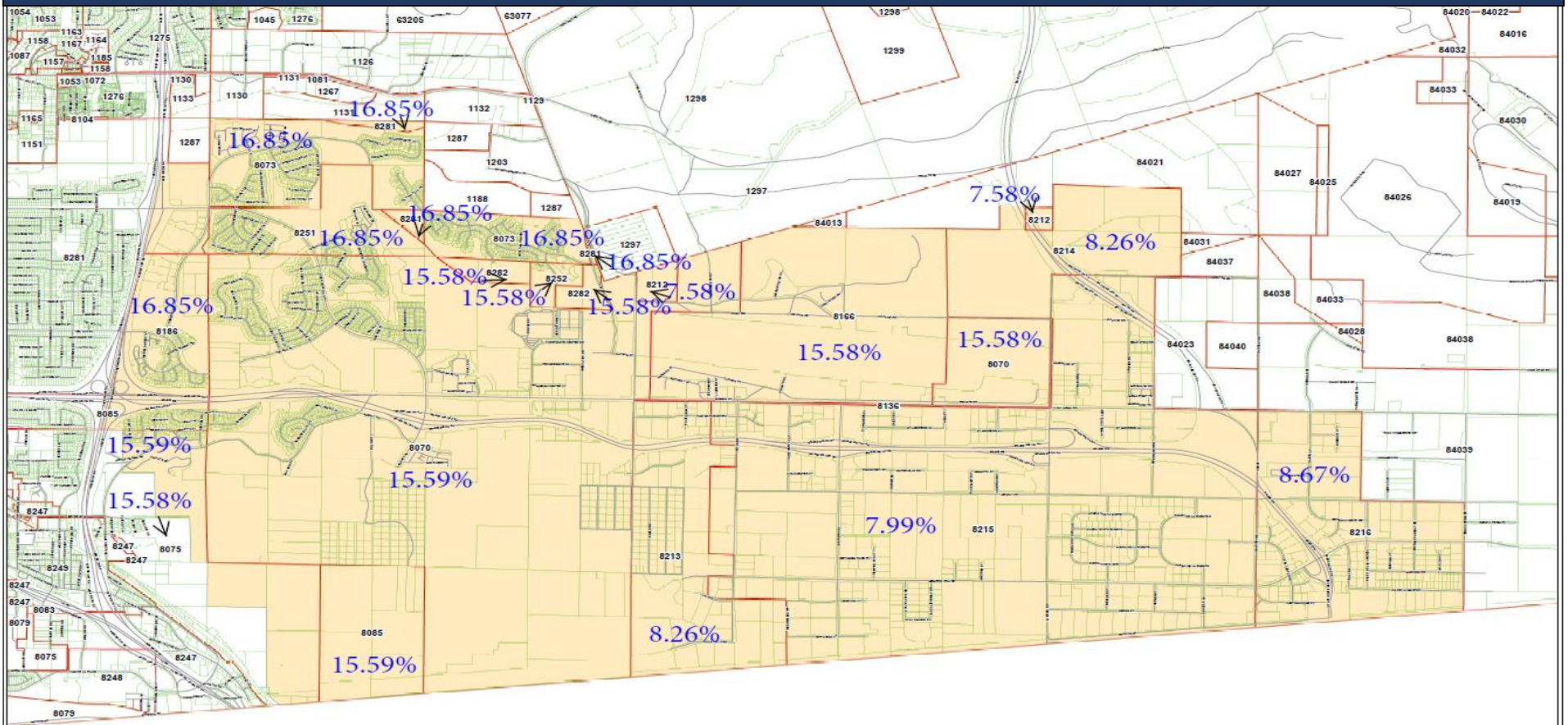
assumptions for developing the financial projections used in this IFP are based on information available as of preparation of this IFP about recent historic, current, and anticipated trends. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected in this IFP.

A. Maximum Portion of the Incremental Tax Revenue of the City to be Committed to the Otay Mesa EIFD

Property tax revenue is collected by the County Tax Collector through a 1.0% levy on the assessed value of all real property. The 1.0% property tax levy is collected and distributed to several agencies within the City's geographic area, including the City, County, school districts, and special districts. Based on the City's share of the 1.0% property tax levy, excluding property tax in lieu of VLF, the Otay Mesa EIFD can be bifurcated into two different aggregations of Tax Rate Areas (TRAs), denoted as "Low" and "High" TRAs. The Low TRAs are defined as the TRAs where the City receives between 7.6% and 8.7% of the 1.0% property tax. Similarly, the High TRAs are defined as the TRAs where the City receives between 15.6% and 16.9% of the 1.0% property tax. It should be noted that the amount of the 1.0% property tax that the City receives may change over time.

The variations of the City's share of the 1.0% property tax between Low and High TRAs is presented in Exhibit IV-1 on the following page. Table IV-1 presents the property tax increment distribution of all taxing agencies within the Otay Mesa EIFD area.

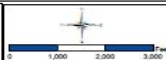
Exhibit IV-1: Otay Mesa EIFD Tax Rate Areas, City Portion of 1.0% Property Tax Revenue



Note: Percentage figures indicate City portion of 1.0% Property Tax. Excludes Property Tax in Lieu of VLF.



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Assessor/Recorder/County Clerk
Assessment Mapping Division



OTAY MESA COMMUNITY PLAN BOUNDARY - TRA

04/08/2016

Table IV-1: Distribution of 1.0% Property Tax Revenue ⁽¹⁾																
Taxing Agency	Distribution of 1.0% Property Tax Revenue by Tax Rate Area (TRA)															
	Low TRA					High TRA										
	8212	8215	8213	8214	8216	8075	8070	8085	8166	8136	8252	8282	8251	8281	8186	8073
Participating Taxing Agency																
San Diego City ⁽²⁾	7.6%	8.0%	8.3%	8.3%	8.7%	15.6%	15.6%	15.6%	15.6%	15.7%	15.6%	15.6%	16.9%	16.9%	16.9%	16.9%
Eligible Taxing Agencies																
County General	13.1%	13.8%	12.5%	12.5%	13.2%	14.3%	14.4%	14.4%	14.4%	15.7%	14.4%	14.4%	15.5%	15.5%	15.5%	15.5%
Chula Vista Project (19/84601)	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%	0.0%	0.0%	0.0%
Chula Vista Project (19/84602)	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%	0.0%	0.0%	0.0%
Otay Water District	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%	0.0%	0.0%	0.0%
Otay Water District Imp. Dist. B - Water Service	1.2%	1.2%	1.2%	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Otay Water District Imp. Dist. C - Sewer	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%	0.0%	0.0%	0.0%
CWA City of San Diego	0.3%	0.3%	0.4%	0.4%	0.3%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
San Diego Unified Port	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Subtotal Eligible Taxing Agencies	14.6%	15.3%	14.1%	14.1%	14.8%	14.5%	14.5%	14.5%	14.5%	15.7%	14.5%	14.5%	15.7%	15.7%	15.7%	15.7%
Ineligible Taxing Agencies																
Gen. Elem. Chula Vista	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	33.3%	0.0%	28.4%	0.0%	28.4%
Gen. Elem. San Ysidro	39.2%	38.0%	39.0%	39.0%	38.0%	33.3%	33.3%	33.3%	33.3%	33.1%	0.0%	0.0%	28.4%	0.0%	28.4%	0.0%
Regional Occupational Centers	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.0%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%
Educational Revenue Augmentation Fund ⁽³⁾	11.2%	11.8%	11.0%	11.0%	11.6%	13.1%	13.1%	13.1%	13.1%	14.0%	13.1%	13.1%	14.1%	14.1%	14.1%	14.1%
High Sweetwater Union	20.0%	19.4%	19.9%	19.9%	19.4%	17.0%	17.0%	17.0%	17.0%	16.9%	17.0%	17.0%	18.4%	18.4%	18.4%	18.4%
Southwestern Community College	5.4%	5.2%	5.4%	5.4%	5.2%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.9%	4.9%	4.9%	4.9%
County School Service	0.7%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.0%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
County School Service - Capital Outlay	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Trainable Mentally Retarded Minors Elem. Comp.	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%
Physically Handicapped Minors Elem. Comp.	0.3%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.0%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%
Childrens Institutions Tuition	0.1%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
Autistic Pupils Elem. Comp.	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%	0.0%	0.0%	0.0%
Development Centers for Handicapped EC56811 Elem.	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Subtotal Ineligible Taxing Agencies	77.8%	76.7%	77.6%	77.6%	76.5%	69.9%	69.9%	69.9%	69.9%	68.6%	69.9%	69.9%	67.4%	67.4%	67.4%	67.4%
Grand Total, All Taxing Agencies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
⁽¹⁾ Source: County of San Diego, Auditor & Controller.																
⁽²⁾ Does not include Property Tax in Lieu of VLF (5.8%).																
⁽³⁾ Includes Property Tax In Lieu of VLF (5.8%).																

As presented in Table IV-2 below, the inclusion of property tax in lieu of VLF increases the total share of 1.0% property tax to the City for each TRA.

Table IV-2: Distribution of 1.0% Property Tax Revenue to City, Sample TRAs	
Low TRA	7.6%
Add: Property Tax In Lieu of VLF	<u>5.8%</u>
Total Low TRA	13.4%
High TRA	16.9%
Add: Property Tax In Lieu of VLF	<u>5.8%</u>
Total High TRA	22.7%

As shown above, the City receives between 13.4% and 22.7% of the 1.0% property tax when including property tax in lieu of VLF.

The Otay Mesa EIFD will be funded through a division of taxes pursuant to Code sections 53398.75(a) and (e), and may be funded through governmental or private loans, (including loans authorized pursuant to Code section 53398.87), grants, bonds, or any combination of these financing sources. Pursuant to Code sections 53398.75(a) and (e) and City Charter section 77.1, from the formation date of the Otay Mesa EIFD through June 30, 2022, 50% of property tax increment revenue generated from properties within the Otay Mesa EIFD, otherwise allocable to the City will be allocated to the Otay Mesa EIFD and the remaining 50% of such revenue will be paid to a City “Infrastructure Fund” established pursuant to City Charter section 77.1. Starting on July 1, 2022, for the remaining duration of the Otay Mesa EIFD, the Otay Mesa EIFD will receive 100% of the property tax increment revenue generated from properties in the Otay Mesa EIFD area, pursuant to Code sections 53398.75(a) and (e), otherwise allocable to the City. This property tax increment revenue will be generated by incremental assessed property value. Incremental assessed property value is the difference between the assessed value in any year of the Otay Mesa EIFD, less the assessed value during the year that the Otay Mesa EIFD is established (base year). The tax increment revenue base year for the Otay Mesa EIFD will be Fiscal Year (FY) 2016 – 2017. As detailed in Appendix B, Tables B-5 and B-6, the total base year assessed values in the Low and High TRAs are estimated at \$1.4 billion and \$2.2 billion, respectively. These assessed values are anticipated to grow to \$7.5 billion and \$17.6 billion, respectively, by FY 2062, the estimated final year of the Otay Mesa EIFD.

The projected incremental assessed value, 1.0% property tax increment, and total City property tax increment to be received by the Otay Mesa EIFD throughout the duration of the Otay Mesa EIFD are presented in Table IV-3 below. The inputs and assumptions used to develop the financial projections in this IFP are based on information available as of preparation of this IFP about recent historic, current, and anticipated trends. It is important to note that minor changes to market factors such as absorption, escalation, and interest rate can greatly alter the overall projections. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected in this

IFP. In light of these factors, this IFP establishes a tax increment limit exceeding the amount determined in the projections below to account for the possibility of higher than projected property tax increment revenue to the Otay Mesa EIFD.

Table IV-3: Estimated City Allocation of Property Tax Increment to the Otay Mesa EIFD (\$000s)			
Fiscal Year	Incremental Assessed Value	Property Tax Increment @ 1.0%	City Share of Tax Increment ⁽¹⁾
2017	\$0	\$0	\$0
2018	\$330,136	\$3,301	\$0 ⁽²⁾
2019	\$674,669	\$6,747	\$672
2020	\$1,065,197	\$10,652	\$1,065
2021	\$1,503,177	\$15,032	\$1,508
2022	\$2,036,576	\$20,366	\$2,054
2023	\$2,474,409	\$24,744	\$4,988
2024	\$2,922,416	\$29,224	\$5,888
2025	\$3,380,435	\$33,804	\$6,805
2026	\$3,879,397	\$38,794	\$7,810
2027	\$4,376,697	\$43,767	\$8,807
2028	\$4,895,772	\$48,958	\$9,848
2029	\$5,423,743	\$54,237	\$10,906
2030	\$5,947,825	\$59,478	\$11,957
2031	\$6,419,920	\$64,199	\$12,897
2032	\$6,909,936	\$69,099	\$13,872
2033	\$7,418,486	\$74,185	\$14,884
2034	\$7,946,206	\$79,462	\$15,935
2035	\$8,493,749	\$84,937	\$17,025
2036	\$9,061,791	\$90,618	\$18,157
2037	\$9,651,029	\$96,510	\$19,331
2038	\$10,247,814	\$102,478	\$20,523
2039	\$10,866,540	\$108,665	\$21,758
2040	\$11,493,140	\$114,931	\$23,014
2041	\$11,980,656	\$119,807	\$23,975
2042	\$12,342,854	\$123,429	\$24,668
2043	\$12,713,840	\$127,138	\$25,378
2044	\$13,093,838	\$130,938	\$26,104
2045	\$13,483,075	\$134,831	\$26,847
2046	\$13,881,788	\$138,818	\$27,608
2047	\$14,480,889	\$144,809	\$28,790

Table IV-3: Estimated City Allocation of Property Tax Increment to the Otay Mesa EIFD (\$000s)			
Fiscal Year	Incremental Assessed Value	Property Tax Increment @ 1.0%	City Share of Tax Increment ⁽¹⁾
2048	\$14,903,093	\$149,031	\$29,595
2049	\$15,335,592	\$153,356	\$30,419
2050	\$15,778,645	\$157,786	\$31,263
2051	\$16,232,523	\$162,325	\$32,127
2052	\$16,697,502	\$166,975	\$33,011
2053	\$17,173,865	\$171,739	\$33,916
2054	\$17,661,904	\$176,619	\$34,842
2055	\$18,161,917	\$181,619	\$35,791
2056	\$18,674,212	\$186,742	\$36,762
2057	\$19,120,012	\$191,200	\$37,633
2058	\$19,574,728	\$195,747	\$38,521
2059	\$20,038,538	\$200,385	\$39,427
2060	\$20,511,624	\$205,116	\$40,351
2061	\$20,994,172	\$209,942	\$41,294
2062	\$21,486,371	\$214,864	\$42,255
(1) Through Fiscal Year 2022, reflects 50% of City tax increment, consistent with City Charter section 77.1 (Proposition H). Includes Property Tax in Lieu of VLF.			
(2) Assumes property tax increment flow to the Otay Mesa EIFD begins in FY 2019.			

The maximum portion of the City's property tax increment revenue from within the Otay Mesa EIFD area committed to the Otay Mesa EIFD will be 100% of such revenues for each year throughout the duration of the Otay Mesa EIFD; provided, however, that during FY 2018 through FY 2022, the maximum portion of such revenue committed to the Otay Mesa EIFD will be 50%, pursuant to City Charter section 77.1. The maximum tax revenue allocation limit under this IFP is \$1.1 billion. Table IV-4 presents the total cumulative City property tax increment revenues, inclusive of property tax increment in lieu of VLF, projected to be allocated to the Otay Mesa EIFD. Total cumulative City property tax increment revenues to be allocated to the Otay Mesa EIFD are estimated to be \$970 million. As noted above, the inputs and assumptions used in this IFP to develop financial projections are based on information available as of preparation of this IFP about recent historic, current, and anticipated trends. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected in this IFP. Considering these factors, this IFP establishes a tax revenue allocation limit exceeding the total amount of tax revenue projected, as summarized in Table IV-4 below.

Table IV-4: Total Cumulative City Tax Increment Revenues Allocated to EIFD (\$000s)	
KMA Financial Projections - Total Cumulative Property Tax Increment Allocated to EIFD	\$970,000
Limit under the Otay Mesa IFP	\$1,100,000

B. Projection of the Amount of Tax Revenues Expected to be Received by the Otay Mesa EIFD

Table IV-5 below presents the base year property tax revenue to be retained by the City; the projected property tax increment revenue, after a legally required deposit to the City's "Infrastructure Fund" (City Charter section 77.1) for FY 2018 through FY 2022, to be allocated to the Otay Mesa EIFD; and the property tax increment revenue amount (if any) to be retained by the City.

Table IV-5: Projected Tax Increment Retained by the City (\$000s)				
Fiscal Year	Base Year Projected Property Tax Retained by City ⁽¹⁾	City Projected Tax Increment before Diversion to the Otay Mesa EIFD ⁽²⁾	Projected Tax Increment Diverted to the Otay Mesa EIFD	Projected Tax Increment Retained by the City ⁽²⁾
2017	\$6,755	\$0	\$0	\$0
2018	\$6,755	\$329	\$0	\$329 ⁽³⁾
2019	\$6,755	\$672	\$672	\$0
2020	\$6,755	\$1,065	\$1,065	\$0
2021	\$6,755	\$1,508	\$1,508	\$0
2022	\$6,755	\$2,054	\$2,054	\$0
2023	\$6,755	\$4,988	\$4,988	\$0
2024	\$6,755	\$5,888	\$5,888	\$0
2025	\$6,755	\$6,805	\$6,805	\$0
2026	\$6,755	\$7,810	\$7,810	\$0
2027	\$6,755	\$8,807	\$8,807	\$0
2028	\$6,755	\$9,848	\$9,848	\$0
2029	\$6,755	\$10,906	\$10,906	\$0
2030	\$6,755	\$11,957	\$11,957	\$0
2031	\$6,755	\$12,897	\$12,897	\$0
2032	\$6,755	\$13,872	\$13,872	\$0
2033	\$6,755	\$14,884	\$14,884	\$0
2034	\$6,755	\$15,935	\$15,935	\$0
2035	\$6,755	\$17,025	\$17,025	\$0

Table IV-5: Projected Tax Increment Retained by the City (\$000s)				
Fiscal Year	Base Year Projected Property Tax Retained by City ⁽¹⁾	City Projected Tax Increment before Diversion to the Otay Mesa EIFD ⁽²⁾	Projected Tax Increment Diverted to the Otay Mesa EIFD	Projected Tax Increment Retained by the City ⁽²⁾
2036	\$6,755	\$18,157	\$18,157	\$0
2037	\$6,755	\$19,331	\$19,331	\$0
2038	\$6,755	\$20,523	\$20,523	\$0
2039	\$6,755	\$21,758	\$21,758	\$0
2040	\$6,755	\$23,014	\$23,014	\$0
2041	\$6,755	\$23,975	\$23,975	\$0
2042	\$6,755	\$24,668	\$24,668	\$0
2043	\$6,755	\$25,378	\$25,378	\$0
2044	\$6,755	\$26,104	\$26,104	\$0
2045	\$6,755	\$26,847	\$26,847	\$0
2046	\$6,755	\$27,608	\$27,608	\$0
2047	\$6,755	\$28,790	\$28,790	\$0
2048	\$6,755	\$29,595	\$29,595	\$0
2049	\$6,755	\$30,419	\$30,419	\$0
2050	\$6,755	\$31,263	\$31,263	\$0
2051	\$6,755	\$32,127	\$32,127	\$0
2052	\$6,755	\$33,011	\$33,011	\$0
2053	\$6,755	\$33,916	\$33,916	\$0
2054	\$6,755	\$34,842	\$34,842	\$0
2055	\$6,755	\$35,791	\$35,791	\$0
2056	\$6,755	\$36,762	\$36,762	\$0
2057	\$6,755	\$37,633	\$37,633	\$0
2058	\$6,755	\$38,521	\$38,521	\$0
2059	\$6,755	\$39,427	\$39,427	\$0
2060	\$6,755	\$40,351	\$40,351	\$0
2061	\$6,755	\$41,294	\$41,294	\$0
2062	<u>\$6,755</u>	<u>\$42,255</u>	<u>\$42,255</u>	<u>\$0</u>
Total	\$311,730	\$970,612	\$970,283	\$329
(1) Reflects City share of 1.0% property tax for total estimated assessed value in the Otay Mesa EIFD for FY 2017 (includes property tax in lieu of VLF).				
(2) Property tax increment amounts are net of City Charter Section 77.1 (Proposition H) revenue diversion.				
(3) Assumes property tax increment flow to the Otay Mesa EIFD begins in FY 2019.				

C. Plan for Financing Public Facilities

The public facilities identified in this IFP will be financed through a combination of property tax increment revenues allocated to the Otay Mesa EIFD, and may be funded through bonds issued by the Otay Mesa EIFD (if approved by voters), DIFs, governmental or private loans, grants, or some combination of such financing sources. Property tax increment revenues will be used to both cash fund public facilities and support debt service payments on bonds issued to finance public facilities (bond issuance requires approval by 55% of registered voters in the Otay Mesa EIFD area voting at bond issuance election).

The analysis of the bonding capacity of the Otay Mesa EIFD property tax increment revenue stream is presented in Appendix B, Table B-7. For illustrative purposes, the analysis assumes six (6) series of bonds, with one series issued approximately every three (3) years over a 16-year period, beginning in FY 2021 and ending in FY 2037. Under these assumptions, annual debt service schedules do not extend beyond FY 2057 (Year 40), providing for a five-year margin before the projected expiration of the Otay Mesa EIFD (FY 2062). Bond proceeds are estimated using the following underwriting assumptions: a debt service coverage ratio of 1.50, a tax-exempt annual interest rate of 5.5%, and an issuance cost/debt service reserve of 10.0%.

As shown in Table IV-6 below, the above assumptions yield, in nominal dollars, a total gross bond amount of \$172 million and total net bond proceeds of \$155 million. These projections are illustrative and based on information available as of the preparation of this IFP. These projections are considered reasonable for planning purposes, but actual results may exceed or fall short of the values projected, based on actual tax increment, bond market conditions, underwriting factors, and future decisions regarding timing and structure for issuance of debt made by the PFA.

Table IV-6: Total Bonded Indebtedness, Nominal Dollars (\$000s)

<i>Fiscal Year</i>	<i>Year</i>	<i>Term (Years)</i>	<i>Gross Bond Amount</i>	<i>Net Bond Proceeds ⁽¹⁾</i>
2021	4	30	\$14,000	\$13,000
2024	7	30	\$42,000	\$38,000
2027	10	30	\$28,000	\$25,000
2030	13	25	\$30,000	\$27,000
2034	17	20	\$31,000	\$28,000
2037	20	20	\$27,000	\$24,000
KMA Financial Projections - Total Bonded Indebtedness			\$172,000	\$155,000
(1) Assumes a 10% deduction of issuance costs/debt service reserve.				

In sum, it is estimated that the Otay Mesa EIFD property tax increment revenues, inclusive of property tax in lieu of VLF, total \$970 million during Years 1 through 45. Of this total, it is projected that approximately \$333 million in property tax increment revenues will be needed to support the issuance of approximately \$172 million in gross bond proceeds. As shown in Table IV-7 below, the remaining property tax increment revenues, after bond debt service and payment of a legally mandated County Administration Fee (estimated at 2.0% , or a total of \$19 million), are estimated to be \$618 million.

Table IV-7: Projected Total Cumulative City Tax Increment Revenues (\$000s)	
Tax Increment used to Pay Bond Debt Service	\$333,000
Tax Increment after Debt Service	\$618,000
Tax Increment used to Pay County Administration Fee	\$19,000
Total Tax Increment Revenues (Years 1 – 45)	\$970,000

City staff will serve as operating staff for the Otay Mesa EIFD. City staff expenses incurred on behalf of the Otay Mesa EIFD will be reimbursed to the City, to the extent of available tax revenue of the Otay Mesa EIFD.

D. Limit on the Total Number of Dollars of Taxes Allocated to the Otay Mesa EIFD

The total limit on the number of dollars of tax revenue to be allocated to the Otay Mesa EIFD throughout the duration of the Otay Mesa EIFD is \$1.1 billion.

E. Otay Mesa EIFD Termination Date

Pursuant to Code section 53398.63 (d) (5), the maximum duration of the Otay Mesa EIFD is 45 years from the earlier of the date on which the issuance of bonds by the Otay Mesa EIFD is approved by the electorate pursuant to Code section 53398.81(a), or the issuance of a loan to the Otay Mesa EIFD is approved by the governing board of a city, county or special district pursuant to Code section 53398.87. The termination date of the Otay Mesa EIFD is the date that is 45 years after the date of establishment of the Otay Mesa EIFD, by PFA adoption of a resolution establishing the Otay Mesa EIFD. Therefore, the financial projections prepared for this IFP assume that the Otay Mesa EIFD will receive property tax increment revenue for a maximum period of 45 years from the date of establishment of the Otay Mesa EIFD.

F. Analysis of Costs to the City of Providing Facilities and Services to the Otay Mesa EIFD Area

It is projected that at build-out of the area of the Otay Mesa EIFD, the City would experience total annual General Fund expenditures for municipal services of \$24.5 million, reflected in 2017 dollars, as presented in Table IV-8 below. The detailed expenditure projections are provided in Appendix C.

Table IV-8: Annual Recurring Expenditures to the City General Fund at Build-Out (Year 45) of the Otay Mesa EIFD ⁽¹⁾

Police	\$8,685,000	35%
Community Services	\$5,438,000	22%
Fire	\$4,504,000	18%
General Government	\$2,315,000	10%
Public Works	\$2,872,000	12%
City Planning and Development	<u>\$691,000</u>	<u>3%</u>
Total Annual Expenditures	\$24,505,000	100%

(1) Figures are expressed in 2017 dollars.

G. Analysis of the Tax, Fee, Charge, and Other Revenues Expected to be Received by the City as a result of Expected Development in the Otay Mesa EIFD

It is projected that at build-out of the area of the Otay Mesa EIFD, the City would experience total annual revenues of \$11.2 million, reflected in 2017 dollars, as presented in Table IV-9 below. The detailed revenue projections are provided in Appendix C.

Table IV-9: Annual Recurring Revenues to the City General Fund at Build-Out (Year 45) of the Otay Mesa EIFD ⁽¹⁾

Sales Tax	\$5,516,000	50%
Transient Occupancy Tax	\$2,587,000	23%
Other Local Taxes	\$1,684,000	15%
Fines, Forfeitures, and Penalties	\$608,000	6%
Licenses and Permits	\$487,000	4%
Property Transfer Tax	<u>\$272,000</u>	<u>2%</u>
Total Annual Revenues ⁽²⁾	\$11,154,000	100%

(1) Figures are expressed in 2017 dollars.

(2) Excludes Property Tax and Property Tax in Lieu of VLF. Assumes these revenues are to be allocated to the Otay Mesa EIFD.

H. Analysis of Fiscal Impact on Affected Taxing Entities from the Otay Mesa EIFD

As required by Code section 53398.63(d) (7), this IFP contains an analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity. Establishment of the Otay Mesa EIFD will not alter the amount and type of development planned within the Otay Mesa EIFD area. For these reasons, establishment of the Otay Mesa EIFD will not have a direct fiscal impact on affected taxing entities that are not allocating tax revenues to the Otay Mesa EIFD.

An assessment of the stabilized annual fiscal impact of build-out of the Otay Mesa EIFD area on the City's General Fund budget is provided in this section of the IFP. A summary of the fiscal impact assessment is presented in Table IV-10 below with supporting detail provided in Appendix C.

Table IV-10: Recurring Annual Fiscal Impact at Build-Out (2017 \$) ⁽¹⁾		
	<i>Without Establishment of Otay Mesa EIFD</i>	<i>With Establishment of Otay Mesa EIFD</i>
General Fund Revenues	\$22,425,000	\$11,154,000
General Fund Expenditures	<u>(\$24,505,000)</u>	<u>(\$24,505,000)</u>
Net Fiscal Impact to the City	(\$2,080,000)	(\$13,351,000)
(1) Figures are expressed in 2017 dollars. Application of factors such as escalation and absorption may result in changes to fiscal impact conclusions.		

As shown in Table IV-10 above, build-out of property within the Otay Mesa EIFD area, without allocation of City property tax increment revenue to the Otay Mesa EIFD, is projected to generate an annual net fiscal impact to the City at build-out of *negative* \$2.1 million (2017 dollars). Build-out of property within the Otay Mesa EIFD area, with allocation of City property tax increment revenue to the Otay Mesa EIFD, is projected to generate an annual net fiscal impact to the City at build-out of *negative* \$13.4 million. This fiscal impact assessment demonstrates that build-out of property within the Otay Mesa EIFD area is anticipated to result in negative fiscal impact to the City, with or without allocation of City property tax increment revenue to the Otay Mesa EIFD.

These findings are not surprising because there is a significant amount of residential development planned within the Otay Mesa EIFD area. New households typically require more municipal services than new non-residential development. The City's annual expenditures to provide municipal services to new households will be only partially offset by revenue received by the City from new non-residential development elsewhere in the Otay Mesa EIFD area. Additionally, the fiscal impact analysis presented in this section is based on the anticipated build-out of the Otay Mesa EIFD area, with the exception of the land use program proposed at Brown Field. Build-out of the Brown Field industrial, commercial, and aviation-related development will likely generate increased revenues to the City's General Fund, with relatively limited demand on City services. As a result, build-out of the Brown Field land use program is anticipated to reduce the fiscal impact to the City of the Otay Mesa EIFD.

Build-out of property within the Otay Mesa EIFD area will generate significant economic benefits to the City in the form of economic output, payroll, and employment. These multiplier effects are not reflected in the fiscal impact analysis in this section. These economic benefits – anticipated to be captured elsewhere in the City – are not reflected in the fiscal impact analysis (with the exception of projected taxable retail spending by new residents in the Otay Mesa EIFD). The economic benefits experienced outside the Otay Mesa EIFD area will support additional new office, industrial, and retail buildings outside the Otay Mesa EIFD area, which will in turn generate new tax revenues to the City. While these indirect revenue benefits

are beyond the scope of a typical fiscal impact analysis, they can be anticipated to reduce the fiscal impact to the City projected for the Otay Mesa EIFD.

V. NO DWELLING UNITS PROPOSED TO BE REMOVED

Although no relocation of dwelling units is anticipated for any project identified in this IFP, if any relocation of dwelling units is determined to be required in the future for a project financed by the Otay Mesa EIFD, the Otay Mesa EIFD will comply with applicable relocation laws, including Code section 53398.56, the California Relocation Assistance Law, Code sections 7260 through 7277, and the implementing regulations set forth in California Code of Regulations, Title 25, Chapter 6, sections 6000 through 6198.

VI. ASSUMPTIONS USED IN FINANCIAL PROJECTIONS AND FISCAL IMPACT ANALYSIS

Financial projections and fiscal impact analysis in this IFP are subject to the following assumptions and limiting conditions:

1. The analysis contained in this IFP is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, KMA cannot guarantee their accuracy.
2. The financial projections assume that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained in this IFP may no longer be valid.
3. The findings in this IFP are market-based and do not reflect land use approvals. Therefore, these findings should not be construed as a representation or opinion that government approvals for development can be secured.
4. The analysis, opinions, recommendations and conclusions of this IFP are KMA's informed judgment based on market and economic conditions as of the date of this IFP. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained in this IFP should not be relied upon as sole input for final business decisions regarding current and future development and planning.
5. A projection of economic impacts is inherently based on judgment. The projections contained in this IFP are based on the best information available at the time this document was prepared. However, the actual impacts may vary.
6. Any estimates of revenue or cost are based on the best project-specific and fiscal data available at the time this IFP was prepared, as well as experience with comparable projects. They are not intended to

be projections of actual future performance of any specific project. Any changes to costs, development program, or project performance may require re-evaluation of the KMA conclusions.

7. Revenue estimates are based on the assumption that sufficient market support exists for the proposed uses and that the project will achieve industry standard productivity levels.
8. KMA assumes that all applicable laws and governmental regulations in place as of the date of preparation of this IFP will remain unchanged throughout the projection period of the IFP analysis. In the event that this assumption does not hold true, i.e., if any tax rates change, the analysis may need to be revised.

EXHIBIT A

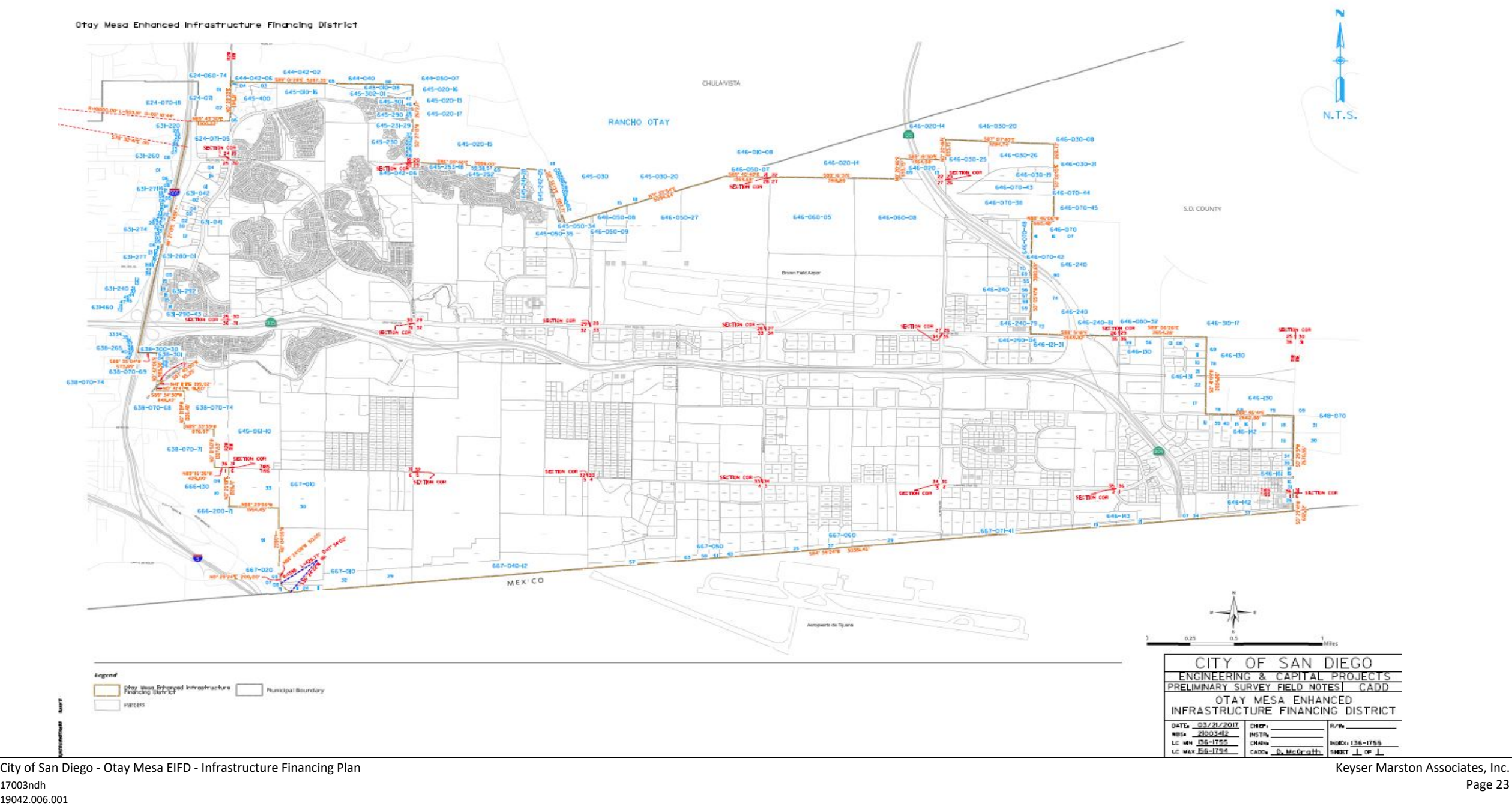


EXHIBIT A
Otay Mesa Enhanced Infrastructure Financing District
Legal Description

Being portions of Sections 1 through 6, Township 19 South, Range 1 West, together with the following: portion of Section 1, Township 19 South, Range 2 West, Sections 31 through 35 and portion of Section 36, Township 18 South, Range 1 West, portion of Section 26, Section 27, portion of Sections 28 and 29, Section 30, Township 18 South, Range 1 West, portion of Sections 19, 22 and 23, Township 18 South, Range 1 West, portion of Sections 24, 25 and 36, Township 18 South, Range 2 West, all in the San Bernardino Meridian, according to the official plat thereof, being in the City of San Diego, County of San Diego, State of California, being more particularly described as follows:

Beginning at a 2" IP with disk stamped RCE 9822 at the intersection of US-Mexico International Border and projected southerly centerline of Enrico Fermi Drive being 98 feet wide;

Thence, (1) South $84^{\circ}39'24''$ West along said US-Mexico International Border a distance of 30381.46 feet to the beginning of a non-tangent 1398.00 foot radius curve, concave northeasterly, a radial bears South $36^{\circ}24'22''$ West;

Thence, (2) leaving said US-Mexico International Border Northwesterly along the arc of said curve through a central angle of $17^{\circ}34'02''$ a distance of 428.77 feet;

Thence, (3) North $00^{\circ}29'24''$ East a distance of 200.00 feet; Thence, (4) North $88^{\circ}24'08''$ West a distance of 50.00 feet;

Thence, (5) North $00^{\circ}04'05''$ West a distance of 2390.00 feet more or less;

Thence, (6) North $88^{\circ}23'55''$ West a distance of 1554.45 feet to the Easterly line of said Range 2 West;

Thence, (7) North $00^{\circ}25'01''$ East along said Range line a distance of 1328.71 feet to the Section Corner common between Section 6, Township 19 South, Range 1 West, Section 1, Township 19 South, Range 2 West, Section 31, Township 18 South, Range West and Section 36, Township 18 South, Range 2 West, San Bernardino Meridian;

Thence, (8) North 89°16'36" West along northerly line of said Township 19 South a distance of 429.00 feet;

Thence, (9) leaving said Township 19 South line North 00°12'50" West a distance of 1327.53 feet;

Thence, (10) North 89°33'33" West a distance of 878.97 feet;

Thence, (11) North 00°13'19" West a distance of 1336.48 feet;

Thence, (12) South 89°34'30" West a distance of 848.42 feet;

Thence, (13) North 00°41'47" East a distance of 91.50 feet;

Thence, (14) North 41°11'11" East a distance of 199.02 feet;

Thence, (15) South 87°40'00" West a distance of 95.25 feet;

Thence, (16) North 00°42'06" East a distance of 983.36 feet;

Thence, (17) South 88°35'04" West a distance of 573.89 feet to a point on a random line located in the Right of Way of Interstate Highway 805;

Thence, (18) North 11°27'19" East along the said random line a distance of 7439.00 feet more or less to the beginning of a 10000.00 foot radius curve, concave northwesterly;

Thence, (19) along the arc of said curve through a central angle of 05°10'44" a distance of 903.91 feet;

Thence, (20) leaving said random line, North 89°43'30" East a distance of 1300.52 feet to westerly line of said Range 1 West;

Thence, (21) North 00°28'33" East along said Range 1 West line a distance of 1314.12 feet to the West Quarter Corner of said Section 19, Township 18 South, Range 1 West;

Thence, (22) leaving said Range 1 West line South $89^{\circ}01'28''$ East along West-East centerline line said Section 19 a distance of 5287.35 feet to the East Quarter Corner of said Section 19;

Thence (23) leaving said West-East centerline line South $00^{\circ}27'13''$ West along section line common between Section 19 and Section 20, Township 18 South, Range 1 West a distance of 2672.17 feet to the Section Corner common between said Sections 19, 20, 29, and 30, Township 18 South, Range 1 West;

Thence, (24) leaving said Section 19 line and continuing along Section line common between said Sections 20 and 29, Township 18 South, Range 1 West, South $86^{\circ}00'46''$ East a distance of 3999.00 feet to a point on the exterior boundary of Rancho Otay;

Thence, (25) leaving said Section line and continuing along said exterior boundary of Rancho Otay South $18^{\circ}36'13''$ East a distance of 1957.71 feet;

Thence, (26) North $71^{\circ}22'54''$ East a distance of 5094.64 feet to the Section line common between Sections 21 and 28, Township 18 South, Range 1 West, San Bernardino Meridian;

Thence, (27) leaving said exterior boundary of Rancho Otay and continuing along said Section line South $89^{\circ}40'40''$ East a distance of 1369.68 feet to the Section Corner common between Sections 21, 22, 27 and 28, Township 18 South, Range 1 West;

Thence, (28) South $89^{\circ}16'31''$ East along said Section line common between Sections 22 and 27, Township 18 South, Range 1 West a distance of 3918.89 feet;

Thence, (29) leaving said Section line North $00^{\circ}20'46''$ East a distance of 693.75 feet;

Thence, (30) South $89^{\circ}19'30''$ East a distance of 1364.58 feet to the section line common between Sections 22 and 23, Township 18 South, Range 1 West;

Thence, (31) along said section line North $00^{\circ}20'46''$ East a distance of 693.75 feet;

Thence, (32) leaving said section line South $87^{\circ}07'40''$ East a distance of 3284.74 feet;

Thence, (33) South 00°00'10" East a distance of 2651.73 feet;

Thence, (34) North 88°46'06" West a distance of 660.48 feet;

Thence, (35) South 0°05'41" West a distance of 3980.69 feet to the section line common between said Sections 26 and 35, Township 18 South, Range 1 West;

Thence, (36) along said section line South 88°51'18" East a distance of 2669.82 feet to the Section Corner common between Sections 25, 26, 35 and 36, Township 18 South, Range 1 West;

Thence, (37) South 89°06'26" East along section line common between said Sections 25 and 36, Township 18 South, Range 1 West a distance of 2654.28 feet;

Thence, (38) leaving said section line South 00°41'09" West a distance of 2654.86 feet;

Thence, (39) South 88°46'41" East a distance of 2662.88 feet to the Easterly Line of said Range 1 West;

Thence, (40) along said Range line South 00°29'31" West a distance of 2670.56 feet to the Section Corner common between Section 36, Township 18 S, Range 1 West, Section 31, Township 18 South, Range 1 East, Section 6, Township 19 South, Range 1 East, and Section 1, Township 19 South, Range 1 West;

Thence, (41) along the section line of said Sections 1 and 6 South 00°29'41" West a distance of 602.32 feet to the **Point of beginning**.

The above described area contains **9285** acres more or less.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis to establish the ownership and for an offer for sale of the land described.

EXHIBIT B
LIST OF PROJECTS IN THE OTAY MESA PFFP

Exhibit B: List of Projects in the Otay Mesa PFFP ⁽¹⁾	
PROJECT DESCRIPTION	ESTIMATED COST ⁽²⁾
TRANSPORTATION PROJECTS:	
PALM AVENUE/I-805 INTERCHANGE	\$41,374,000
DENNERY ROAD - (Topsail Drive to Avenida De Las Vistas)	\$5,700,000
DEL SOL BOULEVARD (Riviera Point Street to west boundary of elementary school)	\$3,700,000
STREET 'A' (Overpass from Otay Mesa Road to Airway Road)	\$22,300,000
BEYER BOULEVARD (Enright Drive to Caliente Avenue)	\$20,500,000
OTAY MESA ROAD (Street "A" to Caliente Avenue)	\$2,200,000
OTAY MESA ROAD (Caliente Avenue to Heritage Road)	\$4,400,000
OTAY MESA ROAD (Heritage Road to Cactus Road)	\$2,400,000
OTAY MESA ROAD (Cactus Road to Britannia Boulevard)	\$2,400,000
OTAY MESA ROAD (Britannia Boulevard to Gales Boulevard)	\$920,000
OTAY MESA ROAD (Gales Boulevard to St. Andrews)	\$960,000
OTAY MESA ROAD (St. Andrews to Otay Center Road)	\$1,400,000
OTAY MESA ROAD (Otay Center Road to La Media Road)	\$1,100,000
OTAY MESA ROAD (La Media Road to Piper Ranch Road)	\$3,100,000
OTAY MESA ROAD (Piper Ranch Road to Harvest Road)	\$3,900,000
OTAY MESA ROAD (Harvest Road to Sanyo Road)	\$3,500,000
OTAY MESA ROAD (Sanyo Road to city limits)	\$3,700,000
AIRWAY ROAD (Old Otay Mesa Road to Caliente Avenue)	\$300,000
AIRWAY ROAD (Caliente Avenue to Heritage Road)	\$76,200,000
AIRWAY ROAD (Heritage Road to Cactus Road)	\$20,800,000
AIRWAY ROAD (Cactus Road to Britannia Boulevard)	\$17,400,000
AIRWAY ROAD (Britannia Boulevard to west of La Media Road)	\$6,900,000
AIRWAY ROAD (La Media Road to Avenida Costa Azul)	\$6,900,000
AIRWAY ROAD (Avenida Costa Azul to Avenida De la Fuente N.)	\$4,200,000
AIRWAY ROAD (Avenida De la Fuente N. to Harvest Road)	\$5,400,000
AIRWAY ROAD (Harvest Road to Sanyo Road)	\$3,500,000
AIRWAY ROAD (Sanyo Road to Paseo de las Americas)	\$870,000
AIRWAY ROAD (Paseo de las Americas to Enrico Fermi)	\$3,800,000
CALIENTE AVENUE (Otay Mesa Road to Proposed SR 905 Overpass)	\$500,000
CALIENTE AVENUE (SR 905 Overpass)	\$50,000
CALIENTE AVENUE (SR 905 Overpass to Airway Road)	\$500,000
CALIENTE AVENUE (Airway Road to current dead end)	\$1,700,000
CALIENTE AVENUE (current dead end to Beyer Boulevard)	\$4,800,000

Exhibit B: List of Projects in the Otay Mesa PFFP ⁽¹⁾	
PROJECT DESCRIPTION	ESTIMATED COST ⁽²⁾
TRANSPORTATION PROJECTS:	
CALIENTE AVENUE (Beyer Boulevard to Siempre Viva Road)	\$2,100,000
EXPOSITION WAY/VISTA SANTO DOMINGO	\$1,350,000
CORPORATE CENTER DRIVE (Progressive Avenue to Otay Mesa Road)	\$3,925,000
CORPORATE CENTER DRIVE (Otay Mesa Road to SR 905)	\$2,050,000
INNOVATIVE DRIVE (Corporate Center Drive to Otay Mesa Road)	\$2,650,000
DATSUN STREET (Innovative Drive to existing Otay Valley Road)	\$3,600,000
DATSUN STREET (existing Otay Valley Road to existing Heritage Road)	\$2,800,000
HERITAGE ROAD/OTAY VALLEY ROAD (Main Street to city limits)	\$53,700,000
HERITAGE ROAD/OTAY VALLEY ROAD (city limits to Avenida de las Vistas)	\$6,900,000
HERITAGE ROAD/OTAY VALLEY ROAD (Avenida de las Vistas to Datsun Street)	\$10,300,000
HERITAGE ROAD/OTAY VALLEY ROAD (Datsun Street to Otay Mesa Road)	\$6,200,000
HERITAGE ROAD/OTAY VALLEY ROAD (Otay Mesa Road to SR 905 Interchange)	\$5,800,000
HERITAGE ROAD/OTAY VALLEY ROAD (SR 905 Interchange ramps)	\$21,700,000
HERITAGE ROAD/OTAY VALLEY ROAD (SR 905 Interchange to current dead end)	\$540,000
HERITAGE ROAD/OTAY VALLEY ROAD (current dead end to Airway Road)	\$19,800,000
HERITAGE ROAD/OTAY VALLEY ROAD (bridge to Airway Road)	\$24,200,000
AVIATOR ROAD (Heritage Road to La Media Road - widening portion only)	\$15,600,000
AVIATOR ROAD (Heritage Road to La Media Road - new extension portion only)	\$19,300,000
CACTUS ROAD (Otay Mesa Road to SR 905)	\$700,000
CACTUS ROAD (SR 905 Overpass)	\$35,200,000
CACTUS ROAD (SR 905 to Airway Road)	\$4,200,000
CACTUS ROAD (Airway Road to Siempre Viva)	\$10,500,000
SIEMPRE VIVA ROAD (Cactus Road to Britannia Boulevard)	\$8,300,000
SIEMPRE VIVA ROAD (Britannia Boulevard to La Media Road)	\$12,900,000
SIEMPRE VIVA ROAD (La Media Road to Harvest Road)	\$4,100,000
SIEMPRE VIVA ROAD (Harvest Road to Otay Center Road)	\$1,500,000
SIEMPRE VIVA ROAD (Otay Center Road to Paseo de las Americas)	\$1,400,000
SIEMPRE VIVA ROAD (Paseo de las Americas to Michael Faraday Drive)	\$110,000
CONTINENTAL STREET (Otay Mesa Road to Camino Maquiladora)	\$1,425,000
CONTINENTAL STREET (Airway Road to SR-905)	\$3,050,000
BRITANNIA BOULEVARD (Otay Mesa Road to SR 905)	\$400,000
BRITANNIA BOULEVARD (SR 905 to Airway Road)	\$600,000
BRITANNIA BOULEVARD (Airway Road to Siempre Viva Road)	\$8,600,000
BRITANNIA BOULEVARD (Siempre Viva Road to Britannia Court)	\$6,400,000
SOUTHBOUND TRUCK ROUTE	\$21,842,856
OTAY MESA CENTER ROAD (Otay Mesa Road to St. Andrews Avenue)	\$1,125,000
SAINT ANDREWS AVENUE (Otay Mesa Center Road to La Media Road)	\$500,000

Exhibit B: List of Projects in the Otay Mesa PFFP ⁽¹⁾	
PROJECT DESCRIPTION	ESTIMATED COST ⁽²⁾
TRANSPORTATION PROJECTS:	
LA MEDIA ROAD (Lonestar Road to Otay Mesa Road)	\$10,300,000
LA MEDIA ROAD (Otay Mesa Road to SR 905 Interchange)	\$2,400,000
LA MEDIA ROAD (SR 905 Interchange to Airway Road)	\$17,600,000
LA MEDIA ROAD (Airway Road to Siempre Viva Road)	\$15,600,000
LONE STAR ROAD (Ramps for Southbound SR 125 and Northbound SR 125 at La Media)	\$12,600,000
LONE STAR ROAD (Overpass)	\$42,400,000
LONE STAR ROAD (Overpass to Harvest Road)	\$14,200,000
PIPER RANCH ROAD (Lone Star to SR 125 Overpass)	\$9,800,000
PIPER RANCH ROAD (SR 125 Overpass)	\$29,500,000
PIPER RANCH ROAD (SR 125 Overpass to Otay Mesa Road)	\$10,600,000
AVENIDA COSTA AZUL (Otay Mesa Road to SR 905)	\$5,350,000
HARVEST ROAD (Airway Road to Otay Center Drive)	\$1,300,000
HARVEST ROAD (Otay Center Drive to Siempre Viva)	\$4,800,000
OTAY CENTER DRIVE (Harvest Road to Siempre Viva Road)	\$650,000
SANYO/HEINRICH HERTZ DRIVE (Otay Mesa Road to Airway Road)	\$8,500,000
SANYO/HEINRICH HERTZ DRIVE (Airway Road to Paseo de las Americas)	\$83,000
PASEO DE LAS AMERICAS (Airway Road to Heinrich Hertz Drive)	\$1,775,000
MICHAEL FARADAY (Siempre Viva Road to Marconi Drive)	\$350,000
MARCONI DRIVE (Paseo de las Americas to Enrico Fermi Drive)	\$975,000
TRAFFIC SIGNALS (53 locations)	\$18,004,773
SR 125/SR 905 CONNECTORS	\$83,300,000
EMERALD CREST COURT; and INNOVATIVE DRIVE	\$3,925,000
ALISA COURT; and HARVEST ROAD (South of Otay Mesa Road)	\$2,750,000
TOTAL TRANSPORTATION PROJECTS	\$899,504,629
PARK PROJECTS:	
DENNERY RANCH NEIGHBORHOOD PARK	\$15,100,000
CESAR SOLIS COMMUNITY PARK - RECREATION CENTER & SWIMMING POOL	\$11,900,000
RIVIERA DEL SOL NEIGHBORHOOD PARK	\$7,400,000
HIDDEN TRAILS NEIGHBORHOOD PARK	\$5,450,000
BEYER COMMUNITY PARK	\$11,888,000
BEYER COMMUNITY PARK RECREATION CENTER	\$6,900,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (A)	\$6,200,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (B)	\$6,200,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (C)	\$6,200,000
GRAND PARK	\$49,800,000
GRAND PARK RECREATION CENTER	\$6,900,000

Exhibit B: List of Projects in the Otay Mesa PFFP ⁽¹⁾	
PROJECT DESCRIPTION	ESTIMATED COST ⁽²⁾
PARK PROJECTS:	
GRAND PARK SWIMMING POOL	\$5,000,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (D)	\$6,200,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (E)	\$6,200,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (F)	\$6,200,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (G)	\$6,200,000
SOUTHWEST VILLAGE NEIGHBORHOOD PARK (H)	\$6,200,000
CENTRAL VILLAGE NEIGHBORHOOD PARK (I)	\$6,400,000
CENTRAL VILLAGE NEIGHBORHOOD PARK (J)	\$6,000,000
CENTRAL VILLAGE NEIGHBORHOOD PARK (K)	\$6,000,000
CENTRAL VILLAGE NEIGHBORHOOD PARK (L)	\$6,000,000
OTAY MESA HIKING AND BIKING TRAILS	\$10,700,000
TOTAL PARK PROJECTS	\$205,038,000
POLICE PROJECTS:	
POLICE SUBSTATION	\$19,400,000
TOTAL POLICE PROJECTS	\$19,400,000
FIRE PROJECTS:	
FIRE STATION NO. 6	\$8,400,000
FIRE STATION	\$8,500,000
TOTAL FIRE PROJECTS	\$16,900,000
LIBRARY PROJECTS:	
BRANCH LIBRARY	\$12,500,000
LIBRARY EXPANSION	\$8,500,000
TOTAL LIBRARY PROJECTS	\$21,000,000
WATER & SEWER PROJECTS:	
WATER SUPPLY LINE IN OTAY VALLEY ROAD	\$775,000
OTAY MESA TRUNK SEWER - PHASE II	\$30,140,460
TOTAL WATER & SEWER PROJECTS	\$30,915,460
TOTAL CITY PROJECTS	\$1,192,758,089
(1) Source: Otay Mesa Public Facilities Financing Plan, 2014. Excludes completed projects as of December 2016.	
(2) Reflected in 2014 dollars.	

APPENDIX A

OTAY MESA EIFD CITY OF SAN DIEGO

Market Overview

TABLE A-1

INDUSTRIAL ABSORPTION TRENDS, OTAY MESA, 2005-2015 ⁽¹⁾
OTAY MESA EIFD
CITY OF SAN DIEGO

I. Annual Industrial Market Trends

	A	B	C	D	E	F	G	H
<u>Year</u>	<u>Total Industrial (SF)</u> ⁽²⁾	<u>Change in Total SF</u>	<u>Planned SF</u>	<u>Occupied SF</u>	<u>Change in Occupied SF</u>	<u>Vacant SF</u>	<u>Vacancy Rate</u>	<u>Average Asking Lease Rate</u> ⁽³⁾
2005	11,345,761	--	1,383,899	9,014,272	--	2,331,489	20.5%	\$0.54
2006	12,047,773	702,012	--	10,317,076	1,302,804	1,730,697	14.4%	\$0.55
2007	13,348,014	1,300,241	354,000	11,082,673	765,597	2,265,341	17.0%	\$0.55
2008	14,008,441	660,427	--	11,455,817	373,144	2,552,624	18.2%	\$0.55
2009	15,090,847	1,082,406	757,100	11,414,256	(41,561)	3,676,591	24.4%	\$0.48
2010	15,494,615	403,768	747,100	12,331,006	916,750	3,163,609	20.4%	\$0.48
2011	15,447,222	(47,393)	977,469	12,398,638	67,632	3,048,584	19.7%	\$0.48
2012	15,512,587	65,365	790,683	13,247,285	848,647	2,265,302	14.6%	\$0.46
2013	15,161,795	(350,792)	1,502,484	12,767,997	(479,288)	2,393,798	15.8%	\$0.46
2014	15,158,870	(2,925)	1,678,953	13,511,808	743,811	1,647,062	10.9%	\$0.46
2015	15,251,874	93,004	1,397,921	13,184,843	(326,965)	2,067,031	13.6%	\$0.56
II. Average:								
2005 - 2010	6.43% ⁽⁴⁾	830,000			663,000		19.1%	\$0.53
2005 - 2015	3.00% ⁽⁴⁾	391,000			417,000		17.2%	\$0.51
III. Absorption (Acres/Year):								
<div> Assumptions FAR @ 0.45 Net/Gross Factor @ 20.0% </div>								
2005 - 2010		52.9			42.3			
2005 - 2015		24.9			26.6			

(1) Reflects the fourth quarter of each year.

(2) Includes manufacturing, distribution, and warehouse uses.

(3) Lease rates are triple-net.

(4) Reflects average annual growth rate.

Source: Voit Real Estate Services.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Otay Mesa EIFD_Appendix A and B_05-31-17;5/31/2017;mdt

TABLE A-2

OFFICE ABSORPTION TRENDS, OTAY MESA, 2010-2015 ⁽¹⁾

OTAY MESA EIFD

CITY OF SAN DIEGO

I. Annual Office Market Trends

	A	B	C	D	E	F	G	H
<u>Year</u>	<u>Total Office (SF) (2)</u>	<u>Change in Total SF</u>	<u>Planned SF</u>	<u>Occupied SF</u>	<u>Change in Occupied SF</u>	<u>Vacant SF</u>	<u>Vacancy Rate</u>	<u>Average Asking Lease Rate (3)</u>
2010	241,214	241,214	-	195,390	195,390	45,824	19.0%	--
2011	241,214	0	-	200,051	4,661	41,163	17.1%	--
2012	338,316	97,102	-	306,312	106,261	32,004	9.5%	\$1.64
2013	338,316	0	-	311,227	4,915	27,089	8.0%	\$1.33
2014	338,164	(152)	-	317,408	6,181	20,756	6.1%	\$1.83
2015	285,999	(52,165)	-	267,858	(49,550)	18,141	6.3%	\$1.82
II. Average:								
2010 - 2015	3.46% ⁽⁴⁾	29,000			27,000		11.0%	\$1.66
III. Absorption (Acres/Year):								
<div> <u>Assumptions</u> FAR @ 0.45 Net/Gross Factor @ 20.0% </div>								
2010 - 2015		1.8			1.7			

(1) Reflects the fourth quarter of each year.

(2) Includes Class A, B, and C tenants.

(3) Lease rates are based on a full-service gross basis.

(4) Reflects average annual growth rate.

Source: Voit Real Estate Services.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Otay Mesa EIFD_Appendix A and B_05-31-17;5/31/2017;mdt

TABLE A-3

EXISTING DEVELOPMENT VS. INCREMENTAL DEVELOPMENT CAPACITY

OTAY MESA EIFD

CITY OF SAN DIEGO

	A	B	C = B-A
	<u>Existing Development (2016)</u> ⁽¹⁾	<u>Community Plan Build-out</u> ⁽²⁾	<u>Incremental Development</u>
I. Residential (Units)			
Single-Family	2,878	4,273	1,395
Multi-Family	<u>2,272</u>	<u>14,501</u>	<u>12,229</u>
Total	5,150	18,774	13,624
II. Industrial (Acres)	2,302	2,812	510 ⁽³⁾
III. Commercial - Retail (Acres)	124	177	53
IV. Commercial - Office (Acres)	88	125	37

(1) Based on SANDAG 2012 estimates for non-residential and 2015 estimates for residential, adjusted by KMA to reflect 2016 estimates.

(2) Source: Otay Mesa Community Plan.

(3) KMA estimate based on discussions with SANDAG and City of San Diego. Note that SANDAG land inventory tabulations were prepared in 2012 and the Otay Mesa Community Plan was subsequently adopted in 2014. Therefore, KMA has estimated remaining industrial land inventory after designation of the Southwest and Central Villages for mixed-use and residential development.

TABLE A-4

PROJECTED ABSORPTION OF INCREMENTAL DEVELOPMENT
OTAY MESA EIFD
CITY OF SAN DIEGO

	<u>Building Absorption (Units/SF/Rooms)</u>	<u>Land Absorption (Acres) (1)</u>
A. Residential		
Single-Family	100 Units/Year	14 Acres/Year (2)
Multi-Family		
Townhomes	250 Units/Year	13 Acres/Year (3)
Apartments	250 Units/Year	13 Acres/Year (3)
B. Industrial	200,000 SF/Year	13 Acres/Year (4)
C. Commercial - Retail	50,000 SF/Year	4 Acres/Year (5)
Hotel	30 Rooms/Year	
D. Commercial - Office	25,000 SF/Year	2 Acres/Year (6)

(1) Allow for rounding.

(2) Assumes an average residential density of 7 dwelling units per gross acre.

(3) Assumes an average residential density of 20 dwelling units per gross acre.

(4) Assumes a developable-to-gross land area ratio of 80.0% and an average Floor Area Ratio (FAR) of 0.45.

(5) Assumes a developable-to-gross land area ratio of 80.0% and an average Floor Area Ratio (FAR) of 0.35.

(6) Assumes a developable-to-gross land area ratio of 80.0% and an average Floor Area Ratio (FAR) of 0.45.

APPENDIX B

OTAY MESA EIFD CITY OF SAN DIEGO

Projected Tax Increment and Bond Proceeds

TABLE B-1

HISTORICAL ASSESSED VALUE TRENDS
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)

I. Historical Assessed Value

	A Low TRA			B High TRA			C = A + B Otay Mesa EIFD Boundary			Annual Growth Rate
	Land Value	Improved Value	Total Assessed Value	Land Value	Improved Value	Total Assessed Value	Land Value	Improved Value	Total Assessed Value	
FY 2006	\$507,801	\$601,024	\$1,108,825	\$651,261	\$1,102,702	\$1,753,963	\$1,159,062	\$1,703,726	\$2,862,788	---
FY 2007	\$590,332	\$689,590	\$1,279,923	\$748,471	\$1,184,175	\$1,932,646	\$1,338,804	\$1,873,765	\$3,212,569	12%
FY 2008	\$712,784	\$766,211	\$1,478,994	\$732,788	\$1,175,786	\$1,908,574	\$1,445,572	\$1,941,997	\$3,387,568	5%
FY 2009	\$763,646	\$858,322	\$1,621,968	\$584,312	\$945,488	\$1,529,800	\$1,347,959	\$1,803,810	\$3,151,768	-7%
FY 2010	\$759,544	\$862,157	\$1,621,701	\$585,900	\$943,348	\$1,529,247	\$1,345,444	\$1,805,505	\$3,150,949	0%
FY 2011	\$696,156	\$765,093	\$1,461,249	\$617,055	\$1,007,418	\$1,624,473	\$1,313,211	\$1,772,511	\$3,085,722	-2%
FY 2012	\$680,113	\$718,800	\$1,398,913	\$634,421	\$1,000,077	\$1,634,497	\$1,314,533	\$1,718,877	\$3,033,410	-2%
FY 2013	\$668,614	\$704,690	\$1,373,305	\$638,053	\$1,024,580	\$1,662,632	\$1,306,667	\$1,729,270	\$3,035,937	0%
FY 2014	\$678,192	\$702,600	\$1,380,791	\$675,563	\$1,167,905	\$1,843,468	\$1,353,754	\$1,870,505	\$3,224,259	6%
FY 2015	\$659,469	\$681,617	\$1,341,086	\$664,026	\$1,167,905	\$1,831,931	\$1,323,495	\$1,849,522	\$3,173,017	-2%
FY 2016	\$672,205	\$696,995	\$1,369,201	\$702,773	\$1,231,969	\$1,934,742	\$1,374,978	\$1,928,965	\$3,303,943	4%
II. Breakout of FY 2016 Assessed Value										
Improved Property			\$1,286,560			\$1,860,495			\$3,147,054	
Add: Vacant Land ⁽¹⁾			<u>\$82,618</u>			<u>\$74,043</u>			<u>\$156,661</u>	
Total Assessed Value, 2016			\$1,369,178			\$1,934,538			\$3,303,716	
Average Annual Growth Rate	2.8%	1.5%	2.1%	0.8%	1.1%	1.0%	1.7%	1.2%	1.4%	

(1) KMA estimate based on assumed range in Assessed Value from \$1.50 per SF (Residential) to \$5.00 per SF (Commercial - Retail).

Source: SanGIS

TABLE B-2

ANNUAL ABSORPTION
OTAY MESA EIFD
CITY OF SAN DIEGO

Total Absorbed at Build-out		0	1	2	3	4	5	6	7	8	9	10	11
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
I. Total Built Absorption													
A. Residential (Units)													
Single-Family	1,395	100	100	100	100	100	100	100	100	100	100	100	100
Townhomes	6,114	250	250	250	250	250	250	250	250	250	250	250	250
Apartments	<u>6,115</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
Total Residential	13,624	600	600	600	600	600	600	600	600	600	600	600	600
B. Industrial (SF)	8,000,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
C. Commercial - Retail (SF)	650,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Hotel (Rooms)	600	0	30	30	30	30	30	30	30	30	30	30	30
D. Commercial - Office (SF)	575,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
II. Land Area Absorption (Acres)													
A. Residential													
Single-Family	199	14	14	14	14	14	14	14	14	14	14	14	14
Townhomes	306	13	13	13	13	13	13	13	13	13	13	13	13
Apartments	<u>306</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Total Residential	811	39	39	39	39	39	39	39	39	39	39	39	39
B. Industrial	510	13	13	13	13	13	13	13	13	13	13	13	13
C. Commercial - Retail	53	4	4	4	4	4	4	4	4	4	4	4	4
D. Commercial - Office	37	2	2	2	2	2	2	2	2	2	2	2	2

TABLE B-2

ANNUAL ABSORPTION
OTAY MESA EIFD
CITY OF SAN DIEGO

Total Absorbed at Build-out		12 FY 2029	13 FY 2030	14 FY 2031	15 FY 2032	16 FY 2033	17 FY 2034	18 FY 2035	19 FY 2036	20 FY 2037	21 2038	22 2039	23 2040
I. Total Built Absorption													
A. Residential (Units)													
Single-Family	1,395	100	95	0	0	0	0	0	0	0	0	0	0
Townhomes	6,114	250	250	250	250	250	250	250	250	250	250	250	250
Apartments	<u>6,115</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
Total Residential	13,624	600	595	500	500	500	500	500	500	500	500	500	500
B. Industrial (SF)	8,000,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
C. Commercial - Retail (SF)	650,000	50,000	0	0	0	0	0	0	0	0	0	0	0
Hotel (Rooms)	600	30	30	30	30	30	30	30	30	30	0	0	0
D. Commercial - Office (SF)	575,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	0
II. Land Area Absorption (Acres)													
A. Residential													
Single-Family	199	14	14	0	0	0	0	0	0	0	0	0	0
Townhomes	306	13	13	13	13	13	13	13	13	13	13	13	13
Apartments	<u>306</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Total Residential	811	39	39	25	25	25	25	25	25	25	25	25	25
B. Industrial	510	13	13	13	13	13	13	13	13	13	13	13	13
C. Commercial - Retail	53	4	0	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office	37	2	2	2	2	2	2	2	2	2	2	2	0

TABLE B-2

ANNUAL ABSORPTION
OTAY MESA EIFD
CITY OF SAN DIEGO

Total Absorbed at Build-out		24 2041	25 2042	26 2043	27 2044	28 2045	29 2046	30 2047	31 2048	32 2049	33 2050	34 2051	35 2052
I. Total Built Absorption													
A. Residential (Units)													
Single-Family	1,395	0	0	0	0	0	0	0	0	0	0	0	0
Townhomes	6,114	114	0	0	0	0	0	0	0	0	0	0	0
Apartments	<u>6,115</u>	<u>115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Residential	13,624	229	0	0	0	0	0	0	0	0	0	0	0
B. Industrial (SF)	8,000,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
C. Commercial - Retail (SF)	650,000	0	0	0	0	0	0	0	0	0	0	0	0
Hotel (Rooms)	600	0	0	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office (SF)	575,000	0	0	0	0	0	0	0	0	0	0	0	0
II. Land Area Absorption (Acres)													
A. Residential													
Single-Family	199	0	0	0	0	0	0	0	0	0	0	0	0
Townhomes	306	6	0	0	0	0	0	0	0	0	0	0	0
Apartments	<u>306</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Residential	811	11	0	0	0	0	0	0	0	0	0	0	0
B. Industrial	510	13	13	13	13	13	13	13	13	13	13	13	13
C. Commercial - Retail	53	0	0	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office	37	0	0	0	0	0	0	0	0	0	0	0	0

TABLE B-2

ANNUAL ABSORPTION
OTAY MESA EIFD
CITY OF SAN DIEGO

Total Absorbed at Build-out		36 2053	37 2054	38 2055	39 2056	40 2057	41 2058	42 2059	43 2060	44 2061	45 2062
I. Total Built Absorption											
A. Residential (Units)											
Single-Family	1,395	0	0	0	0	0	0	0	0	0	0
Townhomes	6,114	0	0	0	0	0	0	0	0	0	0
Apartments	<u>6,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Residential	13,624	0	0	0	0	0	0	0	0	0	0
B. Industrial (SF)	8,000,000	200,000	200,000	200,000	200,000	0	0	0	0	0	0
C. Commercial - Retail (SF)	650,000	0	0	0	0	0	0	0	0	0	0
Hotel (Rooms)	600	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office (SF)	575,000	0	0	0	0	0	0	0	0	0	0
II. Land Area Absorption (Acres)											
A. Residential											
Single-Family	199	0	0	0	0	0	0	0	0	0	0
Townhomes	306	0	0	0	0	0	0	0	0	0	0
Apartments	<u>306</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Residential	811	0	0	0	0	0	0	0	0	0	0
B. Industrial	510	13	13	13	13	0	0	0	0	0	0
C. Commercial - Retail	53	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office	37	0	0	0	0	0	0	0	0	0	0

TABLE B-3

ASSESSED VALUE ASSUMPTIONS ⁽¹⁾

OTAY MESA EIFD

CITY OF SAN DIEGO

	Existing Assessed Value of Undeveloped Land ⁽²⁾	Projected Assessed Value of New Development
A. Residential ⁽³⁾		
Single-Family	\$1.50 /SF Land	\$500,000 /Unit
Townhomes	\$1.50 /SF Land	\$325,000 /Unit
Apartments	\$1.50 /SF Land	\$250,000 /Unit
B. Industrial ⁽⁴⁾	\$4.00 /SF Land	\$125 /SF GBA
C. Commercial - Retail ⁽⁴⁾	\$5.00 /SF Land	\$300 /SF GBA
Hotel		\$250,000 /Room
D. Commercial - Office ⁽⁴⁾	\$4.00 /SF Land	\$175 /SF GBA

(1) Sources: San Diego Multiple Listing Service (MLS); CoStar Group, Inc.; interviews with key stakeholders; KMA estimates.

(2) Assumes that undeveloped land assessed value escalates at a 2.0% annual rate.

(3) Assumes an escalation factor of 3.0% for residential development before completion and a 2.0% escalation factor after completion.

(4) Assumes an escalation factor of 3.0% for non-residential development before completion and a 2.0% escalation factor after completion.

TABLE B-4

TOTAL ASSESSED VALUE FROM NEW DEVELOPMENT
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	0	1	2	3	4	5	6	7	8	9
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
I. New Development Assessed Value										
A. Residential	\$199,563	\$409,103	\$629,001	\$859,648	\$1,101,451	\$1,354,827	\$1,620,212	\$1,898,053	\$2,188,814	\$2,492,974
B. Industrial	\$25,750	\$52,788	\$81,161	\$110,922	\$142,123	\$174,816	\$209,060	\$244,910	\$282,428	\$321,674
C. Commercial - Retail	\$15,450	\$31,673	\$48,697	\$66,553	\$85,274	\$104,890	\$125,436	\$146,946	\$169,457	\$193,004
Hotel	\$0	\$7,957	\$16,311	\$25,079	\$34,275	\$43,916	\$54,018	\$64,599	\$75,677	\$87,270
D. Commercial - Office	<u>\$7,725</u>	<u>\$15,836</u>	<u>\$24,348</u>	<u>\$33,277</u>	<u>\$42,637</u>	<u>\$52,445</u>	<u>\$62,718</u>	<u>\$73,473</u>	<u>\$84,728</u>	<u>\$96,502</u>
E. Total New Development Assessed Value	\$248,488	\$517,356	\$799,519	\$1,095,480	\$1,405,759	\$1,730,894	\$2,071,444	\$2,427,981	\$2,801,103	\$3,191,425
II. Vacant Land Assessed Value										
A. Residential										
Remaining Land Value	\$52,973	\$51,415	\$49,772	\$48,044	\$46,226	\$44,317	\$42,312	\$40,210	\$38,006	\$35,699
(Less) Land Developed	<u>(\$2,567)</u>	<u>(\$2,618)</u>	<u>(\$2,671)</u>	<u>(\$2,724)</u>	<u>(\$2,779)</u>	<u>(\$2,834)</u>	<u>(\$2,891)</u>	<u>(\$2,949)</u>	<u>(\$3,008)</u>	<u>(\$3,068)</u>
Net Residential Land Value	\$50,407	\$48,796	\$47,102	\$45,320	\$43,448	\$41,482	\$39,421	\$37,261	\$34,999	\$32,631
B. Industrial										
Remaining Land Value	\$88,889	\$88,400	\$87,856	\$87,255	\$86,595	\$85,873	\$85,088	\$84,237	\$83,318	\$82,329
(Less) Land Developed	<u>(\$2,222)</u>	<u>(\$2,267)</u>	<u>(\$2,312)</u>	<u>(\$2,358)</u>	<u>(\$2,405)</u>	<u>(\$2,454)</u>	<u>(\$2,503)</u>	<u>(\$2,553)</u>	<u>(\$2,604)</u>	<u>(\$2,656)</u>
Net Industrial Land Value	\$86,667	\$86,133	\$85,544	\$84,897	\$84,189	\$83,419	\$82,585	\$81,684	\$80,714	\$79,673
C. Commercial - Retail										
Remaining Land Value	\$11,607	\$10,929	\$10,218	\$9,475	\$8,698	\$7,886	\$7,039	\$6,154	\$5,231	\$4,268
(Less) Land Developed	<u>(\$893)</u>	<u>(\$911)</u>	<u>(\$929)</u>	<u>(\$948)</u>	<u>(\$966)</u>	<u>(\$986)</u>	<u>(\$1,006)</u>	<u>(\$1,026)</u>	<u>(\$1,046)</u>	<u>(\$1,067)</u>
Net Commercial Land Value	\$10,714	\$10,018	\$9,289	\$8,528	\$7,732	\$6,901	\$6,033	\$5,128	\$4,184	\$3,201
D. Commercial - Office										
Remaining Land Value	\$6,389	\$6,233	\$6,069	\$5,896	\$5,713	\$5,520	\$5,318	\$5,105	\$4,882	\$4,648
(Less) Land Developed	<u>(\$278)</u>	<u>(\$283)</u>	<u>(\$289)</u>	<u>(\$295)</u>	<u>(\$301)</u>	<u>(\$307)</u>	<u>(\$313)</u>	<u>(\$319)</u>	<u>(\$325)</u>	<u>(\$332)</u>
Net Office Land Value	\$6,111	\$5,950	\$5,780	\$5,601	\$5,412	\$5,214	\$5,005	\$4,786	\$4,556	\$4,316
E. Total Assessed Land Value	\$153,899	\$150,898	\$147,715	\$144,345	\$140,781	\$137,016	\$133,045	\$128,860	\$124,454	\$119,821
III. Total Assessed Value (New Development + Remaining Vacant Land)										
A. Residential	\$249,969	\$457,900	\$676,103	\$904,968	\$1,144,898	\$1,396,310	\$1,659,633	\$1,935,314	\$2,223,813	\$2,525,605
B. Industrial	\$112,417	\$138,921	\$166,705	\$195,819	\$226,312	\$258,236	\$291,645	\$326,594	\$363,142	\$401,347
C. Commercial - Retail	\$26,164	\$41,690	\$57,986	\$75,081	\$93,005	\$111,790	\$131,469	\$152,074	\$173,641	\$196,206
Hotel	\$0	\$7,957	\$16,311	\$25,079	\$34,275	\$43,916	\$54,018	\$64,599	\$75,677	\$87,270
D. Commercial - Office	<u>\$13,836</u>	<u>\$21,786</u>	<u>\$30,128</u>	<u>\$38,878</u>	<u>\$48,049</u>	<u>\$57,659</u>	<u>\$67,723</u>	<u>\$78,259</u>	<u>\$89,285</u>	<u>\$100,818</u>
E. Total Newly Built + Remaining Land Assessed Value	\$402,386	\$668,254	\$947,234	\$1,239,825	\$1,546,539	\$1,867,911	\$2,204,488	\$2,556,841	\$2,925,557	\$3,311,245

TABLE B-4

TOTAL ASSESSED VALUE FROM NEW DEVELOPMENT
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	10 FY 2027	11 FY 2028	12 FY 2029	13 FY 2030	14 FY 2031	15 FY 2032	16 FY 2033	17 FY 2034	18 FY 2035	19 FY 2036	20 FY 2037
I. New Development Assessed Value											
A. Residential	\$2,811,029	\$3,143,490	\$3,490,889	\$3,849,989	\$4,150,947	\$4,464,642	\$4,791,532	\$5,132,087	\$5,486,796	\$5,856,160	\$6,240,701
B. Industrial	\$362,713	\$405,612	\$450,437	\$497,261	\$546,155	\$597,196	\$650,461	\$706,031	\$763,989	\$824,422	\$887,418
C. Commercial - Retail	\$217,628	\$243,367	\$270,262	\$275,668	\$281,181	\$286,805	\$292,541	\$298,391	\$304,359	\$310,446	\$316,655
Hotel	\$99,397	\$112,078	\$125,334	\$139,185	\$153,654	\$168,762	\$184,534	\$200,992	\$218,164	\$236,073	\$254,746
D. Commercial - Office	<u>\$108,814</u>	<u>\$121,683</u>	<u>\$135,131</u>	<u>\$149,178</u>	<u>\$163,847</u>	<u>\$179,159</u>	<u>\$195,138</u>	<u>\$211,809</u>	<u>\$229,197</u>	<u>\$247,327</u>	<u>\$266,225</u>
E. Total New Development Assessed Value	\$3,599,581	\$4,026,231	\$4,472,053	\$4,911,281	\$5,295,783	\$5,696,563	\$6,114,205	\$6,549,312	\$7,002,505	\$7,474,428	\$7,965,745
II. Vacant Land Assessed Value											
A. Residential											
Remaining Land Value	\$33,284	\$30,758	\$28,117	\$25,359	\$22,541	\$20,793	\$18,967	\$17,059	\$15,067	\$12,988	\$10,821
(Less) Land Developed	<u>(\$3,129)</u>	<u>(\$3,192)</u>	<u>(\$3,255)</u>	<u>(\$3,260)</u>	<u>(\$2,155)</u>	<u>(\$2,198)</u>	<u>(\$2,242)</u>	<u>(\$2,287)</u>	<u>(\$2,333)</u>	<u>(\$2,380)</u>	<u>(\$2,427)</u>
Net Residential Land Value	\$30,155	\$27,566	\$24,862	\$22,099	\$20,385	\$18,595	\$16,724	\$14,771	\$12,734	\$10,609	\$8,394
B. Industrial											
Remaining Land Value	\$81,266	\$80,129	\$78,913	\$77,616	\$76,237	\$74,770	\$73,215	\$71,568	\$69,825	\$67,985	\$66,042
(Less) Land Developed	<u>(\$2,709)</u>	<u>(\$2,763)</u>	<u>(\$2,818)</u>	<u>(\$2,875)</u>	<u>(\$2,932)</u>	<u>(\$2,991)</u>	<u>(\$3,051)</u>	<u>(\$3,112)</u>	<u>(\$3,174)</u>	<u>(\$3,237)</u>	<u>(\$3,302)</u>
Net Industrial Land Value	\$78,557	\$77,366	\$76,095	\$74,742	\$73,304	\$71,780	\$70,165	\$68,456	\$66,651	\$64,747	\$62,740
C. Commercial - Retail											
Remaining Land Value	\$3,265	\$2,220	\$1,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>(\$1,088)</u>	<u>(\$1,110)</u>	<u>(\$1,132)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Commercial Land Value	\$2,177	\$1,110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Commercial - Office											
Remaining Land Value	\$4,402	\$4,145	\$3,875	\$3,593	\$3,299	\$2,991	\$2,669	\$2,334	\$1,984	\$1,619	\$1,238
(Less) Land Developed	<u>(\$339)</u>	<u>(\$345)</u>	<u>(\$352)</u>	<u>(\$359)</u>	<u>(\$367)</u>	<u>(\$374)</u>	<u>(\$381)</u>	<u>(\$389)</u>	<u>(\$397)</u>	<u>(\$405)</u>	<u>(\$413)</u>
Net Office Land Value	\$4,063	\$3,799	\$3,523	\$3,234	\$2,932	\$2,617	\$2,288	\$1,945	\$1,587	\$1,214	\$826
E. Total Assessed Land Value	\$114,952	\$109,841	\$104,479	\$100,075	\$96,622	\$92,991	\$89,177	\$85,172	\$80,972	\$76,570	\$71,959
III. Total Assessed Value (New Development + Remaining Vacant Land)											
A. Residential	\$2,841,183	\$3,171,056	\$3,515,750	\$3,872,088	\$4,171,332	\$4,483,237	\$4,808,256	\$5,146,859	\$5,499,529	\$5,866,769	\$6,249,094
B. Industrial	\$441,271	\$482,977	\$526,532	\$572,002	\$619,460	\$668,976	\$720,626	\$774,487	\$830,641	\$889,169	\$950,158
C. Commercial - Retail	\$219,805	\$244,477	\$270,262	\$275,668	\$281,181	\$286,805	\$292,541	\$298,391	\$304,359	\$310,446	\$316,655
Hotel	\$99,397	\$112,078	\$125,334	\$139,185	\$153,654	\$168,762	\$184,534	\$200,992	\$218,164	\$236,073	\$254,746
D. Commercial - Office	<u>\$112,877</u>	<u>\$125,483</u>	<u>\$138,654</u>	<u>\$152,412</u>	<u>\$166,779</u>	<u>\$181,776</u>	<u>\$197,426</u>	<u>\$213,754</u>	<u>\$230,784</u>	<u>\$248,541</u>	<u>\$267,051</u>
E. Total Newly Built + Remaining Land Assessed Value	\$3,714,533	\$4,136,072	\$4,576,533	\$5,011,355	\$5,392,405	\$5,789,555	\$6,203,382	\$6,634,484	\$7,083,477	\$7,550,997	\$8,037,704

TABLE B-4

TOTAL ASSESSED VALUE FROM NEW DEVELOPMENT
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	21 FY 2038	22 FY 2039	23 FY 2040	24 FY 2041	25 FY 2042	26 FY 2043	27 FY 2044	28 FY 2045	29 FY 2046
I. New Development Assessed Value									
A. Residential	\$6,640,954	\$7,057,477	\$7,490,840	\$7,778,428	\$7,933,996	\$8,092,676	\$8,254,530	\$8,419,620	\$8,588,013
B. Industrial	\$953,069	\$1,021,470	\$1,092,719	\$1,166,918	\$1,244,171	\$1,324,587	\$1,408,276	\$1,495,356	\$1,585,945
C. Commercial - Retail	\$322,989	\$329,448	\$336,037	\$342,758	\$349,613	\$356,605	\$363,738	\$371,012	\$378,433
Hotel	\$259,841	\$265,038	\$270,339	\$275,746	\$281,261	\$286,886	\$292,623	\$298,476	\$304,445
D. Commercial - Office	<u>\$285,921</u>	<u>\$306,441</u>	<u>\$312,570</u>	<u>\$318,821</u>	<u>\$325,198</u>	<u>\$331,701</u>	<u>\$338,336</u>	<u>\$345,102</u>	<u>\$352,004</u>
E. Total New Development Assessed Value	\$8,462,773	\$8,979,873	\$9,502,505	\$9,882,670	\$10,134,238	\$10,392,455	\$10,657,503	\$10,929,567	\$11,208,840
II. Vacant Land Assessed Value									
A. Residential									
Remaining Land Value	\$8,561	\$6,207	\$3,756	\$1,203	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>(\$2,476)</u>	<u>(\$2,525)</u>	<u>(\$2,576)</u>	<u>(\$1,203)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Residential Land Value	\$6,086	\$3,682	\$1,180	\$0	\$0	\$0	\$0	\$0	\$0
B. Industrial									
Remaining Land Value	\$63,995	\$61,839	\$59,572	\$57,189	\$54,687	\$52,062	\$49,310	\$46,427	\$43,410
(Less) Land Developed	<u>(\$3,368)</u>	<u>(\$3,436)</u>	<u>(\$3,504)</u>	<u>(\$3,574)</u>	<u>(\$3,646)</u>	<u>(\$3,719)</u>	<u>(\$3,793)</u>	<u>(\$3,869)</u>	<u>(\$3,946)</u>
Net Industrial Land Value	\$60,627	\$58,404	\$56,068	\$53,615	\$51,041	\$48,343	\$45,517	\$42,558	\$39,463
C. Commercial - Retail									
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Commercial Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Commercial - Office									
Remaining Land Value	\$842	\$429	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>(\$421)</u>	<u>(\$429)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Office Land Value	\$421	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. Total Assessed Land Value	\$67,133	\$62,086	\$57,247	\$53,615	\$51,041	\$48,343	\$45,517	\$42,558	\$39,463
III. Total Assessed Value (New Development + Remaining Vacant Land)									
A. Residential	\$6,647,040	\$7,061,159	\$7,492,020	\$7,778,428	\$7,933,996	\$8,092,676	\$8,254,530	\$8,419,620	\$8,588,013
B. Industrial	\$1,013,695	\$1,079,873	\$1,148,786	\$1,220,532	\$1,295,212	\$1,372,930	\$1,453,793	\$1,537,914	\$1,625,408
C. Commercial - Retail	\$322,989	\$329,448	\$336,037	\$342,758	\$349,613	\$356,605	\$363,738	\$371,012	\$378,433
Hotel	\$259,841	\$265,038	\$270,339	\$275,746	\$281,261	\$286,886	\$292,623	\$298,476	\$304,445
D. Commercial - Office	<u>\$286,342</u>	<u>\$306,441</u>	<u>\$312,570</u>	<u>\$318,821</u>	<u>\$325,198</u>	<u>\$331,701</u>	<u>\$338,336</u>	<u>\$345,102</u>	<u>\$352,004</u>
E. Total Newly Built + Remaining Land Assessed Value	\$8,529,907	\$9,041,959	\$9,559,752	\$9,936,285	\$10,185,279	\$10,440,798	\$10,703,020	\$10,972,125	\$11,248,303

TABLE B-4

TOTAL ASSESSED VALUE FROM NEW DEVELOPMENT
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	30 FY 2047	31 FY 2048	32 FY 2049	33 FY 2050	34 FY 2051	35 FY 2052	36 FY 2053	37 FY 2054	38 FY 2055
I. New Development Assessed Value									
A. Residential	\$8,950,446	\$9,129,455	\$9,312,044	\$9,498,285	\$9,688,250	\$9,882,015	\$10,079,656	\$10,281,249	\$10,486,874
B. Industrial	\$1,680,166	\$1,778,146	\$1,880,017	\$1,985,915	\$2,095,980	\$2,210,357	\$2,329,195	\$2,452,648	\$2,580,877
C. Commercial - Retail	\$386,001	\$393,721	\$401,596	\$409,628	\$417,820	\$426,176	\$434,700	\$443,394	\$452,262
Hotel	\$310,534	\$316,745	\$323,080	\$329,542	\$336,132	\$342,855	\$349,712	\$356,706	\$363,841
D. Commercial - Office	<u>\$359,044</u>	<u>\$366,225</u>	<u>\$373,550</u>	<u>\$381,021</u>	<u>\$388,641</u>	<u>\$396,414</u>	<u>\$404,342</u>	<u>\$412,429</u>	<u>\$420,678</u>
E. Total New Development Assessed Value	\$11,686,191	\$11,984,292	\$12,290,286	\$12,604,390	\$12,926,824	\$13,257,818	\$13,597,605	\$13,946,426	\$14,304,530
II. Vacant Land Assessed Value									
A. Residential									
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Residential Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. Industrial									
Remaining Land Value	\$40,252	\$36,952	\$33,503	\$29,901	\$26,142	\$22,221	\$18,132	\$13,871	\$9,432
(Less) Land Developed	<u>(\$4,025)</u>	<u>(\$4,106)</u>	<u>(\$4,188)</u>	<u>(\$4,272)</u>	<u>(\$4,357)</u>	<u>(\$4,444)</u>	<u>(\$4,533)</u>	<u>(\$4,624)</u>	<u>(\$4,716)</u>
Net Industrial Land Value	\$36,227	\$32,846	\$29,315	\$25,630	\$21,785	\$17,777	\$13,599	\$9,247	\$4,716
C. Commercial - Retail									
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Commercial Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Commercial - Office									
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Office Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. Total Assessed Land Value	\$36,227	\$32,846	\$29,315	\$25,630	\$21,785	\$17,777	\$13,599	\$9,247	\$4,716
III. Total Assessed Value (New Development + Remaining Vacant Land)									
A. Residential	\$8,950,446	\$9,129,455	\$9,312,044	\$9,498,285	\$9,688,250	\$9,882,015	\$10,079,656	\$10,281,249	\$10,486,874
B. Industrial	\$1,716,393	\$1,810,992	\$1,909,332	\$2,011,545	\$2,117,766	\$2,228,134	\$2,342,794	\$2,461,896	\$2,585,593
C. Commercial - Retail	\$386,001	\$393,721	\$401,596	\$409,628	\$417,820	\$426,176	\$434,700	\$443,394	\$452,262
Hotel	\$310,534	\$316,745	\$323,080	\$329,542	\$336,132	\$342,855	\$349,712	\$356,706	\$363,841
D. Commercial - Office	<u>\$359,044</u>	<u>\$366,225</u>	<u>\$373,550</u>	<u>\$381,021</u>	<u>\$388,641</u>	<u>\$396,414</u>	<u>\$404,342</u>	<u>\$412,429</u>	<u>\$420,678</u>
E. Total Newly Built + Remaining Land Assessed Value	\$11,722,418	\$12,017,138	\$12,319,601	\$12,630,019	\$12,948,609	\$13,275,594	\$13,611,204	\$13,955,674	\$14,309,247

TABLE B-4

TOTAL ASSESSED VALUE FROM NEW DEVELOPMENT
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	39 FY 2056	40 FY 2057	41 FY 2058	42 FY 2059	43 FY 2060	44 FY 2061	45 FY 2062
I. New Development Assessed Value							
A. Residential	\$10,696,611	\$10,910,543	\$11,128,754	\$11,351,329	\$11,578,356	\$11,809,923	\$12,046,121
B. Industrial	\$2,714,045	\$2,768,326	\$2,823,693	\$2,880,166	\$2,937,770	\$2,996,525	\$3,056,456
C. Commercial - Retail	\$461,307	\$470,533	\$479,944	\$489,543	\$499,334	\$509,320	\$519,507
Hotel	\$371,117	\$378,540	\$386,110	\$393,833	\$401,709	\$409,744	\$417,938
D. Commercial - Office	<u>\$429,091</u>	<u>\$437,673</u>	<u>\$446,427</u>	<u>\$455,355</u>	<u>\$464,462</u>	<u>\$473,751</u>	<u>\$483,226</u>
E. Total New Development Assessed Value	\$14,672,172	\$14,965,615	\$15,264,928	\$15,570,226	\$15,881,631	\$16,199,263	\$16,523,249
II. Vacant Land Assessed Value							
A. Residential							
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Residential Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. Industrial							
Remaining Land Value	\$4,811	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>(\$4,811)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Industrial Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. Commercial - Retail							
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Commercial Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Commercial - Office							
Remaining Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Office Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. Total Assessed Land Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0
III. Total Assessed Value (New Development + Remaining Vacant Land)							
A. Residential	\$10,696,611	\$10,910,543	\$11,128,754	\$11,351,329	\$11,578,356	\$11,809,923	\$12,046,121
B. Industrial	\$2,714,045	\$2,768,326	\$2,823,693	\$2,880,166	\$2,937,770	\$2,996,525	\$3,056,456
C. Commercial - Retail	\$461,307	\$470,533	\$479,944	\$489,543	\$499,334	\$509,320	\$519,507
Hotel	\$371,117	\$378,540	\$386,110	\$393,833	\$401,709	\$409,744	\$417,938
D. Commercial - Office	<u>\$429,091</u>	<u>\$437,673</u>	<u>\$446,427</u>	<u>\$455,355</u>	<u>\$464,462</u>	<u>\$473,751</u>	<u>\$483,226</u>
E. Total Newly Built + Remaining Land Assessed Value	\$14,672,172	\$14,965,615	\$15,264,928	\$15,570,226	\$15,881,631	\$16,199,263	\$16,523,249

TABLE B-5

PROJECTION OF PROPERTY TAX INCREMENT - LOW TRA
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)		0	1	2	3	4	5	6	7	8
		<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
I. Total Assessed Value (New Development + Remaining Vacant Land)										
Low TRA										
Residential @	10%	\$24,997	\$45,790	\$67,610	\$90,497	\$114,490	\$139,631	\$165,963	\$193,531	\$222,381
Industrial @	80%	\$89,933	\$111,137	\$133,364	\$156,655	\$181,049	\$206,589	\$233,316	\$261,275	\$290,514
Commercial - Retail @	35%	\$9,158	\$14,592	\$20,295	\$26,278	\$32,552	\$39,127	\$46,014	\$53,226	\$60,774
Hotel @	50%	\$0	\$3,978	\$8,156	\$12,539	\$17,138	\$21,958	\$27,009	\$32,300	\$37,839
Commercial - Office @	60%	<u>\$8,302</u>	<u>\$13,072</u>	<u>\$18,077</u>	<u>\$23,327</u>	<u>\$28,829</u>	<u>\$34,595</u>	<u>\$40,634</u>	<u>\$46,956</u>	<u>\$53,571</u>
Subtotal Assessed Value		\$132,389	\$188,568	\$247,502	\$309,296	\$374,058	\$441,899	\$512,936	\$587,288	\$665,079
II. Add: Estimated Assessed Value for Existing Development ⁽¹⁾		<u>\$1,312,291</u>	<u>\$1,338,537</u>	<u>\$1,365,308</u>	<u>\$1,392,614</u>	<u>\$1,420,466</u>	<u>\$1,448,875</u>	<u>\$1,477,853</u>	<u>\$1,507,410</u>	<u>\$1,537,558</u>
III. Grand Total Assessed Value		\$1,444,680	\$1,527,105	\$1,612,810	\$1,701,910	\$1,794,524	\$1,890,775	\$1,990,789	\$2,094,698	\$2,202,637
IV. (Less) Base Year Assessed Value		<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>
V. Incremental Assessed Value		\$0	\$82,425	\$168,130	\$257,230	\$349,844	\$446,094	\$546,109	\$650,018	\$757,956
VI. Incremental Property Tax @ 1.0%		\$0	\$824	\$1,681	\$2,572	\$3,498	\$4,461	\$5,461	\$6,500	\$7,580
VII. City Share of 1.0% Incremental Property Tax @ 8.2% ⁽²⁾		\$0	\$67	\$137	\$210	\$285	\$364	\$446	\$530	\$618
(Less) 50% Adjustment through FY 2022 ⁽³⁾ 50.0%		<u>\$0</u>	<u>(\$34)</u>	<u>(\$69)</u>	<u>(\$105)</u>	<u>(\$143)</u>	<u>(\$182)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax		\$0	\$34	\$69	\$105	\$143	\$182	\$446	\$530	\$618
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$0	\$48	\$98	\$150	\$205	\$261	\$319	\$380	\$443
(Less) 50% Adjustment through FY 2022 ⁽³⁾ 50.0%		<u>\$0</u>	<u>(\$24)</u>	<u>(\$49)</u>	<u>(\$75)</u>	<u>(\$102)</u>	<u>(\$130)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF		\$0	\$24	\$49	\$75	\$102	\$130	\$319	\$380	\$443
IX. Total, City Property Tax Increment + Incremental VLF		\$0	\$58	\$118	\$180	\$245	\$312	\$765	\$910	\$1,062

(1) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(2) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 7.6% to 8.7%. Percentages may be subject to change.

(3) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-5

PROJECTION OF PROPERTY TAX INCREMENT - LOW TRA
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)		9	10	11	12	13	14	15	16	17	18
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
I.	Total Assessed Value (New Development + Remaining Vacant Land)										
	<u>Low TRA</u>										
	Residential @ 10%	\$252,560	\$284,118	\$317,106	\$351,575	\$387,209	\$417,133	\$448,324	\$480,826	\$514,686	\$549,953
	Industrial @ 80%	\$321,078	\$353,017	\$386,382	\$421,225	\$457,602	\$495,568	\$535,180	\$576,500	\$619,590	\$664,513
	Commercial - Retail @ 35%	\$68,672	\$76,932	\$85,567	\$94,592	\$96,484	\$98,413	\$100,382	\$102,389	\$104,437	\$106,526
	Hotel @ 50%	\$43,635	\$49,699	\$56,039	\$62,667	\$69,593	\$76,827	\$84,381	\$92,267	\$100,496	\$109,082
	Commercial - Office @ 60%	<u>\$60,491</u>	<u>\$67,726</u>	<u>\$75,290</u>	<u>\$83,192</u>	<u>\$91,447</u>	<u>\$100,067</u>	<u>\$109,065</u>	<u>\$118,456</u>	<u>\$128,252</u>	<u>\$138,470</u>
	Subtotal Assessed Value	\$746,436	\$831,492	\$920,383	\$1,013,252	\$1,102,334	\$1,188,008	\$1,277,332	\$1,370,438	\$1,467,461	\$1,568,543
II.	Add: Estimated Assessed Value for Existing Development ⁽¹⁾	<u>\$1,568,309</u>	<u>\$1,599,675</u>	<u>\$1,631,669</u>	<u>\$1,664,302</u>	<u>\$1,697,588</u>	<u>\$1,731,540</u>	<u>\$1,766,171</u>	<u>\$1,801,494</u>	<u>\$1,837,524</u>	<u>\$1,874,275</u>
III.	Grand Total Assessed Value	\$2,314,745	\$2,431,167	\$2,552,052	\$2,677,554	\$2,799,923	\$2,919,548	\$3,043,503	\$3,171,932	\$3,304,986	\$3,442,818
IV.	(Less) Base Year Assessed Value	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>
V.	Incremental Assessed Value	\$870,065	\$986,487	\$1,107,372	\$1,232,874	\$1,355,242	\$1,474,868	\$1,598,823	\$1,727,252	\$1,860,305	\$1,998,138
VI.	Incremental Property Tax @ 1.0%	\$8,701	\$9,865	\$11,074	\$12,329	\$13,552	\$14,749	\$15,988	\$17,273	\$18,603	\$19,981
VII.	City Share of 1.0% Incremental Property Tax @ 8.2% ⁽²⁾	\$710	\$805	\$903	\$1,006	\$1,106	\$1,203	\$1,304	\$1,409	\$1,518	\$1,630
	(Less) 50% Adjustment through FY 2022 ⁽³⁾ 50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Net City Share of 1.0% Incremental Property Tax	\$710	\$805	\$903	\$1,006	\$1,106	\$1,203	\$1,304	\$1,409	\$1,518	\$1,630
VIII.	City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value	\$509	\$577	\$647	\$721	\$792	\$862	\$935	\$1,010	\$1,088	\$1,168
	(Less) 50% Adjustment through FY 2022 ⁽³⁾ 50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Net City Incremental VLF	\$509	\$577	\$647	\$721	\$792	\$862	\$935	\$1,010	\$1,088	\$1,168
IX.	Total, City Property Tax Increment + Incremental VLF	\$1,219	\$1,382	\$1,551	\$1,727	\$1,898	\$2,066	\$2,239	\$2,419	\$2,605	\$2,798

(1) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(2) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 7.6% to 8.7%. Percentages may be subject to change.

(3) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-5

PROJECTION OF PROPERTY TAX INCREMENT - LOW TRA
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)		19 FY 2036	20 FY 2037	21 FY 2038	22 FY 2039	23 FY 2040	24 FY 2041	25 FY 2042	26 FY 2043	27 FY 2044
I. Total Assessed Value (New Development + Remaining Vacant Land)										
Low TRA										
Residential @	10%	\$586,677	\$624,909	\$664,704	\$706,116	\$749,202	\$777,843	\$793,400	\$809,268	\$825,453
Industrial @	80%	\$711,335	\$760,126	\$810,956	\$863,899	\$919,029	\$976,426	\$1,036,170	\$1,098,344	\$1,163,035
Commercial - Retail @	35%	\$108,656	\$110,829	\$113,046	\$115,307	\$117,613	\$119,965	\$122,365	\$124,812	\$127,308
Hotel @	50%	\$118,036	\$127,373	\$129,921	\$132,519	\$135,169	\$137,873	\$140,630	\$143,443	\$146,312
Commercial - Office @	60%	<u>\$149,124</u>	<u>\$160,230</u>	<u>\$171,805</u>	<u>\$183,865</u>	<u>\$187,542</u>	<u>\$191,293</u>	<u>\$195,119</u>	<u>\$199,021</u>	<u>\$203,001</u>
Subtotal Assessed Value		\$1,673,829	\$1,783,469	\$1,890,432	\$2,001,705	\$2,108,555	\$2,203,399	\$2,287,683	\$2,374,887	\$2,465,109
II. Add: Estimated Assessed Value for Existing Development ⁽¹⁾		<u>\$1,911,760</u>	<u>\$1,949,995</u>	\$1,988,995	\$2,028,775	\$2,069,351	\$2,110,738	\$2,152,952	\$2,196,012	\$2,239,932
III. Grand Total Assessed Value		\$3,585,589	\$3,733,464	\$3,879,427	\$4,030,480	\$4,177,906	\$4,314,137	\$4,440,635	\$4,570,899	\$4,705,041
IV. (Less) Base Year Assessed Value		<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>
V. Incremental Assessed Value		\$2,140,909	\$2,288,784	\$2,434,747	\$2,585,800	\$2,733,226	\$2,869,457	\$2,995,955	\$3,126,218	\$3,260,360
VI. Incremental Property Tax @ 1.0%		\$21,409	\$22,888	\$24,347	\$25,858	\$27,332	\$28,695	\$29,960	\$31,262	\$32,604
VII. City Share of 1.0% Incremental Property Tax @ 8.2% ⁽²⁾		\$1,747	\$1,867	\$1,986	\$2,110	\$2,230	\$2,341	\$2,444	\$2,550	\$2,660
(Less) 50% Adjustment through FY 2022 ⁽³⁾	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax		\$1,747	\$1,867	\$1,986	\$2,110	\$2,230	\$2,341	\$2,444	\$2,550	\$2,660
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$1,252	\$1,338	\$1,423	\$1,512	\$1,598	\$1,678	\$1,752	\$1,828	\$1,906
(Less) 50% Adjustment through FY 2022 ⁽³⁾	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF		\$1,252	\$1,338	\$1,423	\$1,512	\$1,598	\$1,678	\$1,752	\$1,828	\$1,906
IX. Total, City Property Tax Increment + Incremental VLF		\$2,998	\$3,205	\$3,410	\$3,621	\$3,828	\$4,019	\$4,196	\$4,378	\$4,566

(1) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(2) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 7.6% to 8.7%. Percentages may be subject to change.

(3) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-5

PROJECTION OF PROPERTY TAX INCREMENT - LOW TRA
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)		28 FY 2045	29 FY 2046	30 FY 2047	31 FY 2048	32 FY 2049	33 FY 2050	34 FY 2051	35 FY 2052
I. Total Assessed Value (New Development + Remaining Vacant Land)									
	<u>Low TRA</u>								
Residential @	10%	\$841,962	\$858,801	\$895,045	\$912,945	\$931,204	\$949,828	\$968,825	\$988,202
Industrial @	80%	\$1,230,332	\$1,300,326	\$1,373,114	\$1,448,794	\$1,527,466	\$1,609,236	\$1,694,212	\$1,782,507
Commercial - Retail @	35%	\$129,854	\$132,451	\$135,100	\$137,802	\$140,558	\$143,370	\$146,237	\$149,162
Hotel @	50%	\$149,238	\$152,223	\$155,267	\$158,373	\$161,540	\$164,771	\$168,066	\$171,428
Commercial - Office @	60%	<u>\$207,061</u>	<u>\$211,203</u>	<u>\$215,427</u>	<u>\$219,735</u>	<u>\$224,130</u>	<u>\$228,612</u>	<u>\$233,185</u>	<u>\$237,848</u>
Subtotal Assessed Value		\$2,558,447	\$2,655,004	\$2,773,953	\$2,877,649	\$2,984,899	\$3,095,817	\$3,210,525	\$3,329,146
II. Add: Estimated Assessed Value for Existing Development ⁽¹⁾		\$2,284,730	\$2,330,425	\$2,377,033	\$2,424,574	\$2,473,066	\$2,522,527	\$2,572,977	\$2,624,437
III. Grand Total Assessed Value		\$4,843,178	\$4,985,429	\$5,150,987	\$5,302,223	\$5,457,964	\$5,618,344	\$5,783,503	\$5,953,583
IV. (Less) Base Year Assessed Value		<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>
V. Incremental Assessed Value		\$3,398,497	\$3,540,749	\$3,706,306	\$3,857,543	\$4,013,284	\$4,173,664	\$4,338,822	\$4,508,903
VI. Incremental Property Tax @ 1.0%		\$33,985	\$35,407	\$37,063	\$38,575	\$40,133	\$41,737	\$43,388	\$45,089
VII. City Share of 1.0% Incremental Property Tax @ 8.2% ⁽²⁾		\$2,773	\$2,889	\$3,024	\$3,147	\$3,274	\$3,405	\$3,540	\$3,679
(Less) 50% Adjustment through FY 2022 ⁽³⁾ 50.0%		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax		\$2,773	\$2,889	\$3,024	\$3,147	\$3,274	\$3,405	\$3,540	\$3,679
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847		\$1,987	\$2,070	\$2,167	\$2,255	\$2,346	\$2,440	\$2,537	\$2,636
Per \$1,000 Growth in Assessed Value									
(Less) 50% Adjustment through FY 2022 ⁽³⁾ 50.0%		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF		\$1,987	\$2,070	\$2,167	\$2,255	\$2,346	\$2,440	\$2,537	\$2,636
IX. Total, City Property Tax Increment + Incremental VLF		\$4,760	\$4,959	\$5,191	\$5,402	\$5,621	\$5,845	\$6,076	\$6,315

(1) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(2) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 7.6% to 8.7%. Percentages may be subject to change.

(3) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-5

PROJECTION OF PROPERTY TAX INCREMENT - LOW TRA
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)			36	37	38	39	40	41	42	43	44	45
			<u>FY 2053</u>	<u>FY 2054</u>	<u>FY 2055</u>	<u>FY 2056</u>	<u>FY 2057</u>	<u>FY 2058</u>	<u>FY 2059</u>	<u>FY 2060</u>	<u>FY 2061</u>	<u>FY 2062</u>
I. Total Assessed Value (New Development + Remaining Vacant Land)												
		<u>Low TRA</u>										
Residential @	10%		\$1,007,966	\$1,028,125	\$1,048,687	\$1,069,661	\$1,091,054	\$1,112,875	\$1,135,133	\$1,157,836	\$1,180,992	\$1,204,612
Industrial @	80%		\$1,874,235	\$1,969,516	\$2,068,474	\$2,171,236	\$2,214,661	\$2,258,954	\$2,304,133	\$2,350,216	\$2,397,220	\$2,445,165
Commercial - Retail @	35%		\$152,145	\$155,188	\$158,292	\$161,457	\$164,687	\$167,980	\$171,340	\$174,767	\$178,262	\$181,827
Hotel @	50%		\$174,856	\$178,353	\$181,920	\$185,559	\$189,270	\$193,055	\$196,916	\$200,855	\$204,872	\$208,969
Commercial - Office @	60%		<u>\$242,605</u>	<u>\$247,457</u>	<u>\$252,407</u>	<u>\$257,455</u>	<u>\$262,604</u>	<u>\$267,856</u>	<u>\$273,213</u>	<u>\$278,677</u>	<u>\$284,251</u>	<u>\$289,936</u>
Subtotal Assessed Value			\$3,451,807	\$3,578,640	\$3,709,780	\$3,845,368	\$3,922,276	\$4,000,721	\$4,080,735	\$4,162,350	\$4,245,597	\$4,330,509
II. Add: Estimated Assessed Value for Existing Development ⁽¹⁾			\$2,676,926	\$2,730,464	\$2,785,074	\$2,840,775	\$2,897,591	\$2,955,542	\$3,014,653	\$3,074,946	\$3,136,445	\$3,199,174
III. Grand Total Assessed Value			\$6,128,733	\$6,309,104	\$6,494,854	\$6,686,143	\$6,819,866	\$6,956,263	\$7,095,389	\$7,237,296	\$7,382,042	\$7,529,683
IV. (Less) Base Year Assessed Value			<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>	<u>(\$1,444,680)</u>
V. Incremental Assessed Value			\$4,684,052	\$4,864,424	\$5,050,173	\$5,241,463	\$5,375,186	\$5,511,583	\$5,650,708	\$5,792,616	\$5,937,362	\$6,085,003
VI. Incremental Property Tax @ 1.0%			\$46,841	\$48,644	\$50,502	\$52,415	\$53,752	\$55,116	\$56,507	\$57,926	\$59,374	\$60,850
VII. City Share of 1.0% Incremental Property Tax @ 8.2% ⁽²⁾			\$3,821	\$3,969	\$4,120	\$4,276	\$4,385	\$4,497	\$4,610	\$4,726	\$4,844	\$4,964
(Less) 50% Adjustment through FY 2022 ⁽³⁾	50.0%		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax			\$3,821	\$3,969	\$4,120	\$4,276	\$4,385	\$4,497	\$4,610	\$4,726	\$4,844	\$4,964
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847			\$2,739	\$2,844	\$2,953	\$3,064	\$3,143	\$3,222	\$3,304	\$3,387	\$3,471	\$3,558
Per \$1,000 Growth in Assessed Value												
(Less) 50% Adjustment through FY 2022 ⁽³⁾	50.0%		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF			\$2,739	\$2,844	\$2,953	\$3,064	\$3,143	\$3,222	\$3,304	\$3,387	\$3,471	\$3,558
IX. Total, City Property Tax Increment + Incremental VLF			\$6,560	\$6,813	\$7,073	\$7,341	\$7,528	\$7,719	\$7,914	\$8,113	\$8,315	\$8,522

(1) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(2) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 7.6% to 8.7%. Percentages may be subject to change.

(3) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-6

PROJECTION OF PROPERTY TAX INCREMENT - HIGH TRA (INCLUDES BROWN FIELD)
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)		0 FY 2017	1 FY 2018	2 FY 2019	3 FY 2020	4 FY 2021	5 FY 2022	6 FY 2023	7 FY 2024	8 FY 2025	9 FY 2026	10 FY 2027
I. Total Assessed Value (New Development + Remaining Vacant Land)												
	High TRA											
Residential @	90%	\$224,972	\$412,110	\$608,492	\$814,471	\$1,030,408	\$1,256,679	\$1,493,670	\$1,741,783	\$2,001,431	\$2,273,044	\$2,557,065
Industrial @	20%	\$22,483	\$27,784	\$33,341	\$39,164	\$45,262	\$51,647	\$58,329	\$65,319	\$72,628	\$80,269	\$88,254
Commercial - Retail @	65%	\$17,007	\$27,099	\$37,691	\$48,803	\$60,453	\$72,664	\$85,455	\$98,848	\$112,867	\$127,534	\$142,873
Hotel	50%	\$0	\$3,978	\$8,156	\$12,539	\$17,138	\$21,958	\$27,009	\$32,300	\$37,839	\$43,635	\$49,699
Commercial - Office @	40%	\$5,534	\$8,715	\$12,051	\$15,551	\$19,220	\$23,063	\$27,089	\$31,304	\$35,714	\$40,327	\$45,151
Subtotal Assessed Value		\$269,997	\$479,685	\$699,732	\$930,528	\$1,172,481	\$1,426,011	\$1,691,552	\$1,969,553	\$2,260,479	\$2,564,810	\$2,883,042
II. Add: Brown Field Assessed Value												
Existing Brown Field Assessed Value (1)		\$3,402	\$3,470	\$3,539	\$3,610	\$2,762	\$2,113	\$1,078	\$550	\$281	\$143	\$73
(Less) Demolished Brown Field Assessed Value		\$0	\$0	\$0	(\$903)	(\$691)	(\$1,057)	(\$539)	(\$275)	(\$141)	(\$72)	(\$37)
Add: New Brown Field Assessed Value (2)(3)		\$0	\$0	\$0	\$31,976	\$95,747	\$239,298	\$270,189	\$293,808	\$309,499	\$347,622	\$364,944
Total Brown Field Assessed Value		\$3,402	\$3,470	\$3,539	\$34,684	\$97,819	\$240,355	\$270,728	\$294,083	\$309,640	\$347,694	\$364,981
III. Add: Estimated Assessed Value for Existing Development (4)												
		\$1,897,704	\$1,935,659	\$1,974,372	\$2,013,859	\$2,054,136	\$2,095,219	\$2,137,123	\$2,179,866	\$2,223,463	\$2,267,932	\$2,313,291
IV. Grand Total Assessed Value												
		\$2,171,103	\$2,418,814	\$2,677,642	\$2,979,071	\$3,324,436	\$3,761,585	\$4,099,403	\$4,443,502	\$4,793,582	\$5,180,436	\$5,561,313
V. (Less) Base Year Assessed Value												
		(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)	(\$2,171,103)
VI. Incremental Assessed Value												
		\$0	\$247,711	\$506,539	\$807,968	\$1,153,333	\$1,590,482	\$1,928,300	\$2,272,399	\$2,622,478	\$3,009,332	\$3,390,210
VII. Incremental Property Tax @ 1.0%												
		\$0	\$2,477	\$5,065	\$8,080	\$11,533	\$15,905	\$19,283	\$22,724	\$26,225	\$30,093	\$33,902
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% (5)												
		\$0	\$398	\$813	\$1,297	\$1,852	\$2,554	\$3,096	\$3,649	\$4,211	\$4,832	\$5,443
(Less) 50% Adjustment through FY 2022 (6)	50.0%	\$0	(\$199)	(\$407)	(\$649)	(\$926)	(\$1,277)	\$0	\$0	\$0	\$0	\$0
Net City Share of 1.0% Incremental Property Tax		\$0	\$199	\$407	\$649	\$926	\$1,277	\$3,096	\$3,649	\$4,211	\$4,832	\$5,443
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value												
		\$0	\$145	\$296	\$472	\$674	\$930	\$1,127	\$1,329	\$1,533	\$1,759	\$1,982
(Less) 50% Adjustment through FY 2022 (6)	50.0%	\$0	(\$72)	(\$148)	(\$236)	(\$337)	(\$465)	\$0	\$0	\$0	\$0	\$0
Net City Incremental VLF		\$0	\$72	\$148	\$236	\$337	\$465	\$1,127	\$1,329	\$1,533	\$1,759	\$1,982
X. Total, City Property Tax Increment + Incremental VLF												
		\$0	\$271	\$555	\$885	\$1,263	\$1,742	\$4,223	\$4,977	\$5,744	\$6,591	\$7,425

(1) Assumes complete phase-out of existing Brown Field conditions by Year 11. Assuming 25% phase-out in Years 1-4, 50% phase-out in Years 5-10, and complete phase-out by Year 11.

(2) Assumes an annual escalation of 2.0% after Year 11.

(3) Source: City of San Diego, July 2016.

(4) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(5) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 15.6% to 16.9%. Percentages may be subject to change.

(6) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-6

PROJECTION OF PROPERTY TAX INCREMENT - HIGH TRA (INCLUDES BIROWN FIELD)
 OTAY MESA EIFD
 CITY OF SAN DIEGO

(\$000s)		11	12	13	14	15	16	17	18	19	20	21	22
		FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039
I. Total Assessed Value (New Development + Remaining Vacant Land)													
	High TRA												
Residential @	90%	\$2,853,951	\$3,164,175	\$3,484,879	\$3,754,199	\$4,034,913	\$4,327,430	\$4,632,173	\$4,949,576	\$5,280,092	\$5,624,185	\$5,982,336	\$6,355,043
Industrial @	20%	\$96,595	\$105,306	\$114,400	\$123,892	\$133,795	\$144,125	\$154,897	\$166,128	\$177,834	\$190,032	\$202,739	\$215,975
Commercial - Retail @	65%	\$158,910	\$175,671	\$179,184	\$182,768	\$186,423	\$190,151	\$193,954	\$197,834	\$201,790	\$205,826	\$209,943	\$214,141
Hotel	50%	\$56,039	\$62,667	\$69,593	\$76,827	\$84,381	\$92,267	\$100,496	\$109,082	\$118,036	\$127,373	\$129,921	\$132,519
Commercial - Office @	40%	<u>\$50,193</u>	<u>\$55,462</u>	<u>\$60,965</u>	<u>\$66,711</u>	<u>\$72,710</u>	<u>\$78,971</u>	<u>\$85,502</u>	<u>\$92,313</u>	<u>\$99,416</u>	<u>\$106,820</u>	<u>\$114,537</u>	<u>\$122,576</u>
Subtotal Assessed Value		\$3,215,689	\$3,563,281	\$3,909,021	\$4,204,397	\$4,512,223	\$4,832,944	\$5,167,023	\$5,514,933	\$5,877,168	\$6,254,236	\$6,639,475	\$7,040,254
II. Add: Brown Field Assessed Value													
Existing Brown Field Assessed Value (1)		\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Demolished Brown Field Assessed Value		(\$37)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: New Brown Field Assessed Value (2)(3)		<u>\$384,258</u>	<u>\$391,943</u>	<u>\$399,782</u>	<u>\$407,778</u>	<u>\$415,933</u>	<u>\$424,252</u>	<u>\$432,737</u>	<u>\$441,392</u>	<u>\$450,219</u>	<u>\$459,224</u>	<u>\$468,408</u>	<u>\$477,777</u>
Total Brown Field Assessed Value		\$384,258	\$391,943	\$399,782	\$407,778	\$415,933	\$424,252	\$432,737	\$441,392	\$450,219	\$459,224	\$468,408	\$477,777
III. Add: Estimated Assessed Value for Existing Development (4)													
		<u>\$2,359,557</u>	<u>\$2,406,748</u>	<u>\$2,454,883</u>	<u>\$2,503,981</u>	<u>\$2,554,060</u>	<u>\$2,605,142</u>	<u>\$2,657,244</u>	<u>\$2,710,389</u>	<u>\$2,764,597</u>	<u>\$2,819,889</u>	<u>\$2,876,287</u>	<u>\$2,933,812</u>
IV. Grand Total Assessed Value		\$5,959,504	\$6,361,972	\$6,763,686	\$7,116,155	\$7,482,216	\$7,862,338	\$8,257,004	\$8,666,714	\$9,091,985	\$9,533,349	\$9,984,170	\$10,451,843
V. (Less) Base Year Assessed Value		<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>
VI. Incremental Assessed Value		\$3,788,400	\$4,190,869	\$4,592,583	\$4,945,052	\$5,311,113	\$5,691,235	\$6,085,901	\$6,495,611	\$6,920,882	\$7,362,245	\$7,813,067	\$8,280,740
VII. Incremental Property Tax @ 1.0%		\$37,884	\$41,909	\$45,926	\$49,451	\$53,111	\$56,912	\$60,859	\$64,956	\$69,209	\$73,622	\$78,131	\$82,807
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% (5)		\$6,083	\$6,729	\$7,374	\$7,940	\$8,528	\$9,138	\$9,772	\$10,429	\$11,112	\$11,821	\$12,545	\$13,296
(Less) 50% Adjustment through FY 2022 (6)	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax		\$6,083	\$6,729	\$7,374	\$7,940	\$8,528	\$9,138	\$9,772	\$10,429	\$11,112	\$11,821	\$12,545	\$13,296
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$2,215	\$2,450	\$2,685	\$2,891	\$3,105	\$3,327	\$3,558	\$3,798	\$4,046	\$4,304	\$4,568	\$4,841
(Less) 50% Adjustment through FY 2022 (6)	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF		\$2,215	\$2,450	\$2,685	\$2,891	\$3,105	\$3,327	\$3,558	\$3,798	\$4,046	\$4,304	\$4,568	\$4,841
X. Total, City Property Tax Increment + Incremental VLF		\$8,298	\$9,179	\$10,059	\$10,831	\$11,633	\$12,465	\$13,330	\$14,227	\$15,159	\$16,125	\$17,113	\$18,137

(1) Assumes complete phase-out of existing Brown Field conditions by Year 11. Assuming 25% phase-out in Years 1-4, 50% phase-out in Years 5-10, and complete phase-out by Year 11.

(2) Assumes an annual escalation of 2.0% after Year 11.

(3) Source: City of San Diego, July 2016.

(4) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(5) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 15.6% to 16.9%. Percentages may be subject to change.

(6) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-6

PROJECTION OF PROPERTY TAX INCREMENT - HIGH TRA (INCLUDES BIROWN FIELD)
 OTAY MESA EIFD
 CITY OF SAN DIEGO

(\$000s)		23 FY 2040	24 FY 2041	25 FY 2042	26 FY 2043	27 FY 2044	28 FY 2045	29 FY 2046	30 FY 2047	31 FY 2048	32 FY 2049	33 FY 2050	34 FY 2051
I. Total Assessed Value (New Development + Remaining Vacant Land)													
	High TRA												
Residential @	90%	\$6,742,818	\$7,000,585	\$7,140,597	\$7,283,408	\$7,429,077	\$7,577,658	\$7,729,211	\$8,055,401	\$8,216,509	\$8,380,839	\$8,548,456	\$8,719,425
Industrial @	20%	\$229,757	\$244,106	\$259,042	\$274,586	\$290,759	\$307,583	\$325,082	\$343,279	\$362,198	\$381,866	\$402,309	\$423,553
Commercial - Retail @	65%	\$218,424	\$222,793	\$227,249	\$231,794	\$236,429	\$241,158	\$245,981	\$250,901	\$255,919	\$261,037	\$266,258	\$271,583
Hotel	50%	\$135,169	\$137,873	\$140,630	\$143,443	\$146,312	\$149,238	\$152,223	\$155,267	\$158,373	\$161,540	\$164,771	\$168,066
Commercial - Office @	40%	<u>\$125,028</u>	<u>\$127,528</u>	<u>\$130,079</u>	<u>\$132,681</u>	<u>\$135,334</u>	<u>\$138,041</u>	<u>\$140,802</u>	<u>\$143,618</u>	<u>\$146,490</u>	<u>\$149,420</u>	<u>\$152,408</u>	<u>\$155,456</u>
Subtotal Assessed Value		\$7,451,197	\$7,732,885	\$7,897,597	\$8,065,911	\$8,237,911	\$8,413,678	\$8,593,299	\$8,948,465	\$9,139,489	\$9,334,703	\$9,534,202	\$9,738,084
II. Add: Brown Field Assessed Value													
Existing Brown Field Assessed Value (1)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Demolished Brown Field Assessed Value		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: New Brown Field Assessed Value (2)(3)		<u>\$487,332</u>	<u>\$497,079</u>	<u>\$507,020</u>	<u>\$517,161</u>	<u>\$527,504</u>	<u>\$538,054</u>	<u>\$548,815</u>	<u>\$559,791</u>	<u>\$570,987</u>	<u>\$582,407</u>	<u>\$594,055</u>	<u>\$605,936</u>
Total Brown Field Assessed Value		\$487,332	\$497,079	\$507,020	\$517,161	\$527,504	\$538,054	\$548,815	\$559,791	\$570,987	\$582,407	\$594,055	\$605,936
III. Add: Estimated Assessed Value for Existing Development (4)		<u>\$2,992,489</u>	<u>\$3,052,338</u>	<u>\$3,113,385</u>	<u>\$3,175,653</u>	<u>\$3,239,166</u>	<u>\$3,303,949</u>	<u>\$3,370,028</u>	<u>\$3,437,429</u>	<u>\$3,506,177</u>	<u>\$3,576,301</u>	<u>\$3,647,827</u>	<u>\$3,720,784</u>
IV. Grand Total Assessed Value		\$10,931,018	\$11,282,302	\$11,518,002	\$11,758,725	\$12,004,581	\$12,255,681	\$12,512,142	\$12,945,686	\$13,216,654	\$13,493,411	\$13,776,084	\$14,064,804
V. (Less) Base Year Assessed Value		<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>
VI. Incremental Assessed Value		\$8,759,914	\$9,111,199	\$9,346,899	\$9,587,622	\$9,833,477	\$10,084,578	\$10,341,039	\$10,774,582	\$11,045,550	\$11,322,308	\$11,604,981	\$11,893,701
VII. Incremental Property Tax @ 1.0%		\$87,599	\$91,112	\$93,469	\$95,876	\$98,335	\$100,846	\$103,410	\$107,746	\$110,456	\$113,223	\$116,050	\$118,937
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% (5)		\$14,065	\$14,629	\$15,007	\$15,394	\$15,789	\$16,192	\$16,604	\$17,300	\$17,735	\$18,179	\$18,633	\$19,097
(Less) 50% Adjustment through FY 2022 (6)	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax		\$14,065	\$14,629	\$15,007	\$15,394	\$15,789	\$16,192	\$16,604	\$17,300	\$17,735	\$18,179	\$18,633	\$19,097
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$5,122	\$5,327	\$5,465	\$5,605	\$5,749	\$5,896	\$6,046	\$6,299	\$6,458	\$6,620	\$6,785	\$6,954
(Less) 50% Adjustment through FY 2022 (6)	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF		\$5,122	\$5,327	\$5,465	\$5,605	\$5,749	\$5,896	\$6,046	\$6,299	\$6,458	\$6,620	\$6,785	\$6,954
X. Total, City Property Tax Increment + Incremental VLF		\$19,187	\$19,956	\$20,472	\$20,999	\$21,538	\$22,088	\$22,650	\$23,599	\$24,193	\$24,799	\$25,418	\$26,050

(1) Assumes complete phase-out of existing Brown Field conditions by Year 11. Assuming 25% phase-out in Years 1-4, 50% phase-out in Years 5-10, and complete phase-out by Year 11.

(2) Assumes an annual escalation of 2.0% after Year 11.

(3) Source: City of San Diego, July 2016.

(4) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(5) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 15.6% to 16.9%. Percentages may be subject to change.

(6) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-6

PROJECTION OF PROPERTY TAX INCREMENT - HIGH TRA (INCLUDES BIROWN FIELD)
 OTAY MESA EIFD
 CITY OF SAN DIEGO

(\$000s)		35 FY 2052	36 FY 2053	37 FY 2054	38 FY 2055	39 FY 2056	40 FY 2057	41 FY 2058	42 FY 2059	43 FY 2060	44 FY 2061	45 FY 2062
I. Total Assessed Value (New Development + Remaining Vacant Land)												
	High TRA											
Residential @	90%	\$8,893,814	\$9,071,690	\$9,253,124	\$9,438,186	\$9,626,950	\$9,819,489	\$10,015,879	\$10,216,196	\$10,420,520	\$10,628,931	\$10,841,509
Industrial @	20%	\$445,627	\$468,559	\$492,379	\$517,119	\$542,809	\$553,665	\$564,739	\$576,033	\$587,554	\$599,305	\$611,291
Commercial - Retail @	65%	\$277,015	\$282,555	\$288,206	\$293,970	\$299,850	\$305,847	\$311,964	\$318,203	\$324,567	\$331,058	\$337,679
Hotel	50%	\$171,428	\$174,856	\$178,353	\$181,920	\$185,559	\$189,270	\$193,055	\$196,916	\$200,855	\$204,872	\$208,969
Commercial - Office @	40%	<u>\$158,566</u>	<u>\$161,737</u>	<u>\$164,972</u>	<u>\$168,271</u>	<u>\$171,636</u>	<u>\$175,069</u>	<u>\$178,571</u>	<u>\$182,142</u>	<u>\$185,785</u>	<u>\$189,501</u>	<u>\$193,291</u>
Subtotal Assessed Value		\$9,946,448	\$10,159,397	\$10,377,034	\$10,599,466	\$10,826,804	\$11,043,340	\$11,264,207	\$11,489,491	\$11,719,281	\$11,953,666	\$12,192,740
II. Add: Brown Field Assessed Value												
Existing Brown Field Assessed Value (1)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Demolished Brown Field Assessed Value		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: New Brown Field Assessed Value (2)(3)		<u>\$618,055</u>	<u>\$630,416</u>	<u>\$643,024</u>	<u>\$655,885</u>	<u>\$669,002</u>	<u>\$682,383</u>	<u>\$696,030</u>	<u>\$709,951</u>	<u>\$724,150</u>	<u>\$738,633</u>	<u>\$753,405</u>
Total Brown Field Assessed Value		\$618,055	\$630,416	\$643,024	\$655,885	\$669,002	\$682,383	\$696,030	\$709,951	\$724,150	\$738,633	\$753,405
III. Add: Estimated Assessed Value for Existing Development (4)		<u>\$3,795,199</u>	<u>\$3,871,103</u>	<u>\$3,948,525</u>	<u>\$4,027,496</u>	<u>\$4,108,046</u>	<u>\$4,190,207</u>	<u>\$4,274,011</u>	<u>\$4,359,491</u>	<u>\$4,446,681</u>	<u>\$4,535,614</u>	<u>\$4,626,327</u>
IV. Grand Total Assessed Value		\$14,359,702	\$14,660,916	\$14,968,583	\$15,282,847	\$15,603,852	\$15,915,929	\$16,234,248	\$16,558,933	\$16,890,111	\$17,227,913	\$17,572,472
V. (Less) Base Year Assessed Value		<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>	<u>(\$2,171,103)</u>
VI. Incremental Assessed Value		\$12,188,599	\$12,489,813	\$12,797,480	\$13,111,744	\$13,432,749	\$13,744,826	\$14,063,145	\$14,387,829	\$14,719,008	\$15,056,810	\$15,401,369
VII. Incremental Property Tax @ 1.0%		\$121,886	\$124,898	\$127,975	\$131,117	\$134,327	\$137,448	\$140,631	\$143,878	\$147,190	\$150,568	\$154,014
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% (5)		\$19,570	\$20,054	\$20,548	\$21,052	\$21,568	\$22,069	\$22,580	\$23,101	\$23,633	\$24,175	\$24,729
(Less) 50% Adjustment through FY 2022 (6)	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Share of 1.0% Incremental Property Tax		\$19,570	\$20,054	\$20,548	\$21,052	\$21,568	\$22,069	\$22,580	\$23,101	\$23,633	\$24,175	\$24,729
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$7,126	\$7,302	\$7,482	\$7,666	\$7,854	\$8,036	\$8,222	\$8,412	\$8,606	\$8,803	\$9,005
(Less) 50% Adjustment through FY 2022 (6)	50.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net City Incremental VLF		\$7,126	\$7,302	\$7,482	\$7,666	\$7,854	\$8,036	\$8,222	\$8,412	\$8,606	\$8,803	\$9,005
X. Total, City Property Tax Increment + Incremental VLF		\$26,696	\$27,356	\$28,030	\$28,718	\$29,421	\$30,105	\$30,802	\$31,513	\$32,239	\$32,978	\$33,733

(1) Assumes complete phase-out of existing Brown Field conditions by Year 11. Assuming 25% phase-out in Years 1-4, 50% phase-out in Years 5-10, and complete phase-out by Year 11.

(2) Assumes an annual escalation of 2.0% after Year 11.

(3) Source: City of San Diego, July 2016.

(4) Assumes a 2.0% growth rate from FY 2016, less estimated assessed value of vacant land.

(5) Reflects average rate of Otay Mesa Tax Rate Areas ranging from 15.6% to 16.9%. Percentages may be subject to change.

(6) City allocates 50% of tax increment revenue to EIFD through Fiscal Year 2022, consistent with Charter Section 77.1, and 100% thereafter.

TABLE B-7

POTENTIAL NET BOND PROCEEDS
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO

Bond Proceeds Assumptions:												
Debt Service Coverage @	1.50											
Interest Rate (Tax-Exempt)	5.5%											
Issuance Cost/Debt Service Reserve	10%											
Term (Years) - Bonds 1,2,3	30											
Term (Years) - Bond 4	25											
Term (Years) - Bonds 5,6	20											
(\$000s)	0	1	2	3	4	5	6	7	8	9	10	11
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
I. City Tax Increment Revenues												
Low TRA	\$0	\$0	\$118	\$180	\$245	\$312	\$765	\$910	\$1,062	\$1,219	\$1,382	\$1,551
High TRA	\$0	<u>\$0</u>	<u>\$555</u>	<u>\$885</u>	<u>\$1,263</u>	<u>\$1,742</u>	<u>\$4,223</u>	<u>\$4,977</u>	<u>\$5,744</u>	<u>\$6,591</u>	<u>\$7,425</u>	<u>\$8,298</u>
Total City Tax Increment Revenues Allocated to EIFD	\$0	\$0 ⁽¹⁾	\$672	\$1,065	\$1,508	\$2,054	\$4,988	\$5,888	\$6,805	\$7,810	\$8,807	\$9,848
(Less) County Administration Fee @ 2.0%	<u>\$0</u>	<u>\$0</u>	<u>(\$13)</u>	<u>(\$21)</u>	<u>(\$30)</u>	<u>(\$41)</u>	<u>(\$100)</u>	<u>(\$118)</u>	<u>(\$136)</u>	<u>(\$156)</u>	<u>(\$176)</u>	<u>(\$197)</u>
Net City Tax Increment Revenues	\$0	\$0	\$659	\$1,044	\$1,478	\$2,013	\$4,889	\$5,770	\$6,669	\$7,654	\$8,631	\$9,652
II. Annual Debt Service												
Bond 1	\$0	\$0	\$0	\$0	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)
Bond 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)
Bond 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,907)	(\$1,907)
Bond 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond 5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond 6	\$0	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Annual Debt Service	\$0	\$0	\$0	\$0	(\$985)	(\$985)	(\$985)	(\$3,847)	(\$3,847)	(\$3,847)	(\$5,754)	(\$5,754)
III. Total Tax Increment after Debt Service	\$0	\$0	\$659	\$1,044	\$493	\$1,028	\$3,903	\$1,923	\$2,823	\$3,807	\$2,877	\$3,898
IV. Gross Bond Proceeds					\$14,396			\$41,807			\$27,870	
V. (Less) Issuance Cost/Debt Service Reserve @ 10%					<u>(\$1,440)</u>			<u>(\$4,181)</u>			<u>(\$2,787)</u>	
VI. Net Bond Proceeds					\$12,956			\$37,626			\$25,083	

(1) Assumes property tax increment flow to the Otay Mesa EIFD begins in FY 2019.

TABLE B-7

**POTENTIAL NET BOND PROCEEDS
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO**

Bond Proceeds Assumptions:													
Debt Service Coverage @	1.50												
Interest Rate (Tax-Exempt)	5.5%												
Issuance Cost/Debt Service Reserve	10%												
Term (Years) - Bonds 1,2,3	30												
Term (Years) - Bond 4	25												
Term (Years) - Bonds 5,6	20												

(\$000s)		12	13	14	15	16	17	18	19	20	21	22	23
		FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
I. City Tax Increment Revenues													
Low TRA		\$1,727	\$1,898	\$2,066	\$2,239	\$2,419	\$2,605	\$2,798	\$2,998	\$3,205	\$3,410	\$3,621	\$3,828
High TRA		<u>\$9,179</u>	<u>\$10,059</u>	<u>\$10,831</u>	<u>\$11,633</u>	<u>\$12,465</u>	<u>\$13,330</u>	<u>\$14,227</u>	<u>\$15,159</u>	<u>\$16,125</u>	<u>\$17,113</u>	<u>\$18,137</u>	<u>\$19,187</u>
Total City Tax Increment Revenues Allocated to EIFD		\$10,906	\$11,957	\$12,897	\$13,872	\$14,884	\$15,935	\$17,025	\$18,157	\$19,331	\$20,523	\$21,758	\$23,014
(Less) County Administration Fee @	2.0%	<u>(\$218)</u>	<u>(\$239)</u>	<u>(\$258)</u>	<u>(\$277)</u>	<u>(\$298)</u>	<u>(\$319)</u>	<u>(\$341)</u>	<u>(\$363)</u>	<u>(\$387)</u>	<u>(\$410)</u>	<u>(\$435)</u>	<u>(\$460)</u>
Net City Tax Increment Revenues		\$10,688	\$11,718	\$12,639	\$13,594	\$14,587	\$15,616	\$16,685	\$17,794	\$18,944	\$20,112	\$21,323	\$22,554
II. Annual Debt Service													
Bond 1		(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)
Bond 2		(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)
Bond 3		(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)
Bond 4		\$0	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)
Bond 5		\$0	\$0	\$0	\$0	\$0	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)
Bond 6		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>
Total Annual Debt Service		(\$5,754)	(\$7,812)	(\$7,812)	(\$7,812)	(\$7,812)	(\$10,411)	(\$10,411)	(\$10,411)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)
III. Total Tax Increment after Debt Service													
		\$4,934	\$3,906	\$4,827	\$5,783	\$6,775	\$5,205	\$6,274	\$7,383	\$6,315	\$7,483	\$8,694	\$9,925

IV. Gross Bond Proceeds			\$30,070			\$31,290			\$26,708				
V. (Less) Issuance Cost/ Debt Service Reserve @		10%	<u>(\$3,007)</u>			<u>(\$3,129)</u>			<u>(\$2,671)</u>				
VI. Net Bond Proceeds			\$27,063			\$28,161			\$24,037				

(1) Assumes property tax increment flow to the Otay Mesa EIFD begins in FY 2019.

TABLE B-7

**POTENTIAL NET BOND PROCEEDS
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO**

Bond Proceeds Assumptions:

Debt Service Coverage @	1.50
Interest Rate (Tax-Exempt)	5.5%
Issuance Cost/Debt Service Reserve	10%
Term (Years) - Bonds 1,2,3	30
Term (Years) - Bond 4	25
Term (Years) - Bonds 5,6	20

	24	25	26	27	28	29	30	31	32	33	34
	<u>FY 2041</u>	<u>FY 2042</u>	<u>FY 2043</u>	<u>FY 2044</u>	<u>FY 2045</u>	<u>FY 2046</u>	<u>FY 2047</u>	<u>FY 2048</u>	<u>FY 2049</u>	<u>FY 2050</u>	<u>FY 2051</u>
((\$000s))											
I. City Tax Increment Revenues											
Low TRA	\$4,019	\$4,196	\$4,378	\$4,566	\$4,760	\$4,959	\$5,191	\$5,402	\$5,621	\$5,845	\$6,076
High TRA	<u>\$19,956</u>	<u>\$20,472</u>	<u>\$20,999</u>	<u>\$21,538</u>	<u>\$22,088</u>	<u>\$22,650</u>	<u>\$23,599</u>	<u>\$24,193</u>	<u>\$24,799</u>	<u>\$25,418</u>	<u>\$26,050</u>
Total City Tax Increment Revenues Allocated to EIFD	\$23,975	\$24,668	\$25,378	\$26,104	\$26,847	\$27,608	\$28,790	\$29,595	\$30,419	\$31,263	\$32,127
(Less) County Administration Fee @ 2.0%	<u>(\$479)</u>	<u>(\$493)</u>	<u>(\$508)</u>	<u>(\$522)</u>	<u>(\$537)</u>	<u>(\$552)</u>	<u>(\$576)</u>	<u>(\$592)</u>	<u>(\$608)</u>	<u>(\$625)</u>	<u>(\$643)</u>
Net City Tax Increment Revenues	\$23,495	\$24,175	\$24,870	\$25,582	\$26,311	\$27,056	\$28,214	\$29,003	\$29,811	\$30,638	\$31,484
II. Annual Debt Service											
Bond 1	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)	(\$985)
Bond 2	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)	(\$2,861)
Bond 3	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)	(\$1,907)
Bond 4	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)	(\$2,058)
Bond 5	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)	(\$2,599)
Bond 6	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>	<u>(\$2,218)</u>
Total Annual Debt Service	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)	(\$12,629)
III. Total Tax Increment after Debt Service	\$10,866	\$11,545	\$12,241	\$12,953	\$13,681	\$14,427	\$15,585	\$16,374	\$17,182	\$18,009	\$18,855
IV. Gross Bond Proceeds											
V. (Less) Issuance Cost/ Debt Service Reserve @ 10%											
VI. Net Bond Proceeds											

(1) Assumes property tax increment flow to the Otay Mesa EIFD begins in FY 2019.

TABLE B-7

**POTENTIAL NET BOND PROCEEDS
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO**

[illegible]

(1) Assumes property tax increment flow to the Otay Mesa EIFD begins in FY 2019.

APPENDIX C

FISCAL IMPACT ANALYSIS

Potential Incremental Development 2016-2062

City of San Diego General Fund

TABLE C-1

DEMOGRAPHIC PROFILE - CITY OF SAN DIEGO, 2016 ESTIMATES
OTAY MESA EIFD
CITY OF SAN DIEGO

	<u>2016 Estimate</u>	
I. Population (1)		
Population	1,388,309	
Average Household Size	2.60	
Jobs (2)	847,950	
II. Housing Units (3)		
Single-Family	286,321	54%
Multi-Family	237,235	45%
Mobile Homes	<u>6,747</u>	<u>1%</u>
Total	530,303	100%
III. Occupied Units (3)	501,757	
IV. Percent Vacant (3)	5.4%	

(1) Source: The Nielsen Company, 2016.

(2) Source: Esri, Business Analyst, 2016. Represents employment by place of work.

(3) Source: California Department of Finance, January 1, 2016.

TABLE C-2

SUMMARY OF CITY OF SAN DIEGO GENERAL FUND BUDGET - FISCAL YEAR 2017
OTAY MESA EIFD
CITY OF SAN DIEGO

I. Revenues

Property Tax	\$501,966,000	37.7%
Sales Tax	\$272,799,000	20.5%
Charges for Services	\$136,523,000	10.3%
Transient Occupancy Tax	\$113,325,000	8.5%
Other Local Taxes	\$92,138,000	6.9%
Transfers In	\$91,389,000	6.9%
Revenue from Money and Property	\$55,724,000	4.2%
Fines, Foreitures, and Penalties	\$29,791,000	2.2%
Licenses & Permits	\$23,885,000	1.8%
Revenue from Other Agencies	\$7,776,000	0.6%
Other Revenue	\$4,290,000	0.3%
Revenue from Federal Agencies	<u>\$357,000</u>	<u>0.0%</u>
Total Revenues	\$1,329,962,000	100.0%

II. Expenditures

Police	\$438,789,000	32.8%
Community Services	\$311,067,000	23.2%
Fire	\$236,780,000	17.7%
General Government	\$148,842,000	11.1%
Public Works	\$161,441,000	12.1%
City Planning and Development	<u>\$41,062,000</u>	<u>3.1%</u>
Total Expenditures	\$1,337,981,000	100.0%

III. Total Surplus/(Deficit)	(\$8,019,000)
Revenues to Expenditures Ratio	0.99

IV. Add: General Fund Balance \$8,019,000

V. Net Surplus/(Deficit)	\$0
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Source: City of San Diego, Adopted Budget Fiscal Year 2016-17.

TABLE C-3

METHODS OF PROJECTION GENERAL FUND REVENUES AND EXPENDITURES
OTAY MESA EIFD
CITY OF SAN DIEGO

	Method of Projection
I. General Fund Revenues	
Property Tax	projected based on increase in gross AV
Sales Tax	projected based on taxable sales generated from planned development
Charges for Services	---
Transient Occupancy Tax	based on City TOT tax rate and estimated room rate and occupancy
Other Local Taxes	
Property Transfer Tax	projected based on increase in gross AV
SDG&E	projected based on population and employment
CATV	projected based on population and employment
Refuse Collection Franchise	projected based on population and employment
Other Franchises	projected based on population and employment
Transfers In	independent of incremental development anticipated within Otay Mesa EIFD
Revenue from Money and Property	independent of incremental development anticipated within Otay Mesa EIFD
Fines, Foreitures, and Penalties	
Parking Citations	projected based on population and employment
Municipal Court	projected based on population and employment
Other Fines & Forefeitures	projected based on population and employment
Licenses & Permits	
Business Tax	projected based on population and employment
Rental Unit Tax	projected based on population and employment
Refuse Collector Business Tax	projected based on population and employment
Other Licenses and Permits	projected based on population and employment
Revenue from Other Agencies	
Other Revenue	independent of incremental development anticipated within Otay Mesa EIFD
Revenue from Federal Agencies	independent of incremental development anticipated within Otay Mesa EIFD
II. General Fund Expenditures	
Police	projected based on population and employment
Community Services	projected based on population and employment
Fire	projected based on population and employment
General Government	projected based on population and employment
Public Works	projected based on population and employment
City Planning and Development	projected based on population and employment
Total Expenditures	projected based on population and employment

TABLE C-4

GENERAL FUND REVENUES INCLUDED IN FISCAL IMPACT ANALYSIS
OTAY MESA EIFD
CITY OF SAN DIEGO

	General Fund Revenues FY 2017
I. Revenues Included in Analysis	
Property Tax	\$501,966,000
Sales Tax	\$272,799,000
Other Local Taxes	
Property Transfer Tax	\$9,571,000
SDG&E	\$49,217,000
CATV	\$18,655,000
Refuse Collection Franchise	\$10,450,000
Other Franchises	<u>\$4,246,000</u>
	\$92,138,000
Licenses and Permits	
Business Tax	\$7,577,000
Rental Unit Tax	\$7,272,000
Refuse Collector Business Tax	\$825,000
Other Licenses and Permits	<u>\$8,211,000</u>
Total Licenses and Permits	\$23,885,000
Fines Forfeitures and Penalties	
Parking Citations	\$19,899,000
Municipal Court	\$6,158,000
Other Fines & Forfeitures	<u>\$3,734,000</u>
Total Fines Forfeitures and Penalties	\$29,791,000
Total Included Items	\$920,579,000
II. Charges for Services	
Deducted from General Government	\$35,328,000
Deducted from Community Services	\$44,434,000
Deducted from Public Works	\$20,631,000
Deducted from Police	\$12,964,000
Deducted from Fire	\$15,970,000
Deducted from Community Planning & Development	<u>\$7,196,000</u>
Total Charges for Services	\$136,523,000
III. Excluded Items	
Transient Occupancy Tax	\$113,325,000
Revenue from Money and Property	\$55,724,000
Revenue from Federal Agencies	\$357,000
Revenue from Other Agencies	\$7,776,000
Other Revenue	\$4,290,000
Transfers In	\$91,389,000
General Fund Balance	<u>\$8,019,000</u>
Total Excluded Items	\$280,879,000
IV. Total Revenues	\$1,337,981,000

Source: City of San Diego, Adopted Budget Fiscal Year 2016-17.

TABLE C-5

GENERAL FUND EXPENDITURES INCLUDED IN FISCAL IMPACT ANALYSIS
OTAY MESA EIFD
CITY OF SAN DIEGO

	General Fund Expenditures FY 2016-2017	Net After Deduction of Charges for Services (Table C-4)
I. Expenditures Included in Analysis		
General Government		
City Attorney	\$49,829,000	
City Auditor	\$3,882,000	
City Clerk	\$5,674,000	
City Comptroller	\$11,452,000	
City Council	\$14,259,000	
City Treasurer	\$16,253,000	
Communications	\$3,873,000	
Debt Management	\$3,164,000	
Ethics Commission	\$1,187,000	
Financial Management	\$4,344,000	
Human Resources	\$3,885,000	
Internal Operations	\$418,000	
Office of Assistant COO	\$1,946,000	
Office of the Chief Financial Officer	\$587,000	
Office of the Chief Operating Officer	\$1,089,000	
Office of Homeland Security	\$2,691,000	
Office of the IBA	\$1,975,000	
Office of the Mayor	\$4,471,000	
Performance and Analytics	\$2,935,000	
Personnel	\$8,355,000	
Purchasing and Contracting	\$6,574,000	
Total General Government	\$148,842,000	(\$35,328,000)
		\$113,514,000
Community Services		
Citywide Program Expenditures	\$109,702,000	
Department of Information Technology	\$500,000	
Environmental Services	\$39,879,000	
Library	\$51,660,000	
Neighborhood Services	\$1,011,000	
Park & Recreation	\$108,317,000	
Total Public Works	\$311,067,000	(\$44,434,000)
		\$266,633,000
Public Works		
Infrastructure/Public Works	\$994,000	
Public Utilities	\$2,577,000	
Public Works - Contracting	\$2,303,000	
Public Works - General Services	\$24,137,000	
Transportation & Storm Water	\$131,430,000	
Total Public Works	\$161,441,000	(\$20,631,000)
		\$140,810,000
Police	\$438,789,000	(\$12,964,000)
		\$425,825,000
Fire	\$236,780,000	(\$15,970,000)
		\$220,810,000
City Planning and Development		
Development Services	\$7,486,000	
Economic Development	\$15,008,000	
Planning	\$10,533,000	
Real Estate Assets	\$8,035,000	
Total City Planning and Development	\$41,062,000	(\$7,196,000)
		\$33,866,000
Total Included Items	\$1,337,981,000	\$1,201,458,000
II. Excluded Items	\$0	\$0
III. Total Expenditures	\$1,337,981,000	\$1,201,458,000

Source: City of San Diego, Adopted Budget Fiscal Year 2016-17.

TABLE C-6

ESTIMATED INCREMENTAL DEVELOPMENT - OTAY MESA EIFD, 2016 - 2062
OTAY MESA EIFD
CITY OF SAN DIEGO

	Incremental Development ⁽¹⁾
I. Residential Use	
A. Single Family - For-Sale	1,395 Units
B. Multi-Family	
For-Sale	6,114 Units ⁽²⁾
Rental	<u>6,115</u> Units ⁽²⁾
Total	12,229 Units
C. Total Residential	13,624 Units
<hr/>	
II. Non-Residential Use	
A. Industrial	8,000,000 SF
B. Commercial - Retail	650,000 SF
Hotel	600 Rooms
C. Commercial - Office	<u>575,000</u> SF
D. Total Non-Residential	9,225,000 SF

(1) Based on KMA growth projections.

(2) Allocation of multi-family development between for-sale and rental reflects KMA assumption.

TABLE C-7

**ESTIMATE OF INCREMENTAL ASSESSED VALUE
OTAY MESA EIFD
CITY OF SAN DIEGO**

I. Residential	<u>Units</u>	<u>Price/Unit</u> ⁽¹⁾	<u>Total Assessed Value</u>
Single-Family	1,395 Units	\$500,000	\$697,475,000
Multi-Family - For-Sale	6,114 Units	\$325,000	\$1,987,050,000
Multi-Family - Rental	<u>6,115</u> Units	<u>\$250,000</u>	<u>\$1,528,750,000</u>
Total	13,624 Units	\$309,000	\$4,213,275,000

II. Non-Residential	<u>Gross Building Area / Rooms</u>	<u>Assumed Assessed Value Per SF/Room</u> ⁽¹⁾	<u>Total Assessed Value</u>
Industrial	8,000,000 SF	\$125	\$1,000,000,000
Commercial - Retail	650,000 SF	\$300	\$195,000,000
Hotel	600 Rooms	\$250,000	\$150,000,000
Commercial - Office	<u>575,000</u> SF	\$175	<u>\$100,625,000</u>
Total	9,225,000 SF		\$1,445,625,000

III. Total Assessed Valuation			\$5,658,900,000
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(1) Reflects values in 2017 dollars at build-out.

TABLE C-8

ESTIMATE OF TOTAL INCREMENTAL EMPLOYEES AND POPULATION AT BUILD-OUT
 OTAY MESA EIFD
 CITY OF SAN DIEGO

I. Residential	Dwelling Units	Vacancy Factor (1)	Persons/Unit	Total Resident Population
Single-Family	1,395 Units	5.4%	2.60 (2)	3,400
Multi-Family - For-Sale	6,114 Units	5.4%	2.25 (3)	13,000
Multi-Family - Rental	<u>6,115</u> Units	<u>5.4%</u>	<u>1.75</u> (3)	<u>10,000</u>
Total/Average	13,624 Units	5.4%	2.20	26,400
II. Non-Residential	SF / Rooms		Employment Factor (4)	Total Employees
Industrial	8,000,000 SF		2.5 per 1,000 SF	20,000
Commercial - Retail	650,000 SF		3.0 per 1,000 SF	2,000
Hotel	600 Rooms		0.8 per Room	500
Commercial - Office	<u>575,000</u> SF		1.1 per 1,000 SF	<u>600</u>
Total	9,225,000 SF 600 Rooms			23,100
III. Total Employees and Population				49,500

(1) Reflects City of San Diego citywide vacancy rate as of January 1, 2016, California Department of Finance.

(2) Reflects City of San Diego average household size in 2016, The Nielsen Company.

(3) KMA estimate.

(4) Source: KMA Jobs-Housing Nexus Study, August 2013.

TABLE C-9

ESTIMATE OF ANNUAL RECURRING REVENUES - INCREMENTAL PROPERTY TRANSFER TAX AT BUILD-OUT
OTAY MESA EIFD
CITY OF SAN DIEGO

Property Transfer Tax**I. Annual Recurring Revenues**

A. Residential Property Valuation (FMV) - Residential		\$4,213,275,000
Transfer Tax (per \$500)		\$0.55
Total Transfer Tax		\$4,634,603
City Share of Transfer Tax	50.0%	\$2,317,301
Turnover Rate (Residential)		10.0%
Net Transfer Tax - Residential		\$232,000
 B. Non-Residential Property Valuation (FMV) - Commercial		 \$1,445,625,000
Transfer Tax (per \$500)		\$0.55
Total Transfer Tax		\$1,590,188
City Share of Transfer Tax	50.0%	\$795,094
Turnover Rate (Residential)		5.0%
Net Transfer Tax - Residential		\$39,800

C. Total Property Transfer Tax	\$272,000
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(1) Source: California State Controller's Office.

Prepared by: Keyser Marston Associates, Inc.

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TABLE C-10

ESTIMATE OF ANNUAL RECURRING REVENUES - DIRECT INCREMENTAL SALES AND USE TAX

OTAY MESA EIFD

CITY OF SAN DIEGO

I. Commercial - Retail

Commercial		650,000 SF
Building Efficiency	90%	585,000 SF
Vacancy	10%	527,000 SF
Sales Productivity/SF		\$400 /SF (1)
Taxable Sales	85%	\$179,180,000
City Portion of Sales Tax	1.00%	\$1,792,000 /Year

II. Industrial

Industrial		8,000,000 SF
Building Efficiency	100%	8,000,000 SF
Vacancy	10%	7,200,000 SF
Sales Productivity/SF		\$25 /SF (1)
Taxable Sales	80%	\$180,000,000
City Portion of Sales Tax	1.00%	\$1,800,000 /Year

III.	Total Direct Sales Tax	\$3,592,000 /Year
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(1) KMA estimated based on industry standards for industrial/retail sales productivity from various resources, including the International Council of Shopping Centers (ICSC) and the Urban Land Institute (ULI).

TABLE C-11

ESTIMATE OF ANNUAL RECURRING REVENUES - INDIRECT INCREMENTAL SALES TAX (SPENDING BY NEW RESIDENTS)
OTAY MESA EIFD
CITY OF SAN DIEGO

		Single-Family For-Sale	Multi-Family For-Sale	Multi-Family Rental
I. Estimate of Household Income				
Average Sales Price / Average Monthly Rent		\$500,000	\$325,000	\$1,800
Down Payment	10%	<u>\$50,000</u>	<u>\$32,500</u>	
Loan Amount		\$450,000	\$292,500	
Interest Rate		6.0%	6.0%	
Term (Years)		30	30	
Annual Mortgage Payment / Rent		\$32,376	\$21,044	\$21,600
HOA	\$150 /Month	\$1,800	\$1,800	\$0
Maintenance / Insurance	\$50 /Month	\$600	\$600	\$0
Property Taxes	1.15%	<u>\$5,750</u>	<u>\$3,738</u>	<u>\$0</u>
Total Annual Costs		\$40,526	\$27,182	\$21,600
% of Income Spent on Housing		35%	35%	30%
Annual Income Required		\$116,000	\$78,000	\$72,000
II. Number of Households				
Total Number of Residential Units		1,395	6,114	6,115
Occupancy Rate		95%	95%	95%
Total Number of Full-Time Equivalent Households		1,320	5,785	5,786
III. Aggregate Household Income				\$1,020,905,000

IV. Annual Spending by Households	Allocation of Household Income to Taxable Spending ⁽¹⁾	Estimated Annual Taxable Spending
A. General Merchandise ⁽²⁾	10.0%	\$102,091,000
Convenience Goods ⁽³⁾	10.0%	\$102,091,000
Eating and Drinking	3.0%	\$30,627,000
Home Improvement	5.0%	\$51,045,000
Automotive Outlets	5.0%	\$51,045,000
Other Retail Stores ⁽⁴⁾	<u>0.5%</u>	<u>\$5,105,000</u>
B. Total Spending	33.5%	\$342,004,000
C. Spending Captured in City	75.0%	\$256,503,000
(Less) Spending Captured within New Retail Space in Otay Mesa EIFD	25.0% ⁽⁵⁾	<u>(\$64,126,000)</u>
Net Spending in City outside Otay Mesa EIFD		\$192,377,000
D. City Portion of Sales Tax @	1.0%	\$1,924,000
E. Total Sales Tax - New Resident Spending		\$1,924,000

(1) KMA assumption, based on review of spending ratios in Southern California counties.

(2) Includes Other Comparison Goods.

(3) Includes food and drug stores.

(4) Includes second-hand merchandise; farm implement dealers; farm and garden supply stores;

fuel and ice dealers; mobile homes; trailers and campers; and boat, motorcycle, and plane dealers.

(5) Factor applied to avoid double count of direct sales tax.

TABLE C-12

**ESTIMATE OF ANNUAL RECURRING REVENUES - TOTAL INCREMENTAL SALES AND USE TAX
OTAY MESA EIFD
CITY OF SAN DIEGO**

I. Direct Sales Tax

Commercial - Retail	\$1,792,000
Industrial	<u>\$1,800,000</u>
Total Direct Sales Tax	\$3,592,000

II. Sales Tax from Resident Spending outside Otay Mesa EIFD \$1,924,000

III. Total Sales and Use Tax	\$5,516,000
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TABLE C-13**INCREMENTAL TRANSIENT OCCUPANCY TAX
OTAY MESA EIFD
CITY OF SAN DIEGO**

Number of Rooms	600 Rooms (1)
Average Daily Room Rate	\$150
Occupancy	75%
Total Hotel Receipts	\$24,638,000

Transient Occupancy Tax (TOT)	10.5%	\$2,587,000
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(1) Reflects KMA estimate of market absorption of new hotel rooms within 20 years.

TABLE C-14

ESTIMATE OF ANNUAL RECURRING REVENUES - OTHER REVENUES
 OTAY MESA EIFD
 CITY OF SAN DIEGO

Demographic Profile:	<u>Total Population</u>	<u>Total Employment</u>	<u>Total Population/ Jobs</u>	<u>Total Resident Equivalents</u> (2)
City of San Diego (1)	1,388,309	847,950	2,236,259	1,668,133
Otay Mesa EIFD Incremental Development	26,400	23,100	49,500	34,023

	<u>City FY 2016-2017 Budget</u> (3)	<u>Total Citywide Resident Equivalents</u>	<u>Amount Per Resident Equivalent</u>	<u>Otay Mesa EIFD New Resident Equivalents</u>	<u>Total Revenues</u>
I. Other Local Taxes	\$82,567,000	1,668,133	\$49.50	34,023	\$1,684,000
II. Licenses and Permits	\$23,885,000	1,668,133	\$14.32	34,023	\$487,000
III. Fines and Foreitures	\$29,791,000	1,668,133	\$17.86	34,023	\$608,000
IV. Total Other Revenues					\$2,779,000

(1) Source: The Nielsen Company.

(2) KMA assumption. Assumes that three employees have the same impact as one resident.

(3) Source: City of San Diego, Adopted Operating Budget Fiscal Year 2016-17.

TABLE C-15**SUMMARY OF ANNUAL RECURRING REVENUES AT BUILD-OUT (1)(2)**
OTAY MESA EIFD
CITY OF SAN DIEGO

	<u>Total</u>	<u>Percent</u>
<u>General Fund</u>		
I. Sales Tax	\$5,516,000	49.5%
II. Other Local Taxes	\$1,684,000	15.1%
III. Fines Forfeitures and Penalties	\$608,000	5.5%
IV. Licenses and Permits	\$487,000	4.4%
V. Property Transfer Tax	\$272,000	2.4%
VI. Transient Occupancy Tax	\$2,587,000	23.2%
VII. Property Tax	\$0	0.0%
VIII. Property Tax In-Lieu of VLF	<u>\$0</u>	<u>0.0%</u>
IX. Total Annual Recurring Revenues to General Fund	\$11,154,000	100.0%

(1) Reflects stabilized annual revenue in constant 2017 dollars at build-out.

(2) Excludes revenue from one-time Development Impact Fees (DIFs).

TABLE C-16

ESTIMATE OF ANNUAL RECURRING EXPENDITURES
OTAY MESA EIFD
CITY OF SAN DIEGO

Demographic Profile:	<u>Total Population</u>	<u>Total Employment</u>	<u>Total Population/ Jobs</u>	<u>Total Resident Equivalents</u> ⁽²⁾
City of San Diego	1,388,309 ⁽¹⁾	847,950 ⁽¹⁾	2,236,259	1,668,133
Otay Mesa EIFD Incremental Development	26,400	23,100	49,500	34,023

	<u>City FY 2016-2017 Budget</u> ⁽³⁾	<u>Total Citywide Resident Equivalents</u>	<u>Amount Per Resident Equivalent</u>	<u>Otay Mesa EIFD New Resident Equivalents</u>	<u>Total Expenditures</u>
I. General Government	\$113,514,000	1,668,133	\$68.05	34,023	\$2,315,000
II. Community Services	\$266,633,000	1,668,133	\$159.84	34,023	\$5,438,000
III. Public Works	\$140,810,000	1,668,133	\$84.41	34,023	\$2,872,000
IV. Police	\$425,825,000	1,668,133	\$255.27	34,023	\$8,685,000
V. Fire	\$220,810,000	1,668,133	\$132.37	34,023	\$4,504,000
VI. City Planning and Development	\$33,866,000	1,668,133	\$20.30	34,023	\$691,000
VII. Total Annual Expenditures					\$24,505,000

(1) Source: The Nielsen Company.

(2) KMA assumption. Assumes that three employees have the same impact as one resident.

(3) Source: City of San Diego, Adopted Budget, Fiscal Year 2016-17.

TABLE C-17

ESTIMATED FISCAL IMPACT OF INCREMENTAL DEVELOPMENT AT BUILD-OUT ⁽¹⁾⁽²⁾

OTAY MESA EIFD

CITY OF SAN DIEGO

Otay Mesa EIFD		
<u>City of San Diego - General Fund</u>	<u>Totals</u>	<u>Percent</u>
I. Annual Recurring Revenues		
Sales Tax	\$5,516,000	49.5%
Transient Occupancy Tax	\$2,587,000	23.2%
Other Local Taxes	\$1,684,000	15.1%
Fines Forfeitures and Penalties	\$608,000	5.5%
Licenses and Permits	\$487,000	4.4%
Property Transfer Tax	\$272,000	2.4%
Property Tax (3)	\$0	0.0%
Property Tax In Lieu of VLF (3)	<u>\$0</u>	<u>0.0%</u>
Total Annual Revenues	\$11,154,000	100.0%
II. Annual Recurring Expenditures		
Police	\$8,685,000	35.4%
Community Services	\$5,438,000	22.2%
Fire	\$4,504,000	18.4%
General Government	\$2,315,000	9.4%
Public Works	\$2,872,000	11.7%
City Planning and Development	<u>\$691,000</u>	<u>2.8%</u>
Total Annual Expenditures	\$24,505,000	100.0%
III. Annual Recurring Surplus/(Deficit)	(\$13,351,000)	

(1) Reflects stabilized annual revenues and expenditures in 2017 dollars at build-out of incremental development.

(2) Excludes capital improvement costs and Development Impact Fee (DIF) revenues.

(3) Revenues to be allocated to the Otay Mesa EIFD.