

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY**
Meeting of June 11, 2018

DATE ISSUED: June 2, 2018

SUBJECT: Otay Mesa Enhanced Infrastructure Financing District (Otay Mesa EIFD) Public Financing Authority (PFA) Approval of Resolution of Intent to Issue Bonds and Resolution Requesting Election Consolidation

CONTACT/PHONE NUMBER: Elizabeth Kelly, Debt Management Dept., 619-236-6932
Richard Eyre, Debt Management Dept., 619-236-6899

STAFF RECOMMENDATION: Approve the proposed resolutions.

DESCRIPTIVE SUMMARY OF ITEM: The actions contained in the two proposed PFA resolutions would: 1) declare the PFA's intent to issue bonds to fund projects listed in the Otay Mesa EIFD Infrastructure Financing Plan (IFP) and call for a special election to submit a ballot measure to approve the issuance of bonds to qualified electors in the Otay Mesa EIFD; and 2) request the County of San Diego Board of Supervisors to consolidate the special election with the California State General Election on November 6, 2018.

BACKGROUND: The Otay Mesa EIFD was established by the PFA on July 24, 2017, via Resolution OMPFA-2017-2 to help close an estimated \$510 million¹ funding gap for necessary public infrastructure identified in the Otay Mesa Public Facilities Financing Plan (PFFP). Pursuant to the resolution, the PFA approved the IFP, which is the governing document of the Otay Mesa EIFD and includes, among other details about the Otay Mesa EIFD, estimates for tax increment revenue (TI) receipts and expected bonding capacity over the Otay Mesa EIFD's 45-year lifetime. TI is directly based on existing property assessed values (AV) and will only be received as the AV of property increases above AV levels existing at the time of formation of the Otay Mesa EIFD. TI revenue is expected to increase over time and is dependent on new development and real estate market conditions. More information regarding the Otay Mesa EIFD's expected revenues, the IFP and steps to Otay Mesa EIFD formation can be found in Attachment 1: Report No. 17-01.

DISCUSSION: The Otay Mesa EIFD will begin receiving TI revenue in fiscal year 2019 that can be used on a pay-go basis for cash funding of projects and leveraged by issuing bonds. Per EIFD law, approval by 55% of registered voters residing within the Otay Mesa EIFD boundary and voting in the election is required for the Otay Mesa EIFD to issue bonds. A successful bond authorization election will allow the Otay Mesa EIFD to issue bonds up to the authorized principal amount in one or more issuances over the life of the Otay Mesa EIFD, as detailed below. *Without a successful bond authorization election, the Otay Mesa EIFD will be limited to funding approved public improvement projects on a pay-go basis as TI revenue accumulates – no tax increment bond issuances can be conducted.* Placing an aggregate bond authorization

¹ Based on 2014 dollars.

measure on the November 2018 California State General Election ballot is the first step toward providing the Otay Mesa EIFD the flexibility to issue bonds as TI revenue permits. In addition, consolidation of the election with the California State General Election is more economical than calling a special election on a different day.

Tax Increment Bonds

Upon approval in July 2017, the IFP identified a potential for six issuances of bonds in FYs 2021 through 2037, totaling \$172 million to pay for public improvements. Based on updated TI projections provided by Keyser Marston Associates, as of May 2018 (see Attachment 2), the total TI estimated to be generated over the life of the Otay Mesa EIFD (after accounting for County Assessor administrative fees) was adjusted from \$948 million to \$1 billion (the maximum TI cap for the Otay Mesa EIFD is \$1.1 billion). Based on the higher TI projections and the parameters noted below, the City's Debt Management Department proposes the maximum bonding capacity to be a total principal amount of \$230 million as detailed in Table 1 below.

The benefit of issuing bonds is to leverage expected future revenues and accelerate funding for already approved necessary infrastructure improvements in Otay Mesa. As described in the IFP, funding of Otay Mesa EIFD projects is expected to occur through a combination of bonds and pay-go funding; therefore, the remaining revenue received after debt service is covered can be applied to cash funding of projects. Based on current projections, of the \$1 billion in TI revenue projected, approximately \$400 million would be used for debt service, and \$600 million for pay-go funding of projects (higher pay-go funding is driven in large part by TI growth toward the end of the Otay Mesa EIFD, which cannot be bonded against as the Otay Mesa EIFD sunsets).

**Table 1: Total Estimated Bonded Indebtedness
Nominal Dollars (in millions)**

Year Issued	EIFD Year	Term (Years)	Gross Bond Amount	Net Bond Proceeds ²
2021	4	30	\$20,000	\$18,000
2024	7	30	\$48,000	\$43,200
2027	10	30	\$32,000	\$28,800
2030	13	29	\$35,000	\$31,500
2034	17	25	\$41,000	\$36,900
2037	20	22	\$32,000	\$28,800
2039	22	20	\$22,000	\$19,800
Total Projected Bonded Indebtedness			\$230,000	\$207,000

In addition to the revised TI projections, other parameters used to determine the \$230 million ballot measure bond cap include:

-**Bond Term:** Bonds are expected to be issued with 20–30 year repayment schedules. The first bond issuance is projected for FY2021 when TI is estimated to grow to a sufficient level to support a meaningful bond issuance size. The final maturity of all

² Assumes a debt service coverage ratio of 1.50, a tax-exempt annual interest rate of 4.60%, and a 10% deduction for cost of issuance/ debt service reserve.

projected bond series is FY2058, providing a five-year buffer period at the end of the Otay Mesa EIFD's duration, as is typical for TI revenue bonds.

-Coverage Ratio: A coverage ratio of 150% for available TI as compared to debt service was utilized. This coverage ratio is in line with bond market expectations for tax increment bonds.

-Interest rate: An interest rate of 4.60% was applied based on the 10-year average for an index of A2 rated 30-year bonds.

-Costs of Issuance and Debt Service Reserve Fund: A 10% of par cost of issuance/debt service reserve assumption was used to project net bond proceeds, broken down further as a 6% assumption for the Debt Service Reserve Fund, and 4% for Costs of issuance, which includes staff costs and fees for the following services: bond and disclosure counsel, financial advisor, underwriting, fiscal consultant report preparation, credit ratings, trustee, and printing.

The figures in Table 1 represent rounded estimates and may change based on market conditions. If the Otay Mesa EIFD collects TI revenue more quickly than anticipated and additional bonding capacity above the \$230 million cap exists, it is possible for the PFA to call another election at some point in the future to receive authorization for additional bonding capacity. Conversely, if TI collection lags behind projections, it is possible that not all proposed bonds are issued or are issued at later dates than anticipated.

Resolution of Intent to Issue Bonds and Ballot Measure:

Today's actions include approval of a resolution declaring the PFA's intent to issue tax increment bonds and submit a bond authorization ballot measure to qualified electors of the Otay Mesa EIFD. In accordance with EIFD law, the PFA's resolution of intent to issue bonds (ROI) and ballot measure must include certain information as noted below:

- **Description of public facilities to be financed with proceeds of the proposed bond issue**– The public facilities eligible to be bond financed include the facilities identified in the IFP Exhibit B, a copy of which is attached to the ROI.
- **Estimated cost of public facilities to be financed with proceeds of the proposed bond issue** – The estimated costs of the facilities are provided in the IFP Exhibit B, a copy of which is attached to the ROI.
- **Estimated cost of preparing and issuing the bonds**–The cost of preparing and issuing the bonds is estimated to be 4% of the par amount of bonds issued, or \$400,000 per \$10 million of par. (See above for additional information on costs of issuance.)
- **Total principal amount of the proposed bond issuance** – The total principal amount of the proposed bonds is \$230 million to be issued in one or more issuances over time.
- **Maximum interest rate and discount on the proposed bond issuance** – The maximum interest rate on the proposed bonds is the maximum legal rate at the time of the bond issuance. The maximum discount rate is 5% of the par value in

accordance with the EIFD law. (While it is not currently anticipated that bonds would be issued at the maximum rates, due to the Otay Mesa EIFD's long time horizon of 45 years, it is unknown how bond market conditions and legal provisions on maximum interest rates may change over the life of the Otay Mesa EIFD; therefore, it is prudent to reference the maximum legal rates.)

The ROI must also specify:

- **Date of the election on the proposed bond issuance and manner of holding the election** – The Otay Mesa EIFD tax increment bond election will be consolidated with the California State General Election to be held on November 6, 2018.
- **Determination of amount of TI available, or estimated to be available, for payment of the principal and interest on the bonds** – The estimated amount of TI available to pay principal and interest on the tax increment bonds is \$1 billion. (See above for additional information.)
- **A finding that the amount necessary to pay principal and interest on the proposed bond issuance will be less than, or equal to, the amount determined pursuant to the estimated tax revenue** – The estimated principal and interest due on the proposed tax increment bonds is less than the estimated TI available to the Otay Mesa EIFD to pay such amounts (see above for additional information).

Ballot Language

The proposed ballot question, which is stated in the ROI, reads:

MEASURE ____. **APPROVING THE ISSUANCE OF TAX INCREMENT BONDS TO FINANCE PUBLIC FACILITIES IN THE OTAY MESA ENHANCED INFRASTRUCTURE DISTRICT.** *Without raising taxes, shall the Otay Mesa Enhanced Infrastructure Financing District Public Financing Authority authorize the Otay Mesa Enhanced Infrastructure Financing District to issue up to \$230 million in principal amount of tax increment bonds, in one or more issuances, from time to time, with a maximum interest rate equal to the maximum legal rate at the time of bond issuance, an estimated cost of preparing and issuing the bonds of four percent(4%) of the principal amount of bonds issued or \$400,000 per \$10 million in principal amount of bonds issued, and a maximum discount of 5 percent (5%) of the principal amount of the bonds sold at public sale, for the purpose of financing some or all of the transportation, park, police, fire, library, water and sewer public facilities identified in Exhibit B attached to the Otay Mesa Enhanced Infrastructure Financing District Infrastructure Financing Plan, with the estimated costs of such public facilities stated in such plan?*

As also provided in the ROI, the PFA Clerk will publish the approved ROI in accordance with EIFD law, and the City Clerk, acting as the Otay Mesa EIFD elections official, will coordinate the election, and designated staff will prepare necessary ballot materials. The City Attorney's Office will prepare and submit a ballot title, summary, and impartial analysis to the City Clerk's Office, and the Mayor or his designee will prepare a fiscal impact analysis (with information as set forth in the San Diego Municipal Code section 27.0506, to the extent it is applicable to the ballot measure). PFA Chair, David Alvarez, is also designated to file a

written ballot argument in favor of the ballot measure. The City Clerk's Office will subsequently turn the ballot materials into the Registrar of Voters for publication.

Resolution Requesting Election Consolidation

The second resolution is a standard resolution used when a special election is proposed to be consolidated with the California State General Election. Per the resolution, the Board of Supervisors of the County of San Diego will be authorized and requested to direct the Registrar of Voters to run the Otay Mesa EIFD's special election in conjunction with the California State General Election to be held on November 6, 2018. Therefore, the Registrar of Voters will: tabulate the registered voters in the Otay Mesa EIFD; provide the election materials in languages other than English in accordance with federal law as necessary; collect completed ballots; tabulate the number of votes for the measure; and complete all tasks related to the legal conduct of the election.

After the election, the City Clerk will certify the election results to the PFA at its next meeting. Upon a favorable vote of at least 55% of the voters in the Otay Mesa EIFD, bonds can be issued. (As described above, if the election is not successful, the Otay Mesa EIFD can still fund projects on a pay-go basis; a year must pass before another ballot proposition proposing issuance of tax increment bonds can be submitted to the voters.) At a subsequent date closer to the expected date of issuance of the first bond series, staff will return to the PFA for approval of a Resolution of Issuance of Bonds and related financing documents.

Below are the major milestones for this measure:

<u>Targeted Date</u>	<u>Remaining Key Milestones</u>
Upon Approval	Publish the Resolution of Intent (City Clerk)
August 20, 2018	Ballot Title/ Summary, Impartial Analysis, and Fiscal Impact Analysis due to Registrar of Voters (City Attorney's Office and Mayor's Designee)
August 23, 2018	Ballot arguments due to City Clerk (PFA Chair)
September 4, 2018	Rebuttal arguments due to the City Clerk
November 6, 2018	General Election
December 3, 2018	Certification of Election Results (PFA)
TBD/Anticipated 2021	Approval of Resolution of Issuance of Bonds (PFA)

The City's Debt Management Department will coordinate with the City Clerk's Office and City Attorney's Office to ensure all milestones are reached.

FISCAL IMPACT: Estimated election cost of \$20,000 payable to the Registrar of Voters plus reimbursement of costs incurred by the City for the Otay Mesa EIFD, updated TI projections

provided by KMA, and public noticing costs were included in the FY19 Otay Mesa EIFD budget approved at the January 8, 2018 PFA meeting. All costs are to be paid from tax increment revenue receipts of the Otay Mesa EIFD.

CONCLUSION: It is recommended that the PFA approve the resolution declaring its intent to issue bonds to fund projects listed in the IFP and calling a special election for approval of such bonds, and approve the resolution requesting the County of San Diego Board of Supervisors to consolidate the special election with the California State General Election on November 6, 2018.

Approval of the actions is the initial step towards the Otay Mesa EIFD implementing bond financing to accelerate funding for approved public infrastructure projects in the Otay Mesa community.

Respectfully submitted,

Lakshmi Kommi
Debt Management Director
City of San Diego

Rolando Charvel
Chief Financial Officer
City of San Diego

Attachment:

Attachment 1: Report No. 17-01 to Public Financing Authority dated July 13, 2017

Attachment 2: Updated Tax Increment Projection Tables, Otay Mesa EIFD, City of San Diego, Prepared by Keyser Marston Associates, Inc. May 2018

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

Meeting of July 24, 2017

DATE ISSUED: July 13, 2017

SUBJECT: Adoption of an Infrastructure Financing Plan (IFP) and formation of the Otay Mesa Enhanced Infrastructure Financing District (Otay Mesa EIFD) to provide supplemental funding for the Otay Mesa Public Facilities Financing Plan (PFFP).

CONTACT/PHONE NUMBER:

Elizabeth Kelly, Debt Management Dept., 619-236-6932
Richard Eyre, Debt Management Dept., 619-236-6899

STAFF RECOMMENDATION: Approve the proposed resolution.

DESCRIPTIVE SUMMARY OF ITEM: The actions contained in the proposed Otay Mesa EIFD Public Financing Authority (PFA) resolution would approve the Otay Mesa EIFD IFP and form the Otay Mesa EIFD. These actions will be considered in conjunction with a Noticed Public Hearing to be held on July 24, 2017.

BACKGROUND: Reference is made to the Report to the PFA, dated April 25, 2017 and issued for the May 1, 2017 PFA Meeting, which provides a description of the legislative actions and other processes leading to the July 24, 2017 Public Hearing. Most recently, the City Council of the City of San Diego took action on June 26, 2017 to adopt the IFP, and thereby allocate to the Otay Mesa EIFD 50% of City property tax increment revenue (TI) generated within the boundaries of the proposed Otay Mesa EIFD through June 30, 2022, and 100% thereafter over the 45 year life of the Otay Mesa EIFD.

DISCUSSION: The proposed actions will be considered following a noticed public hearing regarding the IFP and formation of the Otay Mesa EIFD, at which all interested persons will be given an opportunity to appear and be heard. As required by law, notice of the public hearing, including its location, date, and time, was provided through the mailing of City Council's adopted Resolution of Intention to form the Otay Mesa EIFD (R-310937 and R-310971) to all property owners in the boundaries of the Otay Mesa EIFD and affected taxing entities, and the mailing of the draft IFP and required California Environmental Quality Act (CEQA) document, as directed by the PFA at its May 1, 2017 meeting, to all property owners, affected taxing entities, the City Council, the Planning Commission, and PFA. As further required by law, notice of the public hearing was published for four successive weeks in the San Diego Daily Transcript.

At any time prior to the public hearing, written comments on, or objections to, the proposed IFP, or the regularity of any prior proceedings related to the formation of Otay Mesa EIFD could be filed by members of the community with the City Clerk. After the public hearing, the proposed actions may be taken as described in more detail below.

1. Approval of the Otay Mesa EIFD IFP

The draft IFP accompanying this item is substantively the same as submitted to the PFA in connection with the May 1 PFA meeting, except for a revision to the factor

used to calculate the in-lieu vehicle license fee portion of property tax revenue. This change results in a projected increase of \$3 million to be received by the Otay Mesa EIFD over its 45 year term. The draft IFP was approved by the City Council on June 26, 2017, as required by law because the City is allocating TI to the Otay Mesa EIFD. A copy of the City Council's resolution approving the IFP is included as Attachment 1. Key components of the IFP include:

- (a.) a map and legal description of the boundaries of the Otay Mesa EIFD, which are coterminous with the Otay Mesa Community Plan area;
- (b.) a description of the public facilities to be financed with assistance from the Otay Mesa EIFD, which are the public facilities contained in the PFFP not yet constructed;
- (c.) the term of the Otay Mesa EIFD, which will end 45 years after formation;
- (d.) specification of the commitment of 50% of the City's TI generated within the boundaries of the Otay Mesa EIFD through Fiscal Year 2022, and 100% thereafter for the term of the Otay Mesa EIFD;
- (e.) tax increment projections over the life of the Otay Mesa EIFD ranging from \$670,000 in Fiscal Year 2019 to \$42 million in Fiscal Year 2062, for a total of \$970 million projected over the life of the Otay Mesa EIFD;
- (f.) a \$1.1 billion limit on the total amount of City TI that may be allocated to the Otay Mesa EIFD over its life;
- (g.) a plan for financing the public improvements, which includes a combination of cash funding and bond issuances supported by TI, assuming a successful bond authorization election;
- (h.) a fiscal impact analysis of the costs to provide City services and the revenue generated with respect to the area being developed, and addressing why a separate fiscal impact analysis is not included for agencies not allocating TI to the Otay Mesa EIFD, which is because the facilities to be financed by the Otay Mesa EIFD are the same as currently planned.

Also following the public hearing, the PFA may modify the IFP to reduce the size or cost of proposed facilities identified in the IFP, reduce the amount of proposed debt, or reduce the portion, amount or duration of the TI allocations.

2. Formation of the Otay Mesa EIFD

After conducting the public hearing and approving the IFP, the Otay Mesa EIFD may be formed. Once the Otay Mesa EIFD is formed, TI received by the Otay Mesa EIFD (beginning in Fiscal Year 2019) can be used to cash fund projects. Staff will take necessary filing actions with the County and State to effectuate the allocation of TI to the Otay Mesa EIFD.

As described above, the required CEQA document was mailed with the IFP to all property owners, affected taxing entities, the City Council, the Planning Commission, and PFA. Prepared by the City Planning Department, the CEQA document (included with the docketed

materials) states the IFP is consistent with the Otay Mesa Community Plan Environmental Impact Report (Project No. 30330/304032 SCH No. 2004651076) (EIR) certified by the Council in Resolution R-308809, effective March 25, 2014. The EIR was prepared in compliance with Title 14 California Code of Regulations section 15168. Consistent with best practices suggested by Title 14 California Code of Regulations section 15168, a Title 14 California Code of Regulations section 15162 Evaluation ("Evaluation") was prepared to evaluate the consistency of the IFP with the program approved pursuant to the EIR. The Evaluation concluded that the environmental effects of the IFP were covered in the EIR, the IFP is within the scope of the program approved pursuant to the EIR, the EIR adequately describes the public facilities identified in the IFP for the purposes of the California Environmental Quality Act (California Public Resources Code sections 21000, et seq.) (CEQA), none of the conditions listed in Title 14 California Code of Regulations section 15162 exist, and no further environmental documentation is required under CEQA for approval of the IFP.

A successful bond authorization election, with approval by 55% of registered voters (residing in the Otay Mesa EIFD boundary) voting in the election, is required for the Otay Mesa EIFD to leverage its TI through the issuance of bonds. Based on projections of the Otay Mesa EIFD TI capacity in the IFP, the first issuance of bonds is expected to occur around 2021. An aggregate bond authorization election can be conducted to provide authority for multiple bond issuances over the life of the Otay Mesa EIFD. The proposed bond election will be programmed to occur in November 2018 as part of the general election ballot. Following establishment of the Otay Mesa EIFD, and closer to the November 2018 general election, ballot materials and a bond election authorization action will be prepared for consideration by the PFA.

A Memorandum of Understanding (MOU) between the City and Otay Mesa EIFD is being developed to establish a process for the Otay Mesa EIFD to approve and allocate funding to public infrastructure identified in the IFP, which will be constructed by the City or by private entities pursuant to reimbursement agreements with the City, and for the City to provide staff resources for the operation of the Otay Mesa EIFD. Key provisions of the MOU will include annual infrastructure program funding allocations and approvals consistent with the City's capital budgeting process with PFA authorization of Otay Mesa EIFD funding of specific IFP projects, City staffing support for the Otay Mesa EIFD, and capital program and financial reporting.

CONCLUSION: It is recommended that the PFA approve the resolution to adopt the IFP and form the Otay Mesa EIFD.

Respectfully submitted,

signature on file

Lakshmi Kommi
Debt Management Director
City of San Diego

signature on file

Tom Tomlinson
Assistant Director, Planning Department
City of San Diego

Attachment:

Attachment 1: City Council Resolution to approve the Otay Mesa IFP (R-311204)

#203
6/26/17

(R-2017-659)

RESOLUTION NUMBER R- 311204

DATE OF FINAL PASSAGE JUN 30 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THE INFRASTRUCTURE FINANCING
PLAN FOR THE OTAY MESA ENHANCED INFRASTRUCTURE
FINANCING DISTRICT.

WHEREAS, the California Legislature enacted California Government Code (Code) sections 53398.50 through 53398.88 (EIFD Law) authorizing cities and counties to establish enhanced infrastructure financing districts and use specified property tax increment revenue generated within such districts to finance certain infrastructure and community benefit projects; and

WHEREAS, in enacting the EIFD Law, the California Legislature found and determined that with the dissolution of redevelopment agencies, public benefits will accrue, if local agencies finance public infrastructure and community benefit projects authorized under the EIFD Law; and

WHEREAS, the Council of the City of San Diego (Council) adopted Resolution R-310937, effective February 13, 2017, as amended by Council Resolution R-310971, effective March 15, 2017, determining that it will be beneficial to the City of San Diego (City) to establish, and stating the Council's intent to establish, the Otay Mesa Enhanced Infrastructure Financing District (District) with boundaries coterminous with the Otay Mesa Community Planning Area (Territory) identified in the Otay Mesa Community Plan adopted by the Council in Resolution R-308810, effective March 25, 2014, and amended by the Council in Resolution R-309773, effective June 11, 2015; and

WHEREAS, the Council adopted Resolution R-310938, effective February 13, 2017, establishing the Otay Mesa Enhanced Infrastructure Financing District Public Financing Authority (Authority) to act as the governing board of the District; and

WHEREAS, the Council also directed the Authority to prepare an infrastructure financing plan (IFP) for the District in accordance with the EIFD Law; and

WHEREAS, the Authority designated and directed the City Debt Management Director to prepare an IFP for the District in accordance with the EIFD Law; and

WHEREAS, the City Debt Management Director prepared an IFP for the District; and

WHEREAS, the IFP is consistent with the City's General Plan and the Otay Mesa Community Plan; and

WHEREAS, the IFP includes a map of the boundaries of the District in Exhibit II-1 and Exhibit A and a legal description of the boundaries of the District in Exhibit A; and

WHEREAS, the boundaries of the District represent all or a portion of the Territory designated by the Council in Resolution R-310937 stating the Council's intent to establish the District; and

WHEREAS, the IFP contains a description of the public facilities and other forms of development or financial assistance proposed in the District, including those to be provided by the private sector, those to be provided by governmental entities without assistance from the District, those public improvements and facilities to be financed with assistance from the District, and those to be provided jointly, with the proposed location, timing, and costs of the development and financial assistance; and

WHEREAS, the IFP provides that from the date of establishment of the District through June 30, 2022, 50 percent of City property tax increment revenue generated from properties

within the District (including ad valorem property tax revenue annually allocated to the City pursuant to California Revenue and Taxation Code section 97.70 and corresponding to the increase in assessed valuation of taxable property located within the District) is allocated to the District, consistent with City Charter section 77.1; and

WHEREAS, the IFP provides that on and after July 1, 2022, until expiration or termination of the District, 100 percent of City property tax increment revenue generated from properties within the District (including ad valorem property tax revenue annually allocated to the City pursuant to California Revenue and Taxation Code section 97.70 and corresponding to the increase in assessed valuation of taxable property located within the District) is allocated to the District; and

WHEREAS, the IFP specifies the maximum portion of the incremental property tax revenue of the City to be allocated to the District for each year during which the District will receive incremental property tax revenue of the City; and

WHEREAS, the IFP projects the amount of incremental property tax revenues expected to be received by the District in each year during which the District will receive incremental property tax revenues, including an estimate of the amount of such tax revenues attributable to each affected taxing entity allocating tax revenue to the District for each year; and

WHEREAS, the IFP contains a limit on the total number of dollars of taxes that may be allocated to the District; and

WHEREAS, the IFP contains a plan for financing the public facilities to be assisted by the District, including a detailed description of any intention to incur debt; and

WHEREAS, the IFP sets the date on which the District will cease to exist and all tax allocation to the District will end as 45 years after the effective date of the Authority resolution establishing the District; and

WHEREAS, the IFP analyzes the costs to the City of providing facilities and services to the area of the District while the area is being developed and after the area is developed; and

WHEREAS, the IFP analyzes the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the area of the District; and

WHEREAS, the IFP addresses the projected fiscal impact of the District and the associated development upon the affected taxing entities that are not allocating incremental tax revenue to the District; and

WHEREAS, no removal or destruction of dwelling units within the District is anticipated in implementation of the IFP, but to the extent that in the future any dwelling units within the District are proposed to be removed or destroyed in the course of public works construction within the area of the District or private development within the area of the District that is subject to a written agreement with the District or financed in whole or in part by the District, the IFP contains a plan providing for replacement of those units and relocation of affected persons consistent with the requirements of Code section 53398.56; and

WHEREAS, the IFP sets forth the goals the District proposes to achieve for each project financed; and

WHEREAS, consistent with the California Environmental Quality Act (CEQA), the environmental impacts related to development projects identified in the IFP have been evaluated in the Otay Mesa Community Plan Environmental Impact Report (Project No. 30330 / 304032 SCH No. 2004651076) (PEIR) previously certified by the Council; and


WHEREAS, the PEIR is the most recent and comprehensive environmental document pertaining to the development projects identified in the IFP and is a Program Environmental Impact Report prepared in accordance with Title 14 California Code of Regulations section 15168; and

WHEREAS, City staff has prepared a Consistency Evaluation for adoption of the IFP, dated April 11, 2017 (Consistency Evaluation), in accordance with CEQA, Title 14 California Code of Regulations sections 15162 and 15168, and related State of California and local CEQA implementation guidelines. A copy of the Consistency Evaluation is included in the docket materials accompanying this Resolution; and

WHEREAS, the Consistency Evaluation concludes that the environmental impacts of the IFP are adequately addressed in the PEIR, none of the conditions listed in Title 14 California Code of Regulations section 15162(a) exist, and no further environmental documentation is required under CEQA for adoption of the IFP; NOW, THEREFORE,

BE IT RESOLVED by the Council of the City of San Diego that the Infrastructure Financing Plan for the Otay Mesa Enhanced Infrastructure Financing District, in substantially the form included in the docket materials accompanying this Resolution, is approved.

APPROVED: MARA W. ELLIOTT, City Attorney

By: 
Delmar G. Williams
Deputy City Attorney

DGW: slo
06/05/2017
Or. Dept.: Debt Mgmt.
Doc. No.: 1451873_4

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of June 26, 2017.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/29/17
(Date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(Date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 26 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 30 2017.

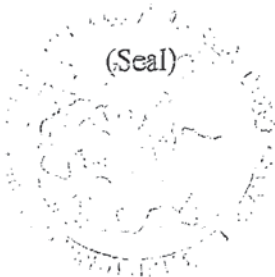
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Linda Bruin*, Deputy



Office of the City Clerk, San Diego, California

Resolution Number R- 311204

**UPDATED TAX INCREMENT PROJECTION
BASE YEAR = FY 2017
OTAY MESA EIFD
CITY OF SAN DIEGO**

**Prepared by: Keyser Marston Associates, Inc.
May 2018**

APPENDIX A

**MARKET OVERVIEW
BASE YEAR = FY 2017**

**Updated Tax Increment Projection
Otay Mesa EIFD
City of San Diego**

TABLE A-1

INDUSTRIAL ABSORPTION TRENDS, OTAY MESA, 2005-2017 ⁽¹⁾

OTAY MESA EIFD

CITY OF SAN DIEGO

I. Annual Industrial Market Trends

Year	A Total Industrial (SF) ⁽²⁾	B Change in Total SF	C Planned SF	D Occupied SF	E Change in Occupied SF	F Vacant SF	G Vacancy Rate	H Average Asking Lease Rate ⁽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
2016	15,326,378	74,504	1,280,212	14,185,215	1,000,372	1,141,163	7.4%	\$0.67
2017	15,399,552	73,174	1,564,172	14,132,879	(52,336)	1,266,673	8.2%	\$0.66
II. Average:								
2005 - 2010	6.43% ⁽⁴⁾	830,000			663,000		19.1%	\$0.53
2005 - 2017	2.58% ⁽⁴⁾	338,000			427,000		15.8%	\$0.53
III. Absorption (Acres/Year):								
<div> Assumptions FAR @ 0.45 Net/Gross Factor @ 20.0% </div>								
2005 - 2010		52.9			42.3			
2005 - 2017		21.6			27.2			

(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_05-25-18_May 2018;5/25/2018;mdt

TABLE A-2

OFFICE ABSORPTION TRENDS, OTAY MESA, 2010-2017 ⁽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
2016	318,004	32,005	-	302,431	34,573	15,573	4.9%	--
2017	318,004	0	-	306,660	4,229	11,344	3.6%	\$2.14

II. Average:

2010 - 2017	4.03% ⁽⁴⁾	27,000			26,000		9.3%	\$1.75
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III. Absorption (Acres/Year):

Assumptions

FAR @	0.45
Net/Gross Factor @	20.0%

2010 - 2017	1.7			1.7
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(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_05-25-18_May 2018;5/25/2018;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 (2017)</u> ⁽¹⁾	<u>Community Plan Build-out</u> ⁽²⁾	<u>Incremental Development</u>
I. Residential (Units)			
Single-Family	2,941	4,273	1,332
Multi-Family	<u>3,164</u>	<u>14,501</u>	<u>11,337</u>
Total	6,105	18,774	12,669
II. Industrial (Acres)	2,315	2,812	497 ⁽³⁾
III. Commercial - Retail (Acres)	128	177	49
IV. Commercial - Office (Acres)	91	125	34

(1) Based on SANDAG 2012 estimates for non-residential and 2015 estimates for residential, adjusted by KMA to reflect 2017 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

**PROJECTED TAX INCREMENT
BASE YEAR = FY 2017**

**Updated Tax Increment Projection
Otay Mesa EIFD
City of San Diego**

TABLE B-1

**ASSESSED VALUE, BASE YEAR FY 2017
OTAY MESA EIFD
CITY OF SAN DIEGO**

(\$000s)

I. Assessed Value ⁽¹⁾

	Low TRA	High TRA	Otay Mesa EIFD Boundary
FY 2017	\$1,684,349 ⁽¹⁾	\$2,058,648 ⁽¹⁾	\$3,742,997 ⁽²⁾
	45%	55%	100%

(1) KMA assumption.

(2) Source: San Diego County Auditor and Controller Office. Includes State, Secured, and Unsecured assessed value.

TABLE B-2

ANNUAL ABSORPTION
OTAY MESA EIFD
CITY OF SAN DIEGO

Total Absorbed At Build-Out		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 Built Absorption												
A. Residential (Units)												
Single-Family	1,332	0	100	100	100	100	100	100	100	100	100	100
Townhomes	5,668	0	250	250	250	250	250	250	250	250	250	250
Apartments	<u>5,669</u>	<u>0</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	12,669	0	600	600	600	600	600	600	600	600	600	600
B. Industrial (SF)	7,800,000	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
C. Commercial - Retail (SF)	600,000	0	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
D. Commercial - Office (SF)	525,000	0	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	190	0	14	14	14	14	14	14	14	14	14	14
Townhomes	283	0	13	13	13	13	13	13	13	13	13	13
Apartments	<u>283</u>	<u>0</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	757	0	39	39	39	39	39	39	39	39	39	39
B. Industrial	497	0	13	13	13	13	13	13	13	13	13	13
C. Commercial - Retail	49	0	4	4	4	4	4	4	4	4	4	4
D. Commercial - Office	34	0	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		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 2037	21 2038
I. Total Built Absorption												
A. Residential (Units)												
Single-Family	1,332	100	100	100	32	0	0	0	0	0	0	0
Townhomes	5,668	250	250	250	250	250	250	250	250	250	250	250
Apartments	<u>5,669</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	12,669	600	600	600	532	500	500	500	500	500	500	500
B. Industrial (SF)	7,800,000	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)	600,000	50,000	50,000	0	0	0	0	0	0	0	0	0
Hotel (Rooms)	600	30	30	30	30	30	30	30	30	30	30	0
D. Commercial - Office (SF)	525,000	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	190	14	14	14	5	0	0	0	0	0	0	0
Townhomes	283	13	13	13	13	13	13	13	13	13	13	13
Apartments	<u>283</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	757	39	39	39	30	25	25	25	25	25	25	25
B. Industrial	497	13	13	13	13	13	13	13	13	13	13	13
C. Commercial - Retail	49	4	4	0	0	0	0	0	0	0	0	0
D. Commercial - Office	34	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		22 2039	23 2040	24 2041	25 2042	26 2043	27 2044	28 2045	29 2046	30 2047	31 2048	32 2049	33 2050
I. Total Built Absorption													
A. Residential (Units)													
Single-Family	1,332	0	0	0	0	0	0	0	0	0	0	0	0
Townhomes	5,668	250	168	0	0	0	0	0	0	0	0	0	0
Apartments	<u>5,669</u>	<u>250</u>	<u>169</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	12,669	500	337	0	0	0	0	0	0	0	0	0	0
B. Industrial (SF)	7,800,000	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)	600,000	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)	525,000	0	0	0	0	0	0	0	0	0	0	0	0
II. Land Area Absorption (Acres)													
A. Residential													
Single-Family	190	0	0	0	0	0	0	0	0	0	0	0	0
Townhomes	283	13	8	0	0	0	0	0	0	0	0	0	0
Apartments	<u>283</u>	<u>13</u>	<u>8</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	757	25	17	0	0	0	0	0	0	0	0	0	0
B. Industrial	497	13	13	13	13	13	13	13	13	13	13	13	13
C. Commercial - Retail	49	0	0	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office	34	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		34 2051	35 2052	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	1,332	0	0	0	0	0	0	0	0	0	0	0	0
Townhomes	5,668	0	0	0	0	0	0	0	0	0	0	0	0
Apartments	<u>5,669</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>	<u>0</u>
Total Residential	12,669	0	0	0	0	0	0	0	0	0	0	0	0
B. Industrial (SF)	7,800,000	200,000	200,000	200,000	200,000	200,000	200,000	0	0	0	0	0	0
C. Commercial - Retail (SF)	600,000	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)	525,000	0	0	0	0	0	0	0	0	0	0	0	0
II. Land Area Absorption (Acres)													
A. Residential													
Single-Family	190	0	0	0	0	0	0	0	0	0	0	0	0
Townhomes	283	0	0	0	0	0	0	0	0	0	0	0	0
Apartments	<u>283</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>	<u>0</u>
Total Residential	757	0	0	0	0	0	0	0	0	0	0	0	0
B. Industrial	497	13	13	13	13	13	13	0	0	0	0	0	0
C. Commercial - Retail	49	0	0	0	0	0	0	0	0	0	0	0	0
D. Commercial - Office	34	0	0	0	0	0	0	0	0	0	0	0	0

TABLE B-3**ASSESSED VALUE ASSUMPTIONS, FY 2017 DOLLARS ⁽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	\$550,000 /Unit
Townhomes	\$1.50 /SF Land	\$400,000 /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	\$225 /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 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. New Development Assessed Value											
A. Residential	\$0	\$224,025	\$459,251	\$706,104	\$965,025	\$1,236,467	\$1,520,903	\$1,818,819	\$2,130,717	\$2,457,120	\$2,798,564
B. Industrial	\$0	\$25,750	\$52,788	\$81,161	\$110,922	\$142,123	\$174,816	\$209,060	\$244,910	\$282,428	\$321,674
C. Commercial - Retail	\$0	\$15,450	\$31,673	\$48,697	\$66,553	\$85,274	\$104,890	\$125,436	\$146,946	\$169,457	\$193,004
Hotel	\$0	\$7,725	\$15,836	\$24,348	\$33,277	\$42,637	\$52,445	\$62,718	\$73,473	\$84,728	\$96,502
D. Commercial - Office	<u>\$0</u>	<u>\$5,794</u>	<u>\$11,877</u>	<u>\$18,261</u>	<u>\$24,958</u>	<u>\$31,978</u>	<u>\$39,334</u>	<u>\$47,038</u>	<u>\$55,105</u>	<u>\$63,546</u>	<u>\$72,377</u>
E. Total New Development Assessed Value	\$0	\$278,744	\$571,425	\$878,572	\$1,200,735	\$1,538,478	\$1,892,388	\$2,263,070	\$2,651,151	\$3,057,279	\$3,482,122
II. Vacant Land Assessed Value											
A. Residential											
Remaining Land Value	\$0	\$50,461	\$48,799	\$47,051	\$45,214	\$43,284	\$41,259	\$39,135	\$36,910	\$34,581	\$32,144
(Less) Land Developed	<u>\$0</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>	<u>(\$3,129)</u>
Net Residential Land Value	\$0	\$47,842	\$46,129	\$44,327	\$42,435	\$40,450	\$38,368	\$36,187	\$33,903	\$31,513	\$29,014
B. Industrial											
Remaining Land Value	\$0	\$88,400	\$87,856	\$87,255	\$86,595	\$85,873	\$85,088	\$84,237	\$83,318	\$82,329	\$81,266
(Less) Land Developed	<u>\$0</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>	<u>(\$2,709)</u>
Net Industrial Land Value	\$0	\$86,133	\$85,544	\$84,897	\$84,189	\$83,419	\$82,585	\$81,684	\$80,714	\$79,673	\$78,557
C. Commercial - Retail											
Remaining Land Value	\$0	\$10,929	\$10,218	\$9,475	\$8,698	\$7,886	\$7,039	\$6,154	\$5,231	\$4,268	\$3,265
(Less) Land Developed	<u>\$0</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>	<u>(\$1,088)</u>
Net Commercial Land Value	\$0	\$10,018	\$9,289	\$8,528	\$7,732	\$6,901	\$6,033	\$5,128	\$4,184	\$3,201	\$2,177
D. Commercial - Office											
Remaining Land Value	\$0	\$6,094	\$5,927	\$5,751	\$5,565	\$5,370	\$5,164	\$4,949	\$4,722	\$4,485	\$4,236
(Less) Land Developed	<u>\$0</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>	<u>(\$339)</u>
Net Office Land Value	\$0	\$5,811	\$5,638	\$5,456	\$5,265	\$5,063	\$4,852	\$4,630	\$4,397	\$4,153	\$3,897
E. Total Assessed Land Value	\$0	\$149,804	\$146,600	\$143,207	\$139,621	\$135,833	\$131,838	\$127,629	\$123,198	\$118,540	\$113,646
III. Total Assessed Value (New Development + Remaining Vacant Land)											
A. Residential	\$0	\$271,867	\$505,380	\$750,432	\$1,007,460	\$1,276,917	\$1,559,271	\$1,855,005	\$2,164,620	\$2,488,633	\$2,827,579
B. Industrial	\$0	\$111,883	\$138,332	\$166,058	\$195,112	\$225,542	\$257,402	\$290,744	\$325,624	\$362,100	\$400,231
C. Commercial - Retail	\$0	\$25,468	\$40,962	\$57,224	\$74,285	\$92,174	\$110,923	\$130,564	\$151,131	\$172,658	\$195,181
Hotel	\$0	\$7,725	\$15,836	\$24,348	\$33,277	\$42,637	\$52,445	\$62,718	\$73,473	\$84,728	\$96,502
D. Commercial - Office	<u>\$0</u>	<u>\$11,605</u>	<u>\$17,515</u>	<u>\$23,717</u>	<u>\$30,222</u>	<u>\$37,041</u>	<u>\$44,185</u>	<u>\$51,668</u>	<u>\$59,501</u>	<u>\$67,699</u>	<u>\$76,274</u>
E. Total Newly Built + Remaining Land Assessed Value	\$0	\$428,548	\$718,025	\$1,021,780	\$1,340,355	\$1,674,311	\$2,024,226	\$2,390,699	\$2,774,350	\$3,175,818	\$3,595,767

TABLE B-4

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

(\$000s)	11	12	13	14	15	16	17	18	19	20
	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>FY 2032</u>	<u>FY 2033</u>	<u>FY 2034</u>	<u>FY 2035</u>	<u>FY 2036</u>	<u>FY 2037</u>
I. New Development Assessed Value										
A. Residential	\$3,155,606	\$3,528,821	\$3,918,804	\$4,269,597	\$4,608,159	\$4,961,087	\$5,328,897	\$5,712,120	\$6,111,307	\$6,527,026
B. Industrial	\$362,713	\$405,612	\$450,437	\$497,261	\$546,155	\$597,196	\$650,461	\$706,031	\$763,989	\$824,422
C. Commercial - Retail	\$217,628	\$243,367	\$248,234	\$253,199	\$258,263	\$263,428	\$268,697	\$274,071	\$279,552	\$285,143
Hotel	\$108,814	\$121,683	\$135,131	\$149,178	\$163,847	\$179,159	\$195,138	\$211,809	\$229,197	\$247,327
D. Commercial - Office	<u>\$81,611</u>	<u>\$91,263</u>	<u>\$101,348</u>	<u>\$111,884</u>	<u>\$122,885</u>	<u>\$134,369</u>	<u>\$146,354</u>	<u>\$158,857</u>	<u>\$171,898</u>	<u>\$185,495</u>
E. Total New Development Assessed Value	\$3,926,372	\$4,390,746	\$4,853,955	\$5,281,119	\$5,699,309	\$6,135,239	\$6,589,546	\$7,062,888	\$7,555,943	\$8,069,413
II. Vacant Land Assessed Value										
A. Residential										
Remaining Land Value	\$29,595	\$26,931	\$24,149	\$21,245	\$19,070	\$17,209	\$15,265	\$13,238	\$11,123	\$8,918
(Less) Land Developed	<u>(\$3,192)</u>	<u>(\$3,255)</u>	<u>(\$3,321)</u>	<u>(\$2,549)</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	\$26,403	\$23,676	\$20,829	\$18,696	\$16,871	\$14,966	\$12,978	\$10,905	\$8,743	\$6,491
B. Industrial										
Remaining Land Value	\$80,129	\$78,913	\$77,616	\$76,237	\$74,770	\$73,215	\$71,568	\$69,825	\$67,985	\$66,042
(Less) Land Developed	<u>(\$2,763)</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	\$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	\$2,220	\$1,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<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	\$1,110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Commercial - Office										
Remaining Land Value	\$3,975	\$3,702	\$3,417	\$3,119	\$2,807	\$2,482	\$2,143	\$1,789	\$1,420	\$1,036
(Less) Land Developed	<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>(\$518)</u>
Net Office Land Value	\$3,630	\$3,350	\$3,058	\$2,752	\$2,433	\$2,101	\$1,754	\$1,392	\$1,015	\$518
E. Total Assessed Land Value	\$108,508	\$103,120	\$98,628	\$94,752	\$91,084	\$87,231	\$83,188	\$78,948	\$74,506	\$69,748
III. Total Assessed Value (New Development + Remaining Vacant Land)										
A. Residential	\$3,182,009	\$3,552,497	\$3,939,633	\$4,288,293	\$4,625,030	\$4,976,053	\$5,341,875	\$5,723,025	\$6,120,050	\$6,533,517
B. Industrial	\$440,079	\$481,706	\$525,179	\$570,565	\$617,935	\$667,360	\$718,917	\$772,683	\$828,736	\$887,162
C. Commercial - Retail	\$218,738	\$243,367	\$248,234	\$253,199	\$258,263	\$263,428	\$268,697	\$274,071	\$279,552	\$285,143
Hotel	\$108,814	\$121,683	\$135,131	\$149,178	\$163,847	\$179,159	\$195,138	\$211,809	\$229,197	\$247,327
D. Commercial - Office	<u>\$85,240</u>	<u>\$94,613</u>	<u>\$104,406</u>	<u>\$114,636</u>	<u>\$125,318</u>	<u>\$136,470</u>	<u>\$148,108</u>	<u>\$160,249</u>	<u>\$172,913</u>	<u>\$186,013</u>
E. Total Newly Built + Remaining Land Assessed Value	\$4,034,881	\$4,493,866	\$4,952,583	\$5,375,871	\$5,790,393	\$6,222,471	\$6,672,735	\$7,141,836	\$7,630,448	\$8,139,161

TABLE B-4

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

(\$000s)	21	22	23	24	25	26	27	28	29
	<u>FY 2038</u>	<u>FY 2039</u>	<u>FY 2040</u>	<u>FY 2041</u>	<u>FY 2042</u>	<u>FY 2043</u>	<u>FY 2044</u>	<u>FY 2045</u>	<u>FY 2046</u>
I. New Development Assessed Value									
A. Residential	\$6,959,865	\$7,410,429	\$7,774,646	\$7,930,139	\$8,088,742	\$8,250,517	\$8,415,527	\$8,583,838	\$8,953,215
B. Industrial	\$887,418	\$953,069	\$1,021,470	\$1,092,719	\$1,166,918	\$1,244,171	\$1,324,587	\$1,408,276	\$1,495,356
C. Commercial - Retail	\$290,846	\$296,663	\$302,596	\$308,648	\$314,821	\$321,118	\$327,540	\$334,091	\$340,773
Hotel	\$252,273	\$257,319	\$262,465	\$267,714	\$273,069	\$278,530	\$284,100	\$289,782	\$295,578
D. Commercial - Office	<u>\$199,669</u>	<u>\$203,662</u>	<u>\$207,736</u>	<u>\$211,890</u>	<u>\$216,128</u>	<u>\$220,451</u>	<u>\$224,860</u>	<u>\$229,357</u>	<u>\$233,944</u>
E. Total New Development Assessed Value	\$8,590,070	\$9,121,141	\$9,568,913	\$9,811,111	\$10,059,678	\$10,314,786	\$10,576,614	\$10,845,344	\$11,318,865
II. Vacant Land Assessed Value									
A. Residential									
Remaining Land Value	\$6,620	\$4,227	\$1,736	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>(\$2,476)</u>	<u>(\$2,525)</u>	<u>(\$1,736)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Residential Land Value	\$4,145	\$1,702	\$0	\$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	\$528	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) Land Developed	<u>(\$528)</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	\$64,771	\$60,106	\$56,068	\$53,615	\$51,041	\$48,343	\$45,517	\$42,558	\$39,463
III. Total Assessed Value (New Development + Remaining Vacant Land)									
A. Residential	\$6,964,009	\$7,412,131	\$7,774,646	\$7,930,139	\$8,088,742	\$8,250,517	\$8,415,527	\$8,583,838	\$8,953,215
B. Industrial	\$948,044	\$1,011,472	\$1,077,537	\$1,146,333	\$1,217,959	\$1,292,514	\$1,370,103	\$1,450,835	\$1,534,819
C. Commercial - Retail	\$290,846	\$296,663	\$302,596	\$308,648	\$314,821	\$321,118	\$327,540	\$334,091	\$340,773
Hotel	\$252,273	\$257,319	\$262,465	\$267,714	\$273,069	\$278,530	\$284,100	\$289,782	\$295,578
D. Commercial - Office	<u>\$199,669</u>	<u>\$203,662</u>	<u>\$207,736</u>	<u>\$211,890</u>	<u>\$216,128</u>	<u>\$220,451</u>	<u>\$224,860</u>	<u>\$229,357</u>	<u>\$233,944</u>
E. Total Newly Built + Remaining Land Assessed Value	\$8,654,842	\$9,181,247	\$9,624,980	\$9,864,725	\$10,110,719	\$10,363,129	\$10,622,131	\$10,887,903	\$11,358,329

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	\$9,132,279	\$9,314,925	\$9,501,223	\$9,691,247	\$9,885,072	\$10,082,774	\$10,284,429	\$10,490,118	\$10,699,920
B. Industrial	\$1,585,945	\$1,680,166	\$1,778,146	\$1,880,017	\$1,985,915	\$2,095,980	\$2,210,357	\$2,329,195	\$2,452,648
C. Commercial - Retail	\$347,588	\$354,540	\$361,631	\$368,863	\$376,240	\$383,765	\$391,441	\$399,269	\$407,255
Hotel	\$301,490	\$307,519	\$313,670	\$319,943	\$326,342	\$332,869	\$339,526	\$346,317	\$353,243
D. Commercial - Office	<u>\$238,623</u>	<u>\$243,395</u>	<u>\$248,263</u>	<u>\$253,229</u>	<u>\$258,293</u>	<u>\$263,459</u>	<u>\$268,728</u>	<u>\$274,103</u>	<u>\$279,585</u>
E. Total New Development Assessed Value	\$11,605,924	\$11,900,545	\$12,202,933	\$12,513,300	\$12,831,863	\$13,158,847	\$13,494,481	\$13,839,002	\$14,192,651
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	\$9,132,279	\$9,314,925	\$9,501,223	\$9,691,247	\$9,885,072	\$10,082,774	\$10,284,429	\$10,490,118	\$10,699,920
B. Industrial	\$1,622,172	\$1,713,012	\$1,807,461	\$1,905,647	\$2,007,701	\$2,113,757	\$2,223,956	\$2,338,442	\$2,457,364
C. Commercial - Retail	\$347,588	\$354,540	\$361,631	\$368,863	\$376,240	\$383,765	\$391,441	\$399,269	\$407,255
Hotel	\$301,490	\$307,519	\$313,670	\$319,943	\$326,342	\$332,869	\$339,526	\$346,317	\$353,243
D. Commercial - Office	<u>\$238,623</u>	<u>\$243,395</u>	<u>\$248,263</u>	<u>\$253,229</u>	<u>\$258,293</u>	<u>\$263,459</u>	<u>\$268,728</u>	<u>\$274,103</u>	<u>\$279,585</u>
E. Total Newly Built + Remaining Land Assessed Value	\$11,642,152	\$11,933,391	\$12,232,248	\$12,538,930	\$12,853,649	\$13,176,624	\$13,508,080	\$13,848,249	\$14,197,367

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	\$10,913,919	\$11,132,197	\$11,354,841	\$11,581,938	\$11,813,577	\$12,049,848	\$12,290,845
B. Industrial	\$2,580,877	\$2,632,494	\$2,685,144	\$2,738,847	\$2,793,624	\$2,849,496	\$2,906,486
C. Commercial - Retail	\$415,400	\$423,708	\$432,182	\$440,826	\$449,642	\$458,635	\$467,808
Hotel	\$360,308	\$367,514	\$374,865	\$382,362	\$390,009	\$397,809	\$405,765
D. Commercial - Office	<u>\$285,176</u>	<u>\$290,880</u>	<u>\$296,698</u>	<u>\$302,632</u>	<u>\$308,684</u>	<u>\$314,858</u>	<u>\$321,155</u>
E. Total New Development Assessed Value	\$14,555,680	\$14,846,793	\$15,143,729	\$15,446,604	\$15,755,536	\$16,070,647	\$16,392,060
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	\$10,913,919	\$11,132,197	\$11,354,841	\$11,581,938	\$11,813,577	\$12,049,848	\$12,290,845
B. Industrial	\$2,580,877	\$2,632,494	\$2,685,144	\$2,738,847	\$2,793,624	\$2,849,496	\$2,906,486
C. Commercial - Retail	\$415,400	\$423,708	\$432,182	\$440,826	\$449,642	\$458,635	\$467,808
Hotel	\$360,308	\$367,514	\$374,865	\$382,362	\$390,009	\$397,809	\$405,765
D. Commercial - Office	<u>\$285,176</u>	<u>\$290,880</u>	<u>\$296,698</u>	<u>\$302,632</u>	<u>\$308,684</u>	<u>\$314,858</u>	<u>\$321,155</u>
E. Total Newly Built + Remaining Land Assessed Value	\$14,555,680	\$14,846,793	\$15,143,729	\$15,446,604	\$15,755,536	\$16,070,647	\$16,392,060

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)									
	<u>Low TRA</u>									
	Residential @ 10%	\$0	\$27,187	\$50,538	\$75,043	\$100,746	\$127,692	\$155,927	\$185,501	\$216,462
	Industrial @ 80%	\$0	\$89,507	\$110,665	\$132,846	\$156,089	\$180,434	\$205,921	\$232,595	\$260,499
	Commercial - Retail @ 35%	\$0	\$8,914	\$14,337	\$20,029	\$26,000	\$32,261	\$38,823	\$45,697	\$52,896
	Hotel @ 50%	\$0	\$3,863	\$7,918	\$12,174	\$16,638	\$21,318	\$26,222	\$31,359	\$36,737
	Commercial - Office @ 60%	<u>\$0</u>	<u>\$6,963</u>	<u>\$10,509</u>	<u>\$14,230</u>	<u>\$18,133</u>	<u>\$22,224</u>	<u>\$26,511</u>	<u>\$31,001</u>	<u>\$35,701</u>
	Subtotal Assessed Value	\$0	\$136,432	\$193,967	\$254,323	\$317,607	\$383,929	\$453,405	\$526,153	\$602,295
II.	Add: Estimated Assessed Value for Existing Development	<u>\$1,684,349</u>	<u>\$1,718,036</u>	<u>\$1,752,396</u>	<u>\$1,787,444</u>	<u>\$1,823,193</u>	<u>\$1,859,657</u>	<u>\$1,896,850</u>	<u>\$1,934,787</u>	<u>\$1,973,483</u>
III.	Grand Total Assessed Value	\$1,684,349	\$1,854,468	\$1,946,364	\$2,041,767	\$2,140,800	\$2,243,586	\$2,350,255	\$2,460,940	\$2,575,778
IV.	(Less) Base Year Assessed Value	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>
V.	Incremental Assessed Value	\$0	\$170,119	\$262,015	\$357,418	\$456,451	\$559,238	\$665,907	\$776,591	\$891,429
VI.	Incremental Property Tax @ 1.0%	\$0	\$1,701	\$2,620	\$3,574	\$4,565	\$5,592	\$6,659	\$7,766	\$8,914
VII.	City Share of 1.0% Incremental Property Tax @ 8.2% (1)	\$0	\$139	\$214	\$292	\$372	\$456	\$543	\$634	\$727
	(Less) 50% Adjustment through FY 2022 (2) 50.0%	<u>\$0</u>	<u>(\$69)</u>	<u>(\$107)</u>	<u>(\$146)</u>	<u>(\$186)</u>	<u>(\$228)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Net City Share of 1.0% Incremental Property Tax	\$0	\$69	\$107	\$146	\$186	\$228	\$543	\$634	\$727
VIII.	City Incremental Vehicle License Fee (VLF) @ \$0.5847	\$0	\$99	\$153	\$209	\$267	\$327	\$389	\$454	\$521
	Per \$1,000 Growth in Assessed Value									
	(Less) 50% Adjustment through FY 2022 (2) 50.0%	<u>\$0</u>	<u>(\$50)</u>	<u>(\$77)</u>	<u>(\$104)</u>	<u>(\$133)</u>	<u>(\$163)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Net City Incremental VLF	\$0	\$50	\$77	\$104	\$133	\$163	\$389	\$454	\$521
IX.	Total, City Property Tax Increment + Incremental VLF	\$0	\$119	\$183	\$250	\$320	\$392	\$933	\$1,088	\$1,248

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

(2) 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
		<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>FY 2032</u>	<u>FY 2033</u>	<u>FY 2034</u>	<u>FY 2035</u>
I.	Total Assessed Value (New Development + Remaining Vacant Land)										
	<u>Low TRA</u>										
	Residential @ 10%	\$248,863	\$282,758	\$318,201	\$355,250	\$393,963	\$428,829	\$462,503	\$497,605	\$534,187	\$572,302
	Industrial @ 80%	\$289,680	\$320,185	\$352,063	\$385,365	\$420,143	\$456,452	\$494,348	\$533,888	\$575,134	\$618,146
	Commercial - Retail @ 35%	\$60,430	\$68,313	\$76,558	\$85,178	\$86,882	\$88,620	\$90,392	\$92,200	\$94,044	\$95,925
	Hotel @ 50%	\$42,364	\$48,251	\$54,407	\$60,842	\$67,566	\$74,589	\$81,923	\$89,579	\$97,569	\$105,905
	Commercial - Office @ 60%	<u>\$40,619</u>	<u>\$45,764</u>	<u>\$51,144</u>	<u>\$56,768</u>	<u>\$62,644</u>	<u>\$68,782</u>	<u>\$75,191</u>	<u>\$81,882</u>	<u>\$88,865</u>	<u>\$96,149</u>
	Subtotal Assessed Value	\$681,957	\$765,272	\$852,374	\$943,402	\$1,031,198	\$1,117,272	\$1,204,357	\$1,295,155	\$1,389,799	\$1,488,427
II.	Add: Estimated Assessed Value for Existing Development	<u>\$2,012,953</u>	<u>\$2,053,212</u>	<u>\$2,094,276</u>	<u>\$2,136,161</u>	<u>\$2,178,885</u>	<u>\$2,222,462</u>	<u>\$2,266,912</u>	<u>\$2,312,250</u>	<u>\$2,358,495</u>	<u>\$2,405,665</u>
III.	Grand Total Assessed Value	\$2,694,910	\$2,818,483	\$2,946,649	\$3,079,564	\$3,210,082	\$3,339,734	\$3,471,269	\$3,607,405	\$3,748,294	\$3,894,092
IV.	(Less) Base Year Assessed Value	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>
V.	Incremental Assessed Value	\$1,010,561	\$1,134,135	\$1,262,301	\$1,395,215	\$1,525,734	\$1,655,385	\$1,786,920	\$1,923,056	\$2,063,945	\$2,209,743
VI.	Incremental Property Tax @ 1.0%	\$10,106	\$11,341	\$12,623	\$13,952	\$15,257	\$16,554	\$17,869	\$19,231	\$20,639	\$22,097
VII.	City Share of 1.0% Incremental Property Tax @ 8.2% (1)	\$824	\$925	\$1,030	\$1,138	\$1,245	\$1,351	\$1,458	\$1,569	\$1,684	\$1,803
	(Less) 50% Adjustment through FY 2022 (2) 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	\$824	\$925	\$1,030	\$1,138	\$1,245	\$1,351	\$1,458	\$1,569	\$1,684	\$1,803
VIII.	City Incremental Vehicle License Fee (VLF) @ \$0.5847	\$591	\$663	\$738	\$816	\$892	\$968	\$1,045	\$1,124	\$1,207	\$1,292
	Per \$1,000 Growth in Assessed Value										
	(Less) 50% Adjustment through FY 2022 (2) 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	\$591	\$663	\$738	\$816	\$892	\$968	\$1,045	\$1,124	\$1,207	\$1,292
IX.	Total, City Property Tax Increment + Incremental VLF	\$1,415	\$1,588	\$1,768	\$1,954	\$2,137	\$2,318	\$2,503	\$2,693	\$2,891	\$3,095

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

(2) 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	28 FY 2045
I. Total Assessed Value (New Development + Remaining Vacant Land)											
	<u>Low TRA</u>										
Residential @	10%	\$612,005	\$653,352	\$696,401	\$741,213	\$777,465	\$793,014	\$808,874	\$825,052	\$841,553	\$858,384
Industrial @	80%	\$662,989	\$709,730	\$758,435	\$809,178	\$862,030	\$917,067	\$974,367	\$1,034,011	\$1,096,083	\$1,160,668
Commercial - Retail @	35%	\$97,843	\$99,800	\$101,796	\$103,832	\$105,909	\$108,027	\$110,187	\$112,391	\$114,639	\$116,932
Hotel @	50%	\$114,598	\$123,663	\$126,137	\$128,659	\$131,232	\$133,857	\$136,534	\$139,265	\$142,050	\$144,891
Commercial - Office @	60%	<u>\$103,748</u>	<u>\$111,608</u>	<u>\$119,801</u>	<u>\$122,197</u>	<u>\$124,641</u>	<u>\$127,134</u>	<u>\$129,677</u>	<u>\$132,270</u>	<u>\$134,916</u>	<u>\$137,614</u>
Subtotal Assessed Value		\$1,591,184	\$1,698,152	\$1,802,570	\$1,905,080	\$2,001,277	\$2,079,099	\$2,159,640	\$2,242,989	\$2,329,241	\$2,418,489
II. Add: Estimated Assessed Value for Existing Development		<u>\$2,453,778</u>	\$2,502,854	\$2,552,911	\$2,603,969	\$2,656,048	\$2,709,169	\$2,763,353	\$2,818,620	\$2,874,992	\$2,932,492
III. Grand Total Assessed Value		\$4,044,962	\$4,201,006	\$4,355,481	\$4,509,049	\$4,657,325	\$4,788,268	\$4,922,992	\$5,061,609	\$5,204,233	\$5,350,981
IV. (Less) Base Year Assessed Value		<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>
V. Incremental Assessed Value		\$2,360,613	\$2,516,657	\$2,671,132	\$2,824,700	\$2,972,976	\$3,103,919	\$3,238,644	\$3,377,260	\$3,519,884	\$3,666,632
VI. Incremental Property Tax @ 1.0%		\$23,606	\$25,167	\$26,711	\$28,247	\$29,730	\$31,039	\$32,386	\$33,773	\$35,199	\$36,666
VII. City Share of 1.0% Incremental Property Tax @ 8.2% (1)		\$1,926	\$2,053	\$2,179	\$2,304	\$2,425	\$2,532	\$2,642	\$2,755	\$2,872	\$2,991
(Less) 50% Adjustment through FY 2022 (2)	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		\$1,926	\$2,053	\$2,179	\$2,304	\$2,425	\$2,532	\$2,642	\$2,755	\$2,872	\$2,991
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847		\$1,380	\$1,471	\$1,562	\$1,651	\$1,738	\$1,815	\$1,894	\$1,975	\$2,058	\$2,144
Per \$1,000 Growth in Assessed Value											
(Less) 50% Adjustment through FY 2022 (2)	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		\$1,380	\$1,471	\$1,562	\$1,651	\$1,738	\$1,815	\$1,894	\$1,975	\$2,058	\$2,144
IX. Total, City Property Tax Increment + Incremental VLF		\$3,306	\$3,525	\$3,741	\$3,956	\$4,164	\$4,347	\$4,536	\$4,730	\$4,930	\$5,135

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

(2) 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)		29 FY 2046	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. Total Assessed Value (New Development + Remaining Vacant Land)											
	<u>Low TRA</u>										
Residential @	10%	\$895,321	\$913,228	\$931,492	\$950,122	\$969,125	\$988,507	\$1,008,277	\$1,028,443	\$1,049,012	\$1,069,992
Industrial @	80%	\$1,227,855	\$1,297,738	\$1,370,409	\$1,445,969	\$1,524,518	\$1,606,161	\$1,691,006	\$1,779,165	\$1,870,754	\$1,965,891
Commercial - Retail @	35%	\$119,270	\$121,656	\$124,089	\$126,571	\$129,102	\$131,684	\$134,318	\$137,004	\$139,744	\$142,539
Hotel @	50%	\$147,789	\$150,745	\$153,760	\$156,835	\$159,972	\$163,171	\$166,434	\$169,763	\$173,158	\$176,622
Commercial - Office @	60%	<u>\$140,366</u>	<u>\$143,174</u>	<u>\$146,037</u>	<u>\$148,958</u>	<u>\$151,937</u>	<u>\$154,976</u>	<u>\$158,075</u>	<u>\$161,237</u>	<u>\$164,462</u>	<u>\$167,751</u>
Subtotal Assessed Value		\$2,530,603	\$2,626,540	\$2,725,788	\$2,828,455	\$2,934,653	\$3,044,499	\$3,158,111	\$3,275,612	\$3,397,130	\$3,522,795
II. Add: Estimated Assessed Value for Existing Development		\$2,991,142	\$3,050,965	\$3,111,984	\$3,174,224	\$3,237,708	\$3,302,462	\$3,368,511	\$3,435,882	\$3,504,599	\$3,574,691
III. Grand Total Assessed Value		\$5,521,745	\$5,677,504	\$5,837,772	\$6,002,678	\$6,172,361	\$6,346,961	\$6,526,622	\$6,711,494	\$6,901,729	\$7,097,486
IV. (Less) Base Year Assessed Value		<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>
V. Incremental Assessed Value		\$3,837,396	\$3,993,156	\$4,153,423	\$4,318,330	\$4,488,013	\$4,662,612	\$4,842,273	\$5,027,145	\$5,217,380	\$5,413,138
VI. Incremental Property Tax @ 1.0%		\$38,374	\$39,932	\$41,534	\$43,183	\$44,880	\$46,626	\$48,423	\$50,271	\$52,174	\$54,131
VII. City Share of 1.0% Incremental Property Tax @ 8.2% (1)		\$3,131	\$3,258	\$3,389	\$3,523	\$3,661	\$3,804	\$3,950	\$4,101	\$4,257	\$4,416
(Less) 50% Adjustment through FY 2022 (2)	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		\$3,131	\$3,258	\$3,389	\$3,523	\$3,661	\$3,804	\$3,950	\$4,101	\$4,257	\$4,416
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847		\$2,244	\$2,335	\$2,428	\$2,525	\$2,624	\$2,726	\$2,831	\$2,939	\$3,050	\$3,165
Per \$1,000 Growth in Assessed Value											
(Less) 50% Adjustment through FY 2022 (2)	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		\$2,244	\$2,335	\$2,428	\$2,525	\$2,624	\$2,726	\$2,831	\$2,939	\$3,050	\$3,165
IX. Total, City Property Tax Increment + Incremental VLF		\$5,374	\$5,592	\$5,817	\$6,048	\$6,285	\$6,530	\$6,782	\$7,040	\$7,307	\$7,581

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

(2) 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)		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)								
	<u>Low TRA</u>							
Residential @	10%	\$1,091,392	\$1,113,220	\$1,135,484	\$1,158,194	\$1,181,358	\$1,204,985	\$1,229,085
Industrial @	80%	\$2,064,701	\$2,105,995	\$2,148,115	\$2,191,078	\$2,234,899	\$2,279,597	\$2,325,189
Commercial - Retail @	35%	\$145,390	\$148,298	\$151,264	\$154,289	\$157,375	\$160,522	\$163,733
Hotel @	50%	\$180,154	\$183,757	\$187,432	\$191,181	\$195,005	\$198,905	\$202,883
Commercial - Office @	60%	<u>\$171,106</u>	<u>\$174,528</u>	<u>\$178,019</u>	<u>\$181,579</u>	<u>\$185,211</u>	<u>\$188,915</u>	<u>\$192,693</u>
Subtotal Assessed Value		\$3,652,743	\$3,725,798	\$3,800,314	\$3,876,320	\$3,953,847	\$4,032,924	\$4,113,582
II. Add: Estimated Assessed Value for Existing Development		\$3,646,185	\$3,719,109	\$3,793,491	\$3,869,361	\$3,946,748	\$4,025,683	\$4,106,197
III. Grand Total Assessed Value		\$7,298,928	\$7,444,907	\$7,593,805	\$7,745,681	\$7,900,595	\$8,058,606	\$8,219,779
IV. (Less) Base Year Assessed Value		<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>	<u>(\$1,684,349)</u>
V. Incremental Assessed Value		\$5,614,579	\$5,760,558	\$5,909,456	\$6,061,332	\$6,216,246	\$6,374,258	\$6,535,430
VI. Incremental Property Tax @ 1.0%		\$56,146	\$57,606	\$59,095	\$60,613	\$62,162	\$63,743	\$65,354
VII. City Share of 1.0% Incremental Property Tax @ 8.2% (1)		\$4,581	\$4,700	\$4,821	\$4,945	\$5,071	\$5,200	\$5,332
(Less) 50% Adjustment through FY 2022 (2) 50.0%		<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		\$4,581	\$4,700	\$4,821	\$4,945	\$5,071	\$5,200	\$5,332
VIII. City Incremental Vehicle License Fee (VLF) @ \$0.5847		\$3,283	\$3,368	\$3,455	\$3,544	\$3,634	\$3,727	\$3,821
Per \$1,000 Growth in Assessed Value								
(Less) 50% Adjustment through FY 2022 (2) 50.0%		<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		\$3,283	\$3,368	\$3,455	\$3,544	\$3,634	\$3,727	\$3,821
IX. Total, City Property Tax Increment + Incremental VLF		\$7,863	\$8,068	\$8,276	\$8,489	\$8,706	\$8,927	\$9,153

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

(2) 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	1	2	3	4	5	6	7	8	9	10
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
I. Total Assessed Value (New Development + Remaining Vacant Land)												
	<u>High TRA</u>											
Residential @	90%	\$0	\$244,681	\$454,842	\$675,388	\$906,714	\$1,149,225	\$1,403,344	\$1,669,505	\$1,948,158	\$2,239,770	\$2,544,821
Industrial @	20%	\$0	\$22,377	\$27,666	\$33,212	\$39,022	\$45,108	\$51,480	\$58,149	\$65,125	\$72,420	\$80,046
Commercial - Retail @	65%	\$0	\$16,554	\$26,625	\$37,196	\$48,285	\$59,913	\$72,100	\$84,866	\$98,235	\$112,227	\$126,868
Hotel	50%	\$0	\$3,863	\$7,918	\$12,174	\$16,638	\$21,318	\$26,222	\$31,359	\$36,737	\$42,364	\$48,251
Commercial - Office @	40%	\$0	\$4,642	\$7,006	\$9,487	\$12,089	\$14,816	\$17,674	\$20,667	\$23,801	\$27,080	\$30,509
Subtotal Assessed Value		\$0	\$292,116	\$524,058	\$767,457	\$1,022,749	\$1,290,382	\$1,570,821	\$1,864,546	\$2,172,055	\$2,493,861	\$2,830,495
II. Add: Brown Field Assessed Value ⁽¹⁾												
Add: New Brown Field Assessed Value (2)(3)		\$0	\$0	\$31,976	\$95,747	\$239,298	\$270,189	\$293,808	\$309,499	\$347,622	\$364,944	\$384,258
(Less) Demolished Brown Field Assessed Value		\$0	\$0	\$0	(\$903)	(\$691)	(\$1,057)	(\$539)	(\$275)	(\$141)	(\$72)	(\$37)
Total Brown Field Assessed Value		\$0	\$0	\$31,976	\$94,845	\$238,608	\$269,133	\$293,269	\$309,224	\$347,482	\$364,873	\$384,222
III. Add: Estimated Assessed Value for Existing Development		\$2,058,648	\$2,099,821	\$2,141,818	\$2,184,654	\$2,228,347	\$2,272,914	\$2,318,372	\$2,364,740	\$2,412,035	\$2,460,275	\$2,509,481
IV. Grand Total Assessed Value		\$2,058,648	\$2,391,937	\$2,697,851	\$3,046,956	\$3,489,703	\$3,832,428	\$4,182,462	\$4,538,510	\$4,931,571	\$5,319,009	\$5,724,198
V. (Less) Base Year Assessed Value		(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)	(\$2,058,648)
VI. Incremental Assessed Value		\$0	\$333,289	\$639,203	\$988,307	\$1,431,055	\$1,773,780	\$2,123,814	\$2,479,862	\$2,872,923	\$3,260,361	\$3,665,549
VII. Incremental Property Tax @ 1.0%		\$0	\$3,333	\$6,392	\$9,883	\$14,311	\$17,738	\$21,238	\$24,799	\$28,729	\$32,604	\$36,655
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% ⁽⁴⁾		\$0	\$535	\$1,026	\$1,587	\$2,298	\$2,848	\$3,410	\$3,982	\$4,613	\$5,235	\$5,885
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	50.0%	\$0	(\$268)	(\$513)	(\$793)	(\$1,149)	(\$1,424)	\$0	\$0	\$0	\$0	\$0
Net City Share of 1.0% Incremental Property Tax		\$0	\$268	\$513	\$793	\$1,149	\$1,424	\$3,410	\$3,982	\$4,613	\$5,235	\$5,885
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$0	\$195	\$374	\$578	\$837	\$1,037	\$1,242	\$1,450	\$1,680	\$1,906	\$2,143
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	50.0%	\$0	(\$97)	(\$187)	(\$289)	(\$418)	(\$519)	\$0	\$0	\$0	\$0	\$0
Net City Incremental VLF		\$0	\$97	\$187	\$289	\$418	\$519	\$1,242	\$1,450	\$1,680	\$1,906	\$2,143
X. Total, City Property Tax Increment + Incremental VLF		\$0	\$365	\$700	\$1,082	\$1,567	\$1,943	\$4,652	\$5,432	\$6,292	\$7,141	\$8,029

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

(5) 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)													
	<u>High TRA</u>												
Residential @	90%	\$2,863,808	\$3,197,247	\$3,545,669	\$3,859,464	\$4,162,527	\$4,478,448	\$4,807,687	\$5,150,722	\$5,508,045	\$5,880,165	\$6,267,608	\$6,670,918
Industrial @	20%	\$88,016	\$96,341	\$105,036	\$114,113	\$123,587	\$133,472	\$143,783	\$154,537	\$165,747	\$177,432	\$189,609	\$202,294
Commercial - Retail @	65%	\$142,180	\$158,189	\$161,352	\$164,579	\$167,871	\$171,228	\$174,653	\$178,146	\$181,709	\$185,343	\$189,050	\$192,831
Hotel	50%	\$54,407	\$60,842	\$67,566	\$74,589	\$81,923	\$89,579	\$97,569	\$105,905	\$114,598	\$123,663	\$126,137	\$128,659
Commercial - Office @	40%	\$34,096	\$37,845	\$41,762	\$45,854	\$50,127	\$54,588	\$59,243	\$64,100	\$69,165	\$74,405	\$79,868	\$81,465
Subtotal Assessed Value		\$3,182,507	\$3,550,464	\$3,921,385	\$4,258,600	\$4,586,036	\$4,927,316	\$5,282,936	\$5,653,409	\$6,039,265	\$6,441,009	\$6,852,271	\$7,276,167
II. Add: Brown Field Assessed Value ⁽¹⁾													
Add: New Brown Field Assessed Value ⁽²⁾⁽³⁾		\$391,943	\$399,782	\$407,778	\$415,933	\$424,252	\$432,737	\$441,392	\$450,219	\$459,224	\$468,408	\$477,777	\$487,332
(Less) Demolished Brown Field Assessed Value		<u>(\$37)</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Brown Field Assessed Value		\$391,906	\$399,782	\$407,778	\$415,933	\$424,252	\$432,737	\$441,392	\$450,219	\$459,224	\$468,408	\$477,777	\$487,332
III. Add: Estimated Assessed Value for Existing Development		<u>\$2,559,671</u>	<u>\$2,610,864</u>	<u>\$2,663,081</u>	<u>\$2,716,343</u>	<u>\$2,770,670</u>	<u>\$2,826,083</u>	<u>\$2,882,605</u>	<u>\$2,940,257</u>	<u>\$2,999,062</u>	<u>\$3,059,043</u>	<u>\$3,120,224</u>	<u>\$3,182,629</u>
IV. Grand Total Assessed Value		\$6,134,084	\$6,561,110	\$6,992,244	\$7,390,876	\$7,780,957	\$8,186,136	\$8,606,932	\$9,043,885	\$9,497,551	\$9,968,461	\$10,450,272	\$10,946,128
V. (Less) Base Year Assessed Value		<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>
VI. Incremental Assessed Value		\$4,075,435	\$4,502,462	\$4,933,596	\$5,332,227	\$5,722,309	\$6,127,487	\$6,548,284	\$6,985,237	\$7,438,902	\$7,909,812	\$8,391,623	\$8,887,480
VII. Incremental Property Tax @ 1.0%		\$40,754	\$45,025	\$49,336	\$53,322	\$57,223	\$61,275	\$65,483	\$69,852	\$74,389	\$79,098	\$83,916	\$88,875
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% ⁽⁴⁾		\$6,544	\$7,229	\$7,921	\$8,561	\$9,188	\$9,838	\$10,514	\$11,216	\$11,944	\$12,700	\$13,474	\$14,270
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	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		\$6,544	\$7,229	\$7,921	\$8,561	\$9,188	\$9,838	\$10,514	\$11,216	\$11,944	\$12,700	\$13,474	\$14,270
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$2,383	\$2,632	\$2,884	\$3,118	\$3,346	\$3,582	\$3,829	\$4,084	\$4,349	\$4,625	\$4,906	\$5,196
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	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		\$2,383	\$2,632	\$2,884	\$3,118	\$3,346	\$3,582	\$3,829	\$4,084	\$4,349	\$4,625	\$4,906	\$5,196
X. Total, City Property Tax Increment + Incremental VLF		\$8,926	\$9,862	\$10,806	\$11,679	\$12,533	\$13,421	\$14,342	\$15,300	\$16,293	\$17,325	\$18,380	\$19,466

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

(5) 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)													
	<u>High TRA</u>												
Residential @	90%	\$6,997,182	\$7,137,125	\$7,279,868	\$7,425,465	\$7,573,975	\$7,725,454	\$8,057,893	\$8,219,051	\$8,383,432	\$8,551,101	\$8,722,123	\$8,896,565
Industrial @	20%	\$215,507	\$229,267	\$243,592	\$258,503	\$274,021	\$290,167	\$306,964	\$324,434	\$342,602	\$361,492	\$381,129	\$401,540
Commercial - Retail @	65%	\$196,688	\$200,621	\$204,634	\$208,726	\$212,901	\$217,159	\$221,502	\$225,932	\$230,451	\$235,060	\$239,761	\$244,556
Hotel	50%	\$131,232	\$133,857	\$136,534	\$139,265	\$142,050	\$144,891	\$147,789	\$150,745	\$153,760	\$156,835	\$159,972	\$163,171
Commercial - Office @	40%	<u>\$83,094</u>	<u>\$84,756</u>	<u>\$86,451</u>	<u>\$88,180</u>	<u>\$89,944</u>	<u>\$91,743</u>	<u>\$93,578</u>	<u>\$95,449</u>	<u>\$97,358</u>	<u>\$99,305</u>	<u>\$101,291</u>	<u>\$103,317</u>
Subtotal Assessed Value		\$7,623,703	\$7,785,627	\$7,951,079	\$8,120,140	\$8,292,890	\$8,469,414	\$8,627,726	\$9,015,612	\$9,207,603	\$9,403,793	\$9,604,276	\$9,809,150
II. Add: Brown Field Assessed Value ⁽¹⁾													
Add: New Brown Field Assessed Value ⁽²⁾⁽³⁾		\$497,079	\$507,020	\$517,161	\$527,504	\$538,054	\$548,815	\$559,791	\$570,987	\$582,407	\$594,055	\$605,936	\$618,055
(Less) Demolished Brown Field Assessed Value		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Brown Field Assessed Value		\$497,079	\$507,020	\$517,161	\$527,504	\$538,054	\$548,815	\$559,791	\$570,987	\$582,407	\$594,055	\$605,936	\$618,055
III. Add: Estimated Assessed Value for Existing Development		<u>\$3,246,281</u>	<u>\$3,311,207</u>	<u>\$3,377,431</u>	<u>\$3,444,980</u>	<u>\$3,513,879</u>	<u>\$3,584,157</u>	<u>\$3,655,840</u>	<u>\$3,728,957</u>	<u>\$3,803,536</u>	<u>\$3,879,607</u>	<u>\$3,957,199</u>	<u>\$4,036,343</u>
IV. Grand Total Assessed Value		\$11,367,063	\$11,603,854	\$11,845,670	\$12,092,623	\$12,344,823	\$12,602,386	\$13,043,357	\$13,315,556	\$13,593,546	\$13,877,455	\$14,167,411	\$14,463,547
V. (Less) Base Year Assessed Value		<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>
VI. Incremental Assessed Value		\$9,308,415	\$9,545,205	\$9,787,022	\$10,033,975	\$10,286,175	\$10,543,737	\$10,984,709	\$11,256,907	\$11,534,897	\$11,818,806	\$12,108,763	\$12,404,899
VII. Incremental Property Tax @ 1.0%		\$93,084	\$95,452	\$97,870	\$100,340	\$102,862	\$105,437	\$109,847	\$112,569	\$115,349	\$118,188	\$121,088	\$124,049
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% ⁽⁴⁾		\$14,946	\$15,326	\$15,714	\$16,111	\$16,516	\$16,929	\$17,637	\$18,074	\$18,521	\$18,976	\$19,442	\$19,917
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	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		\$14,946	\$15,326	\$15,714	\$16,111	\$16,516	\$16,929	\$17,637	\$18,074	\$18,521	\$18,976	\$19,442	\$19,917
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$5,442	\$5,581	\$5,722	\$5,866	\$6,014	\$6,164	\$6,422	\$6,581	\$6,744	\$6,910	\$7,079	\$7,253
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	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		\$5,442	\$5,581	\$5,722	\$5,866	\$6,014	\$6,164	\$6,422	\$6,581	\$6,744	\$6,910	\$7,079	\$7,253
X. Total, City Property Tax Increment + Incremental VLF		\$20,388	\$20,907	\$21,436	\$21,977	\$22,529	\$23,094	\$24,059	\$24,656	\$25,265	\$25,886	\$26,521	\$27,170

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

(5) 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)												
	<u>High TRA</u>											
Residential @	90%	\$9,074,497	\$9,255,986	\$9,441,106	\$9,629,928	\$9,822,527	\$10,018,977	\$10,219,357	\$10,423,744	\$10,632,219	\$10,844,863	\$11,061,761
Industrial @	20%	\$422,751	\$444,791	\$467,688	\$491,473	\$516,175	\$526,499	\$537,029	\$547,769	\$558,725	\$569,899	\$581,297
Commercial - Retail @	65%	\$249,447	\$254,436	\$259,525	\$264,716	\$270,010	\$275,410	\$280,918	\$286,537	\$292,267	\$298,113	\$304,075
Hotel	50%	\$166,434	\$169,763	\$173,158	\$176,622	\$180,154	\$183,757	\$187,432	\$191,181	\$195,005	\$198,905	\$202,883
Commercial - Office @	40%	\$105,384	\$107,491	\$109,641	\$111,834	\$114,071	\$116,352	\$118,679	\$121,053	\$123,474	\$125,943	\$128,462
Subtotal Assessed Value		\$10,018,513	\$10,232,468	\$10,451,119	\$10,674,572	\$10,902,937	\$11,120,995	\$11,343,415	\$11,570,284	\$11,801,689	\$12,037,723	\$12,278,478
II. Add: Brown Field Assessed Value ⁽¹⁾												
Add: New Brown Field Assessed Value ⁽²⁾⁽³⁾		\$630,416	\$643,024	\$655,885	\$669,002	\$682,383	\$696,030	\$709,951	\$724,150	\$738,633	\$753,405	\$768,474
(Less) Demolished Brown Field Assessed Value		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Brown Field Assessed Value		\$630,416	\$643,024	\$655,885	\$669,002	\$682,383	\$696,030	\$709,951	\$724,150	\$738,633	\$753,405	\$768,474
III. Add: Estimated Assessed Value for Existing Development		<u>\$4,117,069</u>	<u>\$4,199,411</u>	<u>\$4,283,399</u>	<u>\$4,369,067</u>	<u>\$4,456,448</u>	<u>\$4,545,577</u>	<u>\$4,636,489</u>	<u>\$4,729,219</u>	<u>\$4,823,803</u>	<u>\$4,920,279</u>	<u>\$5,018,685</u>
IV. Grand Total Assessed Value		\$14,765,999	\$15,074,904	\$15,390,403	\$15,712,642	\$16,041,768	\$16,362,603	\$16,689,855	\$17,023,652	\$17,364,125	\$17,711,408	\$18,065,636
V. (Less) Base Year Assessed Value		<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>	<u>(\$2,058,648)</u>
VI. Incremental Assessed Value		\$12,707,350	\$13,016,255	\$13,331,755	\$13,653,993	\$13,983,119	\$14,303,955	\$14,631,207	\$14,965,004	\$15,305,477	\$15,652,759	\$16,006,987
VII. Incremental Property Tax @ 1.0%		\$127,074	\$130,163	\$133,318	\$136,540	\$139,831	\$143,040	\$146,312	\$149,650	\$153,055	\$156,528	\$160,070
VIII. City Share of 1.0% Incremental Property Tax @ 16.1% ⁽⁴⁾		\$20,403	\$20,899	\$21,406	\$21,923	\$22,451	\$22,967	\$23,492	\$24,028	\$24,575	\$25,132	\$25,701
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	50.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net City Share of 1.0% Incremental Property Tax		\$20,403	\$20,899	\$21,406	\$21,923	\$22,451	\$22,967	\$23,492	\$24,028	\$24,575	\$25,132	\$25,701
IX. City Incremental Vehicle License Fee (VLF) @ \$0.5847 Per \$1,000 Growth in Assessed Value		\$7,429	\$7,610	\$7,795	\$7,983	\$8,175	\$8,363	\$8,554	\$8,749	\$8,948	\$9,152	\$9,359
(Less) 50% Adjustment through FY 2022 ⁽⁵⁾	50.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net City Incremental VLF		\$7,429	\$7,610	\$7,795	\$7,983	\$8,175	\$8,363	\$8,554	\$8,749	\$8,948	\$9,152	\$9,359
X. Total, City Property Tax Increment + Incremental VLF		\$27,832	\$28,509	\$29,200	\$29,906	\$30,627	\$31,329	\$32,046	\$32,777	\$33,523	\$34,284	\$35,060

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

(5) 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

NET CITY TAX INCREMENT REVENUES
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO

	0	1	2	3	4	5	6	7	8	9	10	11
(\$000s)	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	\$183	\$250	\$320	\$392	\$933	\$1,088	\$1,248	\$1,415	\$1,588	\$1,768
High TRA	<u>\$0</u>	<u>\$0</u>	<u>\$700</u>	<u>\$1,082</u>	<u>\$1,567</u>	<u>\$1,943</u>	<u>\$4,652</u>	<u>\$5,432</u>	<u>\$6,292</u>	<u>\$7,141</u>	<u>\$8,029</u>	<u>\$8,926</u>
Total City Tax Increment Revenues Allocated to EIFD	\$0	\$0 (1)	\$883	\$1,333	\$1,887	\$2,334	\$5,584	\$6,519	\$7,541	\$8,556	\$9,617	\$10,694
(Less) County Administration Fee @ 2.0%	<u>\$0</u>	<u>\$0</u>	<u>(\$18)</u>	<u>(\$27)</u>	<u>(\$38)</u>	<u>(\$47)</u>	<u>(\$112)</u>	<u>(\$130)</u>	<u>(\$151)</u>	<u>(\$171)</u>	<u>(\$192)</u>	<u>(\$214)</u>
Net City Tax Increment Revenues	\$0	\$0	\$866	\$1,306	\$1,849	\$2,287	\$5,473	\$6,389	\$7,390	\$8,385	\$9,425	\$10,480

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

TABLE B-7

NET CITY TAX INCREMENT REVENUES
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	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 FY 2038	22 FY 2039	23 FY 2040
I. City Tax Increment Revenues												
Low TRA	\$1,954	\$2,137	\$2,318	\$2,503	\$2,693	\$2,891	\$3,095	\$3,306	\$3,525	\$3,741	\$3,956	\$4,164
High TRA	<u>\$9,862</u>	<u>\$10,806</u>	<u>\$11,679</u>	<u>\$12,533</u>	<u>\$13,421</u>	<u>\$14,342</u>	<u>\$15,300</u>	<u>\$16,293</u>	<u>\$17,325</u>	<u>\$18,380</u>	<u>\$19,466</u>	<u>\$20,388</u>
Total City Tax Increment Revenues Allocated to EIFD	\$11,816	\$12,943	\$13,997	\$15,036	\$16,114	\$17,233	\$18,394	\$19,599	\$20,849	\$22,121	\$23,422	\$24,552
(Less) County Administration Fee @ 2.0%	<u>(\$236)</u>	<u>(\$259)</u>	<u>(\$280)</u>	<u>(\$301)</u>	<u>(\$322)</u>	<u>(\$345)</u>	<u>(\$368)</u>	<u>(\$392)</u>	<u>(\$417)</u>	<u>(\$442)</u>	<u>(\$468)</u>	<u>(\$491)</u>
Net City Tax Increment Revenues	\$11,579	\$12,684	\$13,717	\$14,735	\$15,792	\$16,888	\$18,026	\$19,207	\$20,432	\$21,678	\$22,953	\$24,061

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

TABLE B-7

NET CITY TAX INCREMENT REVENUES
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	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	35 FY 2052
I. City Tax Increment Revenues												
Low TRA	\$4,347	\$4,536	\$4,730	\$4,930	\$5,135	\$5,374	\$5,592	\$5,817	\$6,048	\$6,285	\$6,530	\$6,782
High TRA	<u>\$20,907</u>	<u>\$21,436</u>	<u>\$21,977</u>	<u>\$22,529</u>	<u>\$23,094</u>	<u>\$24,059</u>	<u>\$24,656</u>	<u>\$25,265</u>	<u>\$25,886</u>	<u>\$26,521</u>	<u>\$27,170</u>	<u>\$27,832</u>
Total City Tax Increment Revenues Allocated to EIFD	\$25,254	\$25,972	\$26,707	\$27,459	\$28,229	\$29,434	\$30,248	\$31,081	\$31,934	\$32,807	\$33,700	\$34,614
(Less) County Administration Fee @ 2.0%	<u>(\$505)</u>	<u>(\$519)</u>	<u>(\$534)</u>	<u>(\$549)</u>	<u>(\$565)</u>	<u>(\$589)</u>	<u>(\$605)</u>	<u>(\$622)</u>	<u>(\$639)</u>	<u>(\$656)</u>	<u>(\$674)</u>	<u>(\$692)</u>
Net City Tax Increment Revenues	\$24,748	\$25,452	\$26,173	\$26,910	\$27,664	\$28,845	\$29,643	\$30,460	\$31,295	\$32,151	\$33,026	\$33,922

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

TABLE B-7

NET CITY TAX INCREMENT REVENUES
WITH VEHICLE LICENSE FEE
OTAY MESA EIFD
CITY OF SAN DIEGO

(\$000s)	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	Total (Nominal Dollars)
I. City Tax Increment Revenues											
Low TRA	\$7,040	\$7,307	\$7,581	\$7,863	\$8,068	\$8,276	\$8,489	\$8,706	\$8,927	\$9,153	\$193,101
High TRA	<u>\$28,509</u>	<u>\$29,200</u>	<u>\$29,906</u>	<u>\$30,627</u>	<u>\$31,329</u>	<u>\$32,046</u>	<u>\$32,777</u>	<u>\$33,523</u>	<u>\$34,284</u>	<u>\$35,060</u>	<u>\$834,517</u>
Total City Tax Increment Revenues Allocated to EIFD	\$35,550	\$36,507	\$37,487	\$38,490	\$39,397	\$40,322	\$41,266	\$42,229	\$43,211	\$44,212	\$1,027,134
(Less) County Administration Fee @ 2.0%	<u>(\$711)</u>	<u>(\$730)</u>	<u>(\$750)</u>	<u>(\$770)</u>	<u>(\$788)</u>	<u>(\$806)</u>	<u>(\$825)</u>	<u>(\$845)</u>	<u>(\$864)</u>	<u>(\$884)</u>	<u>(\$20,543)</u>
Net City Tax Increment Revenues	\$34,839	\$35,777	\$36,737	\$37,720	\$38,609	\$39,516	\$40,441	\$41,384	\$42,347	\$43,328	\$1,006,591

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

ASSUMPTIONS USED IN FINANCIAL PROJECTIONS

Financial projections are subject to the following assumptions and limiting conditions:

1. The analysis contained in this Updated Tax Increment Projection 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 Updated Tax Increment Projection may no longer be valid.
3. The findings in this Updated Tax Increment Projection 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 Updated Tax Increment Projection are KMA's informed judgment based on market and economic conditions as of the date of this Updated Tax Increment Projection. 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 Updated Tax Increment Projection 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 Updated Tax Increment Projection 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 Updated Tax Increment Projection 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.

ASSUMPTIONS USED IN FINANCIAL PROJECTIONS (CONT'D.)

8. KMA assumes that all applicable laws and governmental regulations in place as of the date of preparation of this Updated Tax Increment Projection will remain unchanged throughout the projection period of the Updated Tax Increment Projection 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.
9. KMA is not advising or recommending any action to be taken by the City/PFA with respect to any prospective, new or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other matters concerning such financial products or issues).
10. KMA is not registered with the SEC as a municipal advisor. KMA is not acting as a municipal advisor to the City/PFA and does not assume any fiduciary duty hereunder, including without limitation, a fiduciary duty to the City/PFA pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.
11. The City/PFA shall discuss any information and material contained in KMA's work product with any and all internal and/or external advisors and experts, including its own municipal advisors, that it deems appropriate before acting on the information and material.
12. The City/PFA is not looking to KMA to provide, and City/PFA shall not otherwise request or require KMA to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues).