

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING
DISTRICT PUBLIC FINANCING AUTHORITY
Meeting of February 22, 2024**

DATE ISSUED: February 15, 2024

SUBJECT:

Otay Mesa Enhanced Infrastructure Financing District Fiscal Year 2023 Annual Report and Annual Review of the Infrastructure Financing Plan

CONTACT/PHONE NUMBER:

Richard Eyre, Financial Operations Manager, 619-236-6899
Marisol Valdovinos, Financing Coordinator, 619-533-4071

DESCRIPTIVE SUMMARY OF ITEM:

This item includes:

1. Adoption of the District's FY 2023 Annual Report; and
2. Annual review of the District's Infrastructure Financing Plan.

STAFF RECOMMENDATION:

Adopt a resolution approving the Otay Mesa Enhance Infrastructure Financing District's (District) Fiscal Year (FY) 2023 Annual Report and annual review of the District's Infrastructure Financing Plan (IFP).

EXECUTIVE SUMMARY OF ITEM:

FY 2023 Annual Report

The California Government Code §53398.66.(j)(3) requires the Public Financing Authority (Authority) adopt an Annual Report containing certain District information for the prior fiscal year on or before June 30 of each year after holding a public hearing.

The FY 2023 Annual Report has been prepared by the Department of Finance (Attachment 1). The report was made available to the public on the District's website on January 18, 2024. Written notices were mailed to residents and land owners

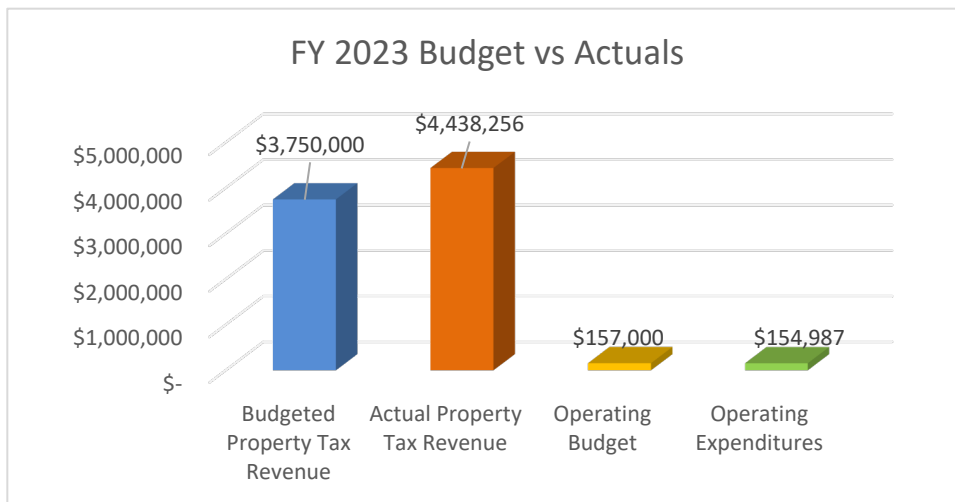
within the District bounds, advising them of the availability of the Annual Report on the District’s website and advised the public hearing would be in early 2024.

In compliance with statutory requirements, the District’s FY 2023 Annual Report includes the following information:

Description of projects undertaken in the fiscal year

La Media Road Improvements (S-15018) and Hidden Trails Neighborhood Park (S-00995) are the two projects that were funded by the District during FY 2023.

Chart comparing budget to actual revenues and expenses



FY 2023 property tax increment revenue (District Revenue) was \$4,438,256, 18.4% over the budgeted amount of \$3,750,000. Operating expenditures (excluding contingent bond debt service) were \$154,987, 1.3% under the budgeted amount of \$157,000.

Amount of District Revenue received

As shown above, a total of \$4,438,256 in tax increment revenues were received.

Assessment of the status of the District’s projects

La Media Road Improvements Project (S-15018) was allocated \$1.65 million in District Revenue during FY 2023. The District has budgeted a total of \$5.3 million to date for the La Media Road Improvement project which is now fully funded with additional dedicated funding sources. During FY 2023, staff obtained all required resource agency permits, Caltrans encroachment permit and successfully completed the construction contract bid and award phases. Project construction phase began in FY 2023.

The Hidden Tails Neighborhood Park (S-00995) was allocated \$1.15 million in District Revenue during FY 2023. Currently, this project is partially funded by

Facilities Benefit Assessment fees and District Revenue. The current funding provides for the acquisition, design, and construction of approximately 4.0 acre Neighborhood Park located in the Hidden Trails Subdivision. Design for the project began in FY 2022 and will be completed in FY 2024. Construction is anticipated to begin in FY 2025.

Amount of revenues expended to assist private business

The primary purpose of the District is to fund capital improvements that serve the community at-large. No FY 2023 revenues were expended to assist private businesses. Furthermore, it is not anticipated that District revenues will be used to assist private businesses going forward.

Review of District's IFP

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

ENVIRONMENTAL IMPACT:

This activity is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore this activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

CONCLUSION:

The Annual Report for the District has been reviewed by the Department of Finance, and City Attorney. It is recommended that the Authority adopt the resolution approving the District's FY 2023 Annual Report and confirm the annual review of the District's IFP.

Respectfully submitted,

Richard Eyre
Financial Operations Manager
City of San Diego
Department of Finance – Debt Management Division

Attachment: Otay Mesa EIFD Fiscal Year 2023 Annual Report