

# ADDENDUM TO THE COMMUNITY IMPACT ASSESSMENT

*for*

## STATE ROUTE 11 AND THE OTAY MESA EAST PORT OF ENTRY

SAN DIEGO COUNTY, CALIFORNIA  
DISTRICT 11-SD -ROUTE 11  
PM 0.0/2.8 EA056310  
DISTRICT 11-SD -ROUTE 905  
PM R8.4/10.1  
DISTRICT 11-SD -ROUTE 125  
PM 0.5

### TIER II ENVIRONMENTAL IMPACT REPORT/ ENVIRONMENTAL IMPACT STATEMENT



August 2011



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# ADDENDUM TO THE TIER II COMMUNITY IMPACT ASSESSMENT

San Diego County, California  
11-SD-11[PM 0.0-2.8]  
[EA 056310]  
11-SD - 905 [PM R8.4/10.1]  
11-SD-125 [PM 0.5]

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The purpose of this report is to address the fiscal and economic impacts of the Preferred Alternative for the State Route 11 and Otay Mesa East Port of Entry project. This analysis updates the fiscal and economic information that was provided for the Community Impact Assessment (CIA) for the project.

## **Introduction/Background**

The configurations of both the SR-11 and POE/CVEF sites were refined during the Tier II scoping and Draft EIR/EIS public review processes, in response to various engineering, planning and environmental considerations. For instance, the shape of the POE was modified at the Draft EIR/EIS stage to accommodate grading requirements to achieve a usable 100-acre POE pad, and to address a request by the Mexican government to create a greater frontage or overlap with the proposed Mexican Otay II POE site, while still minimizing impacts to coastal sage scrub, wetlands/Waters of the U.S. (WUS), and sensitive plants. Consideration of agency and public input received during the Draft EIR/EIS public review process then resulted in additional adjustments to the shape and internal layout of the POE and CVEF, which are now reflected in the Preferred Alternative.

SR-905 is currently under construction between SR-125 and Britannia Boulevard and would connect to the proposed SR-11. SR-905 was originally approved as a six-lane highway (three lanes in each direction), with a median wide enough to accommodate four additional lanes, two of which could function as high occupancy vehicle (HOV) lanes should future demand justify their construction. Operation of the proposed project would require connectivity with SR-905. Therefore, the Tier II alternatives include connectors linking SR-11 to SR-905 (and, depending on the alternative/variation, to SR-125), as well as associated modifications to SR-905.

## **Preferred Alternative**

The Preferred Alternative represents a modified version of the Two Interchange Alternative with the SR-125 Connector Variation: changes include modification of the eastern POE boundary to reduce impacts to sensitive species; changes to the POE layout to reflect the latest design concept under evaluation by GSA; modifications and additions to conceptual plans for utility relocations and drainage facilities; revisions to the SR-905/SR-125/SR-11 Interchange; and modifications to accommodate connections to the Preferred Alternative design of the Siempre Viva Interchange. Major modifications to the Two Interchange Alternative with the SR-125 Connector Variation included in the Preferred Alternative are as follows:

1. At the southeastern edge of the POE, the Preferred Alternative has been designed to reduce impacts to sensitive vegetation and steep slopes by moving the southeastern boundary to the west, compared to the Draft EIR/EIS build alternatives.
2. The staff access road from the CVEF to the Siempre Viva Road half interchange included in the Two Interchange Alternative would be upgraded to also allow northbound commercial vehicles to leave the CVEF and access Siempre Viva Road directly, without accessing SR-11. As a result, the Preferred Alternative in this area would represent something of a hybrid of the Two Interchange Alternative (with a half interchange at Siempre Viva Road) and the Siempre Viva Road Full Interchange Variation, both of which were analyzed in the Draft EIR/EIS. Unlike this full interchange variation, the Preferred Alternative design of this interchange would not include the two loop ramps allowing southbound access from Siempre Viva Road into the POE and the third loop

ramp allowing northbound passenger-only traffic from the POE to access Siempre Viva Road. Compared to the Two Interchange Alternative, the westbound access to SR-11 from Siempre Viva Road under the Preferred Alternative would be located farther north, at the intersection of the commercial vehicle exit road from the CVEF to Siempre Viva Road. As a hybrid of the half and full interchange versions of the Siempre Viva Road Interchange, the Preferred Alternative's footprint would be smaller than the full interchange but larger than the half interchange.

3. In the Sanyo Avenue area, the easements on either side of the SR-11 alignment would be wider than those identified for the Two Interchange Alternative.
4. Small drainage easements would be added on the north and south sides of SR-11 just east of the Enrico Fermi Drive Interchange.
5. The SR-905/SR-125/SR-11 Interchange would differ slightly from that identified under the Two Interchange Alternative with the SR-125 Connector Variation. The southbound SR-125 to eastbound SR-11 connector and the southbound SR-125 to eastbound SR-905 connector would be redesigned, so that the SR-125 flyover would be smaller. In addition, the planned westbound off-ramp from SR-905 to La Media Road and the westbound SR-11 off-ramp to La Media Road would be slightly different from those identified under the Two Interchange Alternative with the SR-125 Connector Variation.
6. On the eastern edge of the SR-905/SR-125/SR-11 Interchange, a 69kV power line would be re-routed, placed on new, taller steel poles to allow vertical clearance over the SR-11 and SR-125 connectors below, and relocated on new foundations in permanent utility easements outside of the highway R/W.
7. A conceptual design has been identified for the relocation of the 30-inch high-pressure gas line that is currently located along the southern boundary of the POE site. The design shows the worst case scenario of relocating the gas line around the perimeter of the POE; a more direct route through the POE site may be identified in the future.
8. Additional conceptual design information has been developed regarding the potential locations and sizes of detention and/or retention basins.

### **Preferred Alternative – Additional Major Features**

The Preferred Alternative would entail the construction of interchanges along SR-11 at Enrico Fermi Drive and Siempre Viva Road, as well as an overcrossing at Alta Road and an undercrossing at Sanyo Avenue. The Preferred Alternative was developed in response to agency and public input received during the Draft EIR/EIS public review process. The majority of commenters expressed a preference for a design with interchanges at Enrico Fermi Drive and Siempre Viva Road, consistent with the tentative design for SR-11 that is reflected in the EOMSP. A two-interchange design with full interchanges in both locations would provide the greatest possible connectivity to planned and existing Circulation Element roads in the EOMSP area, but would present potential mobility and safety challenges with respect to interchange spacing that would not meet FHWA standards. The Preferred Alternative was developed to capture most of the benefits of the Two Interchange Alternative with the Siempre Viva Full Interchange Variation and the SR-125 Connector Variation, while avoiding these operational challenges to the extent possible.

## Right of Way Acquisitions for the Preferred Alternative

The supplemental analysis Table S-1 below presents the proposed partial parcel acquisitions for the Preferred Alternative. No full-parcel acquisitions would occur and all property acquisitions would be undertaken in a manner consistent with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (as amended) and Title 49 CFR, Part 24, to ensure fair, consistent and equitable treatment in the process of property acquisition.

<b>TABLE S-1 PARTIAL PARCEL ACQUISITIONS FOR THE PREFERRED ALTERNATIVE (PRIVATE AND PUBLIC)</b>					
<b>ID</b>	<b>APN</b>	<b>Owners</b>	<b>Parcel Size (in Acres)</b>	<b>Preferred Alternative Acquisitions (In Acres)</b>	<b>Percent Of Total</b>
<b>PRIVATELY OWNED PARCELS</b>					
1	646-130-61	MS Development Company LLC	4.71	1.21	25.7%
2	646-130-60	Airway Diego LLC	17.91	0.87	4.9%
3	646-130-27	Hanna,Markram A & Maureen T	34.39	3.45	10.0%
4	646-130-39	South County Commerce Ctr. LLC	19.78	3.47	17.5%
5	646-130-40	South County Commerce Ctr. LLC	19.82	3.79	19.1%
6	646-130-41	South County Commerce Ctr. LLC	19.85	3.26	16.4%
7	646-130-42	South County Commerce Ctr. LLC	19.87	5.62	28.3%
8	646-131-04	Mamapel Investments LLC	2.15	0.64	29.8%
9	646-131-05	Mamapel Investments LLC	2.19	0.70	32.0%
10	646-131-09	LBA Realty Fund III Company I L	4.27	1.33	31.1%
11	646-131-14	Sanyo E & E Corp.	18.87	0.75	4.0%
12	648-070-03	Kearny P C C P Otay 311 L L C	158.79	30.24	19.0%
13	648-080-27	Kearny P C C P Otay 311 L L C	151.63	92.66	61.1%
14	648-070-09	TPO L L C	81.30	16.26	20.0%
15	648-080-18	Rancho Vista Del Mar	40.00	13.10	32.8%
16	648-070-13	International Industrial Park	38.19	5.61	14.7%
17	648-070-14	McKany Trust	39.09	5.16	13.2%
18	648-070-21	Otay Business Park LLC	159.36	42.22	26.5%
		<b>SUBTOTAL</b>	<b>832.17</b>	<b>230.34</b>	<b>27.7%</b>
<b>PUBLICLY OWNED PARCEL</b>					
1	648-070-18	Otay Water District (Public)	3.64	0.31	8.5%
<b>19</b>		<b>GRAND TOTAL</b>	<b>835.81</b>	<b>230.65</b>	<b>27.6%</b>

Source: HELIX Environmental Planning, Inc. and AECOM, June 2011.

A total of 19 parcels, including 18 private parcels encompassing a total of approximately 832 acres and one publicly owned parcel of about 4 acres would be affected by the land acquisition requirements of the Preferred Alternative. The partial parcel acquisition required for the

Preferred Alternative of 230.65 acres (public and private) would represent about 27.6 percent of the affected parcels. The Preferred Alternative acquisition area would be about 6 percent less than the baseline Two Interchange Alternative with the SR-125 Connector Variation and would affect the same 19 parcels. The total acquisition area for the privately owned parcels would be 230.34 acres and would represent about 27.7 percent of the affected parcels. The total acquisition area for the publicly owned parcel, owned by the Otay Water District, would be 0.31 acre and would represent about 8.5 percent of the affected parcel. The partial parcel acquisitions would be similar to the baseline Two Interchange Alternative and would not generate a substantial land use impact to the community.

**Property Tax Impacts**

There would be an initial reduction in property tax revenues as a result of the Preferred Alternative (Table S-2). These reductions in property tax revenues would occur as a result of the private land acquisitions required by the project and the removal of associated acquisition areas from the tax roll as they change from private to public ownership. The reduction in property tax revenue would not be substantial and would likely be more than offset by the increase in property values generated throughout the local economy as a result of the accrued economic benefits generated from the reduced border crossing delay time.

<b>Table S-2 PROPERTY TAX LOSS SUMMARY</b>				
<b>Project</b>	<b>Number Of Parcels</b>	<b>Property Tax FY2011</b>	<b>Percent of Total Tax Loss</b>	<b>Estimate Property Tax Loss</b>
<b>Preferred Alternative</b>	18	\$ 1,461,068	18.9%	\$ 275,450

Source: San Diego County Tax Assessor and CIC Research, Inc., June 2011.

The 18 privately-owned parcels that would be impacted by partial parcel acquisitions generate \$1.46 million in property tax in FY2011. A total of 27.7 percent of the area of these 18 parcels would be acquired and would result in an estimated \$275,450 reduction in property tax revenue or about 18.9 percent of the tax revenue from these parcels. The reduction in property tax revenue would be less than 0.1 percent of local government (City and County) total property tax revenue and would not represent a substantial fiscal impact.

**Construction Expenditure Impacts**

The proposed project would be built in one phase over a three-year construction period (2012-2015) and is estimated to cost \$618.7 million (Table S-3). Preliminary estimates for construction costs were provided for each of the primary elements of the proposed project. Preliminary project cost estimates in current dollars indicate that the Otay Mesa East POE would cost \$355.5 million to build exclusive of furniture, fixtures, and land acquisition cost. All estimated project construction costs listed here are stated in current dollars (2011) and include the cost of construction support. The CVEF was estimated to cost \$42.4 million. The

construction of SR-11 was estimated to cost \$263.2 million.<sup>1</sup> Construction of the Preferred Alternative is estimated to cost more than the cost estimates provided in the Draft EIR/EIS and CIA, because of the availability of additional information since the Draft EIR/EIS was prepared, and design refinements that would apply to any of the Draft EIR/EIS alternatives if they were selected as the preferred alternative.

<b>Table S-3 ESTIMATED SR-11/OTAY MESA EAST POE DIRECT CONSTRUCTION COSTS*</b>	
<b>Project Alternative</b>	<b>Estimated Cost</b>
<b>Preferred Alternative</b>	
Otay Mesa East POE	\$ 355,500,000
CVEF	\$ 42,400,000
SR-11	\$ 263,200,000
<b>Total Estimated Construction Cost</b>	<b>\$ 618,700,000</b>

\* Direct construction costs include support costs, but excludes acquisition costs.  
Source: AECOM/Caltrans, "Preliminary Project Construction Cost Estimate," June 2011.

The estimated project construction costs as listed here were employed as the direct impact for the economic impact modeling. The following Table S-4 lists the direct, indirect, induced, and cumulative total output impacts for San Diego County from the Preferred Alternative. In addition, the total labor requirement (jobs) and the total household income (e.g., wages, salaries, proprietors' income, and transfer payments) that would be generated were also listed.

The total economic impacts to the San Diego regional economy from construction of the Preferred Alternative were estimated using an IMPLAN/Pro based input-output model of the San Diego regional economy. The construction costs for the Preferred Alternative net of land acquisition costs and the cost of furniture and fixtures were modeled as an exogenous direct change in the local economy. The resulting total economic impacts (direct, indirect, and induced) were measured in terms of total output, employment (jobs), and income generated within the countywide regional economy. The economic impacts of project construction are non-recurring one time impacts that were assumed to be distributed evenly throughout the three-year construction period. Therefore, all economic impact estimates listed in Table S-4 would be divided by three to yield an estimate of the economic impact generated in each year of the three-year construction period.<sup>2</sup>

<sup>1</sup> AECOM /Caltrans, "Preliminary Project Construction Cost Estimate," June, 2011.

<sup>2</sup> CIC Research, Inc., "IMPlan Pro: Input/Output Model of the San Diego Region," October 2008.

**TABLE S-4  
SR-11/OTAY MESA EAST POE  
CONSTRUCTION ECONOMIC IMPACTS**

Project Alternative*	Economic Impacts					
	Direct	Indirect	Induced	Total Cumulative	Jobs	Income
Preferred Alternative	\$618,700,000	\$153,300,000	\$310,600,000	\$1,082,600,000	8,534	\$470,900,000

Source: CIC Research, Inc., "IMPlan Pro: Input/Output Model of the San Diego Region," October 2008.

**Preferred Alternative Total Economic Impact of Construction**

The Preferred Alternative would produce an estimated total output impact of \$1.08 billion for the San Diego County economy, total employment of 8,534 jobs, and total income of \$470.9 million. The project construction activity for the Preferred Alternative would represent about three percent of the current annual construction output and employment within the County and would not represent an adverse economic impact. Indeed, the economic impacts for the construction industry would be beneficial, but not substantial. The majority of the labor required for the construction activities would be supplied by the local region labor pool. The cumulative total economic impacts (direct, indirect, and induced) would be felt throughout the regional economy and would be marginally beneficial and would not generate an adverse economic impact. About 60 percent of the annual jobs generated would be direct construction industry jobs, out of the total annual jobs generated from project construction. The balance of the jobs generated would be indirect or induced jobs generated in all sectors of the San Diego regional economy. The approximately 1,700 annual direct construction industry jobs would not be substantial compared with the 54,000 construction jobs in the County and the nearly 25,000 construction workers who are currently seeking work. The local community might also be expected to benefit marginally from the employment opportunities that the project would generate.

**Socioeconomic Checklist**

The following Table S-5 is a socioeconomic checklist that summarizes the expected impacts of the Preferred Alternative. As indicated on the checklist, the Preferred Alternative is not expected to generate any substantial impacts to the local community or the greater region. These overall impact findings for the Preferred Alternative are similar to the impact findings for the baseline Two Interchange Alternative as previously submitted in the CIA report.

**Table S-5  
CIA CHECKLIST FOR THE  
PROPOSED SR-11/OTAY MESA EAST POE PROJECT  
PREFERRED ALTERNATIVE**

Socioeconomic Impacts	Potential Impact		Substantial Impact		
	Yes	No	Yes	No	Maybe
<b>Planning Impacts</b>					
1 State Urban Strategy violated?		X		X	
2 Regional and/or local plans violated?		X		X	
3 Conflict among State, Regional and Local Plans exposed		X		X	
<b>Social Impacts</b>					
4 People displaced?		X		X	
5 Affordable housing loss?		X		X	
6 Community divided?		X		X	
7 Community profile changed		X		X	
8 Population(s) of people of color impacted?		X		X	
9 Certain groups injured more than benefited?		X		X	
10 Community aesthetic character changed?		X		X	
11 Health, safety, law and order impaired?		X		X	
12 Parking space and access decreased?		X		X	
13 Public service delivery curtailed?		X		X	
<b>Economic Impacts</b>					
14 Businesses removed?		X		X	
15 Business access curtailed?		X		X	
16 Jobs loss or job opportunity curtailed?		X		X	
17 Agricultural and/or farmland loss?		X		X	
18 Taxbase loss?		X		X	
19 Local economy impacted by construction and/or operating project?		X		X	
<b>Growth Impacts</b>					
20 Population increase?		X		X	
21 Housing supply increase?		X		X	
22 Employment and business activity increased?	X			X	
23 Recreation or resources decreased?		X		X	
24 Through traffic increased?		X		X	
25 Development opportunities enhanced?		X		X	
26 Areas of potential growth changed?		X		X	
27 Public services overtaxed?		X		X	
28 Growth caused by related projects?		X		X	

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