Members
John Minto, Chair
Vice Mayor, City of Santee
(Representing East County)

Greg Cox, Vice Chair
Supervisor, County of San Diego

VACANT
(Representing South County)

VACANT
(Representing North County Coastal)

Ed Gallo
Councilmember, City of Escondido
(Representing North County Inland)

David Alvarez
Councilmember, City of San Diego

John Renison
Supervisor
(Representing Imperial County)

Alternates
Ruth Sterling
Councilmember, City of La Mesa
(Representing East County)

Dianne Jacob
Supervisor, County of San Diego

VACANT
(Representing South County)

Michael Schumacher
Councilmember, City of Carlsbad
(Representing North County Coastal)

Jim Cunningham
Councilmember, City of Poway
(Representing North County Inland)

Mark Kersey
Councilmember, City of San Diego

VACANT
(Representing Imperial County)

Advisory Members
Marsha Swanson
City of Wildomar
(Representing Riverside County)

Jim Ferryman
(Representing Orange County)

Remedios Gómez-Arnau
Consul General
Consulate General of Mexico

Elsa Saxod
San Diego County Water Authority

Laurie Berman
District 11 Director, Caltrans

Mark Romero (Mesa Grande)
Southern California Tribal Chairmen's Association

Richard Macias
Director of Planning
Southern California Association of Governments

Gary L. Gallegos
Executive Director, SANDAG

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**AGENDA HIGHLIGHTS**

- **UPDATE ON THE STATE ROUTE 11 AND OTAY MESA EAST PORT OF ENTRY PROJECT**

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**MISSION STATEMENT**

The Borders Committee provides oversight for planning activities that impact the borders of the San Diego region (Orange, Riverside and Imperial Counties, and the Republic of Mexico) as well as government-to-government relations with tribal nations in San Diego County. The preparation and implementation of SANDAG’s Binational, Interregional, and Tribal Liaison Planning programs are included under this purview. It advises the SANDAG Board of Directors on major interregional planning policy-level matters. Recommendations of the Committee are forwarded to the Board of Directors for action.

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(619) 699-1900 · Fax (619) 699-1905 · sandag.org
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Public comments regarding the agenda can be sent to SANDAG via comment@sandag.org. Please include the agenda item, your name, and your organization. Email comments should be received no later than 12 noon, two working days prior to the Borders Committee meeting. **Any handouts, presentations, or other materials from the public intended for distribution at the Borders Committee meeting should be received by the Committee Clerk no later than 12 noon, two working days prior to the meeting.**

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# BORDERS COMMITTEE

Friday, January 23, 2015

<table>
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<tr>
<th>ITEM NO.</th>
<th>RECOMMENDATION</th>
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<tr>
<td>+1.</td>
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## 1. APPROVAL OF MEETING MINUTES

The Borders Committee is asked to review and approve the minutes from its November 21, 2014, meeting.

## 2. PUBLIC COMMENTS/COMMUNICATIONS

Members of the public shall have the opportunity to address the Borders Committee on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Borders Committee coordinator prior to speaking. Public speakers should notify the Borders Committee coordinator if they have a handout for distribution to Borders Committee members. Public speakers are limited to three minutes or less per person. Borders Committee members may provide information and announcements under Agenda Item No. 3.

### REPORTS

3. **SUBREGIONAL REPORTS FROM BORDERS COMMITTEE MEMBERS**

Members of the Borders Committee may report issues and activities within their subregion that are of interest or under the purview of the Borders Committee.

4. **REPORT FROM THE CONSUL GENERAL OF MEXICO**
   (Hon. Remedios Gómez-Arnau, Consulate General of Mexico in San Diego)

Hon. Remedios Gómez-Arnau, Consul General of Mexico in San Diego, will report on binational activities within the purview of the Borders Committee.

5. **UPDATE FROM THE SOUTHERN CALIFORNIA TRIBAL CHAIRMEN'S ASSOCIATION** (Chairman Mark Romero, Mesa Grande)

Chairman Mark Romero, representative of the Southern California Tribal Chairmen's Association on the Borders Committee, will brief the members on issues and activities affecting tribal nations in the region and the state.
UPDATE ON THE STATE ROUTE 11 AND OTAY MESA EAST PORT OF ENTRY PROJECT (Marney Cox; Mario Orso, Caltrans)

The State Route 11 and Otay Mesa East Port of Entry Project will improve the efficient movement of people and goods between the United States and Mexico. SANDAG and Caltrans are working to develop a new border crossing and associated transportation network, which includes an Investment Grade Traffic and Revenue Study and a draft Concept of Operations. This report was presented to the Board of Directors at its January 9, 2015, meeting. The report will provide the Borders Committee with an update on the project’s progress to date, proposed next steps, and a review of the project’s overall schedule.

UPCOMING MEETING

The next meeting of the Borders Committee is scheduled for Friday, February 27, 2015, at 12:30 p.m.

ADJOURNMENT

+ next to an item indicates an attachment
The Borders Committee was called to order by Chair John Minto (East County) at 12:35 p.m. See the attached attendance sheet for Borders Committee member attendance.

Chair John Minto welcomed the Borders Committee and guests. He acknowledged and personally thanked Teresa Barth (North County Coastal) and Al Ovrom and Rudy Ramirez (South County) for serving on the Borders Committee.

1. **APPROVAL OF MEETING MINUTES (APPROVE)**

   **Action:** Upon a motion by Councilmember Ed Gallo (North County Inland) and a second by Councilmember Teresa Barth (North County Coastal), the Borders Committee approved the minutes from the October 24, 2014, meeting. Yes – John Minto (East County), Greg Cox (County of San Diego), Rudy Ramirez (South County), Teresa Barth (North County Coastal), and Ed Gallo (North County Inland). No – None. Abstentions – None. Absent – Imperial County and City of San Diego.

2. **PUBLIC COMMENTS/COMMUNICATIONS**

   Oscar Cortes, Professional Civil Engineers Association of Tijuana, invited the Borders Committee to an upcoming event at City of Tijuana on mobility on border crossings on May 14, 15, and 16, 2015.

**REPORTS**

3. **SUBREGIONAL REPORTS FROM COMMITTEE MEMBERS (INFORMATION)**

   Members of the Borders Committee report issues and activities within their subregion that are of interest or under the purview of the Borders Committee.

   There were no subcommittee reports.
4. REPORT FROM THE CONSUL GENERAL OF MEXICO (INFORMATION)

The Consulate General of Mexico in San Diego contributes to the Borders Committee dialogue by providing periodic reports on binational activities within the purview of the Committee. This report highlighted updates of the Sixth Technical Meeting of the Executive Steering Committee for the 21st Century Border.

Hon. Remedios Gomez-Arnau, Consulate General of México in San Diego, presented the item.

**Action:** This item was presented for information only.

5. UPDATE FROM THE SOUTHERN CALIFORNIA TRIBAL CHAIRMEN'S ASSOCIATION (INFORMATION)

Chairman Mark Romero, representative of the Southern California Tribal Chairmen’s Association, briefed the members on issues and activities affecting tribal nations in the region and the state.

**Action:** This item was presented for information only.

6. CALIFORNIA-BAJA CALIFORNIA 2014 BORDER MASTER PLAN UPDATE (INFORMATION)

An overview was provided of the California-Baja California 2014 Border Master Plan Update, which was approved by the United States-Mexico Joint Working Committee in September 2014.

Elisa Arias and Cheryl Mason; and Sergio Pallares, Caltrans District 11, presented the item.

**Action:** This item was presented for information only.

8. CITY OF TIJUANA MASS TRANSIT SYSTEM UPDATE (INFORMATION)

The new Tijuana Mass Transit System project was listed as the highest national priority in Mexico’s National Transportation Infrastructure Investment Program. This presentation provided an update from the City of Tijuana on the project’s Route 1.

Councilmembers Martha Leticia Castañeda and Nuria Pujol, City of Tijuana, presented this item and responded to questions.

**Action:** This item was presented for information only.
7. CALIBAJA MEGA-REGION: BINATIONAL INDUSTRY CLUSTERS (INFORMATION)

As part of the CaliBaja Mega-Region Initiative, the long-term economic development strategy that includes San Diego and Imperial Counties and the State of Baja California, Mexico, this presentation presented findings and progress on employment concentrations in the border region.

Daniel Flyte presented this item.

Action: This item was presented for information only.

9. UPCOMING MEETINGS (INFORMATION)

The next meeting of the Borders Committee is scheduled for Friday, January 23, 2015, at 12:30 p.m.

10. ADJOURNMENT

Chair Minto adjourned the meeting at 2:37 p.m.
CONFIRMED ATTENDANCE
SANDAG BORDERS COMMITTEE MEETING
NOVEMBER 21, 2014

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<th>GEOGRAPHICAL AREA/ORGANIZATION</th>
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<td>City of Coronado</td>
<td>Al Ovrom</td>
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<td>Greg Cox (Vice Chair)</td>
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<td>Dr. Paul Ganster</td>
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<td>Larry Smith</td>
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<td>Mark Romero</td>
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<td>Rich Macias</td>
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<td>Tomás Oliva</td>
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<td>Jim Ferryman</td>
<td>Member</td>
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<td></td>
<td>County of Orange</td>
<td>Jim Dahl</td>
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**Mexico and the United States, committed to joint prosperity**

JAN 7, 2015

Earlier today, President Enrique Peña Nieto concluded his first official working visit to Washington, DC, in which the substantive issues of bilateral relations were reviewed and the strategic sense of cooperation with the United States was strengthened. During the meeting with President Barack Obama, the leaders discussed priority issues regarding security, justice and migration. They also discussed issues concerning the economy, competitiveness and education. The commitment by both governments to build increasingly robust relations with a strategic vision to meet the challenges of the region in the future through concrete progress was reaffirmed.

- Within this context, a series of accompanying and coordination actions were agreed regarding the announcement of **executive action** regarding migration, which will enable the greatest number of Mexicans to benefit. President Peña reiterated the position of respect for internal migration processes in the U.S. and also confirmed that the Mexican consular network is ready to assist and meet the challenges that may arise in this context.

- Both leaders agreed that the border constitutes a meeting point and source of opportunities, and pledged to promote a new border narrative that will highlight constructive aspects and turn it into an epicenter of shared prosperity.

- During the visit, the results of 2014 and the 2015 goals of the Bilateral Forum on Higher Education, Innovation Research (FOBESII) and the High Level Economic Dialogue (DEAN) were presented to improve competitiveness and academic exchange and create a workforce in the region that will be able to meet the challenges of the 21st century.

- Moreover, a letter of intent was signed to create the **Mexico-United States Internship Program**, which aims to increase the number of students doing internships at companies with a strategic presence in the two countries. This instrument is the first one concerning education signed by the two governments after the launch of the Bilateral Forum on Higher Education, Innovation and Research (FOBESII). Its signing reflects the renewed commitment of the two presidents to promote academic exchanges and student mobility, by allowing links with the private sector.
As a result of the renewed bilateral consular consultations which began in November 2013, a Memorandum on the Exchange of Consular Officers was signed, which will allow consular officers to undertake reciprocal stays in the Foreign Secretariat and the State Department. Priority will be given to the assignments related to: emergency response and crisis management; assistance to victims of violent crimes; international child abduction and preventive action programs. The overall objective is to learn from each other’s best practices for assisting citizens abroad.

During the meeting, the commitment to promote greater development in Central America was reinforced by following the principles of shared responsibility advocated by both countries. They confirmed their interest in advancing the implementation of the Plan for the Alliance for Prosperity for the Northern Triangle with El Salvador, Guatemala and Honduras. They pledged to increase the creation of opportunities for the development of the societies of these three countries through investments in infrastructure.

President Peña hailed the leadership of President of Cuba, Raúl Castro and US President Barack Obama in normalizing diplomatic relations between Mexico’s two sister countries. He added that the measures taken will contribute to the prosperity, strengthening of democracy and promotion of human rights throughout the region. President Obama praised the Mexican government’s commitment to facilitating and opening up additional channels that will contribute to the normalization of diplomatic relations.

These concrete achievements in promoting an increasingly competitive and dynamic North America reflect the commitment by both countries to prospering jointly and building an increasingly solid relationship with a strategic vision that will make it possible to address the challenges of the future.
INTRODUCTION

SANDAG and Caltrans, in collaboration with the Mexican government and other project stakeholders, have continued to make progress to advance the Otay Mesa East (OME) – Mesa de Otay II Port of Entry (POE) and connecting roads on both sides of the border. The unique nature of this project has required staff and project stakeholders to address challenging issues and circumstances. To date, staff, working together with project stakeholders, has completed the following major milestones:

- 2008: Secured approval of Senate Bill 1486 (Ducheny, 2008), authorizing SANDAG to be the operator of the State Route 11 (SR 11) toll road; obtained Presidential Permit for the new POE
- 2012: Completed Final Environmental Impact Report/Environmental Impact Statement and obtained a Record of Decision for SR 11 and the POE; the California Transportation Commission approved segmenting the project and fully funded Segment 1 and the design for Segment 2
- 2013: Completed Right-of-Way acquisition for Segment 1; construction is currently under way
- 2014: Completed a Concept of Operations (ConOps) and an Investment Grade Traffic and Revenue (T&R) Study for the project

The purpose of this report is to present the Board of Directors with an update on the project’s progress to date, proposed next steps, and a review of the project’s overall schedule.

DISCUSSION

SANDAG, in cooperation with Caltrans, federal agencies, including the U.S. Customs and Border Protection (CBP) and the U.S. General Services Administration, counterpart agencies in Mexico, and other project stakeholders, is working on developing the new OME POE and the associated transportation network, SR 11. The proposed project is located approximately two miles east of the existing Otay Mesa border crossing and will constitute a third major border crossing along the San Diego region’s border with Tijuana.

The need to improve our region’s border crossing capacity stems from steady growth in global and regional economic integration that squeezes ever more people and goods through border infrastructure that was sized for a much smaller and significantly less security-conscious economy. The existing San Ysidro-Puerta Mexico POE is the busiest international land crossing along the U.S.-Mexico...
The Otay Mesa-Mesa de Otay POE continues to accommodate the third highest dollar value of trade among all southern border POEs.

The primary purpose of the proposed new OME border crossing is to help relieve traffic congestion at the border by not only adding capacity, but also by managing demand with the use of tolls and integrating the operations of the main border crossings into a system. A third border crossing at OME could reduce delays caused by traffic congestion, better accommodate projected trade and travel demand, and increase economic growth and job opportunities on both sides of the border without sacrificing border safety and security. Passenger and commercial vehicles choosing to use the new proposed POE, for example, would experience less wait time in line, and the length of the line would be more predictable because of new demand management techniques. In turn, economic activity on both sides of the border could be increased. According to the SANDAG-Caltrans study, 2007 Update: Economic Impacts of Border Wait Times in the San Diego-Baja California Border Region, the border traffic congestion and delays cost the U.S. and Mexican economies an estimated $7.2 billion in gross output (value of goods and services produced annually) and more than 62,000 jobs in 2007. Since this initial, groundbreaking study, other states have completed similar studies with similar results.

More recently, the wait time and other inefficiencies of the border crossings have been the subject of discussions between representatives from Mexico, the State of California, and the U.S. government. In July of this year, a delegation led by California Governor Jerry Brown traveled to Mexico City to meet with Mexican officials and signed a Memorandum of Understanding (MOU) with Mexico, which recognizes the critical binational importance of the OME Project. This MOU specifically focuses on the importance of facilitating trade though the proposed OME POE as a project that will strengthen bilateral trade and prosperity by providing predictable and reduced wait times at the border. The MOU sets forth an aggressive plan to self-finance a new border crossing in the San Diego/Baja California region.

It also is significant that the MOU between Mexico and California created a Binational Oversight Committee established specifically to facilitate the development of this state-of-the-art project. The Oversight Committee is tasked with exploring innovative strategies to support environmental sustainability, securing a binational approach to revenue sharing, providing management coordination, and facilitating necessary agreements. Additionally, the OME POE Project also has been included as part of the High-Level Economic Dialogue (HLED) recently announced by President Barack Obama and Mexican President Enrique Peña Nieto. The HLED features a mutually defined goal of expanding opportunities on both sides of the border, with a focus on competitiveness and innovation.

**Recent Studies Completed**

**Investment Grade Traffic and Revenue Study**

In June 2014, SANDAG completed the SR 11/OME POE Investment Grade T&R Study (the Executive Study is included as Attachment 1). The purpose of the study is to estimate the potential traffic (passenger and commercial vehicles) forecasted to use the OME POE and subsequent toll revenues generated over a 40-year period of operations (2017-2056). While the T&R Study focuses on the toll revenue generating capacity, a study to estimate the potential capital and operations cost of a third border crossing is under way.

In 2013, more than 100,000 passenger vehicles and about 5,500 commercial vehicles used the POEs at San Ysidro and Otay Mesa every day for travel between Tijuana, Mexico, and San Diego, California. A
travel survey conducted as part of the 2007 border wait times study, mentioned above, indicated that nearly 75 percent of the travelers crossing the border experienced long delays at the POEs and were willing to pay a toll if their wait times were reduced significantly and more predictability about border crossing conditions could be provided.

Surveys conducted by SANDAG in 2012 and 2013 show that those who cross the border experience significant delays prior to reaching the inspection facilities at the POEs, particularly on northbound trips. Passenger vehicles traveling north, for example, when the surveys were conducted, experienced border crossing delays between 45 and 85 minutes during the morning peak period (6 to 9 a.m.), and only 10 to 15 minute delays during off-peak hours (7 p.m. to 6 a.m.). Unless the amount of time customs agents take to process each vehicle is reduced, the expansion and improvements underway at San Ysidro are not expected to significantly lower delays. Furthermore, any initial reduction in wait times is expected to be overwhelmed by a surge in traffic levels from suppressed or latent demand to cross the border.

Commercial vehicles traveling north when the surveys were conducted experienced border crossing delays between 65 and 95 minutes during late afternoon peak periods (4 to 7 p.m.). (Commercial vehicles cross only at the Otay Mesa POE, which is operated about 16 hours each day.) No expansion or major improvements matching those occurring at San Ysidro are planned for Otay Mesa.

According to the ConOps for the proposed new border crossing discussed below, the roadway systems supporting the new OME POE are being designed to enable a smoother flow through the POE, with pre-inspection delays limited to 20 minutes at all times so that the traveler’s experience is managed and predictable. Demand management, necessary to provide this level of service, will be instituted through varying toll rates to control demand and the length of the passenger or commercial vehicle line. Once opened, the new POE is projected to attract approximately 20 percent of the resulting passenger vehicle traffic and approximately 75 percent of the resulting commercial vehicle traffic. Over time, as demand for both personal and commercial crossings grow, toll rates will adjust and will manage the rising demand.

Based on demand estimates and the likely behavioral responses of drivers to the increased capacity and higher level of service, the study estimates that the new POE could generate toll revenues of $4.2 billion (in constant 2012 dollars) over a 40-year period of operation after its scheduled opening in 2017. About 75 percent of the revenue would come from passenger vehicle tolls and the remaining 25 percent would come from commercial vehicle tolls. Nearly 90 percent of the toll revenue collected at the proposed POE would come from northbound vehicles; the remaining 10 percent would be collected from southbound vehicles.

**Concept of Operations**

At this stage in the new cross-border project, a general understanding of how the proposed POE and connected roadways will operate is needed. In summer 2014, a ConOps was completed and circulated to stakeholders for review and comment.

While much of the draft ConOps is focused on systems and operations around the planned OME/Mesa de Otay II border crossing, it also is intended to highlight the critical role that regional border transportation, mobility, and management play in the overall economic vitality and prosperity of the greater San Diego/Baja California region. The firm premise of the ConOps and the overall SR 11/OME POE Project is that the border must function as a system of crossings that are interrelated, and that the
operations of the new OME crossing must be designed to interact and coordinate within the larger California/Mexico border crossing environment.

There are a great number of business, environmental, political, and economic objectives related to the overall ConOps for the OME Project. It is important to highlight the following six key objectives that shaped the development of the ConOps, related system needs, and functions:

1. Achieve sufficient revenue in order to provide funds to cover debt service as well as toll and other key operations
2. Minimize capital and operations costs, particularly for the initial deployment
3. Enhance safety, security, and efficiency by applying lessons learned by project stakeholders for other border crossings
4. Provide an enhanced customer experience that supports perceptions of reliability, efficiency, and progressive processing of border-crossing traffic
5. Develop a cooperative binational model for a new type of border crossing within a regional binational framework that supports ongoing operations of the new border crossing
6. Reduce greenhouse gas emissions through reduced border region wait times and more efficient movement of cross-border traffic

In light of the input provided by project stakeholders, a number of guidelines were followed in the development of the ConOps document, including:

• The ConOps will leverage existing and planned systems and operations since there are significant existing and planned Intelligent Transportation System resources on both sides of the border. The intent of the ConOps is to recognize the potential use and role of these resources, without “reinventing the wheel” for the needs of this project.

• The ConOps will ensure focused operations and maintenance of key systems functions. There are a number of key operational needs and systems functions that are crucial to the effective operations of the new crossing (e.g., wait time detection/calculation, toll collection, etc.) and these functionalities should be focused into a single-system concept and operation. Some operations will require binational agreements and entities in order to ensure proper monitoring, operations, and maintenance of the project. The development of such binational agreements is under way.

• The ConOps will ensure near-term operability. While there are substantial advancements occurring with information systems management, tolling, and communications technologies, it is important to note that the project is planned for a 2017/2018 opening. This means that operational concepts must rely on what is possible and feasible given the realities of the likely technologies widely utilized by border crossers and the likely rates of adoption of those technologies.

• The ConOps focuses on operational requirements and efficiency rather than on a specific vendor or technology solution. This will allow the program to utilize cost-effective technologies and avoid functionality gaps. Maintaining this approach over the 40-year horizon of the program supports technology advancements that serve to improve the efficiency and safety of the border crossing.
• The ConOps will recognize the unique environment of a border crossing and the border crossing process – that it is a challenging environment for systems deployment and operations. Key to the overall attractiveness of the new border crossing to potential customers is the perceived efficiency at improving the border crossing experience in terms of reliability, time, and comfort. The ConOps takes significant effort to closely correlate the border crossing process with each area of operational need and system functionality.

• The ConOps assumes that any POE security and processing functions would provide data to those agencies and systems focused on safety and security. While the ConOps highlights opportunities to provide operational and system functions that support enhanced security and safety, it does not presume to interface directly with systems deployed and operated by CBP, Border Patrol, Aduanas, Mexican Security Forces, and other agencies. Any supporting functions would potentially supply additional data for operational action by these agencies, but the ConOps does not serve to change or restrict their current and planned roles.

As this draft ConOps continues to be reviewed and revised to reflect stakeholder input and the evolving character of the overall project, systems requirements will be developed that more specifically define what functions will be performed by new system elements, and how they will be performed.

Next Steps

The T&R Study and the ConOps continue to be the focal point of discussions with project stakeholders. For example, staff is cooperating on a peer review of the T&R Study with Mexico and there are ongoing meetings with local representatives from CBP on the draft ConOps. Staff is currently planning a follow-up meeting to Governor Brown’s trip to Mexico City, where the Secretariat of Communications and Transportation of Mexico leadership will be briefed on the T&R. Similarly, the HLED initiative, supported by President Obama and President Peña Nieto, is advancing rapidly, and the federal HLED steering group will be formally engaged later in January. These meetings will enable staff to add more detail to the cost of construction, operations, and maintenance. These three elements combined (revenues, costs, and ConOps) will provide a more complete picture of the project’s financial feasibility. At the same time, staff is beginning discussions with representatives from Mexico on options to share toll revenues as well as additional opportunities to align project schedules on both sides of the border. The goal is to have the facility open to traffic by 2017, at which time SANDAG would begin to administer and operate the SR 11 toll road.

GARY L. GALLEGOS
Executive Director

Attachment: 1. Investment Grade Traffic and Revenue Study Executive Summary

Key Staff Contacts:  Mario Orso, (619) 688-2561, mario.orso@dot.ca.gov
                 Marney Cox, (619) 699-1930, marney.cox@sandag.org
                 Christina Casgar, (619) 699-1982, christina.casgar@sandag.org
SR 11/Otay Mesa East (OME) Port of Entry (POE)  
Investment Grade Traffic and Revenue Study  
EXECUTIVE SUMMARY

Prepared For:  
San Diego Association of Governments  
(SANDAG)

Technical Point of Contact  
Marney Cox, Chief Economist  
San Diego Association of Governments  
Marney.cox@sandag.org  
TEL: 619-699-1930  
401 B Street, Suite 800  
San Diego, CA 92101

Prepared by:  
HDR, Inc.

March 28, 2014 (FINAL VERSION: June 10, 2014)
EXECUTIVE SUMMARY

This investment grade T&R study was conducted to estimate the revenue potential of the proposed SR 11/Otay Mesa East (OME) Port of Entry (POE) facility. The new POE would be located 2 miles east of the POE currently operational at Otay Mesa (see Figure ES1). The new facility, in addition to the POEs at Otay Mesa and San Ysidro, will address the current cross border congestion and growing demand for improvement in the movement of personal vehicles (PVs) and commercial vehicles (CVs) across the border.

According to the Concept of Operations prepared for this new POE, user fees for the facility will be implemented in the form of traffic tolls collected on the proposed SR 11, the sole connector from the crossing to the road network on the United States (U.S.) side. The roadway systems supporting the new OME POE are being designed to enable a smoother flow through the POE with pre-inspection delays limited to 20 minutes. Demand management, necessary to provide this level of service, will be instituted through varying toll rates to control demand.

This investment grade T&R study (detailed in Box ES1) estimated the traffic forecasts for the OME POE and subsequent toll revenues generated over a 40-year period of operation (2017 – 2056). The study included the estimation of socioeconomic growth and corresponding increase in demand for border crossing in the region, as well as potential responses from travelers to the toll rates. The SR 11/OME POE will offer an alternative with a higher level of service to the border crossing traffic currently served by San Ysidro POE and Otay Mesa POE. In addition to those that divert from San Ysidro and Otay Mesa POEs, the high level of service offered by the new POE has the potential to attract more trips by individuals who had limited their border crossings because of long

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1 The socio-economic growth in the Tijuana region is occurring mostly to the east just south of Otay Mesa. This growth will be a key driver for the demand at the new OME POE.

wait times and the unpredictability of the border-crossing traffic congestion\(^3\). Based on demand estimates and the likely behavioral responses of drivers to the increased capacity and higher level of service, the study estimates that the new POE could generate toll revenues of $4.2 billion (in constant 2012 dollars) over a 40-year period of operation after its scheduled opening in 2017.

**Figure ES1: Project Area Map for SR 11 / OME POE**

![Project Area Map for SR 11 / OME POE](image)

**Traffic Conditions at San Diego – Tijuana Ports of Entry**

**Current Conditions**

In 2013, over 100,000 PVs and about 5,500 CVs used the POEs at San Ysidro and Otay Mesa every day for travel between Tijuana, Mexico and San Diego, California. A travel survey conducted in 2005 by SANDAG indicated that nearly 75 percent of the travelers crossing the border experienced long delays at the POEs, and were willing to pay a toll if their wait times were reduced significantly\(^4\). **Figure ES2** shows annual border crossing volumes for passenger vehicles and commercial vehicles from 2001 through 2013. As seen, the traffic volumes started to decline in 2006 as the construction activity in the region began to slow down during the early stages of recession. Between 2007 and 2010, the PV crossings continued a downward trend as the recession hit the area. Despite the reduction in traffic, general frustration about long wait times at the border continued to worsen. The decline in CV volumes, as seen in **Figure ES2**, started just before the 2008 economic downturn. However, data indicate CV traffic recovered much faster than the PV traffic\(^5\). Recently-released data for 2013 (as shown in **Figure ES2**) indicate both PV travel and CV travel are on the rise. These rising volumes have further worsened the

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\(^3\) This is identified in the study as “latent demand.”

\(^4\) Survey conducted as part of the “Economic Impacts of Wait Times at the San Diego – Baja California Border” study published by SANDAG in 2006.

\(^5\) CV border-crossing traffic volumes at Otay Mesa surpassed pre-recession levels in 2012 (779,000 trips) while total trade value transported by CV at this POE surpassed pre-recession levels in 2011 ($32 billion).
delays that travelers experience at the border. Observations made by travelers and transportation planners in the area indicate those that cross the border experience significant delays prior to reaching the inspection facilities at the POEs, particularly on northbound trips. Surveys conducted in 2012 and 2013 by the study team confirm these observations (see Appendix D). As noted in Table ES1, PVs traveling north experience border-crossing delays between 45 and 85 minutes during the morning peak period between 6 AM and 9 AM. The values shown in Table ES1 represent the average wait times for standard and Ready lanes for both San Ysidro and Otay Mesa POEs. However, wait times on standard lanes in the morning peak period for PVs have frequently been observed to extend as long as 2 ½ to 3 hours. The variance in PV wait times on Ready lanes has also been observed to be large. Only on the SENTRI lanes are the wait times usually under 20 minutes. Therefore, for a non-SENTRI pass holder crossing the border, the unpredictability of expected wait times is quite high. At the same time, northbound CVs endure border-crossing delays between an hour and an hour and a half during the afternoon hours (between 3 PM and 7 PM) when the truck traffic is at its peak.

Figure ES2: Historical Northbound Border Crossing Volumes in the San Diego – Tijuana Region (San Ysidro and Otay Mesa POEs only)

Table ES1: Observed Delays for Northbound Traffic at San Ysidro and Otay Mesa Border Crossings (2012)

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Delay (minutes)*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Passenger Vehicles</td>
</tr>
<tr>
<td>AM Peak (6:00 AM to 9:00 AM)</td>
<td>45-85</td>
</tr>
<tr>
<td>Midday (9:00 AM to 4:00 PM)</td>
<td>25-35</td>
</tr>
<tr>
<td>PM Peak (4:00 PM to 7:00 PM)</td>
<td>30-50</td>
</tr>
<tr>
<td>Night (7:00 PM to 6:00 AM)</td>
<td>10-15</td>
</tr>
</tbody>
</table>

* Based on cross border wait time surveys conducted by HDR. The wait times represent average delays for Standard and Ready lanes combined.

In response to these delays, the POE at San Ysidro is currently being expanded with 10 additional northbound lanes for processing PVs. This initiative is expected to be completed and operational by 2017. While this expansion should offer some relief for binational PV travelers, additional investments are needed to address the increasingly significant delays that are anticipated in the future for CVs.

**Box ES2. Congestion at the Border has Significant Impact on the Economy**

The SANDAG Border Crossing Study compiled more than 3,600 surveys of border crossers at San Ysidro, Otay Mesa, and Tecate stations and estimated that at an average wait time of 45 minutes, more than eight million trips into the San Diego region are lost per year as many simply choose to avoid battling the congestion. This equates to a loss of nearly $1.3 billion in potential revenues – mostly in the retail sector; three million potential working hours; 31,500 jobs; and $42 million in wages annually. Excessive border waits also are affecting overall regional production. The total economic impact on the San Diego – Tijuana binational region is an output loss of between $2.2 billion and $2.5 billion per year.

Delays in getting trucks carrying freight across the Otay Mesa and Tecate international border crossings created a staggering $3.3 billion loss to the U.S. and Mexico binational economy and more than 18,500 jobs annually. Two-hour or longer delays in moving freight across the border are significantly impacting production, industry competitiveness, and lost business income at the regional, state, and national levels.

*Source: Economic Impacts of Wait Times at the San Diego – Baja California Border, Study by SANDAG, 2006*

**Future Conditions**

Socioeconomic growth trends from reliable sources in the region on both sides of the border point to increased levels of border-crossing demand. Forecasts by the study team estimate that total travel demand across the border will recover the levels observed in 2005 by the year 2017. In spite of the expansion at San Ysidro for PVs, the study estimates that the average delays for northbound PVs will still exceed 60 minutes during the peak periods of operations as shown in Table ES2. The CVs do not benefit from the San Ysidro expansion; therefore, their delays are not expected to be reduced.

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6 Sources include SANDAG, Caltrans, California’s Finance Department and Moody’s Analytics.

7 After latent demand is included in the forecast of border-crossing demand.

8 Again, these average numbers conceal the fact that border-crossing wait times experienced by users of standard and Ready lanes show high levels of unpredictability.
Table ES2: Estimated Range of Northbound Delays at San Ysidro and Otay Mesa Border Crossings in the Future (2017)

<table>
<thead>
<tr>
<th>Period</th>
<th>Passenger Vehicles</th>
<th>Commercial Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM Peak (6:00 AM to 9:00 AM)</td>
<td>45-75</td>
<td>40-50</td>
</tr>
<tr>
<td>Midday (9:00 AM to 4:00 PM)</td>
<td>20-30</td>
<td>60-85</td>
</tr>
<tr>
<td>PM Peak (4:00 PM to 7:00 PM)</td>
<td>25-50</td>
<td>75-110</td>
</tr>
<tr>
<td>Night (7:00 PM to 6:00 AM)</td>
<td>5-10</td>
<td>40-50</td>
</tr>
</tbody>
</table>

* Based on traffic models developed by HDR. The wait times represent average delays for Standard and Ready lanes combined.

The socioeconomic and latent demand forecasts project potential growth in demand in the future as shown in Figure ES3. The traffic levels are expected to increase by almost a third between 2017 and 2040, with PVs continuing to command a majority share. Given the current and projected delays, even with the San Ysidro expansion in 2017, this growth level indicates that both PV and CV would be subjected to much higher delays than today, causing significant impact on the economic growth potential in the region (see Box ES2).

Figure ES3: Forecast of Border Crossing Volumes in Region, Northbound and Southbound

Potential Diversion to SR 11/OME POE

To study the impacts of the proposed construction of the new SR 11/OME POE, the study team developed a traffic network model to simulate the vehicle movements across the border. The model was developed by expanding a component of SANDAG’s regional travel model and calibrating it using the observed traffic conditions in 2012. The details of the model and the key assumptions associated
with the application of the model to estimate future conditions and potential diversion of travelers to the OME POE are provided in Box ES3.

The binational T&R model estimated that, in view of the potential savings in time, and travelers’ willingness to pay for time savings and improvements in reliable mobility, the new facility would attract as much as 20 percent of northbound PVs and 75 percent of northbound CVs as soon as the facility is operational in 2017. These estimates are shown in Table ES3 and Table ES4. For vehicles traveling in the southbound direction, diversions to the new facility are expected to be much lower since the processing times and delays currently experienced are significantly lower. More discussion of this diversion is presented in Section 7.3.

Table ES3: Estimated Northbound Daily Capture Rate of PVs at SR 11/OME POE

<table>
<thead>
<tr>
<th>Period</th>
<th>2017</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Daily Crossings</td>
<td>Capture Rate (%)</td>
<td>Daily Crossings</td>
</tr>
<tr>
<td>AM</td>
<td>1,900</td>
<td>14.5</td>
<td>1,900</td>
</tr>
<tr>
<td>Midday</td>
<td>4,850</td>
<td>20.8</td>
<td>4,700</td>
</tr>
<tr>
<td>PM</td>
<td>2,350</td>
<td>23.5</td>
<td>2,600</td>
</tr>
<tr>
<td>Night</td>
<td>3,850</td>
<td>18.5</td>
<td>3,950</td>
</tr>
<tr>
<td>Total Daily</td>
<td>12,950</td>
<td>20%</td>
<td>13,150</td>
</tr>
</tbody>
</table>

Source: HDR Analysis

Table ES4: Estimated Northbound Daily Capture Rate of CVs at SR 11/OME POE

<table>
<thead>
<tr>
<th>Period</th>
<th>2017</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Daily Crossings</td>
<td>Capture Rate (%)</td>
<td>Daily Crossings</td>
</tr>
<tr>
<td>AM</td>
<td>450</td>
<td>74.1</td>
<td>500</td>
</tr>
<tr>
<td>Midday</td>
<td>1,300</td>
<td>73.4</td>
<td>1,400</td>
</tr>
<tr>
<td>PM</td>
<td>700</td>
<td>76.9</td>
<td>800</td>
</tr>
<tr>
<td>Night</td>
<td>50</td>
<td>82.2</td>
<td>200</td>
</tr>
<tr>
<td>Total Daily</td>
<td>2,500</td>
<td>75%</td>
<td>2,900</td>
</tr>
</tbody>
</table>

Source: HDR Analysis

These capture rates, estimated on the basis of the value of time that travelers assign for different travel purposes, represent the potential willingness to pay for a higher level of service. An important aspect to note is that the demand for OME POE reaches the available capacity in the early years, and no additional diversion can be accommodated. The increased demand in the future is addressed through increased toll levels in order to maintain the targeted 20 minutes wait time service level for both PVs and CVs. The declining capture rates of CVs points to unmet demand and the possibility of adding more capacity in the future to handle CVs.

9 One of the biggest contributors to the large truck diversion rate is the geometric configuration of the truck access lanes at Otay Mesa that severely restricts trucks, particularly those using FAST lanes, from getting to the inspection booths. Further, CVs have a higher willingness to pay for time savings and reliability offered by OME.
The approach to developing the forecasting model for the proposed SR 11/OME POE involved multiple, inter-connected steps and was based on existing models, reports, and travel survey data. The resulting framework was a simulation tool that estimated traffic diversion among the three POEs based on observed cross-border traffic volumes, travel time characteristics, and toll levels. The model used traffic growth projections from an econometric model to forecast future binational traffic in the study area. The demand forecasts and corresponding capacity constraints formed the basis for traffic and revenue estimates.

Key Operational Assumptions Modeled

- Tolling at the new POE would occur in both directions of traffic (northbound and southbound).
- The new POE would feature variable tolling with hourly toll adjustments for PVs and CVs.
- The tolls would be adjusted to attempt to limit the wait times to less than 20 minutes.
- Vehicle processing rates vary among regular, Ready and SENTRI lanes for PVs and between regular and FAST lanes for CVs.
- Historical operational characteristics employed by CBP, in terms of lane utilization and lane type prioritizations, would continue into the future.
Table ES5: Average Northbound Toll Levels at SR 11/OME POE (in 2012 dollars)

<table>
<thead>
<tr>
<th>Period</th>
<th>2017</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Passenger Vehicles</td>
<td>Commercial Vehicles</td>
<td>Passenger Vehicles</td>
</tr>
<tr>
<td>AM</td>
<td>$7 to $13</td>
<td>$10 to $17</td>
<td>$13 to $33</td>
</tr>
<tr>
<td>Midday</td>
<td>$2 to $3</td>
<td>$11 to $17</td>
<td>$9 to $22</td>
</tr>
<tr>
<td>PM</td>
<td>$2 to $3</td>
<td>$10 to $17</td>
<td>$2 to $5</td>
</tr>
<tr>
<td>Night</td>
<td>$2 to $5</td>
<td>$2 to $10</td>
<td>$2 to $10</td>
</tr>
<tr>
<td>Daily average toll</td>
<td><strong>$4.00</strong></td>
<td><strong>$14.50</strong></td>
<td><strong>$11.50</strong></td>
</tr>
</tbody>
</table>

As seen in the Table ES5, the average tolls levied for northbound PVs in 2040 during a typical day is about $19 and for northbound CVs, about $26. Because of the variable tolling scheme that will be implemented for different time periods, the maximum toll levels can go as high as $42 and $47, for northbound PVs and CVs respectively in 2040. For PVs, the maximum toll of $42 is projected to occur for a brief one hour period in the AM peak period and fall below $35 for other hours in the AM peak. For CVs, the tolls would stay close to $40 for the entire PM peak period with a maximum of $47 happening during the peak hour. In the evening and late night, tolls for PVs would be lower due to reduced demand and much smaller delays. In the opening year, the average daily toll for PVs would be about $4 and for CVs, about $15.

Table ES6: Average Wait Times & Travel Time Savings During Peak Periods, Northbound Direction

<table>
<thead>
<tr>
<th>Period</th>
<th>2017</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Passenger Vehicles</td>
<td>Commercial Vehicles</td>
<td>Passenger Vehicles</td>
</tr>
<tr>
<td>Average wait time at non-tolled POEs in peak period*</td>
<td>85 to 90 minutes</td>
<td>60 to 65 minutes</td>
<td>150 to 155 minutes</td>
</tr>
<tr>
<td>Average wait time at tolled OME POE in peak period*</td>
<td>15 to 20 minutes</td>
<td>15 to 20 minutes</td>
<td>15 to 20 minutes</td>
</tr>
<tr>
<td>Average savings in wait time in peak period*</td>
<td>60 minutes</td>
<td>45 minutes</td>
<td>135 minutes</td>
</tr>
<tr>
<td>Cost per “minute saved” in peak period</td>
<td>About 18 cents / minute for passenger vehicles</td>
<td>About 45 cents / minute for commercial vehicles</td>
<td></td>
</tr>
</tbody>
</table>

*For passenger vehicles, peak period occurs in the AM while for Commercial vehicles it occurs in the PM.

Source: HDR Analysis

Presented in Table ES6 are the estimated average wait times during the peak period for the current (non-tolled) POEs and the tolled (OME) POE for the three forecast years. The table also shows the savings in POE wait times for PVs and CVs during the peak periods. For PVs, the peak traffic occurs in the AM and for CVs, in the PM. As shown in the table, in the opening year, the PVs using OME POE may save almost an hour of wait time and the CVs save about 45 minutes during their respective peak periods. By 2040, the wait time savings during peak will be much more significant (more than two hours for PVs and
about an hour and half for CVs). These savings and associated increase in reliability of border-crossing travel times represent considerable value for money from the perspective of travelers that use the toll facility. The toll levels of 18 cents per minute saved that PVs are charged, and the 45 cents per minute saved that CVs are charged are consistent with the respective values of time estimated through stated preference surveys.

The toll levels are, in fact, indicators of the generalized cost of travel. As has been observed in other toll facilities, travelers may opt to respond in ways other than paying the tolls by opting to adopt longer routes, carpooling or forgoing the trip altogether. All of these measures represent increased “user costs” borne by the travelers in response to delays.

The average southbound tolls as shown in Table ES7 are closer to the minimum levels of $1 for PVs and $5 for CVs. All the toll rates are represented in constant 2012 dollars.

Table ES7: Average Southbound Toll Levels at SR 11/OME POE (in 2012 dollars)

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Toll</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Average Daily toll for PVs</td>
<td>$0.50</td>
</tr>
<tr>
<td>Average Daily toll for CVs</td>
<td>$2.5</td>
</tr>
</tbody>
</table>

Source: HDR Estimates

Figure ES4 below shows an annualized stream of revenues (in constant 2012 dollars) during the 40-year period of operation after OME POE opens in 2017. The chart shows the annual estimates of the total number of PVs and CVs that are expected to cross the border, as well as the potential toll revenues from the vehicles that choose to use OME POE. Figure ES4 also shows the growth in revenue is significantly more than the growth in traffic. This is due to the exponential effect of traffic demand on the delays experienced by travelers.

Figure ES4: Total Border-Crossing Annualized Traffic and Revenue Estimates at SR 11/OME POE

Source: HDR Estimates
Table ES8 presents a summary of projections of traffic and revenue at OME POE over a 40 year forecast period (2017 – 2056). As shown, revenue from PVs is projected to grow more than six times as fast as traffic, and that from CVs is projected to grow more than twice as fast as traffic.

Table ES8: 40-Year Growth in Traffic and Revenue for SR 11/OME

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2056</th>
<th>Percent Growth 2017 - 2056</th>
<th>Compounded Annual Growth Rate (CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Crossings (in Millions)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVs</td>
<td>6.30</td>
<td>11.49</td>
<td>82.3 %</td>
<td>0.8 %</td>
</tr>
<tr>
<td>CVs</td>
<td>1.16</td>
<td>2.33</td>
<td>100 %</td>
<td>1.9 %</td>
</tr>
<tr>
<td><strong>Annual Revenue (in Millions of $)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVs</td>
<td>20.23</td>
<td>145.1</td>
<td>617 %</td>
<td>5.2 %</td>
</tr>
<tr>
<td>CVs</td>
<td>10.87</td>
<td>50.7</td>
<td>366 %</td>
<td>4.0 %</td>
</tr>
</tbody>
</table>

Source: HDR Estimates

Table ES9 shows the revenue by vehicle type and direction. As stated, approximately 90 percent of the total revenue is generated from northbound vehicles, with about 76 percent generated from northbound PVs. Of the total revenue of 4.2 billion dollars, about 24 percent would be generated from CV traffic moving in both directions. As stated earlier, alternative PV and CV demand management policies have the potential to generate more total revenues at OME POE than the base case scenario considered in this study.

Table ES9: 40-Year Revenue Estimate for SR 11/OME

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>40-Year Revenue Estimate (in millions of 2012 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Northbound</td>
</tr>
<tr>
<td>PVs</td>
<td>$2,994</td>
</tr>
<tr>
<td>CVs</td>
<td>$795</td>
</tr>
<tr>
<td>Total by Direction</td>
<td>$3,789</td>
</tr>
<tr>
<td><strong>Total Revenue (both Directions)</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: HDR Estimates
SR 11/Otay Mesa East
Port of Entry

Regional Ports of Entry

San Diego/Tijuana Region POEs
San Ysidro
Airport Facility (construction)
Otay Mesa
Otay Mesa East (proposed)
Tecate
Accomplishments

- SANDAG Toll Authority Legislation Approved (SB 1496)
- California Transportation Commission (CTC) approved implementation of the project in multiple segments
- MOU signed between California and Mexico to form a binational oversight committee to expedite project
- SANDAG completed a study on the economic impacts of border wait times
- Obtained U.S. Presidential Permit
- Environmental Report (EIS/EIR) completed
- Investment grade Traffic and Revenue Study completed
- Segment I groundbreaking

Project Overview

SR 11/Otay Mesa East Port of Entry
Integrated and Operational Binational Benefits

Long Delays = Suppressed Economic Activity

Economic impacts of long border wait times

- $7.2 billion in output lost in both countries = 18 Super Bowls
- 62,000 Jobs Lost = 5 Qualcomm (SD) Companies

(2007 Personal Travel and Freight Movements)

* Based on traffic models developed by HDR
Trade Benefits the Economy

San Diego trade growth outpacing GRP

Mexico Ranks as Top Export Market for 25 States

18 states exported more than $1 billion (2013)
Production Sharing: Value of U.S. Content in Imports

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>40%</td>
</tr>
<tr>
<td>Canada</td>
<td>25%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>8%</td>
</tr>
<tr>
<td>Korea</td>
<td>5%</td>
</tr>
<tr>
<td>China</td>
<td>4%</td>
</tr>
<tr>
<td>Brazil</td>
<td>3%</td>
</tr>
<tr>
<td>European Union</td>
<td>2%</td>
</tr>
<tr>
<td>Japan</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>2%</td>
</tr>
</tbody>
</table>

T&R Study – Current Northbound Delays

- Rising volumes cause high delays that travelers experience at the border
  - Significant delays prior to reaching inspection facilities at the POE (northbound direction)
- Surveys conducted by the study team confirm these observations

<table>
<thead>
<tr>
<th>Period</th>
<th>Passenger Vehicles</th>
<th>Commercial Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Delay (minutes)</td>
<td>Range of Delay (minutes)</td>
</tr>
<tr>
<td>Peak Period</td>
<td>65</td>
<td>40 – 120</td>
</tr>
</tbody>
</table>
T&R Study – Forecasted PV Crossings

- Demand continues to grow due to socio-economic trends
- 1.6% CAGR in demand for PV border-crossings

T&R Study – Forecasted CV Crossings

- Demand continues to grow due to socio-economic trends
- 1.8% CAGR in demand for CV border-crossings
T&R Study – Baseline Scenario Assumptions

- 10 x 10 configuration
- Variable tolling method
- 20 minute wait time target at OME
- Annual growth rate in demand for border-crossing travel of 1.6% for PV and 1.8% for CV
- Traffic processing rates at OME POE similar to existing POEs
- Current pattern of CBP lane operations will continue in future, including hours of operation
- San Ysidro’s expansion operational in 2017

T&R Study – Northbound Diversion to OME

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total NB Traffic</td>
<td>OME Capture (%)</td>
<td>Total NB Traffic</td>
</tr>
<tr>
<td>Passenger Vehicles</td>
<td>67,500 (19%)</td>
<td>13,000 (19%)</td>
<td>81,000 (16%)</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>3,300 (75%)</td>
<td>2,500 (75%)</td>
<td>4,500 (63%)</td>
</tr>
</tbody>
</table>
Existing Bottlenecks – NB Commercial Traffic

NB Passenger Traffic and Toll Rates by Time of Day 2017 (median toll $2.35)
NB Commercial Traffic and Toll Rates by Time of Day 2017 (median toll $15.45)

T&R Study – Revenue Forecast

Baseline revenue results for 40 years of operation, by vehicle type

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>40-Year Revenue Estimate (in millions of 2012 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles</td>
<td>$3,225</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>$1,006</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>$4,231</strong></td>
</tr>
</tbody>
</table>

Baseline revenue results for 40 years of operation, by direction of flow

- Northbound: $423 (10%)
- Southbound: $3,808 (90%)
High Level Economic Dialogue

The Path Forward – Next Steps

- Binational Financing
  U.S. / Mexico financial feasibility and strategy
- Ongoing Negotiations and Agreements
- Border Wait Time Pilot
  Bluetooth border wait time monitoring pilot
- Segment I Complete
  Completion of the first segment of SR 11
- Mexico Construction
  Roadways and Mesa de Otay II POE
- U.S. Construction
  SR 11 and Otay Mesa East POE
- Completion of Segments 2 & 3
  Binational POE opens to traffic
January 9, 2015

The Honorable Jack Dale
Chairman
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chairman Dale:

As Supervisor of the First District, which includes the Otay Mesa/ East Otay Mesa area, it is my pleasure to express my strong support for the State Route 11/Otay Mesa East Port of Entry (POE) Project.

This project is one of the most critical infrastructure improvements needed for our region. Mexico is the United States' third largest trading partner; accounting for more than $506 billion in bilateral trade and is also California’s number one exporting partner, generating over $23 billion in trade.

The insufficient capacity that exists currently at our regional ports of entry is estimated to cost the United States and Mexico billions of dollars in economic trade each year. These delays undermine our region’s competitiveness, not only on a local level but on a global scale.

The project is anticipated to provide fast and secure crossings via a toll road that would connect directly to a new state-of-the-art POE serving both personal and commercial vehicles. This new project will strongly advance our efforts to become a competitive destination for global trade and international business.

As the elected representative of both Otay Mesa and the unincorporated area of East Otay Mesa, it is my goal to help foster economic development in both of these communities. The project is critical and necessary to our efforts to fuel development and manufacturing in this region which if realized, will create jobs for South County residents. Creating jobs closer to home for South
County residents will have an added environmental benefit of alleviating traffic flow on our freeways and reducing harmful emissions.

The completion of the Toll and Revenue Study is a significant milestone for the project. It is my understanding that the project management team will now be able to focus on defining the capital and operational costs, bringing this project one grand step closer to fruition.

I applaud the SANDAG Board of Directors, the government of Mexico and various collaborating agencies for their efforts to move this project forward and on track for completion by 2017. Thank you for the opportunity to express my whole-hearted support today for this project.

Sincerely,

[Signature]

GREG COX
Supervisor, First District