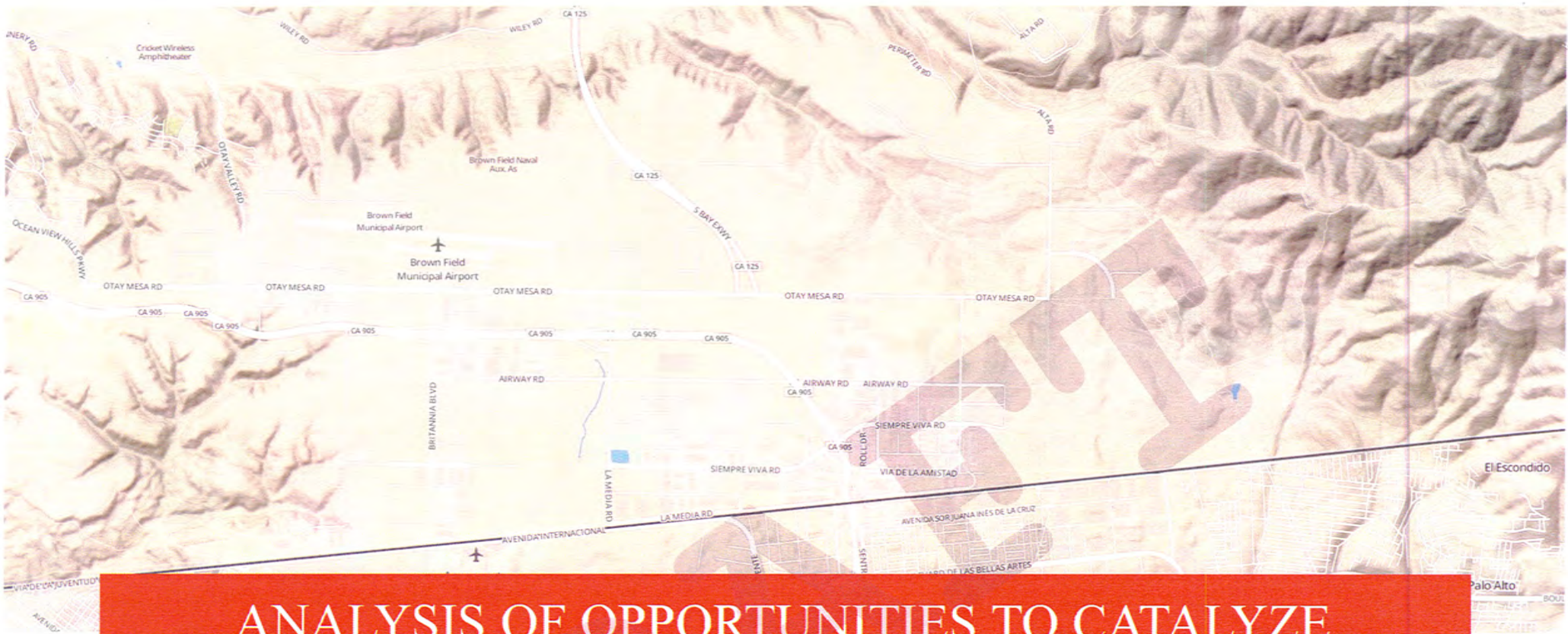


Subject: Otay 250 Market Assessment

Date: March 23, 2017

The attached market assessment was submitted by the applicant, the conclusions of which have not been approved by the County of San Diego. Additional information is anticipated throughout the planning analysis of the project. Staff's evaluation for the purposes of the California Environmental Quality Act (CEQA) does not require an approved market assessment. Disclosure of this document is for informational purposes only.



ANALYSIS OF OPPORTUNITIES TO CATALYZE ECONOMIC GROWTH

East Otay Area, San Diego County, CA

CONTACT INFORMATION

This analysis was prepared by Meyers Research, a market research and consulting firm specializing in the real estate industry. It has been commissioned by Sunroad.

Timothy Sullivan served as Project Director and oversaw all aspects of this assignment. Ryan Early managed the engagement on a day-to-day basis. Follow-up questions should be directed to Timothy Sullivan at 858.381.4381 or tsullivan@meyersllc.com.

LIMITING CONDITIONS

Sunroad is responsible for representations about its development plans, marketing expectations and for disclosure of any significant information that might affect the ultimate realization of the projected results.

There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services related to this report.

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I. Objectives of the Study

I. Objectives of the Study

We were asked to assess ways to ignite the economic development of East Otay, particularly related to a complementary mix of land uses and ways to stimulate high value jobs in the region. In conducting our analysis, we have explored the following factors:

- Since the completion of the original East Otay Mesa Business Park Specific Plan in 1994 (and 2010 update), what has changed that affects the region? And how has that impacted job growth locally?
- What can be done to “detonate” economic growth in East Otay and where else has growth occurred that can lend guidance?
- If residential uses are added to the Plan, how might they influence the non-residential uses nearby?

The following report summarizes our analysis to date.

II. Key Findings

II. Key Findings

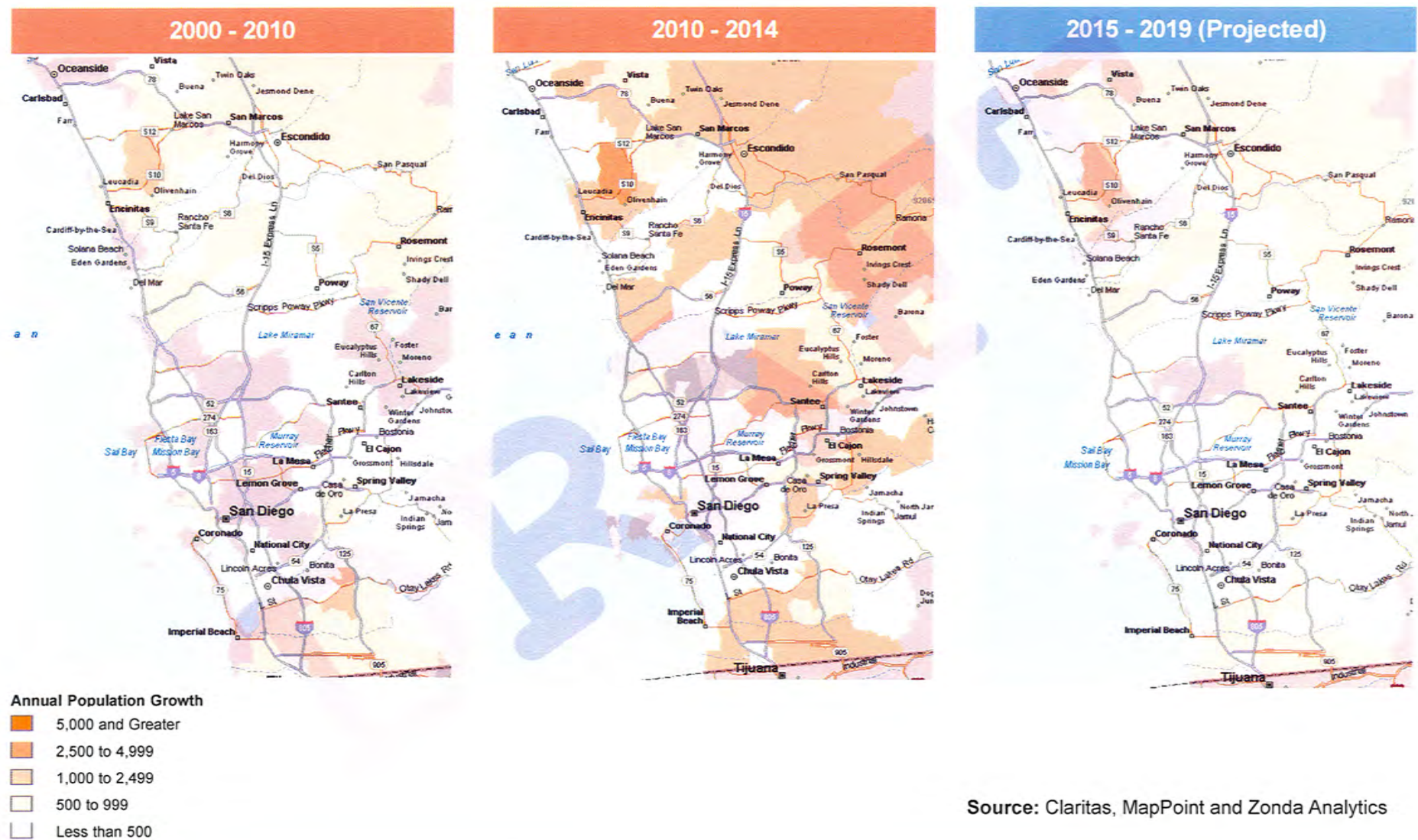
- **There are many stakeholders in East Otay:** our analysis recognizes that there is an inter-related system of stakeholders that influence and are impacted by land use decisions and economic shifts in the region. These include residents, land owners, business owners, labor groups, environmentalists, municipalities (City of San Diego, City of Chula Vista and the County of San Diego), the State of California and Tijuana. All of these parties need to be considered when analyzing future opportunities for East Otay.
- **The economy in the United States and San Diego County has evolved significantly in twenty years (and even in the last few years):** when the original East Otay Plan was conceived in the middle 1990s, businesses looked at distribution differently than they do today. New technologies (such as bar code readers and robotic assemblies) have reduced the demand for industrial uses since production efficiencies have been massively increased. This has included focusing on proximity to rail facilities and minimizing trucking expenses. In Southern California, the Inland Empire has become the core of industrial uses bolstered by its geographic position and access. In many ways, a great deal of industrial demand is being intercepted by the Inland Empire.

II. Key Findings

- **High tech industry in San Diego took root in other parts of the county:** the tech sector evolved and matured rapidly and in ways that were unforeseen in the 1990s. Biotech, information technology and other high tech businesses became established in other areas of the County and the growth occurred in an iterative way. Areas like Palomar, UTC, Miramar and Sorrento Valley became hubs for the tech sector and other land uses (housing, retail and office) directly benefited from the fast expansion.
- **Our experience, supported by our research, indicates that the business community considers the Otay industrial area to be a distribution-oriented location** but that technology-oriented firms (and subsequently major technology firms like Qualcomm) have located further north and proximate to UCSD.
- **We believe that Otay would benefit from more housing that is close in to establish a stronger jobs/housing balance.**
- There is a notable, **direct economic impact** to a local area with the addition of new houses. The construction of one hundred new homes equates to **200 local jobs, \$28 million for the economy and an additional \$13 million of economic impact results.** These homes will then add an additional \$6 million in economic activity on an annual basis.
- **The industrial market in San Diego is over supplied.** Based on historical Industrial Absorption in Otay Mesa, it would take Otay Mesa 143 years to build out all of its industrial land supply. If 100% of the County demand were to locate in Otay Mesa it would take 22 years to build out the Otay Mesa industrial land supply.

II. Key Findings

Population Growth has focused on North and South San Diego County since 2000



Source: Claritas, MapPoint and Zonda Analytics

II. Key Findings

Expansion in South San Diego County has focused on Chula Vista and Otay

1995



Source: Google Earth

II. Key Findings

Expansion in South San Diego County has focused on Chula Vista and Otay

2010

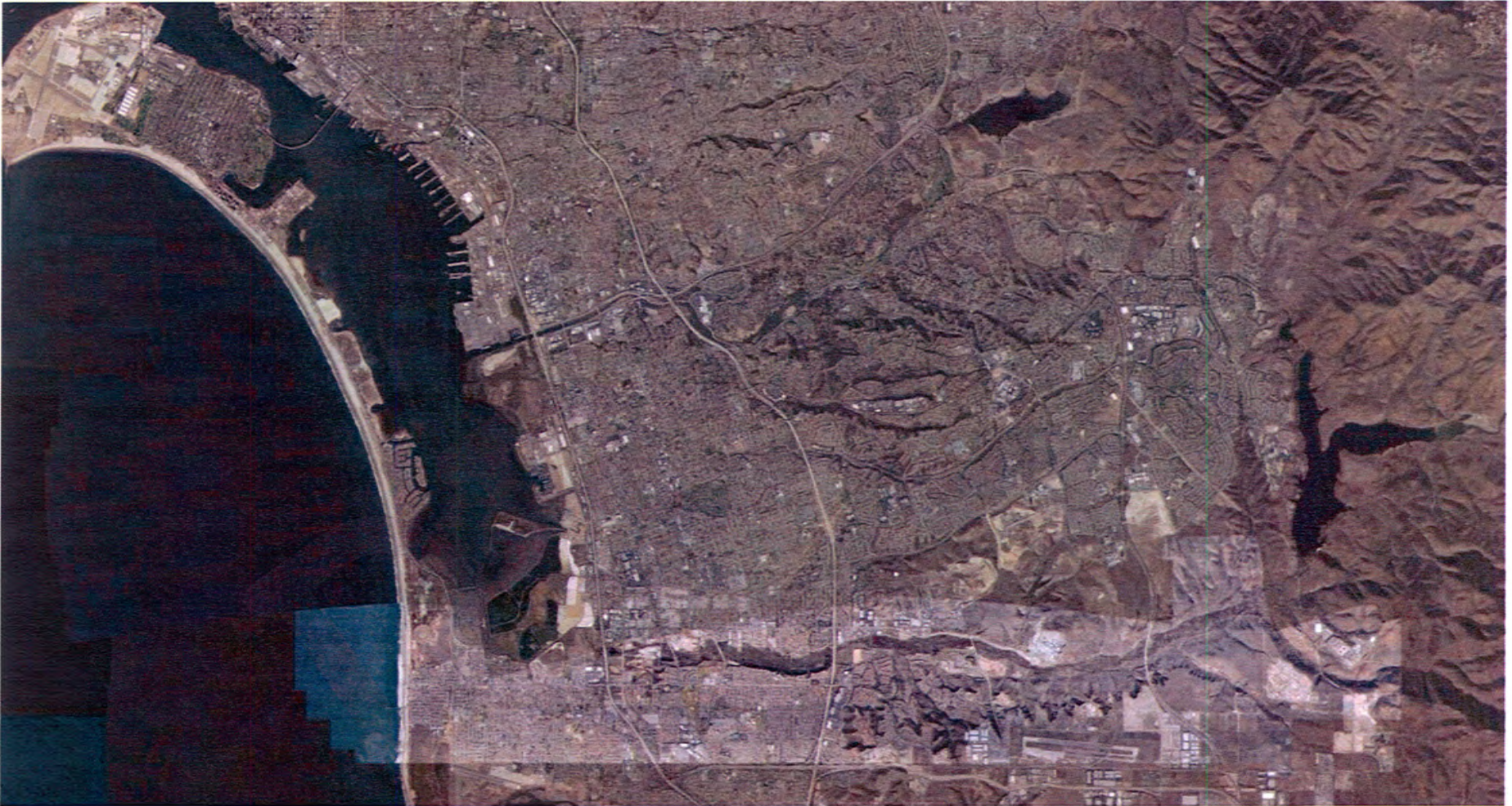


Source: Google Earth

II. Key Findings

Expansion in South San Diego County has focused on Chula Vista and Otay

Current

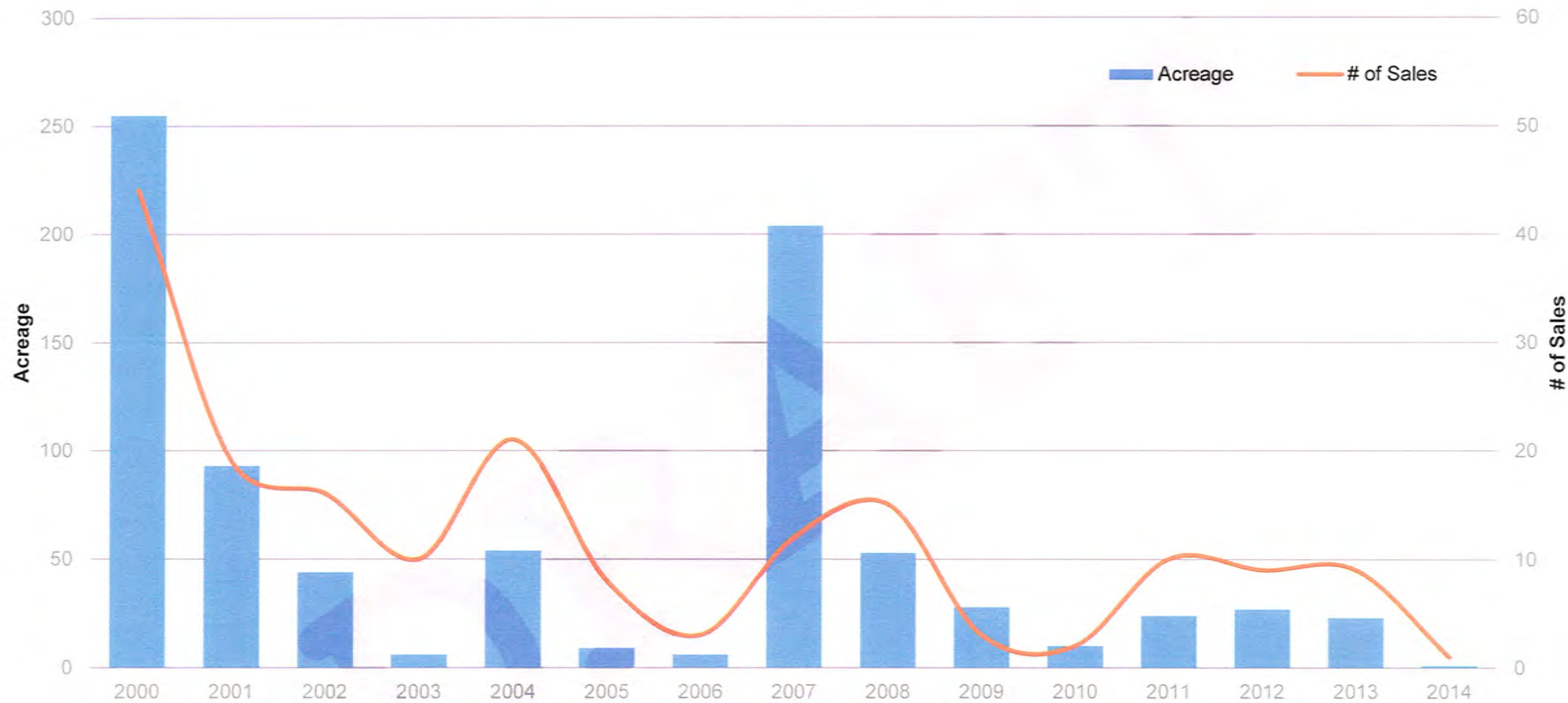


Source: Google Earth

III. Analysis

Extremely Limited Sales Activity for Finished Lot Sales in San Diego County

Industrial Finished-Lot Sales History - San Diego County



Source: CBRE

143 Years to Absorb Future Industrial Space in Otay Mesa

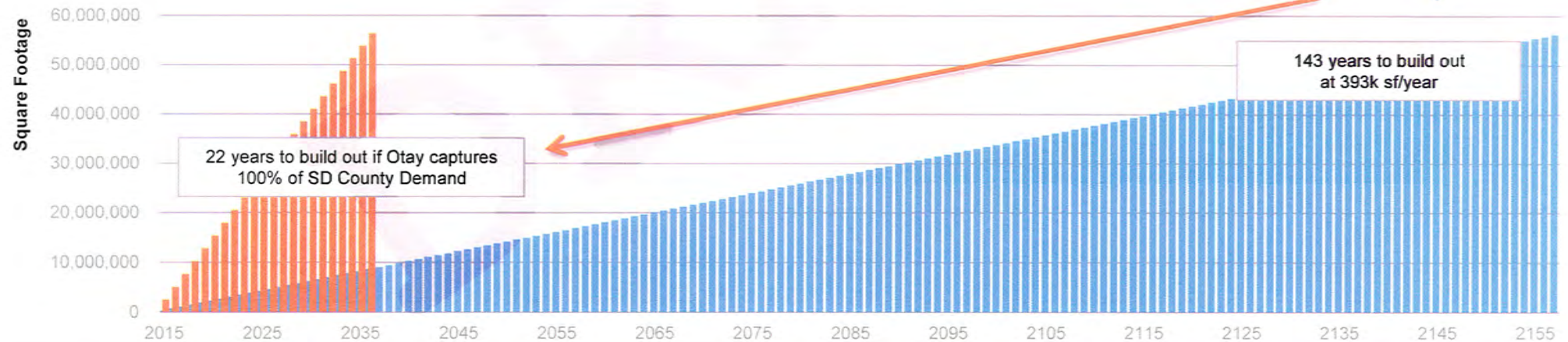
Net Industrial Absorption

Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average (w/o Negative)
Otay Mesa	217,727	374,794	1,081,429	215,318	(295,118)	(174,423)	315,057	157,274	681,061	231,136	268,699	393,611
San Diego County	2,256,803	1,998,586	2,673,429	1,367,759	(1,138,442)	(2,981,280)	9,944,625	829,459	1,386,352	1,236,148	1,393,588	2,565,194

Total Future Industrial Buildings

Otay Mesa	Acres	East Otay Mesa	Acres
Total Light Industrial Acreage	2,885	Subarea I	
Developed Industrial Acreage	821	Heavy Industrial	289
Industrial Acreage Under Interim Use	499	Light Industrial	410
Undeveloped	1,565	Subarea II	
		Mixed Industrial	780
Future Industrial	1,565	Future East Otay Industrial	1,479

Future Industrial with 42.5% Coverage	Square Footage
Otay Mesa	28,972,845
East Otay Mesa	27,380,727
Total	56,353,572



The map displays the San Diego region with various cities and towns labeled. A legend in the bottom left corner identifies the following areas:

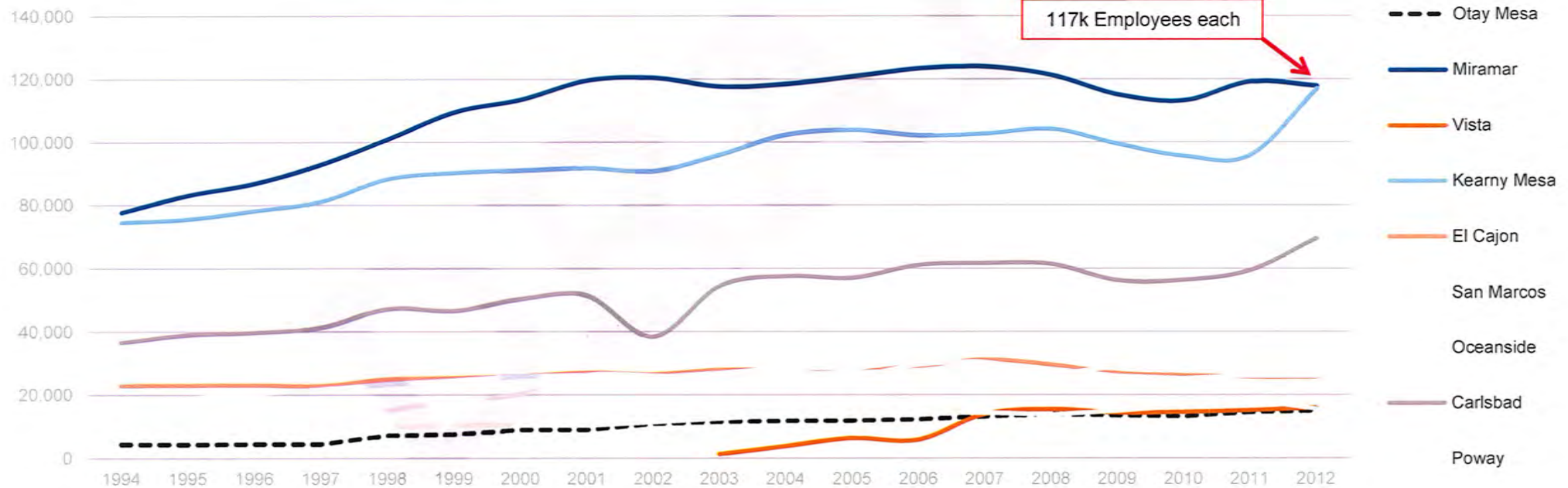
- Carlsbad
- El Cajon
- Kearny Mesa
- Miramar
- Oceanside
- Otay Mesa
- Poway
- San Marcos
- Vista

The map also shows the Gulf of Santa Catalina, the Pacific Ocean, and the border between California and Baja California. Major roads and highways are marked with numbers and symbols.

Miramar and Kearny Mesa Remain the Largest Employment Zones

Ten Largest Industrial Communities in San Diego County (Zip-Code Representations of Employees)

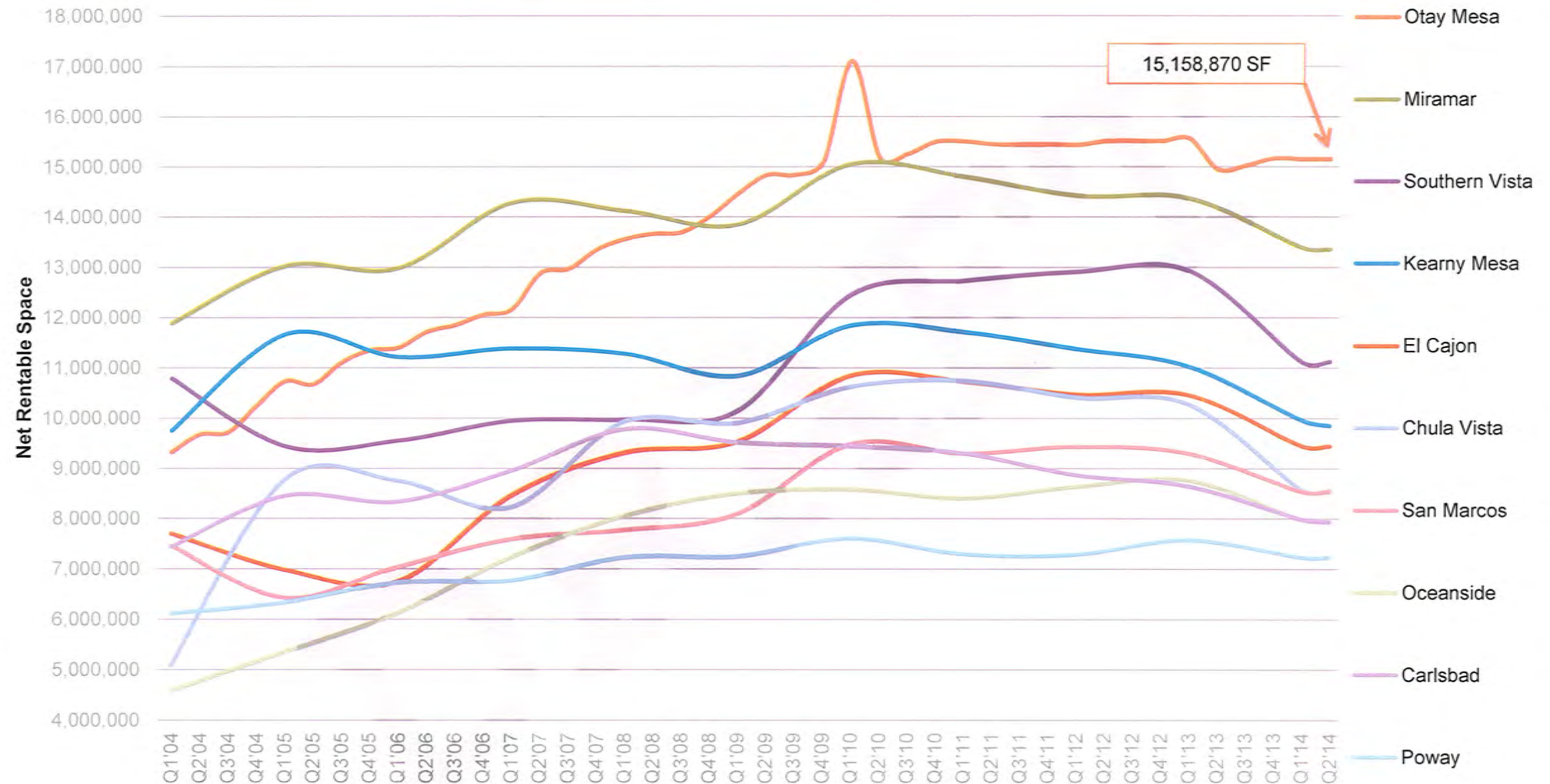
City	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Otay Mesa	4,178	4,024	4,248	4,191	7,004	7,360	8,740	8,758	10,675	11,326	11,528	11,660	12,048	12,926	13,688	13,277	12,959	14,319	14,805
Miramar	77,609	83,042	86,838	92,936	100,923	109,496	113,487	119,527	120,411	117,610	118,515	120,857	123,445	123,963	121,145	114,981	113,152	119,108	117,756
Vista	-	-	-	-	-	-	-	-	-	1,129	3,646	6,110	5,660	13,751	15,296	14,184	14,404	14,972	15,817
Kearny Mesa	74,509	75,519	78,130	81,148	88,241	90,177	91,059	91,751	90,840	96,049	102,388	103,852	102,082	102,613	104,074	99,308	95,493	95,809	116,944
El Cajon	22,836	22,891	22,987	22,761	24,874	25,296	25,861	26,983	26,422	27,798	27,799	28,402	29,057	31,014	29,492	26,714	26,033	25,557	25,546
San Marcos	18,364	18,758	20,370	21,576	23,381	24,426	25,833	26,142	25,384	26,709	28,478	28,301	30,730	28,796	27,961	25,705	24,916	25,937	25,993
Oceanside	7,667	8,301	8,618	8,774	9,828	10,387	10,475	10,138	11,245	12,365	13,381	13,336	14,123	14,198	13,469	14,813	16,421	18,469	15,353
Carlsbad	36,608	38,963	39,675	41,390	47,263	46,658	50,446	51,483	38,405	54,487	57,582	57,073	61,059	61,686	61,402	56,296	56,411	59,440	69,458
Poway	9,080	9,439	10,111	11,534	15,003	18,195	20,149	26,081	25,937	24,828	27,265	25,774	29,450	30,202	26,704	28,644	27,679	27,691	28,762



Source: U.S. Census - County Business Patterns

Otay Mesa has the Largest Concentration of Industrial Space in the County

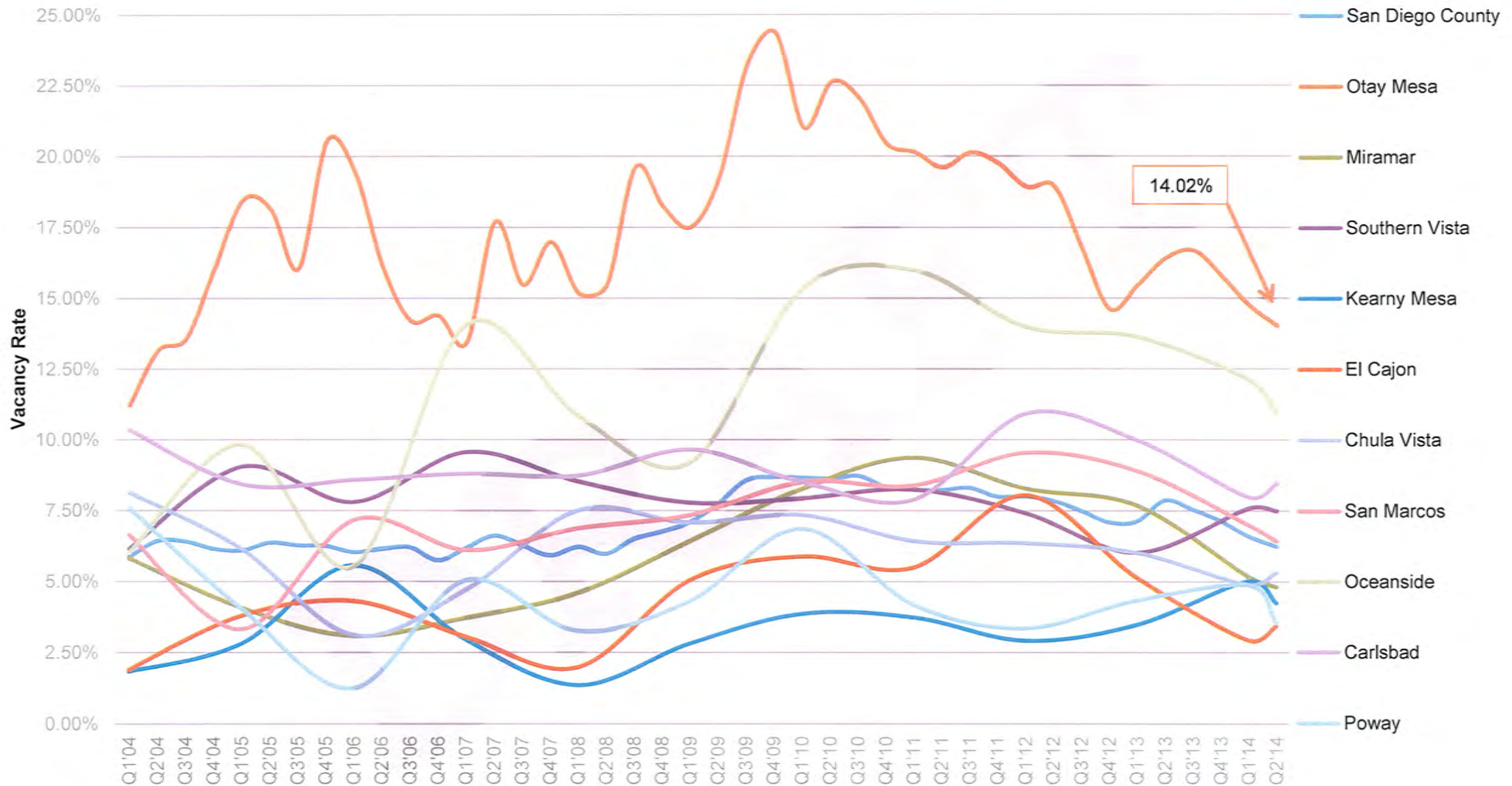
Ten Largest Industrial Concentrations in San Diego County



Source: Voit

Industrial Vacancy is Highest in Otay Mesa

Ten Largest Industrial Concentrations in San Diego County

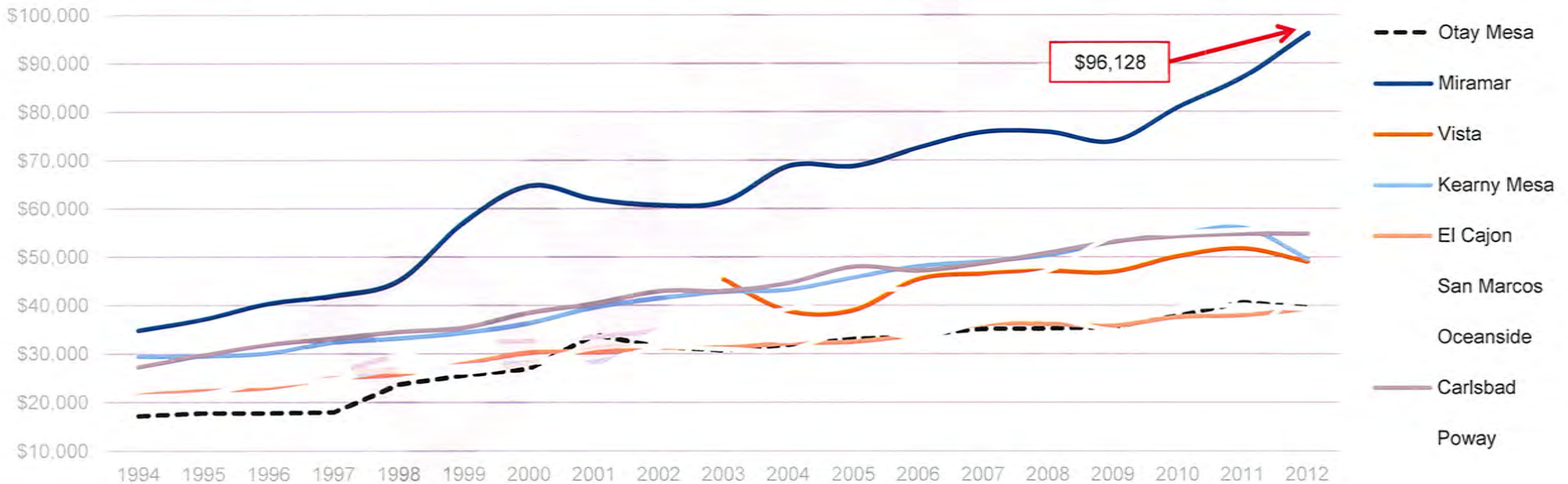


Source: Voit

The "Value" of Jobs is Highest in Areas with Residential and Commercial/Industrial Uses Integrated.

Ten Largest Industrial Communities in San Diego County (Zip-Code Representations of Employees and Annual Payroll)

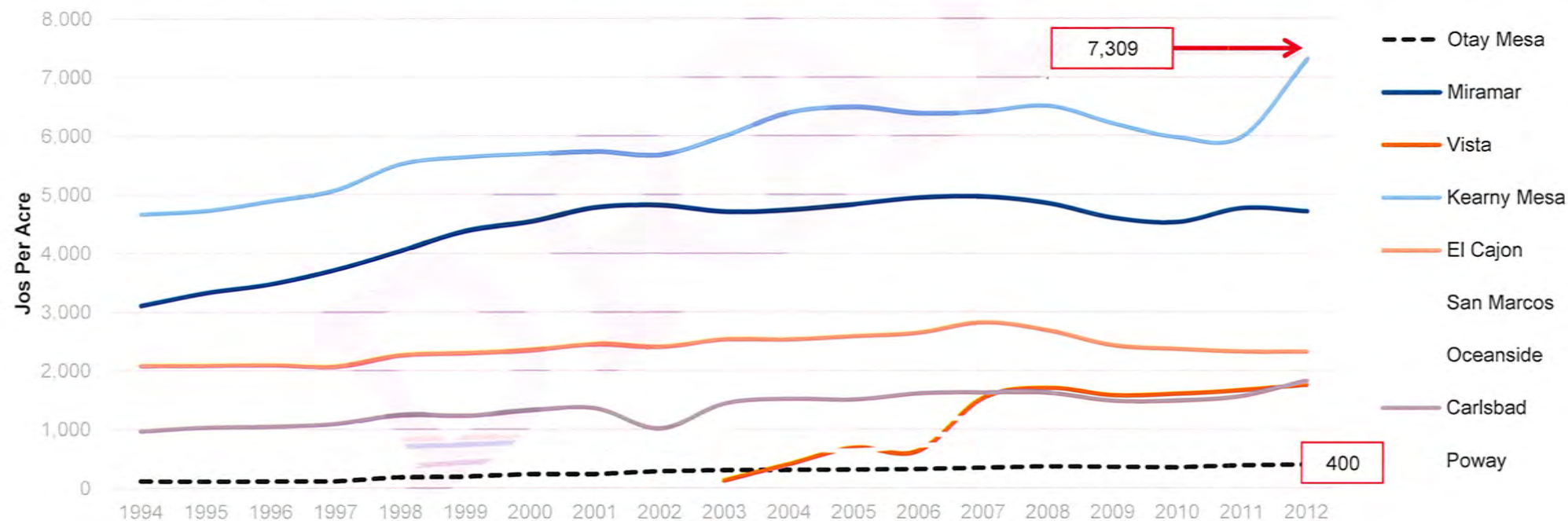
City	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Otay Mesa	\$17,050	\$17,670	\$17,669	\$17,884	\$23,688	\$25,479	\$26,935	\$33,897	\$31,329	\$30,620	\$31,838	\$33,184	\$33,849	\$35,102	\$35,127	\$35,441	\$37,805	\$40,572	\$39,383
Miramar	\$34,747	\$37,060	\$40,293	\$41,932	\$45,078	\$57,190	\$64,746	\$61,891	\$60,664	\$61,446	\$68,839	\$68,804	\$72,603	\$75,779	\$75,758	\$73,875	\$80,875	\$87,117	\$96,128
Vista	-	-	-	-	-	-	-	-	-	\$45,331	\$38,769	\$38,960	\$45,363	\$46,522	\$47,058	\$46,899	\$50,106	\$51,719	\$49,018
Kearny Mesa	\$29,358	\$29,448	\$30,085	\$32,348	\$33,180	\$34,339	\$36,334	\$39,580	\$41,478	\$42,728	\$43,166	\$45,694	\$48,059	\$49,015	\$50,316	\$52,987	\$54,622	\$55,989	\$49,621
El Cajon	\$21,382	\$22,301	\$22,925	\$24,967	\$25,776	\$27,914	\$30,230	\$30,299	\$31,167	\$31,228	\$32,083	\$32,419	\$33,867	\$36,029	\$36,103	\$35,745	\$37,552	\$37,943	\$39,249
San Marcos	\$22,416	\$23,250	\$23,500	\$24,745	\$27,042	\$27,442	\$28,222	\$28,225	\$31,252	\$33,304	\$32,570	\$33,965	\$34,393	\$36,595	\$39,194	\$38,485	\$39,450	\$40,013	\$39,265
Oceanside	\$23,250	\$24,365	\$24,195	\$26,265	\$26,368	\$26,226	\$28,032	\$31,207	\$31,450	\$30,875	\$30,803	\$34,793	\$33,450	\$36,397	\$37,364	\$34,824	\$36,047	\$34,588	\$43,450
Carlsbad	\$27,180	\$29,653	\$31,809	\$33,146	\$34,531	\$35,430	\$38,483	\$40,358	\$42,958	\$42,944	\$44,605	\$47,959	\$47,152	\$48,656	\$50,836	\$53,098	\$54,209	\$54,696	\$54,754
Poway	\$21,178	\$21,694	\$24,228	\$26,179	\$29,767	\$32,032	\$32,663	\$33,463	\$34,916	\$37,578	\$39,204	\$42,631	\$43,574	\$45,602	\$47,147	\$54,067	\$54,877	\$55,492	\$56,142



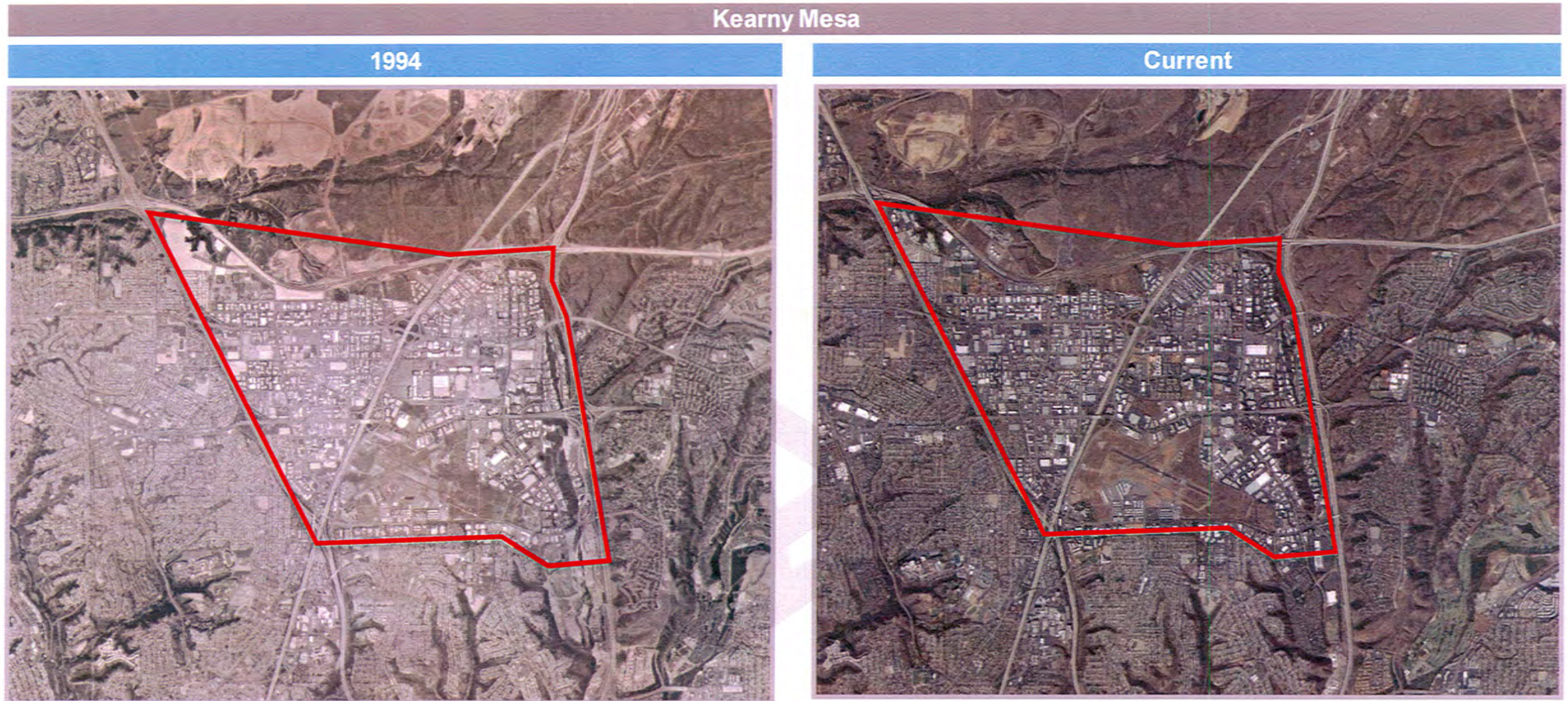
Source: U.S. Census - County Business Patterns
 _____ Value = Annual Payroll/# of Employees

The Most Dense Job Populations Are Kearny Mesa, Miramar and El Cajon

Jobs Per Square Mile																			
City	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Otay Mesa	113	109	115	113	189	199	236	237	289	306	312	315	326	349	370	359	350	387	400
Miramar	3,104	3,322	3,474	3,717	4,037	4,380	4,539	4,781	4,816	4,704	4,741	4,834	4,938	4,959	4,846	4,599	4,526	4,764	4,710
Vista	-	-	-	-	-	-	-	-	-	125	405	679	629	1,528	1,700	1,576	1,600	1,664	1,757
Kearny Mesa	4,657	4,720	4,883	5,072	5,515	5,636	5,691	5,734	5,678	6,003	6,399	6,491	6,380	6,413	6,505	6,207	5,968	5,988	7,309
El Cajon	2,076	2,081	2,090	2,069	2,261	2,300	2,351	2,453	2,402	2,527	2,527	2,582	2,642	2,819	2,681	2,429	2,367	2,323	2,322
San Marcos	556	568	617	654	709	740	783	792	769	809	863	858	931	873	847	779	755	786	788
Oceanside	639	692	718	731	819	866	873	845	937	1,030	1,115	1,111	1,177	1,183	1,122	1,234	1,368	1,539	1,279
Carlsbad	963	1,025	1,044	1,089	1,244	1,228	1,328	1,355	1,011	1,434	1,515	1,502	1,607	1,623	1,616	1,481	1,485	1,564	1,828
Poway	221	230	247	281	366	444	491	636	633	606	665	629	718	737	651	699	675	675	702



Kearny Mesa Industrial Has Been Surrounded By Residential Uses For More Than 20 Years

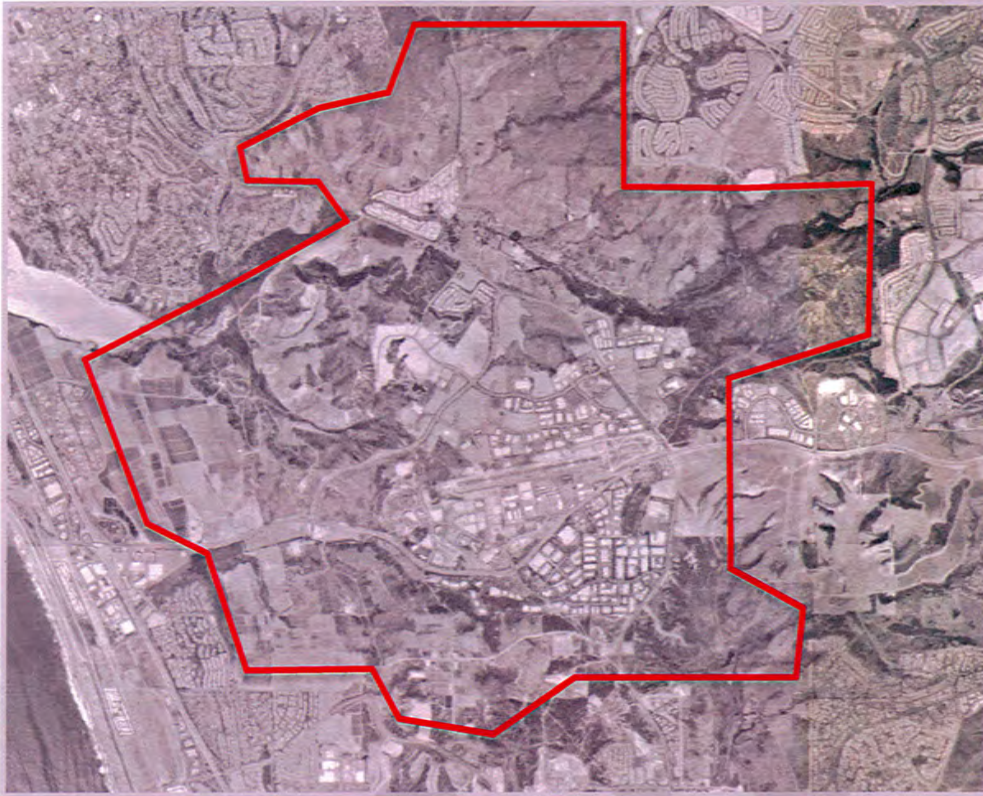


Red is border of Residential around Industrial

There Has Been Notable Residential Development in the Palomar Area Over the Past 20 Years

Carlsbad - Palomar Airport

1994

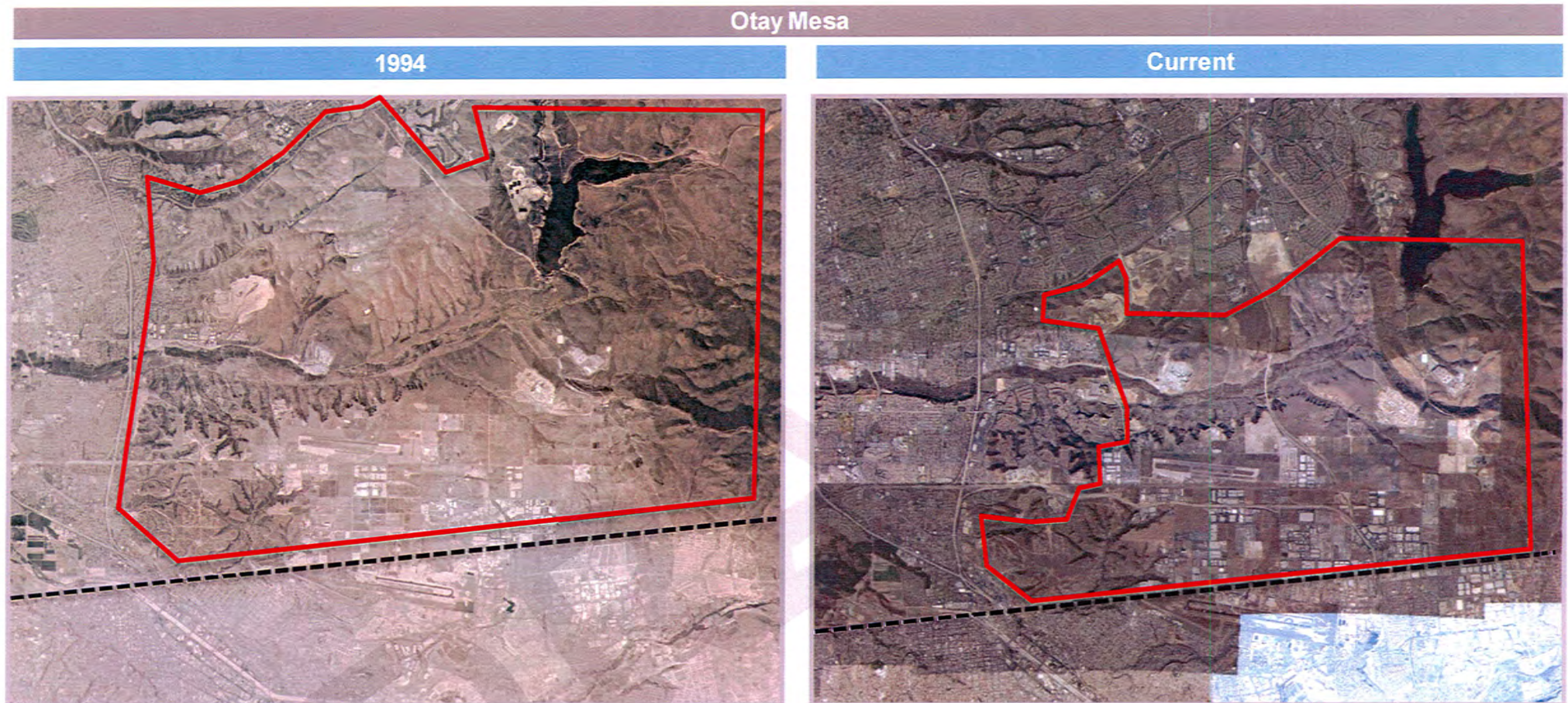


Current



Red is border of Residential around Industrial

Otay Mesa Has Experienced limited Residential Synergies the Past 20 Years



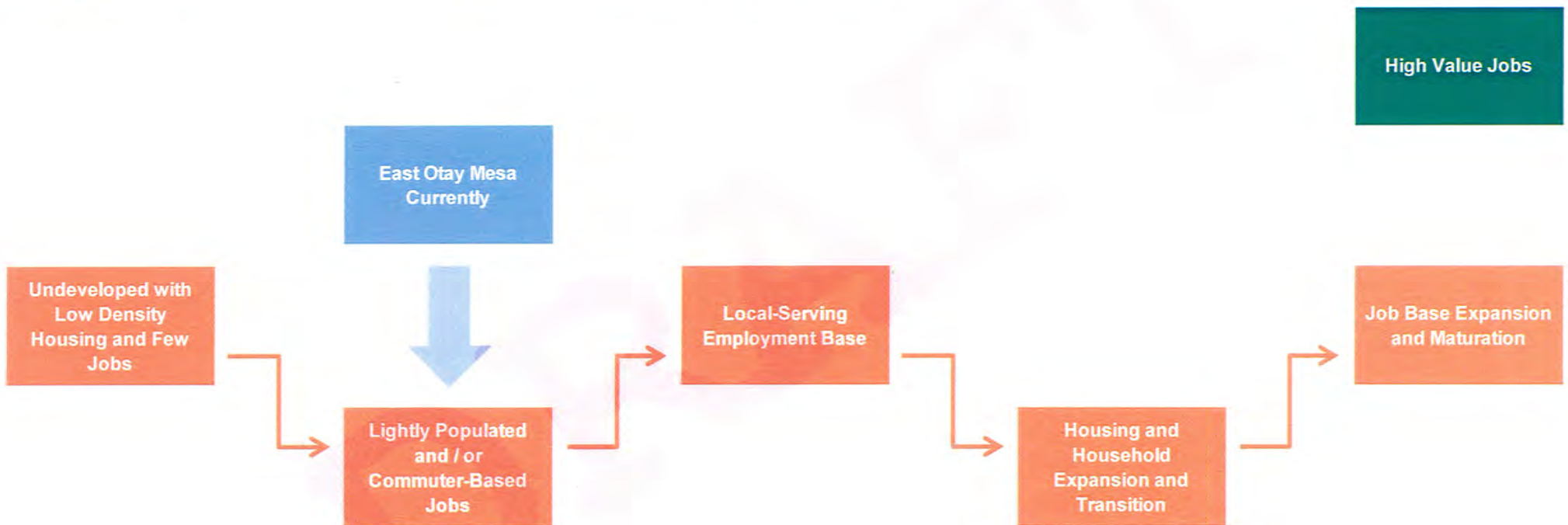
IV. Opportunities Going Forward

Typical Housing & Jobs Maturation Cycle is Iterative

Around the country, the cycle described in the diagram on the right regularly plays out over multiple years and/or decades.

There are now several areas of San Diego County that are also self-sufficient “live/work/play” neighborhoods such as University City (UTC), Kearny Mesa, Miramar and the Palomar Airport area of Carlsbad. All of these areas offer major employment concentrations that are enhanced with housing options of varying densities and price points.

East Otay is in an otherwise undeveloped area (from a residential perspective) that has an existing job base. What it does not have, however, is housing in the immediate area that be targeted toward local employees – both now and in the future.



The Construction of One New Home Creates Nearly Three Full-Time Jobs

Value of Construction - National (2014)			
	Full Time Equivalent Jobs	Wage Per Worker	Wages & Salaries
Per New Single-Family Home			
Construction	1.76	\$54,474	\$95,875
Manufacturing	0.37	\$51,522	\$19,063
Wholesale & Retail Trade, Transportation, and Warehousing	0.38	\$44,003	\$16,721
Finance and Insurance	0.06	\$86,700	\$5,202
Real Estate and Rental and Leasing	0.02	\$64,450	\$1,289
Professional, Management, Administrative Services	0.21	\$67,581	\$14,192
Other	0.18	\$54,100	\$9,738
All Industries	2.97	\$54,572	\$162,080
Per New Multifamily Rental Unit			
Construction	0.68	\$54,226	\$36,874
Manufacturing	0.14	\$55,336	\$7,747
Wholesale & Retail Trade, Transportation, and Warehousing	0.17	\$43,106	\$7,328
Finance and Insurance	0.01	\$119,900	\$1,199
Real Estate and Rental and Leasing	0.01	\$39,100	\$391
Professional, Management, Administrative Services	0.06	\$70,067	\$4,204
Other	0.06	\$52,217	\$3,133
All Industries	1.13	\$53,873	\$60,876

Source: NAHB estimates

Construction of One New Home Generates Over \$100,000 in Government Revenue

The Economic Benefit of building new housing is the creation of 2.97 jobs full-time jobs and \$110,957 in government revenue for each single-family home and 1.13 full-time jobs and \$42,383 in government revenue from rental apartments.

New Homes - National (2014)			
		Per New SFD Unit	Per New MF Rental Unit
Federal	A	\$74,354	\$28,375
Income Taxes		\$37,301	\$14,215
Government Social Insurance		\$35,333	\$13,526
Excise Taxes and Customs Duties		\$1,720	\$634
State and Local	B	\$36,603	\$14,009
Income Taxes		\$10,299	\$3,925
Permit, Hook-Up, Impacts, Etc. Fees		\$13,672	\$5,427
Sales Taxes		\$6,922	\$2,552
Other Business Taxes and License Fees		\$5,710	\$2,105
Total Government Revenue Generated	A+B	\$110,957	\$42,384

Source: NAHB estimates

The Real Estate Industry accounted for \$359 Billion or 18.5% of the Gross State Product

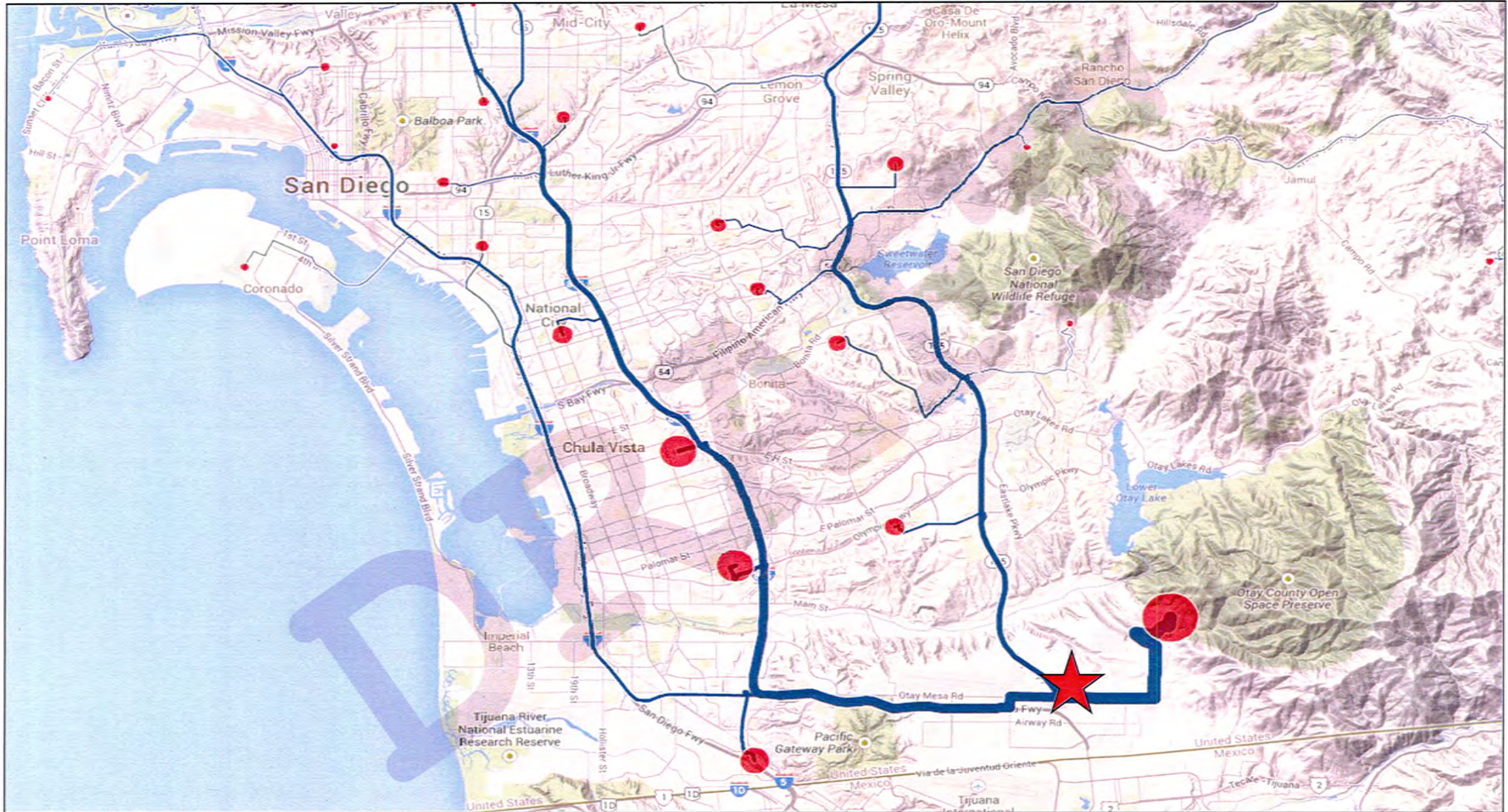
- Every existing home sales creates it own wave of economic contribution with the initial home sales, spending on new consumer items for the home, introduction of new consumers to an area, and the need for new housing in the future.
- As perspective, one new home is constructed for every 8 existing home sales. More new construction would spur additional economic growth.

Economic Contributions	Income Derived from the Sales of a Home in the Following Locations		San Diego	California	National
Home Construction	Existing Median Priced Home		\$485,000	\$325,400	\$176,800
Real Estate Brokerage	Income Generated from the Real Estate Related Industry	A	\$43,650	\$29,286	\$15,912
Mortgage Lending	Additional Expenditure on Consumer Items	B	\$6,601	\$4,429	\$4,429
Title Insurance	Furniture				
	Appliances				
	Remodeling				
Rental and Leasing	Generated Economic Multiplier	C	\$24,120	\$16,183	\$9,764
Home Appraisal	Restaurant Activity				
	Sports Games				
Moving Truck Services	Charity Events				
	Miscellaneous				
Other Related Activity	Additional Homes Sales	D	\$60,625	\$40,675	\$22,100
	One New Home is Constructed for every 8 Existing Home Sales				
Total Income Derived from the Sales of a Home		A+B+C+D	\$134,997	\$90,573	\$52,205

Source: Bureau of Economic Analysis; NAR

Source of Commuters to the Otay Mesa Area: Opportunity to Live Closer to Work

The average commute to the Otay Mesa area (zip code 92154) is 17.1 miles and takes 25 minutes. Of the total employment base here, 19.5% live in the same zip code. While there are commuters from around the county, most are based in Chula Vista.



Source: Harry Kao, Census, Google Maps

Construction of 100 Houses Supports over 200 Local Jobs at Over \$28 Million for the Economy

Phase I: Construction

Value of Construction
+
Services Provided at Closings
+
Permit / Hook-up / Impact Fees



Model of the Local Economy



Local Income and Taxes

Impact of Building 100 Single-Family Homes in a Typical Metro Area Phase I—Direct and Indirect Impact of Construction Activity

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$9,758,100	\$2,516,700	\$7,241,400	\$49,000	147
Manufacturing	\$1,400	\$100	\$1,400	\$51,000	0
Transportation	\$22,300	\$3,000	\$19,300	\$42,000	0
Communications	\$146,100	\$44,600	\$101,400	\$75,000	1
Utilities	\$42,000	\$16,300	\$25,700	\$84,000	0
Wholesale and Retail Trade	\$1,432,200	\$262,200	\$1,170,000	\$36,000	32
Finance and Insurance	\$317,100	\$25,800	\$291,200	\$83,000	4
Real Estate	\$646,200	\$568,900	\$77,300	\$51,000	2
Personal & Repair Services	\$99,500	\$37,500	\$62,000	\$33,000	2
Services to Dwellings / Buildings	\$57,000	\$11,300	\$45,700	\$33,000	1
Business & Professional Services	\$1,375,500	\$410,400	\$965,100	\$58,000	17
Eating and Drinking Places	\$47,300	\$6,400	\$40,900	\$20,000	2
Automobile Repair & Service	\$47,100	\$14,600	\$32,500	\$33,000	1
Entertainment Services	\$8,200	\$1,700	\$6,500	\$45,000	0
Health, Educ. & Social Services	\$1,800	\$500	\$1,400	\$38,000	0
Local Government	\$19,000	\$0	\$19,000	\$54,000	0
Other	\$212,500	\$76,700	\$135,800	\$44,000	3
Total	\$14,233,300	\$3,996,700	\$10,236,600	\$48,000	213

Source: NAHB

After Construction of 100 Homes, Another \$13 Million of Economic Impact Results

Phase II: Ripple Effect

Local Income and Taxes from Phase I



Spending of Locally Produced Goods and Services



Model of Local Economy



Local Income and Taxes

Impact of Building 100 Single-Family Homes in a Typical Metro Area Phase II—Induced Effect of Spending Income and Tax Revenue from Phase I

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$318,500	\$123,400	\$195,100	\$49,000	4
Manufacturing	\$1,400	\$100	\$1,300	\$51,000	0
Transportation	\$23,400	\$3,200	\$20,200	\$38,000	1
Communications	\$409,700	\$140,000	\$269,700	\$74,000	4
Utilities	\$197,400	\$77,900	\$119,400	\$84,000	1
Wholesale and Retail Trade	\$1,153,100	\$217,100	\$936,000	\$32,000	29
Finance and Insurance	\$289,800	\$26,200	\$263,600	\$74,000	4
Real Estate	\$1,214,000	\$1,068,700	\$145,300	\$51,000	3
Personal & Repair Services	\$246,800	\$113,400	\$133,400	\$33,000	4
Services to Dwellings / Buildings	\$59,300	\$11,800	\$47,500	\$33,000	1
Business & Professional Services	\$652,100	\$193,600	\$458,600	\$52,000	9
Eating and Drinking Places	\$337,900	\$45,500	\$292,500	\$20,000	15
Automobile Repair & Service	\$166,200	\$50,600	\$115,500	\$33,000	4
Entertainment Services	\$79,400	\$21,900	\$57,500	\$37,000	2
Health, Educ. & Social Services	\$928,200	\$116,900	\$811,300	\$49,000	17
Local Government	\$617,600	\$0	\$617,600	\$50,000	12
Other	\$182,500	\$65,000	\$117,500	\$35,000	3
Total	\$6,877,300	\$2,275,300	\$4,602,000	\$41,000	111

Source: NAHB

On an Ongoing Basis, the New Homes & Residents Generate an Additional \$6 Million in Economic Activity

Phase III: Ongoing, Annual Effect

Income of Occupant in New Housing Units
+
Increased Property Taxes



Spending on Locally Produced Goods and Services



Model of the Local Economy



Local Income and Taxes

Impact of Building 100 Single-Family Homes in a Typical Metro Area Phase III—Ongoing, Annual Effect That Occurs Because Units Are Occupied

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$167,300	\$64,200	\$103,100	\$49,000	2
Manufacturing	\$700	\$100	\$600	\$51,000	0
Transportation	\$9,800	\$1,300	\$8,500	\$41,000	0
Communications	\$186,900	\$63,600	\$123,300	\$74,000	2
Utilities	\$103,600	\$40,800	\$62,800	\$84,000	1
Wholesale and Retail Trade	\$566,800	\$106,700	\$460,100	\$32,000	14
Finance and Insurance	\$182,800	\$16,600	\$166,200	\$73,000	2
Real Estate	\$338,900	\$298,400	\$40,600	\$51,000	1
Personal & Repair Services	\$94,400	\$43,500	\$50,800	\$33,000	2
Services to Dwellings / Buildings	\$30,600	\$6,100	\$24,500	\$33,000	1
Business & Professional Services	\$299,800	\$90,400	\$209,300	\$52,000	4
Eating and Drinking Places	\$166,900	\$22,500	\$144,500	\$20,000	7
Automobile Repair & Service	\$78,300	\$23,900	\$54,400	\$33,000	2
Entertainment Services	\$49,000	\$13,400	\$35,500	\$34,000	1
Health, Educ. & Social Services	\$410,800	\$53,400	\$357,400	\$48,000	7
Local Government	\$235,900	\$0	\$235,900	\$50,000	5
Other	\$138,400	\$53,000	\$85,400	\$35,000	2
Total	\$3,060,900	\$897,900	\$2,162,900	\$41,000	53

Source: NAHB

Conceptual Residential Segmentation to Detonate Economic Activity

The following presents a product palette that could serve the area's population and ignite the "live-work" opportunity.

Product Concept	Range of Densities (DU/AC)	Range of Unit Sizes (SF)	Target Residents	Dual Income Households
1 Medium Density	25-35	650-1,800	Singles, Couples	Y
2 Low-Medium Density	15-25	750-2,200	Singles, Couples, Young Families	Y
3 Lower Density	<15	1,250-2,800	Singles, Cuoples, Young Families, Empty Nesters	Y



1. Medium Density



2. Low-Medium Density



3. Low Density

V. Appendices

Appendix 1: Key Issues

- 1.) Who are the Stakeholders?
- 2.) How is this Good for the County?
- 3.) What is the Economic Benefit of this?
- 4.) Since the Original E.Otay Plan was Correct, What has Changed?
- 5.) Why didn't Jobs come to Otay as Envisioned?
- 6.) Where else has Residential Catalyzed Industrial Job Growth?
- 7.) How did the Value of "Jobs" Evolve?
- 8.) Who will Ultimately Live in Otay?
- 9.) Why can this Site Help Stimulate the Region?

Appendix 2: How Technology has Impacted Industrial Demand

1. Companies want to maximize supply chain efficiencies and cut down on costs.
2. Limit trucking expenses.
3. Target locations near rail heads and ports.
4. Ease of transportation is a key location driver.
5. Consolidation from numerous facilities to single or a few large locations. Larger metro areas in logical geographic locations are targeted first. West coast: LA and San Francisco.
6. The locations that can provide the above are syphoning demand first.