

Otay Mesa experiencing development boom

By Alan Nevin

I recently had the opportunity to prepare an economic forecast for the Otay Water District. After completing my online research and chatting with a few border-friendly clients, I took the occasion to spend a day at the border.

It is really pretty amazing. What was once a “no man’s land” has become “everyman’s land.”

First, the federal government has completed its \$750 million Otay Mesa crossover. I don’t know how it spent three quarter of a billion dollars on the crossover, but the feds claim it will make it easier for the 35 million people and 9 million vehicles coming north each year.

Traveling east from the border along 905, all that vacant land you see is about to be occupied. Pardee Homes has plans to add 5,200 housing units; Colrich will add 1,000-plus units; and a few others intend to add another 2,000 units. Fun on the 905.

Next, you come to the CrossBorder Express (CBX), Sam Zell’s miracle access to the Tijuana Airport. Last year 2.9 million people took advantage of that short-cut. Interestingly, few of the folks taking advantage of the CBX are

San Diegans. Most come from north of the San Diego border.

And then you see big dirt. Lots of it being moved as several major developers prepare for the next round of big-time development.

Of course, the big announcement is Amazon’s ambitious 3.4 million-square-foot, four-story distribution facility sitting on 65 acres east of the 125 Tollway. I don’t know exactly how many jobs will be created, but it will have 1,800 parking spaces, if that’s a clue. And I don’t suspect they will operate only one shift.

One can only imagine the number of firms that want to, or need to, be in the vicinity of Amazon to facilitate their movement of goods.

Two other major projects are underway as well.

The first is Majestic/Sunroad’s mixed-use project at the 125 and Otay Lakes Road. That project is starting out with 277,000 square feet of industrial space (now under construction) but eventually have more than 3,000 housing units, 765,000 square feet of industrial space and 75,000 square feet of retail space.

The other monster project is Otay Cross-

ings, a 311-acre industrial park, the first phase of which is now being graded. Ultimately, Otay Crossings will have 3,000,000 square feet of industrial space.

Currently, there is 700,000 square feet of industrial space under construction, which will push the year-end total industrial space in Otay Mesa to 26 million.

Also underway east of the 125 is a 40-acre sheriff’s vehicle operations course. It’s sort of a Daytona Speedway for law enforcement.

An interesting acquisition: Salvation Army has acquired space in the Brown Field Tech Center to build a 130-bed facility as well as a warehouse/distribution center.

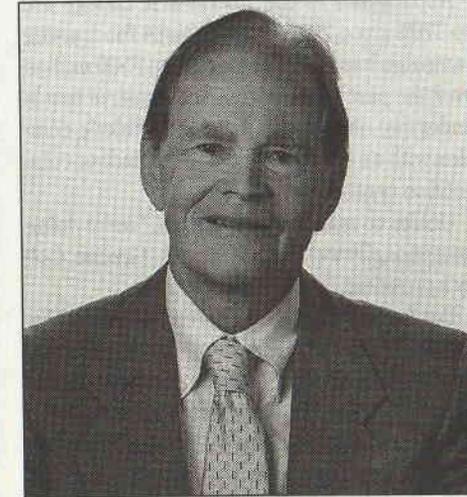
Oh, yes, there is Brown Field. It is undergoing a major upgrading. The latest plans call for 87 new hangars and two hotels. And, inevitably, there will be additional commercial and industrial space.

And there is progress being made on the completion of State Route 11 to the border. Last year, almost 1 million trucks crossed that eastern border, bringing in and out \$46 billion of goods. That’s a 50 percent increase in the

last 10 years.

So, let me encourage you to take a ride along the 905 (but not during rush hour).

Alan Nevin is the director of economic and market research for the construction and development consulting firm Xpera Group.



ALAN NEVIN