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Cross Border Air Terminal Clears Another Hurdle

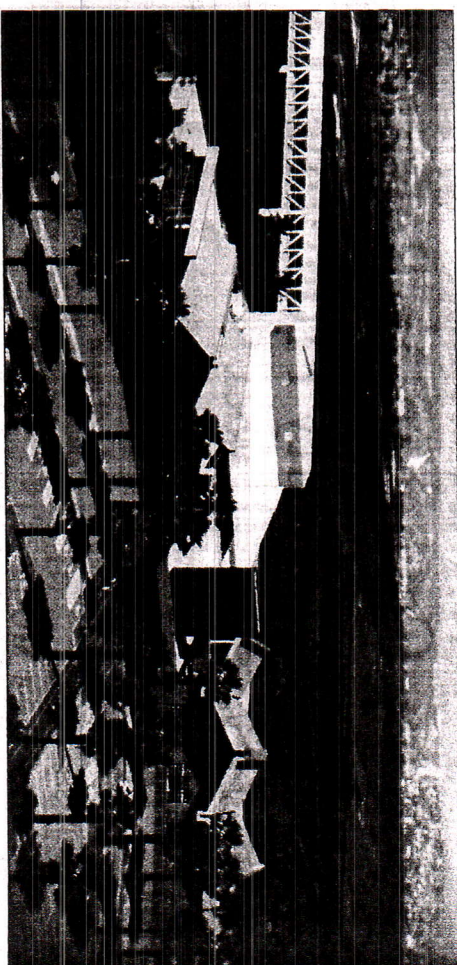
TRANSPORTATION: \$78M Project Could Break Ground This Year

■ BY MIKE ALLEN

A cross border airport terminal in Otay Mesa took another step this month when the San Diego City Council amended a land use plan, but the project still needs additional agreements before construction can begin.

The \$78 million cost for both the land and 95,000 square foot terminal is being shouldered by a joint venture entity called Otay-Tijuana Venture LLC, made up of

✦ Terminal page 32



Rendering prepared by architect Stantec Inc. shows a conceptual design for the cross border airport terminal.

Rendering courtesy of Otay-Tijuana Venture LLC

file press 2012

Terminal:

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Chicago-based **Equity Group Investments** and two Mexican investment groups, **Palareo Inc.** and **PAP Corp.**

Greg Rose, managing partner for EGI, said the private investment firm owned by billionaire **Sam Zell** has been involved in developing the cross border terminal since 2007.

Rose said the project still needs several agreements from various federal agencies both in the United States and Mexico, but is confident those will be secured.

"Our conversations on both sides of the border are going well," he said.

The key agencies that have yet to provide necessary agreements include U.S. Customs and Border Protection and Mexico's Secretary of Communications and Transportation.

In 2010, the terminal project obtained the most important approval when it received a presidential permit that was issued by the U.S. State Department.

The terminal, in the planning stages for about a decade, would allow air travelers from the U.S. side to cross a 525 foot bridge

and board planes departing from Tijuana's **Rodriguez International Airport**. The facility would also handle arriving passengers from Tijuana to cross into this country via the same facility, after passing inspection from customs officials.

Gateway to Asia

Tijuana's airport handles direct flights to both Tokyo and Shanghai, in addition to other Mexican cities.

Having the terminal in place would relieve the anticipated overcrowding at San Diego's **Lindbergh Field**, eliminate the need for cars carrying passengers now crossing at either the **Olay Mesa** or **San Ysidro** ports of entry, and enhance the area as a binational gateway to both nations.

"This would be an economic engine for **Olay Mesa**," said **Cindy Gompper-Graves**, chief executive for the **South County Economic Development Council**. "Foreign companies have been asking for direct flights to San Diego, especially some of the Japanese and Korean companies that are doing business on both sides of the border."

As the facility grows in usage, the project

plan involves building a hotel and other commercial/retail space at the site, including a possible truck cargo facility.

Project backers need to secure more than the necessary national agreements, Rose said that architects — **Stanec Inc.**, in the United States and **Legorreta & Legorreta** in Mexico — must complete their plans and government agencies on both sides of the border must issue final building permits. Construction should begin in the latter half of this year, he said.

Plan Has Multiple Phases

The project's contractors, **DPR Construction** and **Hazard Construction Co.**, both based in San Diego, were selected last year. DPR was named as general contractor, while **Hazard** is the subcontractor. Rose declined to break out the estimated construction cost, stating the facility's total cost, including the acquisition of 24 acres for the terminal itself, is about \$78 million. **Equity Investments** owns 55 acres around the site, Rose said.

In addition to the terminal itself, the initial plan includes a surface parking lot to accommodate 889 vehicles. As the terminal grows in use, the surface parking

will be replaced with a multi-level garage with about 1,300 spaces, which could also be expanded, according to a city report.

"At build out, the cross border facility would be expanded to a total of 95,000 square feet, with an expanded parking structure to accommodate a minimum of 2,239 on-site parking spaces serving approximately 17,225 average daily passengers," according to the report.

In the first year, Rose said the terminal is expected to handle about 2.2 million passengers.

The cross border terminal would be open only to ticketed passengers, and its presence near the planned new **Olay Mesa** border crossing will enhance the security for the area, Rose said.

City Councilman **David Alvarez**, who represents **Olay Mesa**, said the project is being entirely financed by the private sector instead of the federal government because funds aren't available for new border crossings.

"If we want to get a project like this realized, we're going to have to find creative ways to fund it," **Alvarez** said. "Congress is authorizing very limited funds for public infrastructure projects of this nature."