



## **AB 427 (Alvarez): Otay Mesa East Border Port of Entry Act**

### **Bill Summary**

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AB 427 clarifies that SANDAG can utilize the Construction Manager/ General Contractor (CMGC) contracting method on the SR 11/Otay Mesa East Port of Entry Project (POE).

### **Background**

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The Otay Mesa East Port of Entry Act, SB 1486 (Ducheny) of 2008, allows for the construction and operation of State Highway Route 11 and a new federal Otay Mesa East Port of Entry Corridor. In 2022, the legislature unanimously passed SB 985 (Hueso), which provided essential amendments to the Otay Mesa East Port of Entry Act reflective of feedback gained from years of project refinement, updated agreements with counterparts from the Federal government and Mexico, and the onset of new technology.

The POE is a joint effort between the San Diego Association of Governments (SANDAG) and Caltrans, in collaboration with state and federal partners in the United States and Mexican governments, to create a 21<sup>st</sup> century border crossing for the San Diego Baja California region.

This project provides a unique opportunity to develop a new multimodal land port of entry that will provide a 20-minute border wait time (as opposed to 1-2 hours currently). It also serves as a relief valve for other border crossings in the area, decreasing peak wait times at regional existing land ports of entry by 50% on opening day. It will use innovative technologies to manage congestion, including interchangeable inspection lanes, binational tolling, and an integrated operations system.

This new POE is expected to facilitate over \$21.9 billion in economic impact to California and \$32.3 billion nationwide while helping to relieve current supply-chain issues. This is predicted to result in an increase of \$6.7 billion in labor income and 96,200 thousand jobs in California alone. Also, by dramatically reducing border wait times and idling, the POE will reduce CO2 emissions by 39% for personal vehicles. Over 20 years, the project will reduce 395,596 tons of CO2 emissions from the atmosphere, a 19,780 ton per year average, despite projected increases in traffic volumes.

### **Conclusion**

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SANDAG currently employs the CMGC contracting method on large infrastructure projects in San Diego County utilizing its own governing statute, as amended by SB 1549 (Vargas) of 2012. Most recently, SANDAG utilized CMGC to successfully complete the \$2.2 Billion Mid-Coast trolley line extension, which connected UCSD, Scripps Memorial Hospital, and two large employment centers to the blue line, which extends to the San Ysidro border.

SANDAG was previously required to use the design-bid-build-delivery method for the SR 11/Otay Mesa East Port of Entry Project, which is the standard method. AB 427 clarifies that SANDAG can use its existing authority to utilize the CMGC contracting method on the Otay Mesa East Border Crossing by specifically including this authority in the Otay Mesa East Port of Entry Act as well.

AB 427 will ensure that this essential infrastructure project is fully funded, meets critical timelines agreed upon with the federal government and Mexico, and achieves its goal of significantly reduced wait times at the border, decreased



greenhouse gas emissions, and robust economic benefit and job-creation throughout the state.

### **Support**

- SANDAG

### **For More Information**

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