



Receive the County of San Diego's Tijuana River Sewage Crisis Economic Impact Study Draft Presentation and Draft Recommendations (District: All)

September 15, 2026

Item #16

Steve Lockett, Deputy Director, Office of Economic Development
and Government Affairs
Chris Blakney, Principal, ECONorthwest





Economic Costs & Impacts of Tjuana River Crisis

September 2026

Project Status Update



- Background and Methodology
- Stakeholder Engagement
- Findings
- Recommendations

BACKGROUND AND PROJECT PURPOSE

IDENTIFY AND MEASURE COSTS



Understand the costs of the crisis

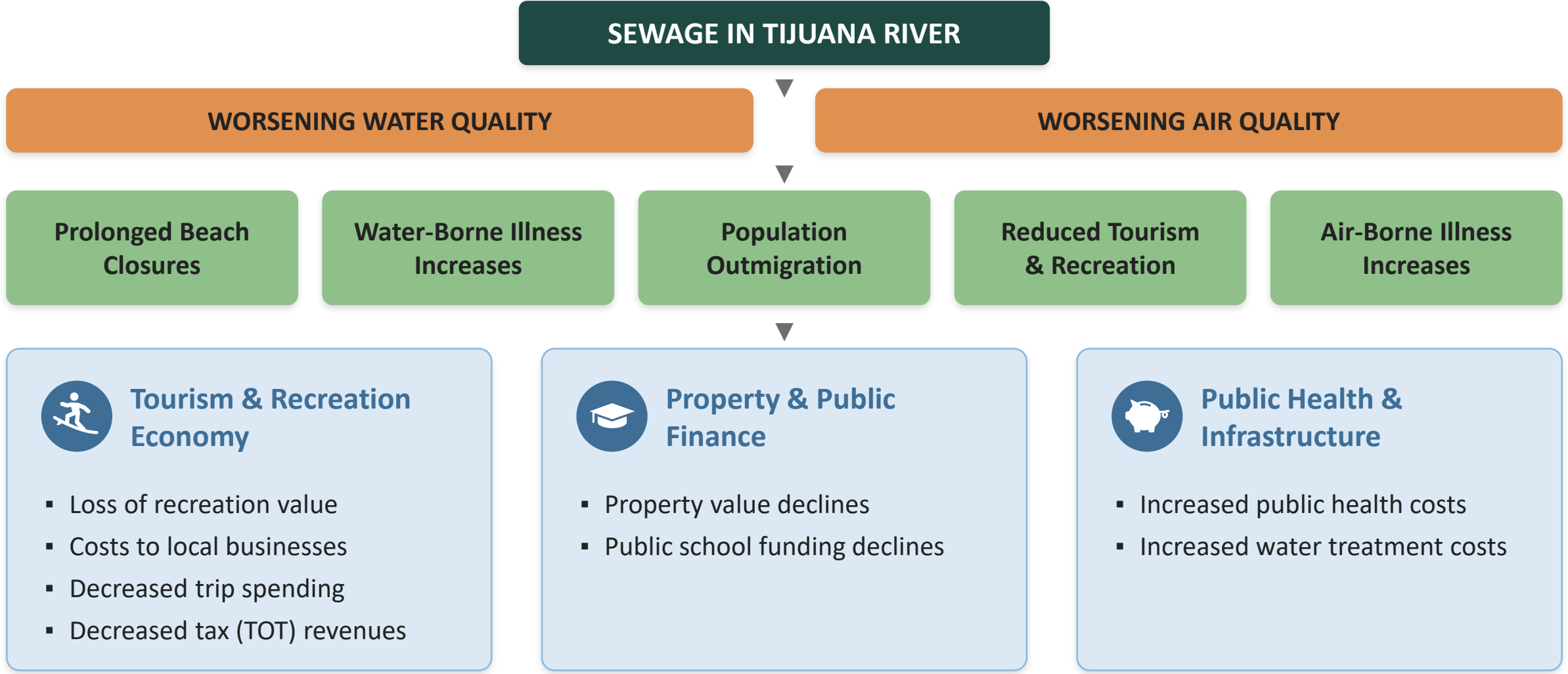
EVIDENCE AND NEED FOR RESPONSE



Provide evidence for proactive approaches to mitigation

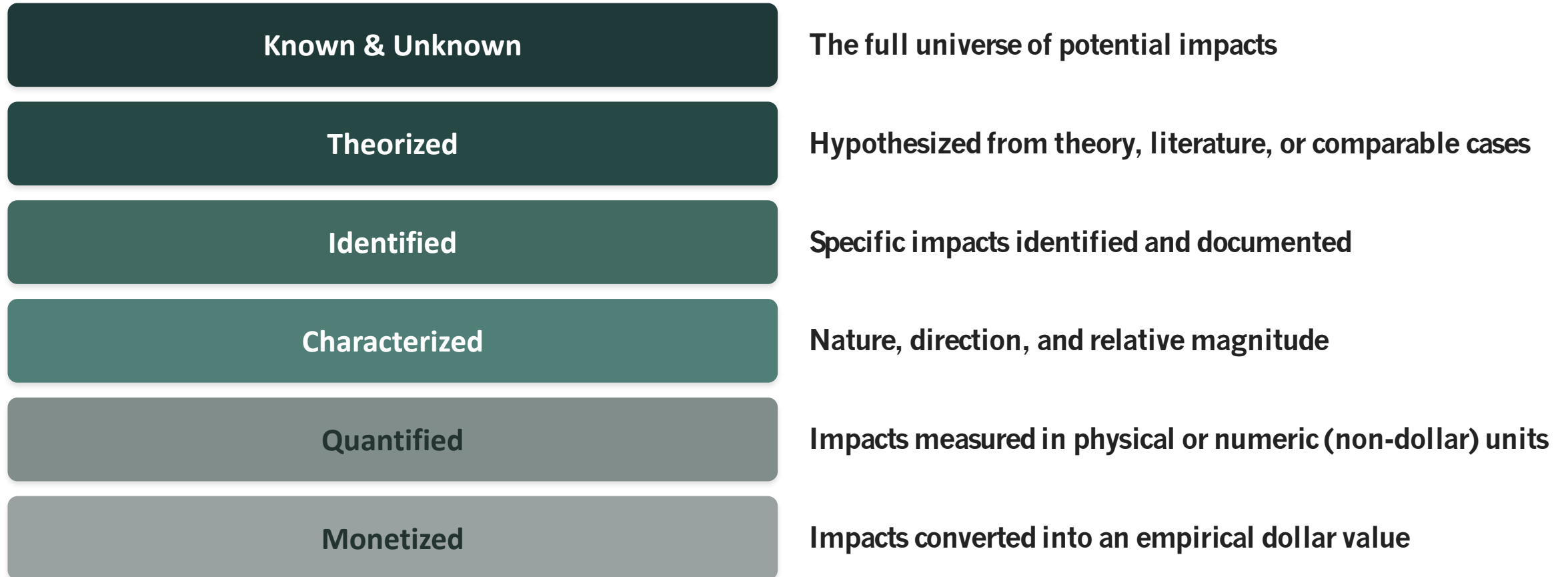


METHODOLOGY | COST PATHWAYS



METHODOLOGY | HIERARCHY OF COSTS

Not every cost impact can be resolved to a dollar value — this framework traces how far the evidence can go.





Two-Phase Engagement Approach	Outreach Entailed	Resulting Participation
Focus Groups Small-group discussions with community and regional stakeholders, supported by a subconsultant.	Direct email outreach to key stakeholders for focus group participation (~40 organizations and jurisdictions)	17 people representing larger interested populations total across (4) focus groups
Surveys Online surveys designed to gather broader input from residents, businesses, visitors, and organizations.	Dedicated project website and survey hub: https://www.tijuanarivereconimpacts.com/ Direct email outreach to key stakeholders to boost survey participation (incl. marketing collateral) Flyers distributed at local businesses in Imperial Beach and Coronado <i>(Provided Spanish translation for all written materials)</i>	850 people viewed the website 244 people participated in the survey across (4) surveys

You should take a survey if you are someone who:



Owens, operates, or manages a business in the affected area

Goal of this survey:

to understand how the pollution crisis is affecting business operations, demand, and revenue.

Business Survey



Lives, works, or regularly spends time in the affected area

Goal of this survey:

to understand how the pollution crisis is affecting daily life, recreation, and household choices for people that live, work, or regularly spend time in the area.

Community Survey



Recently visited the affected area

Goal of this survey:

to understand how the pollution crisis is affecting visitor experiences and travel choices for people visiting from outside the area.

Visitor Survey



Works for an organization that represents the community or businesses in the affected area

Goal of this survey:

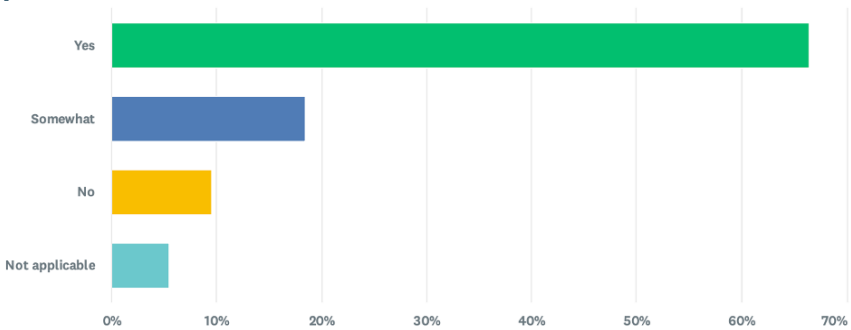
to understand similar details captured in the other surveys, but as observed by organizations that represent the community or businesses in the area.

Organization Survey

ENGAGEMENT: WHAT WE HEARD

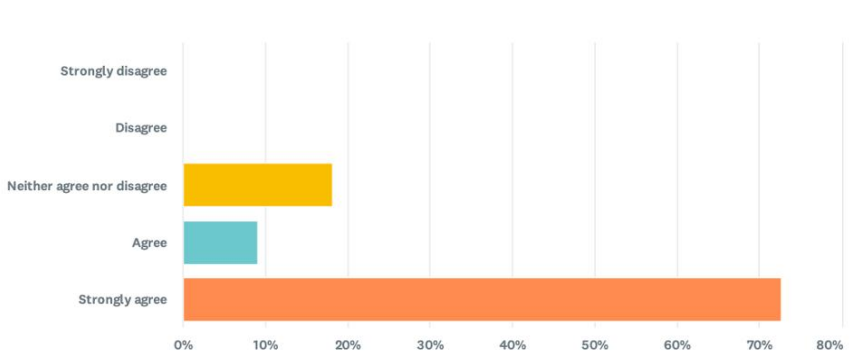
Community survey

Are you choosing to spend less time in your neighborhood or surrounding areas because of the pollution?



Business survey

I have struggled to retain existing customers because of pollution and related impacts.



PEOPLE SAY THEY ARE GETTING SICK.

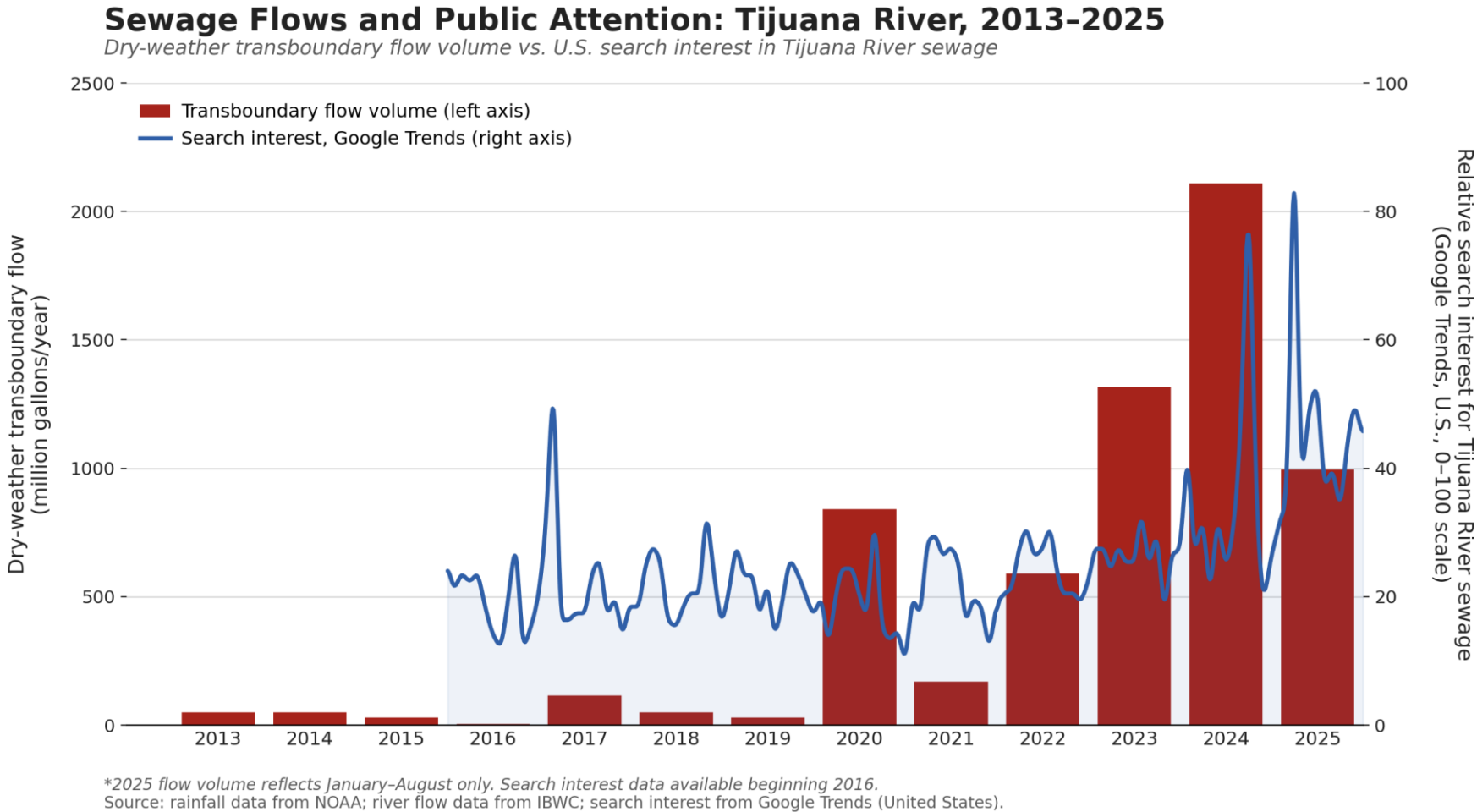


PEOPLE SAY THEY ARE CHANGING THEIR BEHAVIORS.



BUSINESSES SAY THEY ARE LOSING CUSTOMERS

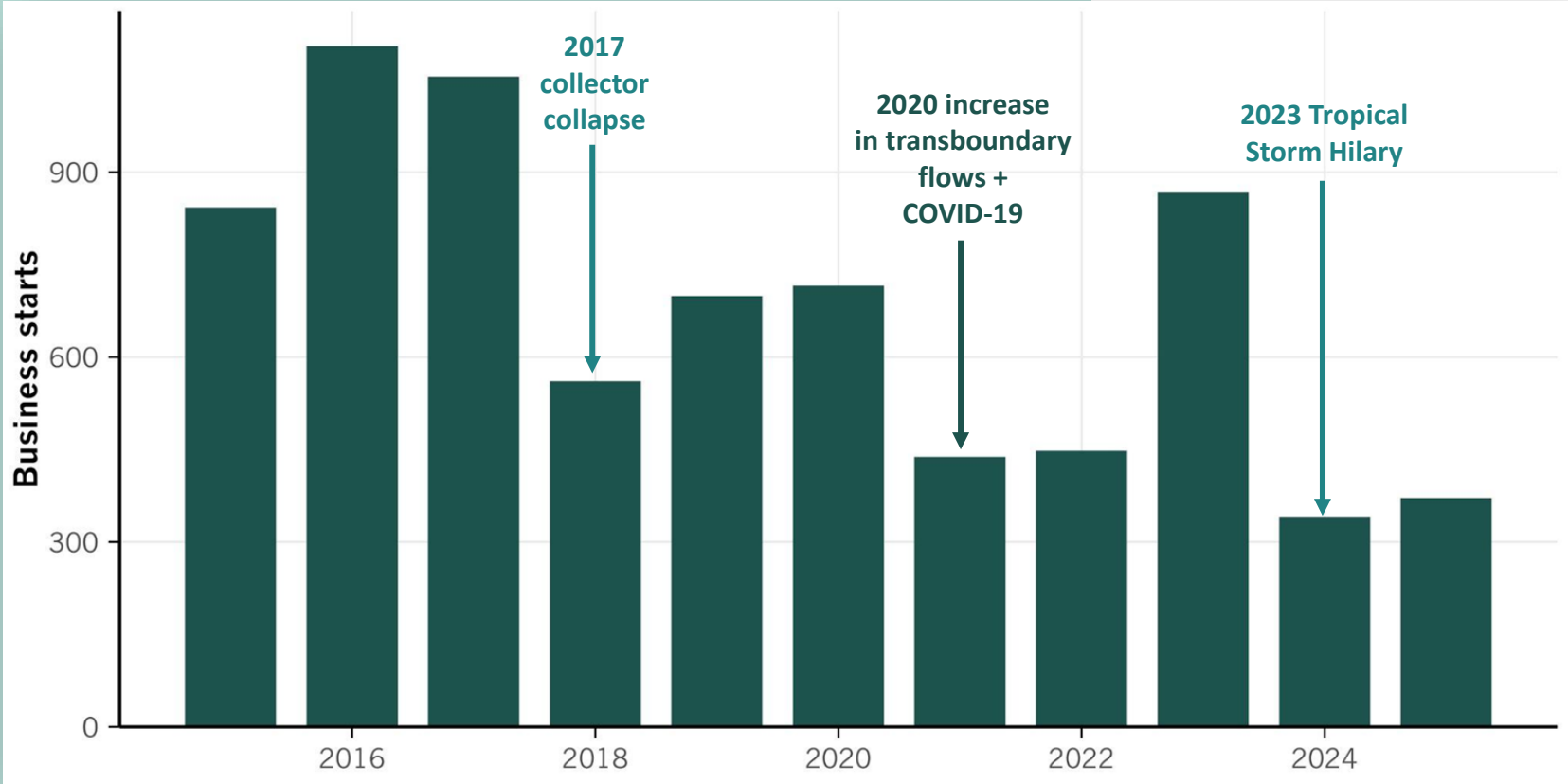
SEWER FLOWS AND PUBLIC AWARENESS



And this
shows up in
the data

BUSINESS STARTS

Nominal Business Starts | Primary Study Area | 2015-2025

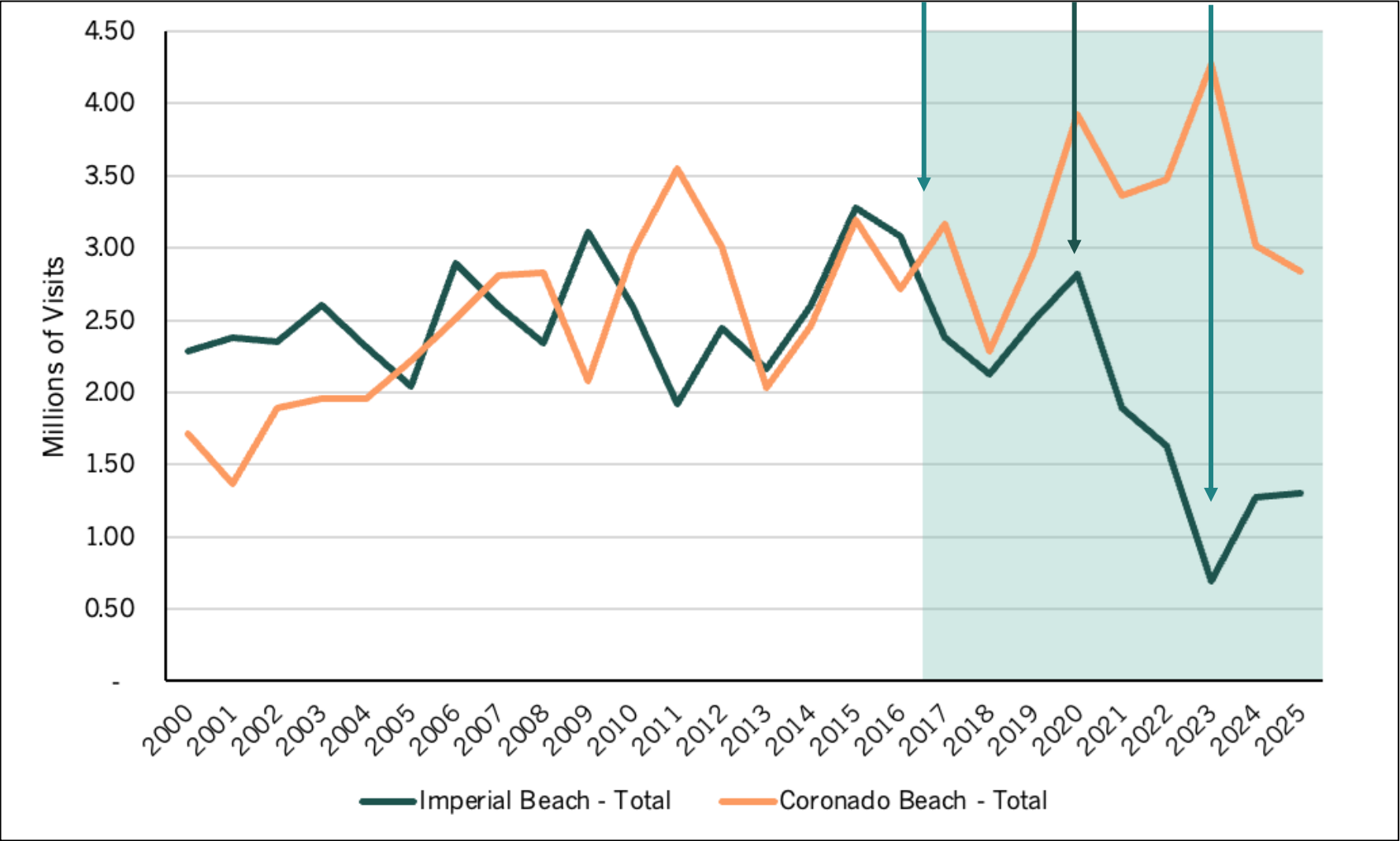


Source: Imperial Beach, Coronado, and San Diego business license records (2015–2025)

We observe declines immediately following events

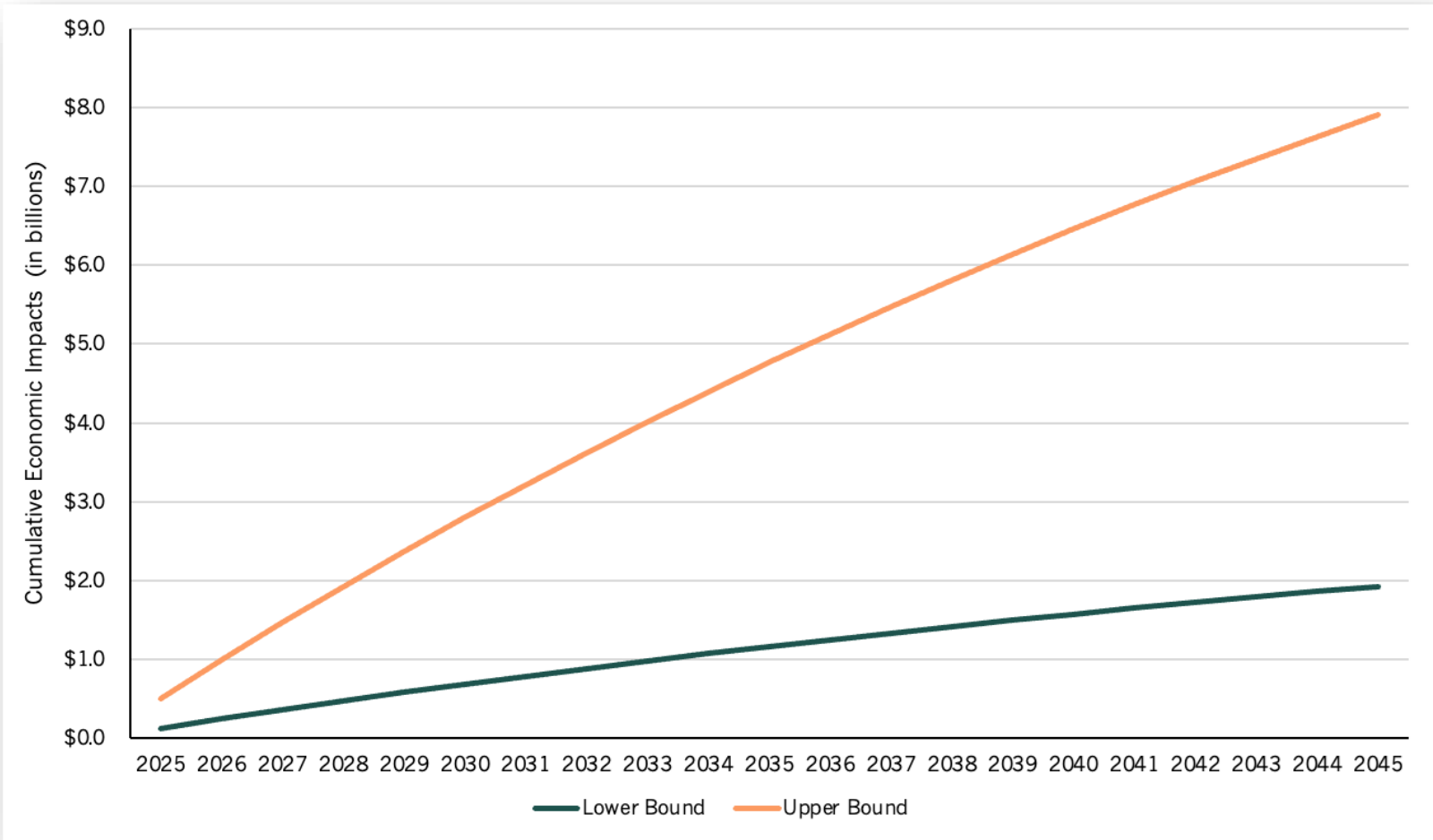
BEACH RECREATION CHANGE

The data show people are visiting the beaches less frequently



BEACH RECREATION CHANGE COST

CUMULATIVE REDUCTIVE EFFECT ON PROSPECTIVE ECONOMIC OUTPUT



Upper Bound:

\$7.9
Billion

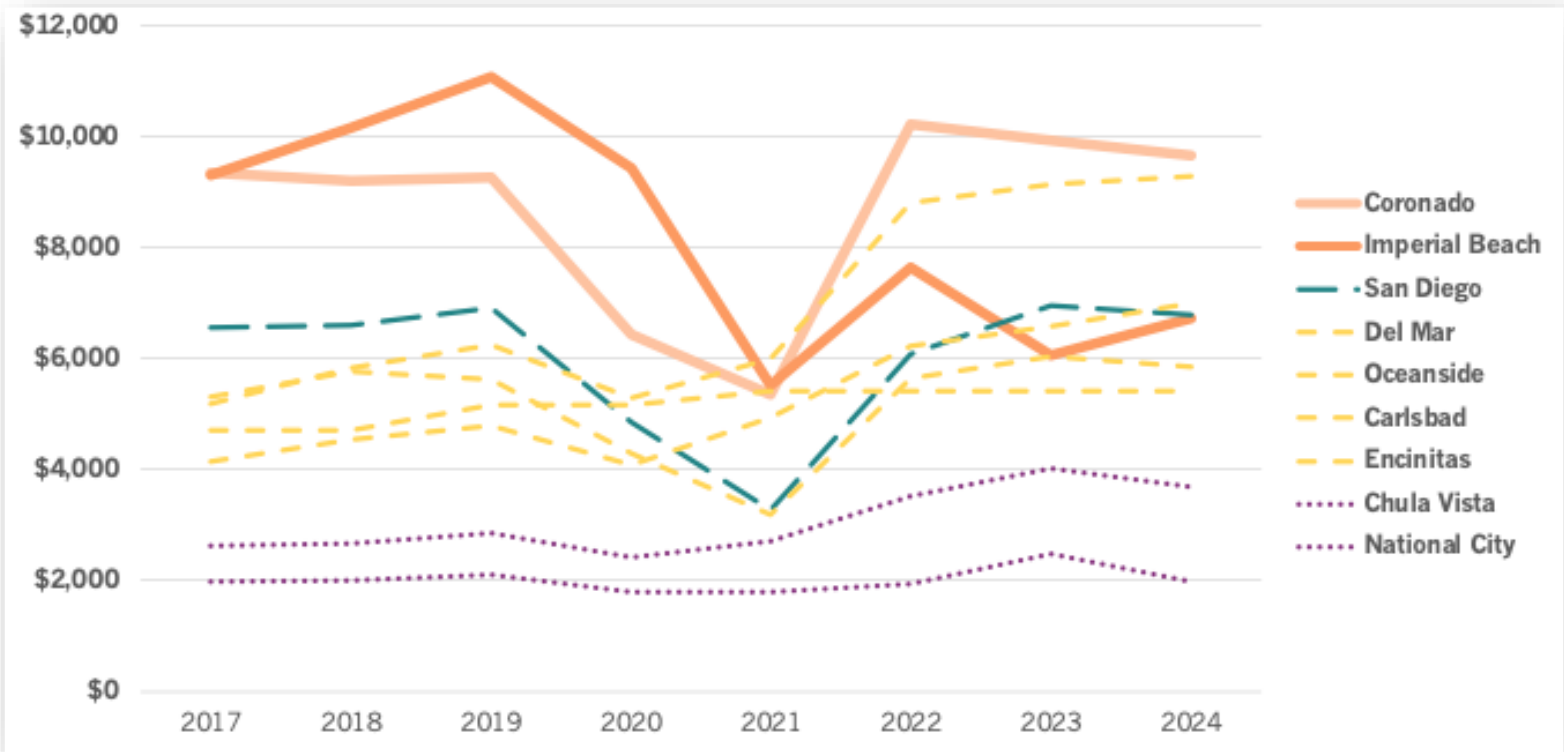
Based on 2020-2025

Lower Bound:

\$1.9
Billion

Based on 2008-2025

CHANGE IN TOT TAX REVENUE



-27.8% Imperial Beach

3.4% Coronado

11.0% Weighted Avg.

DISPROPORTIONATE IMPACTS

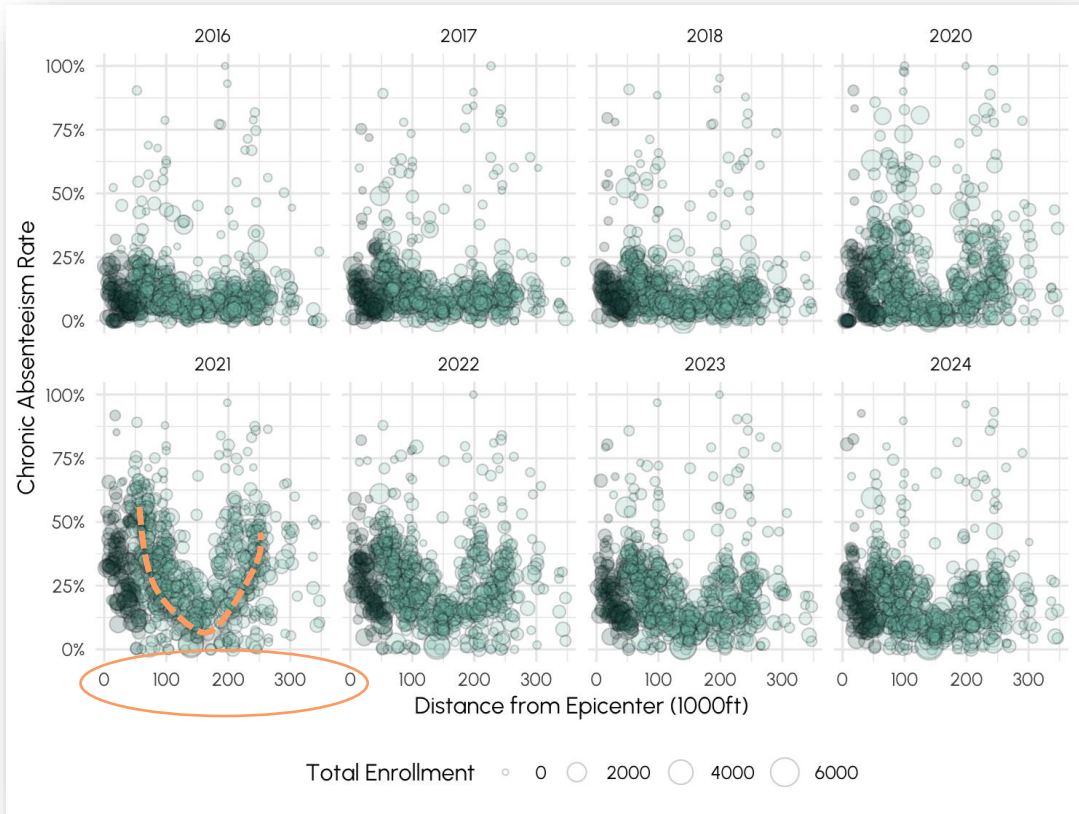
Impacts are concentrated in communities that already face greater **economic vulnerability**.

Under 20 Years of Age	Study Area 26.3%	County 25.1%	+4% Likelihood
Unemployment Rate	Study Area 7.7%	County 5.8%	+32% Likelihood
Living with a Disability	Study Area 11.3%	County 10.7%	+5% Likelihood
Living without Health Insurance	Study Area 7.8%	County 6.2%	+25% Likelihood
With a Bachelor’s Degree or Higher	Study Area 22.3%	County 34.1%	-35% Likelihood

Source: U. S. Census Bureau, American Community Survey (ACS) 5-Year

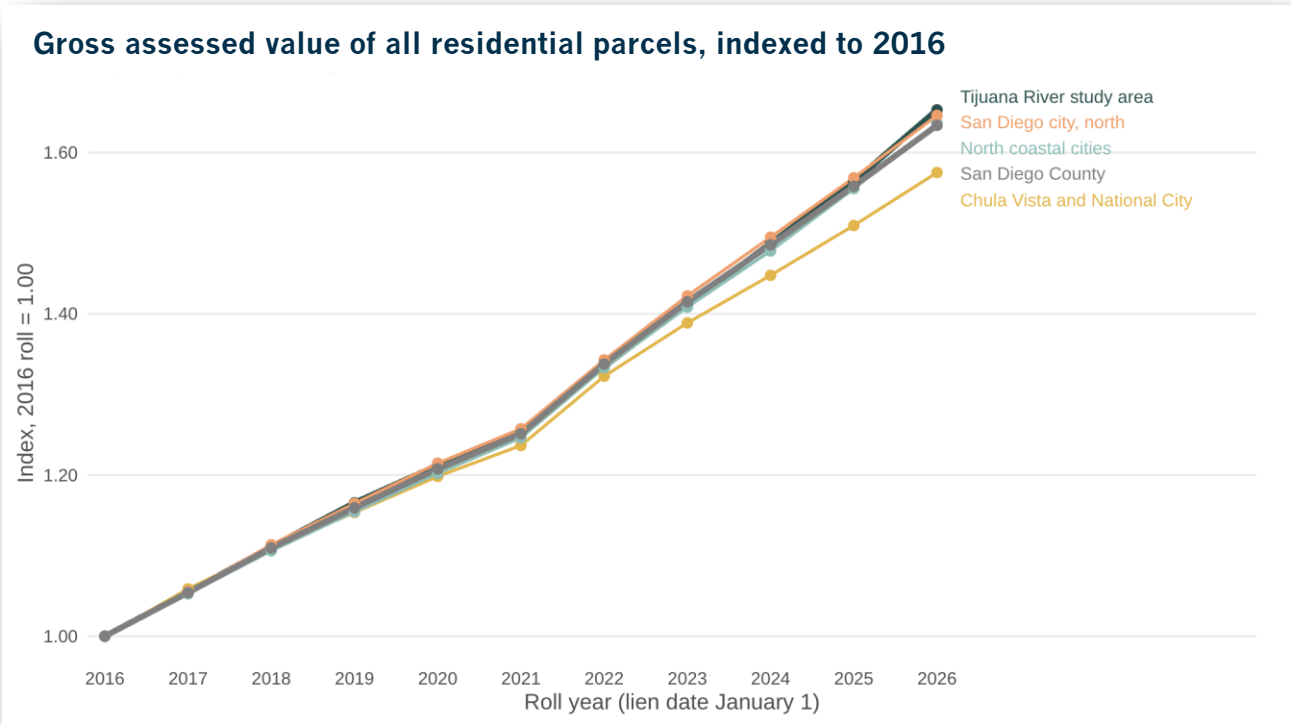
THEORIZED AND CHARCTERIZED

Chronic Absenteeism Rate | San Diego Co. | 2016 – 25



The study area is experiencing lower ADA by 4 percentage points, but absenteeism and average daily attendance (ADA) cannot be directly correlated to the sewage crisis. At most, the potential foregone funding (a maximum bound) is: \$16 - \$38 M (for school year 2024 – 2025)

Assessed Property Values | 2016 – 25

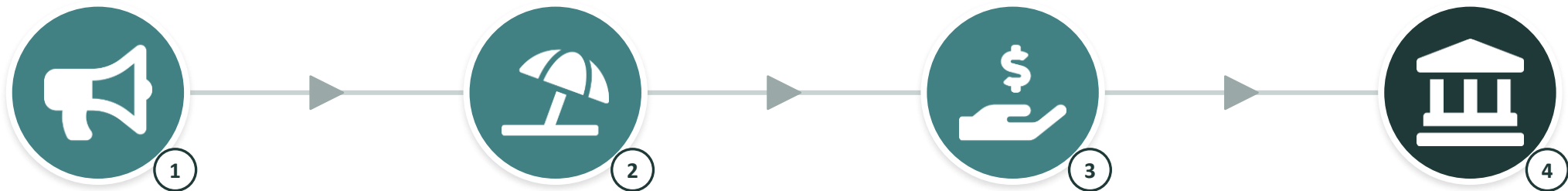


Overall market appreciation rate, plus similar sale turnover rates, results in the impacted area experiencing a relatively greater rate of growth in assessed values. This is likely due to the relative affordability of the area counteracting any disinterest due to the crisis.

RECOMMENDED POLICY DIRECTIONS

Recommendations are based on the analysis and are not an exhaustive list — they serve more as policy directions than prescriptive recommendations

GOAL: A PERMANENT SOLUTION



**Improve Communication
and Public Awareness**

Keep residents and visitors informed on water quality, closures, health guidance, and government actions to address the crisis.

**Strengthen South Bay’s
Image and Visitor
Economy**

Rebuild the region’s reputation and support recovery of tourism and recreation.

**Provide Direct Support to
Affected Businesses**

Offer targeted relief to businesses experiencing lost revenue from the crisis.

**Advocate for a Permanent
Solution to the Crisis**

Push for the infrastructure investment needed to resolve the problem at its source.



ECONorthwest

IMPACT THROUGH INSIGHT

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