



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: December 3, 2013

Agenda Item 7D  
**Approvals:**  
City Manager [Signature]  
Dept. Head [Signature]  
Attorney JAG  
Finance [Signature]

**Department:** Finance & Administrative Services/Community Development  
**Prepared By:** Thomas Rendina, Business Services Officer  
Jim Holloway, Community Development Director

**Subject:** *ANNUAL REPORT CONCERNING THE MITIGATION FEE ACT FOR FISCAL YEAR 2013.*

**Fiscal Impact:** None.

**Summary:** The Government Code Sections 66001 and 66006 require local agencies that require the payment of development fees to submit annual notices detailing the status of those fees. For the City of San Clemente those fees include:

- a. Regional Circulation Financing and Phasing Program (RCFPP).
- b. Beach Parking Impact Fee
- c. Public Safety Construction Fee
- d. Civic Center Construction Fund Fee
- e. Storm Drain Fee – Other (City Infill Development Areas)
- f. Storm Drain Fee – Segunda Deschecha
- g. Storm Drain Fee – Prima Deschecha Canada
- h. Storm Drain Fee – Marblehead
- i. Water Acreage Fee
- j. Sewer Connection Fee

Attached to this report please find the Annual Report Mitigation Fee Act for the City of San Clemente for Fiscal Year 2013 and relevant exhibits. The Annual Report has been made available to the public at least 15 days prior to the City Council meeting. The City Council is asked to receive and file these reports.

**Background:** None

**Discussion:** None

**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council receive and file the Annual Report concerning the Mitigation Fee Act for Fiscal Year 2013.

**Attachments:** Annual Report – Mitigation Fee Act – City of San Clemente Fiscal year 2013. Report and exhibits are available to the public at the City Clerks office

**Notification:** Business Industry Association

**Annual Report  
Mitigation Fee Act  
City of San Clemente  
Fiscal Year 2013**

Government Code Section 66006 requires local agencies that require the payment of development fees to submit annual and five-year notices detailing the status of those fees. The annual report must be made available to the public and presented to the public agency (City Council) at least 15 days after it is made available to the public. The hearing before the Council must be held within 180 days of the end of the fiscal year.

**The following is the annual report for the City's standard development fees.**

- 1. Provide a brief description of the type of fee in the account or fund.**
  - a. *Regional Circulation Financing and Phasing Program (RCFPP):* The fees are used to mitigate the traffic impacts caused by new development in the benefit Zones. The fees will cause development in the Benefit Zones to pay their fair share of the construction costs of improvements within the Benefit Zones.
  - b. *Beach Parking Impact Fee:* The fees are used to mitigate the impact of new development on beach parking.
  - c. *Public Safety construction Fee:* The fees are used to mitigate the impact of new development on public safety services.
  - d. *Civic Center Construction Fund Fee:* The fees are used to mitigate the impact of new development on the need for additional municipal office space.
  - e. *Storm Drain Fee – Other Area (City Infill Development Areas):* The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the City Infill Development Areas.
  - f. *Storm Drain Fee – Segunda Decshecha:* The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Segunda Decshecha area.
  - g. *Storm Drain Fee – Prima Decshecha Canada:* The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Prima Decshecha Canada area.
  - h. *Storm Drain Fee – Marblehead:* The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Marblehead area.
  - i. *Water Acreage Fee:* The fees are used to mitigate the impact of new development on the City's water system facilities.

- j. *Sewer Connection Fee*: The fees are used to mitigate the impact of new development on the City's water reclamation plant.

**2. List the amount of the fee**

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: Attached as Exhibit #1
- b. *Beach Parking Impact Fee*: Attached as Exhibit #2
- c. *Public Safety Construction Fee*: Attached as Exhibit #3
- d. *Civic Center Construction Fund Fee*: Attached as Exhibit #4
- e. *Storm Drain Fee – Other Area (City Infill Development Areas)*: Attached as Exhibit #5
- f. *Storm Drain Fee- Segunda Decshecha*: Attached as Exhibit #5
- g. *Storm Drain Fee - Prima Decshecha Canada*: Attached as Exhibit #5
- h. *Storm Drain Fee – Marblehead*: Attached as Exhibit #5
- i. *Water Acreage Fee*: Attached as Exhibit #6
- j. *Sewer Connection Fee*: Attached as Exhibit #7

**3. List the beginning and ending balance of the account or fund.**

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*:
- |                                 |             |
|---------------------------------|-------------|
| Beginning balance as of 7/1/12: | \$3,117,650 |
| Ending balance as of 6/30/13:   | \$3,100,537 |
- b. *Beach Parking Impact Fee*:
- |                                 |              |
|---------------------------------|--------------|
| Beginning Balance as of 7/1/12: | \$9,790,108  |
| Ending balance as of 6/30/13:   | \$10,511,114 |
- c. *Public Safety Construction Fee*:
- |                                 |             |
|---------------------------------|-------------|
| Beginning balance as of 7/1/12: | \$4,195,439 |
| Ending balance as of 6/30/13:   | \$4,293,893 |
- d. *Civic Center Construction Fund Fee*:
- |                                 |             |
|---------------------------------|-------------|
| Beginning balance as of 7/1/12: | \$2,061,770 |
| Ending balance as of 6/30/13:   | \$2,101,895 |

e. Storm Drain Fee – Other Area (City Infill Development Areas):		
Beginning balance as of 7/1/12:		\$ 927,837
Ending balance as of 6/30/13:		\$ 931,621
f. Storm Drain Fee – Segunda Decshecha:		
Beginning balance as of 7/1/12:		\$2,799,068
Ending balance as of 6/30/13:		\$2,802,810
g. Storm Drain Fee – Prima Deschecha Canada:		
Beginning balance as of 7/1/12:		\$ 203,370
Ending balance as of 6/30/13:		\$ 162,871
h. Storm Drain Fee – Marblehead:		
Beginning balance as of 7/1/12:		\$ 108,271
Ending balance as of 6/30/13:		\$ 108,533
i. Water Acreage Fee:		
Beginning balance as of 7/1/12:		\$ 3,079,470
Ending balance as of 6/30/13:		\$ 2,931,132
j. Sewer Connection Fee:		
Beginning balance as of 7/1/12:		\$ 8,525,161
Ending balance as of 6/30/13:		\$ 8,038,133

**4. List the amount of the fees collected and the interest earned.**

	Fees Collected	Interest Earned
a. Regional Circulation Financing and Phasing Program (RCFPP):		
	\$ 2,529	\$ 7,515
b. Beach Parking Impact Fee:		
	\$ 83,827	\$ 29,847
c. Public Safety Construction Fee:		
	\$ 112,578	\$ 12,791
d. Civic Center Construction Fund Fee:		
	\$ 38,365	\$ 6,286
e. Storm Drain Fee – Other Area (City Infill Development Areas):		
	\$ 1,538	\$ 2,246
f. Storm Drain Fee – Segunda Decshecha:		
	\$ 447	\$ 6,775
g. Storm Drain Fee – Prima Deschecha Canada:		
	\$ 0	\$ 491
h. Storm Drain Fee – Marblehead:		
	\$ 0	\$ 262
i. Water Acreage Fee:		
	\$ 31,357	\$ 8,984

j. Sewer Connection Fee:	\$1,223,262	\$ 24,603
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5. Provide an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.

Attached as Exhibit #8

6. Provide an identification of an approximate date by which the construction of the public improvements will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete.

- a. Regional Circulation Financing and Phasing Program (RCFPP):

The City has determined that sufficient funds have been collected to complete the Avenida Vista Hermosa Interchange improvements (project no. 12115) and the El Camino Real & Pico Ave. Improvements (Project no. 12903) only. Construction has already commenced on these projects.

- b. Beach Parking Impact Fee:

The City has determined that sufficient funds have been collected to complete the Beach Parking improvements (Project no. 11505) in the El Camino Real (ECR) Beach Parking lot only. The City anticipates construction on that lot commencing on or about September 15, 2014. In making this determination, the City Council acknowledges that there are many remaining steps that must be completed prior to commencing construction of the ECR Beach Parking Lot, including but not limited to, completion of the construction level design drawings, obtaining constructions bids, retaining a contractor, and obtaining Coastal Commission approval of the ECR Beach Parking Lot. As a result of the foregoing, the construction commencement date may change.

- c. Public Safety Construction Fee:

The City has determined that sufficient funds were collected to complete the Downtown Fire Station (project no. 15502). Construction was completed on this project during fiscal year 2013.

- d. Civic Center Construction fund Fee:

The City has not determined that sufficient funds have been collected to complete the Civic Center improvements.

- e. Storm Drain Fee – Other Area ( City Infill Development areas):

The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements.

- f. Storm Drain Fee – Segunda Deschecha:  
The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements.
- g. Storm Drain Fee – Prima Deschecha Canada:  
The City has determined that sufficient funds have been collected to complete the Prima Deschecha Canada Channel (MO1) Reconstruction project (Project no. 10013). Construction on this project has already commenced.
- h. Storm Drain Fee – Marblehead:  
The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements.
- j. Water Acreage Fee:  
The City has determined that sufficient funds have been collected to complete the Easement Acquisition – Reservoir 10 & 6 (Project no. 14400). The Easement Acquisition project has commenced. Construction of a new water line across the easement will commence following the easement acquisition, which is projected to be in mid 2014.
- The City has determined that sufficient funds have been collected to complete the Reeves Pump Station project (Project no. 17405) in the new Marblehead coastal area. Construction is expected to commence in the summer of 2014.
- The City has determined that sufficient funds have been collected to complete the Second Lower Cross Feeder Connection Evaluation Study (Project no. 33405). The Study is scheduled to be completed during the first half of fiscal year 2014. The City anticipates that recommendations from the Study of the Second Lower Cross Feeder Connection will determine the type and scope of any connection improvement project(s). The City has not determined that sufficient funds have been collected to complete any resulting recommended project(s) relative to the Second Lower Cross Feeder Connection.
- The City has determined that sufficient funds have been collected to complete the Water System SCADA Improvement project (Project no. 13501). Project construction has already commenced.
- The City has determined that sufficient funds have been collected to complete the Water Well #7 Replacement Study (Project no. 25403). The City anticipates that recommendations from the Study of the Water Well #7 will determine the type and scope of any replacement project. The City has not determined that sufficient funds have been collected to complete any resulting recommended project relative to the replacement of Water Well #7.
- k. Sewer Connection Fee:  
The City has determined that sufficient funds have been collected to complete the Recycled Water Expansion improvements (project no. 18201). Construction of the Expansion project has already commenced.

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The City has determined that sufficient funds have been collected to complete the Wastewater Reclamation Odor Control Improvements (Project no. 18604). Construction has already commenced on this project.

The City has determined that sufficient funds have been collected to complete the Sewer System SCADA Improvement project (Project no. 12605). Construction has already commenced on this project.

- 7. Provide a description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

**Water Acreage Fee Fund**

- A transfer of \$156,000 was made from Water Acreage Reserve to the Water Depreciation Reserve to fund the Water System SCADA Improvement project (Project no. 13501).
- A transfer of \$4,200 was made from Water Acreage Reserve to the Water Depreciation Reserve to fund a portion of the Water Well #7 Replacement Study (Project no. 25403).

**Sewer Connection Fee Fund**

- A transfer of \$63,000 was made from Sewer Connection to the Sewer Depreciation Reserve to fund the SCADA System Development Improvement project (Project no.12605).

**Storm Drain Fee- Prima Deschecha Canada Fee Fund**

- A transfer of \$37,500 was made from the Storm Drain Fee – Prima Deschecha Canada Reserve to the Storm Drain Reserve to fund the Prima Deschecha Canada Channel Reconstruction (MO1) project (Project no. 10013).

- 8. Provide the amount of any refunds made from surplus fees and the amount of any allocations made pursuant to subdivision (f) of Section 66001. (Subdivision (f) of Section 66001 requires reallocation of surplus fees where the administrative costs of refunding the fees exceed the amount to be refunded.**

- a. Regional circulation Financing and Phasing Program (RCFPP):  
None
- b. Beach Parking Impact Fee:  
None
- c. Public Safety Construction Fee:  
None

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- d. Civic Center Construction Fee:  
None
- e. Storm Drain Fee – Other Area (City Infill Development Areas):  
None
- f. Storm Drain Fee – Segunda Deschecha:  
None
- g. Storm Drain Fee – Prima Deschecha Canada:  
None
- h. Storm Drain Fee – Marblehead:  
None
- i. Water Acreage Fee:  
None
- J. Sewer Connection Fee:  
None



**FISCAL YEAR 2013  
CITY OF SAN CLEMENTE  
RCFPP Impact Fee**

Exhibit #1

Effective January 1, 2013

<b>RCFPP (Regional Circulation Financing Phasing Program)</b>	
<b>Zone I &amp; II - Marblehead Inland and Coastal</b>	
Single Family	\$7,970/DU
Multi-Family	\$4,649/DU
Non-Residential	\$4.50/SF
<b>Zone III - Rancho San Clemente</b>	
Single Family	\$1,340/DU
Multi-Family	\$782/DU
Non-Residential	\$1.50/SF
<b>Zone IV - Forster Ranch</b>	
Single Family	\$1,105/DU
Multi-Family	\$645/DU
Non-Residential	TBD
<b>Zone V - Talega Valley City</b>	
Single Family	\$740/DU
Multi-Family	\$432/DU
Non-Residential	\$1.00/SF
<b>Zone VI - Talega Valley County</b>	
Single Family	\$545/DU
Multi-Family	\$318/DU
Non-Residential	\$1.00/SF
<b>Zone VII, VIII, IX, X</b>	
Single Family	\$900/DU
Multi-Family	\$525/DU
Non-Residential	\$1.50/SF

**Note:**

1. DU stands for Dwelling Unit.
2. SF stands for Square Foot.
3. TBD stands for To Be Determined.

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FISCAL YEAR 2013  
CITY OF SAN CLEMENTE  
Beach Parking Impact Fee  
Effective January 1, 2013

Exhibit #2

<b>Beach Parking Impact Fee</b>	
Residential Unit Outside the Coastal Zone	\$1,126.42
Fee fluctuates annually (Jan 1st) based on the Consumer Price Index and is charged to every new residential unit outside the City's coastal zone.	

**Note:**  
DU stands for Dwelling Unit.

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**FISCAL YEAR 2013**  
**CITY OF SAN CLEMENTE**  
**Public Safety Construction Fee**  
Effective January 1, 2013

Exhibit #3

<b>Public Safety Construction Fee</b>	
Residential Unit within the Coastal Zone	\$1,311.62
Residential Unit Outside the Coastal Zone	\$1,422.33
Commercial Unit	\$354.45/1000 sq. ft.
Fee fluctuates annually (Jan 1st) based on the Consumer Price Index and is charged to every new residential and commercial unit.	

**Note:**

DU stands for Dwelling Unit.

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FISCAL YEAR 2013  
CITY OF SAN CLEMENTE  
Civic Center Construction Fund Fee  
Effective January 1, 2013

Exhibit #4

<b>Civic Center Construction Fund Fee</b>	
Residential Unit	\$489.62
Fee fluctuates annually (Jan 1st) based on the Consumer Price Index and is charged to every new residential unit.	

**Note:**  
DU stands for Dwelling Unit.

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FISCAL YEAR 2013  
CITY OF SAN CLEMENTE  
Storm Drain Fees  
Effective January 1, 2013

Exhibit #5

<b>Storm Drainage Fee:</b>	
Other Areas	\$600/acre
Segunda Deshecha	\$3,409/acre
Prima Deshecha Canada	\$5,633/acre
Marblehead Coastal	\$1,650/acre

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# FISCAL YEAR 2013 CITY OF SAN CLEMENTE Water Acreage Fee

Exhibit #6

Effective January 1, 2013

<u>Water Acreage Fee</u>		
For developments having estimated water demand with the water usage limits set forth herein, the water acreage assessment charge (water connection fee) shall be:		
Estimated Water Demand not to exceed*		
<u>Existing Developed Areas:</u>		
Residential	450 gal/DU/Day*	\$2,388/acre
Commercial	2500 gal/acre/day*	\$2,388/acre
Industrial	3500 gal/acre/day*	\$2,388/acre
<u>Undeveloped Areas:</u>		
Residential	n/a; fee per DU	\$3,156/DU
Commercial	2500 gal/acre/day*	\$10,500/acre
Industrial	3500 gal/acre/day*	\$10,500/acre
*All requests for commercial or industrial water service, and for multiple residential water service in the "existing developed area" shall be reviewed by the City Engineer for determination of compliance of the proposed use with the above water demand.		
For developments which exceed the water demand limits listed above, the water acreage fee shall be calculated as follows:		
<u>Existing Developed Areas:</u>		
Residential		\$0.884/gal/day
Commercial		\$0.955/gal/day
Industrial		\$0.682/gal/day
<u>Undeveloped Areas:</u>		
Residential	n/a; fee per DU	\$3,156/DU
Commercial		\$4.20/gal/day
Industrial		\$3.00/gal/day

**Note:**

1. DU stands for Dwelling Unit.
2. Gal stands for Gallon.

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**FISCAL YEAR 2013**  
**CITY OF SAN CLEMENTE**  
**Sewer Connection Fee**

Exhibit #7

Effective January 1, 2013

<b>Sewer Connection Fee: (Acct. 001-000-32372)</b>		
<i>Residence or Dwelling Unit, Including Apts.:</i>		
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)		\$17,010/DU
Fee Area "B" (areas subdivided after Ordinance 663, dated 3/5/76, and not included in Sewer Assessment District No. 85-1*)		\$20,882/DU
<i>Commercial &amp; Industrial</i>		
Fee Areas "A" and "B" (All areas except those included in Sewer Assessment District No. 85-1)		\$68,138/Acre
<i>Hotel, Motel, Mobile Homes, Etc.</i>		
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)		
	First Unit:	\$17,010/DU
	Each Subsequent Unit:	\$14,452/DU
Fee Area "B" (areas subdivided after Ordinance 663, dated 3/5/76 and not included in Sewer Assessment District No. 85-1*)		
	First Unit:	\$20,882/DU
	Each Subsequent Unit:	\$12,040/DU
*Above fees applicable to properties not included in Assessment District No. 85-1 (Wastewater Treatment Facilities). Properties included in said District have been assessed for sewer facilities and not subject to above fees.		
VERIFICATION OF SEWER ASSESSMENT to be obtained from Engineering Division prior to issuance of building permits.		

**Note:**

DU stands for Dwelling Unit.

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FISCAL YEAR 2013  
CITY OF SAN CLEMENTE  
Section 5  
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
<b>Regional Circulation Financing and Phasing Program (RCFPP)</b>			
Avenida Vista Hermosa interchange	12155	\$ 2,343	100%
Intersection Improvement - ECR & Pico Ave	12903	\$ 7,525	100%
General Fund administrative reimbursement		\$ 17,290	100%
<b>Beach Parking Impact Fee</b>			
North Beach Parking Lot	11505	\$ 825	100%
General Fund administrative reimbursement		\$ 21,493	100%
<b>Public Safety Construction Fee</b>			
Downtown Fire Station	15502	\$ 17,706	100%
General Fund administrative reimbursement		\$ 9,210	100%
<b>Civic Center Construction fund Fee</b>			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 4,526	100%
<b>Storm Drain Fee – Other Area (City Infill Development Areas)</b>			
No expenditures on capital improvement projects			
<b>Storm Drain Fee – Segunda Deschecha</b>			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 3,480	100%
<b>Storm Drain Fee – Prima Deschecha Canada</b>			
Prima Deschecha Canada Channel (MO1) Reconstruction	10013	\$ 37,500	6.5%
General Fund administrative reimbursement		\$ 3,490	100%

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FISCAL YEAR 2013  
CITY OF SAN CLEMENTE  
Section 5  
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
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**Storm Drain Fee – Marblehead**

No expenditures on capital improvement projects

**Water Acreage Fee**

Easement Acquisition - Reservoir 10 & 6	14400	\$ 1,044	100%
Reeves Pump Station	17405	\$ 5,915	100%
Second Lower Cross Feeder Connection Evaluation Study	33405	\$ 5,000	100%
Water System SCADA Improvement	13501	\$ 156,000	38%
Water Well #7 Replacement Study	25403	\$ 4,200	50%
General Fund administrative reimbursement		\$ 16,520	100%

**Sewer Connection Fee**

Recycled Water Expansion	18201	\$3,586,516	14%
Wastewater Reclamation Odor Control	18604	\$ 19,227	100%
Sewer System SCADA Improvement	12605	\$ 63,000	16%
General Fund administrative reimbursement		\$ 18,730	100%