

Annual Mitigation Fee Act Report

City of San Clemente

Fiscal Year 2013-2014

Government Code Section 66001(b)(1), a provision of the Mitigation Fee Act (Government Code Sections 66000 *et seq.*), requires local agencies that require the payment of development fees to make available to the public an annual report for each such fee within 180 days after the end of the fiscal year and to review the information made available to the public at the next regularly scheduled public meeting of the local agency not less than 15 days after the information is made available to the public.

The following is the City of San Clemente's Annual Report for the City's standard development fees.

Each fee program addressed in this Report is addressed in an authorizing provision or provisions of the San Clemente Municipal Code and/or an implementing fee resolution and has been the subject of a detailed study or studies prepared at the time the fee program was instituted (and, in some cases, amended). Such ordinances, resolutions, and prior study(ies) addressed (1) the purpose of the fee, (2) the use to which the fee is to be put, (3) the reasonable relationship between the fee's use and the type of development project on which the fee is imposed, and (4) the reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each applicable ordinance, resolution, and study (if applicable, as amended) is incorporated into this Report by this reference. The statements in this Report to some extent summarize statements in the ordinance(s), resolution(s), and prior fee study(ies) and should be read consistently therewith.

1. Provide a brief description of the type of fee in the account or fund.

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: The fee is used to fund major roadway improvements to accommodate new development. (See, generally, Municipal Code Chapter 15.60 and related fee resolution(s).)
- b. *Beach Parking Impact Fee*: The fee is used to provide beach parking facilities to mitigate the impact of new residential development outside the Coastal Zone on the need for additional beach parking. (See, generally, Municipal Code Chapter 15.52 and related fee resolution(s).)
- c. *Public Safety construction Fee*: The fee is used to mitigate the impact of new development on the need to provide public safety facilities. (See, generally, Municipal Code Chapter 15.52 and related fee resolution(s).)
- d. *Civic Center Construction Fund Fee*: The fee is used to mitigate the impact of new development on the need to provide public facilities/offices to house municipal staff. (See, generally, Municipal Code Chapter 15.52 and related fee resolution(s).)
- e. *Storm Drain Fee – Other Area (City Infill Development Areas)*: The fee is used to construct master plan storm drain facilities in City Infill Development Areas. (See, generally, Municipal Code Chapter 15.56.)

- f. *Storm Drain Fee – Segunda Deschecha*: The fee is used to construct master plan storm drain facilities in the Prima Deschecha Canada drainage basin. (See, generally, Municipal Code Chapter 15.56.)
- g. *Storm Drain Fee – Prima Deschecha Canada*: The fee is used to construct master plan identified facilities in the Prima Deschecha Canada drainage basin. (See, generally, Municipal Code Chapter 15.56.)
- h. *Storm Drain Fee – Marblehead*: The fee is used to construct master plan identified facilities in Marblehead. (See, generally, Municipal Code Chapter 15.56.)
- i. *Water Acreage Fee*: The fee is used to improve or construct new City water system facilities impacted by development. (See, generally, Municipal Code Chapter 13.16.)
- j. *Sewer Connection Fee*: The fee is used to mitigate the impact of new development on the City's water reclamation plant and sanitary sewer facilities. (See, generally, Municipal Code Sections 13.24.220-13.24.260.)

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 Deschecha*: Attached as Exhibit #5
- g. *Storm Drain Fee - Prima Deschecha 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 7/1/13:	\$3,100,537
Ending balance as of 6/30/14:	\$3,229,557

b. Beach Parking Impact Fee:		
Beginning Balance as of 7/1/13:		\$10,511,114
Ending balance as of 6/30/14:		\$10,538,045
c. Public Safety Construction Fee:		
Beginning balance as of 7/1/13:		\$4,293,893
Ending balance as of 6/30/14:		\$4,637,977
d. Civic Center Construction Fund Fee:		
Beginning balance as of 7/1/13:		\$2,101,895
Ending balance as of 6/30/14:		\$2,132,416
e. Storm Drain Fee – Other Area (City Infill Development Areas):		
Beginning balance as of 7/1/13:		\$ 931,621
Ending balance as of 6/30/14:		\$ 937,751
f. Storm Drain Fee – Segunda Deschecha:		
Beginning balance as of 7/1/13:		\$2,802,810
Ending balance as of 6/30/14:		\$2,815,977
g. Storm Drain Fee – Prima Deschecha Canada:		
Beginning balance as of 7/1/13:		\$ 162,871
Ending balance as of 6/30/14:		\$ 48,396
h. Storm Drain Fee – Marblehead:		
Beginning balance as of 7/1/13:		\$ 108,533
Ending balance as of 6/30/14:		\$ 109,176
i. Water Acreage Assessment Fee:		
Beginning balance as of 7/1/13:		\$ 2,931,132
Ending balance as of 6/30/14:		\$ 2,876,997
j. Sewer Connection Fee:		
Beginning balance as of 7/1/13:		\$ 8,038,133
Ending balance as of 6/30/14:		\$ 3,861,922

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

	Fees Collected	Interest Earned
a. Regional Circulation Financing and Phasing Program (RCFPP):	\$6,093,252	\$ 21,225
b. Beach Parking Impact Fee:	\$ 29,396	\$ 63,809
c. Public Safety Construction Fee:	\$ 322,856	\$ 26,067
d. Civic Center Construction Fund Fee:	\$ 20,130	\$ 12,760

e. Storm Drain Fee – Other Area (City Infill Development Areas):	\$ 1,384	\$ 5,520
f. Storm Drain Fee – Segunda Deschecha:	\$ 0	\$ 16,607
g. Storm Drain Fee – Prima Deschecha Canada:	\$ 0	\$ 965
h. Storm Drain Fee – Marblehead:	\$ 0	\$ 643
i. Water Acreage Fee:	\$ 6,014	\$ 19,897
j. Sewer Connection Fee:	\$ 296,874	\$ 21,839

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) Improvements:

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.

The City has not determined that sufficient funds have been collected to complete other improvements.

- b. Beach Parking Improvements:

The BPIF has been suspended pending an appeal in the *Walker vs. City of San Clemente* lawsuit. The City expended approximately \$55,000 of the \$150,000 budgeted for the North Beach El Camino Real (ECR) Beach Parking Lot Design project (Project no. 13813), completing approximately 40% of the design work prior to the project suspension. The City does not know when it will be able to continue work on that project or other beach parking improvements, since the timetable is entirely dependent on the outcome of the litigation and related status of the fund. In addition, there are several other contemplated improvements for which the fee may be used. At this time, the City has not determined that sufficient funds have been collected.

c. Public Safety Improvements:

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

d. Civic Center Construction Improvements:

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

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

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Other Areas project (Project no. 34001).

The City has not determined that sufficient funds have been collected to complete any other improvements to be paid for out of this fund.

f. Storm Drain Improvements – Segunda Deschecha:

The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements to be paid for out of this fund.

g. Storm Drain Improvements – 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.

The City has not determined that sufficient funds have been collected to complete any other improvements to be paid for out of this fund.

h. Storm Drain Improvements – Marblehead:

The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements to be paid for out of this fund.

i. Water Acreage Improvements:

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 completion of the easement acquisition, which is projected to be in mid 2015.

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. Design is near completion and construction is anticipated in fiscal year 2016.

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 was completed during fiscal year 2014. The Study did not recommend construction of the Second Lower Cross Feeder Connection at this time.

The City has determined that sufficient funds have been collected to complete the Water System SCADA Improvement project (Project no. 13501). Project construction will be completed in fiscal year 2015.

The City has determined that sufficient funds have been collected to complete the Water Well #7 Replacement Study (Project no. 25403). The Study was completed in fiscal year 2014.

The City has not determined that sufficient funds have been collected for any other improvements to be paid for out of this fund.

j. Sewer Connection Improvements:

The City has determined that sufficient funds have been collected to complete the Sewer System SCADA Improvement project (Project no. 12605). Project construction will be completed in fiscal year 2015.

The City has determined that sufficient funds have been collected to complete the Solids Handling Sludge Storage Tank improvements (project no. 14205). Construction of the Storage Tank project has already commenced, with completion anticipated for fiscal year 2015.

The City has determined that sufficient funds have been collected to complete the Marblehead Coastal Recycled Water Line Reimbursement (project no. 17201). Construction of the Recycled Water Line will be completed in fiscal year 2015.

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, with anticipated completion in fiscal year 2015.

The City has determined that sufficient funds have been collected to complete the Wastewater Reclamation Odor Control Improvements (Project no. 18604). The project will be completed in fiscal year 2015.

The City has determined that sufficient funds have been collected to complete the Recycled Water Conversion program (project no. 34201). Construction has already commenced on this project and will be completed in fiscal year 2015.

The City has determined that sufficient funds have been collected to complete the Sewer System Master Plan project (Project no. 34202). Development of the Master Plan began in 2014 and will be completed in fiscal year 2015.

The City has not determined that sufficient funds have been collected for any other improvements to be paid for out of this fund.

- 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 \$41,000 was made from Water Acreage Reserve to the Water Depreciation Reserve to fund the Water System SCADA Improvement project (Project no. 13501).

Sewer Connection Fee Fund

- A transfer of \$116,000 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 \$112,000 was made from the Storm Drain Fee – Prima Deschecha Canada Reserve to the Storm Drain Reserve to fund 4.9% of 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.**

- Regional circulation Financing and Phasing Program (RCFPP):
None
- Beach Parking Impact Fee:
None. However, the City is appealing the judgment in the *Walker v. City of San Clemente* litigation.
- Public Safety Construction Fee:
None
- Civic Center Construction Fee:
None
- 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
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**FISCAL YEAR 2014
CITY OF SAN CLEMENTE
RCFPP Impact Fee**

Exhibit #1

Effective January 1, 2014

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

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Beach Parking Impact Fee

Exhibit #2

Effective January 1, 2014

Beach Parking Impact Fee	
Residential Unit Outside the Coastal Zone	\$1,131.15
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.

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Public Safety Construction Fee
Effective January 1, 2014

Exhibit #3

Public Safety Construction Fee	
Residential Unit within the Coastal Zone	\$1,317.13
Residential Unit Outside the Coastal Zone	\$1,428.30
Commercial Unit	\$355.94/1000 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.

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Civic Center Construction Fund Fee
Effective January 1, 2014

Exhibit #4

Civic Center Construction Fund Fee	
Residential Unit	\$491.68
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.

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Storm Drain Fees

Exhibit #5

Effective January 1, 2014

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

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Water Acreage Fee

Exhibit #6

Effective January 1, 2014

<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.

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Sewer Connection Fee

Exhibit #7

Effective January 1, 2014

Sewer Connection Fee: (Acct. 001-000-32372)		
<i>Residence or Dwelling Unit, Including Apts.:</i>		
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)		\$18,711/DU
Fee Area "B" (areas subdivided after Ordinance 663, dated 3/5/76, and not included in the original Sewer Assessment District No. 85-1*)		\$22,583/DU
<i>Commercial & Industrial</i>		
Fee Areas "A" and "B" (All areas except those included in the original Sewer Assessment District No. 85-1)		\$75,952/Acre
<i>Hotel, Motel, Mobile Homes, Etc.</i>		
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)		
	First Unit:	\$18,711/DU
	Each Subsequent Unit:	\$15,897/DU
Fee Area "B" (areas subdivided after Ordinance 663, dated 3/5/76 and not included in the original Sewer Assessment District No. 85-1*)		
	First Unit:	\$22,583/DU
	Each Subsequent Unit:	\$12,857/DU
*Above fees applicable to properties not included in the original Assessment District No. 85-1 (Wastewater Treatment Facilities), which was subsequently refinanced. 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.

FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
Regional Circulation Financing and Phasing Program (RCFPP)			
Avenida Vista Hermosa interchange	12155	\$ 84,037.82	100%
Intersection Improvement - ECR & Pico Ave	12903	\$ 56,858.65	100%
Vista Hermosa interchange reimbursement		\$ 5,830,931.00	100%
General Fund administrative reimbursement		\$ 13,630.00	100%
Beach Parking Impact Fee			
North Beach ECR Beach Parking Lot	13813	\$ 54,429.23	100%
General Fund administrative reimbursement		\$ 11,845.00	100%
Pubic Safety Construction Fee			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 4,839.00	100%
Civic Center Construction fund Fee			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 2,369.00	100%
Storm Drain Fee – Other Area (City Infill Development Areas)			
City Master Plan of Drainage - Other Areas	34001	\$ 774.52	100%
Storm Drain Fee – Segunda Decshecha			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 3,440.00	100%

**FISCAL YEAR 2014
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures**

Project Name	Project #	Expenditure	% Funded with Fees
Storm Drain Fee – Prima Deschecha Canada			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 3,440.00	100%
Storm Drain Fee – Marblehead			
No expenditures on capital improvement projects			
		\$ -	0%
Water Acreage Fee			
Easement Acquisition - Reservior 10 & 6	14400	\$ 1,940.25	100%
Reeves Pump Station	17405	\$ 5,158.30	100%
Second Lower Cross Feeder Connection Evaluation Study	33405	\$ (62.50)	100%
General Fund administrative reimbursement		\$ 32,010.00	100%
Sewer Connection Fee			
Sewer System SCADA Improvement	12605	\$ 116,000.00	16%
Solids Handling Sludge Storage Tank	14205	\$ 127,102.62	100%
Recycled Water Expansion	18201	\$ 16,838,333.00	14%
Wastewater Reclamation Odor Control	18604	\$ 132,823.19	100%
Recycled Water Conversion Program	34201	\$ 23,046.71	100%
Sewer Master Plan	34202	\$ 7,527.93	100%
General Fund administrative reimbursement		\$ 22,490.00	100%