

"I read the news today, oh boy..." (Lennon/McCartney)

Outlets at San Clemente Occupancy, Sales Tax, Restaurants

In my last City Manager Report I addressed economic development and its vital role in improving our community. With the San Clemente Outlets ("Outlets") now at 50 percent occupancy, the City's sales tax revenue will increase over time. I mentioned in December that the City anticipated the Outlets would generate \$825,000 in sales tax for the first nine months in operation in the current fiscal year (ending June 30, 2016). This estimate has been revised down to approximately \$300,000. The City's share of the sales tax is 1% of every dollar spent. The Outlets will continue to lease space and the sales tax will ultimately grow.

As always, I appreciate the enthusiastic feedback from residents about what they'd like to see included in the Outlets, particularly the types of restaurants to complement the existing Panera Bread and Ruby's Diner food truck. The Ruby's Diner is expected to open this spring. A reoccurring suggestion is a drive-thru In-N-Out Burger. Currently the Outlets do not have approval for drive-thru facilities. The property owner would need to submit for a Conditional Use Permit to consider drive-thru uses within the development. The typical types of uses allowed are retail and restaurant within the main mall and the various stand alone pad buildings. An example of this are the AT&T store and Blaze Pizza establishments opening soon in the only stand alone pad building currently onsite (next to West Avenida Vista Hermosa). A full list of uses for the Outlet mall can be found online within the Marblehead Coastal Specific Plan at: <http://san-clemente.org/home/showdocument?id=17906>

We do know there will be core dining opportunities that will be built on ocean-view pads atop the parking structure. In total there will be about a dozen restaurants. The property owner will continue to announce new tenants over the next several years as the project unfolds. The City is also awaiting Craig Realty's announcement of the corporation that will develop and operate the approved 130-room hotel with conference center. Staff is anticipating more information, and potentially a formal submittal, within the month for the hotel and conference center facility.

Remember, sales tax does not come back to the City for months. At this time the City has not tangibly received any of the sales tax from the project. The City can expect this revenue in March or April before it can utilize the revenues for its targeted purpose: to help fund the gap in the maintenance and operations of the Vista Hermosa Sports Park & San Clemente Aquatics Center. This City amenity requires nearly \$1 million annually to keep open for public uses. It will be several years before any future projects, utilizing this sales tax revenue, can even be considered by your City Council.

If you have any questions or would like to meet with me about this subject or others, please call Veronica Ferencz at (949) 361-8322. I am always happy to talk over the phone or meet for coffee.

Sincerely,

James



James Makshanoff, City Manager

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Communication is Essential

As your City Manager, I am always interested in hearing from residents and business owners. I also live in town where my wife and I are raising our two sons. I've enjoyed following the various posts by our citizens on Facebook, which really helps me keep my finger on the pulse of what our community is thinking and saying. Communication is essential to good government. Sometimes however, I see citizen posts on issues that, although may seem innocent enough, may have inaccuracies that lead people to forming the wrong perception of what their City is trying to accomplish for the betterment of our community. I am always here to clarify information and I would like our citizenry to know that I have an open-door policy to encourage an open flow of communication and am accessible to talk about your concerns, issues, or City projects. I encourage you to contact my office at (949) 361-8322 to arrange for a time to talk over the phone or meet for coffee.

Meet The Mayor

Mayor Robert "Bob" Baker will host a "Meet the Mayor" meeting on Saturday, February 27th from 8:30 to 10:00 a.m. at Panera Bread located in the Talega Village Center at 802 Avenida Talega, Suite 100 in San Clemente. Members of the public are invited to join the Mayor on the outside patio of the restaurant. This meeting serves as a variation of the "Mayor's Hours" which are held at City Hall. When Mayor Baker last served as Mayor in 2013, he hosted these off-site meetings with residents to provide an additional opportunity to sit down face-to-face with the Mayor.

Meet Our New Utilities Manager- Lawrence M. Brotman

Larry is a native Southern Californian, who grew up in Huntington Beach and graduated from Fountain Valley High School. He attended the Orange Coast Community College Wastewater Science program, Graduated with a Bachelors Degree in Business Management from the University of Phoenix and is a Certified Public Manager.



With 42 years in Public Service, he started his career here in San Clemente at the Water Reclamation Facility as an Operator-in-Training. Larry has worked all over Northern and Southern California, with a slightly strange detour of 22 years at the Palo Verde Nuclear Generating Station Water Reclamation Facility. He also served 13 years as Superintendent of Water Reclamation for the City of Glendale in Arizona. Married with three grown children, he is an ex-surfer, a private pilot, something of a motor-head and is looking forward to riding his Ducati Diavel up the Ortega Hwy now that he is back home in SoCal.

Councilmember Lori Donchak appointed as Orange County Transportation Authority Board Chairman

On January 11th Councilmember Lori Donchak was unanimously appointed as Chairman of the Orange County Transportation Authority (OCTA) Board of Directors.

Orange County's City Selection Committee selected Donchak in January 2013 as a city council representative to the OCTA Board of Directors and was reappointed in January 2015. Councilmember Donchak represents the 5th District as a City Member.

The OCTA, formed in 1991, has kept residents and commuters moving throughout the 34 cities and unincorporated areas of Orange County. OCTA's responsibilities, programs and services impact every aspect of transportation within the state's third largest county.

San Clemente is fortunate to have representation on this Board of Directors. *Congratulations* Councilmember Donchak!

Ole Hanson Beach Club Rehabilitation

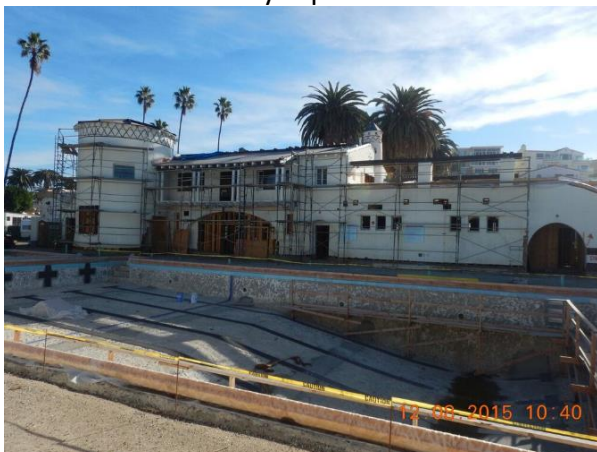
November-January



Waterproofing of roof, decks, and stairs completed.



Second floor balcony repaired.



Ole Hanson Beach Club Rehabilitation

November-January



Preparation for stucco siding underway.



Roof tile installation underway.



Pool deck trench drains installed.



Elevator shaft construction underway.



Upcoming Meetings

February 9 th	Beaches, Parks & Recreation Commission Meeting	6:00pm City Hall - Council Chambers
February 10 th	Human Affairs Committee	3:00pm Community Center-Ole Hanson Fireside Room
February 11 th	Coastal Advisory Committee	7:00pm Community Center-Ole Hanson Fireside Room
February 16 th	City Council Meeting	6:00pm City Hall - Council Chambers
February 17 th	Planning Commission Meeting	7:00pm City Hall - Council Chambers
February 25 th	Long Term Financial Plan Workshop	4:00pm City Hall – Council Chambers



Photo by Maile Stivers