

**Annual Report  
Mitigation Fee Act  
Pursuant to Government Code 66006  
City of San Clemente  
Fiscal Year 2016-17**

Government Code Section 66006 provides that a local agency that requires the payment of development fees shall prepare an annual and five-year report detailing the status of those fees. The annual report must be made available to the public within 180 days of the end of the fiscal year. The City Council must review the report at the next regularly scheduled public meeting of the Council that falls at least fifteen (15) days after the information is made available to the public.

Pursuant to Government Code Section 66006(b)(1) the following information must be made available to the public:

(G) A description of each inter-fund 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 inter-fund 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.

(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

**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 Deschecha*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Segunda Deschecha area.

- g. *Storm Drain Fee – Prima Deschecha Canada*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Prima Deschecha 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 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 7/1/16:	\$3,487,463
Ending balance as of 6/30/17:	\$3,166,197
- b. *Beach Parking Impact Fee*:
 

Beginning Balance as of 7/1/16:	\$8,928,584
Ending balance as of 6/30/17:	\$ -0-

c. Public Safety Construction Fee:		
Beginning balance as of 7/1/16:		\$5,147,164
Ending balance as of 6/30/17:		\$5,134,608
d. Civic Center Construction Fund Fee:		
Beginning balance as of 7/1/16:		\$2,312,466
Ending balance as of 6/30/17:		\$2,326,576
e. Storm Drain Fee – Other Area (City Infill Development Areas):		
Beginning balance as of 7/1/16:		\$ 929,527
Ending balance as of 6/30/17:		\$ 843,231
f. Storm Drain Fee – Segunda Deschecha:		
Beginning balance as of 7/1/16:		\$2,836,271
Ending balance as of 6/30/17:		\$2,796,191
g. Storm Drain Fee – Prima Deschecha Canada:		
Beginning balance as of 7/1/16:		\$ 36,803
Ending balance as of 6/30/17:		\$ 19,290
h. Storm Drain Fee – Marblehead:		
Beginning balance as of 7/1/16:		\$ 105,400
Ending balance as of 6/30/17:		\$ 96,052
i. Water Acreage Fee:		
Beginning balance as of 7/1/16:		\$ 2,783,452
Ending balance as of 6/30/17:		\$ 2,668,735
j. Sewer Connection Fee:		
Beginning balance as of 7/1/16:		\$ 6,496,537
Ending balance as of 6/30/17:		\$ 6,193,162

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

	Fees Collected	Interest Earned
a. Regional Circulation Financing and Phasing Program (RCFPP):		
	\$159,465	\$ 10,730
b. Beach Parking Impact Fee:		
	\$ -0-	\$ 18
c. Public Safety Construction Fee:		
	\$ 132,213	\$ 13,280
d. Civic Center Construction Fund Fee:		
	\$ 43,347	\$ 5,965
e. Storm Drain Fee – Other Area (City Infill Development Areas):		
	\$ 4,234	\$ 2,741

f. Storm Drain Fee – Segunda Deschecha:	\$ 0	\$ 8,363
g. Storm Drain Fee -- Prima Deschecha Canada:	\$ 0	\$ 109
h. Storm Drain Fee – Marblehead:	\$ 0	\$ 311
i. Water Acreage Fee:	\$ 13,559	\$ 7,514
j. Sewer Connection Fee:	\$ 241,742	\$ 16,596

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 Camino Del Rio Intersection improvements (project no. 16350). Construction commenced in November 2015 on the Camino Del Rio Intersection Improvements (project no. 16350) and will continue into 2018.

- b. Beach Parking Impact Fee:

The City began the process of refunding the Beach Parking Impact Fee fund balance in 2017 and discontinued collecting the Beach Parking Impact Fee.

- c. Public Safety Construction Fee:

The City has determined that sufficient funds have been collected to complete the 800 MHZ Backbone Equipment Project (Project no. 15807). The project commenced in August 2014 and will be completed over an estimated three-year period.

The City has determined that sufficient funds have been collected to complete the Fire Station No. 59 Diesel Fuel Tank project (Project no. 16812) The project will commence in the winter of 2017.

- 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 determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Other Areas project (Project no. 34001). The Master Plan commenced in 2016 and will be completed during fiscal year 2018.

The City has determined that sufficient funds have been collected to complete the MOOS05 Montalvo Canyon Outlet project (Project no. 16004). The MOOS05 Montalvo Canyon Outlet project commenced in 2016 and will be completed during fiscal year 2018.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

f. Storm Drain Fee – Segunda Deschecha:

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Segunda Deschecha project (Project no. 34003). The Master Plan commenced in 2016 and will be completed during fiscal year 2018.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

g. Storm Drain Fee – Prima Deschecha Canada:

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Prima Deschecha project (Project no. 34002). The Master Plan commenced in 2016 and will be completed during fiscal year 2018.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

h. Storm Drain Fee – Marblehead:

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Marblehead project (Project no. 34004). The Master Plan commenced in 2016 and will be completed during fiscal year 2018.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

j. Water Acreage Fee:

The City has determined that sufficient funds have been collected to complete the construction of a Water Line – Reservoir 10 & 6 project (Project no. 15401) across an easement purchased in 2016. Construction commenced in 2017 and will be completed in 2018.

The City has determined that sufficient funds have been collected to complete the Reeves Pump Station project (Project no. 17405) in the Marblehead Coastal area. Final

design of the Pump Station will be completed in 2017 and construction is expected to be completed by the end of the 2018 calendar year.

The City has determined that sufficient funds have been collected to complete the Recycled Water Expansion – Phase II project (Project no. 17407). The project will analyze the potential to expand the existing recycled system. The project commenced in 2017 and is expected to be completed by mid-2018.

The City has determined that sufficient funds have been collected to complete the Dana Point Ocean Water Desalinization Study project (Project no. 38401). The study is expected to be completed by the end of the 2018 calendar year. The City has not determined that sufficient funds have been collected to complete any desalinization project ultimately recommended in the Study project.

k. Sewer Connection Fee:

The City has determined that sufficient funds have been collected to complete the Sewer System SCADA Improvement project (Project no. 12605). Project construction commenced and was completed in 2017.

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 and should be completed in 2018.

The City has determined that sufficient funds have been collected to complete the Tertiary Filter Backwash Improvements (Project no. 16207). Design started during 2016 and construction should take place in fiscal year 2018.

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 has not commenced.

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 been completed and should be accepted in fiscal year 2018.

The City has determined that sufficient funds have been collected to complete the Recycled Water Conversion program (project no. 34201). A retrofit program was implemented in 2016 and will be completed in fiscal year 2018.

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 has already commenced and will be completed during fiscal year 2018.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

7. **Provide a description of each inter-fund 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 inter-fund 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.**

A \$300,000 transfer from the City's Sewer Depreciation Reserve was made to the Sewer Connection Fee Fund to fund a portion of the Recycled Water Expansion project (project no. 18201).

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:  
\$8,928,602 of surplus Beach Parking Impact Fees were transferred to a holding account with the Bank of New York Mellon and is in the process of being refunded.
- c. Public Safety Construction Fee:  
None
- 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 2017**  
**CITY OF SAN CLEMENTE**  
**RCFPP Impact Fee**

Exhibit #1

Effective January 1, 2017

<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.



FISCAL YEAR 2017  
CITY OF SAN CLEMENTE  
Beach Parking Impact Fee  
Effective January 1, 2017

Exhibit #2

<b>Beach Parking Impact Fee</b>	
Residential Unit Outside the Coastal Zone	N/A
The City ceased collecting the Beach Parking Impact Fee in fiscal year 2016.	

**Note:**

DU stands for Dwelling Unit.

FISCAL YEAR 2017  
CITY OF SAN CLEMENTE  
Public Safety Construction Fee  
Effective January 1, 2017

Exhibit #3

<b>Public Safety Construction Fee</b>	
Residential Unit within the Coastal Zone	\$1,360.27
Residential Unit Outside the Coastal Zone	\$1,497.16
Commercial Unit	\$373.10/1000 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 2017  
CITY OF SAN CLEMENTE  
Civic Center Construction Fund Fee  
Effective January 1, 2017

Exhibit #4

<b>Civic Center Construction Fund Fee</b>	
Residential Unit	\$515.38
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 2017  
CITY OF SAN CLEMENTE  
Storm Drain Fees  
Effective January 1, 2017

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

**FISCAL YEAR 2017  
CITY OF SAN CLEMENTE  
Water Acreage Fee**

Exhibit #6

Effective January 1, 2017

<b>Water Acreage Fee</b>		
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 2017**  
**CITY OF SAN CLEMENTE**  
**Sewer Connection Fee**

Exhibit #7

Effective January 1, 2017

<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)	\$24,904/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*)	\$28,776/DU
<i>Commercial &amp; Industrial</i>	
Fee Areas "A" and "B" (All areas except those included in the original Sewer Assessment District No. 85-1)	\$99,760/Acre
<i>Hotel, Motel, Mobile Homes, Etc.</i>	
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)	
First Unit:	\$24,904/DU
Each Subsequent Unit:	\$21,160/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:	\$28,776/DU
Each Subsequent Unit:	\$15,832/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 2017**  
**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>			
Camino Del Rio Intersection Improvements	16350	\$ 482,892.00	100%
General Fund administrative reimbursement		\$ 8,570.00	100%
<b>Beach Parking Impact Fee</b>			
Refund of Beach Parking fees		\$ 8,928,602.43	100%
<b>Public Safety Construction Fee</b>			
800 MHZ Backbone Equipment	15807	\$ 119,207.43	100%
Station No 59 Diesel Fuel Tank	16812	\$ 33,980.00	100%
General Fund administrative reimbursement		\$ 4,861.00	100%
<b>Civic Center Construction fund Fee</b>			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 2,184.00	100%
<b>Storm Drain Fee – Other Area (City Infill Development Areas)</b>			
City Master Plan of Drainage - Other Areas	34001	\$ 24,843.30	100%
MOOS05 Montalvo Canyon Outlet	16004	\$ 63,237.21	100%
General Fund administrative reimbursement		\$ 5,190.00	100%
<b>Storm Drain Fee – Segunda Deschecha</b>			
City Master Plan of Drainage - Segunda Deschecha	34003	\$ 45,153.26	100%
General Fund administrative reimbursement		\$ 3,290.00	100%

**FISCAL YEAR 2017**  
**CITY OF SAN CLEMENTE**  
**Section 5**  
**Public Improvement Expenditures**

Project Name	Project #	Expenditure	% Funded with Fees
<b>Storm Drain Fee – Prima Deschecha Canada</b>			
City Master Plan of Drainage - Prima Deschecha Canada	34002	\$ 17,621.77	100%
<b>Storm Drain Fee – Marblehead</b>			
City Master Plan of Drainage - Marblehead	34004	\$ 9,099.00	100%
General Fund administrative reimbursement		\$ 560.00	100%
<b>Water Acreage Fee</b>			
Reservoir 10 & 6 Waterline	15401	\$ 29,980.04	100%
Reeves Pump Station	17405	\$ 49,275.00	100%
Recycled Water Expansion	17407	\$ 22,092.50	100%
Dana Point Ocean Water Desalinization Project	38401	\$ 21,542.04	100%
General Fund administrative reimbursement		\$ 12,900.00	100%
<b>Sewer Connection Fee</b>			
SCADA System Development	12605	\$ 366,000.00	47%
Solids Handling Sludge Storage Tank	14205	\$ 182,216.60	100%
Tertiary Filter Backwash Improvements	16207	\$ -	100%
Recycled Water Expansion	18201	\$ 160,522.89	16%
Recycled Water Conversion Program	34201	\$ 115,293.35	100%
Sewer Master Plan	34202	\$ -	100%
General Fund administrative reimbursement		\$ 37,680.00	100%