

**Annual Report  
Mitigation Fee Act  
Pursuant to Government Code 66006  
City of San Clemente  
Fiscal Year 2018-19**

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. Government Code Section 66013 has similar requirements for capacity charges.

Pursuant to Government Code Section 66006(b)(1) or section 66013(d), as applicable, the following information must be made available to the public:

**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. *Public Safety Construction Fee*: The fees are used to mitigate the impact of new development on public safety services.
- c. *Civic Center Construction Fund Fee*: The fees are used to mitigate the impact of new development on the need for additional municipal office space.
- d. *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.
- e. *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.
- f. *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.
- g. *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.

- h. *Water Acreage Fee*: The fees are used to mitigate the impact of new development on the City's water system facilities.
- i. *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. *Public Safety Construction Fee*: Attached as Exhibit #2
- c. *Civic Center Construction Fund Fee*: Attached as Exhibit #3
- d. *Storm Drain Fee – Other Area (City Infill Development Areas)*: Attached as Exhibit #4
- e. *Storm Drain Fee- Segunda Deschecha*: Attached as Exhibit #4
- f. *Storm Drain Fee - Prima Deschecha Canada*: Attached as Exhibit #4
- g. *Storm Drain Fee – Marblehead*: Attached as Exhibit #4
- h. *Water Acreage Fee*: Attached as Exhibit #5
- i. *Sewer Connection Fee*: Attached as Exhibit #6

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

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

Beginning balance as of 7/1/18:	\$ 1,946,092
Ending balance as of 6/30/19:	\$ 2,013,970
- b. *Public Safety Construction Fee*:
 

Beginning balance as of 7/1/18:	\$ 5,194,167
Ending balance as of 6/30/19:	\$ 5,210,966
- c. *Civic Center Construction Fund Fee*:
 

Beginning balance as of 7/1/18:	\$ 2,408,827
Ending balance as of 6/30/19:	\$ 779,527
- d. *Storm Drain Fee – Other Area (City Infill Development Areas)*:
 

Beginning balance as of 7/1/18:	\$ 767,421
Ending balance as of 6/30/19:	\$ 777,951
- e. *Storm Drain Fee – Segunda Deschecha*:
 

Beginning balance as of 7/1/18:	\$ 2,759,070
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Ending balance as of 6/30/19:	\$ 2,834,009
f. Storm Drain Fee – Prima Deschecha Canada:	
Beginning balance as of 7/1/18:	\$ 11,847
Ending balance as of 6/30/19:	\$ 3,773
g. Storm Drain Fee – Marblehead:	
Beginning balance as of 7/1/18:	\$ 91,960
Ending balance as of 6/30/19:	\$ 88,938
h. Water Acreage Fee:	
Beginning balance as of 7/1/18:	\$ 2,448,576
Ending balance as of 6/30/19:	\$ 2,433,768
i. Sewer Connection Fee:	
Beginning balance as of 7/1/18:	\$ 6,828,454
Ending balance as of 6/30/19:	\$ 7,105,132

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

	<u>Fees Collected</u>	<u>Interest Earned</u>
a. Regional Circulation Financing and Phasing Program (RCFPP):	\$ 96,629	\$ 72,105
b. Public Safety Construction Fee:	\$ 83,844	\$ 173,345
c. Civic Center Construction Fund Fee:	\$ 24,412	\$ 80,390
d. Storm Drain Fee – Other Area (City Infill Development Areas):	\$ 336	\$ 27,812
e. Storm Drain Fee – Segunda Deschecha:	\$ 1,295	\$ 99,992
f. Storm Drain Fee – Prima Deschecha Canada:	\$ 0	\$ 429
g. Storm Drain Fee – Marblehead:	\$ 0	\$ 3,333
h. Water Acreage Fee:	\$ 3,582	\$ 90,698
i. Sewer Connection Fee:	\$ 279,648	\$ 247,379

**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 #7

**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. For capacity charges, this section also details any public improvements anticipated to be provided in the following year.**

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

The City has determined that sufficient funds have been collected to complete the Ave Pico Bike and Pedestrian Path (project no. 17337). Design is underway and construction is planned to start by early 2020 and be completed by Summer 2020.

The City has determined that sufficient funds have been collected to complete the Ave Pico and Camino Vera Cruz Intersection Improvements (project no. 17338). Construction commenced in January 2018 and was completed in September 2018.

The City has determined that sufficient funds have been collected to complete the Avenida Vista Hermosa/Target Intersection Improvements (project no. 17339). Planning and Design occurred in FY2018-19, and this project was constructed and completed in November 2019.

The City has determined that sufficient funds have been collected to complete the North El Camino Bike Lane (project no. 13308). Construction commenced in January 2017 and was completed in November 2017.

The City has determined that sufficient funds have been collected to complete the Camino Del Rio and La Pata Extensions (project no. 18316). Construction of the street commenced in March 2016 and was completed in January 2017. On July 18, 2017, the City Council approved the installation of a block wall along Camino Del Rio, using RCFPP funds. The project is estimated to cost approximately \$374,630, and initial planning and design are underway, with an award anticipated in January 2020.

b. Public Safety Construction Fee:

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 commenced in the winter of 2017 and was completed in Fiscal Year 2018-19.

The City has determined that sufficient funds have been collected to complete the Marine Safety Building Structural Repair and Upgrades (Project no. 16811 and 16530). Planning and Design occurred in FY2018-19, and construction commenced October 2019 and is anticipated to be completed in Summer 2020.

c. Civic Center Construction fund Fee:

The City has determined that sufficient funds have been collected to complete the 910 Negocio Remodel (Project no. 18804). Construction began in December 2018 and is anticipated to be complete in early 2020.

d. 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 development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan early in 2020.

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 2020, pending California Coastal Commission approval.

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

e. 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 development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan early in 2020.

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 – 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 development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan early in 2020.

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 – 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 development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan early in 2020.

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. The construction began March 2019, and was completed in the Fall of 2019.

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 was completed in 2019, and construction is expected to be completed by the end of the 2020 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 design and construction are expected to be completed in calendar year 2020.

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 complete, salvage of the pumping system and project closeout is expected in FY2019-20. The City has not determined that sufficient funds have been collected to complete any desalinization project ultimately recommended in the Study project.

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

j. 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 design is complete, with construction commencing in fiscal year 2019-2020.

The City has determined that sufficient funds have been collected to complete the Solids Handling Sludge Storage Tank improvements (project no. 14205). Construction is complete and project closeout is anticipated in fiscal year 2019-2020.

The City has determined that sufficient funds have been collected to complete the Tertiary Filter Backwash Improvements (Project no. 16207). The scope of the project

was evaluated as part of the WRP Efficiency Study (project no. 39202), which occurred in 2019. Design is anticipated to commence in fiscal year 2019-2020.

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, but there are still additional meters and modifications to the system anticipated in fiscal year 2018-2019. Construction is complete and the project will be closed in fiscal year 2019-2020.

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 is still ongoing. Construction is complete and the project will be closed in fiscal year 2019-2020.

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 \$85,000 transfer from the City's Regional Circulation and Financing and Phasing Program was made to the Gas Tax Fund to fund a portion of the Camino Del Rio and La Pata Extensions (project no.18316).

A \$1,731,292 transfer from the City's Civic Center Fund was made to the General Fund to fund the City Hall First Floor Renovation Project (910 Negocio Remodel project no. 18804).

- 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. Public Safety Construction Fee:  
None
- c. Civic Center Construction Fee:  
None
- d. Storm Drain Fee – Other Area (City Infill Development Areas):  
None
- e. Storm Drain Fee – Segunda Deschecha:

None

f. Storm Drain Fee – Prima Deschecha Canada:  
None

g. Storm Drain Fee – Marblehead:  
None

h. Water Acreage Fee:  
None

J. Sewer Connection Fee:  
None