



## AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING

Meeting Date: December 17, 2019

Agenda Item 7E

Approvals:

City Manager [Signature]

Dept. Head [Signature]

Attorney [Signature]

Finance [Signature]

**Department:** Finance & Administrative Services  
**Prepared By:** Michael Johnston, Management Analyst

**Subject:** *ANNUAL REPORT CONCERNING THE MITIGATION FEE ACT FOR FISCAL YEAR 2018-19 AND THE FIVE-YEAR MITIGATION FEE ACT REPORT FOR FISCAL YEARS 2014-2015 THROUGH 2018-2019 – CITY OF SAN CLEMENTE.*

**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 2018-19, the Five-Year Mitigation Fee Report for Fiscal Years 2014-2015 through 2018-2019, 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.

Projects identified in the above exhibits to the Annual and Five-Year Reports, which are identified with a five (5) digit number (by example; Project number "12155", the Vista Hermosa Interchange), are "funded" projects, whereby available fund balances have been appropriated to fund that specific project by Council action. Projects identified as "future" have not been formally appropriated or approved by Council action. The project amounts are estimates and formal project design has yet to be initiated for these future projects.

**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 2018-19 and the Five-Year Mitigation Fee Report for Fiscal Years 2014-2015 through 2018-2019.

**Attachments:**

1. Annual Report – Mitigation Fee Act – City of San Clemente Fiscal year 2018-19.  
Report and exhibits are available to the public at the City Clerk's Office.
2. Five-Year Mitigation Fee Report for Fiscal Years 2014-2015 through 2018-2019.  
Report and exhibits are available to the public at the City Clerk's Office.

**Notification:** Building Industry Association

**Five-Year  
Mitigation Fee Act Report  
City of San Clemente  
For Fiscal Year 2014-2015 through Fiscal Year 2018-2019**

Government Code Section 66001(d)(1), a provision of the Mitigation Fee Act (Government Code Sections 66000 *et seq.*) provides as follows:

“For the fifth fiscal year following the first deposit (of the development fee) into the account or fund, and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- (A) Identify the purpose to which the fee is to be put.
- (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete [sic] improvements identified in paragraph (2) of subdivision (a) [which paragraph (2) states that the improvements may, but need not, be made by reference to a capital improvement plan, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged].
- (D) Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.”

**This 5-Year Report covers the 5 fiscal years from FY 2014-2015 through FY 2018-2019.**

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.

The following findings are hereby made for those fees that have been in effect for the past five years.

1. Identify the purpose to which the fee is to be put.

- 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).) Projects are identified on Exhibit 1, Section (a).
  - b. *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).) Projects are identified on Exhibit 1, Section (b).
  - c. *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).) Projects are identified on Exhibit 1, Section (c).
  - d. *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.) Projects are identified on Exhibit 1, Section (d).
  - e. *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.) Projects are identified on Exhibit 1, Section (e).
  - f. *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.) Projects are identified on Exhibit 1, Section (f).
  - g. *Storm Drain Fee – Marblehead*: The fee is used to construct master plan identified facilities in Marblehead. (See, generally, Municipal Code Chapter 15.56.) Projects are identified on Exhibit 1, Section (g).
2. **Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.**
- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: Roadway improvements to be funded from the RCFPP and necessary to provide an adequate transportation system are determined by the City Council, based upon recommendations from the City Manager and/or Public Works Department. The Public Works Department is responsible for establishing cost estimates for the planned improvements. Based upon available funding, the City Council prioritizes the construction of specific projects. The fee originally was calculated by dividing the improvement cost estimates for the then-designated roadway improvements to be funded from the RCFPP by the total number of single family, multi-family and non-residential commercial construction units planned to be built within specific benefit zones of the City. Since that time, projects have been added to the RCFPP without increasing the amount of the fee, which has resulted in a situation in which the RCFPP will not be sufficient to completely fund all identified improvements—but there is still a reasonable relationship between the fee and the purpose for which the fee is charged.

- b. *Public Safety Construction Fee:* The fee has been calculated based on the projected need for public safety facilities (police, emergency medical, fire, and other related services) generated by new development occurring in the City since the fees were established. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated by dividing the estimated improvement cost by the number of new residential units and the square footage of planned commercial and industrial space in the City.
  - c. *Civic Center Construction Fund Fee:* The fee has been calculated based on the projected need for civic center facilities generated by new development occurring in the City since the fee was established. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated by dividing the estimate improvement cost by the number of new residential units.
  - d. *Storm Drain Fee – Other Area (City Infill Development Areas):* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
  - e. *Storm Drain Fee – Segunda Deschecha:* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
  - f. *Storm Drain Fee – Prima Deschecha Canada:* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
  - g. *Storm Drain Fee – Marblehead:* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
3. **Identify all funding sources and amounts of funding anticipated to complete financing of incomplete improvements identified.**

- a. *Regional Circulation Financing and Phasing Program (RCFPP) Improvements:* The source of funding for these improvements is the RCFPP fee. However, the City will solicit financial support from the County of Orange Measure M Initiative and from the Federal Government through Transportation Enhancement Activities to fully fund the identified projects. The amount of funding required for the various improvements at issue is estimated to be \$8.5 million dollars, as detailed in Exhibit 1(a). These estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- b. *Public Safety Improvements:* The funding source for the public safety facilities is the Public Safety Construction Fee. The amount of funding required for the improvements at issue is estimated to be \$14.9 million dollars, as detailed in Exhibit 1(b). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- c. *Civic Center Improvements:* The funding source for the identified facilities is the Civic Center Construction Fund Fee. The City estimates the improvement at issue to cost approximately \$13.5 million dollars, as described in Exhibit 1(c). Due to this high cost, the City will continue to seek alternative funding sources to complete the construction of the Civic Center project which may include the sale of surplus City property or debt financing. The City anticipates needing several million dollars more before being able to complete the improvements.
- d. *Storm Drain Improvements – Other Area (City Infill Development Areas):* The funding source for the identified facilities is the Storm Drain Fee (City Infill Development Areas). The City anticipates needing \$957 thousand dollars before being able to complete the improvements, as detailed in Exhibit 1(d). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- e. *Storm Drain Improvements - Segunda Deschecha:* The funding source for the identified facilities and improvements is the Storm Drain Fee – Segunda Deschecha. The City anticipates needing \$650 thousand dollars before being able to complete the improvements, as detailed in Exhibit 1(e). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- f. *Storm Drain Improvements – Prima Deschecha Canada:* The funding source for the identified facilities and improvements is the Storm Drain Fee—Prima Deschecha Canada. The City anticipates needing an additional \$785 thousand dollars before being able to complete the improvements, as detailed in Exhibit 1(f). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- g. *Storm Drain Improvements – Marblehead:* The funding source for the identified facilities and improvements is the Storm Drain Fee - Marblehead. The City anticipates needing \$380 thousand dollars before being able to complete the improvements, as detailed in Exhibit 1(g). However, these estimates will require further analysis of the costs of the

improvements and any related land purchases and construction, which fluctuate greatly over time.

4. Designate the approximate dates on which the funding referred to in paragraph 3 is expected to be deposited into the appropriate account or fund.
- a. *Regional Circulation Financing and Phasing Program (RCFPP) Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. The City also has received funding commitments in the past from the County of Orange and from the Federal Government. It is not known when, if any, additional grant money may be received from these agencies. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. Nonetheless, given that the list of projects to be funded with the RCFPP has a higher estimated cost than the amount of fee revenue the City expects to generate, the limited amount of additional development the City anticipates will occur that is subject to payment of the fee, and the uncertainty of other sources of funding, the City does not foresee that it will have enough RCFPP fee revenue to complete as-yet uncompleted RCFPP improvements for approximately 20 or more years. Since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
  - b. *Public Safety Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 10 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
  - c. *Civic Center Construction Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated and/or surplus property is declared and sold. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 10 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).

- d. *Storm Drain Improvements— Other Area (City Infill Development Areas):* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- e. *Storm Drain Improvements— Segunda Deschecha:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- f. *Storm Drain Improvements— Prima Deschecha Canada:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- g. *Storm Drain Improvements— Marblehead:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).



Pursuant to Government Code 66001(e), within 180 days of a determination that sufficient funds have been collected, the City will identify an approximate date for the commencement of construction of the uncompleted public improvements/facilities for which the applicable impact fees were collected. However, since the City has *not* yet made that determination for any of the above fees, the City is not designating an approximate date for the commencement of construction at this time.

**FIVE YEAR MITIGATION REPORT  
CITY OF SAN CLEMENTE**

**Section 1**

Purpose to which fees will be put:

Project Name	Project	Estimated Total Project Cost	% Estimated to be Funded with Fees
<b>(a) Regional Circulation Financing and Phasing Program (RCFPP)</b>			
Camino Del Rio Extension	18316	\$ 500,000.00	100.0%
Del Rio/Sarementoso & Del Rio/Los Mares Intersections	16350	\$ 1,000,000.00	100.0%
N. ECR at Camino Capistrano	future	\$ 875,000.00	100.0%
Pico Widening: I-5 to Frontera	18325	\$ 750,000.00	100.0%
Vista Hermosa at Vera Cruz	future	\$ 1,000,000.00	100.0%
Vista Hermosa at La Pata	future	\$ 700,000.00	100.0%
Ave. Pico at Del Cerro	future	\$ 750,000.00	100.0%
Ave. Pico at Amanecer	future	\$ 875,000.00	100.0%
Ave. Pico at La Pata	future	\$ 500,000.00	100.0%
Ave. Pico Class 1 Multi-Use Path	future	\$ 1,575,000.00	100.0%
Total		\$ 8,525,000.00	
<b>(b) Public Safety Construction Fee</b>			
Police Sub-Station Improvements	future	\$ 13,500,000.00	23.1%
Police sub-station relocation study	30501	\$ 75,000.00	100.0%
800 MHz Backbone	future	\$ 1,100,000.00	39.7%
FY19-20 Marine Safety Building Structural Repair and Updates	16530	\$ 250,000.00	50.0%
Total		\$ 14,925,000.00	
<b>(c) Civic Center Construction fund Fee</b>			
Civic Center Improvement	future	\$ 13,500,000.00	39.7%
Total		\$ 13,500,000.00	
<b>(d) Storm Drain Fee -- Other Area (City Infill Development Areas)</b>			
City Master Plan of Drainage - Other Areas	34001	\$ 66,000.00	100.0%
Storm Drain Improvements at PCH & Camino San Clemente	future	\$ 500,000.00	100.0%
MOOSOS Extension - Montalvo Canyon Outlet	16004	\$ 391,550.00	100.0%
Total		\$ 957,550.00	
<b>(e) Storm Drain Fee -- Segunda Deschecha</b>			
City Master Plan of Drainage - Segunda Deschecha	34003	\$ 150,000.00	100.0%
Storm Drain Improvements at 1601 Calle Las Bolsas	future	\$ 500,000.00	100.0%
Total		\$ 650,000.00	
<b>(f) Storm Drain Fee -- Prima Deschecha Canada</b>			
City Master Plan of Drainage - Prima Deschecha	34002	\$ 54,000.00	100.0%
Calle Los Molinoa/Calle Redondel Storm Drain Rehabilitation	future	\$ 200,000.00	100.0%
Via Montega/Cascadita Storm Drain MO1	13017	\$ 731,360.00	100.0%
Total		\$ 985,360.00	
<b>(g) Storm Drain Fee -- Marblehead</b>			
City Master Plan of Drainage - Marblehead Coastal	34004	\$ 30,000.00	100.0%
Marblehead Coastal Storm Drain Improvement	future	\$ 350,000.00	75.0%
Total		\$ 380,000.00	

**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

**FISCAL YEAR 2018-2019  
CITY OF SAN CLEMENTE  
RCFPP Impact Fee**

Exhibit #1

Effective January 1, 2019

<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 2018-2019  
CITY OF SAN CLEMENTE  
Public Safety Construction Fee

Exhibit #2

Effective January 1, 2019

<b>Public Safety Construction Fee</b>	
Each Residential Unit	\$1,607.16
Commercial Unit	\$400.51/1000 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 2018-2019  
CITY OF SAN CLEMENTE  
Civic Center Construction Fund Fee  
Effective January 1, 2019

Exhibit #3

<b>Civic Center Construction Fund Fee</b>	
Residential Unit	\$553.25
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 2018-2019  
CITY OF SAN CLEMENTE

Exhibit #4

Storm Drain Fees

Effective January 1, 2019

<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 2018-2019**  
**CITY OF SAN CLEMENTE**  
**Water Acreage Fee**

Exhibit #5

Effective January 1, 2019

<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*		
<b>Existing Developed Areas:</b>		
Residential	450 gal/DU/Day*	\$2,388/acre
Commercial	2500 gal/acre/day*	\$2,388/acre
Industrial	3500 gal/acre/day*	\$2,388/acre
<b>Undeveloped Areas:</b>		
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:		
<b>Existing Developed Areas:</b>		
Residential		\$0.884/gal/day
Commercial		\$0.955/gal/day
Industrial		\$0.682/gal/day
<b>Undeveloped Areas:</b>		
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 2018-2019  
CITY OF SAN CLEMENTE  
Sewer Connection Fee**

Exhibit #6

Effective January 1, 2019

<b>Sewer Connection Fee*:</b> (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)	\$27,394/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*)	\$31,266/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)	\$109,736/Acre
<i>Hotel, Motel, Mobile Homes, Etc.</i>	
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)	
First Unit:	\$27,394/DU
Each Subsequent Unit:	\$23,276/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:	\$31,654/DU
Each Subsequent Unit:	\$17,028/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.	
*The City plans to no longer collect the Sewer Connection Fee in 2020	

**Note:**

DU stands for Dwelling Unit.



FISCAL YEAR 2018-2019  
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	\$ 750.27	100%
Ave Pico Bike/Pedestrian Path	17337	\$ -	100%
Ave Vista Hermosa/Target Intersection Improvements	17339	\$ 4,017.21	
Camino Del Rio & La Pata Extensions	18316	\$ 85,000.00	100%
General Fund administrative reimbursement		\$ 11,090.00	100%
<b>Pubic Safety Construction Fee</b>			
Station No 59 Diesel Fuel Tank	16812	\$ 234,330.50	100%
General Fund administrative reimbursement		\$ 4,435.00	100%
<b>Civic Center Construction fund Fee</b>			
910 Negocio Remodel	18804	\$ 1,731,292.00	50%
General Fund administrative reimbursement		\$ 4,435.00	100%
<b>Storm Drain Fee – Other Area (City Infill Development Areas)</b>			
City Master Plan of Drainage - Other Areas	34001	\$ 6,017.58	100%
MOOS05 Montalvo Canyon Outlet	16004	\$ 750.32	100%
General Fund administrative reimbursement		\$ 10,850.00	100%
<b>Storm Drain Fee – Segunda Deschecha</b>			
City Master Plan of Drainage - Segunda Deschecha	34003	\$ 20,938.55	100%
General Fund administrative reimbursement		\$ 5,410.00	100%
<b>Storm Drain Fee – Prima Deschecha Canada</b>			
City Master Plan of Drainage - Prima Deschecha Canada	34002	\$ 4,923.47	100%
General Fund administrative reimbursement		\$ 3,580.00	100%
<b>Storm Drain Fee – Marblehead</b>			
City Master Plan of Drainage - Marblehead	34004	\$ 2,735.26	100%
General Fund administrative reimbursement		\$ 3,620.00	100%

FISCAL YEAR 2018-2019  
CITY OF SAN CLEMENTE  
Section 5  
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
<b>Water Acreage Fee</b>			
Reservoir 10 & 6 Waterline	15401	\$ 29,748.30	100%
Reeves Pump Station	17405	\$ 62,470.00	100%
Recycled Water Expansion	17407	\$ -	100%
Dana Point Ocean Water Desalinization Project	38401	\$ -	100%
General Fund administrative reimbursement		\$ 16,870.00	100%
<b>Sewer Connection Fee</b>			
SCADA System Development	12605	\$ -	47%
Solids Handling Sludge Storage Tank	14205	\$ -	100%
Tertiary Filter Backwash Improvements	16207	\$ 37,941.78	100%
Recycled Water Expansion	18201	\$ 13,439.15	16%
Recycled Water Conversion Program	34201	\$ 34,847.71	100%
Sewer Master Plan	34202	\$ -	100%
WRP Efficiency Study	39202	\$ 125,620.00	
General Fund administrative reimbursement		\$ 38,500.00	100%