

**Annual Report
Mitigation Fee Act
Pursuant to Government Code 66006
City of San Clemente
Fiscal Year 2015**

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 interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

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

- g. *Storm Drain Fee – Prima Decshecha Canada*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Prima Decshecha 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 Decshecha*: 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 7/1/14:	\$3,229,557
Ending balance as of 6/30/15:	\$3,458,050
- b. *Beach Parking Impact Fee*:

Beginning Balance as of 7/1/14:	\$10,538,045
Ending balance as of 6/30/15:	\$10,660,919

c. Public Safety Construction Fee:		
Beginning balance as of 7/1/14:		\$4,637,977
Ending balance as of 6/30/15:		\$4,874,484
d. Civic Center Construction Fund Fee:		
Beginning balance as of 7/1/14:		\$2,132,416
Ending balance as of 6/30/15:		\$2,201,059
e. Storm Drain Fee – Other Area (City Infill Development Areas):		
Beginning balance as of 7/1/14:		\$ 937,751
Ending balance as of 6/30/15:		\$ 938,544
f. Storm Drain Fee – Segunda Decshecha:		
Beginning balance as of 7/1/14:		\$2,815,977
Ending balance as of 6/30/15:		\$2,830,329
g. Storm Drain Fee – Prima Deschecha Canada:		
Beginning balance as of 7/1/14:		\$ 48,396
Ending balance as of 6/30/15:		\$ 47,829
h. Storm Drain Fee – Marblehead:		
Beginning balance as of 7/1/14:		\$ 109,176
Ending balance as of 6/30/15:		\$ 109,618
i. Water Acreage Fee:		
Beginning balance as of 7/1/14:		\$ 2,876,997
Ending balance as of 6/30/15:		\$ 2,828,338
j. Sewer Connection Fee:		
Beginning balance as of 7/1/14:		\$ 3,861,922
Ending balance as of 6/30/15:		\$ 7,003,987

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

	Fees Collected	Interest Earned
a. Regional Circulation Financing and Phasing Program (RCFPP):		
	\$255,434	\$ 20,842
b. Beach Parking Impact Fee:		
	\$ 64,740	\$ 64,770
c. Public Safety Construction Fee:		
	\$ 226,089	\$ 28,506
d. Civic Center Construction Fund Fee:		
	\$ 56,880	\$ 13,106
e. Storm Drain Fee – Other Area (City Infill Development Areas):		
	\$ 1,265	\$ 5,685

f. Storm Drain Fee – Segunda Decshecha:	\$ 0	\$ 17,072
g. Storm Drain Fee – Prima Deschecha Canada:	\$ 0	\$ 293
h. Storm Drain Fee – Marblehead:	\$ 0	\$ 662
i. Water Acreage Fee:	\$ 19,818	\$ 18,603
j. Sewer Connection Fee:	\$ 767,326	\$ 22,104

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 Avenida Vista Hermosa Interchange improvements (project no. 12115), the El Camino Real & Pico Ave. Improvements (Project no. 12903), and the RCFPP Plan Update only. Construction was completed on the Avenida Vista Hermosa Interchange improvements (project 12115) during 2015. Construction commenced in September 2010 on the El Camino Real & Pico Ave. Improvements (project no. 12903) and will continue into 2016. The RCFPP Plan Update was completed during fiscal year 2015.

b. Beach Parking Impact Fee:

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

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.

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 will be commenced and completed during fiscal year 2016. 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 not determined that sufficient funds have been collected to complete the Storm Drain improvements.
- g. Storm Drain Fee – Prima Deschecha Canada:
The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements.
- h. Storm Drain Fee – Marblehead:
The City has not determined that sufficient funds have been collected to complete the Storm Drain improvements.
- j. Water Acreage Fee:
The City has determined that sufficient funds have been collected to complete the Easement Acquisition – Reservoir 10 & 6 (Project no. 14400). Negotiations with the property owner commenced in 2005 but have not successful to date which has prevented the project from proceeding at this time. Sufficient funds have been collected to complete the construction of the Water Line – Reservoir 10 & 6 (Project no. 15401) across the easement, if the easement is successfully purchased. Construction will commence following the easement acquisition, which is projected to be in mid 2016.

The City has determined that sufficient funds have ben collected to complete the Baker Treatment Plant (Project no. 16409). The City will purchase capacity in a regional facility currently under construction to provide an alternative source of water in the event the Deimer Plant is out of service. Construction commenced in February 2014 and the City anticipates completing the negotiations to acquired capacity in the new facility in 2016.

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. This project was delayed during 2015 while the developer completed portions of the property's infrastructure. Final design of the Pump Stations will be completed in early 2016 and construction is expected to be completed by the end of the 2017 calendar year.

The City has determined that sufficient funds have been collected to complete the Irvine Ranch Water District Interconnection (Project no. 18426). The project conveys excess well water capacity in the Irvine Water District (IRWD) system to the City. Additional capacity will be purchased when it becomes available.

The City has determined that sufficient funds have been collected to complete the Water System SCADA Improvement project (Project no. 13501). Project construction has been on-going since 2007 and should be completed in 2016.

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 has already commenced.

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.

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 already 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 was completed during fiscal year 2015.

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

The City has determined that sufficient funds have been collected to complete the Recycled Water Conversion program (project no. 34201). Construction has already commenced on this project.

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 2016.

7. Provide a description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

Water Acreage Fee Fund

- A transfer of \$73,000 was made from Water Acreage Reserve to the Water Depreciation Reserve to fund a portion of the Water System SCADA Improvement project (Project no. 13501). The funds transferred to the Water Depreciation Reserve for Project No. 13501 qualifies for expenditure from the Water Acreage Fee Fund.

Sewer Connection Fee Fund

- A transfer of \$100,000 was made from Sewer Connection to the Sewer Depreciation Reserve to fund the SCADA System Development Improvement project (Project No.

12605). The funds transferred to the Sewer Depreciation Reserve for Project No. 12605 qualifies for expenditure from the Sewer Connection Fee Fund.

No other transfers or interfund loans were made in Fiscal Year 2015.

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:
None
- 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 2015
CITY OF SAN CLEMENTE
RCFPP Impact Fee**

Exhibit #1

Effective January 1, 2015

RCFPP (Regional Circulation Financing Phasing Program)	
Zone I & II - Marblehead Inland and Coastal	
Single Family	\$7,970/DU
Multi-Family	\$4,649/DU
Non-Residential	\$4.50/SF
Zone III - Rancho San Clemente	
Single Family	\$1,340/DU
Multi-Family	\$782/DU
Non-Residential	\$1.50/SF
Zone IV - Forster Ranch	
Single Family	\$1,105/DU
Multi-Family	\$645/DU
Non-Residential	TBD
Zone V - Talega Valley City	
Single Family	\$740/DU
Multi-Family	\$432/DU
Non-Residential	\$1.00/SF
Zone VI - Talega Valley County	
Single Family	\$545/DU
Multi-Family	\$318/DU
Non-Residential	\$1.00/SF
Zone VII, VIII, IX, X	
Single Family	\$900/DU
Multi-Family	\$525/DU
Non-Residential	\$1.50/SF

Note:

1. DU stands for Dwelling Unit.
2. SF stands for Square Foot.
3. TBD stands for To Be Determined.

FISCAL YEAR 2015
CITY OF SAN CLEMENTE
Beach Parking Impact Fee

Exhibit #2

Effective January 1, 2015

Beach Parking Impact Fee	
Residential Unit Outside the Coastal Zone	\$1,145.73
Fee fluctuates annually (Jan 1st) based on the Consumer Price Index and is charged to every new residential unit outside the City's coastal zone.	

Note:

DU stands for Dwelling Unit.

FISCAL YEAR 2015
CITY OF SAN CLEMENTE
Public Safety Construction Fee
Effective January 1, 2015

Exhibit #3

Public Safety Construction Fee	
Residential Unit within the Coastal Zone	\$1,334.11
Residential Unit Outside the Coastal Zone	\$1,446.71
Commercial Unit	\$360.53/1000 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 2015
CITY OF SAN CLEMENTE
Civic Center Construction Fund Fee
Effective January 1, 2015

Exhibit #4

Civic Center Construction Fund Fee	
Residential Unit	\$498.02
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 2015
CITY OF SAN CLEMENTE
Storm Drain Fees

Exhibit #5

Effective January 1, 2015

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

**FISCAL YEAR 2015
CITY OF SAN CLEMENTE
Water Acreage Fee**

Exhibit #6

Effective January 1, 2015

<u>Water Acreage Fee</u>		
For developments having estimated water demand with the water usage limits set forth herein, the water acreage assessment charge (water connection fee) shall be:		
Estimated Water Demand not to exceed*		
<u>Existing Developed Areas:</u>		
Residential	450 gal/DU/Day*	\$2,388/acre
Commercial	2500 gal/acre/day*	\$2,388/acre
Industrial	3500 gal/acre/day*	\$2,388/acre
<u>Undeveloped Areas:</u>		
Residential	n/a; fee per DU	\$3,156/DU
Commercial	2500 gal/acre/day*	\$10,500/acre
Industrial	3500 gal/acre/day*	\$10,500/acre
*All requests for commercial or industrial water service, and for multiple residential water service in the "existing developed area" shall be reviewed by the City Engineer for determination of compliance of the proposed use with the above water demand.		
For developments which exceed the water demand limits listed above, the water acreage fee shall be calculated as follows:		
<u>Existing Developed Areas:</u>		
Residential		\$0.884/gal/day
Commercial		\$0.955/gal/day
Industrial		\$0.682/gal/day
<u>Undeveloped Areas:</u>		
Residential	n/a; fee per DU	\$3,156/DU
Commercial		\$4.20/gal/day
Industrial		\$3.00/gal/day

Note:

1. DU stands for Dwelling Unit.
2. Gal stands for Gallon.

FISCAL YEAR 2015
CITY OF SAN CLEMENTE
Sewer Connection Fee

Exhibit #7

Effective January 1, 2015

Sewer Connection Fee: (Acct. 001-000-32372)	
<i>Residence or Dwelling Unit, Including Apts.:</i>	
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)	\$20,582/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*)	\$24,454/DU
<i>Commercial & Industrial</i>	
Fee Areas "A" and "B" (All areas except those included in the original Sewer Assessment District No. 85-1)	\$84,447/Acre
<i>Hotel, Motel, Mobile Homes, Etc.</i>	
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)	
First Unit:	\$20,582/DU
Each Subsequent Unit:	\$17,487/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:	\$24,454/DU
Each Subsequent Unit:	\$13,756/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 2015
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
Regional Circulation Financing and Phasing Program (RCFPP)			
Avenida Vista Hermosa interchange	12155	\$ 28,749.94	100%
Intersection Improvement - ECR & Pico Ave	12903	\$ 2,584.93	100%
RCFPP Plan Update		\$ 8,017.98	100%
General Fund administrative reimbursement		\$ 8,430.00	100%
Beach Parking Impact Fee			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 6,636.00	100%
Public Safety Construction Fee			
800 MHZ Backbone Equipment	15807	\$ 15,167.00	100%
General Fund administrative reimbursement		\$ 2,921.00	100%
Civic Center Construction fund Fee			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 1,343.00	100%
Storm Drain Fee – Other Area (City Infill Development Areas)			
City Master Plan of Drainage - Other Areas	34001	\$ 5,716.58	100%
General Fund administrative reimbursement		\$ 440.00	100%
Storm Drain Fee – Segunda Decshecha			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 2,720.00	100%

FISCAL YEAR 2015
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
Storm Drain Fee – Prima Deschecha Canada			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 860.00	100%
Storm Drain Fee – Marblehead			
No expenditures on capital improvement projects			
General Fund administrative reimbursement		\$ 220.00	100%
Water Acreage Fee			
Easement Acquisition - Reservior 10 & 6	14400	\$ 3,245.82	100%
Reeves Pump Station	17405	\$ 984.54	100%
General Fund administrative reimbursement		\$ 9,850.00	100%
Sewer Connection Fee			
Solids Handling Sludge Storage Tank	14205	\$ 20,067.76	100%
Recycled Water Expansion	18201	\$ 995,068.83	16%
Wastewater Reclamation Odor Control	18604	\$ 33,318.02	100%
Recycled Water Conversion Program	34201	\$ 150,664.56	100%
Sewer Master Plan	34202	\$ 86,304.09	100%
General Fund administrative reimbursement		\$ 21,970.00	100%