



# CITY *of* CLOVIS

## REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: January 21, 2020

SUBJECT: Finance – Receive and File – Status Report of Development Fee Funds for the fiscal year ended June 30, 2019

### **CONFLICT OF INTEREST**

None

### **RECOMMENDATION**

That the Council receive and file the report on the status of the development fee funds.

### **EXECUTIVE SUMMARY**

State law (Government Code Section 66006) requires that local agencies shall make available to the public certain information relative to development impact fees.

### **BACKGROUND**

Per law, the City is providing account information relative to development impact fees. This information includes the following:

1. A description of the fee.
2. The amount of the fee.
3. The beginning and ending balance of the fee account.
4. The amount of the fee collected and interest earned.
5. Identification of the public improvements for which the fee was expended, the amount of the expenditure and the percentage funded by the fee.
6. The date by which construction will begin if sufficient funds are available.
7. A description of each fund transfer or loan from the account.
8. The amount of refunds made of unexpended funds once all projects for which the fee was imposed are complete.

The City of Clovis has established the following development fees that are collected at various stages of the development process:

1. Sewer Major Facilities Fee
2. Sewer Oversize Acreage Fee
3. Sewer Front Footage Fee
4. Water Major Facilities Fee
5. Water Oversize Acreage Fee
6. Water Front Footage Fee
7. Water Supply Fee
8. Community Sanitation Fee
9. Park Acquisition and Development Fee
10. Major Street Fees
  - Outside Travel Lane Fee
  - Center Travel Lane Fee
  - Traffic Signal Fee
  - Bridge Fee
  - Quad Intersection Fee
  - Underground Overhead Utilities Fee
  - Street Fee Administration Charge
11. Fire Department Fee
12. Police Department Fee
13. Library Facilities Fee

The following is the required information provided for each of the above fees for fiscal year 2018-19:

1. **Sewer Major Facilities Fee:** The Sewer Major Facilities Fee is for the construction of the Clovis Sewage Treatment Water Reuse Facility (STWRF) and the capital improvement costs required for upgrading of the Regional Sewer Treatment Plant, as well as debt service payments related to the bond issues to construct the improvements. The fee for 2018-19 was \$7,500 per equivalent dwelling unit (EDU). Most of these funds are committed to repayment of Sewer Bonds.

Beginning Balance 2018-19	\$577,986
Plus: Fee Revenue	6,917,420
Interest	36,192
Loan from Users for Bonds	1,700,000
Less: Expenditures	6,337,491
Transfers out: Debt Service	427,000
Transfers out: Projects	<u>220,000</u>
Ending Balance 2018-19	<u>\$2,247,107</u>

2. **Sewer Oversize Fee:** The Sewer Oversize Fee is for sewer mains greater than 8" in diameter, and/or mains 8" in diameter or greater that are installed deeper than 8', to provide adequate capacity for future development. The fee for 2018-19 was \$949.00 per gross acre. The fee is used to reimburse developers who have installed the lines. Disbursement is made based on the developer's claim.

Beginning Balance 2018-19	\$66,288
Plus: Fee Revenue	194,535
Less: Expenditures	<u>195,635</u>
Ending Balance 2018-19	\$65,188

3. **Sewer Front Footage Fee:** The Sewer Front Footage Fee is for the reimbursement of sewer mains previously installed. The fee for 2018-19 was \$18.05 per linear foot. The fee is used to reimburse developers who have installed the lines. Disbursement is made based on the developer's claim.

Beginning Balance 2018-19	\$1,265,369
Plus: Fee Revenue	74,708
Less: Expenditures	<u>0</u>
Ending Balance 2018-19	\$1,340,077

4. **Water Major Facilities Fee:** The Water Major Facilities Fee is for the construction of water wells, well site acquisitions, well head treatment, auxiliary power systems, reservoirs, surface-water treatment facilities, and debt service payments related to bond issues to construct the improvements. The fee for 2018-19 was \$4,774 per unit. The transfer in from the Water Enterprise represents the Enterprise customers' share of debt service on the surface water treatment plant.

Beginning Balance 2018-19	\$1,530,405
Plus: Fee Revenue	8,653,022
Interest	166,691
Transfers In – Debt Service	751,000
Less: Expenditures	5,159,315
Repayment of Loans from Users	<u>1,500,000</u>
Ending Balance 2018-19	\$4,441,803

5. **Water Oversize Fee:** The Water Oversize Fee is to provide reimbursement for the oversize cost increment of water mains 12" in diameter or greater than must be installed to insure adequate pressure and volume throughout the system. The fee for 2018-19 was \$1,342 per gross acre. The fee is used to reimburse developers who have installed the lines. Disbursement is made based on the developer's claim.

Beginning Balance 2018-19	\$117,071
Plus: Revenue	249,452
Less: Expenditures	<u>0</u>
Ending Balance 2018-19	\$366,523

6. **Water Front Footage Fee:** The Water Front Footage Fee is for reimbursement of water mains previously installed. The fee for 2018-19 was \$21.85 per linear foot. The fee is used to reimburse developers who have installed the lines. Disbursement is made based on the developer's claim.

Beginning Balance 2018-19	\$1,694,905
Plus: Revenue	110,900
Less: Expenditures	<u>0</u>
Ending Balance 2018-19	\$1,805,805

7. **Water Supply Fee:** The Water Supply Fee pays for the cost to acquire additional water supply for properties with development intensities that will exceed the current water entitlement. For properties within the Fresno Irrigation District (FID), the entitlement is 2.1 acre-feet/year. The current cost to acquire annual water supply is \$1,250 per acre-foot.

Beginning Balance 2018-19	\$985,588
Plus: Revenue	103,532
Less: Expenditures	<u>0</u>
Ending Balance 2018-19	\$1,089,120

8. **Community Sanitation Fee:** The Community Sanitation Fee is for the purchase of toters, commercial bins, disposal trucks, and street sweeping equipment. The fee for 2018-19 was \$393 per EDU for single family and \$223 per EDU for multi-family, commercial, and churches. The fee is transferred to the Refuse Enterprise as purchases are made.

Beginning Balance 2018-19	\$1,513,865
Plus: Revenue	386,394
Interest	23,869
Less: Expenditures	2,616
Transfers Out	<u>880,000</u>
Ending Balance 2018-19	\$1,041,512

9. **Park Acquisition and Development Fee:** The Park Acquisition and Development Fee is for the purchase of parkland and the construction of improvements for regional and community parks. The fee for 2018-19 was \$3,431 per EDU.

Beginning Balance 2018-19	\$6,259,419
Plus: Revenue - Fees	3,166,326
Interest	155,276
Other-Grants	970,954
Less: Expenditures	<u>1,635,346</u>
Ending Balance 2018-19	\$8,916,629

10. **Major Street Fees:** The Street fees include fees for center travel lane improvements, outside travel lane improvements, construction of bridges, construction of traffic signals, under-grounding of utilities, quad intersections, and administration. The fees are specific to certain areas within the City based on the infrastructure requirements and development characteristics of the areas.

**Outside Travel Lane Fee:** The fee is to reimburse developers for Outside Travel Lane improvements that were constructed with their project in excess of the development's proportionate share.

**Center Travel Lane Fee:** The fee is to reimburse developers for Center Travel Lane improvements that were constructed with their project, in excess of the development's proportionate share.

**Traffic Signal Fee:** The fee is for the reimbursement for the cost to install traffic signals either by the City or developers in excess of the development's proportionate share.

**Bridge Fee:** The fee is for the reimbursement for the cost to construct bridges and culverts either by the City or developers in excess of the development's proportionate share.

**Quad Intersection Fee:** The fee is for the reimbursement for the cost to construct quad intersection improvements either by the City or developers in excess of the development's proportionate share.

**Undergrounding Overhead Utilities:** The fee provides a funding source for the City to underground existing overhead utilities or to reimburse developers for the undergrounding of existing overhead utilities in excess of the development's proportionate share. Under-grounding of existing overhead utilities includes the undergrounding along certain arterial and collector streets.

Beginning Balance 2018-19	\$5,208,461
Plus: Revenue	6,014,856
Less: Expenditures	<u>1,648,336</u>
Ending Balance 2018-19	\$9,574,981

**Street Fee Administration Charge:** The fee has been \$0 since December 31, 2003. Administrative charges for the administrative work performed by the City staff to collect, track, and reimburse the street fees program has come from interest earnings. Interest earnings have also covered applicable interest charges on developer's reimbursement requests. Due to the dwindling fund balance, administration charges will need to be reinstated as part of an upcoming fee update.

Beginning Balance 2018-19	\$568
Plus: Interest	611,629
Less: Expenditures	<u>579,572</u>
Ending Balance 2018-19	\$32,625

11. **Fire Department Fee:** The Fire Department Fee was established in June 1997 to construct, equip and furnish fire stations. The fee for 2018-19 was \$1,014.00 per EDU.

Beginning Balance 2018-19	\$636,741
Plus: Revenue	1,378,072
Less: Expenditures	<u>0</u>
Ending Balance 2018-19	\$2,014,813

12. **Police Department Fee:** The Police Department Fee was established in May 2000 for development to contribute to providing police equipment and facilities as community growth requires. During the 2018-19 year, applicable expenses for this fee exceeded the revenues collected and will be applied to future revenues collected.

Beginning Balance 2018-19	\$0
Plus: Revenue	88,603
Less: Expenditures	<u>88,603</u>
Ending Balance 2018-19	\$0

13. **Library Facilities Fee:** The Library Facilities Fee was established in April 2008 and became effective July 1, 2008. This fee is to provide a portion of the funding needed to provide library facilities within the City of Clovis. The fee for 2018-19 was \$604.00 per unit for single-family and \$494.00 per unit for multi-family and assisted living/group homes.

Beginning Balance 2018-19	\$554,203
Plus: Revenue	545,901
Less: Expenditures	<u>24,278</u>
Ending Balance 2018-19	\$1,075,826

#### **FISCAL IMPACT**

This report provides a status of the development fees charged by the City. It provides a good indication of available balances for projects or reimbursements where applicable.

#### **REASON FOR RECOMMENDATION**

The fiscal report is for information only and no action is required.

#### **ACTIONS FOLLOWING APPROVAL**

Copies of the report will be made available to any member of the public who requests a copy.

Prepared by: Jeffrey Blanks, Deputy Finance Director

Reviewed by: City Manager LS