



# CITY *of* CLOVIS

## REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: January 19, 2021

SUBJECT: Finance – Receive and File – Status Report of Development Fee Funds for the fiscal year ended June 30, 2020.

ATTACHMENTS: None.

### **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 2019-20:

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 2019-20 was \$7,749 per equivalent dwelling unit (EDU). Most of these funds are committed to repayment of Sewer Bonds.

Beginning Balance 2019-20	\$2,247,107
Plus: Fee Revenue	8,783,611
Interest	181,030
Loan from Users for Bonds	200,000
Less: Expenditures	8,317,212
Transfers out: Debt Service	426,000
Transfers out: Projects	<u>400,000</u>
Ending Balance 2019-20	\$2,268,536

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 2019-20 was \$989 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 2019-20	\$65,188
Plus: Fee Revenue	152,142
Less: Expenditures	<u>198,016</u>
Ending Balance 2019-20	\$19,314

3. **Sewer Front Footage Fee:** The Sewer Front Footage Fee is for the reimbursement of sewer mains previously installed. The fee for 2019-20 was \$18.81 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 2019-20	\$1,340,077
Plus: Fee Revenue	195,065
Less: Expenditures	<u>72,911</u>
Ending Balance 2019-20	\$1,462,231

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 2019-20 was \$4,975 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 2019-20	\$4,441,803
Plus: Fee Revenue	3,305,080
Interest	287,603
Transfers In – Debt Service	751,000
Less: Expenditures	<u>4,926,562</u>
Ending Balance 2019-20	\$3,858,924

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 2019-20 was \$1,398 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 2019-20	\$366,523
Plus: Revenue	247,048

Less: Expenditures	<u>89,981</u>
Ending Balance 2019-20	\$523,590

6. **Water Front Footage Fee:** The Water Front Footage Fee is for reimbursement of water mains previously installed. The fee for 2019-20 was \$22.77 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 2019-20	\$1,805,805
Plus: Revenue	352,463

Less: Expenditures	<u>58,267</u>
Ending Balance 2019-20	\$2,100,001

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 2019-20	\$1,089,120
Plus: Revenue	277,563

Less: Expenditures	<u>0</u>
Ending Balance 2019-20	\$1,366,683

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 2019-20 was \$410 per EDU for single family and \$232 per EDU for multi-family, commercial, and churches. The fee is transferred to the Refuse Enterprise as purchases are made.

Beginning Balance 2019-20	\$1,041,512
Plus: Revenue	560,916
Interest	47,709

Less: Expenditures	4,968
Transfers Out	<u>150,000</u>
Ending Balance 2019-20	\$1,495,169

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 2019-20 was \$3,771 per EDU.

Beginning Balance 2019-20	\$8,916,629
Plus: Revenue - Fees	1,137,238
Interest	247,888
Other-Grants	1,403,224
Less: Expenditures	<u>3,446,638</u>
Ending Balance 2019-20	\$8,258,341

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 2019-20	\$9,574,981
Plus: Revenue	5,195,365
Less: Expenditures	<u>5,280,400</u>
Ending Balance 2019-20	\$9,489,946

**Street Fee Administration Charge:** 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 has also covered applicable interest charges on developer's reimbursement requests. The fee for 2019-20 is 1.5% of all street fees collected.

Beginning Balance 2019-20	\$32,625
Plus: Revenue – Fees	73,687
Interest	493,126
Less: Expenditures	<u>575,343</u>
Ending Balance 2019-20	\$24,095

- 11. Fire Department Fee:** The Fire Department Fee was established in June 1997 to construct, equip and furnish fire stations. The fee for 2019-20 was \$1,014 per EDU to start the year; it was adjusted in September 2019 to \$1,295 per EDU.

Beginning Balance 2019-20	\$2,014,813
Plus: Revenue	787,354
Less: Expenditures	<u>1,811,670</u>
Ending Balance 2019-20	\$990,497

- 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. The fee for 2019-20 was \$100 per EDU to start the year; it was adjusted in September 2019 to \$726 per EDU.

Beginning Balance 2019-20	\$0
Plus: Revenue	489,881
Less: Expenditures	<u>85,003</u>
Ending Balance 2019-20	\$404,878

- 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 2019-20 was \$604 per unit for single-family and \$494 per unit for multi-family and assisted living/group homes.

Beginning Balance 2019-20	\$1,075,826
Plus: Revenue	698,320
Less: Expenditures	<u>58,670</u>
Ending Balance 2019-20	\$1,715,476

**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 *JH*