



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: Finance Department
DATE: January 16, 2024
SUBJECT: Finance – Receive and File – Status Report of Development Fee Funds for the fiscal year ended June 30, 2023.
ATTACHMENTS: None.

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) within the preceding 12 months (Government Code 84308).

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 Fee
3. Sewer Front Footage Fee
4. Water Major Facilities Fee
5. Water Oversize 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
 - Underground Overhead Utilities Fee
11. Street Fee Administration Charge
12. Fire Department Fee
13. Police Department Fee
14. Library Facilities Fee

The following is the required information provided for each of the above fees for fiscal year 2022-23:

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 2022-23 was \$9,325 per equivalent dwelling unit (EDU). Most of these funds are committed to repayment of Sewer Bonds.

Beginning Balance 2022-23	\$3,553,929
Plus: Fee Revenue	10,439,482
Interest	225,432
Less: Expenditures	7,324,982
Transfers out: Debt Service	430,000
Transfers out: Projects	<u>270,000</u>
Ending Balance 2022-23	\$6,193,861

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 2022-23 was \$1,190 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 2022-23	\$163,533
Plus: Fee Revenue	107,563

Less: Expenditures	<u>0</u>
Ending Balance 2022-23	\$271,096

3. **Sewer Front Footage Fee:** The Sewer Front Footage Fee is for the reimbursement of sewer mains previously installed. The fee for 2022-23 was \$22.64 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 2022-23	\$1,833,957
Plus: Fee Revenue	130,162

Less: Expenditures	<u>5,749</u>
Ending Balance 2022-23	\$1,958,370

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 2022-23 was \$5,987 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 2022-23	\$9,566,159
Plus: Fee Revenue	6,847,223
Interest	554,446
Transfers In: Debt Service	750,000

Less: Expenditures	<u>6,037,599</u>
Ending Balance 2022-23	\$11,680,229

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 2022-23 was \$1,682 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 2022-23	\$836,068
Plus: Revenue	223,624

Less: Expenditures	<u>0</u>
Ending Balance 2022-23	\$1,059,692

6. **Water Front Footage Fee:** The Water Front Footage Fee is for reimbursement of water mains previously installed. The fee for 2022-23 was \$27.40 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 2022-23	\$2,732,847
Plus: Revenue	142,576
Less: Expenditures	<u>6,982</u>
Ending Balance 2022-23	\$2,868,441

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 \$5,500 per acre-foot.

Beginning Balance 2022-23	\$1,072,785
Plus: Revenue	399,503
Less: Expenditures	<u>1,472,288</u>
Ending Balance 2022-23	\$0

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 2022-23 was \$481 per EDU for single family and \$396 per EDU for multi-family, commercial, and churches. The fee is transferred to the Refuse Enterprise as purchases are made.

Beginning Balance 2022-23	\$1,948,706
Plus: Revenue	522,904
Interest	88,916
Less: Expenditures	893
Transfers Out: Operating	<u>150,000</u>
Ending Balance 2022-23	\$2,409,633

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 2022-23 was \$5,354 per EDU.

Beginning Balance 2022-23	\$10,002,363
Plus: Revenue - Fees	3,879,294
Interest	505,055
Other-Grants	691,882
Transfers In: Projects	24,000

Less: Expenditures	<u>4,128,649</u>
Ending Balance 2022-23	\$10,973,945

- 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.

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 2022-23	\$16,704,350
Plus: Revenue	8,310,318
Less: Expenditures	<u>1,800,995</u>
Ending Balance 2022-23	\$23,213,673

- 11. Street Fee Administration Charge:** Administrative charges for the administrative work performed by the City staff to collect, track, and reimburse the street fees program and has come from interest earnings. Interest earnings has also covered applicable interest charges on developer's reimbursement requests. The fee for 2022-23 is 1.5% of all street fees collected.

Beginning Balance 2022-23	\$146,270
Plus: Revenue – Fees	199,249
Interest	1,264,801

Less: Expenditures	<u>1,102,752</u>
Ending Balance 2022-23	\$507,568

- 12. Fire Department Fee:** The Fire Department Fee was established in June 1997 to construct, equip and furnish fire stations. The fee for 2022-23 was \$2,347 per EDU.

Beginning Balance 2022-23	\$2,088,848
Plus: Revenue	2,574,772

Less: Expenditures	<u>958,755</u>
Ending Balance 2022-23	\$3,704,865

- 13. 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 2022-23 was \$1,134 per EDU.

Beginning Balance 2022-23	\$1,859,879
Plus: Revenue	1,147,387

Less: Expenditures	<u>0</u>
Ending Balance 2022-23	\$3,007,266

- 14. Library Facilities Fee:** The Library Facilities Fee was established in April 2008 to provide a portion of the funding needed to provide library facilities within the City of Clovis. The fee for 2022-23 was \$760 per unit for single-family and \$621 per unit for multi-family and assisted living/group homes.

Beginning Balance 2022-23	\$337,200
Plus: Revenue	744,455

Less: Expenditures	<u>0</u>
Ending Balance 2022-23	\$1,081,655

FISCAL IMPACT

This report provides a status of the development fees charged by the City. It provides an 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 *AK*