

INDIAN WELLS CITY COUNCIL

December 7, 2023



To: City Council
From: Finance Department
Prepared by: Ruby D. Walla, Assistant Finance Director
Subject: **Annual Developer Impact Fee Report**

RECOMMENDED ACTIONS:

Council **APPROVES** the Annual Developer Impact Fee Report submitted for the Fiscal Year 2022-23.

BACKGROUND:

Within the mandated 180-day timeframe following the fiscal year's conclusion, the City must present a comprehensive report detailing the allocation and utilization of developer impact fees, adhering to the provisions outlined in California Government Code Chapter 5, Section 66000. The City has consistently maintained compliance with the specified conditions. Enclosed are schedules outlining expenditures and total revenues subject to the five-year limitation per the California Government Code. This report provides a comprehensive and transparent overview of the City's utilization of developer impact fees during the fiscal year 2022/23.

On June 2, 2022, the City Council thoroughly reviewed the Development Impact Fee Nexus Study and subsequently approved modifications to the City's Developer Impact Fees. The revised fees, effective from August 1, 2022, introduced three new Developer Impact Fees: Park Facilities Fee, Recreation Facilities Fee, and Storm Drain Facilities Fee. The Transportation Facilities Fee was also instituted, replacing the Highway 111 Circulation Improvement Fee. The residual fund balance of the replaced Highway 111 Circulation Improvement Fee is allocated according to its original purpose.

FISCAL IMPACT:

During the Fiscal Year 2022-23, the City collected \$682,348 in developer fees designated for diverse capital projects throughout the municipal area. In specific instances, these fees were utilized to reimburse advances from alternative funds, enabling the immediate implementation of public improvements without delay.

Park Facilities Fees

Park Facilities Fees, initiated on August 1, 2022, totaled \$21,032 during the fiscal year 2022/23. These funds are designated for acquiring parkland, developing new facilities, and enhancing existing facilities to accommodate new developments. These funds are being utilized for Fairway Park.

Recreation Facilities Fees

Similarly, Recreation Facilities Fees, effective August 1, 2022, amounted to \$172,568 in the fiscal year 2022/23. These funds are presently committed to the Energy Efficiency project and annual debt service obligations of the 2022 lease revenue bonds. As of June 30, 2023, \$434,825 has been transferred to the Indian Wells Financing Authority Fund.

Park-in-Lieu Fees

Park-in-Lieu Fees, utilized for the construction of recreation and open spaces, totaled \$111,021 in the fiscal year 2022/23. Collaborative efforts with the Desert Recreation District enabled open space acquisition to construct Fairway Park , with the remaining advance as of June 30, 2023, totaling \$1,375,313.

Citywide Public Improvement Fees

Citywide Public Improvement fees are used to acquire and construct general capital improvement projects. In 2005, the City advanced the Citywide Public Improvement fund of \$3,750,000 to build a portion of the Miles Avenue Bridge Project. Since 2005, the City has collected \$3,382,960 for this purpose. Additionally, the fees collected are committed to funding the Energy Efficiency project and the annual debt service obligations of the 2022 lease revenue bonds. As of June 30, 2023, the Citywide Public Improvement Fees Fund has transferred \$150,000 to the Indian Wells Financing Authority Fund.

Art in Public Places Fees

Art in Public Places Fees, supporting public art and culture initiatives, amounted to \$182,409 during the fiscal year 2022/23. The City is actively developing a new Art in Public Places project aligned with Council Goals. A portion of the this funding is being used for Fairway Park.

Highway 111 Circulation Improvement Fees

Highway 111 Circulation Improvement fees finance capital improvements along Highway 111. The City collected \$17,550 in Highway 111 Circulation Improvement fees during the 2022/23 fiscal year. As of August 1, 2022, this fee has been replaced by the

Transportation Facilities Fee. The remaining fund balance of \$37,299 will be spent on the intended purpose for which the fees were collected.

Transportation Facilities Fees

The Transportation Facilities Fees, effective August 1, 2022, have replaced the Highway 111 Circulation Improvement Fee. In the fiscal year 2022/23, the City accumulated \$86,152 in Transportation Facilities Fees, with current commitments directed toward the Energy Efficiency project and the annual debt service obligations of the 2022 lease revenue bonds. As of June 30, 2023, the Transportation Facilities Fee fund has contributed \$150,000 to the Indian Wells Financing Authority Fund.

Storm Drain Facilities Fees

As of June 30, 2023, the City has yet to generate revenue from Storm Drain Facilities fees designated for infrastructure improvements to accommodate new development, including potential projects along the Whitewater storm channel.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Annual Developer Impact Fees Report

City of Indian Wells
 Park Facilities Fees - Fund 310
 As of June 30, 2023

The purpose of this fee is to fund park facilities to meet the demands of new development.

Fee Schedules are available in the Building Department.

PART 1

Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | <u>06/30/23</u> |
|-----------------------------------|-----------------------------|
| Revenue | 21,032 |
| Interest | (129) |
| TOTAL REVENUE | <u>20,903</u> |
| Expenditures | - |
| Capital Reserve | - |
| Revenue Over (Under) Expenditures | <u>20,903</u> |
| Beginning Fund Balance | - |
| Ending Fund Balance | <u><u>20,903</u></u> |

PART 2

Compliance With Government Code 66001

Projects:

| | <u>06/30/23</u> |
|-----------------------------|------------------------|
| | - |
| TOTAL | <u>-</u> |
| Expenditures to Date | <u><u>-</u></u> |

**City of Indian Wells
 Recreation Facilities Fees - Fund 313
 As of June 30, 2023**

The purpose of this fee is to fund recreation facilities to meet the demands of new development.

Fee Schedules are available in the Building Department.

PART 1

Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | <u>06/30/23</u> |
|-----------------------------------|-------------------------|
| Revenue | 172,568 |
| Interest | 441 |
| TOTAL REVENUE | <u>173,009</u> |
| Expenditures | 434,825 |
| Capital Reserve | - |
| Revenue Over (Under) Expenditures | <u>(261,816)</u> |
| Beginning Fund Balance | - |
| Ending Fund Balance | <u>(261,816)</u> |

PART 2

Compliance With Government Code 66001

Projects:

| | <u>06/30/23</u> |
|-----------------------------|------------------------|
| Transfers Out | 434,825 |
| TOTAL | <u>434,825</u> |
| Expenditures to Date | <u>434,825</u> |

Expenditures to Date

434,825

City of Indian Wells
Park - in - Lieu Fees - Fund 314
As of June 30, 2023

The fees collected by this fund are used for the acquisition, construction, and maintenance of parks, recreation and open space capital improvement projects. Fee Schedules are available in the Building Department.

PART 1

Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | 111,021 | 692,999 | 40,194 | 82,504 | 49,168 | 2,104,396 |
| Interest | - | - | 4 | | | 126,170 |
| TOTAL REVENUE | 111,021 | 692,999 | 40,198 | 82,504 | 49,168 | 2,230,566 |
| Expenditures | 2,822 | 1,073,726 | - | - | - | 3,505,221 |
| Capital Reserve | - | - | - | - | - | - |
| Revenue Over (Under) Expenditures | 108,199 | (380,727) | 40,198 | 82,504 | 49,168 | (1,274,655) |
| Beginning Fund Balance | (1,483,513) | (1,102,785) | (1,142,983) | (1,225,487) | (1,274,655) | (1,274,655) |
| Ending Fund Balance | (1,375,313) | (1,483,513) | (1,102,785) | (1,142,983) | (1,225,487) | (1,274,655) |

PART 2

Compliance With Government Code 66001

Projects:

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|-----------------------------|------------------|------------------|-----------------|-----------------|-----------------|--------------------|
| Parkland Acquisition | | 1,073,726 | | | | - |
| Fairway Park | 2,822 | | | | | - |
| Community Development | | | | | | 9,480 |
| GRIW Sand Trap Renovation | | | | | | 342,437 |
| GRIW Greens | | | | | | 187,862 |
| GRIW Landscape | | | | | | 302,027 |
| GRIW Sprinkler Replacement | | | | | | 212,094 |
| GRIW Equipment Acquisition | | | | | | 280,226 |
| GRIW Course Construction | | | | | | 2,171,095 |
| TOTAL | 2,822 | 1,073,726 | - | - | - | 3,505,221 |
| Expenditures to Date | 4,581,769 | | | | | |

| Expenditures to Date | Total Revenues Subject to 5 yr Limitation Through 6/30/18 | Excess Expenditures=In Compliance (Under) Expenditures=Non-Compliance As of 6/30/23 |
|-----------------------------|--|--|
| 4,581,769 | 2,230,566 | 2,351,203 |

City of Indian Wells

Citywide Public Improvement Fee - Fund 315

As of June 30, 2023

The fees collected by this fund are used for the acquisition and construction of general governmental capital improvement projects.

Fee Schedules are available in the Building Department.

PART 1

Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Revenue | 91,745 | 241,433 | 79,648 | 151,829 | 104,538 | 5,849,850 |
| Interest | 359 | (11,988) | (67) | 1,970 | - | 873,139 |
| TOTAL REVENUE | 92,104 | 229,445 | 79,581 | 153,799 | 104,538 | 6,722,989 |
| Expenditures | 150,000 | 229,314 | 154,081 | 79,300 | 102,049 | 6,725,477 |
| Revenue Over (Under) Expenditures | (57,896) | 131 | (74,500) | 74,499 | 2,489 | (2,488) |
| Beginning Fund Balance | 131 | (0) | 74,500 | 1 | (2,488) | 1 |
| Ending Fund Balance | (57,765) | 131 | (0) | 74,500 | 1 | 1 |

PART 2

Compliance With Government Code 66001

Projects:

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|-----------------------------|------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Civic Cntr Corp Yard | | | | | | 74,024 |
| Civic Center Dev | | | | | | 18,465 |
| Sheriff Sub Station | | | | | | 6,133 |
| Add'l Bus Shelters | | | | | | 37,800 |
| Emg. Generator | | | | | | 12,500 |
| Council Cham. Modif. | | | | | | 16,371 |
| ADA Upgrade-City Hall | | | | | | 2,847 |
| Racquet Cl. Signal | | | | | | 21,322 |
| Racquet Cl. Entrance | | | | | | 9,788 |
| Hwy 111 Medians | | | | | | 22,301 |
| City Hall Expansion | | | | | | 1,132,499 |
| Civic Center Improvements | | | | | | 136,073 |
| Miles Ave Bridge | | 229,314 | 154,081 | 79,300 | 104,538 | 2,815,727 |
| Transfers Out | 150,000 | | | | | 2,417,138 |
| TOTAL | 150,000 | 229,314 | 154,081 | 79,300 | 104,538 | 6,722,988 |
| Expenditures to Date | 7,440,221 | | | | | |

| Expenditures to Date | Total Revenues Subject to 5 yr Limitation Through 6/30/18 | Excess Expenditures=In Compliance (Under) Expenditures=Non-Compliance As of 6/30/23 |
|-----------------------------|--|--|
| 7,440,221 | 6,722,989 | 717,232 |

**City of Indian Wells
 Art in Public Places - Fund 319
 As of June 30, 2023**

The fees collected by this fund are used to support art and culture throughout the city.
 Fee Schedules are available in the Building Department.

**PART 1
 Cash Balance, Revenue, Expenditures, Ending Cash Balance**

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Revenue | 182,409 | 161,488 | 15,630 | 26,283 | 15,092 | 1,443,180 |
| Interest | 11 | (14,702) | 365 | 4,741 | 5,602 | 168,516 |
| TOTAL REVENUE | 182,420 | 146,786 | 15,995 | 31,024 | 20,694 | 1,611,696 |
| Expenditures | - | - | - | 41,259 | 5,717 | 1,468,580 |
| Revenue Over (Under) | | | | | | |
| Expenditures | 182,420 | 146,786 | 15,995 | (10,235) | 14,977 | 143,117 |
| Beginning Fund Balance | 311,734 | 164,948 | 148,954 | 159,189 | 144,212 | 676,362 |
| Ending Fund Balance | 494,154 | 311,734 | 164,948 | 148,954 | 159,189 | 144,212 |

**PART 2
 Compliance With Government Code 66001**

Projects:

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|--------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Planning | | | | | | 186 |
| Art study | | | | | | 3,029 |
| Path of the Bighorn Ram Art | | | | | | 12,000 |
| Grove Gate North | | | | | | 529 |
| City Monuments | | | | | | 45 |
| Civic Center Enhance. | | | | | | 98 |
| Walk of Honor Memorial | | | | | | 326,416 |
| Entrance Signs | | | | | | 80,809 |
| Indian Wells Lane Fountains | | | | | | 65,800 |
| Indian Wells Golf Resort | | | | | | 224,061 |
| Cook/Hwy 111 Entry Monuments | - | - | - | 41,259 | 5,717 | 563,687 |
| Carl Bray Interpretive Exhibit | | | | | | 191,919 |
| TOTAL | - | - | - | 41,259 | 5,717 | 1,468,579 |
| Expenditures to Date | 1,515,556 | | | | | |

| Expenditures to Date | Total Revenues Subject to 5 yr Limitation Through 6/30/18 | Excess Expenditures=In Compliance (Under) Expenditures=Non-Compliance As of 6/30/23 |
|-----------------------------|--|--|
| 1,515,556 | 1,611,696 | (96,141) |

City of Indian Wells
 Highway 111 Circulation Improvement Fee - Fund 321
 As of June 30, 2023

The fees collected by this fund are used to finance Highway 111 capital improvement projects.
 This fee has been replaced by the Transportation Facilities Fee.
 The remaining fund balance will spent on the purpose for which they were collected.
 Fee Schedules are available in the Building Department.

PART 1

Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|-----------------------------------|---------------|---------------|----------|----------|----------|----------------|
| Revenue | 17,550 | 49,725 | - | - | - | 195,228 |
| Interest | 61 | (1,048) | - | - | - | 60,354 |
| TOTAL REVENUE | 17,611 | 48,677 | - | - | - | 255,582 |
| Expenditures | - | - | - | - | - | 284,571 |
| Capital Reserve | | | | | | |
| Revenue Over (Under) Expenditures | 17,611 | 48,677 | - | - | - | (28,989) |
| Beginning Fund Balance | 19,688 | (28,989) | (28,989) | (28,989) | (28,989) | (28,989) |
| Ending Fund Balance | 37,299 | 19,688 | (28,989) | (28,989) | (28,989) | (28,989) |

PART 2

Compliance With Government Code 66001

Projects:

| | 06/30/23 | 06/30/22 | 06/30/21 | 06/30/20 | 06/30/19 | Prior Years |
|--------------------------------|----------------|----------|----------|----------|----------|----------------|
| Hwy. 111 Landscape Replacement | | | | | | 283,963 |
| Hwy. 111 Medians | | | | | | 48 |
| Hwy. 111 Medians | | | | | | 560 |
| TOTAL | - | - | - | - | - | 284,571 |
| Expenditures to Date | 284,571 | | | | | |

| Expenditures to Date | Total Revenues Subject to 5 yr Limitation Through 6/30/18 | Excess Expenditures=In Compliance (Under) Expenditures=Non-Compliance As of 6/30/22 |
|----------------------|---|---|
| 284,571 | 255,582 | 28,989 |

City of Indian Wells
Transportation Facilities Fees - Fund 311
As of June 30, 2023

The purpose of this fee is to fund construction improvements that add capacity to the system of transportation facilities that serves new development. This fee replaces the Highway 111 Circulation Improvement Fee. Fee Schedules are available in the Building Department.

PART 1
Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | |
|-----------------------------------|------------------------|
| | <u>06/30/23</u> |
| Revenue | 86,152 |
| Interest | 220 |
| TOTAL REVENUE | <u>86,372</u> |
| Expenditures | 150,000 |
| Capital Reserve | - |
| Revenue Over (Under) Expenditures | <u>(63,628)</u> |
| Beginning Fund Balance | - |
| Ending Fund Balance | <u>(63,628)</u> |

PART 2
Compliance With Government Code 66001

| | |
|-----------------------------|------------------------|
| Projects: | <u>06/30/23</u> |
| Transfers Out | 150,000 |
| TOTAL | <u>150,000</u> |
| Expenditures to Date | <u>150,000</u> |

Expenditures to Date

150,000

**City of Indian Wells
Storm Drain Facilities Fees - Fund 312
As of June 30, 2023**

The purpose of this fee is to fund improvements and infrastructure to add to the system of storm drain facilities to serve new development. Fee Schedules are available in the Building Department.

PART 1

Cash Balance, Revenue, Expenditures, Ending Cash Balance

| | <u>06/30/23</u> |
|-----------------------------------|-----------------|
| Revenue | - |
| Interest | - |
| TOTAL REVENUE | <u>-</u> |
| Expenditures | - |
| Capital Reserve | - |
| Revenue Over (Under) Expenditures | <u>-</u> |
| Beginning Fund Balance | - |
| Ending Fund Balance | <u><u>-</u></u> |

PART 2

Compliance With Government Code 66001

Projects:

| | <u>06/30/23</u> |
|-----------------------------|-----------------|
| | - |
| TOTAL | <u>-</u> |
| Expenditures to Date | <u><u>-</u></u> |

Expenditures to Date
