

INDIAN WELLS CITY COUNCIL

December 19, 2024



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, Finance Director
Subject: **Annual Developer Impact Fee Report**

RECOMMENDED ACTIONS:

Council **APPROVES** the Annual Developer Impact Fee Report submitted for the Fiscal Year 2023-24; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

BACKGROUND:

In compliance with California Government Code Chapter 5, Section 66000, the City is steadfast in its commitment to providing a comprehensive and transparent account of developer impact fees collected, allocated, and expended. This report is presented within the statutory requirement of 180 days following the fiscal year's close and reflects the City's ongoing dedication to transparency, accountability, and sound fiscal management.

Enclosed are detailed schedules summarizing expenditures and revenues subject to the five-year limitation as outlined in the Government Code. This document offers a thorough overview of how developer impact fees have been utilized to advance the City's infrastructure and community development objectives during the fiscal year 2023/24.

This annual report is a critical tool for residents, stakeholders, and decision-makers to understand the City's fiscal and developmental strategies. Key highlights include:

- **Transparency and Accountability:** The report demonstrates compliance with legal requirements and reinforces public trust by delineating how developer impact fees are collected and spent.
- **Infrastructure Development:** Fees are allocated to support essential infrastructure projects, enhancing residents' quality of life and ensuring well-managed growth.

- **Fiscal Responsibility:** The report showcases the City's financial planning and prudent use of funds, particularly in advancing long-term capital projects without undue burden on taxpayers.
- **Sustainable Growth:** It outlines how the City ensures infrastructure keeps pace with community expansion, addressing demands for parks, transportation, and public services.
- **Community Impact:** Detailed accounts of fund usage provide insights into how these resources enhance public amenities and maintain the City's high standards.

FISCAL IMPACT:

During fiscal year 2023/24, the City collected \$588,276 in developer impact fees, earmarked for various capital improvements and infrastructure projects. In some instances, these fees were utilized to reimburse advances from other funds, enabling the timely execution of key public improvements.

Park Facilities Fees

The City collected \$10,180 in Park Facilities Fees, allocated for the acquisition of parkland, development of new recreational facilities, and enhancement of existing amenities to meet the needs of new developments. As of June 30, 2024, the Park Facilities program spent \$31,083 to expand facilities at the Indian Wells Golf Resort.

Transportation Facilities Fees

The Transportation Facilities Fees totaled \$63,862 in fiscal year 2023/24, replacing the Highway 111 circulation improvement fee. These funds are allocated to the Warner Trail Right-Turn Lane Expansion Project and annual debt service obligations for the 2022 lease revenue bonds. During fiscal year 2023-24, the Transportation Facilities program spent \$151,926 on the Warner Trail right-turn expansion project. This project will increase traffic circulation during the school year and the tennis tournament.

Recreation Facilities Fees

Recreation Facilities Fees amounted to \$107,966, designated for the Energy Efficiency Project and the redesign of the Player's golf course. During the year, the Recreation Facilities program spent \$439,002 on the Golf Resort's Energy Efficiency Project.

Park-in-Lieu Fees

The City generated \$74,752 in Park-in-Lieu Fees, supporting the development of recreational and open spaces. A collaborative effort with the Desert Recreation District

led to the acquisition of open space for a passive park at the southwest corner of Eldorado and Fairway Drive. During the year, the Park-in-Lieu program spent \$86,177 to complete Fairway Park.

Citywide Public Improvement Fees

This fee ensures new development funds its fair share of Citywide public facilities. The funds are committed to various City projects, including maintenance yard improvements, City signage, and vehicle replacements. During the year, the Public Improvement program spent \$151,925 making these improvements.

Art in Public Places Fees

Art in Public Places Fees collected \$277,152 during fiscal year 2023/24 to support public art and cultural initiatives. The program spent \$131,881 on public art displayed at the Indian Wells Golf Resort. Additionally, the City is developing a new Art in Public Places project that aligns with the Council's goals.

Storm Drain Facilities Fees

As of June 30, 2024, the City has not yet generated revenue from the Storm Drain Facilities Fees designated for infrastructure improvements related to new developments, 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 Report FY 2023-24