

INDIAN WELLS CITY COUNCIL

November 3, 2022



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

RECOMMENDED ACTION:

Council **APPROVES** the Annual Developer Impact Fee Report submitted for the Fiscal Year 2021-22.

BACKGROUND:

Within 180 days after the last day of the fiscal year, the City must report on the use of developer impact fees collected within the City. The City created separate funds to account for the collection of developer's fees.

The City remains in compliance pursuant to the conditions outlined in California Government Code Chapter 5, Section 66000. The attached schedules denote the expenditures to date and total revenues subject to the five-year limitation established by the California Government Code.

FISCAL IMPACT:

During Fiscal Year 2021-22, the City collected \$1,117,747 in developer fees and Special District contributions to fund various capital projects throughout the City. In some cases, developer fees are used to reimburse "advances" that come from other funds. Advances allow for the immediate construction of a public improvement rather than delaying the general progress until the necessary developer fees are collected.

Park-in-Lieu fees

Park-in-Lieu fees are used for the construction of recreation and open spaces. In 2022, the City collaborated with the Desert Recreation District to purchase open space to construct a passive park.

The City collected \$692,999 in Park-in-Lieu fees and Special District contributions from the Desert Recreation District during the fiscal year 2021-22. On June 30, 2022, the remaining advance was \$1,483,512.

Citywide Public Improvement fees

Citywide Public Improvement fees are used to acquire and construct general capital improvement projects. The City collected \$241,433 in Citywide Public Improvement fees during the Fiscal Year 2021-22. 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 \$3,300,823 for this purpose. As of June 30, 2022, the remaining advance was \$449,177.

Art in Public Places fees

Art in Public Places fees is used to support public art and culture. The City collected \$161,488 in Art in Public Places fees during the Fiscal Year 2021-22. The City is developing a new Art in Public Places project consistent with Council Goals. As of June 30, 2022, the cash balance in the Art in Public Places fund was \$311,734.

Highway 111 Circulation Improvement fees

Highway 111 Circulation Improvement fees finance capital improvements along Highway 111. The City collected \$49,725 in Highway 111 Circulation Improvement fees during the Fiscal Year 2021-22. These fees were applied to pay down the advance of a previous Highway 111 landscape project. As of June 30, 2022, the Highway 111 landscape project has been paid off. As of June 30, 2022, the fund balance is \$19,659.

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.

ATTACHMENT:

1. Annual Developer Impact Fees Report
2. DVBA Correspondence