

EXHIBIT A

**CITY OF PALM DESERT
DEVELOPMENT IMPACT FEE ANNUAL REPORT
FISCAL YEAR 2023-2024**

This report contains certain information required to be filed annually by the City of Palm Desert (the "City") in accordance with the Mitigation Fee Act, commencing with Section 66000 of the California Government Code. The reporting requirements set forth in the Mitigation Fee Act (the "Act") are applicable to the impact fees imposed on new development in the City. The Act requires that a public agency, on an annual basis, make available to the public within 180 days after the last day of each fiscal year the following information for the past fiscal year:

- 1) A brief description of the type of fee in the account or fund.
- 2) The amount of the fee.
- 3) The beginning and ending balance of each account or fund.
- 4) The amount of the fees collected and the interest earned.
- 5) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- 6) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete. An identification of each public improvement identified in a previous report pursuant to clause (i) and whether construction began on the approximate date noted in the previous report. For a project identified pursuant to clause (ii) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction.
- 7) A description of each interfund transfer or loan made from the account or fund, if any, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the interest rate that the account or fund will receive on the loan.
- 8) The amount of refunds made pursuant to subdivision (e) of Section 66001, the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.

The Development fee programs included in this report are the following:

- Section A – Housing Mitigation Fee (Fund 214)
- Section B – Child Care Facility Fund (Fund 228)
- Section C – New Construction Tax Fee (Fund 231)
- Section D – Drainage Facility Fee (Fund 232)
- Section E – Park & Recreation Fee (Fund 233)
- Section F – Traffic Signalization Fee (Fund 234)
- Section G – Fire Facility Fund (Fund 235)

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Section A– Housing Mitigation Fee (Fund 214)

Brief description of the type of fee in the fund:

The Housing Mitigation Fee is used to mitigate the low-income housing impacts caused by commercial and industrial development. The fee is used to help construct or provide low-income housing assistance to employees, working within the jurisdictional boundaries of the city, with affordable housing. The fee is based on: \$1/sq. ft. – Commercial; \$0.33/sq. ft. – Industrial; \$0.40/sq. ft. – Professional; \$1,000/room – Resort Hotel; \$620/Room Non-Resort.

Part I – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 3,026,646	\$ 3,489,660	\$ 3,575,892	\$ 3,547,149	\$ 3,155,924
Developer Fees	\$ 309,046	\$ 85,098	\$ 27,247	\$ 55,521	\$ 31,800
Interest Income	\$ 65,569	\$ 25,560	\$ 18,355	\$ 89,967	\$ 139,222
Gain (Loss) on Fair Value-GASB 31	\$ 11,002	\$ (17,336)	\$ (68,100)	\$ 27,622	\$ 29,749
	\$ 385,617	\$ 93,322	\$ (22,498)	\$ 173,109	\$ 200,771
HCD Grant					
Loan Proceeds	\$ 90,000	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
Interest on Loan	\$ 22,387	\$ -	\$ 12,802	\$ 8,467	\$ 1,000
Expenditures	\$ (34,989)	\$ (7,090)	\$ (49,048)	\$ (602,802)	\$ (277,592) (a)
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 3,489,660	\$ 3,575,892	\$ 3,547,149	\$ 3,155,924	\$ 3,110,103

(a) FY23-24 Expenditure Details:

PROPERTY TAX	\$ 4,666
RICHARDS WATSON CVHC LGL SERVICE	\$ 1,238
BEST BEST & KRIEGER LLP	\$ 921
LAWYERS TITLE COMPANY	\$ 194,400
45653 PORTOLA ABATEMENT & DEMO	\$ 76,367
Total :	\$ 277,592

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 385,617	\$ 93,322	\$ (22,498)	\$ 173,109	\$ 200,771
Prior Year (2-Yrs Old)	\$ 196,258	\$ 385,617	\$ 93,322	\$ (22,498)	\$ 173,109
Prior Year (3-Yrs Old)	\$ 65,574	\$ 196,258	\$ 385,617	\$ 93,322	\$ (22,498)
Prior Year (4-Yrs Old)	\$ 258,212	\$ 65,574	\$ 196,258	\$ 385,617	\$ 93,322
Prior Year (5-Yrs Old)	\$ 273,417	\$ 258,212	\$ 65,574	\$ 196,258	\$ 385,617
Greater Than 5 Prior FY	\$ 1,512,378	\$ 1,778,705	\$ 1,987,870	\$ 1,450,642	\$ 1,369,308
Ending Balance	\$ 2,691,457	\$ 2,777,689	\$ 2,706,143	\$ 2,276,451	\$ 2,199,630
Exclude Loan Proceeds	\$ 716,699	\$ 716,699	\$ 746,699	\$ 776,699	\$ 806,699 (1)
Exclude Interest on Loan	\$ 81,505	\$ 81,505	\$ 94,307	\$ 102,774	\$ 103,774 (1)
Exclude HCD grant	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 3,489,660	\$ 3,575,892	\$ 3,547,149	\$ 3,155,924	\$ 3,110,103

(1) Loan proceeds and interest from loans are program funds and are used to fund Homebuyer subsidies for programs meeting the requirements.

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Public Improvements to be Constructed:

	FY 2024-2025 Budgeted Expenditure	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date
Affordable Housing Projects					
Sands Apartments	\$ 200,000	\$ -	\$ 200,000	100%	July 2024
ARC Village Development (1.84 Acre Affordable Dev)	\$ 600,000	\$ -	\$ 600,000	100%	July 2024
45653 Portola (2-Single Family Homes Afford. Dev)	\$ 600,000	\$ -	\$ 600,000	100%	July 2024
Portola Palms MH Park (2-Single Family Homes Afford. De	\$ 550,000	\$ -	\$ 550,000	100%	July 2024
170 Acre Affordable Dev	\$ -	\$ 600,000	\$ 600,000	100%	July 2025
Homebuyer Subsidies (Begin Prog.)	\$ 500,000	\$ 636,540	\$ 886,040	100%	July 2024
	\$ 2,450,000	\$ 1,236,540	\$ 3,436,040		

Section A– Housing Mitigation Fee (Fund 214) - continued

Five Year Findings

Purpose of the Fee:

This fee is being collected for the purpose of subsidizing housing costs as part of the City's program to provide affordable housing for low and very low income households that have at least one employee working within the jurisdictional boundaries of the City.

The Relationship Between the Fee and Purpose:

Non-residential development within the City boundaries creates employment opportunities. The jobs created also create the need for additional residential development to locally house the employees that will fill these roles. Affordable housing is a known issue throughout the nation and the State of California. Therefore, new non-residential development pays a housing mitigation fee to help provide affordable housing to eligible low income families.

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

For the FY 2024-25 fiscal year, the city has budgeted for contributions from the Housing Mitigation Fund to fund multiple affordable housing projects. Included in these projects are the Sands Apartments, the ARC Village Development, homes at 45653 Portola, the Portola Palms Mobile Home Park, and a collection of subsidies provided through the BEGIN program. Additionally, in future years, the city intends to utilize these funds in a contribution to a 170-acre affordable housing development.

Section B – Child Care Facility Fee (Fund 228)

Brief description of the type of fee in the fund:

The Child Care Facility Fee provides new and increased child care facilities and centers in order to mitigate the increased demand for child care caused by non-residential development in the City. As non-residential development increases and jobs are created, the employees of the non-residential development create an increased need for local child care options in the City. The funds are used to construct new local facilities and equipment related to providing local and safe child care within the City.

Part 1 – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 1,396,599	\$ 1,479,283	\$ 1,549,239	\$ 673,863	\$ 769,068
Developer Fees	\$ 50,309	\$ 66,213	\$ 32,945	\$ 71,412	\$ 54,200
Interest Income	\$ 27,992	\$ 10,992	\$ 6,823	\$ 19,416	\$ 37,307
Gain (Loss) on Fair Value-GASB 31	\$ 4,384	\$ (7,249)	\$ (15,143)	\$ 4,377	\$ 6,347
	\$ 82,685	\$ 69,956	\$ 24,624	\$ 95,204	\$ 97,854
Expenditures	\$ -	\$ -	\$ (900,000)	\$ -	\$ -
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 1,479,283	\$ 1,549,239	\$ 673,863	\$ 769,068	\$ 866,922

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 82,685	\$ 69,956	\$ 24,624	\$ 95,204	\$ 97,854
Prior Year (2-Yrs Old)	\$ 63,771	\$ 82,685	\$ 69,956	\$ 24,624	\$ 95,204
Prior Year (3-Yrs Old)	\$ 59,452	\$ 63,771	\$ 82,685	\$ 69,956	\$ 24,624
Prior Year (4-Yrs Old)	\$ 76,387	\$ 59,452	\$ 63,771	\$ 82,685	\$ 69,956
Prior Year (5-Yrs Old)	\$ 175,924	\$ 76,387	\$ 59,452	\$ 63,771	\$ 82,685
Greater Than 5 Prior FY	\$ 1,021,065	\$ 1,196,989	\$ 373,376	\$ 432,828	\$ 496,599
Ending Balance	\$ 1,479,283	\$ 1,549,239	\$ 673,863	\$ 769,068	\$ 866,922

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Public Improvements to be Constructed:

	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date
Wallaroo Childcare Center	\$ 866,922	\$ 1,000,000	100%	July 2024
	\$ 866,922	\$ 1,000,000		

Five Year Findings

Purpose of the Fee:

This fee is being collected for the purpose of funding new child care homes and centers in order to meet growing demand for child care generated by employees and commercial uses within the city. It is envisioned that the City will partner with local child care providers and non-profits to provide funding to increase the supply of child care spaces in the City.

The Relationship Between the Fee and Purpose:

Non-residential development within the City boundaries creates employment opportunities. In order to attract and retain highly skilled workers and their families, the City must have a variety of quality and affordable child care options. The quality and affordability of child care is a known issue in the Coachella Valley, as desirable facilities have long wait lists and there are no corporate child care centers in the entire Coachella Valley. Therefore, new non-residential development pays a child care impact fee to help support the City's effort to provide local providers and non-profits with funds to help increase the supply of child care spaces in Palm Desert.

Section B – Child Care Facility Fee (Fund 228) - continued

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

The City is retaining developer fees currently held in the Child Care Facility Fund in anticipation of another request for funding by the end of 2025. The City is currently working with developers to rehabilitate the site previously known as the Wallaroo Childcare Center, and intends to utilize these funds for the project.

Section C – New Construction Fee (Fund 231)

Brief description of the type of fee in the fund:

The New Construction Fee is used for acquisition and development of public facilities like public structures, and street improvements. Annually, the City Council approves a five-year Capital Improvement Program budget that reflects current projects along with future committed projects utilizing these fees. The fee is based on: Industrial Buildings \$0.05/sq. ft.; Residential units \$0.40/sq. ft.; all other development \$0.40/sq. ft.

Part 1 – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 1,342,716	\$ 1,530,265	\$ 1,078,653	\$ 1,452,348	\$ 1,578,845
Developer Fees	\$ 163,899	\$ 121,565	\$ 326,092	\$ 518,442	\$ 265,447
Interest Income	\$ 28,575	\$ 5,444	\$ 2,094	\$ 43,369	\$ 81,048
Gain (Loss) on Fair Value-GASB 31	\$ 5,099	\$ -	\$ (35,864)	\$ 9,116	\$ 14,199
	\$ 197,573	\$ 127,009	\$ 292,321	\$ 570,927	\$ 360,694
CVAG-Reimbursed CV Link Project	\$ 12,083	\$ 5,141,123	\$ 1,681,840	\$ -	\$ -
Expenditures	\$ (22,107)	\$ (5,719,744)	\$ (1,600,466)	\$ (444,430)	\$ (5,911) (a)
Write-off Advance to RDA	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 1,530,265	\$ 1,078,653	\$ 1,452,348	\$ 1,578,845	\$ 1,933,628
Exclude Advance to RDA write-off:	\$ (130,800)	\$ (130,800)	\$ (130,800)	\$ -	\$ -
Ending Balance of available Revenue:	\$ 1,399,465	\$ 947,853	\$ 1,321,548	\$ 1,578,845	\$ 1,933,628

Note: Not include interest on Advance

(a) FY23-24 Expenditure Details:	AMOUNT
AMERICAN ASPHALT - CV LINK IMPROVEMENTS	\$ 5,911
Total :	\$ 5,911

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 197,573	\$ (4,193,270)	\$ (360,292)	\$ 570,927	\$ 360,694 (1)
Prior Year (2-Yrs Old)	\$ 209,396	\$ -	\$ -	\$ 292,321	\$ 570,927
Prior Year (3-Yrs Old)	\$ 170,421	\$ -	\$ -	\$ 127,009	\$ 292,321
Prior Year (4-Yrs Old)	\$ 204,788	\$ -	\$ -	\$ 197,573	\$ 127,009
Prior Year (5-Yrs Old)	\$ 228,499	\$ -	\$ -	\$ 209,396	\$ 197,573
Greater Than 5 Prior FY	\$ 376,706	\$ -	\$ -	\$ 181,619	\$ 385,104
Ending Balance	\$ 1,387,383	\$ (4,193,270)	\$ (360,292)	\$ 1,578,845	\$ 1,933,628
CVAG- Reimburse CV Link	\$ 12,083	\$ 5,141,123	\$ 1,681,840	\$ -	\$ -
Tie to ending balance on Fund Balance	\$ 1,399,465	\$ 947,853	\$ 1,321,548	\$ 1,578,845	\$ 1,933,628

(1) CVAG reimburses 100% of the CV Link project cost, excluding project design. The negative amount shown in FY 20-21 and FY21-22 is before the CVAG reimbursement received.

Section C – New Construction Fee (Fund 231) - continued

Public Improvements to be Constructed:

	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date	Cooperative Agreement
CV Link Hovley Connectors	\$ 3,500,000	\$ 3,500,000	55%	July 2024	CVAG to reimburse 100% of cost
	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>			

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Five Year Findings

Purpose of the Fee:

This fee is being collected for the acquisition and development of public facilities like playgrounds, public structures, and street improvements.

The Relationship Between the Fee and Purpose:

New construction in the City creates a need for additional public facilities, structures, and street improvements. When new construction occurs, a new construction fee is paid to provide the city with funding to accommodate the addition of more homes and residents through more public facilities and streets.

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

Funds in the New Construction Tax Fund are expected to be fully expended through the completion of the CV Link Hovley Connectors by the end of FY 2026-27. CV Link Hovley Connectors and CV Link enhancements also tie into the project known as "PD Link," which is designed to connect the CV Link with restaurants and attractions specific to the City of Palm Desert.

Section D – Drainage Facility Fee (Fund 232)

Brief description of the type of fee in the fund:

The Drainage Facility Fee is used for the drainage needs created by the development and adjoining streets to a project. The City has adopted a master drainage plan which gets modified as new development occurs. In addition, the City's Capital Improvement Program budget includes both current and future projects planned for use of the fees connected to the various development projects. Fees are based on which drainage map zone they reside within: Zone 1 fee is \$4,000 per acre; Zone 2 is \$1,500; Zone 3 is \$1,000; Zone 4 is \$1,000. The map is available in the Public Works Department upon request.

Part 1 – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 1,617,655	\$ 664,009	\$ 707,674	\$ 740,536	\$ 897,347
Developer Fees	\$ 18,020	\$ 61,455	\$ 43,295	\$ 132,022	\$ 54,470
Interest	\$ 22,881	\$ 5,247	\$ 3,800	\$ 22,836	\$ 40,473
Gain (Loss) on Fair Value-GASB 31	\$ (2,466)	\$ (3,563)	\$ (14,233)	\$ 4,352	\$ 7,499
	\$ 38,435	\$ 63,139	\$ 32,862	\$ 159,211	\$ 102,442
Reimbursed from CVAG	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursed from RDA	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	\$ (992,081)	\$ (19,474)	\$ -	\$ (2,400)	\$ (147,724) (a)
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 664,009	\$ 707,674	\$ 740,536	\$ 897,347	\$ 852,065

(a) FY23-24 Expenditure Details:	AMOUNT
ANSER ADVISORY	\$ 53,790
TERRA NOVA PLANNING & RESEARCH	\$ 999
STORM WATER APPLICATION	\$ 1,097
HR GREEN	\$ 65,067
EARTH SYSTEMS	\$ 8,720
MICHAEL BAKER INT	\$ 18,051
Total :	\$ 147,724

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 38,435	\$ 63,139	\$ 32,862	\$ 159,211	\$ 102,442
Prior Year (2-Yrs Old)	\$ 83,460	\$ 38,435	\$ 63,139	\$ 32,862	\$ 159,211
Prior Year (3-Yrs Old)	\$ 29,182	\$ 83,460	\$ 38,435	\$ 63,139	\$ 32,862
Prior Year (4-Yrs Old)	\$ 48,726	\$ 29,182	\$ 83,460	\$ 38,435	\$ 63,139
Prior Year (5-Yrs Old)	\$ 155,837	\$ 48,726	\$ 29,182	\$ 83,460	\$ 38,435
Greater Than 5 Prior FY	\$ 102,898	\$ 239,262	\$ 287,988	\$ 314,770	\$ 250,507
Ending Balance	\$ 458,539	\$ 502,204	\$ 535,066	\$ 691,876	\$ 646,595
<u>Exclude Reimbursement:</u>					
Reimbursed from CVAG	\$ 105,235	\$ 105,235	\$ 105,235	\$ -	\$ 105,235
Reimbursed from RDA	\$ 100,235	\$ 100,235	\$ 100,235	\$ -	\$ 100,235
Tie to ending balance on Fund Balance	\$ 664,009	\$ 707,674	\$ 740,536	\$ 691,876	\$ 852,065

Public Improvements to be Constructed:

	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date
Section 29 and Gerald Ford Drive Regional Detention Basin	\$ -	\$ 2,559	23%	July 2024
North Sphere Retention Basin	\$ 849,506	\$ 849,506	39%	July 2025
	<u>\$ 849,506</u>	<u>\$ 852,065</u>		

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Section D – Drainage Facility Fee (Fund 232) - continued

Five Year Findings

Purpose of the Fee:

This fee is being collected for the purpose of ensuring developments within the city are properly connected to drainage and in compliance with the City's drainage master plan. The cost of drainage installation projects requires fund balances to be accumulated prior to implementing the capital budget and must also be timed with other improvements occurring around these capital projects.

The Relationship Between the Fee and Purpose:

To protect homes and businesses from potential flooding, the City has established a master drainage plan that is updated for new development. Additional non-residential development within the City boundaries creates employment opportunities, which in turn creates a need for additional housing and businesses in the City. When new homes or businesses are created, the City must adjust its master drainage plan and add in new areas that may not have been a drainage concern in the past. Therefore, new non-residential development pays a drainage facility fee to support the additional drainage needs caused by added employment, housing and business.

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

Project	Funding Sources	Funding %	Expected Funding
Section 29 & Gerald Ford Regional Detention Basin	Drainage Fees	100%	July 2024
North Sphere Detention Basin	Drainage Fees	100%	July 2025

Section E– Park & Recreation Fee (Fund 233)

Brief description of the type of fee in the fund:

The fee is used to acquire land, construct parks, recreational areas, open space, and other public facilities for the city residents. Annually, the City Council adopts a Capital Improvement Program Budget detailing the current and future projects necessary for use of the fee. The fee is charged to residential properties based on the following formula: Number of units x 2.292 (people per household) x 5 acres divided by 1,000 population x land market value per acre.

Part 1 – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 1,662,454	\$ 1,588,447	\$ 1,599,065	\$ 1,708,631	\$ 1,630,268
Developer Fees	\$ 4,453	\$ 10,443	\$ 133,411	\$ 70,597	\$ 427,547
Refund Developer Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 32,590	\$ 11,526	\$ 8,620	\$ 48,195	\$ 76,130
Gain (Loss) on Fair Value-GASB 31	\$ 4,058	\$ (8,102)	\$ (32,465)	\$ 11,599	\$ 15,917
	\$ 41,101	\$ 13,867	\$ 109,566	\$ 130,391	\$ 519,594
Expenditures	\$ (115,108)	\$ (3,249)	\$ -	\$ (208,754)	\$ (360,272) (a)
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 1,588,447	\$ 1,599,065	\$ 1,708,631	\$ 1,630,268	\$ 1,789,591
<u>Exclude Insurance reimb:</u>					
Insurance reimb. playground	\$ (33,570)	\$ (33,570)	\$ (33,570)	\$ (33,570)	\$ (33,570)
Reimburse playground equipment	\$ (164,713)	\$ (164,713)	\$ (164,713)	\$ (164,713)	\$ (164,713)
Insurance reimb. damage	\$ (159,113)	\$ (159,113)	\$ (159,113)	\$ (159,113)	\$ (159,113)
SARDA reimb shade structure	\$ (15,896)	\$ (15,896)	\$ (15,896)	\$ (15,896)	\$ (15,896)
Ending Balance	\$ 1,215,155	\$ 1,225,773	\$ 1,335,339	\$ 1,256,976	\$ 1,416,299

(a) FY23-24 Expenditure Details:	AMOUNT
INTERWEST CONSULTING	\$ 360,272
Total :	\$ 360,272

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 41,101	\$ 13,867	\$ 109,566	\$ 130,391	\$ 519,594
Prior Year (2-Yrs Old)	\$ 291,909	\$ 41,101	\$ 13,867	\$ 109,566	\$ 130,391
Prior Year (3-Yrs Old)	\$ 34,936	\$ 291,909	\$ 41,101	\$ 13,867	\$ 109,566
Prior Year (4-Yrs Old)	\$ 322,198	\$ 34,936	\$ 291,909	\$ 41,101	\$ 13,867
Prior Year (5-Yrs Old)	\$ 309,926	\$ 322,198	\$ 34,936	\$ 291,909	\$ 41,101
Greater Than 5 Prior FY	\$ 215,084	\$ 521,761	\$ 843,959	\$ 670,141	\$ 601,779
Ending Balance	\$ 1,215,155	\$ 1,225,773	\$ 1,335,339	\$ 1,256,975	\$ 1,416,299

Public Improvements to be Constructed:

	FY 2022-23 Carryover Projects	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date
North Sphere Community Park		358,043	358,043	4%	July 2025
North Sphere Regional Sports Park		1,058,255	1,058,255	4%	April 2026
		\$ 1,416,298	\$ 1,416,298		

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Section E– Park & Recreation Fee (Fund 233) - continued

Five Year Findings

Purpose of the Fee:

This fee is being collected for the purpose of developing new parks or recreational facilities to serve the community. With the expansion of the North Sphere of the city over the last five years, funds are being accumulated to help support the building of both a North Palm Desert Community Park and a Regional Sports Park.

The Relationship Between the Fee and Purpose:

When new development occurs within the City boundaries, there becomes a need to support new homes and residents with additional park and recreational activities. Therefore, new residential developments must pay a Park & Recreation Fee, which may be used to create new areas for playgrounds, playfields, gardens, pedestrian or bicycle paths or areas of particular natural beauty, including canyons, hilltops and wooded areas to be developed in their natural state.

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

Funding sources for the North Sphere Community Park and the North Sphere Regional Sports Park are still being researched and determined while both parks are in the design phase. The current 5-year CIP anticipates the Community Park will cost approximately \$10,150,000 and the Regional Park will cost approximately \$30,000,000. The City expects to fully expend the accumulation of Park & Recreation Fees to supplement the completion of these parks.

Section F – Traffic Signalization Fee (Fund 234)

Brief description of the type of fee in the fund:

The fee is used for acquisition and development of the regional traffic signals within the City created by increased traffic load added by the development. Yearly, the City Council adopts a five-year Capital Improvement Plan detailing the current and future projects necessary for use of the fee. The fee is charged based on the type of building constructed, which is: Residential \$ 50 per unit; Commercial \$500 per 1,000 sq. ft.; Industrial \$500 per acre.

Part 1 – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 496,178	\$ 417,052	\$ 436,491	\$ 438,750	\$ 525,534
Developer Fees	\$ 29,677	\$ 18,467	\$ 8,400	\$ 70,931	\$ 50,640
Interest Income	\$ 9,682	\$ 3,062	\$ 2,259	\$ 13,140	\$ 25,751
Gain (Loss) on Fair Value-GASB 31	\$ 765	\$ (2,090)	\$ (8,400)	\$ 2,713	\$ 4,291
	<u>\$ 40,124</u>	<u>\$ 19,439</u>	<u>\$ 2,259</u>	<u>\$ 86,784</u>	<u>\$ 80,682</u>
Expenditures	\$ (119,250)	\$ -	\$ -	\$ -	\$ -
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	<u>\$ 417,052</u>	<u>\$ 436,491</u>	<u>\$ 438,750</u>	<u>\$ 525,534</u>	<u>\$ 606,216</u>

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 40,124	\$ 19,439	\$ 2,259	\$ 86,784	\$ 80,682
Prior Year (2-Yrs Old)	\$ 103,775	\$ 40,124	\$ 19,439	\$ 2,259	\$ 86,784
Prior Year (3-Yrs Old)	\$ 21,424	\$ 103,775	\$ 40,124	\$ 19,439	\$ 2,259
Prior Year (4-Yrs Old)	\$ 38,654	\$ 21,424	\$ 103,775	\$ 40,124	\$ 19,439
Prior Year (5-Yrs Old)	\$ 103,710	\$ 38,654	\$ 21,424	\$ 103,775	\$ 40,124
Greater Than 5 Prior FY	\$ 109,365	\$ 213,075	\$ 251,729	\$ 273,153	\$ 376,928
Ending Balance	<u>\$ 417,052</u>	<u>\$ 436,491</u>	<u>\$ 438,750</u>	<u>\$ 525,534</u>	<u>\$ 606,216</u>

Public Improvements to be Constructed:

	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date
Market Place Drive and Cook Street Signal	\$ -	\$ 460,075	31%	July 2024
Traffic Signals Cabinet Upgrades	\$ 500,000	\$ 500,000	29%	July 2025
	<u>\$ 500,000</u>	<u>\$ 960,075</u>		

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Section F – Traffic Signalization Fee (Fund 234) - continued

Five Year Findings

Purpose of the Fee:

This fee is being collected for the purpose of the construction or reimbursement of intersection of signalization projects within the City. Funds have accumulated in this fund over the last five years in order to pay for projects of significant cost. The process for addition of a new traffic signal at Market Place Drive and Cook Street began in May 2023 and is expected to expend the majority of accumulated fund balance during FY 2024-25.

The Relationship Between the Fee and Purpose:

As development in the city expands, more people drive on City streets, which can lead to traffic congestion or necessitate changes in traffic signaling and patterns. As a result, developers are required to pay a traffic signalization fee. This fee is used to add new traffic signals or intersection projects to accomodate the increased traffic flow caused by development.

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

<u>Project</u>	<u>Funding Sources</u>	<u>Funding %</u>	<u>Expected Funding</u>
Market Place Drive and Cook Street Signal	Traffic Signal Fees	31%	July 2024
	Measure A	69%	
Traffic Signals Cabinet Upgrades	Traffic Signal Fees	29%	July 2025
	Measure A	71%	

Section G – Fire Facility Fee (235)

Brief description of the type of fee in the fund:

Through impact fees for a new Fire Station and equipment, in order to meet some of the new commercial and residential development in the northern half of the City. The fee is calculated as follows: Commercial development rate is \$0.22 per square foot, industrial/office rate is \$0.20 per square foot, and residential development would be based on a \$2,262 per acre depending on density of units built or \$709 per single residence. Annually, the City will adopt a budget to use these funds to create new facilities and equipment.

Part 1 – Fund Balance, Revenue, Interest, Expenditures, Ending Balance

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Balance	\$ 1,153,479	\$ 1,212,787	\$ 1,261,388	\$ 1,368,086	\$ 1,580,701
Developer Fees	\$ 32,713	\$ 45,624	\$ 125,925	\$ 297,648	\$ 166,938
Interest Income	\$ 23,043	\$ 8,943	\$ 6,708	\$ 40,590	\$ 73,534
Gain (Loss) on Fair Value-GASB 31	\$ 3,552	\$ (5,966)	\$ (25,936)	\$ 8,599	\$ 13,313
	\$ 59,308	\$ 48,601	\$ 106,698	\$ 346,837	\$ 253,785
Expenditures	\$ -	\$ -	\$ -	\$ (134,222)	\$ (622,933) (a)
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 1,212,787	\$ 1,261,388	\$ 1,368,086	\$ 1,580,701	\$ 1,211,552

(a) FY23-24 Expenditure Details:	AMOUNT
PBK ARCHITECTS	\$ 358,501
ANSER ADVISORY	\$ 16,810
FRAZER LTD	\$ 75,694
COPD	\$ 5,276
ERSC	\$ 166,652
Total :	\$ 622,933

Transfers or Loans:

There have been no interfund transfers or loans made from the fund for this reporting period.

Refunds:

There have been no refunds made during this reporting period.

Part II – Compliance with expending funds within 5 years

Five Year Revenue Test Using First In First Out

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current	\$ 59,308	\$ 48,601	\$ 106,698	\$ 346,837	\$ 253,785
Prior Year (2-Yrs Old)	\$ 45,308	\$ 59,308	\$ 48,601	\$ 106,698	\$ 346,837
Prior Year (3-Yrs Old)	\$ 35,084	\$ 45,308	\$ 59,308	\$ 48,601	\$ 106,698
Prior Year (4-Yrs Old)	\$ 41,063	\$ 35,084	\$ 45,308	\$ 59,308	\$ 48,601
Prior Year (5-Yrs Old)	\$ 53,168	\$ 41,063	\$ 35,084	\$ 45,308	\$ 59,308
Greater Than 5 Prior FY	\$ 978,856	\$ 1,032,023	\$ 1,073,086	\$ 973,948	\$ 396,324
Ending Balance	\$ 1,212,787	\$ 1,261,388	\$ 1,368,086	\$ 1,580,700	\$ 1,211,552

Public Improvements to be Constructed:

	Future Years Commitments	Total Commitments	% Funded with Dev. Fee	Funding Available Date
North Sphere Fire Station	\$ -	\$ 663,629	7%	Late 2026

The City's Five Year Capital Improvement Program Budget is attached as a reference to future projects using existing cash balances for FY 2024-2025 through 2028-2029

Five Year Findings

Purpose of the Fee:

This fee is being collected for the development of a new Fire Station and equipment in order to meet some of the new commercial and residential development in the North Sphere of the City. The North Sphere Fire Station is currently going through the study and design phase through March 2024, and is expected to go into construction in late 2026.

The Relationship Between the Fee and Purpose:

Residential and commercial development in the Northern Sphere of the city has necessitated the addition of a new fire station to support emergency response for the City. When additional development expands the population of an area or changes the distribution of the population, emergency responders must cover a wider variety of territory and responses. The addition of a new fire station allows for fast response times and adequate emergency coverage in all areas of the City.

Section G – Fire Facility Fee (235) - continued

Sources, Amounts, and Dates of Funding Anticipated to Complete Financing:

Funding sources for the North Sphere Fire Station are still being explored while the project is in the study and design phase. It is expected that the existing accumulation of developer fees will be fully utilized upon station construction, along with other funding sources that have yet to be determined. The total cost of the fire station is currently approximately \$18.6 million.