

2020

AB 1600 – Annual City Development Impact Fee Report (FY-2019/20)



City of Rialto

CITY OF RIALTO

**ANNUAL REPORT OF DEVELOPMENT IMPACT FEES
(AB 1600 REPORT)**

YEAR ENDED JUNE 30, 2020



BACKGROUND

In 1987, the Legislature passed AB 1600 better known as the Mitigation Fee Act, which established a process by which cities may impose development impact fees on new development to finance various public improvements to mitigate the impacts of new development on the community

A development impact fee is a monetary exaction other than a tax or special assessment that is charged by local municipalities to an applicant, most likely a developer, in connection with approval of a development project. The development impact fees are assessed for defraying all or a portion of the cost of public facilities related to the development project.

The legal requirements for enactment of a development impact fee are presented in the Government Code Section 66000-66025 the "Mitigation Fee Act." The fee must be reasonably related to the cost of the public facilities provided by the local municipality. If a development impact fee does not relate to the impact created by the development or exceeds the reasonable cost of providing the public facilities, then the fee may be declared a special tax and must then be subject to two-thirds voter approval. "Public facilities" are defined to include public improvements, public services, and community amenities. The power to exact development impact fees arises from the City's police power to protect the public health, safety, and welfare of its citizenry, if it does not conflict with state laws.

As the City is collecting the various types of impact fees, AB 1600 requires accounting for every fee collected. The funds collected for each type of impact fee must be recognized in a separate fund account and not commingled with any other revenue. Within 180 days after the last day of the fiscal year, the City must make available the following information:

- a brief description of the type of fee in each account or fund;
- the amount of the fee;
- the beginning and ending balance of the account or fund;
- the amount of the fees collected and the interest earned;
- an identification of each public improvement on which fees were expended and the amount of each expenditure;
- an identification of the approximate date by which the construction of the public improvement will commence;
- a description of any inter-fund transfer or loan and the public improvement of which the transferred funds will be expended;
- the amount of refunds made and any allocations of unexpended fees that are not refunded.

This report meets the requirements of AB1600. This report will summarize fund activity for all development impact funds from July 1, 2019 through June 30, 2020. In addition to the financial summary, a brief description of the current and proposed capital projects will be highlighted.

I. TYPES OF DEVELOPMENT FEES

On September 10, 2013, the City Council adopted Ordinance 1532, which updated and revised the Rialto Municipal Code related to the imposition of Development Impact Fees by the City. Ordinance 1532 added Chapter 3.33 and replaced Chapters 3.34, 3.36, 3.40, 3.44, 153.48, 3.52, 3.56, 3.60, 3.64, 3.68, and 3.72 of the Rialto Municipal Code related to Development Impact Fees. Ordinance 1532 increased the number of development impact fees the City may impose from twelve (12) to thirteen (13) by adding a Local Traffic Impact Fee.

1. PARKS AND RECREATION DEVELOPMENT IMPACT FEES (RMC 3.33.150)

The Parks and Recreation Development Fund collects fees for the costs of acquiring, improving and expanding parks, playgrounds and recreational facilities.

2. REGIONAL TRAFFIC IMPACT MITIGATION DEVELOPMENT FEE (RMC 3.33.160)

The Regional Traffic Impact Mitigation Development Fund collects fees for the costs of the constructing transportation facilities associated with the regional traffic network.

3. LOCAL TRAFFIC DEVELOPMENT IMPACT FEE (RMC 3.33.170)

The Local Traffic Development Impact Fund collects fees for the cost of designing, upgrading or improving the city's local traffic network.

4. STREET MEDIAN DEVELOPMENT FEE (RMC 3.33.180)

The Streets and Median Development Fund collects fees for the costs of constructing and expanding street medians along major arterials.

5. GENERAL MUNICIPAL FACILITIES DEVELOPMENT FEE (RMC 3.33.190)

The General Municipal Facilities Development fund collects fees for the actual or estimated costs of constructing and improving the general municipal facilities within the City, including any required acquisitions of land.

6. LIBRARY FACILITIES DEVELOPMENT FEE (RMC 3.33.200)

The library facilities development fund collects fees for the actual or estimated costs of the acquisition, expansion, and construction of library facilities.

7. LAW ENFORCEMENT FACILITIES DEVELOPMENT IMPACT FEE (RMC 3.33.210)

The Law Enforcement Services Development Fund collects fees for the cost of law enforcement facilities, equipment, and training.

8. FIRE PROTECTION FACILITIES DEVELOPMENT FEE (RMC 3.33.220)

The Fire Protection Services Development Fund collects fees for the cost of fire protection facilities and equipment.

9. OPEN SPACE DEVELOPMENT IMPACT FEE (RMC 3.33.230)

The Open Space Development Fund collects fees for the costs of acquiring open space as well as grading, irrigation and turfing costs associated therewith.

10. SEWAGE COLLECTION FACILITIES DEVELOPMENT IMPACT FEE (RMC 3.33.240)

The Sewage Collection Facilities Development Fund collects fees for the cost of constructing and improving sewage collection facilities within the City, including any required acquisition of land.

11. SEWAGE TREATMENT FACILITIES DEVELOPMENT IMPACT FEE (RMC 3.33.250)

The Sewage Treatment Facilities Development Fund collects fees for the cost of constructing and improving sewage treatment facilities within the City, including any required acquisition of land.

12. DOMESTIC AND RECYCLED WATER FACILITIES DEVELOPMENT FEE (RMC 3.33.260)

The Water Holding and Distribution Development Fund collects fees for the cost of constructing and improving the water holding and distribution facilities within the City, including any required acquisition of land.

13. STORM DRAIN FACILITIES DEVELOPMENT IMPACT FEE (RMC 3.33.270)

The Storm Drain Facilities Development Fund collects fees for the cost of constructing and improving storm drain facilities within the City, including any required acquisition of land.

14. FAIR SHARE MITIGATION FEE (RMC 3.33.280)

The Fair Share Mitigation Fund collects fees for the cost of constructing and improving site specific public improvements such as a traffic signal, roadway, water line, or sewer line.

As the City collects the various types of impact fees, AB 1600 requires accounting for every fee collected. The funds collected for each development impact fee must be recognized in a separate fund account and not commingled with any other revenues. The City uses the development impact fees collected for the construction and the expansion of infrastructure and public facilities to accommodate growth, not for operating or maintenance costs.

PARKS AND RECREATION DEVELOPMENT IMPACT FEE

The Parks and Recreation Development Fee was established by adoption of Ordinance 1060 on May 2, 1989. Ordinance 1532, adopted on September 10, 2013, revised and recodified the Parks and Recreation Development Impact Fee into RMC Section 3.33.150. The current Parks and Recreation Development Impact Fee assessed upon new residential development was established by passage of Resolution 6067 on December 27, 2011, which approved significant increases to the existing development impact fees over a four-year period starting July 1, 2014.

Purpose of Fee:

The Parks and Recreation Development Fee is assessed as a condition of approval on all new residential development to pay for the costs incurred by the City in acquiring, improving, and expanding parks, playgrounds, and recreational facilities to meet the increased needs for those facilities resulting from the effects of new development in the City. Funds collected are deposited into a separate fund (Account No. 210-400-4760-7639) maintained by the City.

Use of Funds:

Funds held in the Parks and Recreation Development Fund (210) are solely for:

1. Acquisition of additional property for park and recreation facilities.
2. Design and construction of recreational facilities, including turf, landscaping, buildings, structures and other amenities for park and recreation purposes and master plans.
3. Furnishing of buildings or public facilities for park and recreational purposes.
4. Purchasing of equipment and vehicles for park and recreational purposes.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$11,377,973 with revenues of \$919,202, which was comprised of \$763,124 in development impact fees and \$156,078 in interest income. The FY 19/20 expenditures totaled \$7,422,610 for projects. The ending fund balance for FY 19/20 (June 30, 2020) was \$4,874,565.

Transfers

None.

Capital Investments

| <u>Projects:</u> | <u>Project #</u> | <u>DIF Expenditure</u> |
|-----------------------------------|-------------------------|-----------------------------------|
| Joe Sampson (Cactus/Randall) Park | 150303 | \$4,493,621 |
| Frisbie Park Expansion | 150304 | \$65,748 |
| Jerry Eaves Parking Lot Expansion | 170303 | \$496,598 |
| Baca-Turch New Park | 180301 | \$2,362,093 |
| Frisbie Park Field Lights | cb1803 | \$24,550 |

Future Use of Unexpended or Uncommitted Fees Over Five Years:

| Project | Description | Activity Update | Impact Fee Cost |
|---|--|--|------------------------|
| Joe Sampson (Cactus/Randall) Park (Project # 150303) | Construction of new park located at Cactus/Randall. | Project completed in FY2020 | Unavailable. |
| Frisbie Park Expansion (Project # 150304) | Conduct expansion in undeveloped portions of Frisbie Park. | Project on-going in FY 2020. | Unavailable. |
| Jerry Eaves Parking Lot Expansion (Project # 170303) | Installation of parking improvements along the south end of Jerry Eaves Park. | Project completed in FY2020. | Unavailable. |
| Baca-Turch New Park (Project # 180301) | Right-of-way expansion for development of new park. | The City is collecting fees to establish adequate funds to finance future additions. | Unavailable. |
| Frisbie Park Field Lights (Project # cb1803) | Installation of field lights at Frisbie Park. | Project completed in FY2020. | Unavailable. |

FIRE PROTECTION FACILITIES DEVELOPMENT IMPACT FEE

The Fire Protection Facilities Development Impact Fee was first established by the adoption of Ordinance 1112 on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised, and recodified the Fire Protection Facilities Development Impact Fee into RMC Section 3.33.220. The amount of the Parks and Recreation Development Impact Fee, which is assessed upon all new development in the City, was established by passage of Resolution 6067 on December 27, 2011, which approved significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

Purpose of the Funds:

The Fire Protection Services Development Fee is assessed as a condition of approval for all new residential, commercial, and industrial developments in the City to pay for the costs incurred by the City in acquiring, improving, and expanding fire facilities to meet the increased needs for those facilities resulting from the effects of new development in the City. Funds collected are deposited into a separate fund (Account No. 217-400-5176-7679) maintained by the City.

Use of Funds:

Funds collected from Fire Protection Services Development Fees (217) shall be used for:

1. Acquisition of additional property for fire protection facilities.
2. Design and construction of buildings for fire protection services and master plans.
3. Furnishing of buildings or facilities for fire protection services.
4. Purchasing of equipment and vehicles for fire protection services.
5. Costs of six months of training for fire protection trainees either at an academy or assigned to a department training officer.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$2,459,637 with revenues of \$341,403, which was comprised of \$304,521 in development impact fees and \$36,882 in interest income. FY 19/20 expenditures totaled \$296,067 for projects. The ending fund balance for FY 19/20 (June 30, 2020) was \$2,504,730.

Transfers

None.

Capital Investments:

| <u>Projects:</u> | <u>Project #</u> | DIF <u>Expenditure</u> |
|------------------------------|-------------------------|-----------------------------------|
| Fire Station 205 (Temporary) | 170203 | \$296,070 |

Future Use of Unexpended or Uncommitted Fees Over Five Years:

| Project | Description | Activity Update | Impact Fee Cost |
|---|--|---|-------------------------|
| Fire Station 205 Development (Temporary) Project # 170203 | Develop temporary facility (Fire Station 205) which will be repurposed for training facility and storage facilities upon completion of permanent facility. Facility located on Willow Avenue between San Bernardino Avenue and Valley Boulevard. | In FY2020, the project is on-going. The temporary facilities will be repurposed as training and storage facilities. | \$4,900,000. (estimate) |

LAW ENFORCEMENT FACILITIES DEVELOPMENT IMPACT FEE

The Law Enforcement Facilities Development Impact Fee was first established by Ordinance 1111, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised and recodified the Law Enforcement Facilities Development Impact Fee into RMC Section 3.33.210. The amount of the Law Enforcement Facilities Development Impact Fee, which is assessed upon all new development in the City, was established by Resolution 6067, approved on December 27, 2011, which approved significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

Purpose of the Funds:

The Law Enforcement Facilities Development Fee is assessed as a condition of approval for all new development to pay for the costs incurred by the City in acquiring, improving, and expanding Police facilities to meet the increased needs for those facilities resulting from the effects of new development in the City. Funds collected are deposited into a separate fund (Account No. 218-400-6282-7679) maintained by the City.

Use of Funds:

Funds collected from Law Enforcement Facilities Development Fees (218) shall be used for the following purposes:

1. Acquisition of additional property for law enforcement facilities.
2. Design and construction of buildings for law enforcement services and master plans.
3. Furnishing of buildings or facilities for law enforcement services.
4. Purchasing of equipment and vehicles for law enforcement services.
5. Costs of six months of training for police officer trainees either at an academy or assigned to a department training officer.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$968,775 with revenues of \$258,177 which was comprised of \$242,640 in development impact fee revenue and \$15,537 in interest income. FY19/20 expenditures totaled \$72,548 for projects. The ending fund balance for FY 19/20 (June 30, 2020) was \$1,154,404.

Transfers

None.

Capital Investments

| <u>Projects:</u> | <u>Project #</u> | <u>DIF Expenditure</u> |
|-------------------------|-------------------------|-----------------------------------|
| Generator Upgrade | 170204 | \$72,548 |

Future Use of Unexpended or Uncommitted Fees Over Five Years:

| Project | Description | Activity Update | Impact Fee Cost |
|---|---|---|------------------------------|
| Generator Upgrade | Purchase of back-up generator. | Project completed in FY20. | Unavailable. |
| Police Building Addition/Expansion | Develop or expand Police Department building. | The City is collecting fees to establish adequate funds to finance future building additions. | \$40,000,000.* (estimate) |
| *Per the Development Impact Fee Report dated December 10, 2011. | | | |

OPEN SPACE DEVELOPMENT IMPACT FEE

The Open Space Development Impact Fee was established by Ordinance 1108, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised and recodified the Open Space Development Impact Fee into RMC Section 3.33.230. The Open Space Development Impact Fee, which is assessed upon all new development in the City, was set and established by passage of Resolution No. 4484 on September 1, 1998.

Purpose of the Funds:

The Open Space Development Impact Fee is assessed as a condition of approval for all new development to pay for the actual or estimated costs of the acquisition of open space to replace land that is being developed. Funds collected are deposited into a separate fund (Account No. 220-400-8348-7679) maintained by the City.

Use of Funds:

Funds collected from the Open Space Development Fee (220) shall be used for:

1. Preparation or development of an open space master plan or other special studies, including but not limited to habitat conservation plan(s) as necessary, to identify and designate appropriate open space and habitat areas for preservation of threatened or endangered species, and other studies determined to be necessary by the city.
2. Acquisition of real property, easements, or other rights for the development of additional open space areas.
3. Design, engineering, construction and installation of improvements or facilities for the use, access and preservation of open space areas.
4. Establishment and endowment of on-going biological or cultural monitoring or interpretive programs necessary to maintain the viability of habitat conservation areas.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$1,351,980 with revenues of \$312,341, which was comprised of \$290,537 in development impact fee revenue and \$21,804 in interest income. FY 19/20 expenditures totaled \$25,674 for capital projects. The ending fund balance for FY 19/20 (June 30, 2020) was \$1,638,470.

Transfers

None.

Capital Investments

None.

STORM DRAIN FACILITIES DEVELOPMENT IMPACT FEE

The Storm Drain Facilities Fee was established by Ordinance 1108, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised and recodified the Storm Drain Facilities Fee Facilities Development Impact Fee into RMC Section 3.33.270. The amount of the Storm Drain Facilities Fee Development Impact Fee, which is assessed upon all new development in the City, was established by Resolution 6068, approved on December 27, 2011, which approved significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

Purpose of the Funds:

The Storm Drain Facilities Fee is assessed as a condition of approval for all new development to pay for the costs of providing storm water flow and retention facilities within the city necessary to accommodate new development, including any required acquisition of land. Funds collected are deposited into a separate fund (Account No. 230-400-4720-7662) maintained by the City.

Use of Funds:

Funds collected from the Storm Drain Facilities Fee (230) shall be used for:

1. Acquisition of real property for right-of-way and public facilities for storm drain purposes including special studies, engineering designs, plans and other retention or detention basins, treatment facilities and pipelines.
2. Design and construction of public facilities consisting of retention basins, detention basins, treatment infrastructure and pipelines for storm drains and master plans.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$19,487,919 with revenues of \$2,526,392, which was comprised of \$2,353,381 in development impact fee revenue and \$173,011 in interest income. FY 19/20 expenditures totaled \$76,418 which was comprised of \$71,618 in capital projects and \$4,800 in general administrative costs. The ending fund balance for FY 19/20 (June 30, 2020) was \$21,937,893.

Expenditures:

Transfers

None.

Capital Investments

None.

REGIONAL TRAFFIC IMPACT MITIGATION DEVELOPMENT IMPACT FEE

The Regional Traffic Impact Mitigation Development Fee was first established by Ordinance 1106, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised and recodified the Regional Traffic Impact Fee into RMC Section 3.33.160. The current Regional Traffic Impact Development Fee was set and established by Resolution No. 5427 on December 28, 2006. The Regional Traffic Fees has been increased twice since then based upon SANBAG's recommended construction cost index.

Purpose of the Funds:

The Regional Traffic Impact Mitigation Development Fee is assessed as a condition of approval for all development projects, including any substantial improvements to a building, structure or property to mitigate the impacts to the that result in an increase in the number of vehicle trips generated, as determined by a traffic study approved by the city. Funds collected are deposited into a separate fund (Account No. 250-400-4312-7679) maintained by the City.

Use of Funds:

Funds collected from Regional Traffic Development Impact Fee shall be used for the design and construction of regional traffic improvements, including the widening of arterials, intersections, installation of traffic signals, grade crossings, and freeway interchanges as identified in the city's approved list of regional traffic improvements contained in the SANBAG Regional Nexus Study, as amended.

The City Council approved a third increase to the Regional Traffic Fee on September 1, 2013. The increase was based upon SANBAG's recommended construction cost inflationary adjustment. Effective September 1, 2013, the Regional Traffic Fee is as follows:

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$20,422,122 with revenues of \$1,407,329, which was comprised of \$1,242,540 in development impact fee revenues and \$164,789 in interest income. FY 19/20 expenditures totaled \$2,227,180. The ending fund balance for FY 19/20 (June 30, 2020) was \$19,602,271.

Expenditures:

Transfers

None.

Capital Investments

None.

STREET MEDIAN DEVELOPMENT IMPACT FEE

The Street Median Development Fee was established by passage of Resolution No. 4484 on September 1, 1998. Ordinance 1532, adopted on September 10, 2013, revised, and recodified the Street Median Development Impact Fee into RMC Section 3.33.180. The Street Median Fee is assessed upon all new development in the City. The amount of the fee was established in Resolution No. 4484, which was adopted on September 1, 1998.

Purpose of the Funds:

The Street Median Development Fee is assessed as a condition of approval for all new development to pay for the actual or estimated costs of constructing raised medians on major arterials in the City. Funds collected are deposited into a separate fund (Account No. 255-400-4314-7679) maintained by the City.

Use of Funds:

Funds collected from street median development impact fee shall be used for the design, upgrade, enhancement, and/or construction of raised medians and related improvements along major arterials and other regional roadways, including but not limited to landscaping, hardscaping, special markers, entrance signs, monument signs, and other related improvements, which are located at major entrances or exits to neighborhoods

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$275,529, with revenues of \$2,452, which was comprised of interest income. There were no FY 19/20 expenditures to report. The ending fund balance for FY 19/20 (June 30, 2020) was \$277,981.

Expenditures:

Transfers

No interfund transfers or loans were made during the current fiscal year.

Capital Investments

None.

Future Use of Unexpended or Uncommitted Fees Over Five Years:

| Project | | Description | Activity Update | Impact Fee Cost |
|------------------|--------|--|--|------------------------------|
| Street Additions | Median | Develop street medians per the General Plan including on Foothill Boulevard. | The City is collecting fees to establish adequate fund to finance future street medians. | Expected to exceed \$100,000 |

GENERAL MUNICIPAL FACILITIES DEVELOPMENT IMPACT FEE

The General Municipal Facilities Development Fee was established by Ordinance 1107, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised, and recodified the Street Median Development Impact Fee into RMC Section 3.33.180. The amount of the General Municipal Facilities Development Fee, which is assessed upon all new development in the City, was established by Resolution 6067, approved on December 27, 2011, which approved significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

Purpose of the Funds:

The General Municipal Facilities Development Fee is assessed as a condition of approval for all new development to pay for the actual or estimated costs of constructing and improving general municipal facilities within the City, including any required acquisitions of land. Funds collected are deposited into a separate fund (Account No. 270-400-2147-7679) maintained by the City.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$2,689,309 with revenues of \$471,030, which was comprised of \$446,663 in development fees and \$24,367 in interest income. FY 19/20 expenditures totaled \$575,761, in capital projects. The ending fund balance for FY 19/20 (June 30, 2020) was \$2,584,578.

Expenditures:

Transfers

No interfund transfers or loans were made during the current fiscal year.

Capital Investments

None.

Future Use of Unexpended or Uncommitted Fees Over Five Years:

| Project | Description | Activity Update | Impact Fee Cost |
|-----------------------------------|------------------------------------|---|------------------------------|
| City Facility Addition/Expansion. | Develop or expand City facilities. | The City is collecting fees to establish adequate fund to finance future City facility additions. | \$18,900,000.* (estimate) |

*Per the Development Impact Fee Report dated December 10, 2011.

LIBRARY FACILITIES DEVELOPMENT IMPACT FEE

The Library Facilities Development Fee was established as part of the General Facilities Development Fee contained in Ordinance 1107, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised, and recodified the Library Facilities Development Impact Fee into RMC Section 3.33.200. The amount of the Library Facilities Development Fee, was established and set by Resolution 6067, approved on December 27, 2011.

Purpose of the Funds:

The Library Facilities Development Fee is assessed as a condition of approval for all new residential development to pay for:

1. Acquisition of additional property for library facilities.
2. Design, engineering, and construction of buildings for library services and master plans.
3. Furnishing of buildings or facilities for library facilities services.
4. Purchasing of books, computers, equipment, and vehicles for library facilities services.

Funds collected are deposited into a separate fund (Account No. #275-400-4315-7679) maintained by the City.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$81,507 with revenues of \$698 from interest income. There were no FY 19/20 expenditures to report. The ending fund balance for FY 19/20 (June 30, 2020) of \$82,205.

Expenditures:

Transfers

None.

Capital Investments

None.

Future Use of Unexpended or Uncommitted Fees Over Five Years:

| Project | Description | Activity Update | Impact Fee Cost |
|-------------------------------------|-------------------------------------|---|-----------------------------|
| Library Building Addition/Expansion | Develop or expand library building. | The City is collecting fees to establish adequate fund to finance future building addition. | \$8,889,000.* (estimate) |

SEWAGE COLLECTION DEVELOPMENT IMPACT FEE

The Sewage Collection Development Fee was first established by Ordinance 1109, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised, and recodified the Sewage Collection Development Impact Fee into RMC Section 3.33.240. The amount of the Sewage Collection Development Fee, which is assessed upon all new development in the City, was established by Resolution 6069, approved on December 27, 2011, which approved significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

In 2012, the City entered into a Concession Agreement with Rialto Water Services/VEOLIA to maintain and operate the City's water and wastewater systems. RWS/Veolia plans to make significant capital improvements to the City's sewage collection over the next five years.

Purpose of the Funds:

The Sewage Collection Development Fee is assessed as a condition of approval for all new development to pay for sewage collection facilities to support new development. Funds collected are deposited into a separate fund (Account No. 660-400-7150-7703) maintained by the City.

Funds collected from sewage collection facilities development impact fee shall be used for the following purposes:

1. Acquisition of additional property for sewage collection facilities and rights-of-way.
2. Design and construction of buildings, facilities, infrastructure and pipelines for sewage collection services and master plans.
3. Furnishing of buildings, pumps, lift stations or facilities for sewage collection services.
4. Purchasing of equipment and vehicles for sewage collection services.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$124,702, with revenues of \$176,111, which was comprised of development impact fees. There were no FY 19/20 expenditures to report. The ending fund balance for FY 19/20 (June 30, 2020) was \$300,813.

Expenditures:

Transfers

None.

Capital Investments

None.

SEWAGE TREATMENT FACILITIES DEVELOPMENT IMPACT FEE

The Sewage Treatment Development Fee was first established by Ordinance 1110, which was adopted by the City Council on July 3, 1990. Ordinance 1532, which was adopted on September 10, 2013, revised, and recodified the Sewage Treatment Development Impact Fee into RMC Section 3.33.250. The amount of the Sewage Treatment Development Fee, which is assessed upon all new development in the City, was established by Resolution 6069, approved on December 27, 2011, Resolution established the fee and implemented significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

Purpose of the Funds:

The Sewage Treatment Development Fee is assessed as a condition of approval for all new development to pay for the actual or estimated costs of constructing and improving the sewage treatment facilities within the City, including:

1. Acquisition of additional property for sewage treatment facilities and rights-of-way.
2. Design and construction of buildings, facilities, infrastructure for sewage treatment facilities and master plans.
3. Furnishing of buildings or facilities for sewage treatment services.
4. Purchasing of equipment and vehicles for sewage treatment services

Funds collected are deposited into a separate fund (Account No. 660-400-7856-7703) maintained by the City.

Amount of Fee:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$6,342,963 with revenues of \$488,135 in development impact fee revenue. There were no FY 19/20 expenditures to report. The ending fund balance for FY 20/20 (June 30, 2020) was \$ 6,831,098.

Expenditures:

Transfers

None.

Capital Investments

None.

Future Use of Unexpended or Uncommitted Fees Over Five Years:

The City expended the entire fees collected for eligible projects.

DOMESTIC AND RECYCLED WATER FACILITIES DEVELOPMENT IMPACT FEE

The Domestic and Recycled Water Facilities Development Impact Fee was previously referred to as the Water Holding and Distribution Development Fee, which was established by Ordinance 1113, which was adopted by the City Council on July 3, 1990. Ordinance 1532, adopted on September 10, 2013, revised, renamed, and recodified the Water Holding and Distribution Fee into the Domestic and Recycled Water Facilities Development Impact Fee as Section 3.33.25 of the Rialto Municipal Code the Domestic and Recycled Water Facilities Fee is assessed upon all new development in the City and was set and established by adoption of Resolution 6069 on December 27, 2011. Resolution 6069 approved significant increases to the existing development impact fee over a four-year period starting July 1, 2012.

Purpose of the Funds:

The Water Holding and Distribution Development Fee is assessed as a condition of approval for all new development to pay for the actual or estimated costs of constructing and improving water holding and distribution facilities within the city, including:

1. Acquisition of additional property for water pumping, treatment, processing, purification, holding, and distribution facilities, including associated rights-of-way.
2. Design and construction of buildings, facilities, infrastructure and pipelines for water pumping, treatment, purification, holding and distribution of water throughout the city and master plans.
3. Furnishing of buildings or facilities for water holding, pumping, treatment, purification, and distribution.
4. Purchasing of equipment and vehicles for the servicing of water holding, pumping, treatment, purification, and distribution facilities.

Funds collected are deposited into a separate fund (Account No. 670-400-7953-7679) maintained by the City.

Amount of Fee Based on Water Meter Size:

See Attachment 1.

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$ 445,179, with revenues of \$889,733, in development impact fee revenue. There were no FY 19/20 expenditures to report. The ending fund balance for FY 19/20 (June 30, 2020) was \$1,334,912.

Transfers

None.

Capital Investments

In 2012, the City entered into a Concession Agreement with Rialto Water Services/VEOLIA to maintain and operate the City's water and wastewater systems. RWS/Veolia has plans for significant capital improvements to the City's domestic and recycled water facilities.

Future Use of Unexpended or Uncommitted Fees Over Five Years:

The City expended the entire fees collected for eligible projects.

FAIR SHARE MITIGATION FEE

Fund Balance:

The beginning fund balance for Fiscal Year 19/20 (July 1, 2019) was \$ 12,131,258, with revenues of \$262,813, in development impact fee revenue. FY 19/20 expenditures totaled \$1,068,144, in capital projects. The ending fund balance for FY 19/20 (June 30, 2020) was \$11,325,927.

APPENDIX

Abbreviations

DU - Dwelling Unit
EDU – Equivalent Dwelling Unit
LFF – Lineal Front Foot
SF – Square Footage
SFR - Single Family Residential
TSF – Thousand Square Feet

ATTACHMENT 1
IMPACT FEE SCHEDULE
FY 2019/20

| DEVELOPMENT FEE CATEGORY | UNIT | NEW FEE EFFECTIVE JULY 22, 2020 | RESOLUTION NUMBER | DATE OF ADOPTION |
|--|------|---------------------------------------|----------------------|---------------------|
| GENERAL FACILITIES | | | | |
| Residential - | | | | |
| Estate | DU | \$ 2,113.79 | 6067 | 12/27/2011 |
| Single-family | DU | \$ 2,113.79 | 6067 | 12/27/2011 |
| Multi-family | DU | \$ 1,991.88 | 6067 | 12/27/2011 |
| Mobile Homes | DU | \$ 1,991.88 | 6067 | 12/27/2011 |
| Office Space | TSF | \$ 249.90 | 6067 | 12/27/2011 |
| Retail Space | TSF | \$ 249.90 | 6067 | 12/27/2011 |
| Service Space | TSF | \$ 249.90 | 6067 | 12/27/2011 |
| Industrial | TSF | \$ 73.26 | 6067 | 12/27/2011 |
| LAW ENFORCEMENT | | | | |
| Residential - | | | | |
| Estate | DU | \$ 1,500.63 | 6067 | 12/27/2011 |
| Single-family | DU | \$ 1,500.63 | 6067 | 12/27/2011 |
| Multi-family | DU | \$ 1,415.29 | 6067 | 12/27/2011 |
| Mobile Homes | DU | \$ 1,415.29 | 6067 | 12/27/2011 |
| Commercial/Retail | TSF | \$ 177.97 | 6067 | 12/27/2011 |
| Retail Space | TSF | \$ 177.97 | 6067 | 12/27/2011 |
| Service Space | TSF | \$ 177.97 | 6067 | 12/27/2011 |
| Industrial | TSF | \$ 53.63 | 6067 | 12/27/2011 |
| FIRE PROTECTION | | | | |
| Residential - | | | | |
| Estate | DU | \$ 1,104.44 | 6067 | 12/27/2011 |
| Single-family | DU | \$ 1,104.44 | 6067 | 12/27/2011 |
| Multi-family | DU | \$ 1,042.28 | 6067 | 12/27/2011 |
| Mobile Homes | DU | \$ 1,042.28 | 6067 | 12/27/2011 |
| Office Space | TSF | \$ 290.13 | 6067 | 12/27/2011 |
| Retail Space | TSF | \$ 290.13 | 6067 | 12/27/2011 |
| Service Space | TSF | \$ 290.13 | 6067 | 12/27/2011 |
| Industrial | TSF | \$ 87.77 | 6067 | 12/27/2011 |
| PARK DEVELOPMENT | | | | |
| Residential - | | | | |
| Single-family | DU | \$ 3,648.54 | 6067 | 12/27/2011 |
| Multi-family | DU | \$ 3,440.08 | 6067 | 12/27/2011 |
| Mobile Homes | DU | \$ 3,440.08 | 6067 | 12/27/2011 |
| Quimby In Lieu Fee (1) | | | | |
| Single-family | DU | \$ 6,337.71 | 6067 | 12/27/2011 |
| Multi-family | DU | \$ 5,975.66 | 6067 | 12/27/2011 |
| (1) Quimby Act - In Lieu Fee apply only to residential project that contain 50 or more dwelling units. | | | | |
| TSF = Square Foot per Thousand | | | | |

| DEVELOPMENT FEE CATEGORY | UNIT | NEW FEE EFFECTIVE JULY 22, 2020 | RESOLUTION NUMBER | DATE OF ADOPTION |
|------------------------------|--|---------------------------------------|----------------------|---------------------|
| OPEN SPACE | | | | |
| Residential - | | | | |
| Estate | DU | \$ 1,026.92 | 4484 | 9/1/1998 |
| Single-family | DU | \$ 606.82 | 4484 | 9/1/1998 |
| Multi-family | DU | \$ 137.81 | 4484 | 9/1/1998 |
| Mobile Homes | DU | \$ 328.62 | 4484 | 9/1/1998 |
| Non-Residential - | | | | |
| Office Space | TSF | \$ 140.00 | 4484 | 9/1/1998 |
| Retail Space | TSF | \$ 140.00 | 4484 | 9/1/1998 |
| Service Space | TSF | \$ 140.00 | 4484 | 9/1/1998 |
| Industrial | TSF | \$ 120.00 | 4484 | 9/1/1998 |
| LIBRARY FACILITIES | | | | |
| Residential - | | | | |
| Estate | DU | \$ 377.89 | 6067 | 12/27/2011 |
| Single-family | DU | \$ 377.89 | 6067 | 12/27/2011 |
| Multi-family | DU | \$ 355.96 | 6067 | 12/27/2011 |
| Mobile Homes | DU | \$ 355.96 | 6067 | 12/27/2011 |
| Office Space | TSF | No fee | 6067 | 12/27/2011 |
| Retail Space | TSF | No fee | 6067 | 12/27/2011 |
| Service Space | TSF | No fee | 6067 | 12/27/2011 |
| Industrial | TSF | No fee | 6067 | 12/27/2011 |
| REGIONAL TRAFFIC FEES | | | | |
| Residential - | Fee Effective January 1, 2017 Due To Approved SANBAG Increases | | | |
| Single-family | DU | \$ 3,533.00 | 5427 | 12/28/2006 |
| Multi-family | DU | \$ 2,448.00 | 5427 | 12/28/2006 |
| Retail | SF | \$ 4.87 | 5427 | 12/28/2006 |
| Office | SF | \$ 8.08 | 5427 | 12/28/2006 |
| Industrial | SF | \$ 2.80 | 5427 | 12/28/2006 |
| High Box Cube | SF | Eliminated | 6370 | 12/10/2013 |
| STREET MEDIANS | | | | |
| Residential - | | | | |
| Estate | DU | \$ 53.46 | 4484 | 9/1/1998 |
| Single-family | DU | \$ 53.46 | 4484 | 9/1/1998 |
| Multi-family | DU | \$ 35.16 | 4484 | 9/1/1998 |
| Mobile Homes | DU | \$ 26.93 | 4484 | 9/1/1998 |
| Office Space | TSF | \$ 80.00 | 4484 | 9/1/1998 |
| Retail Space | TSF | \$ 150.00 | 4484 | 9/1/1998 |
| Service Space | TSF | \$ 90.00 | 4484 | 9/1/1998 |
| Industrial | TSF | \$ 20.00 | 4484 | 9/1/1998 |

| DEVELOPMENT FEE CATEGORY | UNIT | NEW FEE EFFECTIVE JULY 22, 2020 | RESOLUTION NUMBER | DATE OF ADOPTION |
|---|------|---------------------------------------|----------------------|---------------------|
| STORM DRAIN FACILITIES | | | | |
| Residential - | | | | |
| Estate (1-2 du per acre) | DU | \$ 6,085.36 | 6068 | 12/27/2011 |
| Estate (1-2 du per acre) | Acre | \$ 12,171.95 | 6068 | 12/27/2011 |
| Single-family (1) | DU | \$ 4,126.39 | 6068 | 12/27/2011 |
| Single-family | Acre | \$ 20,286.99 | 6068 | 12/27/2011 |
| Multi-family (2) | DU | \$ 1,399.45 | 6068 | 12/27/2011 |
| Multi-family | Acre | \$ 24,343.90 | 6068 | 12/27/2011 |
| Mobile Homes | DU | \$ 1,399.45 | 6068 | 12/27/2011 |
| Office Space | TSF | \$ 2,096.72 | 6068 | 12/27/2011 |
| Commerical/Retail Space (3) | TSF | \$ 2,096.72 | 6068 | 12/27/2011 |
| Commerical/Retail Space | Acre | \$ 36,515.85 | 6068 | 12/27/2011 |
| Industrial (3) | TSF | \$ 2,096.72 | 6068 | 12/27/2011 |
| Industrial | Acre | \$ 36,515.85 | 6068 | 12/27/2011 |
| (1) Fee per SF dwelling unit is based upon an overall average of 4.92 du per acre and is used as for an estimated cost per du only. Fee could be higher or lower per du based upon actual dus/ac. (2) Fee per MF dwelling unit is based upon an average of 17.4 du per acre and is used as for an estimated cost per du only. Fee could be higher or lower per du based upon actual dus/ac. (3) Fee per 1,000 sq. ft. for commercial and industrial is for example purposes only and is based upon a FAR of 40%. Actual fee will be calculated using the greater of FAR or the per acre assessment. | | | | |

| DEVELOPMENT FEE CATEGORY | UNIT | NEW FEE EFFECTIVE JULY 22, 2020 | RESOLUTION NUMBER | DATE OF ADOPTION |
|---------------------------------------|------|---------------------------------------|----------------------|---------------------|
| WATER HOLDING AND DISTRIBUTION | | | | |
| <u>WATER METER SIZE AND TYPE</u> | | | | |
| 5/8 - 3/4" Displacement | Each | \$ 3,260.77 | 6069 | 12/27/2011 |
| 1" Displacement | Each | \$ 5,445.46 | 6069 | 12/27/2011 |
| 1½ " Displacement | Each | \$ 10,858.38 | 6069 | 12/27/2011 |
| 2" Displacement | Each | \$ 17,379.92 | 6069 | 12/27/2011 |
| 3" Displacement | Each | \$ 34,792.38 | 6069 | 12/27/2011 |
| 3" Displacement Compound | Each | \$ 34,792.38 | 6069 | 12/27/2011 |
| 3" Class I & II Turbine | Each | \$ 38,053.14 | 6069 | 12/27/2011 |
| 4" Displacement Compound | Each | \$ 54,356.98 | 6069 | 12/27/2011 |
| 4" Class I Turbine | Each | \$ 68,476.13 | 6069 | 12/27/2011 |
| 4" Class II Turbine | Each | \$ 68,476.13 | 6069 | 12/27/2011 |
| 6" Displacement Compound | Each | \$ 108,681.41 | 6069 | 12/27/2011 |
| 6" Class I Turbine | Each | \$ 141,289.09 | 6069 | 12/27/2011 |
| 6" Class II Turbine | Each | \$ 141,289.09 | 6069 | 12/27/2011 |
| 8" Displacement Compound | Each | \$ 173,896.78 | 6069 | 12/27/2011 |
| 8" Class I Turbine | Each | \$ 304,327.49 | 6069 | 12/27/2011 |
| 8" Class II Turbine | Each | \$ 304,327.49 | 6069 | 12/27/2011 |
| SEWAGE COLLECTION | | | | |
| Residential - | | | | |
| Estate | DU | \$ 875.25 | 6069 | 12/27/2011 |
| Single-family | DU | \$ 875.25 | 6069 | 12/27/2011 |
| Multi-family | DU | \$ 743.97 | 6069 | 12/27/2011 |
| Mobile Homes | DU | \$ 743.97 | 6069 | 12/27/2011 |
| Office Space | LFF | \$ 8.75 | 6069 | 12/27/2011 |
| Retail Space | LFF | \$ 8.75 | 6069 | 12/27/2011 |
| Service Space | LFF | \$ 8.75 | 6069 | 12/27/2011 |
| Industrial | LFF | \$ 8.75 | 6069 | 12/27/2011 |

| DEVELOPMENT FEE CATEGORY | UNIT | NEW FEE EFFECTIVE JULY 22, 2020 | RESOLUTION NUMBER | DATE OF ADOPTION |
|---|-------------|---------------------------------------|----------------------|---------------------|
| SEWAGE TREATMENT | | | | |
| Group I - Residential Uses | | | | |
| Residential | | | | |
| Estate / Single Family | EDU | \$ 2,066.07 | 6069 | 12/27/2011 |
| Multi Family | DU | \$ 1,755.26 | 6069 | 12/27/2011 |
| Group II - Commercial (Low Strength) | | | | |
| Barber Shop/Beauty Parlor | Per Station | \$ 273.03 | 6069 | 12/27/2011 |
| Car Wash | TSF | \$ 18,713.30 | 6069 | 12/27/2011 |
| Church | TSF | \$ 370.45 | 6069 | 12/27/2011 |
| Commercial Use | TSF | \$ 807.52 | 6069 | 12/27/2011 |
| Hospital/Dental Office/Clinic | TSF | \$ 2,539.96 | 6069 | 12/27/2011 |
| Department and Retail Store | TSF | \$ 807.52 | 6069 | 12/27/2011 |
| Health Club/Spa | TSF | \$ 5,971.81 | 6069 | 12/27/2011 |
| Indoor Theatre | TSF | \$ 1,286.49 | 6069 | 12/27/2011 |
| Laundromats | TSF | \$ 29,388.42 | 6069 | 12/27/2011 |
| Lumber Yard | TSF | \$ 326.33 | 6069 | 12/27/2011 |
| Professional Offices | TSF | \$ 1,442.55 | 6069 | 12/27/2011 |
| Warehouse | TSF | \$ 201.32 | 6069 | 12/27/2011 |
| Group III - Commercial (Medium Strength) | | | | |
| Hotels/Motels (w/o restaurants) | Room | \$ 1,148.82 | 6069 | 12/27/2011 |
| Manufacturing (2) | See (2) | See (2) | 6069 | 12/27/2011 |
| Repair and Service Stations/Gas Stations | TSF | \$ 963.25 | 6069 | 12/27/2011 |
| Group IV - Commercial (High Strength) | | | | |
| Bakeries (wholesale) Doughnut Shop | TSF | \$ 5,610.63 | 6069 | 12/27/2011 |
| Banquet Room/Ball Room | TSF | \$ 16,030.29 | 6069 | 12/27/2011 |
| Mortuary - Embalming Area | TSF | \$ 2,026.21 | 6069 | 12/27/2011 |
| Restaurant - Take-out | TSF | \$ 6,011.37 | 6069 | 12/27/2011 |
| Restaurant - Drive-thru/Fast Food | Seat | \$ 300.29 | 6069 | 12/27/2011 |
| Restaurant - Fast food/Outdoor seat | Seat | \$ 300.29 | 6069 | 12/27/2011 |
| Restaurant/Cafeteria - Full service/Indoor seat | Seat | \$ 501.20 | 6069 | 12/27/2011 |
| Restaurant/Cafeteria - Full service/Outdoor seat | Seat | \$ 501.20 | 6069 | 12/27/2011 |
| Supermarkets | TSF | \$ 3,037.08 | 6069 | 12/27/2011 |
| Group V - Institutional Uses - | | | | |
| Schools - Elementary/Junior/Daycare | Student | \$ 73.83 | 6069 | 12/27/2011 |
| Schools - High /College | Student | \$ 148.84 | 6069 | 12/27/2011 |
| (1) For hotels with restaurants, the DIF for the hotel and the restaurant are calculated separately then added together. (2) For industry and heavy manufacturing, the DIF for an equivalent warehouse is calculated, and added to the DIF calculated for non-domestic sewer flow according to the formula: $\text{DIF} = \text{flow (gpd)} * \$5.02 + \text{BOD (lb/day)} * \$1,007.38 + \text{TSS (lb/day)} * \$1,128.90$ | | | | |

| DEVELOPMENT FEE CATEGORY | UNIT | NEW FEE EFFECTIVE JULY 22, 2020 | RESOLUTION NUMBER | DATE OF ADOPTION |
|---|--------|---------------------------------------|----------------------|---------------------|
| FAIR SHARE FEES | | | | |
| Renaissance Specific Plan / EIR Fee | | | | |
| Residential - | Acre | \$ 4,044.01 | 6310 | 7/23/2013 |
| Commercial | Acre | \$ 4,044.01 | 6310 | 7/23/2013 |
| Industrial | Acre | \$ 4,044.01 | 6310 | 7/23/2013 |
| Renaissance Specific Plan - Traffic Mitigation Fair Share Fee | | | | |
| Single Family Residential (Detached) | DU | \$ 396.86 | 6418 | 3/11/2014 |
| Multi-Family/Condominium (Attached) | DU | \$ 204.32 | 6418 | 3/11/2014 |
| Retail / Shopping Center | TSF | \$ 1,465.65 | 6418 | 3/11/2014 |
| Office | TSF | \$ 581.54 | 6418 | 3/11/2014 |
| Industrial Warehouse | TSF | \$ 165.02 | 6418 | 3/11/2014 |
| Business Park | TSF | \$ 506.88 | 6418 | 3/11/2014 |
| Governmental Office | TSF | \$ 506.88 | 6418 | 3/11/2014 |
| Note: Land Uses not listed will be assessed on the trip generation from TIA for project | | | | |
| Renaissance Specific Plan - Alder Avenue ROW Acquisition Fair Share Fee | | | | |
| Alder Avenue ROW Fee* | ROW SF | \$ 16.81 | 7066 | 1/24/2017 |
| *Credit applied to parcels purchased at no cost to the City. | | | | |
| ROWSF=Right-Of-Way Acquired Square Foot | | | | |
| Pepper Avenue Specific Plan - Traffic Fees | | | | |
| Retail | TSF | \$ 1,221.60 | 7280 | 2/13/2018 |
| Business Park | TSF | \$ 354.99 | 7280 | 2/13/2018 |
| Dwelling Unit | DU | \$ 513.72 | 7280 | 2/13/2018 |
| Pepper Avenue Specific Plan - Improvement Fee | | | | |
| For parcels in PSP Project Area | LLF | \$ 705.48 | 7280 | 2/13/2018 |
| Only for parcels at SE corner of Pepper and Highland | LLF | \$ 24.65 | 7280 | 2/13/2018 |
| Pepper Avenue Specific Plan - EIR/SP Fee | | | | |
| All Uses | Acre | \$ 13,270.23 | 7280 | 2/13/2018 |