

CITY OF COLTON

Annual Development Impact Fee Report

Fiscal Year Ended June 30, 2024

December 30, 2024

Prepared by:
NBS
for the
CITY OF COLTON



City of Colton



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1. DEVELOPMENT IMPACT FEE REPORT

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. Regarding reporting requirements, the Mitigation Fee Act requires annual reporting on each impact fee fund, as well as a separate five-year reporting process. This report meets the requirements described in 1.1 Annual Report, below. A combined Annual and Five-Year Report will next be provided in 2028.

1.1 Annual Report Requirements

Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund; *(report section 2)*
2. The amount of the fee; *(report section 2 and attachment)*
3. The beginning and ending balance of the account or fund; *(report section 3)*
4. The amount of the fees collected, and interest earned; *(report section 3)*
5. 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; *(report section 4)*
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement; An identification of each public improvement identified in a previous report and whether construction began on the approximate date noted in the previous report. For a project identified 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. *(report section 4)*
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended; *(report section 5)*
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f). *(report section 6)*

The annual report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Section 66013(d) has similar requirements for utility capacity charges in that, within 180 days after the close of each fiscal year, the local agency must make available to the public the following information:

1. A description of the charges deposited in the fund; *(report section 2)*
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund; *(report section 3)*
3. The amount of charges collected in that fiscal year; *(report section 3)*
4. An identification of:
 - a. Each public improvement on which charges were expended and the amount of expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used; *(report section 4)*
 - b. Each public improvement on which charges were expended that was completed during that fiscal year; *(see report section 4)*
 - c. Each public improvement that is anticipated to be undertaken in the following fiscal year; *(report section 4)*
5. A description of each interfund transfer or loan made from the capital facilities fund, including the public improvement on which the transferred or loaned charges are or will be expended and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the fund will receive on the loan. *(see report section 5)*

1.2 Five-Year Report

Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money, otherwise those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

2. CURRENT IMPACT FEES

Development impact fees (DIFs) in the City of Colton are one-time charges levied on new development in Colton to fund various infrastructure, facilities, vehicles, and equipment. The City’s DIF program was most recently updated by City Council’s ratification of Ordinance O-02-20. The fee amounts included in the Ordinance are substantiated by the Development Impact Fee Justification Study for the City of Colton, Report Date: January 21, 2020 (DIF Study). The Attachment to this report provides a copy of Colton’s current DIF Fee Schedule.

2.1 Types of Impact Fees and Impact Fee Funds

The fees documented in the body of this Annual Development Impact Fee Report (Report) include the following fees listed below. The revenue and expenditures for each fee type are tracked by the City in separate funds.

Table 1. Impact Fees and Impact Fee Funds

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
248	Park Development Fund	The Park Development Fund tracks revenues and expenditures associated with Park Development (Facilities) Fees and Quimby In-Lieu Fees. Quimby In-Lieu fees are regulated by Government Code Section 66477, not the Mitigation Fee Act. This Annual Report intends to comply specifically with the Mitigation Fee Act’s reporting requirements. Therefore, the description of the purpose and use of fees for this fund is limited to the Park Development (Facilities) Fees. These fees are collected and spent on the construction of new parks, recreational facilities, and trails needed to serve new development. The fees are intended to meet demand for park facilities caused by new development through the year 2035.
249	Traffic Impact Fund	Traffic Facilities Fees are collected and spent on the construction of new roadways, interchanges, intersections, traffic signals, bridge construction and related improvements in the City, as specifically identified in the City’s Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development. The fees are intended to meet the transportation demand for new development through the year 2035.
250	New/Library Facilities	Library Facilities Fees are collected and spent on the expansion and remodeling of existing library facilities, acquisition of books, equipment, and materials for these facilities, specifically identified in the City’s Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
251	Civic Center	Civic Center Facilities Fees are collected and spent on the acquisition of land, construction of new public buildings, and expansion of existing City facilities to accommodate new development growth. Facilities are identified on the City's Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.
252	Fire Department Facilities	Fire Department Facilities Fees are collected and spent on the construction of new Fire Department facilities, a fire training facility, dorm and apparatus bay, a fire training tower and vehicle and equipment acquisition and replacement, specifically identified on the City's Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.
253	Police Department Facilities	Police Department Facilities Fees are collected and spent on the construction, expansion and build-out of Police department facilities as well as vehicle and equipment replacement, specifically identified on the City's Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.
521	Water	The City charges a combined Waste/Water Facilities Fee, collected and spent for additional water and wastewater facilities identified as needed to serve new development. Among facilities needed are new wells, treatment plants, booster stations, lift stations, pipes, reservoirs, station rehabs and others. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development. Facility needs, costs, and calculated fee amounts for water separate from wastewater are substantiated by the DIF Study, even though the City has adopted a combined Waste/Water Facilities Fee. Revenue is tracked to a specific revenue account within the respective utility funds for Water and Wastewater.
522	Wastewater	

3. FINANCIAL SUMMARY REPORT

The following financial summary provides an annual statement of revenue, and changes in fund balance for each impact fee fund, for the Fiscal Year End June 30, 2024. Figures shown in the table below are unaudited as of the date of this report.

Table 2. Financial Summary Fiscal Year 2024

Fund No.	248	249	250	251	252	253	521	522
Description	Park Facilities Fee Fund²	Traffic Facilities Fee Fund	New/ Library Facilities Fee Fund	Civic Center Facilities Fee Fund	Fire Facilities Fee Fund	Police Facilities Fee Fund	Water Facilities Fees³	Wastewater Facilities Fees³
REVENUES								
Fees	261,390	975,323	112,355	10,542	15,739	20,497	109,038	276,401
Interest	222,393	591,995	26,589	7,902	19,927	25,776	-	-
Other Revenue	134,447	118,804	-	-	-	-	-	-
Total Revenues	618,230	1,686,121	138,945	18,444	35,665	46,274	109,038	276,401
Fund Balance, Beginning of the Year¹	3,680,235	9,775,118	402,297	132,017	339,820	439,424	43,154,963	38,172,037
Fund Balance, End of the Year	4,298,465	10,965,955	541,241	150,459	375,485	485,697	45,453,034	36,979,481

¹ Beginning & Ending Fund Balance matches financial reports provided by the City's Finance Department
² "Other Revenue" for Fund 248 is Quimby Fees; Fund Balance includes both Quimby and DIF sources and uses
³ Beginning & Ending Fund Balance reflects balance of entire utility fund, not specific to capacity fee revenues and expenses

4. PUBLIC IMPROVEMENTS

This section of the Annual Report identifies each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees.

Table 3. Public Improvements Fiscal Year 2024

Fund	CIP #	Fund Name	Project Name	Project Start FY	Project Finish FY	Project Phase	Total Facility Cost	DIF Fees				
								Total Impact Fee Funded Amount	% Impact Fee Funded	Total Prior Year Impact Fee Expenditures	FY 2024 Impact Fee Expenditures	Impact Fee Funding Remaining
249	1606	Traffic	Street Improvement at Census Tract 66-BI	2018	2020	Completed	\$ 1,200,000	\$ 200,000	16.7%	\$ 174,166	\$ 25,834	\$ -
249	1803	Traffic	Barton Bridge Replacement Project	2019	2027	Active	\$ 611,132	\$ 164,064	26.8%	\$ 28,669	\$ 4,796	\$ 130,598
249	1816	Traffic	Agua Mansa Road Widening including Bridge Widening at Rialto Channel	2022	2025	Active	\$ 1,379,976	\$ 232,530	16.9%	\$ 148,310	\$ 99,269	\$ (15,049)
249	2140	Traffic	La Cadena Drive Sidewalk Improvement	2023	2024	Completed	\$ 326,600	\$ 184,493	56.5%	\$ 16,539	\$ 184,448	\$ (16,494)
249	2226	Traffic	Traffic Signal-Meridian/San Bernardino/Olive	2022	2026	Active	\$ 400,000	\$ 362,834	90.7%	\$ 37,166	\$ 31,829	\$ 293,839
249	2238	Traffic	Washington St Class II Bicycle Route	2022	2025	Active	\$ 248,000	\$ 170,907	68.9%	\$ 11,591	\$ 8,604	\$ 150,712
249	2315	Traffic	Traffic Signal 7th&Valley	2023	2026	Active	\$ 400,000	\$ 387,070	96.8%	\$ 12,930	\$ 13,774	\$ 360,366
249	2316	Traffic	Traffic Signal Upgrade La Cadena/Bordwell/Laurel	2023	2026	Active	\$ 300,000	\$ 287,105	95.7%	\$ 12,895	\$ 14,266	\$ 259,944
249	2347	Traffic	West Colton Class I Bike Trail Project	2019	2027	Active	\$ 2,820,000	\$ 260,006	9.2%	\$ 5,174	\$ 15,866	\$ 238,966
249	2423	Traffic	Traffic Signal Cooley at Old Ranch Rd	2023	2026	Active	\$ 400,000	\$ 400,000	100.0%	\$ -	\$ 1,914	\$ 398,086
249	2463	Traffic	Crosswalk Improvement Project	2024	2026	Active	\$ 203,400	\$ 20,340	10.0%	\$ -	\$ 2,063	\$ 18,277
249	2466	Traffic	Bike Lane SO La Cadena Dr	2024	2026	Active	\$ 320,000	\$ 112,000	35.0%	\$ -	\$ 8,237	\$ 103,763
249	N/A	Traffic	Non Dept. CIP Transfer to fund 450; Misc Expenses	2023	on-going	Active	n/a	\$ 622,006	n/a	\$ 9,111	\$ 23,160	\$ 589,736
521		Water	New Mainline - F Street	2023	2024	Completed	\$ 787,872	\$ 200,000	25.4%	\$ 200,000	\$ -	\$ -
TOTAL							\$ 7,082,508	\$ 3,018,862		\$ 265,846	\$ 223,779	\$ 2,529,237

The projects listed above represent active uses of impact fee funds to complete current capital improvement projects.

Government Code Section 66006 (b)(1)(F)(i) also requires Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement.

The City has identified public improvement projects that have sufficient impact fee funds available to complete, including approximate dates (fiscal year) of construction in the City's 2024/25 Capital Improvement Plan as adopted by City Council. Other than projects shown above or in the CIP, the City has not determined that sufficient funds have been collected to complete financing of any other incomplete public improvements.

Government Section 66013(d) requirements for water and wastewater capacity charges are to identify each public improvement that is anticipated to be undertaken in the following fiscal year. The City has not identified any Water or Wastewater improvements scheduled for capacity fee funding in Fiscal Year 2024-25.

5. INTERFUND LOANS

The Mitigation Fee Act requires a description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended. The following table provides the status of an existing loan made from impact fee funds in 2013.

Table 4. Interfund Loan Status

Date of Loan	Maturity Date	Purpose of Loan	Original Advance	Lender	Borrower	Balance Due 06/30/24	Interest Rate
3/1/2013	3/1/2068	Acquisition and redevelopment of a 120-unit multifamily affordable senior citizen rental housing development	\$ 102,809	248 - Park Development Fee	Eagle Colton 55, LP / Colton Housing Authority Fund 898	\$ 102,888	2.0%
			\$ 56,177	249 - Traffic Impact Fee		\$ 56,220	2.0%
			\$ 3,629	250 - New Facilities Fee		\$ 3,632	2.0%
			\$ 1,273	251 - Civic Center Fee		\$ 1,274	2.0%
			\$ 1,767	252 - Fire Facility Fee		\$ 1,768	2.0%
			\$ 2,489	253 - Police Facility Fee		\$ 2,491	2.0%
			\$ 7,900	521 - Water Enterprise		\$ 7,906	2.0%

6. REFUNDS

The refunding requirements for the Mitigation Fee Act are summarized as follows:

Refunds under the Mitigation Fee Act If the City determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Government Code Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

As discussed in Section 4 of this report, determinations regarding sufficient funds collected to complete incomplete improvements are provided by the City's annual Capital Improvement Plan. The City has not made a determination that sufficient funds have been collected to complete financing of any other incomplete public improvements. No refunds of impact fee monies were made or required.

Disclaimer: In preparing this report and any analysis and findings included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions and events that occurred or may occur in the future. This information and assumptions, including the City's budgets, financial reports, capital project data, and other information were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions. While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary due to unanticipated events and circumstances.

ATTACHMENT – CURRENT IMPACT FEE SCHEDULE



City of Colton Impact Fee Summary

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Following is a summary of impact fees assessed by the City of Colton on new development. Please contact the Public Works Department (909.370.5065 | 160 S. 10th Street) for a precise calculation of impact fees for your development. Fees are current as of February 2020 but are subject to change at any time.

Infrastructure Fee (“SBCTA Fee”)

Circulation Fees for Arterial, Interchange and Railroad Crossings Improvements

Land Use Category	Parameter	Trips/Unit	Fee
Single Family	Units	9.57	\$4,007
Multi-Family	Units	5.86	\$2,453
Retail	KSF	38.66	\$8,093
Office	KSF	9.21	\$3,856
Industrial	KSF	4.7	\$1,967

Development Impact Fees and Capacity Fees (Ordinance No. O-020-20)

Land Use	Residential		Non-Residential		
	Single-family \$ per Unit	Multi-Family \$ per unit	Commercial \$ per 1,000 SF	Office \$ per 1,000 SF	Industrial \$ per 1,000 SF
Traffic Facilities Fee	\$1,623	\$1,236	\$395	\$676	\$147
Public Facilities Fees					
Police	\$1,134	\$863	\$276	\$472	\$102
Fire	\$870	\$662	\$211	\$362	\$79
Library	\$515	\$392	\$125	\$214	\$46
Civic Center	\$180	\$137	\$44	\$75	\$16
Total	\$2,697	\$2,054	\$656	\$1,124	\$244
Park Development Fee	\$5,714	\$4351	\$0.74	\$1.27	\$0.28