

City of Watsonville Annual and Five-Year Report
Development Impact Fees Report
For Fiscal Year Ending June 30, 2025



Watsonville

 **FINANCE** 



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City of Watsonville
Annual Mitigation Fee Act (AB 1600) Report on Development Impact Fees
Five Year Report for Fiscal Years 2020/21 through 2024/25

Introduction

LEGAL REQUIREMENTS FOR DEVELOPMENT IMPACT FEE REPORTING

California Government Code Section 66006 (b)

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose AB 1600 Development Impact Fees (DIF) on new development. Annually, for each separate fund established for the collection and expenditure of DIFs, the local agency shall, within 180 days of the close of the fiscal year, make available to the public the information shown below for the most recent fiscal year.

- A) A brief description of the type of fee in the account or fund.
- B) The amount of the fee.
- C) The beginning and ending balance of the account or fund.
- D) The amount of the fees collected, and interest earned.
- E) 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.
- F)(i) 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.
- F)(ii) 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.
- F)(iii) 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
- G) A description of each interfund transfer or loan made from the account or fund, 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 rate of interest that the account or fund will receive on the loan.
- H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

California Government Code Section 66001 (d)(1)

For all funds established for the collection and expenditure of DIFs, California Government Code

Section 66001 (d)(1) has additional requirements. For the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make all the following findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- A) Identify the purpose to which the fee is to be put.
- B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- C Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).
- D) Designate the approximate dates on which the funding referred to in subparagraph (c) is expected to be deposited into the appropriate account or fund.

California Government Code Section 66013(d)

California Government Code Section 66006(b)(1) defines the specific reporting requirements for local agencies that impose Capacity Fees on new development. Annually, for each separate fund established for the collection and expenditure of Capacity Fees, the local agency shall, within 180 days of the close of the fiscal year, make available to the public the information shown below for the most recent fiscal year.

- (1) A description of the charges deposited in the fund.
- (2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
- (3) The amount of charges collected in that fiscal year.
- (4) An identification of all of the following:
 - (A) Each public improvement on which charges were expended and the amount of the 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.
 - (B) Each public improvement on which charges were expended that was completed during that fiscal year.
 - (C) Each public improvement that is anticipated to be undertaken in the following fiscal year.
- (5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The

information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

FIVE-YEAR REPORT AND FINDINGS

California Government Code Section 66001(d)(1) requires the City to make findings every fifth year with respect to that portion of each impact fee account that remains unexpended, whether encumbered to a specific project or remaining unencumbered in an impact fee fund. As of June 30, 2021, the five-year revenue tests (included as part of Table 9, Table 11, Table 13, Table 15, and Table 17) indicate that each of the City's development impact fee funds has unexpended funds that have been held past the fifth year of first deposit. Therefore, the City is reporting the following findings relating to each of the fee programs.

- 66001(d)(1)(A): Identify the purpose to which the fee is to be put.
- 66001(d)(1)(B): Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- 66001(d)(1)(C): Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.
- 66001(d)(1)(D): Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

DESCRIPTION OF IMPACT FEE

221-Affordable Housing Fees

Residential projects with fewer than 7 units and commercial/industrial developments exceeding 1,000 square feet of gross floor area are subject to an in-lieu fee. However, the developer of a residential project may elect to provide an affordable unit rather than paying the in-lieu fee.

The in-lieu fees collected pursuant to the Affordable Housing Ordinance are used to fund activities designed to support affordable housing. The amount of funds deposited into the Affordable Housing Fund is heavily dependent on a strong economy and local development activity. These funds can be used to help a wider range of income groups than federal and state programs generally finance. According to the City's Affordable Housing Ordinance, moderate and above moderate-income households can receive program benefits. These funds can be used to increase the supply of affordable housing, improve the housing supply, and reduce the cost of housing. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on affordable housing measured by the number of units or square footage depending on the type of development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

AFFORDABLE HOUSING ORDINANCE - IN LIEU FEES

Residential

Single-Family detached	\$15,819.00	per unit
Accessory dwelling unit (14-46.050 exceptions)	\$0.00	
Multi-Family (townhouses, co-op, condos all for sale)	\$7,911.00	per unit

Commercial

0-1,000 sq. ft.	\$0.00	per sq. ft.
1,001 sq. ft. or more	\$3.95	per sq. ft.

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)**

	0221				
	AFFORDABLE HOUSING				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
CHARGES FOR SERVICES					
FED INTERGOV REVENUE					
IMPACT FEES	49,520	78,920	-	8,560	29,030
MISCELLANEOUS REVENUE	1,500	2,949	1,500	36,792	692,178
GRANTS					
OTHER CHARGES & FEES	42,083	22,247	4,650	268,290	695,853
TRANSFERS IN/ OUT					
INTEREST	644	1,315	1,499	3,410	4,176
TOTAL REVENUE	93,747	105,431	7,649	317,052	1,421,238
EXPENDITURES					
CAPITAL IMPROVEMENTS	1,223,615	473,532	177,069	300,198	1,137,314
TOTAL EXPENDITURES	1,223,615	473,532	177,069	300,198	1,137,314
EXCESS OF REVENUES OVER EXPENDITURES	(1,129,868)	(368,101)	(169,420)	16,854	283,923
BEGINNING FUND BALANCE	1,664,049	534,182	166,081	(3,339)	13,515
ENDING FUND BALANCE	534,182	166,081	(3,339)	13,515	297,438

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost
Permanent Local Housing Allocation (PLHA)	Support for local affordable housing.	\$ 1,137,314.00	\$ 1,546,047.00	73.6%
Total Expenditures		\$ 1,137,314.00		

Note: Revenues were collected during the fiscal year, and expenditures occurred in support of eligible housing-related programs and activities. Remaining balances will continue to be reserved for future affordable housing uses in accordance with applicable requirements.

The fund balance continue to support affordable housing-related activities consistent with the purpose of the fee. The use of the funds will continue as affordable housing initiatives progress and resources become available, consistent with applicable program requirements.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Permanent Local Housing Allocation (In Progress)	\$ 1,546,947.00	\$ 1,383,894.00	\$ 163,053.00	None	-	Ongoing

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Permanent Local Housing (Future)	\$ 328,000.00	N/A	\$ 328,000.00	None	-	FY 2026/27

Permanent Local Housing Allocation:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2023/24

Construction status in FY 2024/25: Project activities commenced as anticipated and remain ongoing; the project is not yet complete.

Explanation / Revised Date: Implementation of affordable housing activities occurs over multiple fiscal years and is dependent on program administration, funding availability, and coordination with housing delivery mechanisms. Activities are expected to continue as resources allow; no revised commencement date is required as the project is underway.

Permanent Local Housing:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2023/24

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project is scheduled to begin in a future fiscal year, project implementation remains dependent on planning, coordination, and funding availability; revised commencement date FY 2026/27.

DESCRIPTION OF IMPACT FEE

274-Public Art Fee

Developers have the option to commission public art on the development site or make a one-time in-lieu contribution to the City's public art account "Watsonville Cultural Fund." Deposits to the Watsonville Cultural Fund account may be used for the commission, acquisition, and placement of public art throughout the City, and will be managed by the City's Parks and Community Services staff with guidance from the Public Art Advisory Committee. "Artwork" includes but is not limited to paintings, drawings, murals in any media, stained glass, statues, bas-relief or other sculptures, and any creation under "new genres" as defined herein; environmental artworks or public spaces; monuments, fountains, arches or other structures intended for ornament or commemoration; integrated and functional architectural, video and other media-based elements designed by a qualified artist. For projects that involve no structures, artwork may include a combination of landscape design, natural and manufactured materials including but not limited to rocks, fountains, reflecting pools, sculptures, screens, benches, and other types of street furniture, provided they have been designed by a qualified artist. Artwork may be of a permanent or temporary nature. The term "Artwork" also includes "Public Art" which is a process that results in the incorporation of original works of art by artists in publicly accessible spaces and which serves a socio-environmental function identifiable with people; is accessible to the mind and the eye; is integral to the site and responds to the concept of place making; is integrated with the work of other design professionals; is of high quality; serves the City by enhancing the quality of life for citizens and contributes to the City's prestige; and is unique to its moment in time and place. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on availability of public art measured by the building permit valuation of development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

WATSONVILLE PUBLIC ART PROGRAM ALLOCATION FEE

New Residential Development, Commercial, Industrial, and Public Development Projects involving 2,000 SF or more of new floor area with a building construction valuation of \$500,000 or more shall be subject to pay .75% of building permit valuation and not more than \$75,000.

Exterior and interior modifications and additions that include all remodeling of existing buildings of five or more units and all remodeling of existing commercial, industrial and public buildings exceeding \$250,000 excluding rehabilitation required for seismic safety shall be subject to pay .75% of building permit valuation and not more than \$75,000.

Buildings designed and dedicated primarily to nonprofit performing arts spaces or museum uses shall not be required to meet the Watsonville Public Art Program Allocation requirement for as long as the performing arts or museum uses are maintained with these buildings.

Multiple building permits issued within a three-year period for a single project shall be considered in the aggregate in determining the Watsonville Public Art Program Allocation.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0274				
	PUBLIC ART FEE				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES				227,250	101,263
TRANSFERS IN/ OUT					
INTEREST				7,417	10,711
TOTAL REVENUE				234,667	111,974
EXPENDITURES					
CAPITAL IMPROVEMENTS				10,440	93,181
TOTAL EXPENDITURES				10,440	93,181
EXCESS OF REVENUES OVER EXPENDITURES				224,227	18,793
BEGINNING FUND BALANCE				-	224,227
ENDING FUND BALANCE				224,227	243,020

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost
Public Art Master Plan	Project management & development	\$ 93,181.10	\$ 329,791.00	28%
Total Expenditures		\$ 93,181.10	\$ 329,791.00	

Note: The fund received impact fee revenue during the fiscal year, and expenditures were made for public art planning activities. Additional improvements will be pursued as sufficient funding becomes available.

The fund balance continues to be held because the Public art Improvements for which the fees were collected remain necessary, and the unspent funds will be used for that purpose. Public art planning and implementation remain ongoing capital activities and are incomplete as of the fiscal year ended June 30, 2025. Progress is ongoing and the projects are expected to continue through the next several fiscal years as capacity allows.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Public Art Master Plan	\$ 85,000.00	\$ 75,000.00	\$ 10,000.00	None	-	FY 2023/24

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Public Art Projects	\$ 261,641.10	\$ 28,621.10	\$ 233,020.00	None	-	FY 2025/26

Public Art Master Plan:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2023/24

Construction status in FY 2024/25: Project activities commenced as planned and remain ongoing; implementation is phased and incomplete.

Explanation / Revised Date: Public art planning and implementation occur incrementally as opportunities identified. No revised commencement date is required.

Public Art Projects:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Installation timing is dependent on project selection, coordination, and funding availability. Construction is not anticipated to commence in FY 2025/26.

DESCRIPTION OF IMPACT FEE

276-Park Land Impact Fee

Since some residential development may not involve a subdivision of land, and the Quimby Act applies only to subdivisions (including parcel maps), it is useful to establish a park land impact fee that applies to residential development projects not involving a subdivision. Local governments in California provide a critical role in the effort to set aside parkland and open space for recreational purposes. Cities and counties are authorized to require developers to set aside land, donate conservation easements, or pay fees for park improvements. The fees must be paid or land conveyed directly to the local public agencies that provide park and recreation services communitywide. The fee is based on the cost of land in the community and a standard number of park acres per thousand residents. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on parklands measured by the square footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

PARK LAND & DEVELOPMENT IMPACT FEE (PER UNIT)

<600 SF	\$1,397.00 per unit
600-900 SF	\$2,438.00 per unit
>900-1200 SF	\$3,465.00 per unit
>1200-2100 SF	\$4,377.00 per unit
>2100 SF	\$4,845.00 per unit

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0276				
	PARK LAND IMPACT FEE				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES		292,553	8,076	28,151	131,487
TRANSFERS IN/ OUT					
INTEREST			10,291	9,035	13,582
TOTAL REVENUE	-	292,553	18,367	37,186	145,069
EXPENDITURES					
CAPITAL IMPROVEMENTS		-	74,143	-	-
TOTAL EXPENDITURES		-	74,143	-	-
EXCESS OF REVENUES OVER EXPENDITURES		292,553	(55,776)	37,186	145,069
BEGINNING FUND BALANCE		-	292,553	236,777	273,963
ENDING FUND BALANCE		292,553	236,777	273,963	419,032

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were received during the fiscal year; however, no expenditures occurred. Park land improvement projects require substantial findings and planning, and the fund balance is being accumulated to support future eligible acquisitions and improvements.

The fund balance continues to be held because park land acquisition and related improvements remain necessary to mitigate development impacts, and the unspent funds will be used for that purpose. No expenditures occurred during the fiscal year ended June 30, 2025. Revenues will continue accumulate until adequate funds are available for eligible park land projects. The City anticipates initiating additional project planning in an upcoming fiscal year as capacity allows.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Ramsay Park Renovations	\$ 31,972,039.00	\$ 74,143.00	\$ 419,032.00	CA Local Assistance Specified Grant, ARPA, CDBG Phase 1 Inclusive Playground, Prop 68 Per Capita Grant - Dog Park, WSCT Funds, CIP, Bond	\$ 31,478,864.00	FY 22/23

Ramsay Park Renovations:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2022/23

Construction status in FY 2024/25: Construction commenced as anticipated and remains ongoing; the project is incomplete.

Explanation / Revised Date: Work is proceeding in phases based on available funding and construction sequencing. No revised commencement date is required.

DESCRIPTION OF IMPACT FEE

277-Park Improvement Impact Fee

Because the park land in-lieu and impact fees cover only the cost of acquiring parkland, a park improvement impact fee is proposed to cover the cost of park improvements. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on parkland improvements measured by the square footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

PARK IMPROVEMENT IMPACT FEES (PER UNIT)

<600 SF	\$1,696.00 per unit
600-900 SF	\$2,961.00 per unit
>900-1200 SF	\$4,208.00 per unit
>1200-2100 SF	\$5,316.00 per unit
>2100 SF	\$5,884.00 per unit

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0277				
	PARK IMPROVEMENT IMPACT FEE				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES		355,270	7,048	29,895	151,560
TRANSFERS IN/ OUT					
INTEREST		-	14,784	14,378	20,125
TOTAL REVENUE	-	355,270	21,832	44,273	171,685
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES		355,270	21,832	44,273	171,685
BEGINNING FUND BALANCE		-	355,270	377,102	421,375
ENDING FUND BALANCE		355,270	377,102	421,375	593,060

(1) Fund Balance for FY 2024/25 is unaudited

Note: The fund received revenue during the year, but expenditures were not incurred for an active project. The balance will be used to support future eligible park facility enhancements.

The fund balance continues to be held because park improvement projects remain necessary to serve a new development and the unspent funds will be used for that purpose. The next phase of improvements has not yet been scheduled, but planning activities will proceed once resources allow. Funds are expected to be expended within the next several fiscal years.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Anticipated Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Ramsay Park Restroom & Parking Lot Renovation	\$ 593,060.00	N/A	\$ 593,060.00	None	-	FY 2025/26

Ramsay Park Restroom & Parking Lot Renovation:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: The project has not yet commenced as it is being coordinated with related park improvements and border site improvements. Revised commencement date is FY 2025/26.

DESCRIPTION OF IMPACT FEE

278-Community Center and Recreation Facilities Impact Fee

These impact fees are imposed to ensure that community centers and recreation facilities can serve future development in the City. The increase of development within the City leads to an increase in the use of community centers and recreation facilities. The purpose of the fee is to develop community and recreation infrastructure and programs to accommodate the increased use. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on community and recreational infrastructure and programs measured by the square footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

COMMUNITY CENTERS AND RECREATION FACILITIES IMPACT FEES (PER UNIT)

<600 SF	\$234.00 per unit
600-900 SF	\$408.00 per unit
>900-1200 SF	\$579.00 per unit
>1200-2100 SF	\$732.00 per unit
>2100 SF	\$810.00 per unit

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0278 COMM/REC CENTER IMPACT FEE				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES		48,893	1,347	4,603	61,743
TRANSFERS IN/ OUT					
INTEREST			2,046	2,005	3,364
TOTAL REVENUE	-	48,893	3,393	6,608	65,107
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES		48,893	3,393	6,608	65,107
BEGINNING FUND BALANCE		-	48,893	52,286	58,894
ENDING FUND BALANCE		48,893	52,286	58,894	124,001

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected but there were no impact fee expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. Funds remain available for future eligible improvements consistent with the purpose of the fee.

The fund balance continues to be held because community and recreation center improvements remain necessary to meet the needs of new development and the unspent funds will be used for that purpose. Project activity has not yet advanced to the next activity phase due to scheduling and staffing limitations. Funds will be expended once the project is initiated in the next several fiscal years.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Center Renovation	\$ 124,001.00	N/A	\$ 124,001.00	None	-	FY 2025/26

Center Renovation:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction did not begin as the project remains scheduled to proceed in coordination with broader capital improvement and funding availability. Revised commencement date is FY 2025/26.

DESCRIPTION OF IMPACT FEE

281-Park Development

Local governments in California provide a critical role in the effort to set aside parkland and open space for recreational purposes. Cities and counties have been authorized since the passage of the 1975 Quimby Act to pass ordinances requiring that developers set aside land, donate conservation easements, or pay fees for park improvements for subdivisions. Revenues generated through the Quimby Act cannot be used for the operation and maintenance of park facilities. The goal of the Quimby Act is to require developers to help mitigate the impacts of residential property improvements. The Act gives authority for passage of land dedication ordinances only to cities and counties. The fees must be paid and land conveyed directly to the local public agencies that provide park and recreation services communitywide. The fee is based on the cost of land in the community and a standard number of park acres per thousand residents. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on parklands measured by the square footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

PARK LAND & DEVELOPMENT IMPACT FEE (PER UNIT)

<600 SF	\$1,397.00 per unit
600-900 SF	\$2,438.00 per unit
>900-1200 SF	\$3,465.00 per unit
>1200-2100 SF	\$4,377.00 per unit
>2100 SF	\$4,845.00 per unit

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)**

	0281 PARKS DEVELOPMENT				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	59,492	68,253	12,465	257,229	1,054
TRANSFERS IN/ OUT					
INTEREST	960	4,994	49,036	19,467	30,416
TOTAL REVENUE	60,451	73,247	61,501	276,696	31,471
EXPENDITURES					
CAPITAL IMPROVEMENTS	(21,055)	38,307	1,010,696	83,528	8,198
TOTAL EXPENDITURES	(21,055)	38,307	1,010,696	83,528	8,198
EXCESS OF REVENUES OVER EXPENDITURES	81,506	34,940	(949,194)	193,168	23,273
BEGINNING FUND BALANCE	1,325,937	1,407,443	1,442,383	493,189	686,357
ENDING FUND BALANCE	1,407,443	1,442,383	493,189	686,357	709,630

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost
City Plaza Restroom Improvement	Consists of site improvements including City building plumbing services	\$ 8,197.85	\$ 455,764.00	1.8%

Note: The fund received revenue and supported expenditures related to park development improvements. The remaining balance will support future phases of the active project and future eligible improvements consistent with the purpose of the fee.

The fund balance continues to be held because park development improvements for which fees were collected remain necessary, and the unspent funds will be used for that purpose. Each project remains an active capital improvement and is incomplete as of the fiscal year ended June 30, 2025. Staffing limitations have delayed further progress; however, the City expects each project to move forward within the next several years, with expenditures occurring as work advances.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
City Plaza Restroom Improvement	\$ 455,764.00	\$ 301,228.00	\$ 154,536.00	CDBG	\$ 409,826.00	Ongoing

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Ramsay Park Relocation	\$ 306,952.00	\$ -	\$ 81,952.00	CDBG	\$ 225,000.00	Ongoing

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Ramsay Park Renovations	\$ 714,613.00	\$ 83,528.00	\$ 631,085.00	None	-	Ongoing

City Plaza Restroom Improvement:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2022/23

Construction status in FY 2024/25: Construction commenced as anticipated and remains in progress.

Explanation / Revised Date: Project completion is dependent on phased implementation and funding; no revised commencement date is required.

Ramsay Park Relocation:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2022/23

Construction status in FY 2024/25: Construction commenced as anticipated and remains in progress.

Explanation / Revised Date: Project completion is dependent on phased implementation and funding; no revised commencement date is required

Ramsay Park Renovations:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2022/23

Construction status in FY 2024/25: Construction commenced as anticipated and remains in progress.

Explanation / Revised Date: Project completion is dependent on phased implementation and funding; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

311- Carbon Impact Fee

The carbon impact fee is assessed on all applicable building projects to fund greenhouse gas-reducing projects outlined in the Climate Action Plan. The carbon fund can only be used for projects that reduce greenhouse gas emissions, and the use of funds requires City Council approval. This fee is only charged to those additions and new construction that do not install carbon-reducing technology such as solar panels to offset the energy use created by the addition and/or new development. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on carbon emissions measured by the total building permit fees of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

CARBON FUND IMPACT FEE

Carbon fund fee is based on a percentage of the total building permit fees paid including engineering plan check and review fees. Building permit fees do not include planning permit fees, inspection fees, utility fees or impact fees.

New residential and nonresidential construction	50% of total	building permit fee
Multi family residential & nonresidential additions and alterations	30% of total	building permit fee
Single family residential additions of 500 SF or greater	30% of total	building permit fee

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0311 CARBON FUND				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	56,144	264,283	89,840	201,625	76,117
TRANSFERS IN/ OUT					
INTEREST	218	1,713	26,209	37,115	42,536
TOTAL REVENUE	56,362	265,996	116,049	238,740	118,653
EXPENDITURES					
CAPITAL IMPROVEMENTS	-	28,233	-	7,090	-
TOTAL EXPENDITURES	-	28,233	-	7,090	-
EXCESS OF REVENUES OVER EXPENDITURES	56,362	237,764	116,049	231,650	118,653
BEGINNING FUND BALANCE	287,280	343,642	581,406	697,455	929,105
ENDING FUND BALANCE	343,642	581,406	697,455	929,105	1,047,758

(1) Fund Balance for FY 2024/25 is unaudited

Note: There were no impact fee expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The fund balance remains available for future eligible improvements consistent with the purpose of the fee.

The fund balance continues to be held because improvements intended to offset carbon impacts from development remain necessary, and the unspent funds will be used for that purpose. Planned improvements require coordination and have yet reached implementation. Funds are expected to be used within the next several fiscal years once planning activity begins.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Bike Share Program	\$ 929,105.00	N/A	\$ 929,105.00	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
LED Street Lighting Improvements	\$ 350,000.00	N/A	\$ 350,000.00	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Fleet Study	\$ 150,000.00	N/A	\$ 150,000.00	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
HVAC System Improvements	\$ 150,000.00	N/A	\$ 150,000.00	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Pedestrian Improvements Downtown	\$ 100,000.00	N/A	\$ 100,000.00	None	-	FY 2025/26

Bike Share Program:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction commenced as anticipated and remains in progress.

Explanation / Revised Date: Project completion is dependent on construction phases and coordination; no revised commencement date is required.

LED Street Lighting Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): N/A

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project implementation requires coordination, planning, and resource availability. Construction anticipated commencement in FY 2025/26.

Fleet Study:

Prior Anticipated Commencement (FY 2023/24 Report): N/A

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project Timing was adjusted to align with funding and implementation planning. Construction anticipated commencement in FY 2025/26.

HVAC System Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): N/A

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Implementation is dependent on project coordination and funding prioritization. Construction anticipated commencement in FY 2025/26.

Pedestrian Improvements Downtown:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Implementation is dependent on project coordination and funding prioritization; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

338- Green Valley Road/Freedom Boulevard Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. There is a reasonable relationship between the fee and the purpose for which it is imposed because the fee is calculated in proportion to the traffic impacts generated by new development on the Green Valley Road and Freedom Boulevard roadway system, as measured by development type and applicable trip generate rates as established in the adopted fee schedule.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Errington Road/Clifford Drive Corridor, East Highway 1 Area, Struve Slough Bridge Area, Watsonville Slough Area, Green Valley Road/Freedom Blvd

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0338				
	IMPACT: GREEN VALLEY/FREEDOM				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 22/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	69	350		4,530	4,598
TOTAL REVENUE	69	350	-	4,530	4,598
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	69	350	-	4,530	4,598
BEGINNING FUND BALANCE	98,627	98,696	99,046	99,046	103,576
ENDING FUND BALANCE	98,696	99,046	99,046	103,576	108,174

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenue were received but no expenditures occurred during the current fiscal year. Fund remains reserved for future road reconstruction work.

The fund balance continues to be held because roadway reconstruction improvements remain necessary to serve new development, and the unspent funds will be used for that purpose. The project requires extensive coordination, and the subsequent phase has not been scheduled. Funds are expected to be expended within the next several fiscal years as the project advances.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Improvements - Green Valley / Freedom Blvd Roadway	\$ 108,174.00	N/A	\$ 108,174.00	None	-	FY 2026/27

Road Reconstruction – Green Valley / Freedom Blvd Roadway:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project initiation is dependent on funding availability and coordination with broader transportation improvements. Revised commencement is FY 2026/27.

DESCRIPTION OF IMPACT FEE

339- Industrial Park Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Area affected is the Airport Industrial Park and Freedom Industrial Park. Improvements include traffic lights at (1) Airport Blvd, (2) Nielson Street, (3) Hangar Way or widening of Airport Boulevard and Larkin Valley Road. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Airport industrial Park and Freedom Industrial Park traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

INDUSTRIAL PARK AREA

Fee imposed upon parcels of \$0.135 per square foot of land area composing such parcel.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0339				
	IMPACT: AIRPORT INDUSTRIAL PARK				
	FY 2020/21	FY 2021/22	FY 22/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-
EXPENDITURES					
CAPITAL IMPROVEMENTS	(198,107)	-	-	-	-
TOTAL EXPENDITURES	(198,107)	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	198,107	-	-	-	-
BEGINNING FUND BALANCE	(198,107)	-	-	-	-
ENDING FUND BALANCE	-	-	-	-	-

(1) Fund Balance for FY 2024/25 is unaudited

Note: There were no impact fee expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The fund balance remains available for future eligible improvements consistent with the purpose of the fee.

The fund balance continues to be held because transportation improvements serving Industrial Park area remain necessary to address development-related impacts, and the unspent funds will be used for that purpose. The timing of future improvements is dependent on available resources and coordination with broader capital planning efforts. Funds will be used once appropriate transportation work is ready to proceed.

ANTICIPATED FUTURE PROJECTS

The Industrial Park Traffic Impact Fee Fund currently has no other capital projects in development.

DESCRIPTION OF IMPACT FEE

340- Citywide Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements are made citywide. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on the City's right of ways, measured by the number of trips.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

CITY-WIDE TRAFFIC IMPACT FEE

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0340				
	IMPACT: CITY-WIDE TRAFFIC				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	392,078	342,908	17,891	488,292	272,721
TRANSFERS IN/ OUT					
INTEREST	913	4,977	-	96,679	107,173
TOTAL REVENUE	392,992	347,885	17,891	584,971	379,894
EXPENDITURES					
CAPITAL IMPROVEMENTS	270,065	7,516	17,091	1,400	1,950
TOTAL EXPENDITURES	270,065	7,516	17,091	1,400	1,950
EXCESS OF REVENUES OVER EXPENDITURES	122,927	340,369	800	583,571	377,944
BEGINNING FUND BALANCE	1,271,435	1,394,361	1,734,730	1,735,530	2,319,102
ENDING FUND BALANCE	1,394,361	1,734,730	1,735,530	2,319,102	2,697,046

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost
Main Street / Riverside Dr Traffic Signal Modifications	Traffic Signals Improvements	\$ 1,950.00	\$ 109,517.00	1.8%
Total Expenditures		\$ 1,950.00		

Note: The fund received revenue and supported expenditures related to Citywide traffic improvements during the fiscal year. The remaining balance will support eligible future projects and future phases of an active project.

The fund balance continues to be held because city-wide traffic circulation improvements remain necessary, and the unspent funds will be used for that purpose. Due to the scale and complexity of transportation projects, the City expects project work to continue throughout the next several fiscal years.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Roadway Improvements Citywide	\$ 2,587,529.00	N/A	\$ 2,587,529.00	None	-	FY 2026/27

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Main Street Riverside Drive Improvements	\$ 109,517.00	\$ 29,532.00	\$ 79,985.00	None	-	FY 2025/26

Roadway Improvements Citywide:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Scheduling adjustments were made to coordinate with other transportation priorities. Revised commencement is FY 2026/27.

Main Street Riverside Drive Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2017/18

Construction status in FY 2024/25: Project commenced in prior fiscal year and remains ongoing; work is incomplete.

Explanation / Revised Date: Project activities continue as part of a phased implementation; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

341- Pennsylvania Drive Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Areas affected include Main St, Clifford St and Green Valley Rd. Improvements include Traffic signals at (1) Pennsylvania Drive & Clifford, (2) Pennsylvania & Winding Way, (3) Pennsylvania & Hammer, and street widening of Green Valley and Freedom. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Pennsylvania Drive traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

PENNSYLVANIA DRIVE IMPACT FEE

Fee imposed upon parcels of .0493 per square foot of gross land area basis composing such parcel, excluding street area.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0341				
	IMPACT: PENNSYLVANIA DR. AREA				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	1	5		69	70
TOTAL REVENUE	1	5	-	69	70
EXPENDITURES					
CAPITAL IMPROVEMENTS	-				
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	1	5	-	69	70
BEGINNING FUND BALANCE	1,493	1,494	1,500	1,500	1,569
ENDING FUND BALANCE	1,494	1,500	1,500	1,569	1,638

(1) Fund Balance for FY 2024/25 is unaudited

Note: The fund received revenue but incurred no expenditures during the fiscal year. The balance is reserved for future phases of local street reconstruction.

The fund balance continues to be held because roadway reconstruction improvements remain necessary, and the unspent funds will be used for that purpose. Project activity is pending and will proceed when planning and resources allow, with expenditures expected in a future fiscal year.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Roadway Improvements Pennsylvania Dr.	\$ 1,638.00	N/A	\$ 1,638.00	None	-	FY 2026/27

Roadway improvements Pennsylvania Dr.

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project timing has been adjusted due to funding and coordination considerations. Revised commencement is FY 2026/27.

DESCRIPTION OF IMPACT FEE

342- Crestview Area Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Proposed improvements include traffic signals at the intersection of Freedom Boulevard and Pennsylvania & Clifford, and street widening of Green Valley Road and Freedom Blvd. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on the Crestview area traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

CRESTVIEW IMPACT FEE

Fee imposed upon parcels of \$0.05 per square foot of land area composing such parcel, excluding street area.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0342				
	IMPACT: CRESTVIEW AREA				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-
EXPENDITURES					
CAPITAL IMPROVEMENTS	(15,154)				
TOTAL EXPENDITURES	(15,154)	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	15,154	-	-	-	-
BEGINNING FUND BALANCE	(15,154)	-	-	-	-
ENDING FUND BALANCE	-	-	-	-	-

(1) Fund Balance for FY 2024/25 is unaudited

Note: There were no impact fee expenditures during the current fiscal year; therefore, no capital improvement activity occurred for this fund. The fund balance remains available for future eligible improvements consistent with the purpose of the fee.

The balance continues to be held because circulation and traffic-related improvements in the Crestview area remain necessary to support development, and the unspent funds will be used for that purpose. Work has not yet advanced to an implementation stage, but funds will be applied once eligible improvements are initiated.

ANTICIPATED FUTURE PROJECTS

The Crestview Area Traffic Impact Fee Fund currently has no other capital projects in development.

DESCRIPTION OF IMPACT FEE

343-Green Valley Corridor Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements include traffic signals at intersections: (1) Green Valley Road and Quiet Meadow Drive, (2) Green Valley Road & Main Street, (3) Green Valley Road & Harkins Slough Road, (4) Green Valley Road & Freedom Blvd. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Green Valley Road traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

GREEN VALLEY CORRIDOR

Fees specific to certain assessors parcel number

18-401-16	18,215
18-401-17	22,582
18-421-02	8,877
18-421-03	13,540
18-421-04	30,309
16-251-ALL	133,897

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0343				
	IMPACT: GREEN VALLEY CORRIDOR				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	111	564		7,296	7,406
TOTAL REVENUE	111	564	-	7,296	7,406
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	111	564	-	7,296	7,406
BEGINNING FUND BALANCE	158,847	158,959	159,522	159,522	166,818
ENDING FUND BALANCE	158,959	159,522	159,522	166,818	174,224

(1) Fund Balance for FY 2024/25 is unaudited

Note: There were no impact fee expenditures during the current fiscal year; therefore, no capital improvement activity occurred for this fund. The fund balance remains committed for future transportation improvements.

The fund balance continues to be held because transportation improvements along the corridor remain necessary, and the unspent funds will be used for that purpose. The City anticipates the project to proceed within the next several fiscal years as capacity allows, and accumulated funds will be expended once project work begins.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Roadway Improvements Green Valley Corridor	\$ 174,224.00	N/A	\$ 174,224.00	None	-	FY 2026/27

Roadway improvements Green Valley Corridor

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project sequencing and coordination with corridor-wide improvements resulted in a revised commencement of FY 2026/27

DESCRIPTION OF IMPACT FEE

344- East Highway 1 Area Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Proposed work includes operational and safety improvements at the Highway 1/ Harkins Slough interchange. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on the East Highway 1 Area traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Errington Road/Clifford Drive Corridor, East Highway 1 Area, Struve Slough Bridge Area, Watsonville Slough Area, Green Valley Road/Freedom Blvd

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0344				
	IMPACT: EAST HIGHWAY 1 AREA				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES	-	76,040	23,399	19,098	8,014
TRANSFERS IN/ OUT					
INTEREST	2,050	9,842	57,393	11,096	24,644
TOTAL REVENUE	2,050	85,881	80,792	30,194	32,659
EXPENDITURES					
CAPITAL IMPROVEMENTS	(104,018)	1,044,822	1,557,242	26,863	286,866
TOTAL EXPENDITURES	(104,018)	1,044,822	1,557,242	26,863	286,866
EXCESS OF REVENUES OVER EXPENDITURES	106,068	(958,940)	(1,476,450)	3,331	(254,207)
BEGINNING FUND BALANCE	2,880,170	2,986,238	2,027,297	550,847	554,179
ENDING FUND BALANCE	2,986,238	2,027,297	550,847	554,179	299,971

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost	
HWY 1/ Harkins Slough Rd/ Pedestrian Plan, Construct Improvements on Bike/Ped	Expand bicycle and pedestrian infrastructure in roadway	\$ 286,866.00	\$ 4,055,353.88	7.1%	
Total Expenditures		\$ 286,866.00			

Note: The fund balance continues to be held because pedestrian, roadway, and circulation improvements at the Highway 1/Harkins Slough corridor remain for which fees were collected remain necessary, and the unspent funds will be used for that purpose. The project remains an active capital improvement and is incomplete as of the fiscal year ended June 30, 2025. The City expects the project to move forward within the next several years, with expenditures occurring as work advances.

The fund received revenue and supported expenditures related to pedestrian, roadway, and circulation improvements. The remaining balance will support future phases of the active project.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
HWY 1 / Harkins Slough Rd Pedestrian Improvements	\$ 4,055,353.88	\$ 3,022,281.00	\$ 299,971.00	Grant, Measure D	\$ 733,101.88	Ongoing

HWY 1 / Harkins Slough Rd Pedestrian Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has commenced and remains ongoing.

Explanation / Revised Date: Work continues subject to coordination and construction phasing.

DESCRIPTION OF IMPACT FEE

345-Struve Slough Bridge Area Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements include constructing a bridge at the Harkins Slough Road crossing of Struve Slough. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Struve Slough Bridge area traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Errington Road/Clifford Drive Corridor, East Highway 1 Area, Struve Slough Bridge Area, Watsonville Slough Area, Green Valley Road/Freedom Blvd

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0345 IMPACT: STRUVE SLOUGH BRIDGE				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	-	29,526	19,212	15,711	6,593
TRANSFERS IN/ OUT					
INTEREST	-	-	-	-	-
TOTAL REVENUE	-	29,526	19,212	15,711	6,593
EXPENDITURES					
CAPITAL IMPROVEMENTS	(124,029)				
TOTAL EXPENDITURES	(124,029)	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	124,029	29,526	19,212	15,711	6,593
BEGINNING FUND BALANCE	(193,775)	(69,746)	(40,220)	(21,009)	(5,298)
ENDING FUND BALANCE	(69,746)	(40,220)	(21,009)	(5,298)	1,296

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and no expenditures occurred. No capital improvement activity occurred during the current fiscal year. Funds will be used for eligible transportation-related improvements as planning progresses and sufficient resources become available.

The fund balance continues to be held because transportation-related improvements associated with development within the Struve Slough Bridge area remain necessary, and the unspent funds will be used for that purpose. The City anticipates eligible project to proceed within the next several fiscal years as capacity allows, and accumulated funds will be expended once project work begins.

ANTICIPATED FUTURE PROJECTS

The Struve Slough Bridge Area Traffic Impact Fee Fund currently has no other capital projects in development.

DESCRIPTION OF IMPACT FEE

346- Watsonville Slough Area Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements include constructing a bridge at the Harkins Slough Road crossing of Watsonville Slough. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Watsonville Slough area traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Errington Road/Clifford Drive Corridor, East Highway 1 Area, Struve Slough Bridge Area, Watsonville Slough Area, Green Valley Road/Freedom Blvd

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0346				
	IMPACT: WATSONVILLE SLOUGH AR				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	-	25,731	16,735	13,680	29,691
TRANSFERS IN/ OUT					
INTEREST	-	-	-	-	-
TOTAL REVENUE	-	25,731	16,735	13,680	29,691
EXPENDITURES					
CAPITAL IMPROVEMENTS	(1,308,025)	-	-	-	-
TOTAL EXPENDITURES	(1,308,025)	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	1,308,025	25,731	16,735	13,680	29,691
BEGINNING FUND BALANCE	(1,849,276)	(541,251)	(515,520)	(498,785)	(485,105)
ENDING FUND BALANCE	(541,251)	(515,520)	(498,785)	(485,105)	(455,414)

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and no expenditures occurred. No capital improvement activity occurred during the current fiscal year. Funds will be used for eligible transportation-related improvements as planning progresses and sufficient resources become available.

The fund balance continues to be held because transportation improvements within the Watsonville Slough area remain necessary to mitigate development impacts, and the unspent funds will be used for that purpose. Project timelines are dependent on multi-department coordination and available funding. Funds will be used once eligible transportation improvements progress.

ANTICIPATED FUTURE PROJECTS

The Watsonville Slough Area Traffic Impact Fee Fund currently has no other capital projects in development.

DESCRIPTION OF IMPACT FEE

347- Errington Clifford Extension Corridor Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements proposed at Main Street & Clifford Drive, West Beach Street & Errington Road, Errington Road and Harkins Slough Road, and Pennsylvania Drive and Clifford Avenue. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Errington Clifford Extension Corridor traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Errington Road/Clifford Drive Corridor, East Highway 1 Area, Struve Slough Bridge Area, Watsonville Slough Area, Green Valley Road/Freedom Blvd

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0347				
	IMPACT: ERRINGTON/CLIFFORD AR				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	-	2,963	1,872	1,490	625
TRANSFERS IN/ OUT					
INTEREST	136	538	6,410	5,823	7,578
TOTAL REVENUE	136	3,500	8,281	7,313	8,203
EXPENDITURES					
CAPITAL IMPROVEMENTS	80,153	-	-	-	-
TOTAL EXPENDITURES	80,153	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	(80,017)	3,500	8,281	7,313	8,203
BEGINNING FUND BALANCE	231,607	151,590	155,090	163,372	170,685
ENDING FUND BALANCE	151,590	155,090	163,372	170,685	178,888

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and no expenditures occurred. No capital improvement activity occurred during the current fiscal year. Funds will be used for eligible transportation-related improvements as planning progresses and sufficient resources become available.

The fund balance continues to be held because transportation-related improvements associated with development within the Errington-Clifford Extension Corridor remain necessary, and the unspent funds will be used for that purpose. The timing of future improvements will depend on available funding and project readiness.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
General Underground Utilities Work	\$ 178,888.00	N/A	\$ 178,888.00	None	-	FY 2026/27

General Underground Utilities Work:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project timing is dependent on coordination with roadway and utility planning. Revised commencement is FY 2026/27.

DESCRIPTION OF IMPACT FEE

348-Fire Impact Fee

The Fire Impact fee is a one-time charge to new development to offset the additional public service costs of new development. Fee is only for the cost of constructing, acquiring, purchasing, and providing capital fire facilities and equipment. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on fire service and infrastructure measured by the number of units or square footage depending on the type of development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

FIRE IMPACT FEE

Residential new construction	\$1,179.00	per unit
Residential addition	\$0.50	per sq. ft.
Commercial & Industrial	\$0.50	per sq. ft.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0348				
	IMPACT: FIRE CAPITAL IMPROVEM				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	9,884	91,265	4,824	26,352	91,863
TRANSFERS IN/ OUT					
INTEREST	-	-	1,698	2,295	4,573
TOTAL REVENUE	9,884	91,265	6,523	28,647	96,437
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	9,884	91,265	6,523	28,647	96,437
BEGINNING FUND BALANCE	(62,689)	(52,805)	38,460	44,983	73,630
ENDING FUND BALANCE	(52,805)	38,460	44,983	73,630	170,066

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and no expenditures occurred. No capital improvement activity occurred during the current fiscal year. Funds will be used for eligible fire equipment and facility improvements as planning progresses and sufficient resources become available.

The fund balance continues to be held because the cost of constructing, acquiring, purchasing, and providing capital fire facilities and equipment remains necessary, and the unspent funds will be used for that purpose. These improvements require long-term planning and procurement. Expenditures are expected in future fiscal years as projects advance.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
KME / TDA 100' Tiller Aerial Quint	\$ 2,450,000.00	N/A	\$ 2,450,000.00	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Placer International Type 3 Engine	\$ 500,000.00	N/A	\$ 500,000.00	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Fire Apparatus Vehicle	\$ 80,000.00	N/A	\$ 80,000.00	None	-	FY 2025/26

KME / TDA 100' Tiller Aerial Quint:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: No revised commencement date is required.

Placer International Type 3 Engine:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Delivery schedules and procurement requirements resulted in a revised commencement of FY 2025/26.

Fire Apparatus Vehicle:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Procurement timelines resulted in a revised anticipated commencement of FY 2025/26.

DESCRIPTION OF IMPACT FEE

349-Public Facilities (Ordinance No. 859-91 (CM), No. 882-92 (CM)).

Fee assessed on residential, commercial, and industrial construction. Fees are assessed citywide. Fees shall be used for providing capital public facilities and equipment. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on public facilities, measured by the square footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

PUBLIC FACILITIES IMPACT FEE

New detached structures or
additions over 1,000 sq. ft.
Calculated on total square
footage.

\$0.40 per sq. ft.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0349				
	IMPACT: PUBLIC FACILITIES				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	6,378	80,787	1,196	98,423	123,877
TRANSFERS IN/ OUT					
INTEREST	59	280	6,383	9,228	13,520
TOTAL REVENUE	6,437	81,068	7,579	107,651	137,397
EXPENDITURES					
CAPITAL IMPROVEMENTS	715	10,904	-	-	9,803
TOTAL EXPENDITURES	715	10,904	-	-	9,803
EXCESS OF REVENUES OVER EXPENDITURES	5,723	70,164	7,579	107,651	127,594
BEGINNING FUND BALANCE	77,906	83,628	153,792	161,371	269,022
ENDING FUND BALANCE	83,628	153,792	161,371	269,022	396,616

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost	
Senior Center Refurbishments	Senior Center exterior wall	\$ 9,803.01	\$ 11,603.00	84.5%	
Total Expenditures		\$ 9,803.01			

Note: The fund received revenue and supported expenditures related to capital public facilities and equipment improvements. The remaining balance will support future phases of the active project.

The fund balance continues to be held because public facility improvements remain necessary to support population and development growth, and the unspent funds will be used for that purpose. The project remains an active capital improvement and is incomplete as of the fiscal year ended June 30, 2025. The City expects the project to continue within the next several years, with expenditures occurring as work advances.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Senior Center Repairs	\$ 11,603.00	\$ 9,803.01	\$ 1,799.99	None	-	FY 2025/26

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
General Facilities Repair	\$ 464,666.01	\$ 69,850.00	\$ 394,816.01	None	-	FY 2025/26

Senior Center Repairs:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has commenced and remains ongoing.

Explanation / Revised Date: Project timing is dependent on coordination with Senior Center planning and funding availability; no revised commencement date is required.

General Facilities Repair:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project timing is dependent on coordination with general facilities planning and funding availability; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

350-Storm Drainage Facilities Fee (WMC 3-6.8).

One time charge to construction of residential, commercial or industrial unit or structure. Fees are assessed citywide. Fees are used to develop storm drainage facilities throughout the City. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on storm drain infrastructure, measured by the acreage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

STORM DRAINAGE FEE

Additions to Existing (per acre of new impermeable area)	\$15,944.35	per acre
New Development Projects:		
Low residential (4.5 units/acre)	\$6,418.05	per acre
Med. Residential (4.5-7.5 units /acre)	\$7,978.13	per acre
High residential (7.5 units/acre)	\$9,564.05	per acre
Commercial & Industrial	\$12,760.62	per acre

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0350				
	IMPACT: STORM DRAIN IMPROVEME				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES	26,163	41,489	2,038	4,166	26,199
TRANSFERS IN/ OUT					
INTEREST	1,021	5,217	62,725	56,314	73,382
TOTAL REVENUE	27,184	46,706	64,763	60,480	99,581
EXPENDITURES					
CAPITAL IMPROVEMENTS	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	27,184	46,706	64,763	60,480	99,581
BEGINNING FUND BALANCE	1,442,648	1,469,832	1,516,538	1,581,301	1,641,781
ENDING FUND BALANCE	1,469,832	1,516,538	1,581,301	1,641,781	1,741,362

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and no expenditures occurred. No capital improvement activity occurred during the current fiscal year. The balance will be used to fund future storm drain upgrades.

The fund balance will be held because storm drain replacement and infrastructure improvements remain necessary, and the unspent funds will be used for that purpose. These projects require engineering evaluation and coordination before work can begin. Expenditures are expected in future fiscal years once design and planning advance.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Storm Drain Replacement & Infrastructure Improvements	\$ 1,741,362.00	N/A	\$ 1,741,362.00	None	-	FY 2026/27

Storm Drain Replacement & Infrastructure Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2026/27

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not begun as the project remains scheduled within the City's broader storm drainage capital improvements and is dependent on funding availability and coordination with related infrastructure work; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

351- Zone 7 Storm Drain

One time charge to construction of residential, commercial or industrial unit or structure. Fees are assessed citywide. Fees are used to develop storm drainage facilities within Zone 7. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on storm drain infrastructure within Zone 7, measured by the acreage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

ZONE 7 DRAINAGE FEE

Area "C" (NE of City, S of Corralitos & Salsipuedes Creeks)

\$33,478.63 per acre

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0351				
	IMPACT: ZONE 7 - STORM DRAINS				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	25	126	1,471	1,316	1,704
TOTAL REVENUE	25	126	1,471	1,316	1,704
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	25	126	1,471	1,316	1,704
BEGINNING FUND BALANCE	35,433	35,458	35,584	37,055	38,371
ENDING FUND BALANCE	35,458	35,584	37,055	38,371	40,074

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no impact fee expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The balance is reserved for future drainage improvements.

The fund balance will be held because storm drainage and related infrastructure improvements within Zone 7 remain necessary to support development, and the unspent funds will be used for that purpose. Project initiation is dependent on engineering review and available resources. Funds will be used once appropriate storm drainage work begins.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Zone 7 - Storm Drain Improvements	\$ 40,074.00	N/A	\$ 40,074.00	None	-	FY 2026/27

Zone 7 – Storm Drain Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2026/27

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not commenced because project initiation is planned for future fiscal year and is dependent on funding availability, coordination with related drainage improvements, and sequencing within the broader storm drain capital improvements.

DESCRIPTION OF IMPACT FEE

352- Errington Road South Benefit Area Traffic Impact Fee.

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements include construction of a road and bridge on Errington Road (identified pre-annexation). There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on the Errington Road bridge, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Errington Road/Clifford Drive Corridor, East Highway 1 Area, Struve Slough Bridge Area, Watsonville Slough Area, Green Valley Road/Freedom Blvd

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0352					
	IMPACT: ERRINGTON SOUTH BENEF					
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES						
IMPACT FEES	-	-	13,316	15,538	17,743	7,446
TRANSFERS IN/ OUT						
INTEREST	-	-	-	-	-	-
TOTAL REVENUE	-	-	13,316	15,538	17,743	7,446
EXPENDITURES						
CAPITAL IMPROVEMENTS		(110,370)				
TOTAL EXPENDITURES	-	(110,370)	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	110,370	13,316	15,538	17,743	7,446
BEGINNING FUND BALANCE	(324,123)	(324,123)	(213,753)	(200,437)	(184,899)	(167,156)
ENDING FUND BALANCE	(324,123)	(213,753)	(200,437)	(184,899)	(167,156)	(159,710)

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no impact fee expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The balance is reserved for future planning, design, development, and construction of transportation improvements.

The fund balance continues to be held because traffic and circulation improvements in the Errington Road South Benefit area remain necessary to address development-related impacts, and the unspent funds will be used for that purpose. Project timing is dependent on planning and coordination with other infrastructure needs.

ANTICIPATED FUTURE PROJECTS

The Errington Road South Benefit Area Traffic Impact Fee Fund currently has no other capital projects in development.

DESCRIPTION OF IMPACT FEE

353- Impervious Area

Fee assessed on improvements that result in a net increase in impervious surface area. Fees are assessed citywide. Fees shall be used to fund flood protection projects necessitated by increased storm water flows resulting from the creation of additional impervious area within the Pajaro River watershed. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on impervious surface area, measured by the square footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

IMPERVIOUS AREA IMPACT FEE

per square foot of new impervious area

\$0.55 per sq. ft.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0353				
	IMPACT: IMPERVIOUS AREA				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES	2,083	98,832	3,340	192,605	132,337
TRANSFERS IN/ OUT					
INTEREST	986	5,001	62,536	63,548	82,565
TOTAL REVENUE	3,068	103,833	65,875	256,153	214,902
EXPENDITURES					
CAPITAL IMPROVEMENTS	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	3,068	103,833	65,875	256,153	214,902
BEGINNING FUND BALANCE	1,404,293	1,407,361	1,511,193	1,577,069	1,833,222
ENDING FUND BALANCE	1,407,361	1,511,193	1,577,069	1,833,222	2,048,123

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The balance remains reserved for future eligible improvements consistent with the purpose of the Impervious Area fee..

The fund balance continues to be held because stormwater and drainage-related improvements associated with development remain necessary, and the unspent funds will be used for that purpose. The timing of future improvements will depend on funding availability and coordination with broader system-wide infrastructure efforts.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Storm Drain Improvements	\$ 2,048,123.00	N/A	\$ 2,048,123.00	None	-	FY 2026/27

Storm Drain Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2026/27

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not commenced because project implementation is dependent on the accumulation of sufficient fee revenues, and coordination with related storm drain and drainage system improvements.

DESCRIPTION OF IMPACT FEE

355 – Westside Industrial Area

The impact fee will mitigate the impacts of developments within the Westside Industrial Area by installing signals and intersection improvements as recommended in the Barton-Aschman Traffic Analysis; constructing the Ramps and Bridge as recommended in the Barton-Aschman Traffic Analysis. The commencement of major construction within the Westside Industrial Area requires the imposition of such fees prior to issuance of a building permit or permits to developers in order to establish funding at the earliest possible time and to appraise developers of the fee imposition upon respective properties prior to issuance of building permits. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on traffic and transportation infrastructure, measured by units of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

STREET IMPROVEMENT IN-LIEU FEES

Westside Industrial Area and everything outside of the Westside Industrial Area

Industrially Zoned Parcels	\$133.00	per lineal ft
fee per lineal foot of street frontage or 5% of actual on-site project improvements whichever is less		
Other Parcels	\$221.00	per lineal ft
fee per lineal foot of street frontage or 10% of actual on-site project improvements whichever is less		

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0355 WESTSIDE INDUSTRIAL AREA				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	65	328	3,842	3,439	4,451
TOTAL REVENUE	65	328	3,842	3,439	4,451
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	65	328	3,842	3,439	4,451
BEGINNING FUND BALANCE	92,567	92,631	92,960	96,802	100,241
ENDING FUND BALANCE	92,631	92,960	96,802	100,241	104,692

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The balance is reserved for installing signals and intersection improvements.

The fund balance continues to be held because transportation and infrastructure improvements in the Westside Industrial Area are still needed to support development, and the unspent funds will be used for that purpose. Project schedules are dependent on funding levels and coordination with systemwide improvements.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Roadway Improvements Westside Industrial Area	\$ 104,692.00	N/A	\$ 104,692.00	None	-	FY 2026/27

Roadway Improvements Westside Industrial Area:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Project timing was adjusted to coordinate with area-wide infrastructure improvements. Revised commencement is FY 2026/27.

DESCRIPTION OF IMPACT FEE

356 - Area Outside Westside Industrial Area.

Section 7-4.04 of the Watsonville Municipal Code requires the installation of street improvements where a project requiring building permits fronts an unimproved street. Further, Section 7-4.07 provides, in certain circumstances, for the payment of a fee in lieu of actual construction. Fees collected shall be utilized solely in the benefit area in which they are located and solely for the design and construction of street improvements. The Area Outside the Westside Industrial Area is hereby designated and defined as those parcels not located within the Westside Industrial Area. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on City right of way paving, measured by the lineal foot of each unimproved street frontage as established by resolution of the City Council or a percentage established by resolution of City Council of the actual cost of on-site project improvements whichever is less. Two rates shall be established; one rate shall be established for industrially zoned parcels and another rate shall be established for all other parcels. That such on-site improvements shall include building and private site improvements such as grading, parking and landscaping. On-site improvements shall not include development related fees including, but not limited to building fees and development impact fees or design related costs for on-site improvements.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

STREET IMPROVEMENT IN-LIEU FEES

Westside Industrial Area and everything outside of the Westside Industrial Area

Industrially Zoned Parcels	\$133.00	per lineal ft
fee per lineal foot of street frontage or 5% of actual on-site project improvements whichever is less		
Other Parcels	\$221.00	per lineal ft
fee per lineal foot of street frontage or 10% of actual on-site project improvements whichever is less		

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)**

	0356 AREA OUTSIDE WESTSIDE INDUSTRI				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES					
TRANSFERS IN/ OUT					
INTEREST	89	450	5,268	4,715	6,103
TOTAL REVENUE	89	450	5,268	4,715	6,103
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	89	450	5,268	4,715	6,103
BEGINNING FUND BALANCE	126,918	127,007	127,458	132,725	137,440
ENDING FUND BALANCE	127,007	127,458	132,725	137,440	143,543

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The balance is reserved for street improvements.

The fund balance continues to be held because improvements to support circulation and infrastructure outside the Westside Industrial Area remain necessary as development occurs, and the unspent funds will be used for that purpose. The initiation of work will depend on funding availability and coordination with broader planning efforts.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Outside Westside Industrial	\$ 143,543.00	N/A	\$ 143,543.00	None	-	Ongoing

Outside Westside Industrial:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not commenced because the project is scheduled to begin in a future fiscal year and is being advanced in coordination within the City's broader transportation capital improvement planning; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

357- Underground Utility In-Lieu Fee

Watsonville Municipal Code requires the underground installation of existing overhead utilities whenever there is new construction which requires design review, use permit, minor land division, subdivision, or a building permit. A fee shall be paid in lieu of actual underground installation when an exemption is granted. The fee is a one-time charge and can be spent on utility undergrounding projects throughout the City. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on underground installation of existing overhead utilities, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

UNDERGROUND UTILITY IN-LIEU FEE

\$86.00 per lineal ft

fee per lineal foot of frontage or 1.25% of actual project improvement whichever is less

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0357 UNDERGROUND UTILITY				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES	20,890	65,070	1,154	68,035	64,391
TRANSFERS IN/ OUT					
INTEREST	340	1,764	23,187	22,552	31,453
TOTAL REVENUE	21,230	66,834	24,341	90,587	95,843
EXPENDITURES					
CAPITAL IMPROVEMENTS	3,108	-	-	1,242	11,533
TOTAL EXPENDITURES	3,108	-	-	1,242	11,533
EXCESS OF REVENUES OVER EXPENDITURES	18,122	66,834	24,341	89,345	84,311
BEGINNING FUND BALANCE	475,019	493,141	559,975	584,315	673,660
ENDING FUND BALANCE	493,141	559,975	584,315	673,660	757,971

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost	
Underground Utilities Lake Avenue	Underground Utility Improvements	\$ 11,532.50	\$ 48,945.00	23.6%	
Total Expenditures		\$ 11,532.50			

Note: The fund received revenue and supported expenditures related to underground utilities improvements. The remaining balance will support future phases of the active project and remains available for future eligible utility undergrounding efforts once they are scheduled.

The fund balance continues to be held because underground utility improvements remain necessary in areas where development has occurred, and the unspent funds will be used for that purpose. Project timing is dependent on coordination and overall capital improvement planning.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Underground Utilities	\$ 48,945.00	\$ 34,694.50	\$ 14,250.50	None	-	FY 2026/27

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
General Underground Utilities	\$ 743,720.50	N/A	\$ 743,720.50	None	-	FY 2026/27

Underground Utilities:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2024/25

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Scheduling adjustments were made due to funding and coordination considerations. Revised commencement is FY 2025/26

General Underground Utilities:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not commenced because the project is scheduled to begin in a future fiscal year, project implementation remains dependent on planning and coordination; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

358- Manabe Ow Traffic Impact Fee

One-time charge to new development to fund planning, design, development, and construction of transportation improvements which are necessary to mitigate the impacts of future development on the City's circulation network. Improvements include providing the following: West Beach St/Walker St traffic signal; Main St/Riverside Dr improvements; Northbound Highway 1 Ramps/Riverside Dr (State Route 129) Traffic Signal; Southbound Highway 1/Riverside Dr (State Route 129) Traffic Signal; Main St (State Route 152)/Ohlone Pkwy improvements; Green Valley Rd/Main St realignment; Highway 1/Harkins Slough Rd Traffic Signal; Ohlone Pkwy/Lighthouse Dr roundabout; Ohlone Pkwy/Loma Vista Dr roundabout. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on Manabe Ow area traffic, measured by the lineal footage of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Manabe Ow Traffic Area Fee

Single Family detached	14 trips per unit	\$237.00	per trip
Multi-Family (apartments, townhouses, co-op, condos)	10 trips per unit	\$237.00	per trip
Non-Residential (remodel/addition)	trips based on use	\$121.00	per trip
Non-Residential (other)	trips based on use	\$180.00	per trip

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0358 MANABE OW IMPACT FEE FUND				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	61,867			78,749	23,410
TRANSFERS IN/ OUT					
INTEREST	132	817	9,558	11,831	15,000
TOTAL REVENUE	61,999	817	9,558	90,580	38,410
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	61,999	817	9,558	90,580	38,410
BEGINNING FUND BALANCE	168,459	230,458	231,275	240,833	331,413
ENDING FUND BALANCE	230,458	231,275	240,833	331,413	369,823

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no expenditures during the fiscal year; therefore, no capital improvement activity occurred for this fund. The balance remains reserved for future transportation-related improvements.

The fund balance continues to be held because transportation improvements serving the Manabe Ow area remain necessary to address development impacts, and the unspent funds will be used for that purpose. Project timing is dependent on planning needs, resource availability, and coordination with adjacent improvements.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Road and Traffic Upgrades	\$ 369,823.00	N/A	\$ 369,823.00	None	-	Ongoing

Road and Traffic Upgrades:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not commenced because the project is scheduled to begin in a future fiscal year, project implementation remains dependent on planning and coordination; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

359- Vehicle Miles Travel (VMT) In-Lieu Fee

One-time charge to new developments if they choose to pay a VMT in-lieu fee. The California Environmental Quality Act (CEQA) requires that some new development projects measure their impact on the existing transportation system by identifying the increase in VMT and provide ways to mitigate these increases. The number of VMT that is to be mitigated is determined during the planning permit process. One way to mitigate the VMT increase is to construct facilities that decrease driving and support active transportation, such as cycling and walking. The VMT in-lieu fee funds the construction of such facilities. The City has identified specific projects that will construct these facilities and are outlined in Table 1. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on pedestrian and cyclist infrastructure measured by 1,524.21 per vehicle mile travelled.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

Vehicle Miles Travel (VMT) In-Lieu Fee

Cost per VMT - \$1,524.2

Developers may choose to pay a VMT In-Lieu fee to reduce their project's impact below the applicable threshold (mitigate the impact). Essentially, the developer can choose to achieve VMT reductions and avoid a finding of significant unmitigated VMT impacts by paying the fee. The fee is not imposed on projects but is rather an option that is available to developers should they choose to use it

Table 1: VMT Banking Projects List

Trail ID	Type	Name of Project	Description	Length/Number of Improvements	Cost Estimate
8.2	Bike/Ped	Lower Watsonville Slough Loop	Provide a new slough trail at the following segments to create a new loop: - Main Street to Ford Street - San Luis Avenue to the existing Watsonville slough loop	0.11 mi	\$9,475,000
8.5	Bike/Ped	La Brisas Connector Trail	Provide connection along San Luis Avenue & Santa Victoria Avenue to the existing trail	0.13 mi	\$4,000
8.7	Bike/Ped	Manabe-Ow Connector Trail	Provide bridge from Manabe-Ow to existing trail	0.10 mi	\$16,400,000
9.1	Bike/Ped	Upper Struve Slough Trail	Slough trail connecting Pennsylvania Drive to South Green Valley Road	0.47 mi	\$2,410,000
9.3	Bike/Ped	Rolling Hills Connector Trail	Trail loop along Eileen Street, SR 152, South Green Valley Road, and Melwood Court	0.33 mi	\$720,000
9.4	Bike/Ped	Upper Watsonville Slough	Slough trail from Main Street to Freedom Boulevard	1.05 mi	\$15,790,000
Total					\$44,799,000

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)**

	0359				
	VMT BANKING PROGRAM				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES				114,315	-
TRANSFERS IN/ OUT					
INTEREST				4,753	5,286
TOTAL REVENUE	-	-	-	119,068	5,286
EXPENDITURES					
CAPITAL IMPROVEMENTS					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES				119,068	5,286
BEGINNING FUND BALANCE				-	119,068
ENDING FUND BALANCE	-	-	-	119,068	124,354

(1) Fund Balance for FY 2024/25 is unaudited

Note: Revenues were collected during the current fiscal year, and there were no expenditures during the current fiscal year; therefore, no capital improvement activity occurred for this fund. The balance continues to grow until eligible mitigation improvements are ready to begin.

The fund balance continues to be held because development activity creates demand for future circulation and mobility improvements, and the unspent funds will be used for that purpose. The use of the funds will occur as planning progress and resources become available.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Trail Connector Improvements	\$ 124,354.00	N/A	\$ 124,354.00	None	-	Ongoing

Trail Connector Improvements:

Prior Anticipated Commencement (FY 2023/24 Report): FY 2025/26

Construction status in FY 2024/25: Construction has not commenced.

Explanation / Revised Date: Construction has not commenced because the project is scheduled to begin in a future fiscal year, project implementation remains dependent on planning and coordination; no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

710-Sewer Connection Fee

Fees to obtain permission to connect to the City-owned sewer system, to have flow capacity rights, and to use the trunk sewer, sewage treatment facilities and appurtenances, provided that the City's prevailing service charges have been paid. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on sewage infrastructure, measured by the number of units of the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

SANITARY SEWER CONNECTION FEE

Residential and all others	\$2,391.00	per unit
Commercial & Industrial: Sum of following, but not less than	\$2,391.00	minimum
Based on peak month discharge of flow	\$6.65	per gpd
BOD (Biochemical oxygen demand)	\$422.77	lb/day BOD
SS (suspended solids)	\$533.93	lb/day SS

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE FIVE YEARS, ENDING JUNE 30, 2025 (AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)

	0710 SEWER CONNECTION FEES				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
REVENUES					
IMPACT FEES	80,575	399,911	43,147	228,908	216,694
TRANSFERS IN/ OUT					
INTEREST	-	-	-	-	-
TOTAL REVENUE	80,575	399,911	43,147	228,908	216,694
EXPENDITURES					
CAPITAL IMPROVEMENTS	80,575	399,911		272,055	216,694
TOTAL EXPENDITURES	80,575	399,911	-	272,055	216,694
EXCESS OF REVENUES OVER EXPENDITURES	-	-	43,147	(43,147)	(0)
BEGINNING FUND BALANCE	-	-	-	43,147	-
ENDING FUND BALANCE	-	-	43,147	-	(0)

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost
Sanitary Sewer Main Replacement Project	Improvements of existing sanitary sewer infrastructure to support system capacity and reliability	\$ 216,694.00	\$ 216,694.00	100.0%
Total Expenditures		\$ 216,694.00		

Note: Revenues were collected during the fiscal year, and expenditures occurred. Expenditures were made for eligible capacity-related activities consistent with the purpose of the fee, and remaining funds will continue to be held for future capacity needs.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Sewer System Capacity	\$ 316,694.00	\$ 216,694.00	\$ 100,000.00	None	-	Ongoing

Sewer System Capacity:

Prior Anticipated Commencement (FY 2023/24 Report): Ongoing

Construction status in FY 2024/25: Expenditures occurred during the fiscal year in support of eligible capacity-related improvements, and activities remain ongoing.

Explanation / Revised Date: Capacity improvements funded by connection fees are implemented on an ongoing basis as system needs are identified and prioritized. As a result, individual project commencement dates are not separately defined, and no revised commencement date is required.

DESCRIPTION OF IMPACT FEE

720-Water Connection Fees

Fees to obtain permission to connect to the City-owned water system, to have flow capacity rights, and to use the water treatment facilities and appurtenances, provided that the City's prevailing service charges have been paid. There is a reasonable relationship between the fee and the purpose because the fee is calculated in proportion to the development's impact on water infrastructure, measured by the number of connections required by the development.

THE AMOUNT OF THE DEVELOPMENT FEE PER THE FY 24-25 MASTER FEE SCHEDULE

WATER SERVICES

Meter Size	Connection Fee	Construction Charge*** (Inside City)	Construction Charge*** (Outside City)	Meter Drop-in
3/4"	3,089.44			\$710.00
1" combo				\$1,185.00
1"	7,724.10			\$830.00
1 ½"	15,449.75			estimate
2"	24,720.61			estimate
3"	49,441.22			estimate
4"	76,843.72			estimate
6"	154,504.59			estimate
8"	354,029.54			estimate
10"	438,739.41			estimate
Master Meter	\$2,167.49	additional connections to multi residential meters		
Groundwater Impact fee	\$549.79	per bedroom of each new connection		
Fire Flow Test	\$514.45	per test		

***Watsonville no longer constructs water services for builders or developers.
New water service may be constructed under permit by prequalified Contractors

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FIVE YEARS, ENDING JUNE 30, 2025
(AMOUNTS ROUNDED TO NEAREST WHOLE DOLLAR)**

	0720				
	WATER CONNECTION FEES				
	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
REVENUES					
IMPACT FEES	91,022	685,299	90,701	328,723	296,687
TRANSFERS IN/ OUT					
INTEREST	-	-	-	-	-
TOTAL REVENUE	91,022	685,299	90,701	328,723	296,687
EXPENDITURES					
CAPITAL IMPROVEMENTS	91,022	685,299		419,424	296,687
TOTAL EXPENDITURES	91,022	685,299	-	419,424	296,687
EXCESS OF REVENUES OVER EXPENDITURES	-	-	90,701	(90,701)	(0)
BEGINNING FUND BALANCE	-	-	-	90,701	-
ENDING FUND BALANCE	-	-	90,701	-	(0)

(1) Fund Balance for FY 2024/25 is unaudited

ACTIVITY SUMMARY

Project Name	Project Description	FY24/25 Expenditures	Project Cost	FY24/25 Impact Fee Expenditures as of % of Total Project Cost
Main Water Replacement Project	Improvements of existing water infrastructure to support system capacity and reliability	\$ 296,687.00	\$ 296,687.00	100.0%
Total Expenditures		\$ 296,687.00		

Note: Revenues were collected during the fiscal year, and expenditures occurred. Expenditures were made for eligible capacity-related activities consistent with the purpose of the fee, and remaining funds will continue to be held for future capacity needs.

ANTICIPATED FUTURE PROJECTS

Project Description	Total Cost	Previous Fee Expenditure	Anticipated Fee Expenditure	Additional Sources	Anticipated Amount From Additional Sources	Approximate Transfer Date Once All Funds Are Collected
Water System Capacity	\$ 396,687.00	\$ 296,687.00	\$ 100,000.00	None	-	Ongoing

Water System Capacity:

Prior Anticipated Commencement (FY 2023/24 Report): Ongoing

Construction status in FY 2024/25: Expenditures occurred during the fiscal year in support of eligible capacity-related improvements, and activities remain ongoing.

Explanation / Revised Date: Capacity improvements funded by connection fees are implemented on an ongoing basis as system needs are identified and prioritized. As a result, individual project commencement dates are not separately defined; and no revised commencement date is required.

Interfund Transfers or Loans

66006(b)(1)(G) and 66013(d)(5)

Section 66006(b)(1)(G) of the Mitigation Fee Act requires a description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended; and, in the case of an interfund loan, the terms of the loan, including the repayment schedule for the loan, and the rate of interest that the account or fund will receive on the loan.

In the fiscal year ending June 30, 2025, there were no interfund transfers or loans made from any of the impact fees and connection fees.

Summary of Refunds

66006(b)(1)(H)

Section 66006(b)(1)(H) of the Mitigation Fee Act requires a summary of any refunds made, and their respective amount, due to sufficient funds being collected to complete financing of schedule public improvements and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

In the fiscal year ending June 30, 2025, there were no refunds made from any of the impact fees and connection fees.