

Government Code Section 66006 Annual Report For Fiscal Year Ended June 30, 2025

Special Development Fund, Fund 123

Description of Fee: Special Development Fees are assessed on new development in the Arenas Canyon area as defined by PSMC Chapter 9.69. Special Development Fees are assessed by type of development in the Arenas Canyon area in proportion to the costs of projects needed to be constructed due to developments for flood control storm drainage, road and bridge, and fire protection.

Amount of Fee: The fee is \$4,478.42 per acre.

Reconciliation of Fund Balance:

Beginning Fund Balance	\$2,147,443
Revenues:	
Developer Fees Collected	-
Investment Income Earned	\$102,388
Expenditures:	
Capital Projects	-
Ending Fund Balance	\$2,249,832

Public Improvements Fees Were Expended for Fiscal Year 2023-25:

No development impact fees were expended for public improvements during Fiscal Year 2024-25.

Approximate Dates of Construction of Certain Public Improvements:

Sufficient funds have been collected for planned public improvements at this time for City Project Number 06-18 South Palm Canyon Drive Low Water Crossing Bridge at Arenas Canyon South, with the approximate date of construction to commence fiscal year 2026.

Description: South Palm Canyon Drive is subject to flooding from Arenas Canyon and has been subject to closure at times during past heavy storms. As the only access point in the south Palm Springs area, maintaining access is an important issue for public health and safety. The City has proposed the construction of a new bridge to circumvent flooding, allowing residents a safe passage into and out of the Arenas Canyon area. A portion of the funding will come from Cal Trans and federal highway bridge program funds with an estimated total cost of approximately \$13 million. The fund balance totaling \$2,249,832 is anticipated to be fully utilized for the construction of the bridge. City staff brought the project back to City Council on April 9, 2025, for public comment and to request authorization to bid and the City Council decided to table the project for 60 days to allow for community meetings and feedback for the neighborhoods impacted by the development of the bridge. City Council approved City staff to finalize environmental review and for City Engineer to proceed to bid the project, following completion of the environmental review on July 21, 2025.

At this stage the City is prepared to move forward with construction, subject to compliance with all environmental review requirements. The City believes it has collected sufficient funding for its share of the project costs and intends to stop collecting the Special Development Fee. The City will continue to complete the annual, and if required, five-year reporting until all Special Development Fee funds have been spent.

This project was identified in the previous report, and the approximate date construction will commence was provided as fiscal year 2026. The approximate date construction will commence has not change and therefore, there are no further reporting requirements to comply with pursuant to Government Code Section 66006(b)(1)(F) regarding a prior year report.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2024-25.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2024-25.

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Drainage Construction, Fund 135

Description of Fee: Drainage fees are assessed on new construction for the purpose of building and maintaining drainage and flood control.

Amount of Fee: Per acre fee based on region ranging from \$4,898.47 to \$10,961.65 (Excludes the Arenas Canyon area).

Reconciliation of Fund Balance:

Beginning Fund Balance	\$1,893,276
Revenues:	
Developer Fees Collected	\$170,298
Investment Income Earned	\$87,201
Expenditures:	
Capital Projects	\$(816,313)
Ending Fund Balance	\$1,334,462

Public Improvements Fees Were Expended for Fiscal Year 2024-25:

Improvement Description	Expenditures	% of Cost Funded with Impact Fees	Approximate Date Construction will be completed
Line 20	\$816,313	100%	End of Fiscal Year 2025

No other development impact fees were expended for public improvements during Fiscal Year 2024-25. The City continues to accumulate the funds needed to complete Improvement Line 21 & Demuth and Storm Drain Line 06.

Storm Drain Line 20 was identified by Staff as the City's highest priority to help with flooding in select areas and consists of approximately 5,355 linear feet of reinforced concrete pipe and supporting structures. Line 20 is located along Farrell Drive between Tahquitz Canyon way and Ramon Road, as well as along Ramon Road between Farrell Drive and El Cielo Road. The City's Master Drainage Plan was established in 1982 by Riverside County Flood Control (RCFC) & Water Conservation District. The City's Master Drainage Plan is implemented jointly with RCFC through property tax assessments and revenues generated by the City through developer impact fees (drainage fees).

Approximate Dates of Construction of Certain Public Improvements:

With the exception to the improvements identified above, sufficient funds have not been collected for planned public improvements at this time. As such, there are no additional approximate dates of construction for other public improvements identified at this time.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2024-25.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2024-25.

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Public Arts In-Lieu Fee, Fund 150

The Public Arts requirement is not a development impact fee, and the voluntary election to pay a fee in-lieu of satisfying the Public Arts requirement is similarly not a development impact fee. However, the City has elected to voluntarily include the Public Arts fund in its annual reporting (and five-year report when applicable) requirement for the purpose of transparency.

Description of Fee: The City’s development standards require certain new and re-construction projects to provide public art or, alternatively, pay a fee in lieu of such requirement to be used for developing and maintaining the City’s visual arts program.

Amount of Fee: Commercial/Industrial land uses – one half of one percent (0.5%) based on structure value; Residential land uses – one quarter of one percent (0.25%) based on structure value.

Reconciliation of Fund Balance

Beginning Fund Balance	\$790,260
Revenues:	
Developer Fees Collected	\$157,849
Investment Income Earned	63,125
Expenditures:	
Capital Projects & Expenses	\$(512,678)
Ending Fund Balance	\$498,556

Public Improvements Fees Were Expended for Fiscal Year 2024-25:

Improvement Description	Expenditures FY2024-25	Future Improvements (See Chart Below)	% of Cost Funded with Fees	Approximate Date Construction will Commence
Acquisitions:				
“Steel Crawler” Sculpture	\$84,332		100%	Completed FY2025
Mural Artwork	10,000		100%	Completed FY2025
“The Art of Taming Horses” Sculptures	9,000		100%	Completed FY2025
“Parkside Gossip” Beautiful Shades	20,000		100%	Project Cancelled See Notes Below
Artscape in the Park – Shapes & Sizes	158,200		100%	November 2025
Palm Springs Asphalt Art Mural “Prince and Blue Belly Crab” Artwork	16,652 50,000		100% 100%	Completed FY2025 Completed FY2025
Total Acquisitions	\$348,184		100%	
Operation Costs:				
Insurance	\$3,968		100%	
Administrative Costs	\$17,677		100%	
Repairs and Maintenance	\$92,849		100%	See Notes Below
Palm Springs Art Museum Sponsorship	\$50,000		100%	
Total Operation Costs:	\$164,494			
Total	\$512,678			

Future Projects	Future Expenditures	% of Cost Funded with Fees	Approximate Date Construction will Commence
Thompson Hotel Art Fund Reimbursement Request	\$192,710	100%	December 2025
Pride Monument	\$70,000	100%	October 2025
ECO Art Walk/Horses	\$10,000	100%	Delayed Third Quarter FY2026
Yellow Warbler & Dancing Rhino	\$25,000	100%	December 2025
Intersecting Cubes Relocation	\$9,775	100%	Third Quarter FY2026
TOT artwork Relocation	\$3,000	100%	Third Quarter FY2026
Lawn Chair Relocation	\$3,000	100%	Third Quarter FY2026
Total	\$313,485		

Approximate Dates of Construction of Certain Public Improvements:

Sufficient funds are still being collected for planned public art installations at this time. The approximate date of certain installations has been provided above but is subject to change based upon funding availability and the availability of the selected artists commissioned to complete the installations. There are no additional approximate dates of installations identified at this time.

Additional information on expenditures for fiscal year ending June 30, 2025, is mentioned below:

Parkside Gossip – Beautiful Shades: The artist withdrew from the project due to tariff cost increases and the City is expecting \$20,000.00 reimbursement to be returned to the Public Art Fund to be utilized for future projects. The artwork was going to be placed at the Ruth Hardy Park.

Repairs and Maintenance: The City entered a multi-year contract for artwork repairs and cleaning for 32 art pieces. Additional expenditures were made for mural restoration.

The following installations were scheduled to be completed during the fiscal year ending June 30, 2025 and were delayed due to the following reasons

Eco Art Walk/Horses: Additional time is needed to negotiate contract terms and will be installed near Tahquitz Creek.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2024-25.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2024-25.

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Wastewater Treatment, Fund 420

Description of Fee: Sewer connection fees are assessed to recover the costs of connecting a structure or project to the City’s wastewater system and to pay for the costs of wastewater infrastructure needed to serve the person or property being charged through its share of a buy-in fee which reimburses the rate payors for its costs already incurred to construct the wastewater treatment plant.

Amount of Fee: Residential - \$1,006 / dwelling unit

Commercial Industrial - Variable Rates	
Commercial and Industrial Units	\$100/Fixture
Hotel Room Without Kitchen	\$343/Unit
Hotel Room With Kitchen	\$663/Unit
Recreational Vehicle Space	\$246/Space
Properties Adjacent to City	\$2,102/Unit
Sewer Street Main Charge	\$16/Foot

Reconciliation of Fund Balance:

Beginning Fund Balance	\$3,020,453
Revenues:	
Sewer Connection Fees Collected	\$167,480
Investment Income Earned	\$30,689
Expenditures:	
Capital Projects	\$(2,383,827)
Ending Fund Balance	\$834,795

Public Improvements Fees Were Expended for Fiscal Year 2024-25:

Improvement Description	Expenditures	Future Improvements	% of Cost Funded with Connection Fees	Sewer Connection Funds Used	Approximate Date Construction will/has Commenced
01-11 Indian Canyon Widening over UPRR and Sewer Line Extension	\$2,050,087	\$13,000,000	100%	\$2,050,087	January 2025 Phase 1 and May 2025 Phase 2
21-07 WWTP Digester No. 2, Gas Flare Improvements, Filtrate Pump Station Upgrades	\$41,164	\$754,549	100%	\$41,164	July 2022
21-05 WWTP Sludge Drying Beds	\$272,607	\$3,839,628	100%	\$272,607	July 2023
21-06 WWTP demolition of Abandoned Headworks, Primary Clarifier, Sand Filter	\$19,969	\$3,667,204	100%	\$19,969	October 2025
Total	\$2,383,827	\$21,261,381		\$2,383,827	

The City continues to accumulate needed funds for certain projects while some projects have accumulated sufficient funds. Additionally, the buy-in fee collected reimburses the rate payors for its costs already incurred to construct the wastewater treatment plant. There were no improvements on which funds were expended that were completed during the fiscal year. The improvements described above are expected to continue to be undertaken in the next fiscal year.

Approximate Dates of Construction of Certain Public Improvements:

Sufficient funds have been collected for certain planned public improvements at this time. The City utilizes the funds for the above listed projects on an ongoing basis until construction is completed for each project. The approximate date of such improvements has been provided above. There are no additional approximate dates of construction for other public improvements identified at this time.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2024-25.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2024-25.