

CITY OF LINCOLN

Annual Development Impact Fee Report

Fiscal Year Ended June 30, 2025

December 17, 2025



City of Lincoln



City Officials

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Ben Brown, Mayor Pro Tem. District 2

John Reedy, Council Member, District 3

Richard Pearl, Council Member, District 4

Whitney Eklund, Council Member, District 5

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Gregory E. Kevin, City Treasurer

Administrative Team

Sean Scully, City Manager

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1. DEVELOPMENT IMPACT FEE REPORT

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. Regarding reporting requirements, the Mitigation Fee Act requires annual reporting for each impact fee fund, and a separate five-year reporting process. This report meets the requirements described in 1.1 Annual Report, below. A combined Annual and Five-Year Report was completed in 2022 and will next be provided in 2027.

1.1 Annual Report

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

1. A brief description of the type of fee in the account or fund; *(report section 2)*
2. The amount of the fee; *(report section 2 and attachment)*
3. The beginning and ending balance of the account or fund; *(report section 3)*
4. The amount of the fees collected and interest earned; *(report section 3)*
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees; *(report section 4)*
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement; An identification of each public improvement identified in a previous report and whether construction began on the approximate date noted in the previous report. For a project identified for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction; *(report section 4)*
7. A description of each interfund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended; *(report section 5)*
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f); *(report section 6)*

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

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

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

1.2 Five-Year Report

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

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

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

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

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

2. CURRENT IMPACT FEES

Development impact fees in the City of Lincoln are called Public Facility Element Fees (“PFE Fees”). These fees are one-time charges levied on new development in Lincoln to fund various infrastructure, facilities, vehicles, and equipment needed to serve new development.

2.1 Types of Impact Fees and Impact Fee Funds

The fees documented in the body of this Annual Development Impact Fee Report include the following fees listed below. The revenue and expenditures for each PFE Fee type is tracked by the City in a separate fund.

Table 1. Impact Fees and Impact Fee Funds

Fund No.	Fee Name	Purpose and Use of the Fee
2150	Park In-Lieu	Park in-lieu fees, tracked in Fund 2150, are enacted per the City’s Code of Ordinances, Chapter 17.32 Park Dedication and Fees. Park in-lieu fees are governed by the Quimby Act (CA State GC 66477), not the Mitigation Fee Act, and are not subject to the same standards of reporting as Lincoln’s other PFE fees. Though park in-lieu fees are not governed by the Mitigation Fee Act, the city has decided to report on these fees in a similar manner to PFE fees for transparency purposes.
2400	Transportation	The purpose of the transportation fee is to fund transportation facilities costs attributable to the impact from new development. The transportation fee will be used to fund the construction of transportation-related facilities identified by the City as necessary to serve new development. A summary of facilities is available in Table A-10 of Appendix A, and greater detail in Table B-1 of Appendix B, to the August 15, 2022, Nexus Study Report.
2410	Police	The purpose of the police fee is to fund the fair-share portion of police facilities, vehicles, and equipment costs attributable to the impact from new development. The police fee will be used to fund the purchase or construction of police station facilities, vehicles, and equipment identified by the City to serve new development. These facilities are identified in Table A-28 of Appendix A to the 2022 to the August 15, 2022, Nexus Study Report.
2420	Fire	The purpose of the fire fee is to fund fire facilities costs attributable to the impact from new development. The fire fee will be used to fund the fair share portion of fire stations, fire vehicles and equipment for development in Areas Nos. 1 and 2. These facilities are identified in Tables A-25 and A-26 of Appendix A to the August 15, 2022, Nexus Study Report.
2430	Administration	The purpose of the administration facilities fee is to fund City administration facilities costs attributable to the impact from new development. The administration facilities fee will be used to fund the construction of administration building space that has been identified by the City to serve new development. This facility is presented in Table A-30 of Appendix A to the August 15, 2022, Nexus Study Report.

Fund No.	Fee Name	Purpose and Use of the Fee
2440	Library	The purpose of the library fee is to fund library facilities costs attributable to the impact from new development in PFE Area No. 2. The library fee will be used to fund the construction of library facilities that have been identified by the City to serve new development. These facilities are presented in Table A-32 of Appendix A to the August 15, 2022, Nexus Study Report.
2460	Park and Recreation	The purpose of the parks and recreation fee is to fund park and recreation facilities attributable to the impact from new development. The parks and recreation fee will be used to fund the construction of park and recreation facilities that have been identified by the City to serve new development. These park and recreation facilities are identified in Tables A-36, A-38, and A-42 of Appendix A to the August 15, 2022 Nexus Study Report.
2470	Drainage	The purpose of the drainage fee is to fund drainage facilities that are attributable to the impact from new development. The drainage fee will be used to fund the construction of drainage facilities identified by the City as necessary to serve new development. These facilities are identified in Table B-5 of Appendix B to the August 15, 2022, Nexus Study Report.
2900	Oak Tree	Oak Tree Mitigation fees, tracked in Fund 2900, are fees imposed by the City when development does not comply with the City's design guidelines for the preservation of oak trees. Though not development impact fees governed by the Mitigation Fee Act, the City has decided to report on these fees in a similar manner to PFE fees.
7150	Water	The purpose of the water fee is to fund water facilities that are attributable to the impact from new development in the City by build-out of the General Plan area. The water fee will be used to fund construction of water facilities that have been identified by the City as necessary to serve new development. These facilities are summarized in detail in Table B-4 of Appendix B to the August 15, 2022, Nexus Study Report.
7250	Wastewater	The purpose of the wastewater fee is to fund wastewater collection, non-potable water, and wastewater treatment facilities that are attributable to the impact from new development. The wastewater fee will be used to fund the fair share portion of the cost of constructing wastewater collection, non-potable water, and treatment facilities that have been identified by the City as necessary to serve new development. These facilities are identified specifically in Tables B-2 and B-3 of Appendix B and in Appendix D to the August 15, 2022, Nexus Study Report.
7350	Solid Waste	The purpose of the solid waste fee is to fund solid waste vehicles and equipment costs attributable to the impact from new development. The solid waste fee will be used to fund the purchase of solid waste vehicles as identified by the City to serve new development. These items are identified in Table A-34 of Appendix A to the August 15, 2022, Nexus Study Report.

2.2 Current Fee Schedule

During Fiscal Year 2022-23, the Lincoln City Council adopted Resolution 2022-241 on October 25, 2022, which included a revised Public Facility Element Fee Program Nexus Study Report (August 15, 2022), as well as a phased in approach to update fees to the full amount identified in the Nexus Study Report. On May 23, 2023, City Council adopted Resolution 2023-093, which included updated PFE fees that were in effect from July 1, 2024, through August 31, 2024. On June 11, 2024, City Council adopted Resolution 2024-124, which included updated PFE fees that were in effect from July 1, 2024, through August 31, 2024.

- Attachment 1 to this report includes the PFE fee amounts in effect between July 1, 2024, and August 31, 2024
- Attachment 2 to this report includes the PFE fee amounts in effect between September 1, 2024, and June 30, 2025

3. FINANCIAL SUMMARY REPORT

The following provides the required financial summary for each PFE fund, to include the beginning and ending balance, amount of fees and/or charges collected, and interest earned for the Fiscal Year End June 30, 2025. Figures shown in the table below are unaudited as of the date of this report.

Table 2. Financial Summary Fiscal Year 2025

Fund No. Description	2150 Park In-Lieu	2400 Transportation	2410 Police	2420 Fire	2430 Administration	2440 Library	2460 Parks
Fees	9,408	1,715,298	348,453	270,971	404,017	102,891	979,329
Interest	28,479	694,892	63,631	19,170	90,128	14,912	268,966
Fund Balance, Beginning of the Year¹	1,112,961	18,566,018	2,314,737	(916,964)	3,286,670	597,257	10,167,221
Fund Balance, End of the Year¹	1,143,978	32,791,212	2,249,925	(629,812)	3,761,439	597,758	9,111,996

¹ Beginning & Ending Fund Balance is reported per financial reports provided by the City's Finance Department

Fund No. Description	2470 Drainage	2900 Oak Tree	7150 Water	7250 Wastewater	7350 Solid Waste
Fees	549,610	75,750	1,034,948	611,842	263,707
Interest	71,326	11,525	340,437	102,288	84,533
Fund Balance, Beginning of the Year¹	1,363,779	421,533	12,679,526	3,580,470	3,627,170
Fund Balance, End of the Year¹	1,950,994	481,812	13,791,493	2,018,663	2,561,827

¹ Beginning & Ending Fund Balance is reported per financial reports provided by the City's Finance Department

4. PUBLIC IMPROVEMENTS

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

Table 3. Public Improvements Fiscal Year 2025

Fund	Fund Name	CIP #	Project Name	Project Start	Project Finish	Project Phase	Total Project Funding	PFE Fees				
								Total Impact Fee Funded Amount	% Impact Fee Funded	Total Prior Year Impact Fee Expenditures	FY 2025 Impact Fee Expenditures	Impact Fee Funding Remaining
2400	Transportation	329	East Joiner Pkwy Widening	2018/19	2024/25	Completed	\$ 8,044,741	\$ 8,044,741	100%	\$ 8,041,211	\$ 3,530	\$ -
2400	Transportation	644	Ferrari Ranch Rd Improvements	2023/24	2025/26	Active	\$ 10,628,000	\$ 10,000,000	94%	\$ 133,423	\$ 331,826	\$ 9,534,751
2400	Transportation	682	E. Joiner & Del Webb Blvd Impr.	2022/23	2026/27	Active	\$ 6,374,085	\$ 6,374,085	100%	\$ -	\$ 227,737	\$ 6,146,348
2400	Transportation	613	Moore Rd Class 1 Trail	2022/23	2025/26	Active	\$ 1,215,000	\$ 1,215,000	100%	\$ 166,993	\$ 8,970	\$ 1,039,037
2410	Police	622	PD IT Room Expansion	2022/23	2025/26	Active	\$ 963,095	\$ 963,095	100%	\$ 411,826	\$ 420,258	\$ 131,011
2410	Police	626	PD Parking Lot Expansion	2021/22	2026/27	Active	\$ 755,000	\$ 755,000	100%	\$ 39,196	\$ 105,929	\$ 609,875
2430	Admin	632	City Hall Reorganization Project	2022/23	2025/26	On Hold	\$ 725,000	\$ 725,000	100%	\$ 60,341	\$ 89,827	\$ 574,832
2440	Library	n/a	Library Collections	2007/08	on-going	Active	\$ 4,402,985	\$ 4,402,985	100%	\$ 1,432,268	\$ 66,140	\$ 2,904,577
2440	Library	669	Library HVAC Controls Upgrade	2023/24	2024/25	Completed	\$ 200,000	\$ 200,000	100%	\$ 178,771	\$ 7,525	\$ 13,704
2440	Library	668	Library Book Lockers	2024/25	2025/26	Active	\$ 55,000	\$ 55,000	100%	\$ -	\$ 41,329	\$ 13,671
2460	Parks	461	Aitken Park Ph3	2019/20	2024/25	Completed	\$ 2,300,000	\$ 2,012,236	87%	\$ 1,128,027	\$ -	\$ 884,209
2150	Parks	464	Aldo Pineschi Jr Park	2020/21	2027/28	Active	\$ 6,002,125	\$ 1,000,000	17%	\$ -	\$ -	\$ 1,000,000
2460	Parks	464	Aldo Pineschi Jr Park	2020/21	2027/28	Active		\$ 3,991,481	67%	\$ -	\$ 387,900	\$ 3,603,581
2460	Parks	466	Jimenez Park lot paving	2020/21	2024/25	Completed	\$ 385,300	\$ 205,000	53%	\$ 160,452	\$ 38,718	\$ 5,830
2460	Parks	467	Jimenez Ph3 - soccer	2020/21	2024/25	Completed	\$ 3,441,790	\$ 3,051,070	89%	\$ 765,641	\$ 1,049,259	\$ 1,236,169
2460	Parks	497	Bella Breeze Master Plan	2021/22	2027/28	Active	\$ 1,838,300	\$ 1,838,300	100%	\$ 606,135	\$ 532,321	\$ 699,844
2460	Parks	637	Community Center Park	2023/24	2027/28	Active	\$ 2,750,000	\$ 2,750,000	100%	\$ 85,490	\$ 294,515	\$ 2,369,995
2460	Parks	686	Fitness Court Healthy Cities Grant	2024/25	2024/25	Completed	\$ 213,038	\$ 213,038	100%	\$ -	\$ 213,038	\$ -
2470	Drainage	181	Lakeview Farms Storage Ph 1	2022/23	2026/27	Active	\$ 1,173,000	\$ 1,173,000	100%	\$ -	\$ 1,123	\$ 1,171,877
7150	Water	n/a	Meters and MXUs for new construction	on-going	on-going	Active	\$ 1,700,524	\$ 1,700,524	100%	\$ 1,432,268	\$ 268,256	\$ -
7250	Wastewater	478	East Joiner Pump Station Improvements	2023/24	2025/26	Active	\$ 1,827,705	\$ 1,775,000	97%	\$ -	\$ 1,152,219	\$ 622,781
7250	Wastewater	657	Q St Sewer Lift Station Rehab Design	2024/25	2025/26	Active	\$ 585,000	\$ 585,000	100%	\$ -	\$ 115,776	\$ 469,224
7350	Solid Waste	618	Cardboard Recycling Facility	2024/25	2024/25	Completed	\$ 828,005	\$ 828,005	100%	\$ -	\$ 828,005	\$ -
7350	Solid Waste	V417	Street Sweeper	2024/25	2024/25	Completed	\$ 425,927	\$ 425,927	100%	\$ -	\$ 425,927	\$ -
7350	Solid Waste	V418	Flat-bed Truck	2024/25	2024/25	Completed	\$ 143,497	\$ 143,497	100%	\$ -	\$ 143,497	\$ -
TOTAL							\$ 56,977,117	\$ 54,426,984		\$ 14,642,044	\$ 6,753,625	\$ 33,031,315

The Mitigation Fee Act also requires annual identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement. Other than the projects listed in the table above, the City has not identified any public improvements that have sufficient funds as of June 30, 2025, to complete the financing on incomplete public improvements.

Government Section 66013(d) has similar requirements for water and wastewater capacity charges to identify each public improvement that is anticipated to be undertaken in the following fiscal year. For Funds 7150 and 7250, the following are a list of public improvements anticipated to be undertaken in Fiscal Year 2025/26 in addition to those projects shown as “Active” in the table on the previous page.

Water PFE Fund 7150:

- CIP 654 Water Distribution Rehab - Work began on this project in FY 2023/24, however, non-PFE funds were used.

5. INTERFUND LOANS

The Mitigation Fee Act requires a description of each interfund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended.

There were no new interfund transfers or loans made between impact fee funds in Fiscal Year 2025. The following table summarizes all active interfund loans to and/or from the City's impact fee funds.

Table 4. Interfund Loans Fiscal Year 2025

Date of Loan	Maturity Date	Purpose of Loan	Original Advance	Lender	Borrower	Fiscal Year 2025 Payment/ Transfer	Balance 06/30/2025	Interest Rate ¹
06/30/18	06/30/28	Completion of Regional Retention Facility CIP 181	\$ 1,856,200	7350 Solid Waste Non-Ops	2470 PFE Drainage	\$ 170,313	\$ 356,394	0.62%
07/01/16	04/01/38	Refi. Original loan, add additonal funds required to construct Fire# 33 and #34	\$ 5,300,000	2250 PCWA WCC	2420 Fire PFE	\$ 116,031	\$ 1,394,039	0.34%
06/30/18	06/30/28	Regional Retention Facility	\$ 1,010,000	2400 Transportation	2470 Drainage	\$ 172,016	\$ 359,958	0.62%

¹ Interest Rates are Average and/or Fixed 5-year LAIF rate

6. REFUNDS

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

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

As discussed in Section 4 of this report, in Fiscal Year 2024-25 no such determination has been made regarding sufficient funds collected to complete incomplete improvements. Therefore, no refunds were made or required.

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

ATTACHMENT 1

Public Facility Element Fees schedule in effect between July 1, 2024, and August 31, 2024

PFE Fee Table per EDU Effective July 1, 2024 - August 31, 2024

		8/1/2023
Transportation	Area 1	\$ 4,675.49
	Area 2	\$ 4,061.61
Wastewater	Area 1	\$ 10,481.90
	Area 2	\$ 10,942.15
Water	Area 1	\$ 3,041.90
	Area 2	\$ 2,113.81
Drainage	Area 1 North	\$ 2,402.47
	Area 1 South	\$ 1,045.75
	Area 2	\$ 822.60
Fire	Area 1	\$ 611.42
	Area 2	\$ 670.87
Police	Area 1	\$ 766.82
	Area 2	\$ 853.03
Administration	Area 1	\$ 1,030.91
	Area 2	\$ 1,030.91
Library	Area 1	\$ -
	Area 2	\$ 515.19
Solid Waste	Area 1	\$ 691.75
	Area 2	\$ 674.51
Parks and Trail	Area 1	\$ 4,788.68
	Area 2	\$ -
Neighborhood Park	Area 1	\$ -
	Area 2	\$ 3,902.02
Regional Park	Area 1	\$ -
	Area 2	\$ 1,798.59
Trail	Area 1	\$ -
	Area 2	\$ 249.96
Recreation	Area 1	\$ 263.16
	Area 2	\$ 287.16

Resolution 2023-093

ATTACHMENT 2

Public Facility Element Fees schedule in effect between September 1, 2024, and June 30, 2025

PFE Fee Table per EDU Effective September 1, 2024 - June 30, 2025

		9/2/2024
Transportation	Area 1	\$ 5,670.94
	Area 2	\$ 4,464.26
Wastewater	Area 1	\$ 11,394.80
	Area 2	\$ 12,299.30
Water	Area 1	\$ 3,075.48
	Area 2	\$ 2,137.14
Drainage	Area 1 North	\$ 2,984.66
	Area 1 South	\$ 1,057.29
	Area 2	\$ 831.67
Fire	Area 1	\$ 662.75
	Area 2	\$ 779.66
Police	Area 1	\$ 775.28
	Area 2	\$ 862.45
Administration	Area 1	\$ 1,086.57
	Area 2	\$ 1,086.57
Library	Area 1	\$ -
	Area 2	\$ 1,013.19
Solid Waste	Area 1	\$ 699.39
	Area 2	\$ 681.96
Parks and Trail	Area 1	\$ 5,364.06
	Area 2	\$ -
Neighborhood Park	Area 1	\$ -
	Area 2	\$ 3,945.09
Regional Park	Area 1	\$ -
	Area 2	\$ 2,878.24
Trail	Area 1	\$ -
	Area 2	\$ 491.56
Recreation	Area 1	\$ 517.54
	Area 2	\$ 564.71

Resolution 2024-124