Covina-Valley Unified School District
Developer Fee Justification Study

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Education Code §17620 authorizes school districts to levy a fee, charge, dedication or other form of requirement against any development project, within their district, for the construction or reconstruction of school facilities as long as the District can demonstrate justification for the levying of fees.

On January 22, 2020, the State Allocation Board's (SAB) biennial inflation adjustment increased the maximum residential School Fee authorized by §17620 of the Education Code **from $3.79 to $4.08** per residential building square foot for school districts. Based on the square footage of the average residential unit being constructed within the school district, the school fees would provide less than 100 percent of the school facilities cost impacts. Therefore, this study concludes that the school district in which these residential units are located is fully justified in levying the maximum residential School Fee of $4.08 per square foot for all new future residential development within their boundaries. At the same time, the SAB also approved an increase in the commercial/industrial rate **from $0.61 to $0.66** per square foot. As is presented in this report, the district is justified in collecting developer fees on new commercial/industrial development in certain situations.

The Developer Fee Justification Study ("Study") is intended to determine the extent to which a nexus exists in the Covina-Valley Unified School District ("District") between both residential and commercial/industrial development and (i) the need for school facilities, (ii) the cost of those school facilities, and (iii) the amount of statutory school fees ("School Fees") that may be levied upon both residential and/or commercial/industrial development on a square foot basis pursuant to the provisions of §17620 of the Education Code, as well as §65995 and §66001 of the Government Code. The developer fee can also be described as an “impact” fee – that is, the fee levied is in recognition of the impact that new development, residential and/or commercial/industrial has upon the District’s ability to provide adequate facilities for all its students.

This report:

- Identifies the cost of providing school facilities for students generated by future residential and commercial/industrial development in the Covina-Valley Unified School District in order to justify the collection of fees on those developments; and,

- Explains the relationship between the fees and the developments on which those fees are to be charged.

As is indicated by the **ES Table 1** below, the Covina-Valley Unified School District is justified in collecting the legal maximum fee of $4.08 per square foot of residential development as authorized by Government Code §65995 (Level I fees), since future residential development creates a school facility cost impact of between $27.36 and $44.78 per square foot depending upon land use.

ES Table 1: School Facilities Cost Impact per Residential Square Foot

Land Use	School Facilities Cost Impact per Residential Unit	Average Square Footage per Residential Unit	School Facilities Cost Impact per Square Foot
Single-Family Detached	$43,854.42	1,603	$27.36
Multi-Family Attached (including APT)	$44,779.50	1,000	$44.78

As is depicted in **ES Table 2**, the District is also justified in collecting the legal maximum fee of $0.66 per square foot of development on all categories of commercial/industrial development (except rental self-storage), since those categories of development generate school facility cost impacts ranging from $0.04 to $3.16 per square foot of future development – even when fees from linked residential units are accounted for. The facilities cost impact for rental self-storage construction is the lone exception since the facilities cost impact of development in this category is $0.04 per square foot. The fee for this category of commercial/industrial development should be established on an individual, case-by-case basis.

ES Table 2: Net School Facilities Cost Impacts Per Sq. Ft. for Com/Ind. Development

Net School Facilities Cost Impact Per Square Foot of Com/Ind. Development	
Category	**Net School Impact per Square Foot**
Banks	$1.87
Community Shopping Center	$1.01
Neighborhood Shopping Center	$1.85
Industrial Business Parks	$2.32
Industrial Parks/Warehousing	$0.89
Rental Self-Storage	$0.04
Research & Development	$2.01
Hospitality(Lodging)	$0.75
Commercial Offices (Standard)	$3.16
Commercial Offices (Large High Rise)	$3.00
Corporate Offices	$1.77
Medical Offices	$2.82

The District's justification for collecting fees on future residential and commercial/industrial development is based on the following facts and projections:

1. Over a five-year period, future residential development is projected to generate 126 additional students for the District based on the construction of 268 new

dwelling units. These students will require the District to provide ongoing capital facility improvements to continue to offer and maintain the existing level of service for these students and their families.

2. While there is a minimal number of available permanent capacity at the high schools (20 seats) currently, the planned residential development will create a shortage of permanent seats at the high school level. In addition, there is currently a substantial shortage of permanent capacity at both the elementary school and middle school level for the approximate 52 elementary school students and 27 middle school students that would be generated by future residential development.

3. Each square foot of future residential development creates an estimated school facilities cost impact of between $27.36 and $44.78 per square foot. All categories of commercial/industrial development create an estimated school facilities cost impact ranging between $0.04 and $3.16 per square foot of commercial/industrial development, even when fees from linked residential units are accounted for.

4. If the District collects the current maximum fee on residential development authorized by Government Code §65995 of $4.08 per square foot, fee revenue will only offset between 9.1% and 14.9% of the school facility cost impacts attributable to that development

5. For both residential and commercial/industrial development, the fees authorized by Government Code §65995 are fully justified(with the exception of Rental/ Self-Storage). The fees outlined above all meet the requirements of Government Code §66001 (the nexus requirements); that is, a reasonable relationship exists between the amount and use of the fees and the developments upon which they are levied.

Justification

The District's current capacity to house students in permanent structures is based upon an inventory of 456 permanent classrooms being "loaded" at the District's standard of 24 students per classroom for TK-3 students; 33 students per classroom for Grades 4 through 12; 13 students per classroom for its Special Education non-severe students; and 9 students per classroom for Special Education severe students. This results in a total permanent capacity of 9,981. The 2020-21 District certified enrollment data reflects a total student population of 11,332. This indicates that there is a shortage of permanent seats at all three grade levels within the District as depicted in **Table 2**.

All calculations of District capacity for the purposes of the Study are based on the District's capability to house students in **permanent** classrooms. The reasoning and rationale for only considering permanent classrooms throughout this study is based upon the principle that

the District's interest is that all students are entitled to a common level of service with respect to facilities; and, that level of service is then maintained for all students, both existing and newly incoming (as the result of development).

While the District has had to provide a number of portable classroom structures to house some students over the years, the underlying District philosophy has been that portable classroom housing was intended as "interim" housing until such time as sufficient resources, both local and state, become available to construct permanent classrooms.

Additional factors regarding the use of portable classrooms as interim housing and not permanent capacity include:

- Portable classrooms have a shorter life span than permanent classroom structures;
- Portable classrooms are inherently difficult to maintain over an extended period;
- Issues of equity surround the use of portable classroom structures. Ensuring the same level of service for all students – both existing as well as those to be generated from future development is a fundamental precept of the District's vision;
- Difficulty in locating portables in favorable locations. Portable classrooms tend to be located at the fringes of a campus;
- Difficulty in altering the configuration of a portable classroom to meet new instructional standards (e.g., flexible learning)

To establish a nexus and a justifiable residential School Fee level, the DFJS evaluated the number and cost of new facilities required to house students generated from future residential development within the school district. Based upon data provided by the planning agencies in the Cities of Covina and West Covina, a total of 268 additional residential units are projected to be constructed within the District's boundaries over the next five years. These 268 residential units would consist of 250 single-family detached units ("SFD") and 18 multi-family attached units ("MFA"). The District's current capacity to house students is based on an inventory of 456 permanent classrooms. These classrooms were "loaded" using the District's standards for classroom loading factors.

To determine the impact on the school district from future residential units, the DFJS first multiplied the number of future residential units by a student generation factor ("SGF") that have been developed on the District's behalf to determine the projected student enrollment from future residential dwelling units. The results were that 52 elementary school students; 27 middle school students; and 47 high school students are anticipated to be generated from future residential units as is depicted in **Table 5**.

Based on the District's current loading factors, the influx of new students created by residential development would require the District to construct approximately three (3)

elementary classrooms; one (1) middle school classroom and two (2) high school classrooms.

A standard 600-student elementary school is projected to cost $42,511,031 to construct based upon current estimates developed by EH&A with data supplied by both construction as well as real estate professionals. and is based on 2020 dollars. Using the 600-student standard, the cost per student would be $70,852. For a middle school of 1,000 students, the total cost is estimated at $87,419,613 which equates to a cost per student of $87,420; and a high school of 1,800 students, would cost an estimated at $188,386,732 to construct equating to a cost per student of $104,659 – all as detailed in Exhibits C1-C3.

Description of the Covina-Valley Unified School District

The Covina-Valley Unified School District ("District") is located in the southeastern quadrant of Los Angeles County. The District is bordered to the east by the Charter Oak and Pomona Unified School Districts; to the south by the Walnut Valley Unified School District; to the west by the West Covina and Baldwin Park Unified School Districts; and to the north by the Azusa Unified School District. (Exhibit B1-B2). The District currently (2020-21) serves 11,332 students in grades TK-12 and operates nine elementary schools, three middle schools, three comprehensive high schools, one continuation high school and a children's center. Most of its pupils reside within portions of the Cities of Covina and West Covina. Based on data provided to EH&A by the Cities' and County's planning departments, tentative maps have been approved for the construction of 268 new residential units over the next five years.

The following schools are located in the District:

ELEMENTARY SCHOOLS

Barranca	Ben Lomond	Cypress	Grovecenter	Manzanita
Merwin	Mesa	Rowland Ave.	Workman Ave.	
Covina-Valley Children's Center				

MIDDLE SCHOOLS

Las Palmas	Sierra Vista	Traweek

HIGH SCHOOLS

Covina	Fairvalley (Cont.)	Northview	South Hills

Introduction

The purpose of this DFJS is to show that the District meets the pertinent requirements of State law regarding the collection of developer fees. State law gives school districts the authority to charge fees on new residential and commercial/industrial developments if those developments generate additional students and cause a need for additional school facilities. Government Code §66001 requires that a reasonable relationship exists between the amount and use of the fees and the development on which the fees are to be levied.

On January 22, 2020, the State Allocation Board's biennial inflation adjustment increased the maximum residential School Fee authorized by §17620 of the Education Code from $3.79 to $4.08 per residential building square foot for all districts. Based on the square footage of the average residential unit constructed within the school district, the school fees provide between 9.1% and 14.9% of the school facilities cost impacts. At the same time, the SAB also approved an increase in the commercial/industrial rate to $0.66 per square foot. This study concludes that the Covina-Valley Unified School District is fully justified in levying the maximum residential school fee of $4.08 per square foot for all future residential development within its boundaries; and is also justified in collecting the maximum fee of $0.66 per square foot on new commercial/industrial development (with the exception of Rental Self-Storage) meeting certain conditions.

The Study is divided into a number of sections including:

1. Identifying the school facility needs over the next five years;
2. Calculating the financial impact on the District of future residential and commercial/industrial developments;
3. Comparing the projected revenues from developer fees to the costs of providing facilities for students generated by future developments;
4. Showing that the District satisfies the requirements of Government Code §66001 with respect to the collection of developer fees;
5. Summarizing other potential funding sources for school facilities.

Developer Fee Background

Education Code §17620 grants authority to governing boards of school districts to impose developer fees, stating in part "...the governing board of any school district is authorized to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities." To levy and collect developer fees, a school district must show the correlation (or "nexus") between new residential, commercial and industrial development and the need for new school facilities.

In 1986, the state legislature approved AB 2926 (Chapter 887), which authorized school districts to levy development fees and at the same time placed a cap on the total amount of fees that could be levied. It established the maximum fees (adjustable for inflation) that may be collected, at $1.50 per square foot of new residential construction and $0.25 per square foot of new commercial/industrial construction. This maximum amount is reviewed and adjusted every two years by the State Allocation Board (SAB) and corresponds to the statewide Class B construction index. On January 22, 2020, the SAB increased the Level 1 fee to $4.08 per square foot for residential construction and $0.66 per square foot for commercial/industrial construction (Exhibit A).

Government Code §66000 through §66003 were added under Assembly Bill 1600, which became law in January 1989. The provisions require that any school district which establishes, increases or imposes a fee as a condition of approval of development shall make specific findings as follows:

1. **A cost nexus must be established**. A cost nexus means that the amount of the fee cannot exceed the cost of providing adequate school facilities for students generated by development. Essentially, it prohibits a school district from charging a fee greater than the cost necessary to construct or reconstruct facilities for use by students generated by development.

2. **A benefit nexus must be established**. A benefit nexus is established if the fee is used to construct or reconstruct school facilities benefiting students generated from development projects.

3. **A burden nexus must be established**. A burden nexus is established if a project, by the generation of students, creates a need for additional facilities or a need to reconstruct existing facilities.

In 1997, Government Code §66008 (SB 1983), Chapter 569/Statutes 1996, (effective January 1, 1997) mandated that school districts be specific on the intended use of the fees to be collected in their fee justification documents and include the general locations of new school facilities and estimated construction timelines in the report. These timelines, however, are influenced by many factors including actual (as opposed to projected) phasing of new development, eligibility and availability of state school construction funds and availability of local funding.

In August 1998, the Governor signed into law Senate Bill 50, also known as the Leroy Greene School Facilities Act of 1998. This bill made major changes in the State Facilities Program as well as the rules and regulations surrounding the use of “developer fees” as mitigation for school districts in California. Education Code §17620 was amended to create the provisions of Government Code §65995.

The State School Facilities Program (SFP) replaced the State Lease-Purchase Program. Except in the case where a district can establish economic "hardship" status, all new state

construction projects require a district contribution of 50% of the project cost. Modernization projects require a local (district) contribution of 40% of the cost pursuant to AB 16 (Chaptered 4/29/02).

The passage of SB 50 also repealed all locally-imposed fees authorized by local ordinances and instituted the collection of three levels of developer fees:

Level 1 Fees:

Level 1 fees are the current statutory fees allowed under Education Code §17620. On January 24, 2018, the State Allocation Board's biennial inflation adjustment increased the Statutory Level 1 Fees to $3.79 per square foot for residential construction and $0.61 per square foot for commercial/industrial construction.

Level 2 Fees:

Level 2 developer fees are outlined in Government Code §65995.5. This code section allows a school district to impose a higher fee on residential construction if certain conditions are met. This level of developer fees is subject to the completion of a School Facility Needs Analysis based on Government Code §65995.6.

Level 3 Fees:

Authorized by SB 50 in 1998, Level 3 fees have never been implemented. They would be approximately twice the Level 2 fee. Level 3 fees require a condition in which state school construction funds have been exhausted; therefore, no state matching funds would exist with the District then being responsible for providing 100 % of funding for any new school construction. The SAB is then required to provide written determination that state funds are not available prior to any district considering the levying Level 3 developer fees (Government Code §65995.7). Levying Level 3 fees also requires that the district have a current School Facility Needs Analysis (SFNA) in place; and is currently levying Level 2 fees. SFNAs for Level 2 fees commonly include a calculation of the Level 3 fee as well, even though the Level 3 fee cannot be imposed at that time. Both AB 1903 and the education trailer bill (SB 1016) proposed to temporarily limit the ability of school districts to levy Level 3 developer fees.

Use of Fees

Developer Fees may be used for:

a) Construction or reconstruction of school facilities; (Ed. Code § 17620, subd. (a).)

b) Costs associated with conducting any study, finding, needs analysis or determination required as part of the process for adopting the fee; (Ed. Code § 17620, subd. (a)(5); Gov. Code § 65995.5, subd. (f).)

c) Administering the fee, for which 3% of the fees collected may be expended; (Ed. Code § 17620, subd. (a)(5); Gov. Code § 65995.5. subd. (f).)

d) Costs associated with conducting the meeting(s) required for levying a new fee or increasing an existing fee may be recovered by the district from the fee charged; (Gov. Code § 66016, subd. (c).)

e) Costs attributable to the increased demand for public facilities reasonably related to the development in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with a general plan (this appears to include compliance with a Facilities Master Plan or similar document). (Gov. Code § 66001, subd. (g).)

Impermissible Uses of Fees

Developer fees generally may not be used for the following:

a) The regular maintenance or routine repair of school buildings and facilities;

b) The inspection, sampling, analysis, encapsulation or removal of asbestos-containing materials, except where incidental to a construction or reconstruction project; or;

c) The purposes of deferred maintenance described in Ed. Code § 17582.

(Ed. Code § 17620, subd. (a)(3).)

Other Legislation

School districts wanting to adopt or increase fees must hold a public hearing as part of a regularly scheduled meeting and must publish notice of this meeting twice, the first notice at least ten days prior to the meeting (per Government Code §66016)

Government Code §66006 requires school facilities fees that are collected be placed into a separate capital facilities account or fund and specifies that those fees, and the interest earned on those fees, only be expended for the purposes for which they were collected.

According to Education Code §17625, a school district can charge a fee on manufactured or mobile homes only if all of the following conditions are met:

1. The fee may be imposed only as to the initial installation of the manufactured or mobile home in the school district.

2. A manufactured or mobile home must not have been located previously on the pad where the manufactured or mobile home is to be installed.

3. The construction of the pad where the manufactured or mobile home is to be located must have commenced after September 1, 1986.

According to Education Code §17622, no school fee may be imposed and collected on a greenhouse or other space covered or enclosed for agricultural purposes unless the school district has made findings supported by substantial evidence as follows:

1. The amount of the fees bears a reasonable relationship, and is limited to, the needs for school facilities created by the greenhouse or other space covered or enclosed for agricultural purposes.

2. The amount of the fee does not exceed the estimated reasonable costs of the school facilities necessitated by the structures for which the fees are to be collected.

3. In determining the amount of the fees, the school district shall consider the relationship between the proposed increase in the number of employees, if any, the size and specific use of the structure, as well as the cost of construction.

In October 1989, Assembly Bill 181 was enacted to clarify several areas of developer fee law. The provisions include the following:

1. Exempts from fees residential expansion remodels of less than 500 square feet

2. Prohibits the use of developer fee revenue for routine maintenance and repair, most asbestos work, and deferred maintenance expenditures

3. Allows the fees to be used to pay for the cost of performing developer fee justification studies

4. States that fees are to be collected at the time of occupancy unless the district can justify earlier collection. The fees can be collected at the time the building permit is issued if the district has established a developer fee account and funds have been appropriated for which the district has adopted a proposed construction schedule or plan prior to the issuance of the certificate of occupancy

5. Clarifies that the establishment or increase of fees is not subject to the California Environmental Quality Act

6. Clarifies that the impact of commercial and industrial development may be analyzed by categories of development as well as on an individual project-by-project basis. An appeals process for individual projects is required if an analysis is to be done by category.

7. Changes the frequency of the annual inflation adjustment on the maximum fee to every two years.

8. Exempts from fees development used exclusively for religious purposes, private schools, and government-owned development.

9. Expands the definition of senior housing, which is limited to the commercial/industrial fee "cap"; and requires the conversion from senior housing to be approved by the city/county after notification of the school district.

10. Extends the commercial/industrial fee "cap" to mobile-home parks limited to older persons.

Impact of Residential Development on School Facilities Needs

Methodology

In order to assess the existence of a nexus, the DFJS identifies the connection between residential and/or commercial/industrial development and 1) the need for school facilities; 2) the cost of those facilities; and 3) the amount of school fees that can justifiably be levied.

The elements that create these connections include:

1. Residential and/or Commercial/Industrial development reasonably expected to be constructed within the school district's boundaries within the next five years. This data was collected by contacting the respective cities' planning department, identifying both the number of residential units to be constructed as well as the square footage of those projected residential units;

2. Student Generation Factor ("SGF") – The number of new students likely to be generated by new residential development. This data was provided to EH&A by the District based on enrollment projections previously performed which utilized historical data and trends;

3. Facility Requirements – the extent of school facilities necessary to house new students generated based on an analysis of the District's current permanent classroom inventory compared to the District's current population by grade span level;

4. School Facility Cost Impacts – The costs associated with the construction of additional school facilities necessary to adequately house the students generated from new development;

5. The School Fee requirements – the school district needs to levy a fee to cover a portion of the costs of the additional facilities required

School facilities costs estimates were developed by EH&A in conjunction with a well-established construction contractor as well as a professional real estate firm both knowledgeable as to costs of construction as well as real property costs throughout the Southern California area.

Existing Facility Capacity

To determine the need for additional school facilities, the capacity of the District's existing facilities must be identified and compared to current and anticipated enrollments.

The loading standards in the California Code of Regulations, Title II, §1859.35, set capacity on a district-wide basis rather than on a school-level basis for the purposes of levying developer fees; but in conducting this study, the District's own loading standards were used and applied to permanent classrooms as illustrated in **Table 1**.

Table 1: District Classroom Loading Factors

	Grades TK - 3	Grades 4 - 6	Grades 7 – 12	Special Education Non-Severe	Special Education Severe
District Loading Factor	24:1	33:1	33:1	13:1	9:1

As reflected in **Table 2**, the school district's 2020-21 **permanent** capacity to house students is calculated to be 9,981 seats based on the District's available inventory of permanent classroom structures multiplied by the District's standard classroom loading factors. Of the 9,981 available seats, 3,873 are at the elementary school level; 1,774 are at the middle school level; and 4,334 are at the high school level.

The official CALPADS certified enrollment for the 2020-21 school year is 11,332 students. As is indicated in table below, the District does have permanent capacity at the high school level (20); but has a shortage of available permanent seats at both the elementary and middle school levels of 747 and 592 seats, respectively.

Table 2: Existing School Facilities Capacity and Student Enrollment

School Level[1]	2020-21 Facilities Capacity	2020-21 Student Enrollment[1]	Surplus/(Shortage) of Permanent Capacity
Elementary School	3,873	4,620	(747)
Middle School	1,774	2,366	(592)
High School	4,334	4,314	20
Total	**9,981**	**11,300**	**N/A**

[1] Official enrollment per CDE – Does not include NPS Enrollment of 32

Projected Residential Development within the School District

The initial step in developing a nexus as required by AB 2926 and AB 1600 is determining the number of future residential units to be constructed within the School District's boundaries. Existing law requires that a reasonable relationship be established between residential development and the need to collect fees to mitigate new school construction for students generated from these new developments. Based on EH&A's research, it is estimated that 268 residential dwelling units will be constructed within the District's boundary during the next five years. The composition of these residential units is displayed in **Table 3** below.

Table 3: Future Residential Dwelling Units

Land Use Type	New Residential Dwelling Units	Total Proposed Square Footage
Single-Family Detached (SFD)	250	400,750
Multi-Family Attached (MFA)	18	18,000
Total Dwelling Units	**268**	**418,750**

Student Generation

The next step in this process involves calculating the number of students to be generated by future residential development. School enrollment forecasters establish a relationship between annual residential development and student enrollment growth. The method favored by the State Allocation Board (as referenced on SAB Form 50-01) for establishing this relationship is the "pupil per dwelling unit ratio multiplier" model. If an average number of pupils per dwelling unit is established over a period of time, multiplying new residential units by this "pupil per dwelling unit" ratio will yield the forecasted number of students generated. Enrollment forecasters often use the term student generation factor (SGF) to refer to the pupil per dwelling unit ratio. The District has had developed these student generation factors based on historical data matching student records with housing information.

To determine the number of students to be generated by new residential development, the number of new residential units is multiplied by the student generation factor developed for each school level as well as for each land use type. Once the number and type of residential units has been determined, the students generated can be calculated. A detailed list of future projected residential developments can be found in **Exhibit D.**

Table 4: Covina-Valley Unified School District – School Level Student Generation Factors

School Level	Student Generation Factor (students per dwelling unit) All Land Uses
Elementary	0.1949
Middle School	0.1015
High School	0.1730
TOTAL	**0.4694**

Using the student generation factors listed above and multiplying them by the projected number of dwelling units (by land use type) yields the projected enrollment from new residential development as presented in **Table 5**.

Table 5: Projected Enrollment from New Development

School Level	Projected New Student Generation from Future Development
Elementary	52
Middle School	27
High School	47
TOTAL	**126**

As is depicted in Table 6 below, there is a slight surplus of seats at the high school grade levels; but a shortage of seats at both the elementary and middle school grade level as previously depicted in **Table 2.** As a result, all of the projected new elementary and middle school students and a portion of the new high school students generated by future residential development will require additional permanent facilities.

Table 6: Projected Unhoused Students from New Residential Dwelling Units

School Level	Projected Students from New Residential Dwelling Units	Available Seats	Projected "Unhoused" Students
Elementary School	52	(747)	(799)
Middle School	27	(592)	(619)
High School	47	20	(27)
TOTAL	**126**	**(1,319)**	**(1,445)**

When we consider both the existing shortage of available permanent seats and include the additional space needed based on projected future residential units, the District is "short" 1,445 **permanent** spaces. For purposes of validating the nexus required by law, this DFJS focuses on the 52 new elementary students; the 27 middle school students; and the 47 high school students generated by future residential development.

School Facility Construction Costs

The next step in the DFJS process is to determine the school facilities construction cost impact of these new students. A reasonable relationship (nexus) can be shown to exist between the construction and occupancy of new housing units and the need for additional school facilities.

School facilities cost estimates were prepared by EH&A in conjunction with a well-known and established construction contractor involved in the construction of school facilities throughout the greater Southern California area. In addition, EH&A consulted with a real estate firm that is familiar with land acquisition costs throughout the same region. These costs took into consideration CDE recommendations regarding both acreage as well as number of students per school site. Costs included in the table below have considered site acquisition and development costs, both hard and soft construction costs as well as furniture & equipment costs as illustrated in **Exhibits C1-C3**.

Because developer fees are levied on a "per square foot" basis, the DFJS approaches the calculation of school facilities impact through a four-step process:

1. Using the construction cost estimates for each type of school (elementary, middle and high school), the facilities cost impact for the total number of students to be generated by future development were calculated
2. Identifying the school facilities cost impact by land use (i.e. single-family attached; single-family detached and multifamily attached); then,
3. Identifying the school facilities cost impact by future residential unit; and,

4. Calculating the school facilities cost impact by square foot

During this first step in the process, EH&A used the cost of construction for a given school type facility to determine the cost per school level. A cost per student per school level was then generated. Once this was developed, the facilities cost impact of the additional students was determined as reflected in the **Table 7**.

Table 7: Total School Facilities Cost Impacts

School Level	Standard # of Students per Facility	Cost per Facility[1]	Cost per Student	# of Additional Unhoused Students	Projected Cost Impact of Additional Students
Elementary School	600	$42,511,031	$70,851.72	52	$3,684,289
Middle School	1000	$87,419,613	$87,419.61	27	$2,360,329
High School	1800	$188,386,732	$104,659.30	47	$4,918,987
TOTAL	N/A	N/A	N/A	126	$10,963,605

[1]Includes site acquisition, site development, "soft costs" as well as FF&E in addition to hard construction costs (Exhibits C1-C3)

Table 8 uses the data collected in **Table 7** and calculates the total facilities cost impacts by land use type.

Table 8: School Facilities Cost Impact by Land Use

School Level	Single-Family Detached	Multi-family Attached & APT	Total School Facilities Impact
Elementary School	$3,471,734	$212,555	$3,684,289
Middle School	$2,185,490	$174,839	$2,360,329
High School	$4,500,350	$418,637	$4,918,987
TOTAL	$10,157,574	$806,031	$10,963,605

Using the school facilities cost impacts for each land use in conjunction with the projected units by land use, EH&A was able to calculate the facilities costs impact on a per-residential unit basis.

Table 9: School Facilities Cost Impacts per Projected Residential Unit

Land Use	Total School Facilities Cost Impacts	Projected Residential Units	School Facilities Cost Impact/Residential Unit
Single-Family Detached	$10,157,574	250	$43,854.42
Multi-Family Attached & Apartments	$806,031	18	$44,779.50

Facilities Cost Impact per Square Foot of Residential Development

To fulfill the statutory requirements imposed by AB 2926 and AB 1600, both of which added sections to the Government Code, the school facilities cost impacts must be calculated on a "per square foot" basis. EH&A collected information on the specific number of future residential dwelling units as well as their square footage. EH&A then calculated the average weighted square footage for each land use category. Using the calculations developed in **Table 9**, the facilities cost impact per-square foot is reflected below.

Table 10: School Facilities Cost Impacts per Residential Square Foot

Land Use	School Facilities Cost Impact per Residential Unit	Average Square Footage per Residential Unit	School Facilities Cost Impact per Square Foot
Single-Family Detached	$43,854.42	1,603	$27.36
Multi-Family Attached (including APT)	$44,779.50	1,000	$44.78

Commercial/Industrial Development Cost Impact

Commercial/industrial development typically attracts additional workers to the District; and because some of those workers will have school-age children, additional students will be generated for the District. New commercial/industrial development creates both a facilities as well as a fiscal impact to the District – generating a need for additional school facilities.

If a school district is to levy developer fees on commercial/industrial development, Assembly Bill 181 states that a district "... must determine the impact of the increased number of employees anticipated to result from commercial and industrial development upon the cost of providing school facilities within the district. For the purposes of making this determination, the [developer fee justification] study shall utilize employee generation estimates that are based on commercial and industrial factors within the district, as calculated on either an individual project or categorical basis".

AB 181 was modified by the passage of Assembly Bill [AB] 530 (Chapter 633/Statutes of 1990), which allows the use of a set of statewide employee generation factors. Furthermore, AB 530 allows the use of the employee generation factors as identified in the **San Diego Association of Governments** (SANDAG) report titled, ***San Diego Traffic Generators***. This study identifies the number of employees generated per 1,000 square feet of floor area for several categories of commercial/industrial development.

This report uses the following factors to calculate the school facilities costs incurred by the District per square foot of new commercial/industrial development:

- Employees generated per 1000 square feet of new commercial/industrial development
- Percentage of employees that also live in the District
- Employees within the District's boundaries per household
- Percent of houses sold in the District that are new vs. existing
- Ratio of inter-district transfers to the estimated number of employees in the District
- Residential development cost factors calculated above:
  - ✓ Students per dwelling unit (Student Generation Factor)
  - ✓ Average new dwelling unit size as measured in square feet
  - ✓ School facilities cost per student
  - ✓ Current residential Level 1 fees

New Commercial/Industrial Impact

This portion of the DFJS analyzes the extent to which a nexus can be established in the Covina-Valley Unified School District between categories of commercial/industrial development ("CID") and (i) the need for school facilities; (ii) the cost of school facilities; and, (iii) the amount of statutory school fees ("School Fees") per square foot that may be levied for schools pursuant to the provisions of Assembly Bill ("AB") 181, §66001 of the Government Code, and subdivision (e) of §17621 of the Education Code.

New commercial/industrial development typically generates additional employees that will be living in the District which will create demand for additional school facilities. The number of new and existing households generated from new commercial/industrial development is calculated for each category of development.

Using information from SANDAG's ***San Diego Traffic Generators*** report combined with data from the U.S. Census Bureau, EH&A was able to calculate the number of households generated by the commercial/industrial categories as identified in **Table 11**.

Table 11: Number of New and Existing Households Generated

Number of Households within the School District Generated per 1,000 Square Feet Commercial/Industrial Development (Includes New & Existing Households)				
Commercial/Industrial Category	**A Employees Generated Per 1,000 Square Feet**	**B % Employees Living & Working within School District Boundary**	**C Employees in the District per Household**	**D No. of School District Households per 1,000 sq. ft. CID A x B ÷ C**
Banks	2.8253	52.685%	1.608	0.9255
Community Shopping Center	1.5348	52.685%	1.608	0.5028
Neighborhood Shopping Center	2.7985	52.685%	1.608	0.9168
Industrial Business Parks	3.5156	52.685%	1.608	1.1517
Industrial Parks/Warehousing	1.3473	52.685%	1.608	0.4414
Rental Self-Storage	0.0643	52.685%	1.608	0.0211
Research & Development	3.0408	52.685%	1.608	0.9961
Hospitality(Lodging)	1.1325	52.685%	1.608	0.3710
Commercial Offices (Standard)	4.7897	52.685%	1.608	1.5690
Commercial Offices (Large High Rise)	4.5442	52.685%	1.608	1.4886
Corporate Offices	2.6848	52.685%	1.608	0.8795
Medical Offices	4.2654	52.685%	1.608	1.3973

In order to determine the number of new households generated by new commercial/industrial development, EH&A's research determined that of all the homes sold in the Covina Valley area over the past five years, 5.9% were new homes with the remaining

94.1% being existing. The 5.9% was then applied to Column D in **Table 11** to arrive at the new household impact of commercial/ industrial development represented in **Table 12**.

Table 12: Number of New Households Generated

New Household Impact	
Category	**Number of School District New Households per 1000 sq. ft. CID**
Banks	0.0543
Community Shopping Center	0.0295
Neighborhood Shopping Center	0.0537
Industrial Business Parks	0.0675
Industrial Parks/Warehousing	0.0259
Rental Self-Storage	0.0012
Research & Development	0.0584
Hospitality(Lodging)	0.0217
Commercial Offices (Standard)	0.0920
Commercial Offices (Large High Rise)	0.0873
Corporate Offices	0.0516
Medical Offices	0.0819

Student Generation

The student generation impact for each commercial/industrial category is the number of students generated by employees (per square foot of commercial/industrial development) that are living in new households located within the District. This is calculated by multiplying the New Household Impact by the District's blended student generation rates (**Table 13**). **Table 14** presents the student generation impact for the various CID categories.

Table 13: Blended Student Generation Factors

School Level	Student Generation Factor
Elementary School	0.1949
Middle School	0.1015
High School	0.1730
Total	**0.4694**

Table 14: Student Generation by Commercial/Industrial Category

Student Generation by Commercial Category				
Category	**Elementary School**	**Middle School**	**High School**	**Total Student Generation Impact**
Banks	0.0106	0.0055	0.0094	0.0255
Community Shopping Center	0.0057	0.0030	0.0051	0.0138
Neighborhood Shopping Center	0.0105	0.0055	0.0093	0.0252
Industrial Business Parks	0.0132	0.0069	0.0117	0.0317
Industrial Parks/Warehousing	0.0050	0.0026	0.0045	0.0121
Rental Self-Storage	0.0002	0.0001	0.0002	0.0006
Research & Development	0.0114	0.0059	0.0101	0.0274
Hospitality(Lodging)	0.0042	0.0022	0.0038	0.0102
Commercial Offices (Standard)	0.0179	0.0093	0.0159	0.0432
Commercial Offices (Large High Rise)	0.0170	0.0089	0.0151	0.0410
Corporate Offices	0.0100	0.0052	0.0089	0.0242
Medical Offices	0.0160	0.0083	0.0142	0.0384

Inter-District Transfer Impacts

There were no significant **net** inter-district transfers into the District. As a result, the Table below reflects the zero impact of this factor

Table 15: Inter-District Transfer Generation Impact

(Inter-district transfers ÷ estimated number of people employed within the district's boundary)

Inter-District Transfer Student Generation				
Category	**Elementary School**	**Middle School**	**High School**	**Total Inter-District Student Generation**
Banks	0.0000	0.0000	0.0000	0.0000
Community Shopping Center	0.0000	0.0000	0.0000	0.0000
Neighborhood Shopping Center	0.0000	0.0000	0.0000	0.0000
Industrial Business Parks	0.0000	0.0000	0.0000	0.0000
Industrial Parks/Warehousing	0.0000	0.0000	0.0000	0.0000
Rental Self-Storage	0.0000	0.0000	0.0000	0.0000
Research & Development	0.0000	0.0000	0.0000	0.0000
Hospitality(Lodging)	0.0000	0.0000	0.0000	0.0000
Commercial Offices (Standard)	0.0000	0.0000	0.0000	0.0000
Commercial Offices (Large High Rise)	0.0000	0.0000	0.0000	0.0000
Corporate Offices	0.0000	0.0000	0.0000	0.0000
Medical Offices	0.0000	0.0000	0.0000	0.0000

To determine the total Student Generation Impact, the results of **Tables 14** and **Table 15** are combined.

Table 16: Total Student Generation Impact

Total Student Generation Impact (Student Generation plus Inter-District Student Generation)				
Category	**Elementary School**	**Middle School**	**High School**	**Total Student Generation Impact**
Banks	0.0106	0.0055	0.0094	0.0255
Community Shopping Center	0.0057	0.0030	0.0051	0.0138
Neighborhood Shopping Center	0.0105	0.0055	0.0093	0.0252
Industrial Business Parks	0.0132	0.0069	0.0117	0.0317
Industrial Parks/Warehousing	0.0050	0.0026	0.0045	0.0121
Rental Self-Storage	0.0002	0.0001	0.0002	0.0006
Research & Development	0.0114	0.0059	0.0101	0.0274
Hospitality(Lodging)	0.0042	0.0022	0.0038	0.0102
Commercial Offices (Standard)	0.0179	0.0093	0.0159	0.0432
Commercial Offices (Large High Rise)	0.0170	0.0089	0.0151	0.0410
Corporate Offices	0.0100	0.0052	0.0089	0.0242
Medical Offices	0.0160	0.0083	0.0142	0.0384

Net School Facility Cost

The Total Gross School Facility Cost generated by commercial/industrial development is the total student generation impact multiplied by the facilities cost impact per student at each respective school level.

Table 17: School Facilities Cost Impact per Student (Exhibits C1 - C3)

School Facilities Cost Impact/Student	
School Level	**Cost Impact per Student**
Elementary School	$70,852
Middle School	$87,420
High School	$104,659

Table 18: Gross School Facility Cost Impact

($ cost at each school level multiplied by information in Table 16)

Gross Dollar Impact per Commercial/ Industrial Category				
Category	Elementary School Cost Impact	Middle School Cost Impact	High School Cost Impact	Total Gross Facilities Cost Impact
Banks	$749	$481	$982	$2,213
Community Shopping Center	$407	$262	$534	$1,202
Neighborhood Shopping Center	$742	$477	$973	$2,192
Industrial Business Parks	$932	$599	$1,222	$2,754
Industrial Parks/Warehousing	$357	$230	$468	$1,055
Rental Self-Storage	$17	$11	$22	$50
Research & Development	$806	$518	$1,057	$2,382
Hospitality(Lodging)	$300	$193	$394	$887
Commercial Offices (Standard)	$1,270	$816	$1,665	$3,751
Commercial Offices (Large High Rise)	$1,205	$774	$1,580	$3,559
Corporate Offices	$712	$457	$933	$2,103
Medical Offices	$1,131	$727	$1,483	$3,341

A “residential fee offset” is calculated to ensure that revenues from "linked" residential units are not counted twice. The residential fee offset is the product of the New Household Impact multiplied by the current statutory fee generated from the average (square footage) home. EH&A calculated the square footage of the “average” new residential unit at 1,563 sq. ft.

Table 19: Residential Fee Offset

(Table 12 data multiplied by [$4.08/sq. ft. times 1,563 weighted average sq. ft.])

Residential Fee Offset ($ per 1000 sq. ft. Com./Ind. Development)		
Category	**School District Households Impact**	**Residential Revenue Generated**
Banks	0.0543	$346
Community Shopping Center	0.0295	$188
Neighborhood Shopping Center	0.0537	$343
Industrial Business Parks	0.0675	$431
Industrial Parks/Warehousing	0.0259	$165
Rental Self-Storage	0.0012	$8
Research & Development	0.0584	$372
Hospitality(Lodging)	0.0217	$139
Commercial Offices (Standard)	0.0920	$587
Commercial Offices (Large High Rise)	0.0873	$556
Corporate Offices	0.0516	$329
Medical Offices	0.0819	$522

The Net School Facilities Cost is calculated by deducting the Residential Fee Offset from the Total Gross Facilities Cost Impact (Table 10 less the residential fee offset).

Table 20: Net School Facilities Cost

Net School Facilities Costs			
Category	**Total Impact to School**	**Less: Residential Revenues**	**Net School Impact per 1,000 CID Sq. Ft.**
Banks	$2,213	$346	$1,867
Community Shopping Center	$1,202	$188	$1,014
Neighborhood Shopping Center	$2,192	$343	$1,849
Industrial Business Parks	$2,754	$431	$2,323
Industrial Parks/Warehousing	$1,055	$165	$890
Rental Self-Storage	$50	$8	$43
Research & Development	$2,382	$372	$2,009
Hospitality(Lodging)	$887	$139	$748
Commercial Offices (Standard)	$3,751	$587	$3,165
Commercial Offices (Large High Rise)	$3,559	$556	$3,003
Corporate Offices	$2,103	$329	$1,774
Medical Offices	$3,341	$522	$2,818

In order to fulfill the statutory requirements imposed by AB 2926 and AB 1600, the school facilities cost impacts must be calculated on a "per square foot" basis. The data in **Table 20** was divided by 1000 to arrive at the Net Facilities Cost Impact per square foot.

Table 21: Net School Facilities Cost Impact per Square Foot

Net School Facilities Cost Impact Per Square Foot of Com/Ind. Development	
Category	**Net School Impact per Square Foot**
Banks	$1.87
Community Shopping Center	$1.01
Neighborhood Shopping Center	$1.85
Industrial Business Parks	$2.32
Industrial Parks/Warehousing	$0.89
Rental Self-Storage	$0.04
Research & Development	$2.01
Hospitality(Lodging)	$0.75
Commercial Offices (Standard)	$3.16
Commercial Offices (Large High Rise)	$3.00
Corporate Offices	$1.77
Medical Offices	$2.82

As is indicated in **Table 21**, only the Rental Self-Storage construction impact is less than the District's permitted maximum allowable fee of $0.66 per square foot. The facilities cost impact for new commercial/industrial development has been calculated to range from $0.04 to $3.16 per square foot. The District is justified in collecting commercial/industrial developer fees at the rate of $0.66/sq. ft. for all categories with the exception of Rental Self-Storage. The District will only be allowed to collect $0.04 per square foot of Rental Self-Storage construction.

Available Revenue Sources for School Funding Facilities

In general, two sources of funding facility construction and reconstruction exist – state sources and local sources. The District has considered the following:

State Sources

State School Facility Program

Senate Bill 50 (August 1998) established the School Facility Program, providing funding under a "grant" program once a school district establishes eligibility. Funding for new construction is offered as a 50/50 match (State/District) and at a 60/40 match (State/District) for modernization projects. Districts may levy the current statutory developer fee provided the district can justify its collection.

Local Sources

Developer Fee Revenue

Pursuant to the statutes enacted under SB 50, districts may levy the current statutory developer fee as long as they can justify collecting that fee. If a district desires to collect a sum greater than the statutory fee (Level 2 or Level 3), the district must meet certain requirements as outlined in the law as well as conducting a School Facilities Needs Analysis to enable the higher fee to be imposed. The Covina-Valley Unified School District currently collects both residential as well commercial and industrial fees at the rates established in 2020.

Mello-Roos Community Facilities Act

The Mello-Roos Community Facilities Act of 1982 allows school districts to establish a Community Facilities District (CFD) in order to impose a special tax to raise funds to finance the construction of school facilities.

General Obligation Bonds

General Obligation (GO) Bonds may be issued by any school district for the purposes of purchasing real property as well as for the purposes of constructing or purchasing buildings or equipment "of a permanent nature."

School District General Funds

The District's general-purpose funds are needed by the District to provide for the operation of its instructional programs. There are no unencumbered funds that could be used to construct new facilities or reconstruct existing facilities.

Expenditure of Lottery Funds

Government Code §880.5 states: "It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing research, or any other non-instructional purpose."

Facility Funding Alternatives

The district currently does not have enough available funding to provide adequate facilities or to satisfy the shortfall to fund projected construction costs. The District is pursuing the following possible funding alternatives.

- Participation in the School Facility Program
- Utilizing interim housing where space will accommodate
- Cooperation with developers in establishing Community Facility Districts
- Exploring voter-approved General Obligation Bond elections, either through a two-thirds voter approval or Proposition 39 bonds (55% voter-approval)

Establishing the Cost, Benefit, and Burden Nexus

The findings in this study satisfy the three major elements of the legislative requirements for levying developer fees:

Establishment of a Cost Nexus

The District may need to construct and/or reconstruct school facilities to house additional students generated by new development in the district. The cost to provide new and/or reconstructed facilities exceeds the amount of developer fees to be collected which establishes the cost nexus.

Establishment of a Benefit Nexus

The students generated by the new residential and commercial/industrial development within the district will be attending schools within the district. The fee imposed on new development will directly benefit the students generated by that development; therefore, a benefit nexus is established.

Establishment of a Burden Nexus

New students generated by development will create a need for additional and/or reconstructed school facilities. The burden on the district will be to construct new permanent facilities to house the students generated by future developments and the need for such facilities will be, in part, satisfied by the levying of developer fees. Therefore, a burden nexus is established.

Establishment of a Special Account

Pursuant to Government Code §66006, the district has established a special account in which fees for capital facilities have been deposited. The fees collected in this account will be expended only for the purpose for which they were collected. Any interest income earned on the fees that are deposited in such an account must remain with the principal. The school district must make specific information available to the public within 180 days of the end of each fiscal year pertaining to each developer fee fund. The information required to be made available to the public by §66006 (b)(1) was amended by SB 1693 and includes specific information on fees expended and refunds made during the year.

Sources

California Department of Education, California Longitudinal Pupil Achievement Data System Covina-Valley Unified School District 2020-21 Official Enrollment by Grade

California Department of Education, *School Facilities Fingertip Facts*

California Education Code §17620-17626

California Government Code §65995-65998

City of Covina – Planning Division, 2020

DQNews/CoreLogic CRED Reports, Becky Beavers *Covina Home Sales*; Last 10 Years

Erickson-Hall Construction. *School Construction Costs.* 2020

Eric Knowles, Kidder Matthews; *Land Acquisition Costs*. 2020

Office of Public School Construction, Report of the Executive Officer, SAB Meeting, January 22, 2020 *Index Adjustment on the Assessment for Development*

U.S. Census — American Community Survey, 2019 Estimate

EXHIBITS

Exhibit A

January 2020 Index Adjustment of Assessment for Development

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 22, 2020

INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT

PURPOSE OF REPORT

To report the index adjustment on the assessment for development, which may be levied pursuant to Education Code Section 17620.

DESCRIPTION

The law requires the maximum assessment for development be adjusted every two years by the change in the Class B construction cost index, as determined by the State Allocation Board (Board) at its January meeting. This item requests that the Board make the adjustment based on the change reflected using the RS Means index.

AUTHORITY

Education Code Section 17620(a)(1) states the following: "The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code."

Government Code Section 65995(b)(3) states the following: "The amount of the limits set forth in paragraphs (1) and (2) shall be increased in 2000, and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

BACKGROUND

There are three levels that may be levied for developer's fees. The fees are levied on a per-square foot basis. The lowest fee, Level I, is assessed if the district conducts a Justification Study that establishes the connection between the development coming into the district and the assessment of fees to pay for the cost of the facilities needed to house future students. The Level II fee is assessed if a district makes a timely application to the Board for new construction funding, conducts a School Facility Needs Analysis pursuant to Government Code Section 65995.6, and satisfies at least two of the requirements listed in Government Code Section 65995.5(b)(3). The Level III fee is assessed when State bond funds are exhausted; the district may impose a developer's fee up to 100 percent of the School Facility Program new construction project cost.

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STAFF ANALYSIS/STATEMENTS

A historical comparison of the assessment rates for development fees for 2016 and 2018 are shown below for information. According to the RS Means, the cost index for Class B construction increased by 7.64, during the two-year period from January 2018 to January 2020, requiring the assessment for development fees to be adjusted as follows beginning January 2020*:

RS Means Index Maximum Level I Assessment Per Square Foot

	2016	2018	2020
Residential	$3.48	$3.79	$4.08
Commercial/Industrial	$0.56	$0.61	$0.66

*Assembly Bill 48 (O'Donnell) includes provisions related to development fees. In the event that Proposition 13 is approved by the voters in March 2020, the provisions of Assembly Bill 48 will take effect and may change the fee amounts above for certain types of development projects.

RECOMMENDATION

Increase the 2020 maximum Level I assessment for development in the amount of 7.64 percent using the RS Means Index to be effective immediately.

Exhibit B-1

School Attendance Boundaries

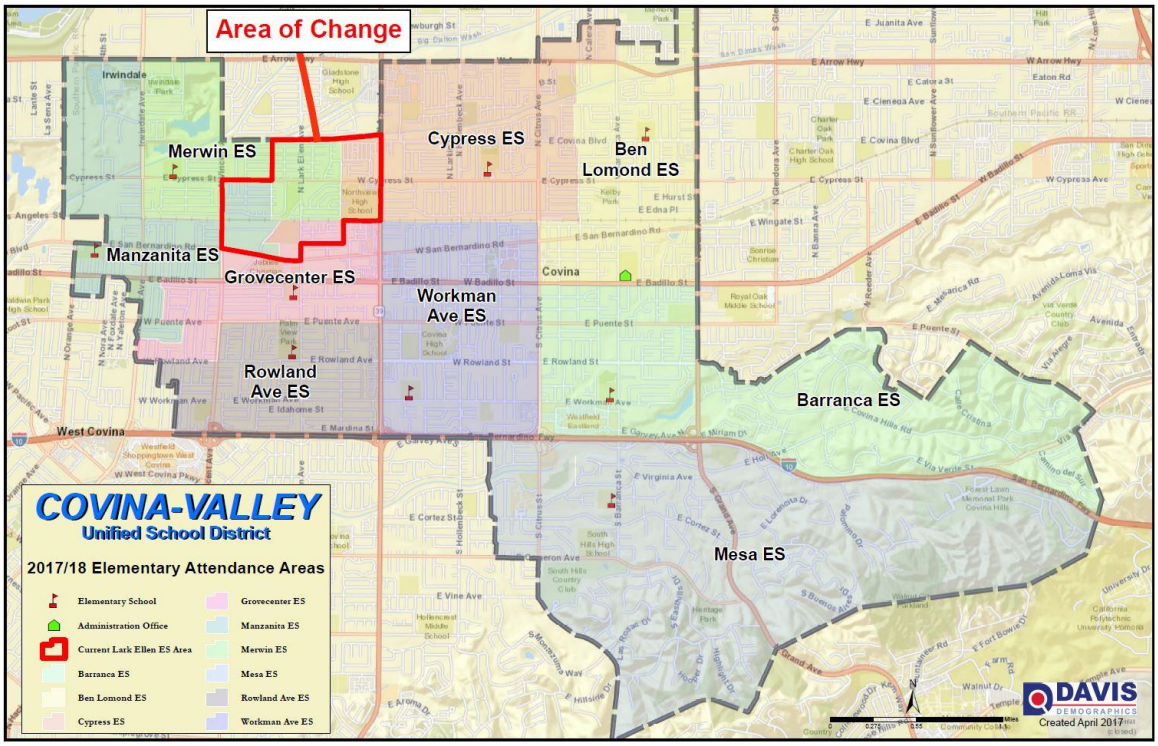

Exhibit B-2

District Boundary – Aerial Map

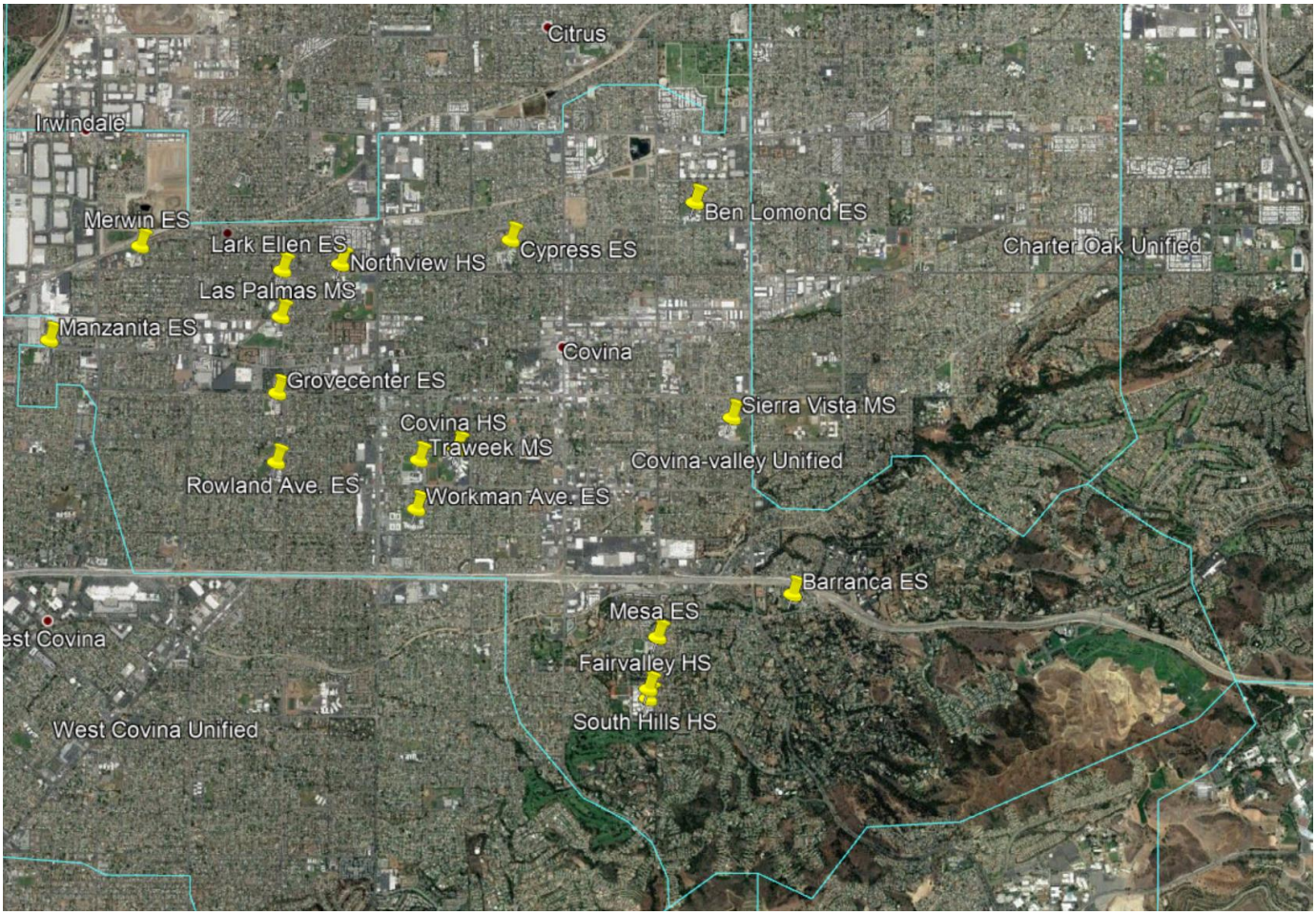

Exhibit C-1

Elementary School Construction Costs

Using a standard of 600 students, an elementary school should ideally reside on 11.7 acres per the State. In addition, building space is calculated based on 71 sq. ft. per elementary school student. It is with these assumptions that the total cost of acquiring the land for, and constructing an elementary school are presented:

ELEMENTARY SCHOOL

				COST
Land Acquisition Cost				
Acres		11.7		
Cost per Acre[1]		$653,400		
Total Land Acquisition Cost				**$7,644,780**
Construction Costs	**Sq. Ft.**	**Cost/Sq. Ft.**		
Building (71 sq. ft./student)	42,600	$463[2]	$19,723,800	
Site (71 sq. ft./student)	42,600	$90[2]	$3,834,000	
Total Construction Cost				**$23,557,800**
Construction Management		10%		$2,355,780
Soft costs		30%		$7,067,340
Contingency		3%		$707,441
Furniture, Fixtures & Equipment		5%		$1,177,890
TOTAL ESTIMATED COST				**$42,511,031**
Cost per Student				**$70,851.72**

[1] Assumes site cost only; estimate provided by E. Knowles, Kidder Matthews, 2020

[2] Data provided by Erickson Hall Construction Company, 2020

Exhibit C-2

Middle School Construction Costs

Using a standard of 1,000 students, a middle school should ideally reside on at least 21.9 acres. In addition, building space is calculated based on 85 sq. ft. per middle school student. It is with these assumptions that the total cost of acquiring the land for, and constructing a middle school are presented:

MIDDLE SCHOOL

				COST
Land Acquisition Cost				
Acres		21.9		
Cost per Acre[1]		$653,400		
Total Land Acquisition Cost				**$14,309,460**
Construction Costs	**Sq. Ft.**	**Cost/Sq. Ft.**		
Building (85 sq. ft./student)	85,000	$486[2]	$41,322,750	
Site (85 sq. ft./student)	85,000	$95[2]	$8,075,000	
Total Construction Cost				**$49,397,750**
Construction Management		10%		$4,939,775
Soft costs		30%		$14,819,325
Contingency		3%		$1,483,416
Furniture, Fixtures & Equipment		5%		$2,469,888
TOTAL ESTIMATED COST				**$87,419,613**
Cost per Student				**$87,419.61**

[1] Assumes site cost only; estimate provided by E. Knowles, Kidder Matthews, 2020

[2] Data provided by Erickson Hall Construction Company, 2020

Exhibit C-3

High School Construction Costs

Using a standard of 1,800 students, a high school should ideally reside on at least 44.5 acres. In addition, building space is calculated based on 92 sq. ft. per high school student. It is with these assumptions that the total cost of acquiring the land for, and constructing a high school are presented:

HIGH SCHOOL

				COST
Land Acquisition Cost				
Acres		44.5		
Cost per Acre[1]		$653,400		
Total Land Acquisition Cost				$29,076,300
Construction Costs	**Sq. Ft.**	**Cost/Sq. Ft.**		
Building (92 sq. ft./student)	165,600	$530[2]	$87,768,000	
Site (92 sq. ft./student)	165,600	$120[2]	$19,872,000	
Total Construction Cost				$107,640,000
Construction Management		10%		$10,764,000
Soft costs		30%		$32,292,000
Contingency		3%		$3,232,432
Furniture, Fixtures & Equipment		5%		$5,382,000
TOTAL ESTIMATED COST				**$188,386,732**
Cost per Student				**$104,659.30**

[1] Assumes site cost only; estimate provided by E. Knowles, Kidder Matthews, 2020

[2] Data provided by Erickson Hall Construction Company, 2020

Exhibit D

Potential Residential Development

Development	Type of Dwelling Unit	Number of Approved Dwelling Units	Square Feet/Unit	Total Square Feet	Average Square Feet
Cameron 56	Townhomes	28	1,819	50,950	
Hassen - Clippinger	Townhomes	161	1,491	240,000	
Cypress Villas	SFD	61	1,800	109,800	
Hassen	Multi-Family	18	1,000	18,000	
	TOTAL ALL	**268**		**418,750**	**1,563**