School Facilities Fee Justification Report

Prepared Pursuant to Government Code Section 66001

San Ysidro School District

2018/2019

KeyAnalytics

A division of California Financial Services

Table of Contents

I. Introduction

In 1986, the Governor signed into law Assembly Bill ("AB") 2926. AB 2926 provided for the addition of several sections to the Government Code establishing the ability of school districts to impose impact fees on new residential development ("Future Residential Development") and commercial/industrial development ("Future Commercial/Industrial Development") for the construction or reconstruction of school facilities ("School Fees").

AB 2926 also established cities or counties may not issue a building permit for a development project unless such School Fees have been paid and set the maximum level of School Fees at $1.50 per square foot for residential development and $0.25 per square foot for commercial/industrial development. Initially these maximums were subject to increase each year based on a statewide cost index, as determined by the State Allocation Board ("SAB"); however, the adjustment provisions were subsequently extended to every other year by AB 181. Pursuant to AB 2926 a school district wishing to impose School Fees must determine that the School Fees "are reasonably related and limited to the need for school facilities caused by the development".

In 1987 AB 1600 was enacted providing additional guidance regarding the establishment of School Fees. Specifically, AB 1600 requires that public agencies satisfy the following requirements when establishing and imposing an impact fee as a condition of approval for a development project:

- Determine the purpose of the fee;
- Identify the facilities to which the fee will be applied;
- Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed;
- Determine that there is a reasonable relationship between the amount of the fee and the public facility of portion of the facility attributable to the development on which the fee is imposed; and
- Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the school district's accounts five (5) or more years after it was collected.

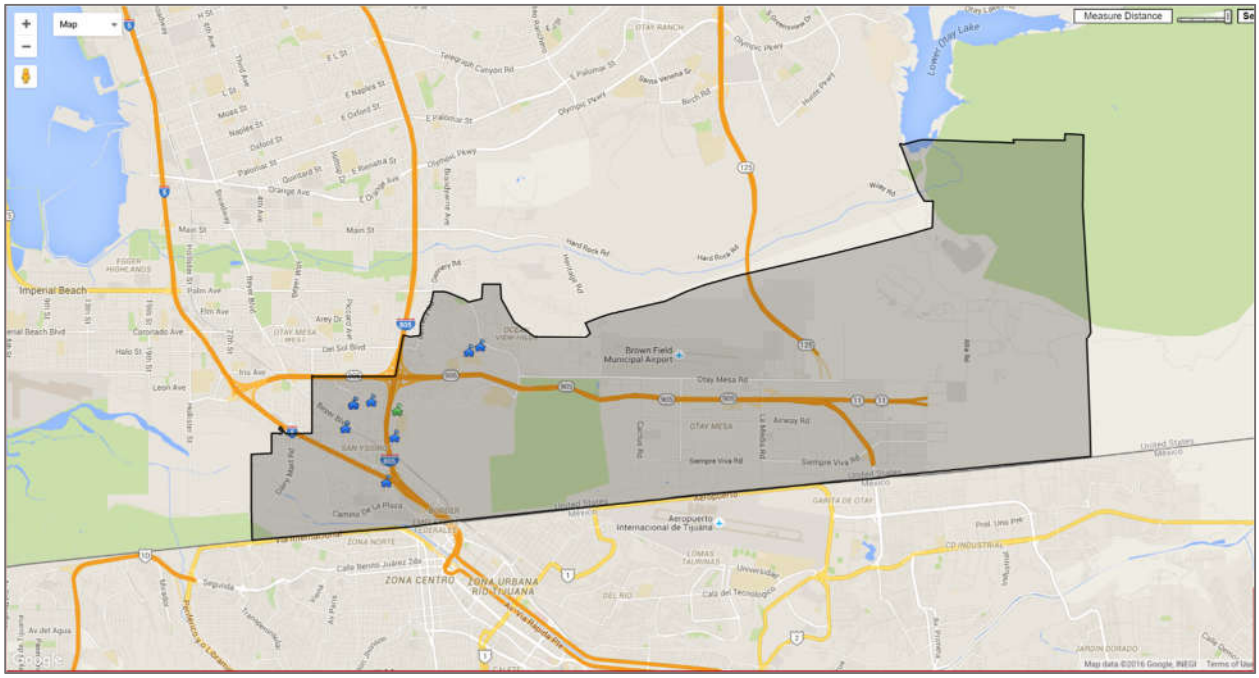
The purpose of this School Facilities Fee Justification Report (the "Report") it to provide the information necessary to satisfy these requirements for the imposition of School Fees, pursuant to AB 2926, by the San Ysidro School District (the "District").

II. The School District

The District serves Preschool through 8th grade students in the southern most portion of the County of San Diego ("County"). The community of San Ysidro is located 15 miles south of downtown San Diego and lies adjacent to the United States-Mexico International Border. Often described as "The Gateway to Mexico," San Ysidro attracts a tremendous number of tourists annually, making it the busiest border crossing in the world.

The District has a student population of approximately 4,800 students in grades Kindergarten through 8th. Currently, the District operates seven (7) schools.

San Ysidro School District
Boundary Map



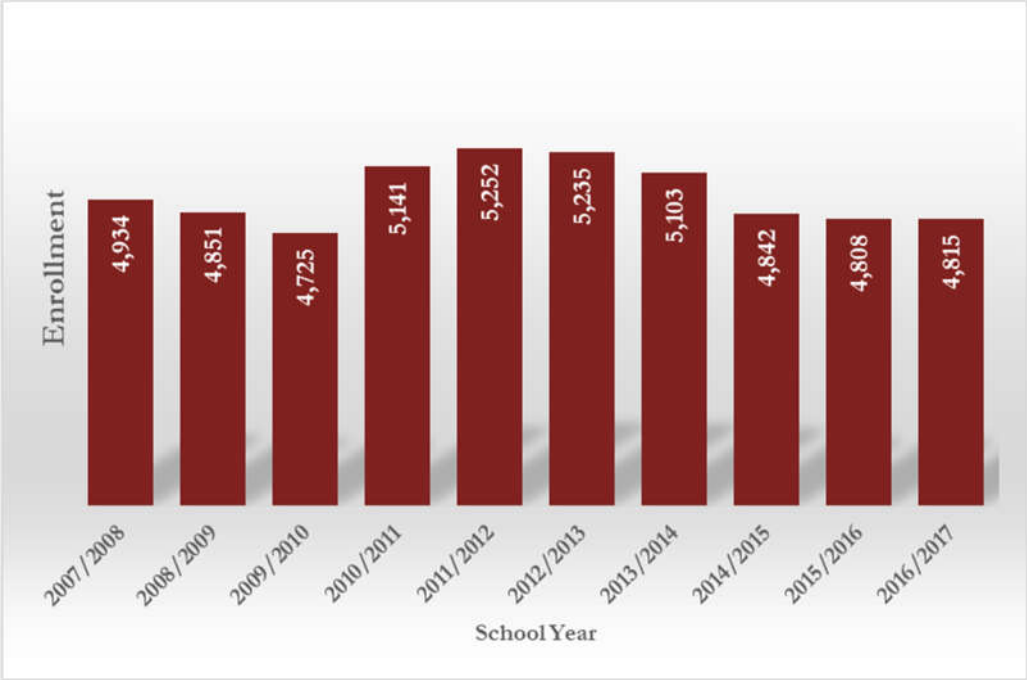
III. District Facilities Needs

In order to identify the impact of Future Residential Development on the facilities of the District this Report (i) evaluates the District's current and projected enrollment, (ii) establishes the capacity of the District's existing facilities and (ii) identifies a plan to meet the District's facility needs.

A. Enrollment

1. Historical Enrollment – This Report uses the California Basic Educational Data Systems (CBEDS) to identify the District's enrollment over the past ten (10) years. Even though the District saw significant enrollment increases between 2009/2010 and 2012/2013 subsequent declines in enrollment due to the economic recession and the resulting slowdown in residential development resulted in flat enrollment over the last ten (10) years. The District has seen a slight increase in enrollment in the most recent School Year and expects this trend to continue in the future. Chart 1 shows the historical enrollment during this period.

Chart 1
Historical Enrollment Trend



2. **Enrollment as a Result of Future Residential Development –**

   a. **Future Residential Development -** To evaluate the enrollment expected as a result of Future Residential Development, this Report must first determine the number of units that are expected to be constructed within the District's boundaries.

   According to San Diego Association of Governments ("SANDAG"), a total of 13,922 residential units are expected to be built within the boundaries of the District ("Future Units") by 2050. Of these 13,922 Future Units, 715 have already mitigated their impact on the District through participation in one of the three (3) Community Facilities Districts located throughout the District ("Mitigated Future Units"). For the purpose of identifying the appropriate level of School Fees, this Report only includes the impact of Future Units subject to School Fees ("Non-Mitigated Future Units"). Table 1 outlines the Future Residential Development.

Table 1
Future Residential Development

Land Use	Mitigated Future Units	Non-Mitigated Future Units	Total Future Units [1]
Single Family Detached (SFD)	0	2,839	2,839
Single Family Attached (SFA)	715	306	1,021
Multi-Family Attached (MFA)	0	10,062	10,062
Total	**715**	**13,207**	**13,922**

[1] Source: SANDAG Series 2013 Regional Growth Forecast; SANDAG did not compile information for Single Family Attached Units. Based on the definitions used by SANDAG, a Single Family Attached Unit would likely be included in the Multifamily category.

   b. **Reconstruction -** Reconstruction means the voluntary demolition of existing residential dwelling units or commercial/industrial construction and the subsequent construction of new residential dwelling units ("Reconstruction").

   The District acknowledges that Reconstruction projects may occur. In such a situation, the District shall levy School Fees if there is a nexus established between the impact of the new residential dwelling units in terms of a net increase in students generated and the fee to be imposed. In other words, the School Fees must bear a nexus to the burden caused by the Reconstruction project.

i. **Existing Residential Dwelling Units -** To the extent Reconstruction increases the residential square footage beyond what was demolished ("New Square Footage"), the increase in square footage is subject to the applicable School Fee as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage ("Replacement Square Footage"), the determination of the applicable fee, if any, is subject to a showing that the Replacement Square Footage results in an increase in student enrollment and, therefore, an additional impact being placed on the District to provide school facilities for new student enrollment.

As of the date of this Report, the large-scale Reconstruction of residential development within the District has not occurred to the point where statistically significant data can be utilized to determine if Replacement Square Footage increases student enrollment. Therefore, prior to the imposition of School Fees on Replacement Square Footage, the District may undertake an analysis on any future proposed project(s) and may amend/update this Report. Such analysis will examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in student generation rates as identified in the Report for the applicable unit types between existing square footage and Replacement Square Footage. To the extent it can be demonstrated that Replacement Square Footage will increase student enrollment, the District may then impose a fee on the Replacement Square Footage. This fee amount on Replacement Square Footage shall be calculated by determining the cost impacts associated with any growth in student enrollment from the Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

ii. **Existing Commercial/Industrial Construction -** As with Reconstruction of existing residential dwelling units, there is not significant information regarding (i) the amount of Commercial/Industrial Reconstruction planned within the District over the next five years or (ii) historical levels, which might indicate the amount to be expected in the future. Due to the lack of information, the District has decided to evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

The fee credit determination will be based upon a comparison of the impacts of the planned residential project and the existing land use category (i.e. retail and services, office, research and development, industrial/warehouse/manufacturing, hospital, or hotel/motel). The actual impacts of the planned residential project (taken from Table 21A) will be reduced by the impact of the existing commercial/industrial category (derived from calculations contained in this Report). Any reduction to the School Fee would only occur if the reduced amount falls below the School Fee. In such a case, the District would levy the reduced amount per square foot of new residential construction for the subject Reconstruction project.

c. **Student Generation Factors -** To estimate the impact on the District's enrollment of Non-Mitigated Future Units, Student Generation Factors ("SGFs") must be established. CFS calculated SGFs for each of the following land use categories:

- **Single Family Detached ("SFD") –** Units are stand-alone structures on their own lot with a unique Assessor's parcel number.
- **Single Family Attached ("SFA")** – Units share common walls, usually on both sides of the property, where each is assigned a unique Assessor's parcel number (e.g. townhomes, condominiums, duplexes).
- **Multi-Family Attached ("MFA") –** Units share common walls in a building or structure designed to house several families in separate housing units.

The process of determining SGFs involved cross-referencing the District's enrollment data against the County Assessor residential data. Sorting and extracting the County Assessor records by land use, CFS developed a database of residential units. This database was then compared with the District's student enrollment database to identify address matches. Table 2 outlines the results of this analysis.

Table 2A
Student Generation Factors
Single Family Detached Units (SFD)

School Level	Students Matched	Single Family Detached Units	Student Generation Factors
Elementary School (Grades K-6)	1,023	3,202	0.3195
Middle School (Grades 7-8)	323	3,202	0.1009
Total	**1,346**	**NA**	**0.4204**

Table 2B
Student Generation Factors
Single Family Attached Units (SFA)

School Level	Students Matched	Single Family Attached Units	Student Generation Factors
Elementary School (Grades K-6)	386	1,195	0.3230
Middle School (Grades 7-8)	94	1,195	0.0787
Total	**480**	**NA**	**0.4017**

Table 2C
Student Generation Factors
Multi-Family Attached Units (MFA)

School Level	Students Matched	Multi-Family Attached Units	Student Generation Factors
Elementary School (Grades K-6)	1,849	4,332	0.4268
Middle School (Grades 7-8)	520	4,332	0.1200
Total	**2,369**	**NA**	**0.5468**

Due to incomplete and incorrect address information in both the student enrollment and residential databases, CFS was unable to match all of the District's students. The results are SGFs that understate the number of students that will generated by Non-Mitigate Future Units.

After accounting for incoming inter-district transfer students that reside outside of the District's boundaries, there were 308 students that were not matched. CFS adjusted the SGFs listed in Tables 2A, 2B and 2C based on a rate which considers the number of students successfully matched at each school level and land use. The adjusted SGFs for each land use by school level are shown in Table 3.

Table 3
Adjusted Student Generation Factors

School Level	Single Family Detached Units	Single Family Attached Units	Multi-Family Attached Units
Elementary School (Grades K-6)	0.3423	0.3464	0.4573
Middle School (Grades 7-8)	0.1090	0.0854	0.1297
Total	**0.4513**	**0.4318**	**0.5870**

The SGFs shown above and the analysis of facilities impact that follows reflect the grade configuration used by the State's School Facilities Program ("SFP"). Though the District's current grade level configuration is different, the Report utilizes the SFP configuration to provide clarity in the calculation of the School Fees.

d. Projected Enrollment - When these SGFs are applied to the projected Non-Mitigated Future Units the resulting enrollment impact is 7,320 students. Table 4 outlines this calculation.

Table 4
Projected Enrollment
As a Result of Non-Mitigated Future Units

School Level	Non-Mitigated SFD Future Units	Non-Mitigated SFA Future Units	Non-Mitigated MFA Future Units	Total Non-Mitigated Future Units
Elementary School (Grades K-6)	972	106	4,601	5,679
Middle School (Grades 7-8)	309	26	1,305	1,641
Total	**1,281**	**132**	**5,906**	**7,320**

B. Capacity of District Facilities

The District currently operates 1seven (7) campuses serving students Kindergarten through 8th grade. To establish the capacity of the District's facilities, this Report multiplies the number of classrooms within the District by the SFP loading standards of 25 students for grades K-6 and 27 students for grades 7-8. Table 5 summarizes the District's current capacity.

Table 5
Current Facility Capacity

School Level	Facilities Capacity
Elementary School (Grades K-6)	4,550
Middle School (Grades 7-8)	1,674
Total	**6,224**

C. District Facility Needs

To evaluate the school facilities needed as a result of Non-Mitigated Future Units, this Report must first determine if there is any existing capacity that can be used to house future enrollment. This Report has determined there are 1,409 existing seats that may be utilized to house students expected to be generated by Future Units. In order to identify the impact associated with Non-Mitigated Future Units this excess capacity has been allocated between Mitigated Future Units and Non-Mitigated Future Units. As a result of this allocation CFS has identified 1,358 existing seats that may be utilized to house students expected to be generated by Non-Mitigated Future Units. Table 6 outlines the determination of surplus capacity and the allocation of such surplus over the Future Units.

Table 6A
Summary of Available District Capacity

	Facilities Capacity	School Year 2016/2017 Enrollment [1]	Existing Surplus Seats
Elementary School (Grades K-6)	4,550	3,774	776
Middle School (Grades 7-8)	1,674	1,041	633
Total	**6,224**	**4,815**	**1,409**

[1] California Longitudinal Pupil Achievement Data System (CALPADS)

Table 6B
Allocation of Existing Excess Capacity

School Level	Non-Mitigated Future Units	Mitigated Future Units	Total
Elementary School (Grades K-6)	746	30	776
Middle School (Grades 7-8)	612	21	633
Total	**1,358**	**51**	**1,409**

To determine the number of unhoused students expected to be generated by Non-Mitigated Future Units, CFS subtracted the Excess Capacity listed in Table 6B from the Projected Enrollment listed in Table 4. Table 7 outlines this calculation.

Table 7
Projected Unhoused Students
As a Result of Non-Mitigation Future Units

School Level	Existing Excess Capacity	Projected Enrollment	Projected Unhoused Students
Elementary School (Grades K-6)	746	5,679	4,933
Middle School (Grades 7-8)	612	1,641	1,029
Total	**1,358**	**7,320**	**5,962**

D. Plan to Provide for District Facility Needs

Though the District may house students generated from Non-Mitigated Future Units in existing facilities over the short term, the District plans to construct new Kindergarten thru 8th grade school facilities.

The timing of these improvements is unknown and rely heavily on the District's ability to access both local and State funding for such projects and the pace of Future Residential Development. Table 8 outlines the number of facilities needed by the District to house the projected unhoused students resulting from Non-Mitigated Future Units.

Table 8
School Facility Needs
As a Result of Non-Mitigation Future Units

School Level	Projected Unhoused Students	Facility Capacity	Number of Facilities Needed
K-8 School	5,962	850	7.0141

IV. Financial Impact of Residential Development

As outlined in Section III, Non-Mitigated Future Units are expected to generate additional enrollment for the District resulting in the need to construct new school facilities. This Section quantifies the financial impact of the additional enrollment resulting from Non-Mitigated Future Units.

A. Cost of School Facilities

School facilities cost estimates were prepared by CFS. The school facilities costs represent the full cost of site acquisition, site development, construction, furniture and equipment, as well as technology stated in 2018 dollars. The estimated site acquisition and facility construction costs are shown in Table 9. A more detailed breakdown of the costs is listed in Exhibit A.

Table 9
Estimated School Facilities Cost

School Level	Construction Cost Per Facility	Site Cost Per Facility	Total Cost Per Facility
K-8 School	$40,911,193	$9,702,343	$50,613,536

The costs in Table 9 do not include costs associated with Central Administrative and Support Facilities. As indicated in Table 7, Non-Mitigated Future Units will cause the enrollment of the District to increase by approximately 5,962 Unhoused Students. In accordance with the provisions of Chapter 341, Statutes of 1992, SB 1612, the SAB adopted a report on January 26, 1994, requiring approximately four (4) square feet of central administrative and support facilities for every student. Based on this report and the estimated cost per square foot to construct and furnish these types of facilities, the Report incorporates a Central Administrative and Support Facilities cost impact of $800 per student.

B. Cost of Providing School Facilities

This Report determines the cost of providing school facilities to house unhouse students resulting from Non-Mitigated Future Units by (i) multiplying the number of facilities needed, listed in Table 8, by the Estimated School Facilities Cost, listed in Table 9 and (ii) multiplying the number of Unhoused Students listed in Table 7 by the central administrative and support facilities cost per student. Table 10 outlines the total cost of providing school facilities to house unhouse students resulting from Non-Mitigated Future Units.

Table 10
Total Cost of Providing School Facilities
As a Result of Non-Mitigated Future Units

School Level	Number of Facilities/ Students	Cost Per Facility/ Student	Total Cost
K-8 School	7.0141	$50,613,536	$355,008,404
Central Administrative Impacts	5,962	$800	$4,769,600
Total Cost Impact			**$359,778,004**

C. Cost of Providing School Facilities per Sq. Ft. of Future Residential Development

To determine the cost of providing school facilities per square foot of Future Residential Development, this Report first allocates the Total Cost of Providing School Facilities to the Non-Mitigated Future Units based on land use. Table 11 show the calculation of the Cost of Providing School Facilities per Non-Mitigated Future Unit.

Table 11
Cost of Providing School Facilities
Per Non-Mitigated Future Units

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Units	School Facilities Cost per Non-Mitigated Future Unit
Single Family Detached (SFD)	$62,974,998	2,839	$22,182
Single Family Attached (SFA)	$6,494,437	306	$21,224
Multi-Family Attached (MFA)	$290,308,568	10,062	$28,852

The Cost of Providing School Facilities per Non-Mitigated Future Unit is then divided by the average square footage of Non-Mitigated Future Unit for each land use category.

To determine the average square footage of a Non-Mitigated Future Unit this Report utilizes building permits issued within the boundaries of the District over the last five (5) years and information provided by developers within the

community. Table 12 shows the cost of providing school facilities per square foot of Non-Mitigated Future Unit.

Table 12
Cost of Providing School Facilities
Per Square Foot of Non-Mitigated Future Unit

Land Use	School Facilities Cost per Non-Mitigated Future Unit	Average Square Footage	School Facilties Cost Impact Per Square Foot
Single Family Detached (SFD)	$22,182	2,600	$8.53
Single Family Attached (SFA)	$21,224	1,600	$13.26
Multi-Family Attached (MFA)	$28,852	1,300	$22.19

V. Comparison of Impact and School Fee Revenue from Future Residential Development

As noted in the introduction to this Report, the maximum level of School Fee that may be imposed by a school district on Future Residential Development is set by the SAB. In order to impose School Fees at this level, the District must demonstrate that the cost of providing school facilities equals or exceeds the amount of the School Fee to be imposed. This section compares the maximum School Fee that may be imposed by the District with the cost of providing school facilities per square foot of Future Residential Development as established in Section IV.

A. Maximum Residential School Fee

On January 24, 2018, the SAB approved an increase to the maximum School Fee that may be imposed by a unified school district on Future Residential Development to $3.79 per square foot.

In the District's case they must share this maximum School Fee with the Sweetwater Union High School District ("High School District"), which provides education in grades 9 through 12 to students residing within the boundaries of the District. Based on the District's fee sharing agreement with the High School District, the District can collect 61 percent of the maximum School Fee with the balance being collected by the High School District. Table 13 show the allocation of the current maximum School Fee.

Table 13
Allocation of Maximum Residential School Fee

School District	Percentage Share	Maximum Fee
San Ysidro School District (Grades K-8)	61.00%	$2.31
Sweetwater Union High School District (Grade 9-12)	39.00%	$1.48
Total	**100.00%**	**$3.79**

B. Comparison of Financial Impact and Maximum School Fee Revenues Per Square Foot

This Report identifies in Section IV that the cost of providing school facilities per square foot of Future Residential Development ranges from $8.53 - $22.19. Since the current maximum School Fee is less than the cost of providing school facilities per square foot of Future Residential Development, the District is justified in imposing their portion of the maximum School Fee of $2.31 per square foot for all Future Residential Development within its boundaries.

VI. Financial Impact of Commercial/Industrial Development

This Section analyzes the financial impact on the District resulting from students that are generated by Future Commercial/Industrial Development.

Future Commercial/Industrial Development will attract additional workers to the District. Because some of those workers will have school-age children, such Future Commercial/Industrial Development will generate additional enrollment for the District. The District is also likely to experience additional enrollment as a result of new workers who do not live within the District's boundaries, but whose children attend the District's schools as a transfer student.

A. Employees Per 1,000 Square Feet of Commercial/Industrial Development

To identify the impact of Future Commercial/Industrial Development this Report must first estimate the number of employees that will be generated by such development.

1. **Employee Generation Rate -** As permitted by State law, this Report estimates the number of employees to be generated by Future Commercial/Industrial Development by utilizing the generation factors set forth San Diego Association of Governments ("SANDAG"). Table 14 shows these generation rates.

Table 14
Employee Generation Rates
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Average Square Feet Per Employee	Employees Per 1,000 Square Feet
Retail and Services	447	2.2371
Office	286	3.4965
Research and Development	329	3.0395
Industial/Warehouse/Manufacturing	371	2.6954
Hospital	360	2.7778
Hotel/Motel	883	1.1325

Source: SANDAG

2. **Percentage of Employees Residing Within the District -** To accurately identify the number of employees that will reside within the District, this Report adjusts the Employee Generation Rates list in Table 14 to account for employees that may not live within the District.

   To estimate the percentage of employees that will reside within the District this Report utilizes data collected by the US Census Bureau measuring individual's commute time. Based on this information, approximately 28.62 percent of employees with the District are likely to reside within the District. Table 15 show the Resident Employee Generation Rates.

Table 15
Resident Employee Generation Rates
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Employee Generation Rates	Employees Residing Within the District	Resident Employee Generation Rates
Retail and Services	2.2371	0.2862	0.6403
Office	3.4965	0.2862	1.0007
Research and Development	3.0395	0.2862	0.8699
Industrial/Warehouse/Manufacturing	2.6954	0.2862	0.7714
Hospital	2.7778	0.2862	0.7950
Hotel/Motel	1.1325	0.2862	0.3241

B. Household Impact

As noted in Section III, the SGFs calculated for the District is based on the number of students generated per housing unit. Therefore, this Report must convert the number of resident employees into the resulting number of new households to estimate the number of students to be generated.

1. **Average Number of Employees per Household -** To estimate the number of households to be generated by these resident employees, this Report utilizes information collected by the US Census Bureau. According to the US Census Bureau the average number of employed persons per household within the District is 1.5590.

2. **Household Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Household Impact per 1,000 Square Feet of Commercial/Industrial Development is calculated by dividing the Average Number of Employees per Household by the Resident Employee Generation Rates listed in Table 15. Table 16 summarizes this calculation.

Table 16
Household Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Resident Employee Generation Rate	Average Employees Per Household	Household Impact Per 1,000 Square Feet
Retail and Services	0.6403	1.5590	0.4107
Office	1.0007	1.5590	0.6419
Research and Development	0.8699	1.5590	0.5580
Industrial/Warehouse/Manufacturing	0.7714	1.5590	0.4948
Hospital	0.7950	1.5590	0.5099
Hotel/Motel	0.3241	1.5590	0.2079

3. **Net Household Impact Per 1,000 Square Feet of Commercial/Industrial Development -** To identify the Net Household Impact per 1,000 Square Feet of Commercial/Industrial Development this Report must account for employees that will reside within existing residential units.

   Based on home sales information and the number of building permits issued over the last five years within the District, new home sales in the District are estimated to equal 10.76 percent of the total housing units which will experience occupant turnover during the period considered in this Report. Multiplying the Household Impact per 1,000 Square Feet of Commercial/Industrial Development shown in Table 16 by 10.76 percent results in the Net Household Impact per 1,000 Square Feet of Commercial/Industrial Development shown in Table 17.

Table 17
Net Household Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Household Impact Per 1,000 Square Feet	Adjustment for Resale Units	Net Household Impact Per 1,000 Square Feet
Retail and Services	0.4107	0.1076	0.0442
Office	0.6419	0.1076	0.0691
Research and Development	0.5580	0.1076	0.0600
Industrial/Warehouse/Manufacturing	0.4948	0.1076	0.0532
Hospital	0.5099	0.1076	0.0549
Hotel/Motel	0.2079	0.1076	0.0224

Only the Net Household Impacts are assumed to generate potential new students, thereby increasing school facilities costs to the District.

C. Student Generation Impact

This Report recognizes that employees may impact the District in two (2) ways. First, some of the employees will reside within the District and have school aged children who attend the District's schools. Secondly, of those employees that do not reside within the District some will have school aged children who choose to attend the District's school as transfer students.

1. **Resident Student Generation Impact -** To estimate the number of resident students to be generated per 1,000 Square Feet of Commercial/Industrial Development this Report multiplies the SGFs, outlined in Section III, by the Net Household Impacts listed in Table 17. The resulting Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development is listed Table 18.

Table 18
Resident Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades K-6)	Middle School (Grades 7-8)	Total
Retail and Services	0.0192	0.0055	0.0248
Office	0.0301	0.0087	0.0387
Research and Development	0.0261	0.0075	0.0337
Industrial/Warehouse/Manufacturing	0.0232	0.0067	0.0298
Hospital	0.0239	0.0069	0.0308
Hotel/Motel	0.0097	0.0028	0.0125

2. **Inter-District Transfer Student Generation Impact -** To estimate the number of inter-district transfer students that may be generated, this Report utilizes enrollment data of the District. The total number of inter-district transfer students attending District schools was divided by the total number of employed persons within the District, as estimated by the SANDAG. This calculation is summarized in Table 19.

Table 19
Inter-District Transfer Rate Per Employee

Item	Elementary School (Grades K-6)	Middle School (Grades 7-8)
Number of Employed Persons	26,877	26,877
Number of Inter-District Transfers	204	67
Inter-District Transfers Per Employee	**0.0076**	**0.0025**

3. **Total Student Generation Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Inter-District Transfer Rates, listed in Table 19, were multiplied by the Employee Generation Rates in Table 14 to calculate Inter-District Transfer Rates per 1,000 Square Feet of Future Commercial/Industrial Development. These Inter-District Transfer Rates were added to the Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development, listed in Table 18, to calculate the Total Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development list in the Table 20.

Table 20
Total Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades K-6)	Middle School (Grades 7-8)	Total
Retail and Services	0.0362	0.0111	0.0474
Office	0.0566	0.0174	0.0740
Research and Development	0.0492	0.0151	0.0644
Industrial/Warehouse/Manufacturing	0.0437	0.0134	0.0571
Hospital	0.0450	0.0138	0.0588
Hotel/Motel	0.0183	0.0056	0.0240

D. Cost of Providing School Facilities Per 1,000 Square Feet of Commercial/Industrial Development

To calculate the Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development, this Report calculates the cost impact per student using the information listed in Table 10 and multiplies the per student cost by the Total Student Generation Impacts listed in Table 20. Table 21 outlines the resulting Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development.

Table 21A
Cost of Providing School Facilities
Per Student

School Level	Facility Cost	Facility Capacity	Facility Cost Per Student
K-8 School	$50,613,536	850	$59,545
Central Administrative Impacts			$800
Total Cost Impact			**$60,345**

Table 21B
Cost of Providing School Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades K-6)	Middle School (Grades 7-8)	Total
Retail and Services	$2,186.54	$671.60	$2,858.14
Office	$3,417.46	$1,049.68	$4,467.14
Research and Development	$2,970.78	$912.48	$3,883.26
Industrial/Warehouse/Manufacturing	$2,634.38	$809.15	$3,443.53
Hospital	$2,714.84	$833.87	$3,548.71
Hotel/Motel	$1,106.88	$339.98	$1,446.86

E. Residential School Fee Revenue Offset

A portion of the Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development will be mitigated through the collection of School Fees from Future Residential Development. To estimate the amount of these School Fees that will be collected, this Report multiplies the estimated average square footage of a Non-Mitigated Future Unit, by the District's Residential School Fee of $2.31. This amount is then multiplied by the Net Household Impacts listed in Table 17. Table 22 outlines this calculation.

Table 22
Residential School Fee Revenue
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Net Household Impact	Statutory School Fees	Residential Revenue
Retail and Services	0.0442	$4,813.38	$212.72
Office	0.0691	$4,813.38	$332.47
Research and Development	0.0600	$4,813.38	$289.02
Industrial/Warehouse/Manufacturing	0.0532	$4,813.38	$256.28
Hospital	0.0549	$4,813.38	$264.10
Hotel/Motel	0.0224	$4,813.38	$107.68

The Residential School Fee Revenue per 1,000 Square Feet of Commercial/Industrial Development listed in Table 22 is then subtracted from Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development identified in Table 21B to calculate the Remaining Cost of Providing Facilities per 1,000 Square Feet of Commercial/Industrial Development. Table 23 outlines this calculation.

Table 23
Remaining Cost of Providing Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Cost of Providing School Facilities	Residential School Fee Revenue	Remaining Cost of Providing School Facilities
Retail and Services	$2,858.14	$212.72	$2,645.42
Office	$4,467.14	$332.47	$4,134.67
Research and Development	$3,883.26	$289.02	$3,594.24
Industrial/Warehouse/Manufacturing	$3,443.53	$256.28	$3,187.25
Hospital	$3,548.71	$264.10	$3,284.61
Hotel/Motel	$1,446.86	$107.68	$1,339.18

VII. Comparison of Impacts and Fee Revenue from Commercial/Industrial Development

As with Future Residential Development the maximum level of School Fee that may be imposed by a school district on Future Commercial/Industrial Development is set by the SAB. In order to impose School Fees at the maximum level the District must demonstrate that the cost of providing school facilities does not exceed the amount of the School Fees to be imposed. This section compares the maximum School Fee that may be imposed by the District, with the cost of providing school facilities as a result of Commercial/Industrial Development, as established in Section V.

A. Maximum Commercial/Industrial School Fee

On January 24, 2018, the SAB approved an increase to the maximum School Fee that may be imposed by a unified school district on Commercial/Industrial Development to $0.61 per square foot.

In the District's case they must share this maximum School Fee with the Sweetwater Union High School District ("High School District"), which provides education in grades 9 through 12 to students residing within the boundaries of the District. Based on the District's fee sharing agreement with the High School District, the District can collect 61 percent of the maximum School Fee with the balance being collected by the High School District. Table 24 show the allocation of the current maximum School Fee.

Table 24
Allocation of Maximum
Commercial/Industrial School Fee

School District	Percentage Share	Maximum Fee
San Ysidro School District (Grades K-8)	61.00%	$0.37
Sweetwater Union High School District (Grades 9-12)	39.00%	$0.24
Total	**100.00%**	**$0.61**

B. Comparison of Financial Impact and Maximum School Fee Revenues Per Square Foot of Commercial/Industrial Development

This Report identified in Section VI that the Remaining Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development ranges from $1,339.18 to $4,134.67. Table 25 compares these costs to the maximum School Fee for Commercial/Industrial Development.

Table 25
Comparison of Remaining Cost of Providing School Facilities And Maximum School Fee for Commercial/Industrial Development

Commercial/Industrial Category	Remaining Cost of School Facilities		Maximum School Fee	Justified School Fee
	Per 1,000 Square Feet	Per Square Foot		
Retail and Services	$2,645.42	$2.65	$0.37	$0.37
Office	$4,134.67	$4.13	$0.37	$0.37
Research and Development	$3,594.24	$3.59	$0.37	$0.37
Industial/Warehouse/Manufacturing	$3,187.25	$3.19	$0.37	$0.37
Hospital	$3,284.61	$3.28	$0.37	$0.37
Hotel/Motel	$1,339.18	$1.34	$0.37	$0.37

Since the District's share of the current maximum School Fee is less than the Remaining Cost of Providing School Facilities per Square Foot of Commercial/Industrial Development in each category the District is justified in imposing a School Fee of $0.37 per square foot for all Future Commercial/Industrial Development within its boundaries.

VIII. Conclusion and Statement of Findings

Based on the findings of this School Facilities Fee Justification Report ("Report"), the Redlands Unified School District ("District") is justified in collecting there portion of the legal maximum fee ($3.79) which is $2.31 per square foot of residential development as authorized by Government Code Section 65995, as future residential development creates a school facility cost impact greater than the legal maximum fee. The District is also justified in collecting there portion of the legal maximum fee ($0.61) which is $0.37 per square foot of commercial/ industrial development on all categories of commercial/ industrial development.

The finding of this Report are a based on the following:

- According to SCAG there are 13,922 residential units planned to be built within the District.
- 13,207 of the residential units planned to be built within the District have not mitigated their additional school facilities impact on the school facilities of the District.
- These residential units are expected to generate 7,320 students. The District expects these students will require the District to construct new school facilities.
- Each square foot of future residential development creates an estimated school facility cost impact between $8.53 - $22.19.
- If the District collects their portion of the maximum school fee which is $2.80, fee revenue will offset between 10.42 – 27.10 percent of the school facility cost impact of such residential development.
- Future commercial/industrial development will create the need for additional school facilities by increasing the number of households within the District and the number of inter-district transfer students.
- After accounting for the collection of the maximum school fee from residential development the remaining school facilities cost impact of commercial/ industrial development ranges between $1.34 - $4.13 per square foot depending on the category of development.
- If the District collects their portion of the maximum school fee which is $0.37 per commercial/ industrial square foot, fee revenue will offset between 8.96 – 13.96 percent of the school facility cost impact of such development.

Exhibit A

Estimated School Facilities Cost

San Ysidro School District
Estimated "True" Cost
K-8 School Facility

A. Site				**$9,702,343**
	Site Purchase Price		$2,528,326	
	Acres	17.30		
	Cost Per Acre	$146,146		
	Site Developmetn Cost		$7,154,017	
	Acres	17.30		
	Cost Per Acre	$413,527		
	Appraisals		$10,000	
	Surveys		$5,000	
	Escrow/Title		$5,000	
B. Plans				**$2,188,188**
	Architect's Fee	$1,921,500		
	Preliminary Testing	$20,000		
	DSA/SDE Plan Check	$226,688		
	Energy Fee Analysis	$15,000		
	Other	$5,000		
C. Construction				**$34,680,000**
	Square Feet Per Student	100		
	Cost Per Square Foot [1]	$408		
D. Testing				**$50,000**
E. Inspection				**$144,000**
	Cost Per Month	$12,000		
	Months	12		
F. Furniture and Equipment				**$705,500**
	Cost Per Square Foot	$8		
G. Contingency				**$949,401**
	Percent of Project	2.00%		
H. Items Not Funded By State				**$2,194,105**
	Technology (5% of Constriction)	$1,734,000		
	Library Books (8 books/student @ $15)	$102,000		
	Landscaping ($0.44 per Sq. Ft.)	$331,579		
	Landscaping Architect Fees (8% of Landscaping)	$26,526		
I. Total Estimated Cost				**$50,613,536**
	School Facility Capacity			**850**
	School Facility Cost Per Student			**$59,545**

[1] The construction cost used in the District's 2015 SFNA has been increase by the change in the SAB construction cost index.