

Tahoe Truckee Unified School District

Developer Fee Justification Study

October 2015



Tahoe Truckee Unified School District

Developer Fee Justification Study

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EXECUTIVE SUMMARY

Pursuant to Government Code section 65995 et. seq. and Education Code section 17620 et. seq., school districts are authorized to levy fees on new residential and commercial-industrial development in order to fund the construction and/or reconstruction of school facilities necessary to accommodate the students from new development. Currently, the maximum statutory fees allowed by law are \$3.36 per square foot of residential development and 54¢ per square foot of commercial-industrial development.

New residential development in the Tahoe Truckee Unified School District ("District") is projected to generate new students in the District. The District's schools do not have the capacity to accommodate all of these projected students. Consequently, a developer fee is needed to fund the new and/or reconstructed school facilities required to serve this increase in enrollment.

The District has 1,913 elementary (K - 5) students and capacity for 2,320 students. Taking into account the available capacity, 885 of the 1,292 elementary students projected to come from new development will contribute to the need for and cost of new and/or reconstructed elementary school facilities.

The District has 820 middle school (grades 6 - 8) students and capacity for 1,132 students. Taking into account the available capacity, 231 of the 543 middle school students projected to come from new development will contribute to the need for and cost of new and/or reconstructed middle school facilities.

The District has 982 high school (grades 9 - 12) students and capacity for 1,614 students. Taking into account the available capacity, 143 of the 775 high school students projected to come from new development will contribute to the need for and cost of new and/or reconstructed high school facilities.

Based upon the analyses and findings contained in this *Developer Fee Justification Study* ("Study"), on average, each new home in the District will create \$8,668 in school facilities costs, which, based on the estimated average size new home (2,351 square feet) equates to \$3.69 per square foot. Thus, the District is justified in charging the maximum residential fee of \$3.36 per square foot on all types of residential development to the extent allowed by law.¹

Education Code Section 17620 authorizes the imposition of developer fees on commercial-industrial development. Commercial-Industrial development generates school facility needs because the new jobs created bring new families, and consequently new school-aged children, into the District. This *Study* shows that even after accounting for projected residential developer fee revenues, the fiscal impact of various types of commercial-industrial development in the District exceeds 54¢ per square foot for every business type except "community shopping centers", "industrial parks", "lodging" and "rental self-storage". Therefore, the District is justified in charging a developer fee of 54¢ per square foot on all new commercial-industrial construction except "community shopping centers", in which case 40¢ per square foot is the justified charge, "industrial parks", in which case 38¢ per square foot is the justified charge, "lodging", in which case 26¢ per square foot is the justified charge and "rental self-storage", in which case 1¢ per square foot is the justified charge.

¹ Although the residential cost impact was calculated based on new homes, for the purposes of this *Study* it is assumed that new residential construction, demolition and replacement, as well as additions of more than 500 square feet, are all the same type of development - residential. Thus, whether residential square footage is added via new construction, reconstruction, or additions, the number of resulting students per square foot and fiscal impacts per square foot are the same or substantially similar.

INTRODUCTION

Pursuant to Government Code Section 65995 et. seq. and Education Code Section 17620 et. seq., school districts are authorized to levy fees on new residential and commercial-industrial development to fund the new and/or reconstructed school facilities necessary to accommodate the students from new development. As of the date of this Study, the maximum K - 12 developer fees authorized by law are as follows:

Residential Development.....	\$3.36 per square foot
Commercial-Industrial Development.....	54¢ per square foot

A school district must make a number of findings before establishing new developer fees. When "establishing, increasing, or imposing" developer fees, the District must (Government Code Section 66001(a)):

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility.

This *Study* has been prepared to assist the District with making the findings necessary to establish new developer fees.

AVAILABLE CAPACITY

Table 1, below, identifies the District's capacity by grade levels and compares them to the respective enrollment students. It can be seen that there is excess capacity available at all three grade levels.

Table 1: Capacity Versus Enrollment

<i><u>Grade Level</u></i>	<i><u>Capacity(1)</u></i>	<i><u>2014-15 Student Enrollment(2)</u></i>	<i><u>Available (Unavailable) Capacity</u></i>	<i><u>Capacity Available for New Development</u></i>
Elementary (K - 5)	2,320	1,913	407	407
Middle (6 - 8)	1,132	820	312	312
High (9 - 12)	1,614	982	632	632
Total K - 12	5,066	3,715		

(1) Most information from *2014 Facilities Master Plan* (Section 2.4 - Current Capacity Analysis). Capacity of Rideout Elementary School (information provided by Tahoe Truckee Unified School District - March 2015) added because this site could be used again as a school in the future. Does not include former Sierra Mountain Middle School site because it is now being used for District administration functions. Also does not include Sierra Expeditionary Learning School, Sierra Continuation High School, and Cold Stream Alternative School.

(2) Information provided by Tahoe Truckee Unified School District (March 2015). Does not include Sierra Expeditionary Learning School, Sierra Continuation High School, and Cold Stream Alternative School.

ADDITIONAL CAPACITY REQUIRED TO SERVE NEW DEVELOPMENT

Projecting the additional capacity required to serve new residential development requires comparing the total number of elementary, middle, and high school students expected to result from new residential development with the current capacity available for these students.

The first step in determining the number of students projected to result from new residential development is to determine the number of such students that each new home will yield. Table 2 (below) shows that based on the District's 2009-10 total enrollment and 2010 U.S. Census count of occupied housing units, on average each home yielded 0.150 elementary students, 0.063 middle school students, and 0.090 high school students. For the purposes of this *Study*, it is assumed that each new home in the District will yield the same number of students.

Table 2: Student Yield Rates

<i>Grade</i>	<i>2009-10 Student Enrollment(1)</i>	<i>2009-10 Occupied Housing Units(2)</i>	<i>Students Per Occupied Housing Unit</i>
Elementary (K - 5)	1,956	13,036	0.150
Middle (6 - 8)	815	13,036	0.063
High (9 - 12)	1,178	13,036	0.090
Total K - 12	3,949		0.303

(1) California Department of Education, Educational Demographics Unit - District and School Enrollment by Grade - 2009-10.
 (2) 2010 Census count of occupied housing units in District (U.S. Census Bureau).

The second step is to project the number of new homes that could be constructed in the District. As shown in Table 3 (below) it is estimated that there is the potential for 8,615 new homes to be constructed in the District.

ADDITIONAL CAPACITY REQUIRED TO SERVE NEW DEVELOPMENT (CONT.)

Table 3: Potential Residential Development

<u>Town of Truckee</u>	
Buildout(1):	19,289
Estimated Existing Housing Units(2):	<u>- 13,106</u>
Potential New Housing Units:	6,183
<u>Placer County Developments(3)</u>	
Lahontan:	191
Lahontan II:	47
Martis Camp:	351
Martis Valley West:	760
Schaffer's Mill:	114
Squaw Valley Specific Plan:	167
Tahoe Basin Area Plan:	<u>+ 317</u>
Total:	1,947
<u>El Dorado County(4)</u>	
Undeveloped Residential Parcels:	335
<u>Nevada County(5)</u>	
Undeveloped Residential Parcels:	150
Total:	<u><u>8,615</u></u>

(1) Information provided by Tahoe Truckee Unified School District (October 28, 2015).

(2) Based on information provided by Town of Truckee Planning Department (April 2015 and September 2015).

(3) Based on information contained in District's 2014 Demographic Study, developer fee collection records, discussion with Placer County - Planning Services Division, and other research.

(4) Based on analysis of 2014-15 database of all parcels within the El Dorado County portion of the Tahoe-Truckee Unified School District. Count is of parcels with use codes indicating undeveloped residential parcels, and with owner names not clearly identified as a public agency.

(5) Based on analyzing a 2014-15 database of all parcels within the Nevada County portion of the Tahoe Truckee Unified School District, there are over 3,000 parcels with a use code indicating vacant single-family residential. However, to be conservative, the number of potential homes shown is based on an assumed five homes per year for 30 years.

ADDITIONAL CAPACITY REQUIRED TO SERVE NEW DEVELOPMENT (CONT.)

As shown in Table 4, below, the third step is to project the number of students from new development by applying the per-home student yield rates (Table 2) to the number of new homes (Table 3). The new homes are projected to yield 1,292 elementary, 543 middle, and 775 high school students.

Table 4: Students From New Development

<u>Grades:</u>	<u>K - 5</u>	<u>6 - 8</u>	<u>9 - 12</u>	<u>K - 12</u>
Potential New Homes:	8,615	8,615	8,615	
Student Yield Rate:	<u>x 0.150</u>	<u>x 0.063</u>	<u>x 0.090</u>	
Students from New Development:	1,292	+ 543	+ 775	= 2,610

The number of additional classroom spaces needed to accommodate the students from new homes equals the number of such students that cannot be accommodated with existing facilities. Table 5, below, compares the number of projected students (derived in Table 4) with the number of available spaces (derived in Table 1) in order to determine the additional capacity required to serve new development. It can be seen that 885 elementary students, 231 middle school students and 143 high school students from new development will require additional classroom capacity.

Table 5: Additional Capacity Required to Serve New Development

<u>Grades:</u>	<u>K - 5</u>	<u>6 - 8</u>	<u>9 - 12</u>	<u>K - 12</u>
Students from New Development:	1,292	543	775	
Capacity Available for New Development:	<u>- 407</u>	<u>- 312</u>	<u>- 632</u>	
New Development Students Over Capacity:	885	+ 231	+ 143	= 1,259

FACILITY COST PER STUDENT SPACE ADDED

As mentioned previously, new and/or reconstructed school facilities will be required to accommodate the elementary, middle, and high school students from new residential development. Table 6 [below] summarizes the estimated cost to the District of providing additional classroom space for these students.

The cost of providing new and/or reconstructed elementary school facilities for students from new development is based on the estimated cost per student of constructing one or more new elementary schools (which is justified by the number of students from new development in excess of capacity). Based thereon, it can be seen that the estimated cost per student served is \$72,850.

The cost of providing new and/or reconstructed middle school facilities for students from new development is based on the estimated cost per student of expanding existing middle schools (which is justified by the number of students from new development in excess of capacity). Based thereon, it can be seen that the estimated cost per student served is \$27,592.

The cost of providing new and/or reconstructed high school facilities for students from new development is based on the estimated cost per student of expanding existing high schools (which is justified by the number of students from new development in excess of capacity). Based thereon, it can be seen that the estimated cost per student served is \$33,051.

Detailed information regarding these costs is provide in Appendix A.

Table 6: Facility Costs Per Student Space Added

Elementary School Student Costs(1)

Cost Per Student - New Elementary School(s): \$72,850

Middle School Student Costs(1)

Cost Per Student - Expand Middle School(s): \$27,592

High School Student Costs(1)

Cost Per Student - Expand High School(s): \$33,051

(1) Information provided by Tahoe Truckee Unified School District - April 2015. See Appendix A for detail.

RESIDENTIAL DEVELOPER FEE JUSTIFIED

In Table 5 (page 6), this *Study* identified the number of additional spaces needed to accommodate the students over capacity. Table 6 (page 7) identified the cost of the facilities needed to accommodate each of these students. Based on this information, Table 7, below, calculates the cost of providing these facilities for each square foot of new residential development.

Table 7 shows that the unfunded cost of students from new development is \$74,672,295. Since this cost was calculated based on 8,615 potential new homes, on average, the fiscal impact of each new home is \$8,668. Based on an estimated average size new home of 2,351 square feet, the cost per home equates to a fiscal impact of \$3.69 per square foot of residential development. Therefore, the District is justified in charging the maximum residential fee of \$3.36 per square foot on all types of residential development to the extent allowed by law.²

Table 7: Residential Developer Fee Justified

Cost Per Student - New Elementary School(s):	\$72,850	
Elementary Students from New Development Over Capacity:	<u>x 885</u>	
Total Cost of Elementary Students from New Development:		\$64,472,250
Cost Per Student - Expand Middle School(s):	\$27,592	
Middle School Students from New Development Over Capacity:	<u>x 231</u>	
Total Cost of Middle School Students from New Development:		\$6,373,752
Cost Per Student - Expand High School(s):	\$33,051	
High School Students from New Development Over Capacity:	<u>x 143</u>	
Total Cost of High School Students from New Development:		\$4,726,293
Total Cost of K - 12 Students from New Development:	\$75,572,295	
Less: Funds Available to Mitigate Impact of New Development(1):	<u>- \$900,000</u>	
Unfunded Cost of K - 12 Students from New Development:		\$74,672,295
Unfunded Cost of K - 12 Students from New Development:	\$74,672,295	
Projected New Homes:	<u>÷ 8,615</u>	
Unfunded K - 12 Cost Per New Home:		\$8,668
Unfunded K - 12 Cost Per New Home:	\$8,668	
Estimated Average Size New Home(2):	<u>÷ 2,351 sq. ft.</u>	
Unfunded K - 12 Cost Per Square Foot:		\$3.69

(1) The District has no funds available to mitigate the impact of new development because it is anticipated that current funding (i.e. bond proceeds and State funding on-hand) will be exhausted on currently planned projects and the resulting expanded capacity has been accounted for. However, the District owns a vacant 10.26 acre parcel in the Kings Run area. Although the District does not currently plan on using this parcel as a school site (because it is in close proximity to an existing elementary school (Kings Beach ES) and the site is not large enough for a middle or high school), it could be sold and the proceeds applied towards the cost of new schools (the District has also considered other, non school, uses for the parcel). Therefore, although the District could eventually utilize the site for non-school purposes (e.g. for a recreation center), solely for the purposes of this *Study*, the estimated value of this parcel is credited against the total fiscal impact of new development.

(2) Estimated average based on review of District database of historical new home residential building permits and excluding permits less than 1,000 square feet and greater than 5,000 square feet (building permit information provided by Tahoe Truckee Unified School District).

² Although the residential cost impact was calculated based on new homes, for the purposes of this *Study* it is assumed that new residential construction, demolition and replacement, as well as additions of more than 500 square feet, are all the same type of development - residential. Thus, whether residential square footage is added via new construction, reconstruction, or additions, the number of resulting students per square foot and fiscal impacts per square foot are the same or substantially similar.

COMMERCIAL-INDUSTRIAL FEES

As commercial-industrial properties develop, new jobs are created. Many of the people hired into these new jobs move into the community and bring families with them. The children from these families will increase the need for additional school facilities. Consequently, commercial-industrial development will impact the District.

The cost of accommodating these students is lessened by the amount of residential developer fees paid for new homes. Therefore, subject to statutory limits, commercial-industrial fees are justified to the extent that the residential developer fees paid fall short of mitigating the total financial impact of each new home.

The methodology used to analyze the impact of commercial-industrial development on the District must quantify the relationship between the creation of new jobs and the fiscal impact on the District of new employees moving into the community. The results of this analysis for the District are summarized in Table 8 (next page).

Education Code Section 17621 allows for the use of employee generation figures from a report produced by the San Diego Association of Governments (SANDAG). This report provides estimates for the average number of employees per square foot of space for various types of businesses. Column 1 of Table 8 shows the number of employees per 1,000 square feet for twelve types of businesses.

Column 2 of Table 8 represents the estimated number of employees who will live in the District per 1,000 square feet of commercial-industrial development. These figures were derived by multiplying each business type's employees per 1,000 square feet by 41%, the estimated percentage of these employees who also live in the District.

Column 3 represents the number of new District households per 1,000 square feet of commercial-industrial construction. These numbers were derived by multiplying each business type's District employees per 1,000 square feet by 0.73, the estimated number of households per employee.

The projected school facility costs per 1,000 square feet for each business type (column 4) was calculated by multiplying each business' District households per 1,000 square feet by the average cost per household (\$8,668). These costs range from \$87 to \$12,395. The developer fees paid per 1,000 square feet (column 5) was derived by multiplying the households per 1,000 square feet by the fees expected to be paid for the average household (\$7,899). The fees paid range from \$79 to \$11,296 per 1,000 square feet.

Column 6, the net unfunded costs per 1,000 square feet, represents the amount by which the projected costs per 1,000 square feet exceed the projected developer fees paid per 1,000 square feet. Division of this figure by 1,000 square feet yields the net unfunded costs per square foot (column 7). It can be seen that the net unfunded costs per square foot exceeds 54¢ per square foot for every business type except "community shopping centers", "industrial parks", "lodging" and "rental self-storage". Therefore, the District is justified in charging a developer fee of 54¢ per square foot on all new commercial-industrial construction except "community shopping centers", in which case 40¢ per square foot is the justified charge, "industrial parks", in which case 38¢ per square foot is the justified charge, "lodging", in which case 26¢ per square foot is the justified charge and "rental self-storage", in which case 1¢ per square foot is the justified charge.

COMMERCIAL-INDUSTRIAL FEES (CONT.)

Table 8: Impact Analysis of Commercial-Industrial Development

<u>Type of Business</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
	<i>Employees Per 1,000</i>	<i>Area Employees Per 1,000</i>	<i>Area Households Per 1,000</i>	<i>Projected School Facilities Costs Per 1,000 sq. ft.</i>	<i>Developer Fees Paid Per 1,000 sq. ft.</i>	<i>Net Unfunded Costs Per 1,000 sq. ft.</i>	<i>Net Unfunded Costs Per Sq. Ft.</i>
	<u>Sq. Ft.(1)</u>	<u>Sq. Ft.</u>	<u>Sq. Ft.</u>	<u>1,000 sq. ft.</u>	<u>1,000 sq. ft.</u>	<u>1,000 sq. ft.</u>	<u>Sq. Ft.</u>
Banks	2.83	1.16	0.85	\$7,368	\$6,714	\$654	\$0.65
Restaurant	2.54	1.04	0.76	\$6,588	\$6,003	\$585	\$0.59
Commercial Offices	4.79	1.96	1.43	\$12,395	\$11,296	\$1,099	\$1.10
Community Shopping Centers	1.73	0.71	0.52	\$4,507	\$4,107	\$400	\$0.40
Corporate Offices	2.68	1.10	0.80	\$6,934	\$6,319	\$615	\$0.62
Industrial Business Parks	3.73	1.53	1.12	\$9,708	\$8,847	\$861	\$0.86
Industrial Parks	1.68	0.69	0.50	\$4,334	\$3,950	\$384	\$0.38
Lodging	1.13	0.46	0.34	\$2,947	\$2,686	\$261	\$0.26
Medical Offices	4.27	1.75	1.28	\$11,095	\$10,111	\$984	\$0.98
Neighborhood Shopping Ctrs	2.80	1.15	0.84	\$7,281	\$6,635	\$646	\$0.65
Scientific R & D	3.04	1.25	0.91	\$7,888	\$7,188	\$700	\$0.70
Rental Self-Storage	0.06	0.02	0.01	\$87	\$79	\$8	\$0.01

Assumptions/Data:

- 41% Workers who work in District and also reside in District(2)
- 0.73 Households Per Employee(3)
- \$8,668 Projected School Facilities Costs Per Household/Home(4)
- 2,351 sq. ft. Average Size New Home(4)
- x \$3.36 Current Residential Developer Fee Charged Per Square Foot
- \$7,899 Projected Average Developer Fees Paid Per Household/Home(5)

(1) Based on *San Diego Traffic Generators*, San Diego Association of Governments.
 (2) Based on data from the *2011-2013 American Community Survey 3-Year Estimates*, U.S. Census, 41% of workers who lived in the District had a commute time to work of less than 15 minutes (U.S. Census Bureau). For the purposes of this *Study*, it is assumed that the same percentage of employees of new businesses located within the District will also live within the District.
 (3) Based on data from the *2011-2013 American Community Survey 3-Year Estimates*, U.S. Census, there are 12,302 occupied housing units located in and 16,943 employed people living in the District. This equates to 0.73 occupied homes per employee (12,302 ÷ 16,943).
 (4) See Table 7.
 (5) Derived by multiplying the current residential developer fee by the estimated average size new home.

NEXUS FINDINGS

Purpose of Fees

The purpose of the fees levied and collected on new residential and commercial-industrial development is to obtain funds for the construction and/or reconstruction of school facilities to accommodate students generated as a result of such development. The fees shall assist the District in providing the school facilities required to accommodate student growth attributable to new development.

Use of Fees

As outlined in this *Study*, the fees will be used to fund the construction and/or reconstruction of school facilities. Revenue from fees collected on new development may be used by the District for any of the following purposes:

1. Construction or reconstruction, including refurbishment, of school facilities required to accommodate students generated by new residential, commercial, and industrial development;
2. Acquisition or lease of property for school facilities needed in response to student growth from new development;
3. Purchase or lease of interim and/or temporary school facilities in order to accommodate student capacity demands;
4. Furniture for use in new school facilities;
5. Costs associated with the administration, collection, and justification for the fees;
6. Costs associated with providing school facilities to students generated by new development; and
7. Other miscellaneous costs and expenses related to providing school facilities needed to accommodate students generated by new development.

Reasonable Relationship Between Use of Fees and Development on Which Fees are Imposed

New residential space (e.g. new homes, additions of more than 500 square feet, etc.) provides capacity for additional school-aged children to live within the District's boundaries. To the extent that they cannot be accommodated with existing school facilities, these school-aged children will require new and/or reconstructed school facilities. The fees to be imposed by the District pursuant to this *Study* will be used to help fund the required additional facilities. Therefore, there is a reasonable relationship between residential development and the use of the fees.

As commercial-industrial properties develop, new jobs are created. Many of the people hired into these new jobs will move into the community, bringing families with them. The children from these families will require new and/or reconstructed school facilities. The fees to be imposed by the District pursuant to this *Study* will be used to help fund these school facilities. Therefore, there is a reasonable relationship between commercial-industrial development and the use of the fees.

Reasonable Relationship Between Need for Facilities and Development on Which Fees are Imposed

As described above, to the extent that school-aged children from new residential development cannot be accommodated with existing school facilities, these school-aged children will require new and/or reconstructed school facilities. Therefore, the District needs to charge the residential developer fee authorized pursuant to law and justified by this *Study* in order to provide new and/or reconstructed school facilities for the children produced by new residential development.

Similarly, to the extent that school-aged children drawn into the community from commercial-industrial development cannot be accommodated with existing facilities, these students will increase the need for new and/or reconstructed school facilities. Therefore, the District needs to charge the commercial-industrial developer fees authorized pursuant to law and justified by this *Study* in order to provide new and/or reconstructed school facilities for the children produced by new commercial-industrial development.

Reasonable Relationship Between Amount of Fees and Cost of Public Facility

As shown in this *Study*, the cost of providing new and/or reconstructed school facilities to accommodate new development equates to \$3.69 per square foot of residential development. Since the District is not seeking to charge more than this amount, there is a reasonable relationship between the amount of the fee for residential development and the cost of the required school facilities.

As further shown in this *Study*, after accounting for the residential developer fees expected to be paid by the average new home, the additional cost of providing new and/or reconstructed school facilities to accommodate students from new commercial-industrial development ranges from 1¢ to \$1.10 per square foot. Since the District will not charge any type of commercial-industrial development more than the lesser of the applicable fiscal impact or 54¢, there is a reasonable relationship between the amount of the fee for commercial-industrial development and the cost of the required school facilities.

ACCOUNTING PROCEDURES

Deposit and Accounting of Fee Revenue

Revenue derived from development fees shall be deposited, invested, accounted for, and expended in accordance with Government Code section 66006.

Funds are being deposited into a separate capital facilities account so that there will be no commingling of fees with other revenue, except for temporary investments. The fees will be expended solely for the purpose for which they were collected. Any interest earned by such an account will be deposited in that account and expended solely for the purpose for which it was originally collected.

Within 180 days after the last day of each fiscal year, the information specified in Government Code section 66006(b) shall be made available to the public.

Unexpended or Uncommitted Fee Revenue

Pursuant to Government Code section 66001(d), on the fifth (5th) anniversary following the first deposit into the developer fee fund or account, and every five years thereafter, findings will be made with respect to that portion of the fund or account remaining unexpended.

The findings will identify the purpose to which the fee will be put, demonstrate a reasonable relationship between the fee and the purpose for which it was charged, identify all sources and amounts of funding anticipated to complete financing in incomplete improvements, and designate the approximate dates on which this funding is expected to be deposited into the appropriate account or fund. Findings will not be made with respect to letters of credit, bonds, or other instruments taken to secure payment of the fee at a future date. If the findings are not made, the unspent funds and any interest thereon may be refunded to the then current record owner or owners of the development project.

Pursuant to Government Code section 66001(e), within 180 days of the determination that sufficient funds have been collected to complete financing on incomplete projects, an approximate date by which construction may commence will be identified or the unspent funds and any interest thereon may be refunded to the then current record owner or owners of the development project.

CONCLUSION

This *Study* demonstrates that each square foot of new residential development creates a fiscal impact of \$3.69 upon the Tahoe Truckee Unified School District.³ Therefore, the District is justified in imposing the statutory residential developer fee of \$3.36 per square foot on all new residential development (e.g. new construction, demolition and replacement, additions of more than 500 square feet to existing homes, etc.) to the extent allowed by law.

Further, this *Study* shows that even after accounting for projected residential developer fee revenues, the fiscal impact of various types of commercial-industrial development in the District exceeds 54¢ per square foot for every business type except “community shopping centers”, “industrial parks”, “lodging” and “rental self-storage”. Therefore, the District is justified in charging a developer fee of 54¢ per square foot on all new commercial-industrial construction except “community shopping centers”, in which case 40¢ per square foot is the justified charge, “industrial parks”, in which case 38¢ per square foot is the justified charge, “lodging”, in which case 26¢ per square foot is the justified charge and “rental self-storage”, in which case 1¢ per square foot is the justified charge.

³ Although the residential cost impact was calculated based on new homes, for the purposes of this *Study* it is assumed that new residential construction, demolition and replacement, as well as additions of more than 500 square feet, are all the same type of development - residential. Thus, whether residential square footage is added via new construction, reconstruction, or additions, the number of resulting students per square foot and fiscal impacts per square foot are the same or substantially similar.

APPENDIX A
SCHOOL FACILITY COST ESTIMATES
(Provided by Tahoe Truckee Unified School District)

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**TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
2014-15 NEW SCHOOL CONSTRUCTION COSTS**

	Elementary	Middle School	High School
Students	600	800	1,000
Classrooms-85% utilization factor	29	33	42
Square Feet	70,000	100,000	140,000
Building Cost Per Sq Ft	320	340	400
Land Size	15 acres	20 acres	40 acres
Soft Costs-Design/Consultants-20% Hard Costs	5,600,000	8,500,000	16,200,000
Building Construction Costs	22,400,000	34,000,000	56,000,000
Site Development Costs	5,600,000	8,500,000	25,000,000
Contingencies-12% Hard Costs	3,360,000	5,100,000	9,720,000
Land Costs-\$450,000 per acres	6,750,000	9,000,000	18,000,000
Total Costs	43,710,000	65,100,000	124,920,000
Cost per Sq Feet	624	651	892
Cost Per Student	72,850	81,375	124,920

**TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
2014-15 SCHOOL EXPANSION CONSTRUCTION COSTS**

	Middle School	High School
Students	800	1,000
Classrooms-85% utilization factor	33	42
Total Square Feet	100,000	140,000
Building Cost Per Sq Ft	340	400
Classroom Sq Ft + 20% Circulation + 10% Ancillary	41,818	53,222
Soft Costs-Design/Consultants-23% Hard Costs	3,760,657	5,630,930
Building Construction Costs	14,217,984	21,288,960
Site Development Costs (15% OF Building Costs)	2,132,698	3,193,344
Contingencies-12% Hard Costs	1,962,082	2,937,876
Land Costs-\$450,000 per acres	0	0
Total Costs	22,073,420	33,051,110
Cost per Sq Feet	221	236
Cost Per Student	27,592	33,051