



TRAVIS UNIFIED SCHOOL DISTRICT

LEVEL 1 DEVELOPER FEES JUSTIFICATION REPORT

MAY 2024

PREPARED FOR:

**BOARD OF EDUCATION
TRAVIS UNIFIED SCHOOL DISTRICT**

PREPARED BY:


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EXECUTIVE SUMMARY

INTRODUCTION

This Level 1 Developer Fees Justification Report (“Report”) determines the cost of new school facilities attributable to unmitigated housing development within the Travis Unified School District (“District”) and serves to justify the adoption of the Level 1 developer fees pursuant to Section 17620 of the Education Code and Sections 65995 and 66001 of the Government Code. These fees are subject to a biennial inflationary adjustment in an amount equal to the change in the statewide cost index for Class B construction.

In January 2024, the State Allocation Board (“SAB”) has increased the statutory limit on “Level 1” developer fees to \$5.17 per square foot of residential construction and \$0.84 per square foot of commercial or industrial construction. The District’s current Level 1 developer fees are \$4.79 per square foot for new residential construction and \$0.78 per square foot for new commercial and industrial construction.

Education Code § 17620 states that “the governing board of any school district is authorized to levy a fee, charge, dedication, or other forms of requirement against any development project for the construction or reconstruction of school facilities.” In order to impose such fees, this Report must demonstrate that a reasonable relationship or “nexus” exists between new development that occurs within the District and the need for additional school facilities as a result of new development. More specifically, this Report will present findings in order to meet the procedural requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
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 or portion of the public facility attributable to the development on which the fee is imposed.

SUMMARY OF FINDINGS

1. This Report only addresses the enrollment, facility needs, and costs attributable to residential development subject to the residential development fee and not within a CFD or under a mitigation agreement (referred to as “unmitigated housing units”).
2. Based on a study of historical building activity and recent City projections for new home construction, approximately 1,736 unmitigated new housing units are projected to be constructed within the District over the next 5 years.
3. The total projected new residential area from unmitigated housing units is 3,979,593 square feet.
4. A student generation rate analysis of newly constructed residential units finds that each new single-family home generates an average of 0.63 TK-12 students, while each new multifamily unit generates an average of 0.27 TK-12 students.
5. Over the next five years, 1,005 students are projected from the 1,736 unmitigated new housing units expected over the next five years.
6. The District has no capacity available for new TK-6 and 9-12 students generated by unmitigated residential development. Therefore, the 483 TK-6 and 373 9-12 students generated over the next five years from unmitigated development are considered "unhoused" students. The District has capacity for 72 new middle school students generated by unmitigated residential development. Therefore, 54 of the 184 7-8 students generated over the next five years from unmitigated development are considered "unhoused" students.
7. Based on State Facility Program cost estimates from the District’s 2024 School Facility Needs Analysis, the cost of providing adequate TK-12 school facilities for students generated by unmitigated housing units is at least \$31,080 per new unmitigated housing unit, or \$13.56 per square foot.
8. The maximum Level 1 residential developer fee provides an average of \$11,431 per unmitigated housing unit, which only covers 36.8 percent of the need. Therefore, the Level 1 residential developer fee is justified at the maximum rate for the District.
9. The unfunded impact of commercial/industrial development exceeds \$0.84 per square foot for every commercial/industrial land use except the “retail self-storage” category. Therefore, the Level 1 commercial/industrial developer fees are justified at the maximum rate for all new commercial/industrial construction except for “retail self-storage,” which is justified at the rate of \$0.43 per square foot.

SUMMARY OF GENERAL RECOMMENDATIONS

1. Based on the findings presented in this Report, it is recommended that the District adopt a resolution to levying Level 1 developer fees at the maximum level as authorized by Government Code § 65995 et al. The maximum developer fees are as follows:

New Residential Construction:	\$5.17 per sq. ft.
New Commercial Construction:	\$0.84 per sq. ft.
New Industrial Construction:	\$0.84 per sq. ft.
New Retail Self-Storage Construction:	\$0.43 per sq. ft.

2. The Level 1 developer fees should be adopted and implemented in accordance with Government Code § 65995 and Education Code § 17620.

UNMITIGATED RESIDENTIAL DEVELOPMENT

PROJECTED UNMITIGATED RESIDENTIAL DEVELOPMENT

Figure 1 below presents the five-year projected unmitigated residential development subject to the District's Level 1 developer fees. Based on historical building activity; projections from each respective City; and the remaining number of units to be built; this Report projects that building permits will be issued for 1,628 unmitigated single-family residential homes ("SFR") and 172 unmitigated multifamily residential ("MFR") units by year-end 2028.

FIGURE 1 – PROJECTED UNMITIGATED HOUSING UNITS

Year	SFR	MFR
2024	176	0
2025	409	43
2026	363	43
2027	376	43
2028	303	43
Total	1,628	172

NEW RESIDENTIAL BUILDING AREA (UNMITIGATED HOUSING UNITS)

Based on average dwelling size estimates from the City of Fairfield and the City of Vacaville, the following figure shows the new residential square footage expected from the unmitigated housing units to be constructed in the District within the next five years.

FIGURE 2 – NEW RESIDENTIAL BUILDING AREA (UNMITIGATED HOUSING UNITS)

	SFR	MFR	Ave/Total
Average Dwelling Size (Sq. Ft.)	2,350	900	2,211
Total Units (5 years)	1,628	172	1,800
Total Assessable Sq. Ft. of Residential Construction	3,824,793	154,800	3,979,593

STUDENT GENERATION RATES

Student generation rates, otherwise known as “yield factors,” are the average number of students that are generated by each housing unit. The student generation rates for new housing units were determined by SCI Consulting Group using an address match methodology. The student generation rate analysis found that new single-family homes are generating an average of 0.63 TK-12 students, while multifamily residential units are generating an average of 0.27 TK-12 students.

FIGURE 3 – STUDENT GENERATION RATES FOR NEW HOUSING

Housing Type	TK-6	7-8	9-12	Total
New Single Family Residential	0.29	0.11	0.23	0.63
Multi-Family Residential	0.15	0.05	0.07	0.27

PROJECTED STUDENTS FROM UNMITIGATED HOUSING UNITS

Figure 4 below lists the number of students projected by year and grade level from the forecasted new unmitigated housing units. If 1,736 new unmitigated housing units are constructed as projected, and each new SFR and MFR is expected to generate 0.63 and 0.27 TK-12 students respectively, then District enrollment will add 1,005 TK-12 students from unmitigated housing units.

FIGURE 4 – ENROLLMENT GENERATED BY NEW UNMITIGATED HOUSING UNITS

Year	Projected Homes		Students Generated			
	SFR	MFR	K-6	7-8	9-12	Total
2024	176	0	52	20	41	78
2025	409	43	126	48	97	271
2026	300	43	94	36	72	202
2027	376	43	116	44	90	250
2028	303	43	95	36	73	204
Total	1,564	172	483	184	373	1,005

DISTRICT CAPACITY AND ENROLLMENT (2023-24)

The District currently serves TK-12 students in an area encompassing portions of the City of Fairfield (including Travis Air Force Base), the southern portion of the City of Vacaville, and some unincorporated areas of Solano County. The District maintains five elementary schools, one middle school, a high school, a continuation high school, and a community day school. For the 2023-24 school year, the District's school building capacity based on State loading standards was 2,525 elementary students, 1,080 middle school students, and 1,512 high school students for a total student capacity of 5,117 students.

Figure 5 below compares the 2023-24 enrollment data with the District's existing school capacity as determined by the District's 2024 School Facility Needs Analysis. As shown, the District has no excess capacity for new TK-6 and 9-12 students generated by unmitigated residential development.

FIGURE 5 – DISTRICT CAPACITY AND ENROLLMENT (2023-24)

Grade Levels ¹	SB50 Capacity	Capacity Adjustment ²	SFNA Capacity	Oct-23 Enrollment	Excess Capacity
Elementary Schools (K-6)	2,525	0	2,525	2,984	(459)
Middle Schools (7-8)	1,080	0	1,080	742	338
High Schools (9-12)	1,809	(297)	1,512	1,690	(178)
Total K - 12	5,414	(297)	5,117	5,416	(299)

Source: Travis Unified School District School Facility Needs Analysis, 2024

Notes:

¹ Enrollment and capacity figures excluded transitional kindergarden, high school continuation, and alternative education students.

² Adjustment for added capacity paid by CFD No. 2 and reserved for 9-12 students to be generated by CFD No. 2.

UNHOUSED STUDENTS

As previously shown, no excess capacity exists at the elementary and high school levels; thus, all elementary and high school students generated by unmitigated housing units are considered unhoused. However, existing capacity exceeds middle school enrollment by 338 students. The District will experience middle school enrollment growth beyond the five-year period of this Needs Analysis. Therefore, the excess middle school capacity will be needed to house students generated from residential units constructed over the next five (5) years and residential units constructed beyond the five-year period of this Needs Analysis. Therefore, the excess middle school capacity shown in Figure 7 must be allocated

between the projected unmitigated housing units shown in Figure 7 and unmitigated housing units to be constructed beyond the next five (5) years.

Based upon development projects identified by the City of Fairfield and City of Vacaville with the District, the District can expect an additional 6,758 single-family and 2,345 multifamily unmitigated units at buildout of the District. These figures include residential units for the next five (5) years and residential units to be constructed beyond the next five (5) years. Using the student generation rates from Figure 3, these new unmitigated housing units will generate will generate 2,314 TK-6, 861 7-8, and 1,711 9-12 students at buildout.

Allocating the excess middle school capacity identified in Figure 5 between the residential units to be constructed over the next five (5) years and residential units to be constructed beyond the next five (5) years based on the number of students each group of residential units is expected to generate results in middle school student capacity to be allocated over the next five (5) years. Therefore, only 112 middle school students of the 184 students generated by new development over the next five (5) years are considered unhoused.

FIGURE 6 – UNHOUSED STUDENTS (UNMITIGATED HOUSING UNITS)

Grade Level	Students from Unmitigated Units	Current Excess Capacity	Excess Capacity		Unhoused Students from Unmitigated Units
			Allocated to Students (5 Years Unmitigated)	Capacity Allocated after 5 years to Buildout	
Elementary Schools (K-6)	483	0	0	0	483
Middle Schools (7-8)	184	338	72	266	112
High Schools (9-12)	373	0	0	0	373

IMPACT OF NEW RESIDENTIAL DEVELOPMENT

This section determines the impact of new unmitigated residential development on the school facilities of the District. New residential development will generate additional students in the District. As previously discussed, adequate school facilities do not exist for all these students. Unmitigated residential development, therefore, financially affects the District by generating a need for additional school facilities. This section outlines the cost impact to the District based on the cost per student, per housing unit and per square foot for development projects not within a CFD or under a mitigation agreement with the District.

SCHOOL FACILITIES COSTS ATTRIBUTABLE TO UNMITIGATED RESIDENTIAL DEVELOPMENT

Figure 7, on the following page, presents the projected cost of TK-12 facilities attributable to unmitigated housing units over the five years covered by this Report. These figures are from the District's 2024 School Facility Needs Analysis. Although these per student grant amounts are intended to reflect half the cost of building a school, this estimate should be viewed as a conservative estimate because projects funded at 100 percent of the state allowance often experience shortfalls between state funding and the District's actual facilities costs.

The District will experience interim housing costs while permanent facilities are under construction; however, they are not quantified in this Report. As shown, construction costs are estimated to be \$43,414 per elementary student, \$51,755 per middle school student, and \$72,929 per high school student. As shown, for the projected unmitigated housing units for the next five years, \$54.0 million in new school facilities costs are attributable to unmitigated housing units.

FIGURE 7 – SCHOOL FACILITIES COSTS ATTRIBUTABLE TO UNMITIGATED DEVELOPMENT

	K - 5	6 - 8	9 - 12	K - 12
Unhoused Students from Unmitigated Units	483	112	373	968
New Construction Cost per Student ¹	\$32,106	\$34,038	\$43,184	
Site Development Cost per Student ²	\$9,596	\$14,859	\$14,616	
Site Acquisition Cost per Student ³	\$1,712	\$2,858	\$15,128	
Total School Facilities Cost per Student	\$43,414	\$51,755	\$72,929	
Total Cost Attributable to Unmitigated Units	\$20,968,898	\$5,796,580	\$27,202,334	\$53,967,812

Source: Travis Unified School District School Facility Needs Analysis, 2024

Notes:

¹ Estimated construction costs are based on twice the State new construction grant provided in the School Facilities Program.

² Estimated site development costs are twice the allowable site development and general site grant per pupil.

³ Estimated site acquisition costs are twice the allowable site acquisition grant per pupil.

SCHOOL FACILITIES COSTS PER UNMITIGATED HOUSING UNIT

Figure 8 calculates the cost of school facilities per unmitigated housing unit. To determine this cost, total school facilities costs for unmitigated housing units for the next five years from the previous figure is divided by the 1,736 unmitigated housing units projected to be constructed with the same period. As shown, the total cost per new unmitigated housing unit is \$31,080.

FIGURE 8 – SCHOOL FACILITIES COSTS PER UNMITIGATED HOUSING UNIT

Unmitigated Development thru 2028	K-12
Total Facilities Costs Attributable to Unmitigated Units	\$53,967,812
Total Unmitigated Housing Units	1,736
Total Cost per Unmitigated Housing Unit	\$31,080

SCHOOL FACILITIES COSTS PER SQUARE FOOT OF UNMITIGATED RESIDENTIAL AREA

This Report also calculates the school facilities cost per square foot attributable to unmitigated residential development by dividing the total cost by the total projected new residential square footage for the same housing units over the same period. This Report estimates that new residential units will add 3,979,593 square feet of new residential space over the next five years from unmitigated housing units. As shown, the school facility cost per square foot of new residential area for unmitigated development is \$13.56 per square foot.

FIGURE 9 – SCHOOL FACILITIES COST PER SQUARE FOOT (UNMITIGATED DEVELOPMENT)

Unmitigated Development thru 2026	K-12
Total Facilities Costs Attributable to New Development	\$53,967,812
New Residential Buiding Area	3,979,593
Total Cost per Square Foot	\$13.56

JUSTIFICATION OF LEVEL 1 DEVELOPER FEES

In order to establish or increase level 1 developer fees, this Level 1 Fee Justification Report (“Report”) is required to demonstrate the nexus between the imposed fee and the need for public facilities created by new development. If the cost of providing adequate school facilities for new housing units is higher than the amount collected by the maximum Statutory residential developer fee, then the District may levy the fee or a lower justified amount. The current maximum State authorized TK-12 fees are \$5.17 per square foot of residential area and \$0.84 per square foot of commercial/industrial area. The State Allocation Board increased these statutory maximum amounts or “Level 1” developer fees in January 2024.

LEVEL 1 RESIDENTIAL DEVELOPER FEE

As previously discussed, the average cost of school facilities per new housing unit is \$31,080. Given the average square footage of unmitigated housing units for the next five years is 2,211 square feet, the maximum developer fee of \$5.17 per square foot would provide \$11,431 per housing unit. This amount mitigates only provides 36.8 percent of the impact of unmitigated residential development on school facilities. Therefore, the Level 1 residential developer fee is justified at the maximum rate for the District.

LEVEL 1 COMMERCIAL / INDUSTRIAL FEE

As commercial or industrial properties develop, new jobs are created. Many of the people hired into these new jobs move into the community, thereby increasing the need for additional school facilities to serve their children. Consequently, commercial or industrial development affects the District.

SCI Consulting Group gathered data from the State of California Employment Development Department, the California Department of Finance, U.S. Census Bureau, the Bay Area Association of Governments (“ABAG”), and the City of Fairfield Planning Division and City of Vacaville Community Development Department. This data indicated that there were a total of 92,100 workers in the Cities of Fairfield and Vacaville and approximately 79,150 housing units for both cities.¹ This data provides a ratio of 1.16 workers per housing unit. Data from the

¹ Current population and total housing stock figures are estimates as of January 1, 2023. The total employment figure, provided by the California Employment Development Department, is preliminary as of December 2023.

U.S. Census found that approximately 39.7 percent of the District residents with employment status also worked in the District.

Additionally, AB530, adopted in 1990, allows for the use of employee generation figures from a report produced by the San Diego Association of Governments (“SANDAG”). The SANDAG study determined the average number of employees per square foot of commercial and industrial business space. Employee generation factors are summarized below. The SANDAG study shows that, on average, there are 2.65 employees for every 1,000 square feet of commercial or industrial building area.

FIGURE 10 – EMPLOYEES PER SQUARE FOOT OF COMMERCIAL / INDUSTRIAL FLOOR AREA

Type of Commercial/Industrial Business	Square Feet Per Employee	Employees per 1000 Square Feet
Banks	354	2.83
Commercial Offices	226	4.43
Community Shopping Centers	652	1.53
Corporate Offices	372	2.68
Industrial Business Parks	284	3.52
Industrial Parks	668	1.50
Lodging	883	1.13
Medical Offices	217	4.61
Neighborhood Shopping Centers	360	2.78
Research & Development	329	3.04
Retail Self-Storage	15,541	0.06
Overall Average	377	2.65

Source: SANDAG Traffic Generator Study

Using the SANDAG study average of 2.65 employees/1,000 square feet of new commercial or industrial space, assuming that 39.7 percent of these employees reside in the District, and an average of 1.16 employees live in each home, this Report finds an average of 0.90 homes will be needed for new employees residing in the District per 1,000 square feet of commercial/industrial space.² Likewise, 1,106 square feet of new commercial/industrial space would, on average, create

² (39.7% of 2.65) ÷ 1.21 = 0.87

the need for one additional home in the District for new employees of that business.

Therefore, the total cost of school facilities needed per 1,106 square feet of commercial or industrial space is the same as the TK-12 new school facilities cost per home of \$31,080. However, the District's maximum residential fee only provides an average of \$11,431 per new home (2,211 square feet * \$5.17 per square foot), so the unfunded cost of school facilities is \$17.77 per square foot. In comparison, the maximum commercial/industrial fee for TK-12 facilities is \$0.84, which covers only 4.7 percent of the unfunded impact. As a result, commercial/industrial fees are justified and are needed to ensure that adequate school facilities can be made available for enrollment generated by new commercial and industrial construction.

FIGURE 11 – IMPACT OF COMMERCIAL / INDUSTRIAL DEVELOPMENT

Type of Business	Employees per 1000 Square Feet ¹	Square Feet Creating Need for One New Home ²	Unfunded Impact per Home ³	Unfunded Impact per Square Foot ⁴
Banks	2.83	1,037	\$19,649	\$18.95
Commercial Offices	4.43	662	\$19,649	\$29.68
Community Shopping Centers	1.53	1,910	\$19,649	\$10.29
Corporate Offices	2.68	1,092	\$19,649	\$17.99
Industrial Business Parks	3.52	834	\$19,649	\$23.56
Industrial Parks	1.50	1,958	\$19,649	\$10.04
Lodging	1.13	2,588	\$19,649	\$7.59
Medical Offices	4.61	635	\$19,649	\$30.94
Neighborhood Shopping Centers	2.78	1,055	\$19,649	\$18.62
Research & Development	3.04	964	\$19,649	\$20.38
Retail Self-Storage	0.06	45,551	\$19,649	\$0.43
Overall Average	2.65	1,106	\$19,649	\$17.77

Notes:

¹ Employee generation factors from SANDAG Study.

² This is the square feet of commercial or industrial building area that generates the need for one new housing unit in the District. Calculated: 1,000 sq. ft. * 1.29 employees per home / (generation factor per 1,000 SF * 39.7 percent of employees to live in the District)

³ Unfunded impact equals total impact per housing unit of \$31,080, less Level 1 developer fees of \$5.17 per square foot * average housing unit size of 2,211 square feet.

⁴ Unfunded impact per square foot equals unfunded impact per housing unit divided by square feet of commercial/industrial building area that creates the need for one new housing unit in the District.

NEXUS FINDINGS

This section frames the findings of the Report in terms of the nexus requirements pursuant to Government Code § 66000 et seq. In general, this Report must demonstrate that a reasonable relationship or “nexus” exists between new development that occurs within the District and the need for additional school facilities as a result of new development. The specific nexus requirements and Report findings are discussed below.

IDENTIFY THE PURPOSE OF FEES

The purpose of the fee is to provide funding for the construction and reconstruction of school facilities for new students generated by residential and commercial/industrial development.

IDENTIFY THE USE OF FEES

As outlined in the Report, the fee will be used to fund the construction of additional school facilities. The District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed.

Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

- Construction or reconstruction of school facilities;
- Acquisition or leasing of land for school facilities;
- Design of school facilities;
- Permit and plan checking fees;
- Testing and inspection of school sites and buildings;
- Furniture for use in new school facilities;
- Purchased or leased interim school facilities;
- Legal and administrative costs associated with providing school facilities to students generated by new development;
- Administration of the collection of developer fees including the costs of justifying the fees; and
- Other appropriate miscellaneous costs resulting from student enrollment growth caused by new development.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE'S USE AND THE TYPE OF DEVELOPMENT PROJECT ON WHICH THE FEE IS IMPOSED

New residential development will cause families to move into the District and will, consequently, generate additional students in the District. As previously discussed, adequate school facilities do not exist for all these students. New residential development, therefore, creates a need for additional school facilities. Therefore, the fee's use (acquiring new facilities) is reasonably related to the type of project (new residential development) upon which it is imposed.

As discussed in this Report, the District has insufficient permanent capacity to house the additional students projected to enroll in the District. New residential development, therefore, will generate "unhoused students" and, consequently, create a need for additional school facilities. Therefore, the fee's use (acquiring school facilities) is reasonably related to the type of project (new residential development) upon which it is imposed.

Additionally, new commercial/industrial development will generate new workers to move into the District. Because some of these workers will have school-age children, commercial and industrial development will also generate new students in the District. As previously mentioned, adequate school facilities do not exist for all of these students. New commercial/industrial development, therefore, creates a need for additional school facilities.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE AMOUNT OF FEES AND THE COST OF THE SCHOOL FACILITY ATTRIBUTABLE TO THE DEVELOPMENT ON WHICH THE FEES ARE IMPOSED

As outlined in this Report, the cost of school facilities attributable to each square foot of new residential housing units is \$13.56 per square foot. The new statutory residential developer fee of \$5.17 per square foot of new residential space only mitigates a small percentage of the impact from new residential construction. Therefore, the residential fee is justified at the new maximum rate.

The Report also demonstrated that the school facilities' costs attributable to commercial and industrial development is \$17.77 per square foot. The new statutory commercial/industrial developer fee of \$0.84 per square foot of new commercial space only mitigates a small percentage of the impact from new commercial and industrial development. Therefore, the commercial/industrial fee continues to be justified at the current maximum rate.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE AMOUNT OF FEES AND THE COST OF THE SCHOOL FACILITY ATTRIBUTABLE TO THE DEVELOPMENT ON WHICH THE FEES ARE IMPOSED

As outlined in this Report, the cost of school facilities attributable to each square foot of new residential housing units is \$13.56 per square foot. The new statutory residential developer fee of \$5.17 per square foot of new residential space only mitigates a small percentage of the impact from new residential construction. Therefore, the residential fee is justified at the new maximum rate.

The Report also demonstrated that the unfunded impact of commercial and industrial development ranges between \$0.43 and \$30.94 per square foot. For the land use categories expect retail self-storage, the new statutory commercial/industrial developer fee of \$0.84 per square foot of new commercial space only mitigates a small percentage of the unfunded impact from new commercial/industrial development. Therefore, the commercial/industrial fee is justified at the new maximum rate except for retail self-storage, which is justified at the rate of \$0.43 per square foot.

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