

# TRACY UNIFIED SCHOOL DISTRICT'S FISCAL YEAR 2024-2025 ANNUAL DEVELOPER FEE REPORT AND FIVE –YEAR DEVELOPER FEE FINDINGS

(Government Code §§ 66001 & 66006)

## I. Annual Developer Fee Report

The fee amounts reported were authorized by the District's Board of Education.<sup>1</sup> The fees partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the school facilities necessary to accommodate student growth.

Each of the capitalized letters A-H, below, correspond to the specific letter and portion of Government Code section 66006(b)(1).

### A. FEES COLLECTED IN FUND 25 (CAPITAL FACILITIES FUND):

A brief description of the types of Developer Fees in the Fund:

- (1) Statutory Level 1 Developer Fees
  - Commercial/industrial development
  - Mini-storage category of commercial/industrial development
  - New residential development, including Accessory Dwelling Units (“ADU”)
  - Residential additions, remodels, expansions, reconstruction, and conversions
  - Senior housing
- (2) Mitigation Payments<sup>2</sup> pursuant to voluntary mitigation agreements
  - New residential development
  - Commercial/industrial development

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<sup>1</sup> See Resolution No. 17-24, dated March 13, 2018, and Resolution No. 21-16, dated April 12, 2022.

<sup>2</sup> Although mitigation payments collected in lieu of statutory developer fees pursuant to various mitigation agreements entered into between the District and certain developers/owners are exempt from the reporting requirements of Government Code section 66001(d) and 66006(b), such mitigation payments are included in this report to provide a complete picture of collections and expenditures necessitated to accommodate student growth generated by new development for purposes of consistency and transparency. Such amounts vary by mitigation agreement, type of development, time of payment, contractual adjustments, and other factors specific to the particular agreement based on terms mutually agreed upon by the parties.

B. AMOUNT OF FEE – The amount of the Developer Fees for the 2024-2025 fiscal year:

Type of Fee Collected		TK-12 Boundaries	K-8 Feeder Boundaries (Grades 9-12)	TK-12 Boundaries	K-8 Feeder Boundaries (Grades 9-12)
<i>Effective Date:</i>		6/11/22	6/11/22	8/22/2025	8/22/2025
Level 1 - Residential		\$4.79/sf	\$1.1975/sf	\$5.17/sf	\$1.29/sf
Level 1 - Commercial/Industrial		\$0.78/sf	\$0.195/sf	\$0.84/sf	\$0.21/sf
Level 1 - Rental/ Mini-storage		\$0.066/sf	\$0.012/sf	\$0.03/sf	\$0.017/sf
Level 1 - Senior Housing		\$0.78/sf	\$0.78/sf	\$0.84/sf	\$0.21/sf
Level 1 - Hotel/Motel				\$0.538/sf	\$0.21/sf

C. BEGINNING & ENDING FUND BALANCE FOR FISCAL YEAR 2024-2025:

July 1, 2024, Beginning Fund Balance:	\$36,886,728.80
June 30, 2025, Ending Fund Balance:	\$22,705,944.47 <sup>3</sup>

<sup>3</sup> The District’s practice is to transfer funds held in Fund 25, which accounts for developer fees, upon full project completion and final payment. Thus, the Ending Balance is not a true reflection of the available Fund 25 balance because it does not account for expenditures made for projects from other accounts, such as Fund 01 and 35, but not yet transferred out of Fund 25, or for planned projects or projects in the preliminary development stages for which amounts have been encumbered / committed by contract or otherwise, but not yet expended.

D. REVENUE:

The amount of the Developer Fees collected and the interest earned, if any, for the 2024-2025 fiscal year:

Amount of fees collected (gross):	\$3,099,904.67
Interest earned (N/A):	\$181,429
<b>TOTAL REVENUE (GROSS):</b>	<b>\$ 3,281,333.67</b>

E. EXPENDITURES:

Projects on which Developer Fees were expended during Fiscal Year 2024-2025 and the amount of the expenditures on each Project, including the total percentage of the cost of the Project that was funded with Developer Fees:

	<b>Project</b>	<b>Amount Expended in Fiscal Year 2024-2025</b>	<b>% Funded with Developer Fees</b>
1.	Professional/Consulting Services – Dannis Woliver Kelley legal fees incurred in connection with fee-related school facility projects, fee adoption, and requisite reporting (Ed. Code, s. 17620(a)(5); Gov. Code, s. 66001(a),(b)&(d); 66016; & 66018).	\$20,634	100%
2.	Justification Study and Level 2 SFNA (Woolpert)	\$99,500.00	100%
3.	West High School Agricultural Center Expansion Project Phase 1 (to accommodate student growth generated by new development)	\$2,616,610.22 <sup>4</sup>	100%
4.	Architectural services for Kimball High Expansion of Classroom Facilities (to accommodate student growth generated by new development and to maintain existing levels of service due to the increase demands on the facilities generated by new development).	\$28,391.81 (current design review fees)	100%

<sup>4</sup> Work completed through June 30, 2024 equals \$227,500. Work completed through June 30, 2025 equals \$2,844,110.22.

5.	Restroom Assessment – Various District campuses – George Kelley ES, Bohm ES, Hirsch ES, Jacobson ES, Freiler ES, North ES, Poet ES (to accommodate growth generated by new development)	\$53,392.27	100%
6.	George Kelley ES / Freiler ES – Library Furnishings (to accommodate growth generated by new development)	\$4,471.41	100%
7.	Hirsch ES / Williams MS / Kimball HS – Library furnishings (to accommodate growth generated by new development)	\$302,226.52	100%
8.	TK Portables – Phase 2 - Bohn Elementary School, Freiler Elementary, Gladys Poet Christian Elementary, Hirsch Elementary, Jacobson Elementary, and Villalovoz Elementary ) (to accommodate growth generated by new development)	\$8,984,287.40	100%
9.	TK Portables – Phase 3 - Bohn Elementary School, Freiler Elementary, Gladys Poet Christian Elementary, Hirsch Elementary, Jacobson Elementary, and Villalovoz Elementary) (to accommodate growth generated by new development)	\$1,575,671.35	100%
10.	Construction management support services for multiple facilities projects due to increased demand on the facilities generated by new development (RGMK)	\$348,099.80	100%
11.	Architectural Services for Modular Building Expansion - Bohn Elementary School, Freiler Elementary, Gladys Poet Christian Elementary, Hirsch Elementary, Jacobson Elementary, and Villalovoz Elementary) (to accommodate growth generated by new development)	\$1,273,079.65 <sup>5</sup>	100%

<sup>5</sup> Work completed through June 30, 2024 equals \$2,201,152.21. Work completed through June 30, 2025 equals \$3,474,231.86.

12.	Reimbursement of direct and administrative costs incurred for collecting developer fees for 2024-2025 FY (up to 3% of amount of developer fees collected in same fiscal year)*	\$92,997.14  (3% of revenues 2024-2025 FY developer fee revenues of \$3,099,904.67)	100%
13.	ELOP portable buildings – Districtwide main construction and inspections, TK Phase 1 due to increased demand on the facilities generated by new development (Districtwide, including , i.e., Bohn Elementary School, Freiler Elementary, Gladys Poet Christian Elementary, Hirsch Elementary, Jacobson Elementary, and Villalovoz Elementary))	\$287,615.13. <sup>6</sup>	100%
14.	Central Elementary - Central Playground Structure & Playground Upgrades Project at Central Elementary to maintain existing levels of service due to increased demand on the facilities generated by new development	\$312,787.70	100%
15.	Stein HS,– upgrade to classroom	\$6,785.00	100%
	Professional services for developing Master Plan (K12 Partners) and Commissioned Safety Plan (Knowledge by Design)	\$19,500.00	100%
	<b>TOTAL</b>	<b>\$16,026,049.40</b>	

\*(Ed. Code § 17620(a)(5))

<sup>6</sup> Work completed FY 2022-2023 equals \$4,922,794.88. Work completed through June 30, 2024, equals \$8,664,887.60.

**F. INCOMPLETE PROJECTS FUNDED WITH DEVELOPER FEE REVENUES:**

Incomplete Projects for which sufficient funds have been collected (as of June 30, 2025) to complete financing of the Project, and the approximate date by which construction of the Project will commence:

	<b>Incomplete Projects for Which Sufficient Funds Have Been Collected to Complete Financing of Project</b>	<b>Approximate Date Construction Will Commence</b>	<b>Anticipated Funding Amount</b>	<b>(1) Project Did Not Commence Per Previous Report, (2) Reason, (3) Anticipated Commencement Date</b>
1.	<b>Phase 3</b> – TK/K Facilities Expansion Projects (Bohn Elementary School, Freiler Elementary, Gladys Poet Christian Elementary, Hirsch Elementary, Jacobson Elementary, George Kelly and Villalovoz Elementary)	Spring 2025	\$8,024,329 Remaining estimated balance	N/A
2.	<b>Phase 4</b> – TK/K Facilities Classroom Renovation Projects (Bohn Elementary School, Gladys Poet Christian Elementary, Hirsch Elementary, Jacobson Elementary,)	Summer 2026	\$5,000,000	The TK/K renovations is taking place for multiple school sites and is being performed in multiple phases, which have started.
3.	Architectural Services for TK/K Facilities (to accommodate student growth generated by new development and maintain existing levels of service due to the increased demands on the facilities generated by new development)	Winter 2025-2026	\$900,000 Remaining estimated balance	N/A
4.	ELOP portable buildings – Districtwide main construction and inspections, TK Phase 1, due to increased demand on the facilities generated	2025-2026 and 2026--2027	\$13,875,318	N/A

	by new development (Districtwide, including LIST SCHOOLS HERE)			
5.	Kimball High Expansion of Classroom Facilities (to accommodate student growth generated by new development and to maintain existing levels of service due to the increase demands on the facilities generated by new development)	Winter 2024-2025	\$10,800,000	N/A
6.	Professional services for developing Master Plan (K12 Partners) and Commissioned Safety Plan (Knowledge by Design)	2024-2025, 2025-2026	\$ 85,000	Revision to scope of work and engagement of multiple contractors led to delay in anticipated commencement noted in prior report as Winter 2023-2024. Commenced in Winter 2024-2025 and continuing.
7.	<b>Total (estimated):</b>		<b>\$ 38,684,647</b>	

During the 2024-25 fiscal year, the District is currently under contract with a consultant in order to prepare an updated Developer Fee Justification Study to reflect the State Allocation Board’s (“SAB”) 2024 biennial adjustment to the amount of Level 1 residential and commercial/industrial Developer Fees, which typically occurs every other year at the SAB’s January meeting. The District has also engaged a consultant to prepare a Level 2 fee School Facilities Needs Analysis.

Additionally, the District intends to expand its classroom counts to accommodate for the additional student growth and construct new classrooms or retrofit existing school facilities for the purpose of providing facilities to house student enrollment growth. Additional projects not yet funded, but in planning to address additional District facility demands due to development include: Tracy High School Gym and Aquatic Center Expansion of Facilities - \$1,575,000<sup>7</sup>

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<sup>7</sup> This amount accounts only for anticipated professional services not total project cost amounts.

**G. INTERFUND TRANSFERS & LOANS:**

Description of each interfund transfer or loan made to and/or from the Fund for the 2024-2025 fiscal year:

<b>Amount of Interfund Transfer or Loan</b>	<b>Project that Transferred or Loaned Fees Expended on</b>	<b>Date Loan to be Repaid (Loans Only)</b>	<b>Rate of Interest on Loan (Loans Only)</b>
\$0			

Table G reflects amounts not yet transferred from the developer fee account, but that have been encumbered and/or spent from other accounts, and will be transferred out of the developer fee account in the FY 2024-25. These include:

- \$20,634 in professional service fees (legal expenses) in connection with the adoption of developer fees and requisite reporting for Fiscal Year 2024-25 inadvertently not previously transferred.

**H. REFUNDS & ALLOCATIONS:**

The amount of refunds made pursuant to Government Code section 66001(e), the number of persons or entities identified to receive such refunds (zero), and allocations made pursuant to Government Code section 66001(f) for the 2022-23 fiscal year:

Refunds Made:	\$0
Allocations Made:	N/A

**II. Five-Year Developer Fee Findings**

The following findings are made in connection with the public information set forth in Tracy Unified School District’s 2024-2025 Annual Developer Fee Report. The District hereby further incorporates its Findings set forth in its School Facility Fee Resolutions and the District’s Justification Study as though fully set forth herein.

Each of the capitalized letters A-D, below, correspond to the specific letter and portion of Government Code section 66001(d)(1).

**A. PURPOSE TO WHICH DEVELOPER FEE IS TO BE PUT (Gov. Code § 66001(d)(1)(A)):**

With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2024-2025 fiscal year, the purpose of the Developer Fees is to finance the construction or reconstruction, including refurbishment, of School Facilities necessary to accommodate

student population growth resulting from development, cover costs attributable to the increased demand for School Facilities reasonably related to new development and necessary to maintain existing levels of service, and reduce overcrowding caused by the development on which the fees were levied. As necessary, the fees will be used to provide interim housing for children generated by new development and for other school-related considerations relating to the District's ability to accommodate enrollment growth generated from new development as permitted by law. Likewise, fees will also be used for other indirect and support services related to construction and reconstruction of School Facilities necessitated by growth resulting from new development, including administrative costs in connection with the collection of fees, and legal fees and other costs connected with the establishment of the fee and the required reportings. Projects (and other school-related considerations) include, without limitation, the projects listed above under Section F of the Annual Developer Fee Report, along with those projects identified in the District's Facilities Master Plan (currently under revision with anticipated finalization occurring in Winter 2024), which identify additional school facilities needed in our around communities most greatly affected by large development projects including, without limitation, schools serving the Tracy Hills Specific Plan attendance area.

Note: The District has commissioned a site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District's long-term facility needs. These documents will include lists of recommended projects, in order of need and priority for future construction.

**B. REASONABLE RELATIONSHIP BETWEEN DEVELOPER FEE & PURPOSE**  
**(Gov. Code § 66001(d)(1)(B)):**

There is a roughly proportional and reasonable relationship between the Developer Fees charged for residential and commercial/industrial development and the purposes for which they will be expended, as described in Paragraph A, in that the students that are generated by residential and commercial/industrial development will be accommodated by the School Facilities for which the Developer Fees are expended. The District does not have adequate facilities to accommodate students from new development and, thus, there is a reasonable relationship and rough proportionality between the Developer Fees charged and the need for construction and reconstruction, including refurbishment, of School Facilities.

The Developer Fees collected do not cover the full cost of accommodating students generated by development. Rather, the Developer Fees only partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the School Facilities necessary to accommodate student growth.

Senate Bill 50 provides that payment of school impact fees provides full and complete mitigation of impacts on school facilities. Furthermore, the collection of Developer Fees is essential to provide necessary public school facilities to serve residential and commercial/industrial development projects located within the District's boundaries, and is necessary to avoid, substantially lessen, or otherwise mitigate impacts of such projects on school facilities under the California Environmental Quality Act (Public Resources Code, §§21000, et seq.). For this reason, the imposition of school impact fees on development projects located within the District's boundaries at the then-current rate in effect, payable at

the time of building permit issuance, is mitigation of such development’s impacts on school facilities under CEQA and is necessary to lessen such impacts.

Please refer to the District’s existing and past Justification Studies and mitigation agreements for further details concerning the reasonable relationship between the fee’s use and type of development project on which the fee is imposed, the reasonable relationship between the need for the school facilities and the type of development project on which the fee is imposed, and the reasonable relationship between the amount of the fee and the cost of the school facilities.<sup>8</sup>

**C. ANTICIPATED SOURCES & AMOUNTS OF FUNDING TO COMPLETE FINANCING OF INCOMPLETE PROJECTS (Gov. Code § 66001(d)(1)(C)):**

With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2024-2025 fiscal year, the sources and amounts of Anticipated Funding to complete financing of any incomplete improvements identified in Paragraph A are as follows:

<b><u>Anticipated Source of Funding</u></b>	<b><u>Anticipated Amount of Funding<sup>9</sup></u></b>
Developer Fees	See Section F of Annual Report; See Section A, above.
Matching State Funds	See footnote 10.
Total Anticipated Funding:	See Section F of Annual Report; See Section A, above.

Note: The District has commissioned site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District’s long-term facility needs. These documents will include lists of recommended projects, in order of need and priority. Developer Fees will be included in the funding model, to address construction/renovation (refurbishment) needs resulting from increased student enrollment due to development. Preliminary anticipated costs of unfunded facilities needed is \$38,684,647.

**D. APPROXIMATE DATE THAT ANTICIPATED FUNDING IS EXPECTED (Gov. Code § 66001(d)(1)(D)):**

With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2024-2025 fiscal year, the following are the approximate dates on which the Anticipated Funding referred to in Paragraph C above is expected to be deposited into the Fund:

<b><u>Anticipated Source of Funding</u></b>	<b><u>Anticipated Date of Funding Expected</u></b>
Developer Fees (including Mitigation Payments)	End of FY 2026 <sup>10</sup>

<sup>8</sup> The District completed an updated Justification Study in May 2025, which the Board adopted . The District’s Justification Study and subsequent Board action is incorporated herein by reference.

<sup>9</sup> If the District receives State of California funding, the payment allocation will be 60% developer fees, 40% State funding. Otherwise, developer fees will account for 100% of project funding. Based on past State funding applications, there is no guarantee the District will receive State funding.

<sup>10</sup> Based on projected current school facility needs.

Measure O <sup>11</sup>	\$190,000,000
<b>Total Anticipated Funding:</b>	\$190,000,000

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<sup>11</sup> The District placed Measure O on the ballot for November 5, 2024. Measure O passed and authorizes the District to issue \$190,000,000 in bonds with bond revenue would be used to repair/ upgrade classrooms, science labs, facilities, and technology for quality education in math, science, technology, arts, and engineering; remove hazardous materials like asbestos/lead; fix deteriorating roofs, plumbing, and electrical systems; and improve school safety/security.