SAN LEANDRO UNIFIED SCHOOL DISTRICT

DEVELOPER FEE
JUSTIFICATION DOCUMENT
FOR RESIDENTIAL, COMMERCIAL
AND INDUSTRIAL DEVELOPMENT
PROJECTS – LEVEL 1



TOTAL SCHOOL SOLUTIONS
4751 MANGELS BOULEVARD
FAIRFIELD, CA 94534

May 2012

San Leandro Unified School District

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May 2012

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FOREWORD

This "Developer Fee Justification Document" is an update of a prior document dated January 2008. This update has been prepared to incorporate data obtained since 2008, such as changes made to California law and State Allocation Board regulations, updated residential development data, developer fee collections, State Allocation Board (SAB) construction grant allowance per student and inflationary increases in construction costs.

Government code requires that the maximum amount of developer fees that can be imposed on a development be adjusted every two years by the change in the Class B Construction Cost Index (CCI), as determined by the SAB at its January meeting. In 2010, the SAB did not adjust the Level 1 fee because the CCI decreased and instead kept it at the 2008 rate of $2.97 per square foot on residential construction and $0.47 per square foot on commercial/industrial construction. In its January 25, 2012 meeting, the SAB increased the maximum Level 1 fee that can be imposed to $3.20 per square foot on residential construction and to $0.51 per square foot on commercial/industrial construction.

The State School Facility Program (SFP) grants were adjusted in 2009, 2010 and 2011 in accordance to SFP Regulations which require that the board annually adjust new construction and modernization grants to reflect cost changes based on the Class B Construction Cost Index (CCI). On January 25, 2012, the SAB adjusted the SFP grants to reflect a 3.76 percent increase during the period from January 1, 2011 through December 31, 2011 using the M&S Eight California Cities Index.

Total School Solutions
May 2012

EXECUTIVE SUMMARY

The San Leandro Unified School District (District) is justified to collect the legal maximum fee of $3.20 per square foot of residential development as authorized by Government Code Section 65995 (Level 1 fees), as future residential development creates a school facility cost of $7.31 per square foot. The District is also justified to collect the legal maximum fee of $0.51 per square foot of development on all categories of commercial/industrial development (except rental self-storage), as those categories of development create school facility costs that exceed $0.51per square foot of future development. Fees for new rental self-storage should be established on an individual case-by-case basis.

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

1. The District's projected enrollment in grades K-8 is larger than its pupil capacity. The District, therefore, does not have sufficient capacity to house students generated by future development.

2. Each square foot of future residential development creates an estimated school facilities cost of $7.31 per square foot. All categories of commercial/industrial development (except rental self-storage) create an estimated school facilities costs that exceed $0.51 per square foot of commercial/industrial development.

3. If the District collects the current maximum fee on residential development authorized by Government Code Section 65995 of $3.20 per square foot, fee revenue will offset 43.8 percent of the school facility costs attributable to residential development. If the District collects the current maximum fee on commercial/industrial development authorized by Government Code Section 65995 of $0.51 per square foot, fee revenue will offset about 2.8 percent of the school facility cost attributable to commercial/industrial development (except rental self-storage). For both residential and commercial/industrial development, the fees authorized by Government Code Section 65995 are fully justified.

The fees outlined above all meet the requirements of Government code Section 66001 (the nexus requirements), that is, a reasonable relationship exists between the amount and use of the fees and the developments on which they are charged.

INTRODUCTION

This report analyzes the cost of providing school facilities for students in the San Leandro Unified School District (District). Total School Solutions has been retained by the District to conduct the analysis and prepare this report.

A. Purpose and Scope

The purpose of this report is to show that the District meets pertinent requirements of state law regarding the collection of developer fees.

State law gives school districts the authority to charge fees on new residential and commercial/industrial developments if those developments cause a need for additional school facilities. Government Code Section 65995 authorizes school districts to collect fees on future development of no more than $3.20 per square foot for residential construction and $0.51 for commercial/industrial construction (Level 1 fees). Level 1 fees are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. Government Code Section 66001 requires that a reasonable relationship exist between the amount and use of the fees and the development on which the fees are to be charged.

This report:

- Identifies the cost of providing school facilities for students to justify the collection of fees on residential and commercial/industrial developments and

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

B. Brief Description of the San Leandro Unified School District

The San Leandro Unified School District is located in Alameda County. The District currently serves 8,848 students in grades K-12 and operates eight K-5 schools, two middle schools (6-8), one comprehensive high school (9-12) and one continuation high school.

I. DISTRICT FACILITY NEEDS

The District conducted a Facilities Needs Assessment in 1997 that provided the cost basis for implementing a building program. To obtain the necessary funds, the District raised local funds (general obligation bonds, developer fees and City of San Leandro Redevelopment Agency funds) and applied for State monies.

The first phase of the facilities program was Measure A, a $53,850,000 bond issue, which passed on March 4, 1997. In addition to bond proceeds, the District received $41,161,970 from the State during the period 2003 through 2006.

The next phase of the facilities program was Measure B, a $109,000,000 bond issue, which passed on November 6, 2006. In addition to bond proceeds, the District received $28,068,173 from the State during the period 2007 through 2011. During that same four-year period, the District collected $772,059.23 in developer fees (District financial records). The District also received $2,170,760 from the City of San Leandro.

More recently, the District passed Measure M, a $50,100,000 bond issue on November 2, 2010. To date, the District received $787,454 from the State in 2012.

Passage of Measures A, B and M, together with other local funds and State monies, has enabled the District to meet many of its facility needs. However, the District still has unmet facility needs.

In Appendix A, it was reported that the District has remaining eligibility for 283 K-6 students. The District also has five modernization applications on file with the State Allocation Board which, based on a 60/40 match, would generate $1,594,790 in State grants and have a District match requirement of $1,063,193.

During the next five years, it is projected that residential and commercial/industrial construction will be approximately the following:

New Residential Construction	**Square Feet**
Cornerstone Housing Development[1]	170,121
Other Single Family: 25 units @ 2,000 square feet[2]	50,000
Total Square Feet	**220,121**
Additions to Single Family: 50 permits @ 900 square feet[2]	45,000
Total Residential Square Feet	**265,121**
Commercial/Industrial Construction	
Cornerstone Housing Development[1]	4,821
Other: 10 permits @10,000 square feet[2]	100,000
Total Commercial /Industrial Square Feet	**104,821**

[1] Source: BRIDGE Housing Corporation, email dated, May 1, 2012.

[2] Source: City of San Leandro, School Development Impact Fees, July 1, 2007 to May 11, 2012. The average square feet for 23 new single family building permits issued was 1,969. Commercial/industrial construction consisted of 98,900 square feet in 2007-08, 292,535 square feet in 2008-09, 4,800 square feet in 2009-10 and 36,069 in 2010-11. An estimate of 100,000 square feet over the coming five-year period is therefore reasonable.

Based on an estimated 110 new residential housing units over the next five-year period and State yield rates, the number of new students were projected as follows:

Grades	Yield Rate	# Students
K - 6	0.40	44
7 - 8	0.10	11
9-12	0.20	22
Total	**0.70**	**77**

Because the District has eligibility for 283 K-6 students, the 44 K-6 students projected from new housing units will form part of the basis for calculating the maximum developer fee that may be imposed. Also to be considered, will be the District's 40 percent match requirement on modernization applications, and the three percent collection fee charged by the City of San Leandro.

II. FINANCIAL IMPACT ON THE DISTRICT OF FUTURE RESIDENTIAL DEVELOPMENT

This section quantifies how future residential development financially impacts by generating a need for additional school facilities that the District must acquire at some cost.

The District's facilities needs and associated costs over the next five years consider three categories, as follows:

- New School Construction
- Modernization/Renovation
- Developer Fee Collection Fees

The need and estimated costs for each category are discussed below.

New School Construction

The state SFP New Construction grant amounts for grades K-6, 7-8, 9-12, SDC-Non-Severe and SDC-Severe, were adjusted by the State Allocation Board on January 25, 2012. This year's grant amounts including grants for automatic fire detection/alarm and sprinkler systems are as follows:

New Construction Grants
(Based on 50% Match)

Grades	Base Grant	Fire Detection/ Alarm	Sprinklers	Grant per Student
K-6	$9,455	$11	$159	$9,625
7-8	$9,999	$16	$189	$10,204
9-12	$12,721	$25	$196	$12,942
SDC-Non-Severe	$17,765	$33	$336	$18,134
SDC- Severe	$26,564	$49	$502	$27,115

From the above data, the full 100 percent cost to provide school facilities for 44 future K-6 unhoused students based on the state SFP New Construction grants would be the following:

Grades	Future Unhoused Students	State Grant (50%)	Full Cost (100%)
K-6	44	$423,500	$847,000

While the above total new construction cost of $847,000 will be used in the calculation of the maximum developer fee that could be levied, actual construction costs are considerably higher than the SFP grants allow.

Presented in Appendix C are actual construction costs obtained from a Bay Area school district. The total cost for a new K-5 school for 650 students was $21,175,679 - $32,578 per student. Based on that per student cost, the total cost to provide facilities for 44 K-6 students would be $1,433,432 – 69 percent higher than the SFP grant and District match.

Modernization/Renovation

The state SFP Modernization grant amounts for grades K-6, 7-8, SDC-Non-Severe and SDC-Severe, were adjusted by the State Allocation Board on January 25, 2012. This year's grant amounts including grants for automatic fire detection/alarm systems are as follows:

Modernization Grants

Grades	Base Grant	Fire Detection/ Alarm	Grant per Student
K-6	$3,600	$115	$3,715
7-8	$3,809	$115	$3,924
9-12	$4,985	$115	$5,100
SDC-Non-Severe	$7,674	$216	$7,890
SDC- Severe	$11,470	$322	$11,792

As of May 2012, the District has eligibility for the modernization of five schools under the state SFP Modernization program (See Appendix A for details). The program provides funding for the upgrades and replacements to building systems, air conditioning, plumbing and others on a 60/40 basis. Hence, in order to avail of these funds to upgrade the existing school facilities, the District will need local funds in the amount of $1,063,193 to match the total State grant shown in the following table:

Five Schools	State Grant (60%)	District Match (40%)
Total	**$1,594,790**	**$1,063,193**

Developer Fee Collection Fees

The City of San Leandro charges a three percent fee to collect developer fees on behalf of the District.

Assuming that the maximum Level 1 fees of $3.20 per square foot on residential development and $0.51 per square foot on commercial/industrial developments were imposed, the collection fee would be approximately the following:

Five-Year Projections	Square Foot	Fee/Square Foot	Level 1 Fee
New Residential Construction	220,121	$3.20	$704,387.20
Additions to Existing Residential	45,000	3.20	144,000.00
Total Residential	**265,121**		**$848,387.20**
Commercial/Industrial	104,821	$0.51	53,458.71
Total			**$901,845.91**
City Collection Fee (3%)			$27,055.38

Construction Cost Summary (Five years)

The total costs of the District's facilities needs over the next five years are summarized as follows:

Construction Cost Summary (Five years)	Cost
New School Construction	$ 847,000
Modernization/Renovation (40% Match)	1,063,193
Collection Fees	27,055
Total Cost	**$1,937,248**

Developer fees to be levied against future residential and commercial/industrial development will help provide funds for school facilities needs as identified above.

Fee per Square Foot

From the above data the maximum fee per square foot was calculated as follows:

Residential Housing	Total Cost	Total Sq. Ft.	Cost/Sq. Ft
New and Additions	$1,937,248	265,121	$7.31

III. REVENUE FROM FEES ON RESIDENTIAL DEVELOPMENT VERSUS COSTS OF SCHOOL FACILITIES

This section compares the projected revenues from fees levied on future residential development to the school facility costs attributable to that development.

State law currently caps Level 1 Fees at $3.20 per square foot for the current year. As demonstrated in the previous section, each square foot of future residential development will generate a school facility cost of $7.31. Any given amount of future development will, therefore, generate more school facility costs than Level 1 Fee revenue.

A. Fee Revenue from Residential Development Over the Next Five Years

Based on projected 220,121 square feet of new residential development over the next five years, if the District were to collect the maximum allowable Level 1 fee ($3.20) on residential development, the District would collect $704,387 in residential developer fees over a five-year projection period.

B. Fee Revenue from Additions to Existing Residences

Fees will also be generated by additions to existing residences, which is the same as for new units. Projected additions totaling 45,000 square feet would generate $144,000 in fee revenue (45,000 times $3.20). Pursuant to Education Code Section 17620(a)(1)(C)(i), developer fees may be charged on residential additions "only if the resulting increase in assessable space exceeds 500 square feet."

C. Fee Revenue from Reconstruction and Redevelopment

Fees will also be generated by single and multi-family units in redevelopment projects and single and multi-family units that replace demolished units (to the extent that the new units are larger than the demolished units). The fee revenue calculation from reconstruction and/or redevelopment is the same as for new units. For example, reconstruction and/or redevelopment totaling 50,000 square feet would generate $160,000 in fee revenue (50,000 times $3.20).

D. Senior Citizen Restricted Housing

As required by law, a lower fee, currently the commercial/industrial maximum of $0.51 per square foot is established for certain types of residences that are restricted in occupancy to senior citizens. Housing of this type generates employees and has an indirect impact on the school district similar to that from commercial/industrial development projects.

IV. FINANCIAL EFFECT ON THE DISTRICT OF NEW COMMERCIAL /INDUSTRIAL DEVELOPMENT

Commercial/industrial development will attract additional workers to the District, and, because some of those workers will have school-age children, will generate additional students in the District. As shown in Section I, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a fiscal impact on the District by generating a need for new school facilities.

The report multiplies the following five factors together to calculate the school facility cost incurred by the District per square foot of new commercial/industrial development:

A. Employees per square foot of new commercial/industrial development,
B. Percent of employees in the District that also live in the District,
C. Houses per employee,
D. Students per house, and
E. School facility cost per student.

The report calculates each of these factors in the next sections.

A. Employees per Square Foot of Development

As permitted by State law, the report uses results from a survey published by the San Diego Association of Governments (SanDAG) to establish the number of employees per square foot of new commercial/industrial development projects.

Employees Per Square Foot of Commercial/Industrial Development, by Category

Commercial/Industrial Category	Average Square Foot per Employee	Employees per Average Square Foot
Banks	354	0.00283
Community Shopping Centers	652	0.00153
Neighborhood Shopping Centers	369	0.00271
Industrial Business Parks	284	0.00352
Industrial Parks	742	0.00135
Rental Self Storage	15,541	0.00006
Scientific Research & Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	209	0.00479
Large High Rise Com. Office	232	0.00431
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: 1990 SanDAG Traffic Generators report.

B. Percentage of Employees Residing Within the District

It is estimated that approximately 40 percent of people working in the District also live in the District.

C. Number of Households per Employee

U.S. Census data indicates that there are approximately 0.629 K-12 workers per household. Likewise, this data indicates that there are 0.79 housing units for every one worker. The report, therefore, assumes that each new resident worker in the District will demand 0.79 housing units.

D. Number of Students per Dwelling Unit

As calculated from Section II., the report assumes that 0.40 K-6 students will reside in each housing unit.

E. School Facility Cost per Student

As calculated from Section II., the report estimates that the school facility cost per K-6 student is $19,250 based on the State Facility Program grants.

F. School Facility Cost per Square Foot of Commercial/Industrial Development

The following table calculates the school facility cost generated by a square foot of new commercial/industrial development for each of the categories of commercial/industrial projects listed in Section A.

School facility costs for development projects not included on this list may be estimated by using the closest employee-per-square foot ratio available for the proposed development or by following the District's administrative procedures for appeals of school facility fee imposition.

Facility Cost Per Square Foot of Commercial/Industrial Development, by Category

Category	Employees per Square Foot	% Employees Residing in District	Dwelling Units per Employee	K-6 Students Per Dwelling Unit	Cost per K-6 Student	Cost per Square Foot
Banks	0.00283	0.40	0.79	0.40	$19,250	$6.88
Community Shopping Centers	0.00153	0.40	0.79	0.40	$19,250	$3.72
Neighborhood Shopping Centers	0.00271	0.40	0.79	0.40	$19,250	$6.59
Industrial Business Parks	0.00352	0.40	0.79	0.40	$19,250	$8.56
Industrial Parks	0.00135	0.40	0.79	0.40	$19,250	$3.28
Rental Self Storage	0.00006	0.40	0.79	0.40	$19,250	$0.15
Scientific Research & Development	0.00304	0.40	0.79	0.40	$19,250	$7.40
Lodging	0.00113	0.40	0.79	0.40	$19,250	$2.75
Standard Commercial Office	0.00479	0.40	0.79	0.40	$19,250	$11.65
Large High Rise Com. Office	0.00431	0.40	0.79	0.40	$19,250	$10.49
Corporate Offices	0.00269	0.40	0.79	0.40	$19,250	$6.54
Medical Offices	0.00427	0.40	0.79	0.40	$19,250	$10.39

V. FINDINGS

This section shows that the District meets the requirements of Government Code Section 66001 regarding the collection of developer fees and summarizes other potential funding sources for the District's capital projects.

A. Government Code Section 66001(a)(1) – Purpose of the Fee

The purpose of collecting fees on residential and commercial/industrial development is to acquire funds to construct or reconstruct school facilities for the students generated by new residential and commercial/industrial developments.

B. Government Code Section 66001(a)(2) – Use of the Fee

The District's use of the fee will involve constructing new school facilities. In addition, the fee may be used to construct additional facilities on existing school campuses and/or reconstructing school campuses. The District may also 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:

1) Land (purchased or leased) for school facilities,
2) Design of school facilities,
3) Permit and plan checking fees,
4) Construction or reconstruction of school facilities,
5) Testing and inspection of school sites and school buildings,
6) Furniture for use in new school facilities,
7) Interim school facilities (purchased or leased) to house students generated by new development while permanent facilities are being constructed,
8) Legal and administrative costs associated with providing facilities to students generated by new development,
9) Administration of the collection of developer fees (including the costs of justifying the fees) and
10) Miscellaneous purposes resulting from student enrollment growth caused by new residential development.

C. Government Code Section 66001(a)(3) – Relationship Between Fee's Use and the Type of Project Upon Which Fee is Imposed.

Future residential development will cause new families to move into the District and, consequently, will generate additional students in the District. As shown in a previous section in this report, adequate school facilities do not exist for these students. Future residential development, therefore, creates a need for additional school facilities. The fee's

use (acquiring school facilities) is, therefore, reasonably related to the type of project (future residential development) upon which it is imposed.

New commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, commercial/industrial will also generate new students in the District. As shown in a previous section in this report, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is, therefore, reasonably related to the type of project (new commercial/industrial development) upon which it is imposed.

D. Government Code Section 66001(a)(4) – Relationship Between the Need for the Public Facility and the Type of Project Upon Which Fee is Imposed

The District's enrollment in grades K-8 is larger than its student capacity. The District, therefore, does not have sufficient existing capacity to house students generated by future development. Future residential and commercial/industrial development in the District will generate additional students and consequently, a need for additional school facilities. A relationship exists, therefore, between the District's need to provide additional school facilities and the construction of new residential and commercial/industrial development projects.

E. Government Code Section 66001(b) – Relationship Between the Fee and the Cost of the Public Facility Attributable to the Development on Which the Fee is Imposed

This report demonstrates that the school facility cost attributable to future residential development is $7.31. Level 1 fees of $3.20 per square foot on residential development are, therefore, fully justified.

This report also demonstrates that the school facility costs attributable to all categories of commercial/industrial development except rental self-storage exceed $0.51 per square foot. Level 1 fees of $0.51 on these types of development are, therefore, fully justified. The school facility cost attributable to rental self-storage units is $0.15 per square foot. Fees for this type and other low-employee-generating types of development should be examined on a case-by-case basis.

All school facility costs and fees in this report are calculated on a per-student basis to ensure that future developments only pay for impacts they cause.

F. Other Funding Sources

The following is a review of potential other funding sources for constructing school facilities.

1) General Fund

The District's General Fund budget is typically committed to instructional and day-to-day operating expenses and not used for capital outlay uses, as funds are needed to meet the District's non-facility needs. General Fund monies may however, be used for portable lease payments or facilities projects if other funding sources are insufficient to meet commitments.

2) State Programs

The District has been approved for eligibility under the School Facility Program for new construction and modernization of schools. The State match allowance of 50 percent for new construction and 40 percent for modernization, however, leaves a shortfall between State funding and the District's actual facility needs. State funds for deferred maintenance may not be used to pay for new facilities. State law prohibits use of lottery funds for facilities.

3) General Obligation Bonds

School districts can, with the approval of two-thirds or 55 percent of its voters, issue general obligation bonds that are paid for out of property taxes. The District passed Measures A (1997), B (2006) and M (2010) to help meet planned facilities costs. However, a backlog of facilities needs remains unfunded.

4) Parcel Taxes

Approval by two-thirds of the voters is required to impose taxes that are not based on the assessed value of individual parcels. While these taxes have been occasionally used in school districts, the revenues are typically used to supplement operating budgets.

5) Mello-Roos Community Facilities Districts

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from two-thirds of the voters (or land owners if fewer than 12) in an election.

6) Surplus Property

The District does not own any surplus property that could be used to finance additional school facilities.

7) Redevelopment

The District received some funding from the City of San Leandro Redevelopment Agency, but no RDA funds are anticipated to be received in the future.

VI. RECOMMENDATIONS

This report recommends that the District levy the maximum statutory fee authorized by law of $3.20 per square foot of residential development. The report also recommends that the District levy the maximum fee as authorized by law of $0.51, on all categories of commercial/industrial development except rental self-storage. Developer fees for this and other types of low-employee generating developments should be examined on a case-by-case basis.

These recommendations are based on the findings that residential and commercial/industrial development (except for rental self-storage) creates a school facility cost for the District that is larger than the revenue generated by charging these fees.

APPENDIX A

ELIGIBILITY DETERMINATION

APPENDIX A ELIGIBILITY DETERMINATION

The District's State School Facilities Program (SFP) New Construction grant eligibility as of May 2012 is as follows:

Grades	Baseline[1] Eligibility	SAB Approval Date	SAB Approvals/ Adjustments[2]	Remaining Eligibility
K-6	1,349	01/26/2000	-1,066	283
7-8	-331	01/26/2000	-281	-612
9-12	991	01/26/2000	-1,225	-234
SDC-Non-Severe	0	01/26/2000	32	32
SDC- Severe	0	01/26/2000	52	52

The District's State SFP Modernization grant eligibility as of May 2012 is as follows:[3]

Grades	Eligibility	SAB Approval Date	State Grant	District Match
K-6				
McKinley (017)	36	12/14/2011	$143,906	$95,937
Wilson (019)	27		259,875	173,250
7-8				
Bancroft Middle (020)	35	0	357,140	238,093
John Muir Middle (21)	9 NS, 1 S		190,321	126,881
9-12				
San Leandro High (018)	106	12/14/2011	643,548	429,032
Totals			**$1,594,790**	**$1,063,193**

[1] The Baseline Eligibilities (SAB 50-03) were certified by the State Allocation Board (SAB) based on the Enrollment Certification/Projection (SAB 50-01) which used CBEDS enrollment data, less the Existing School Building Capacity (SAB 50-02).

[2] The SAB Approvals/Adjustments were based on updated SAB 50-01 projections and approved projects under the California School Facility Program (SFP). Data were taken from the OPSC website status as of May 9, 2012.

[3] The District previously filed modernization applications 57/001 through 57/016, which were approved and funded in 2003 – 2006, prior to the passage of Measure B and Measure M. Applications for McKinley Elementary (017) and San Leandro High (018) were funded on February 10, 2012. Applications on file for Wilson Elementary (019), Bancroft Middle (020) and John Muir Middle (o21) have not yet been approved. The State grant and District match amounts for these three projects are estimates only based on current modernization grant amounts.

APPENDIX B

HISTORICAL AND PROJECTED ENROLLMENT

APPENDIX B: HISTORICAL AND PROJECTED ENROLLMENT

Five year enrollment projections were prepared by using historical cohort factors and the correlations between births in the County of Alameda and in Zip code 94577 with the kindergarten enrollments in the District.

Based on available data used in the attached tables, the results of the analysis indicate that the District's projected enrollments five years from now (2016-17) shows that there will be an increase in K-8 enrollment and a decrease in 9-12 enrollment compared to the current enrollments (2011-12), as shown in the following table:

Grades	2011-12	2016-17	Change
K-8	5,982	6,039	57
9-12	2,866	2,706	-160
Total	**8,848**	**8,745**	**-103**

Historical CBEDS Enrollment[1]
And
Cohort Growth

The K-12 cohort growth (movement of students from one grade one year to the next higher grade the following year) is the best indicator of net migration, which is the combined effect of inter-district transfers, in-migration, out-migration, residential growth, changes in vacancy rates, movement of students to/from private schools and county programs, etc. From the table below, it can be seen that the District experienced an average K-7/1-8 cohort gain of 29 students during the 2007-08 through 2011-12 period and an average 8-11/ 9-12 cohort gain of 54 students during the same period for a net gain 83 students.

Grades	2007-08	2008-09	2009-10	2010-11	2011-12	Average Cohort
K	600	671 /	648 /	668 /	685 /	
1	659	647 / 47	666 / -5	668 / 12	671 / 3	14
2	664	691 / 32	638 / -9	652 / -14	691 / 31	10
3	621	656 / -8	686 / -5	655 / 17	647 / -5	0
4	653	637 / 16	688 / 32	673 / -13	642 / -13	6
5	675	648 / -5	640 / 3	690 / 2	667 / -6	-1
6	701	683 / 8	652 / 4	612 / -28	691 / 1	-4
7	673	683 / -18	686 / 3	663 / 11	625 / 13	2
8	745	674 / 1	697 / 14	679 / -7	663 / 0	2
Subtotal	**5,991**	**5,990 / 73**	**6,001 / 37**	**5,952 / -20**	**5,982 / 24**	**29**
9	655	715 / -30	657 / -17	714 / 17	694 / 15	-4
10	655	649 / -6	735 / 20	679 / 22	713 / -1	9
11	699	689 / 34	666 / 17	761 / 26	667 / -12	16
12	706	734 / 35	726 / 37	696 / 30	792 / 31	33
Subtotal	**2,715**	**2,787 / 33**	**2,784 / 57**	**2,850 / 95**	**2,866 / 33**	**54**
Total	**8,706**	**8,777**	**8,785**	**8,802**	**8,848**	**83**

[1] Source: California Basic Educational Data System (CBEDS), Department of Education, April 2012.

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Births by Zip Code
And
Kindergarten Enrollment

Kindergarten projections are prepared by correlating zip code births to District kindergarten enrollments five years later, and then using the most recent four-year average to prepare four-years of projections – the maximum possible using zip code births.

The table below documents the correlation between births in zip code 94577 and enrollment in kindergarten five years later, when these children are expected to start attending school.

Year	94577 [1]	Year	District Kindergarten Enrollment [2]	Percent
2000	605	2005	623	103.0%
2001	625	2006	651	104.2%
2002	593	2007	600	101.2%
2003	623	2008	671	107.7%
2004	668	2009	648	97.0%
2005	619	2010	668	107.9%
2006	682	2011	684	100.4%
		4 Year Average =		**103.3%**
Historical		**Projected**		
2007	649	2012	670	103.3%
2008	641	2013	662	
2009	575	2014	594	
2010	581	2015	600	

[1] Source: California Department of Health Services, Center for Health Statistics, Office of Health Information and Research, Births profiles by Zip Code, May 2012. While parts of the District are located in zip codes 94577, 94578 and 94579, correlation to zip code 94577 most closely matches the schools.

[2] Source: California Basic Educational Data System (CBEDS), Department of Education, May 2012.

County of Alameda Births
And
Kindergarten Enrollment

The kindergarten enrollments in the school district are derived by correlating the births in the County of Alameda to District kindergarten enrollments.

The table below demonstrates the correlation between the births in the County of Alameda and the student enrollment in kindergarten five years later.

Year	Alameda County Births [1]	Year	District Kindergarten Enrollment [2]	Percent
Historical		**Historical**		
2002	21,802	2007	600	2.75%
2003	21,574	2008	671	3.11%
2004	20,919	2009	648	3.10%
2005	20,902	2010	668	3.20%
2006	21,058	2011	685	3.25%
Historical		**Projected**		
2007	21,519	2012	681	3.165%
2008	20,972	2013	664	3.165%
2009	20,320	2014	643	3.165%
2010	19,302	2015	611	3.165%
Projected		**Projected**		
2011	19,145	2016	606	3.165%
2012	18,996	2017	601	

[1] Source: California Department of Health Services Center for Health Statistics, Historical births through 2010. California Department of Finance, Demographic Research Unit, projected births by county, May 2012.
[2] Source: California Basic Educational Data System (CBEDS), Department of Education, May 2012.
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PROJECTED CBEDS ENROLLMENT
2012-13 thru 2016-17

Enrollment projections for the school district during the next five years (2012-13 thru 2016-17) are derived based on the kindergarten enrollments projected with the use of correlations between birth rates by zip code and county birth data (see preceding tables). By distributing the cohort growth factors established throughout the grades based on historical trends, enrollment projections for the school district are derived. The resulting projections are presented in the following tables.

Grades	2012-13	2013-14	2014-15	2015-16	2016-17
K	681	664	643	611	606
1	699	695	678	657	625
2	681	709	705	688	667
3	691	681	709	705	688
4	653	697	687	715	711
5	641	652	696	686	714
6	663	637	648	692	682
7	693	665	639	650	694
8	627	695	667	641	652
Subtotal	**6,029**	**6,095**	**6,072**	**6,045**	**6,039**
9	659	623	691	663	637
10	703	668	632	700	672
11	729	719	684	648	716
12	700	762	752	717	681
Subtotal	**2,791**	**2,772**	**2,759**	**2,728**	**2,706**
Total	**8,820**	**8,867**	**8,831**	**8,773**	**8,745**

APPENDIX C

CONSTRUCTION COSTS

APPENDIX C: CONSTRUCTION COSTS

The construction of new schools for K-12 students involves costs related to site development, and design and construction. Site development costs include general site development, utility services, off-site development and others. Design and construction costs include pre-design and design, construction, furniture, equipment and technology, fields and landscapes, fees, reports, testing, inspection and others. In high-density built-out urban communities such as the City of Albany, redevelopment and reconstruction of an existing developed site into a new school facility could be the only means of achieving the housing construction objective. As such site development and other costs will not be considered in the study. Instead, site demolition work and temporary housing for the accommodation of students and staff while construction is in progress which are built into the design and construction costs will be used. For the purpose of this study, design and construction costs obtained from a neighboring school district will be used as reference. Gathered data is shown in the following table, "Construction Costs for New K-12 Schools".

Construction Costs for New K-12 Schools [1]

Cost Items	Elementary School (K-5)	Middle School (6-8)	High School (9-12)
Pre-Design Services			
Site Surveys	$20,500	$30,694	$33,650
Geotechnical Report	$136,517	$325,782	$384,772
CCTV Sewer/Drain Lines	$0	$3,000	$5,860
Other Design Costs	$11,576	$16,865	$24,251
Subtotal	**$168,593**	**$376,341**	**$448,533**
Design Phase Services			
Bond Program Manager	$823,778	$670,655	$1,215,931
Master Architect	$132,862	$1,688,218	$1,837,098
Design Manager	$205,944	$541,629	$858,459
Construction Manager	$1,069,087	$3,602,524	$4,860,015
A/E of Record	$1,366,028	$2,300,462	$8,843,240
Specialty Consultants	$184,454	$116,080	$141,914
Division of State Architect (DSA) Fees	$128,277	$274,434	$361,272
CA Department of Education (CDE) Fees	$16,100	$29,133	$45,178
Reproduction Costs	$27,398	$18,168	$23,288
Hazardous Materials and IH Monitoring	$22,988	$175,568	$154,342
Other Planning Costs	$258,703	$318,880	$433,722
Subtotal	**$4,235,619**	**$9,735,751**	**$18,774,459**
Construction Phase Services			
Materials Testing	$212,869	$413,907	$141,840
DSA Inspectors	$335,966	$990,598	$889,946
Contract Compliance	$100,578	$241,659	$435,449
Security	$11,300	$34,666	$16,646
Subtotal	**$660,713**	**$1,680,830**	**$1,483,881**
New Construction			
General Site Work	$19,238	$477,151	$4,327,396
Track and Field Project	$0	$0	$3,749,000
General Construction	$16,091,516	$53,470,107	$78,834,074
Construction Contingency	$0	$0	$0
Subtotal	**$16,110,754**	**$53,947,258**	**$86,910,470**
Temporary Housing	$0	$3,128	$10,032,341
Subtotal	**$0**	**$3,128**	**$10,032,341**
Total	**$21,175,679**	**$65,743,308**	**$117,649,684**

[1] Source: West Contra Costa Unified School District, School Facility Improvement Program, Capital assets Management Plan (CAMP) Report, Measure M, D, J and D-2010, March 2008.

EXHIBIT A

PROCEDURE TO APPEAL IMPOSITION OF COMMERCIAL OR INDUSTRIAL DEVELOPMENT FEE

In accordance with Government Code Section 53080.1, subdivision (e)(2), the following appeals procedure is available to any developer who wishes to contest a fee imposed by the District on residential, commercial or industrial development.

A. Procedure to Appeal Fee Imposition

1. Written Statement of Appeal

   a. Any appeal of the administration's decision to impose fees on development must be presented to the District's Superintendent or his/her designee in writing.

   b. The developer's written statement of appeal shall be dated and include the specific grounds for the appeal and any information that supports the developer's contention that the fee imposition is improper.

   c. The written statement of appeal must be submitted by the developer to the Superintendent or his/her designee within five (5) days of the administration's determination to impose the fee.

2. Appeal to Superintendent or His/Her Designee

   a. The Superintendent or his/her designee shall have an opportunity to investigate the contentions made in the developer's statement of appeal. In conjunction with this investigation, the Superintendent or his/her designee may request to meet with the developer.

   b. Within seven (7) days from the date of receipt of the developer's statement of appeal, the Superintendent or his/her designee shall mail the developer a decision in writing either granting or denying the appeal.

3. Governing Board

   a. If the developer is dissatisfied with the decision of the Superintendent or his/her designee, the developer may request a hearing before the governing board.
   b. The developer's request for a hearing must be received in the District office within seven (7) days of the date of the Superintendent's decision upholding the fee imposition.
   c. The date for the hearing shall be established by the District as soon as practicable following receipt of the developer's request. It shall be the District's prerogative to decide whether the hearing will be conducted at a regular meeting of the governing board or at a special meeting.

d. As soon as possible and in no event less than five (5) days before the date set for the hearing, the District shall send the developer a written notice including the time, date and place set for the hearing.

B. Conduct of the Hearing

1. At the hearing, the developer shall bear the burden of establishing that the fee is improper.

   a. The developer shall be allotted 15 minutes in which to present the information showing that the fee requirement is improper.

   b. The District administration shall have 15 minute in which to present information rebutting the developer's contentions.

   c. The governing board has the discretion to grant either party or both additional time in which to present information in further support of their contentions.

2. Within five (5) days of the hearing, the governing board or its designee shall mail the developer a notice in writing of its decision either granting the appeal or upholding the fee imposition.
3. All hearings conducted pursuant to this section shall be informal in nature and be designed to determine the parties' contentions without unnecessary formality.

C. Miscellaneous

1. Any failure on the part of the developer to pursue their appeal within the timelines stated in this procedure shall result in the developer's forfeiture of their opportunity for a hearing before the governing board.

2. The timelines contained in this procedure may be extended by mutual written agreement of all parties.

3. It will be sufficient in meeting any of the notice requirements contained in this procedure for the District to send such notices to the developer by regular mail at their last known address as listed on their statement of appeal.

4. Whenever the deadline for any act required under this procedure falls on a Saturday, Sunday or holiday, the time shall automatically be extended to the next business day.