



DUBLIN UNIFIED



School District

2018 SCHOOL FEE JUSTIFICATION STUDY

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PUBLIC FINANCE

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EXECUTIVE SUMMARY

Education Code Section 17620 authorizes the governing board of a school district to levy school fees to offset the impacts to school facilities from new residential and commercial/industrial construction and reconstruction. In order to levy Level I fees (statutory fees), a school district must prepare and adopt a school fee justification study pursuant to the provisions of Education Code Section 17620 and Sections 65995 and 66001 of the Government Code. The school fee justification study serves as the basis for justifying the levy of Level I fees and presents and documents the nexus findings required by State law.

This School Fee Justification Study (“Study”) has been prepared for the Dublin Unified School District (“School District”) to demonstrate the relationship between new residential and commercial/industrial development and the School District’s need for the construction of new school facilities, the cost of the school facilities, and the per square foot amount of Level I fees (“School Fees”) that may be levied by the School District on residential and commercial/industrial development in accordance with applicable law.

The State Allocation Board (“SAB”) reviews and may adjust the maximum authorized School Fees every January in even-numbered years. The SAB increased the Level I fee on January 24, 2018 and the maximum School Fees authorized by Education Code Section 17620 are currently \$3.79 per square foot for residential construction/reconstruction and \$0.61 per square foot for commercial/industrial construction. The School District currently collects Level I school fees in the amount of \$3.48 per square foot for residential construction/reconstruction and up to \$0.56 per square foot for commercial/industrial construction. Based on the findings presented in this Study, the School District is justified in collecting Level I school fees at an amount equal to the maximum authorized School Fees of \$3.79 per square foot for residential construction/reconstruction and \$0.61 per square foot for categories of commercial/industrial development. The findings are summarized below:

RESIDENTIAL DEVELOPMENT

New residential development in the School District is projected over the next ten (10) years. Based on historical student generation rates, new residential development that is not under a mitigation agreement could generate an estimated 1,262 new students over the next ten (10) years. Based on the School District’s existing school facilities capacity and enrollment, the projected student enrollment supports the need for the construction of additional school facilities and/or expansion of facilities at existing sites.

The cost impact per square foot shown in Table E-1 exceeds the current maximum authorized residential School Fee of \$3.79; therefore, the School District is reasonably justified in levying the Level I school fees in an amount up to but not exceeding \$3.79 per square for residential development (“Applicable Residential School Fee”).

**TABLE E-1
RESIDENTIAL SCHOOL FACILITIES COST IMPACTS/
APPLICABLE SCHOOL FEE PER SQUARE FOOT**

IMPACT PER SQUARE FOOT	APPLICABLE RESIDENTIAL SCHOOL FEE PER SQUARE FOOT
\$30.35	\$3.79

COMMERCIAL/INDUSTRIAL DEVELOPMENT

As commercial/industrial properties develop new jobs are created. Many of the employees working at the new jobs will move into the School District boundaries, thereby increasing the need for new residential development and further impacting the School District’s facilities. School Fees may be imposed on commercial/industrial development if the school fees collected on residential development are insufficient to provide adequate school facilities for students generated as a result of new development and nexus findings are presented that justify the imposition of the commercial/industrial school fee.

Section 17621(e)(1)(B) of the Education Code requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. This code section further recommends that employee generation estimates be based on the applicable employee generation estimates set forth in the January 1990 edition of “San Diego Traffic Generator Study” (“Traffic Study”), a report by San Diego Association of Governments (“SANDAG”). The school facilities cost impacts per commercial/industrial square foot as determined in this Study are shown in Table E-2 by commercial/industrial land use type (each commercial/industrial category is further described in Appendix “A”). The cost impacts per square foot for each category of commercial/industrial development are equal to or exceed the maximum authorized School Fee of \$0.61 per square foot, except for Rental Self-Storage development. Therefore, the School District is justified in levying commercial/industrial School Fees on new commercial/industrial development in an amount up to but not exceeding the maximum authorized School Fee of \$0.61 per square foot (“Applicable Commercial/Industrial School Fees”). The Applicable Commercial/Industrial School Fees may be imposed on new commercial/industrial construction or reconstruction classified as Rental Self-Storage, up to the respective net cost impact per square foot determined herein.

TABLE E-2
COMMERCIAL/INDUSTRIAL SCHOOL FACILITIES COST IMPACTS/
APPLICABLE SCHOOL FEE PER SQUARE FOOT

COMMERCIAL/INDUSTRIAL CATEGORY	IMPACT PER SQUARE FOOT	APPLICABLE SCHOOL FEE PER SQUARE FOOT
Banks	\$11.34	\$0.61
Community Shopping Center	\$6.16	\$0.61
Neighborhood Shopping Center	\$11.23	\$0.61
Industrial Business Parks	\$14.11	\$0.61
Industrial Parks/Warehousing	\$5.41	\$0.61
Rental Self-Storage	\$0.26	\$0.26
Research & Development	\$12.20	\$0.61
Hospitality (Lodging)	\$4.54	\$0.61
Commercial Offices (Standard)	\$19.22	\$0.61
Commercial Offices (Large High Rise)	\$18.23	\$0.61
Corporate Offices	\$10.77	\$0.61
Medical Offices	\$17.12	\$0.61

SECTION I. INTRODUCTION

A. PURPOSE OF THE STUDY

The purpose of this Study is to determine if a reasonable relationship exists between new residential and commercial/industrial development and the School District's need for the construction and/or reconstruction of school facilities. The findings presented in this Study have been made pursuant to and in compliance with Education Code Section 17620 and Government Code Section 66001 *et seq.* and serve as a basis for determining such a relationship.

B. GENERAL DESCRIPTION OF THE SCHOOL DISTRICT

The School District currently educates a total student population of approximately 11,281 transitional-kindergarten/kindergarten through twelfth grade students. The School District currently operates seven (7) elementary schools, two (2) middle schools, one (1) high school and one (1) continuation high school.

SECTION II. LEGISLATION AND LEGAL REQUIREMENTS

This section discusses the legislative history of the Level I Fee.

Assembly Bill (“AB”) 2926 enacted by the State in 1986, also known as the “1986 School Facilities Legislation” granted school districts the right to levy fees in order to offset the impacts to school facilities from new residential and commercial development. Originally set forth in Sections 53080 and 65995 of the Government Code, AB 2926 authorized statutory school fees to be levied, commencing January 1, 1987, in the amount of \$1.50 per square foot of new residential assessable space and \$0.25 per square foot of enclosed commercial or industrial assessable space. AB 2926 also provided for an annual increase of the statutory fees based on the Statewide cost index for Class B construction, as determined by the SAB. The provisions of AB 2926 have since been amended and expanded.

AB 1600 was enacted by the State legislature in 1987 and created Government Code Sections 66000 *et seq.* These sections require a public agency to satisfy the requirements as further discussed in Section VII herein when establishing, increasing or imposing a fee as a condition of approval for a development project.

AB 181, enacted in 1989, established new requirements for school districts levying school fees and also re-codified Government Code Section 53080 *et seq.* as Education Code Section 17620 *et seq.* The additional provisions established by AB 181 imposed more stringent nexus requirements which must be satisfied by school districts prior to levying school fees, especially with respect to commercial/industrial school fees. Additionally, AB 181 provided that the maximum school fees for residential and commercial/industrial development be subject to an increase every two (2) years rather than annually.

In 1998, Governor Wilson signed into law Senate Bill 50 (“SB 50”), the Leroy F. Greene School Facilities Act of 1998, which reformed State’s School Building Program and developer school fee legislation. A significant provision of SB 50 provides school districts the option of adopting alternative school fees (also known as Level II and Level III fees) in excess of the Level I fee upon meeting certain requirements. SB 50 also placed a \$9.2 billion State Bond measure on the November 3, 1998 ballot (Proposition 1A). With the passage of Proposition 1A in November 1998, SB 50 became operative.

SB 50 also limited the power of cities and counties to require mitigation of school facilities impacts as a condition of approving new development and suspended the court cases known as Mira-Hart-Murrieta. The Mira-Hart-Murrieta cases previously permitted school districts to collect mitigation fees in excess of school fees under certain circumstances.

On November 5, 2002, California voters passed Proposition 47, which authorized the issuance of \$13.05 billion in State bonds and also enacted AB 16, which provided for additional reformation of the School Building Program. AB 16, among other items, clarified that if the SAB is no longer approving apportionments for new construction due to the lack of funds available for new school facilities construction, a school district may increase its Level II Fee to the Level III Fee. With the issuance of the State bonds authorized by the passage of Proposition 47, this section of AB 16 became inoperable.

Furthermore, Proposition 55 was approved on March 2, 2004, which authorized the sale of \$12.3 billion in State bonds. In addition, California voters approved Proposition 1D in the general election held on November 7, 2006. Proposition 1D authorized the issuance of \$10.4 billion in State bonds.

Most recently, California voters approved Proposition 51 (the California Public School Facility Bonds Initiative) in the general election held on November 8, 2016, authorizing the issuance of \$9 billion in bonds to fund the improvement and construction of school facilities for K-12 schools and community colleges.

SECTION III. PROJECTED UNHOUSED STUDENTS AND FACILITY REQUIREMENTS

The objective of this Study is to determine if a nexus exists between future residential and commercial/industrial development and the need for school facilities. In addition, the Study aims to identify the costs of such required school facilities and determine the amount of School Fees that can be justifiably levied on residential and commercial/industrial development according to the estimated impacts caused by such development. This section evaluates whether existing school facilities can accommodate students generated from future residential development, projects student enrollment based on anticipated residential growth, and estimates the costs of school facilities required to accommodate new residential growth. The findings determined in this section are used in following sections to evaluate the cost impact per square foot for new residential and commercial/industrial property. Although many of the figures in this section are primarily derived from residential development projections and impacts, they are adjusted in Section V. to evaluate the impact of commercial/industrial development.

A. SCHOOL DISTRICT CAPACITY AND CURRENT STUDENT ENROLLMENT

The School District's existing school facilities capacity and student enrollment were evaluated in order to determine if there is available capacity to house students generated by new residential and commercial/industrial development.

The School District currently operates seven (7) elementary schools, two (2) middle schools, one (1) high school and one (1) continuing education high school. Pursuant to Education Code Section 17071.10, these facilities have a capacity to accommodate 10,218 students. This capacity was reported on SAB Form 50-02 and was updated to reflect new school facility construction projects approved for funding by the State. Appendix "B" provides a calculation of the updated facility capacity.

Based on enrollment information as of October 2017, the total student enrollment of the School District is 11,281 students. A summary of the student enrollment data is included in Appendix "C". The School District currently operates elementary schools serving students in grades transitional kindergarten (TK) through 5 and middle schools serving students in grades 6 through 8. In order to be consistent with the SAB 50-02 reporting requirements, the enrollment school level configuration has been adjusted to represent grades TK through 6 at the elementary level and grades 7 through 8 at the middle school level. Available facilities capacity is calculated by subtracting the October 2017 student enrollment from existing school facilities capacity for each school level. This operation results in deficit capacity at all school levels. The capacity calculation is shown in Table 1.

**TABLE 1
FACILITIES CAPACITY AND STUDENT ENROLLMENT**

SCHOOL LEVEL	EXISTING FACILITIES CAPACITY	STUDENT ENROLLMENT (OCTOBER 2017)¹	AVAILABLE/ (DEFICIT) CAPACITY
Elementary School (TK-6)	6,269	6,893	(624)
Middle School (7-8)	1,450	1,627	(177)
High School (9-12)	2,499	2,761	(262)
Total	10,218	11,281	(1,063)

¹ The School District currently operates K-5 and 6-8 schools. The figures above have been adjusted by school level to be consistent with SAB 50-02 capacity requirements.

B. PROJECTED UNHOUSED STUDENTS

1. Projected Residential Units

To estimate the Projected Units, Koppel & Gruber Public Finance (“K&G Public Finance”), in collaboration with Davis Demographics & Planning, Inc. (“DDP”), the School District’s demographer, obtained and compiled information from the City of Dublin (“City”) Planning Division and the City Building & Safety Division, including, but not limited to: (i) a list of residential projects planned, approved and under construction and (ii) building permit records. Such information was used to project residential development for areas within each planning jurisdiction by housing type. Based on the information, it is estimated the School District could experience the development of an estimated 4,646 residential units over the next ten (10) years (“Total Projected Units”).

The School District has entered into mitigation agreements with certain property owners and/or developers, whereby the terms of the mitigation agreements require mitigation payments in lieu of paying School Fees. Many of the Projected Units are located within areas subject to mitigation agreements. Those Projected Units subject to such agreements have been identified and/or estimated and excluded from the calculation. This Study conservatively assumes for purpose of analysis that the agreements full offset the impact of the developments governed by those agreements, regardless of whether the agreements in fact provide full mitigation.

The determination of the Unmitigated Projected Units is summarized by residential category in Table 2. The types of residential units considered include (i) single family detached (“SFD”), (ii) single family attached (“SFA”), and (iii) multi-family units (“MF”). Units classified as SFD are those units with no common walls; SFA are those units sharing a common wall each having a unique assessor’s parcel (e.g. townhouses, condominiums, etc.); and MF are those units which share a single assessor’s parcel and share a common wall (e.g. apartments, duplexes, etc.).

The estimated total Projected Units that are subject to mitigation agreements (which, as noted above, are deemed “mitigated” solely for the purposes of this Study) and unmitigated Projected Units in the entire School District are summarized by residential category in Table 2.

**TABLE 2
PROJECTED UNITS BY RESIDENTIAL CATEGORY**

RESIDENTIAL CATEGORY	TOTAL PROJECTED UNITS	MITIGATED PROJECTED UNITS	UNMITIGATED PROJECTED UNITS
Single-Family Detached (SFD)	1,785	666	1,119
Single-Family Attached (SFA)	1,577	1,172	405
Multi-Family (MFA)	1,284	0	1,284
Total	4,646	1,838	2,808

2. Student Generation Rates

In order to calculate student generation rates (“SGRs”), K&G Public Finance first obtained property characteristic/GIS data and residential building permits data from the City as of February 2018. Parcels in the database were classified by unit type (SFD, SFA, MF) and residential parcels constructed during the past five (5) years were extracted. It should be noted no residential properties were constructed within areas of the County of Alameda (“County”) that are also served by the School District within the previous five (5) years other than those within the City. A summary of the SGRs determined is shown in Table 3.

**TABLE 3
STUDENT GENERATION RATES**

SCHOOL LEVEL	SFD UNITS	SFA UNITS	MF UNITS
Elementary School (TK-6)	0.4387	0.2838	0.1066
Middle School (6-8)	0.1589	0.1075	0.0346
High School (9-12)	0.1329	0.0616	0.0612
TOTAL	0.7305	0.4529	0.2024

3. Projected Student Enrollment

Projected student enrollment was determined by multiplying the SGRs in Table 3 by the number of Unmitigated Projected Units shown in Table 2. A total of 1,262 students are estimated to be generated from Unmitigated Projected Units. The projected student enrollment is summarized by school level in Table 4.

**TABLE 4
PROJECTED STUDENT ENROLLMENT BY SCHOOL LEVEL**

SCHOOL LEVEL	TOTAL PROJECTED STUDENTS
Elementary School (TK-6)	743
Middle School (6-8)	266
High School (9-12)	253
Total	1,262

4. Projected Unhoused Students

As shown in Table 1, there is deficit capacity at all school levels. Therefore, there are zero (0) seats available to accommodate Projected Student Enrollment from Projected Units. Table 5 shows the number of Projected Unhoused Students at each school level.

TABLE 5
PROJECTED UNHOUSED STUDENTS

SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT	AVAILABLE SEATS	PROJECTED UNHOUSED STUDENTS
Elementary School (TK-6)	743	0	743
Middle School (6-8)	266	0	266
High School (9-12)	253	0	253
Total	1,262	0	1,262

C. FACILITY NEEDS AND ESTIMATED PER-STUDENT COST

1. Facilities Needs

The estimated costs to provide new school facilities are based on cost estimates as shown in the Draft Facilities Master Plan (“FMP”) prepared by LPA, Inc. for the construction of a new kindergarten through grade 8 (K-8) school and a new high school. It should be noted the FMP also addresses modernization and improvement needs at the School District’s existing facilities. The total estimated project costs for modernization and improvement projects combined with the estimated new facilities projects amount to approximately \$622,495,000 in 2016 dollars. The estimated project costs in the FMP do not include costs for utility fees, off-site work and land acquisition. This Study focuses on the estimated costs of providing new school facilities and does not include those costs determined in the FMP for modernization and improvements planned at existing school sites. Costs for land acquisition have been estimated and added to the facilities costs used for purposes of this Study.

Table 6 summarizes the estimated cost to the School District of providing new school facilities per school level. The School District’s most recent elementary/middle school project was designed to serve grades kindergarten through 8 (K-8 site) with a design capacity of 1,080 students; for purposes of this Study, this configuration and capacity is used as an assumption of future facilities to serve elementary/middle school. Furthermore, the School District anticipates the construction of a new high school (HS #2), with a design capacity of 2,500 students, which will likely be completed in phases. The calculations used to estimate the school facilities costs are also provided in Appendix “D” of this Study.

**TABLE 6
ESTIMATED FACILITIES COSTS PER SCHOOL**

SCHOOL LEVEL	ESTIMATED SITE ACQUISITION COSTS	ESTIMATED FACILITIES CONSTRUCTION & SOFT COSTS	TOTAL ESTIMATED SCHOOL FACILITIES COSTS
K-8 Site ¹	\$54,475,272	\$66,680,763	\$121,156,035
High School (9-12)	\$175,738,721	\$269,405,533	\$445,144,254

¹ The School District anticipates the next school site will accommodate grades K-8 students.

2. Estimated Cost per Student

The estimated Cost per Student for each school level is determined by dividing the Total Estimated School Facilities Costs shown in Table 6 by the anticipated design capacity per school level. The cost per student calculation is shown in Table 7.

**TABLE 7
ESTIMATED FACILITIES COSTS PER STUDENT**

SCHOOL LEVEL	TOTAL ESTIMATED SCHOOL FACILITIES COST	STUDENT CAPACITY	TOTAL FACILITIES COST IMPACT PER SEAT/STUDENT
K-8 Site ¹	\$121,156,035	1,080	\$112,182
High School (9-12)	\$445,144,254	2,500	\$178,058

¹ The School District anticipates the next school site will accommodate grades K-8 students.

SECTION IV. PROJECTED IMPACT OF RESIDENTIAL DEVELOPMENT

The following section presents the school facility impact analysis for new residential development and provides a step-by-step calculation of the estimated per residential square foot cost impact.

To determine the school facilities cost impact per square foot of residential development, first the Projected Unhoused Students determined in Table 5 were multiplied by the Facilities Cost Impact per Seat/Student determined in Table 7 for each school level. As discussed in the previous section, the School District has determined that future school facilities will be designed to serve grades kindergarten through 8 (K-8 site); therefore, Projected Unhoused Students shown in Table 5 at the elementary (grades kindergarten through 5) and middle school (grades 6 through 8) levels are combined into a K-8 school level category. The computation shown in Table 8 reflects the estimated school facilities cost impact to house Projected Unhoused Students.

**TABLE 8
FACILITIES COST IMPACT**

SCHOOL LEVEL	FACILITIES COST IMPACT PER SEAT/STUDENT	PROJECTED UNHOUSED STUDENTS	FACILITIES COST IMPACT PER RESIDENTIAL UNIT
K-8 ¹	\$112,182	1,009	\$113,191,638
High School (9-12)	\$178,058	253	\$45,048,674
Total			\$158,240,312

¹ The School District anticipates the next school site will accommodate grades K-8 students.

The total school facilities impact shown in Table 8 above was then divided by the number of Unmitigated Projected Units shown in Table 2 to determine the school facilities cost per residential unit. The costs per residential categories are shown in Table 9.

**TABLE 9
SCHOOL FACILITIES COST PER RESIDENTIAL UNIT**

TOTAL FACILITIES COST IMPACT	UNMITIGATED PROJECTED UNITS	FACILITIES COST IMPACT PER RESIDENTIAL UNIT
\$158,240,312	2,808	\$56,353

The school facilities cost impact per residential square foot was calculated by dividing the school facilities cost per residential unit determined in Table 9 by the average square footage of each residential unit type. This calculation is shown in Table 10. A review of historical development records from the City, including parcel attribute data, building permit records and additional detail as requested, along with a review of planned unit sizes for new residential projects was used to estimate the average square footage.

TABLE 10
SCHOOL FACILITIES COST PER RESIDENTIAL SQUARE FOOT

FACILITIES COST IMPACT PER RESIDENTIAL UNIT	WEIGHTED AVERAGE SQUARE FOOTAGE	FACILITIES COST PER RESIDENTIAL SQUARE FOOT
\$56,353	1,857	\$30.35

The school facilities impact per residential square foot determined in Table 10 is greater than the current maximum authorized residential School Fees of \$3.79 per square foot; therefore, the School District is justified in levying up to but not exceeding the maximum authorized amount for residential construction and reconstruction.

SECTION V. COMMERCIAL/INDUSTRIAL SCHOOL IMPACT ANALYSIS

The following section presents the school facilities impact analysis for new commercial/industrial development and provides a step-by-step calculation of the estimated per commercial/industrial square foot cost impact.

A. EMPLOYEE GENERATION

In the course of making the nexus findings to justify School Fees levied on commercial/industrial development, Education Code Section 17621(e)(1)(B) requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. As mentioned in the Executive Summary, for purposes of making such determination this code section further recommends that the employee generation estimates be based on the applicable estimates set forth in the Traffic Study published by SANDAG.

The employee generation estimates per 1,000 square feet of development derived from the Traffic Study are listed by commercial/industrial land use category in Table 11. The land use categories listed are based on those categories described in the Traffic Study and include all land uses recommended by the provisions of Education Code Section 17621(e)(1)(B).

TABLE 11
EMPLOYEE GENERATION PER 1,000 SQUARE FEET
OF COMMERCIAL/INDUSTRIAL DEVELOPMENT

COMMERCIAL/INDUSTRIAL CATEGORY	AVERAGE SQUARE FOOTAGE PER EMPLOYEE	EMPLOYEES PER 1,000 SQUARE FEET
Banks	354	2.8253
Community Shopping Center	652	1.5348
Neighborhood Shopping Center	357	2.7985
Industrial Business Parks	284	3.5156
Industrial Parks/Warehousing	742	1.3473
Rental Self-Storage	15,541	0.0643
Research & Development	329	3.0408
Hospitality(Lodging)	883	1.1325
Commercial Offices (Standard)	209	4.7897
Commercial Offices (Large High Rise)	220	4.5442
Corporate Offices	372	2.6848
Medical Offices	234	4.2654

Source: San Diego Traffic Generator Study, January 1990 Edition; SANDAG.

B. RESIDENTIAL IMPACT

1. Households

To evaluate the impact of commercial/industrial development on School District facilities, the employee generation estimates listed in Table 11 above were first used to determine the impact of commercial/industrial development on a per household basis. Based on information provided by the U.S. Census Bureau^{1,2}, there are approximately 1.40 employed persons per household on average for households located within the School District. Dividing the employee generation estimates listed in Table 11 by 1.40 results in the estimated number of households per 1,000 square feet of commercial/industrial development (“Total Household Impact”).

The Total Household Impact determined in the preceding paragraph takes into consideration all employees generated from commercial/industrial development. Since some of those employees will live outside the School District and will therefore have no impact on the School District, the figures are adjusted to reflect only those households within the School District occupied by employees generated from commercial/industrial development built within the School District. Based on information derived from U.S. Census Bureau data¹, it is estimated that approximately 15.8% of employees both live and work within the School District. Multiplying the Total Household Impact by 15.8% results in the households within the School District impacted per 1,000 square feet commercial/industrial development. The results of these computations are shown in Table 12.

TABLE 12
IMPACT OF COMMERCIAL/INDUSTRIAL DEVELOPMENT ON
HOUSEHOLDS WITHIN THE SCHOOL DISTRICT

COMMERCIAL/INDUSTRIAL CATEGORY	SCHOOL DISTRICT HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.
Banks	0.3189
Community Shopping Center	0.1732
Neighborhood Shopping Center	0.3158
Industrial Business Parks	0.3968
Industrial Parks/Warehousing	0.1521
Rental Self-Storage	0.0073
Research & Development	0.3432
Hospitality(Lodging)	0.1278
Commercial Offices (Standard)	0.5405
Commercial Offices (Large High Rise)	0.5128
Corporate Offices	0.3030
Medical Offices	0.4814

¹ 2016 American Community Survey 5-Year Estimate; S0801-Commuting.

² 2016 American Community Survey 5-Year Estimate; DP04-Selected Housing.

C. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT

1. Cost Impact

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the Facilities Cost Impact Per Residential Unit determined in Table 9 was multiplied by the household impacts calculated in Table 12, resulting in the total school facilities cost impact per 1,000 square feet of commercial/industrial development. The total school facilities cost impacts are shown in Table 13 by commercial/industrial development category.

TABLE 13
SCHOOL FACILITIES COSTS PER 1,000 SQUARE FEET OF
COMMERCIAL/INDUSTRIAL DEVELOPMENT

COMMERCIAL/INDUSTRIAL CATEGORY	SCHOOL DISTRICT HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	FACILITIES COST IMPACT PER RESIDENTIAL UNIT (HOUSEHOLD)	TOTAL COST IMPACT
Banks	0.3189	\$56,353	\$17,971
Community Shopping Center	0.1732	\$56,353	\$9,760
Neighborhood Shopping Center	0.3158	\$56,353	\$17,796
Industrial Business Parks	0.3968	\$56,353	\$22,361
Industrial Parks/Warehousing	0.1521	\$56,353	\$8,571
Rental Self-Storage	0.0073	\$56,353	\$411
Research & Development	0.3432	\$56,353	\$19,340
Hospitality(Lodging)	0.1278	\$56,353	\$7,202
Commercial Offices (Standard)	0.5405	\$56,353	\$30,459
Commercial Offices (Large High Rise)	0.5128	\$56,353	\$28,898
Corporate Offices	0.3030	\$56,353	\$17,075
Medical Offices	0.4814	\$56,353	\$27,128

2. Residential Fee Offsets

New commercial/industrial development within the School District will generate new employees, thereby increasing the need for new residential development to house those employees living in the School District. Residential school fees adopted by the School District under applicable law will also be imposed by the School District on such new residential development. To prevent new commercial/industrial development from paying the portion of impact that is mitigated by the applicable residential school fees, this amount has been calculated and deducted from the school facilities impact costs calculated in Table 13.

The residential fee offsets are first calculated by using the School District's current Level II Fee applicable to residential development (\$11.20 per square foot) and multiplying that amount by the weighted average square footage of a residential unit in the School

District, which is 1,857 square feet. This calculation provides the average residential revenues from a residential unit of \$20,798 (\$11.20 x 1,857). The average residential revenues from a residential unit multiplied by Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 12, results in the residential school fee revenues per 1,000 square feet of commercial/industrial development (“Residential Fee Offset”). This computation is shown in Table 14.

**TABLE 14
RESIDENTIAL FEE OFFSET**

CATEGORY	SCHOOL DISTRICT HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	RESIDENTIAL FEE PER UNIT	RESIDENTIAL FEE OFFSET PER 1,000 SQUARE FEET COM./IND.
Banks	0.3189	\$20,798	\$6,633
Community Shopping Center	0.1732	\$20,798	\$3,602
Neighborhood Shopping Center	0.3158	\$20,798	\$6,568
Industrial Business Parks	0.3968	\$20,798	\$8,253
Industrial Parks/Warehousing	0.1521	\$20,798	\$3,163
Rental Self-Storage	0.0073	\$20,798	\$152
Research & Development	0.3432	\$20,798	\$7,138
Hospitality(Lodging)	0.1278	\$20,798	\$2,658
Commercial Offices (Standard)	0.5405	\$20,798	\$11,242
Commercial Offices (Large High Rise)	0.5128	\$20,798	\$10,665
Corporate Offices	0.3030	\$20,798	\$6,302
Medical Offices	0.4814	\$20,798	\$10,012

3. Net School Facilities Costs

Subtracting the Residential Fee Offset determined in Table 14 from the total school facilities costs listed in Table 13 results in the net school facilities costs per 1,000 square feet of commercial/industrial development (“Net School Facilities Costs”). The Net School Facilities Costs are listed in Table 15.

**TABLE 15
NET SCHOOL FACILITIES COSTS
PER 1,000 SQUARE FEET COMMERCIAL/INDUSTRIAL DEVELOPMENT**

COMMERCIAL/INDUSTRIAL CATEGORY	TOTAL SCHOOL FACILITIES COSTS	RESIDENTIAL FEE OFFSET	NET SCHOOL FACILITIES COSTS (PER 1,000 SQUARE FEET COM./IND.)
Banks	\$17,971	\$6,633	\$11,338
Community Shopping Center	\$9,760	\$3,602	\$6,158
Neighborhood Shopping Center	\$17,796	\$6,568	\$11,228
Industrial Business Parks	\$22,361	\$8,253	\$14,108
Industrial Parks/Warehousing	\$8,571	\$3,163	\$5,408
Rental Self-Storage	\$411	\$152	\$259
Research & Development	\$19,340	\$7,138	\$12,202
Hospitality(Lodging)	\$7,202	\$2,658	\$4,544
Commercial Offices (Standard)	\$30,459	\$11,242	\$19,217
Commercial Offices (Large High Rise)	\$28,898	\$10,665	\$18,233
Corporate Offices	\$17,075	\$6,302	\$10,773
Medical Offices	\$27,128	\$10,012	\$17,116

The Net School Facilities Costs determined in Table 15 were then divided by 1,000¹ to provide the cost impact on a square foot basis. These cost impacts are listed in Table 16.

**TABLE 16
NET COST IMPACTS
PER SQUARE FOOT OF COMMERCIAL/INDUSTRIAL DEVELOPMENT**

COMMERCIAL/INDUSTRIAL CATEGORY	NET IMPACTS
Banks	\$11.34
Community Shopping Center	\$6.16
Neighborhood Shopping Center	\$11.23
Industrial Business Parks	\$14.11
Industrial Parks/Warehousing	\$5.41
Rental Self-Storage	\$0.26
Research & Development	\$12.20
Hospitality(Lodging)	\$4.54
Commercial Offices (Standard)	\$19.22
Commercial Offices (Large High Rise)	\$18.23
Corporate Offices	\$10.77
Medical Offices	\$17.12

The net cost impacts shown in Table 16 are greater than the School District's share of the current maximum authorized commercial/industrial School Fees of \$0.61 per square foot, except for the category of Rental Self-Storage development. Therefore, the School

¹ The Employee Generation rates derived from the SANDAG study are estimated per 1,000 square feet of development.

District is justified in levying school fees on commercial/industrial in amount up to but not exceeding the School District's share of the maximum authorized statutory fee. For Rental Self-Storage businesses, which typically have extremely low numbers of employees, the School District is justified in collecting \$0.26 per square foot.

D. COMMERCIAL/INDUSTRIAL DEVELOPMENT NOT IN PRESCRIBED CATEGORIES

In cases where new commercial/industrial development does not fit within the prescribed categories shown in Table 16, the School District shall evaluate such development on a case-by-case basis to determine if the imposition of the School Fees on the development meets the nexus requirements set forth under Government Code Section 66000 et seq. The School District may levy School Fees on such development in an amount up to but not exceeding the cost per square foot impact determined through such evaluation.

E. AGE-RESTRICTED (SENIOR) HOUSING

Government Code Sections 65995.1 and 65995.2 provides school districts may only charge the fees applicable for commercial/industrial development for qualified age-restricted (senior citizen) housing. Qualified age-restricted housing generates employees resulting in school facility impacts similar to those impacts from other commercial/industrial categories specified herein.

SECTION VI. REDEVELOPMENT

Government Code Section 66001, subdivision (a)(3) and (4) requires that a school district, in imposing school-impact fees, establish a reasonable relationship between the fee's use, the need for the public facility and the type of development project on which the fee is imposed. This section addresses and sets forth general policy when considering the levy of school fees on new construction units resulting from redevelopment projects within the School District.

Redevelopment means voluntarily demolishing existing residential, commercial, and/or industrial structures and subsequently replacing them with new construction (“Redevelopment”). The School District is aware of Redevelopment projects completed within the School District boundaries and anticipates similar Redevelopment projects may be completed in the next ten (10) years and beyond. School fees authorized pursuant to Education Code Section 17620 and Government Code Sections 65995 et seq. shall be levied by the School District on new construction resulting from Redevelopment projects, if there is a nexus between the School Fees being imposed and the impact of new construction on school facilities, after the impact of pre-existing development has been taken into consideration. In determining such nexus, the School District shall review, evaluate and determine on a case-by-case basis, the additional impact of the proposed new development by comparing the projected square footage, student generation and cost impacts of the proposed new construction and the pre-existing residential, commercial and/or industrial development. Such analysis shall utilize the student generation rates identified in Table 3 of this Study, as applicable.

The School District may levy school fees, authorized under applicable law, on new construction resulting from Redevelopment projects in an amount up to the additional impact cost per square foot as determined in accordance with the preceding paragraph, but not exceeding the applicable school fees.

SECTION VII. GOVERNMENT CODE SECTION 66000

Government Code Sections 66000 *et seq.* were enacted by State Legislature in 1987. In any action establishing, increasing, or imposing a fee as a condition of approval of a development project, such as the Applicable Residential School Fee and Applicable Commercial/Industrial School Fees described herein (collectively referred to as the “Applicable School Fees”), these Government Code sections require the public agency to satisfy the following requirements:

1. Determine 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 that there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed;
5. Determine that there is a reasonable relationship between the amount of the fee and the cost, or portion of the cost of the public facility attributable to the development on which the fee is imposed; and
6. Provide an annual accounting of any portion of the fee remaining unspent or held for projects for more than five (5) years after collection.

The information set forth herein, including the information contained in the Appendices attached hereto, provide factual evidence establishing a nexus between the type of development projected to be built within the School District and the amount of Applicable School Fees levied upon such development based on the need for such Applicable School Fees. The determinations made in this Study meet the requirements of Government Code Section 66000. The findings are summarized as follows:

Purpose of the School Fee

The Board of the School District will levy and collect school fees on new residential and commercial/industrial development to obtain funds for the construction and/or reconstruction of school facilities to accommodate students generated as a result of such development. In accordance with Education Code Section 17620, “construction or reconstruction of school facilities” *does not* include any item of expenditure for any of the following:

1. Regular maintenance or routine repair of school buildings and facilities;
2. Inspection, sampling, analysis, encapsulation or removal of asbestos-containing material, except where incidental to school facilities construction or reconstruction for which the expenditure of fees or other consideration collected pursuant to Education Code Section 17620 is not prohibited; and,
3. Deferred maintenance as described in Education Code Section 17582.

Identify the Use of the School Fee

The School District has determined that revenues collected from Applicable School Fees imposed on residential and commercial/industrial developments will be used for the following purposes:

1. Construction or reconstruction of school facilities required to accommodate students generated by new residential and commercial/industrial development in areas of the School District where existing school facilities are needed;
2. Construction or reconstruction of administrative and operations facilities required in response to new student growth from new development;
3. Acquisition or lease of property for unhoused students generated from new development;
4. Purchase or lease of interim and/or temporary school facilities in order to accommodate student capacity demands;
5. Furniture for use in new school facilities;
6. Costs associated with the administration, collection, and justification for the Applicable School Fees;
7. Provide local funding that may be required if the School District applies for State funding through SB 50.

Relationship Between the Use of the Fee, the Need for School Facilities and the Type of Development on Which the Fee is Imposed

As determined in the preceding sections, existing school facilities are in need of upgrade or replacement for their continued long-term use and to provide adequate and safe housing for existing student enrollment and students generated from new residential and commercial/industrial development. The fees imposed on such new development will be used, in part, to finance a portion of the construction and/or reconstruction of school facilities required to accommodate student enrollment growth generated by new residential and commercial/industrial development.

Determination of the Relationship Between the Fee Amount and the School Facilities Costs Attributable to Type of Development on Which the Fee is Imposed

The imposition of the Applicable Residential School Fee of \$3.79 per square foot of residential development is justified, as this fee is below the per square foot cost impact to provide adequate school facilities required as a result of such new residential development.

Similarly, the imposition of the Applicable Commercial/Industrial School Fees of \$0.61 per square foot of commercial/industrial development are justified as the fees are equal to or below the estimated per square foot net cost impact to provide adequate school facilities required as a result of such new commercial/industrial development, except for Rental Self-Storage development.

Accounting Procedures for the Fees

The School District will deposit, invest, and expend the school fees imposed and collected on residential and commercial/industrial development in accordance with the provision of Government Code Section 66006.

APPENDIX A
COMMERCIAL/INDUSTRIAL DEVELOPMENT DESCRIPTIONS

Banks	Include small branch offices to regional offices used for banking. Properties under this category allow customers to conduct banking on-site.
Shopping Center	Broadly include regional, community and neighborhood shopping centers which sell merchandise and services to consumers. Include grocery stores, restaurants, retail centers, automotive sales.
Industrial Business Parks	Include any combination of facilities engaged in manufacturing/assembly, warehousing, and/or storage with 15% or more of the total area designated for commercial use.
Industrial Parks/Warehousing	Include any combination of facilities engaged in manufacturing/assembly, warehousing, and/or storage with limited or no commercial use (less than 15% of the total area designated for commercial use).
Rental Self-Storage	Include warehouse developments which rent small storage vaults and often termed “mini-storage”.
Research & Development	Include scientific research and development laboratories, office and/or their supporting facilities.
Hospitality (Lodging)	Include establishments which provide lodging to the general public. Lodging types include hotels, motels, resort hotels and inns. The maximum term of occupancy for establishment within this category shall not exceed 30 days.
Commercial Offices (Standard) ¹	Include general office space occupying less than 100,000 square feet with multiple tenants.
Commercial Offices (Large High Rise) ¹	Include general office space occupying 100,000 square feet and greater with multiple tenants.
Corporate Offices	An office or office building with a single tenant.
Medical Offices	Include medical offices that serve a wide range of medical needs and may include a pharmacy. Medical offices are generally operated by one or more physicians.

¹ Office space used for activities described under banks, research and development, or medical offices should be classified under those categories.

APPENDIX B
FACILITIES CAPACITY UPDATE

**DUBLIN UNIFIED SCHOOL DISTRICT
FACILITIES CAPACITY UPDATE
APPENDIX B**

Item	School	Elementary School Seats (K-6)	Middle School Seats (7-8)	High School Seats (9-12)
SAB Form 50-02 (Revised June 24, 2009)	NA	2,998	753	1,618
50/75093-00-001 ^[1]	DOUGHERTY ELEMENTARY	375	0	0
50/75093-00-004 ^[1]	DOUGHERTY ELEMENTARY	150	0	0
50/75093-00-005 ^[1]	FALLON MIDDLE	421	697	0
50/75093-00-006 ^[1]	JOHN GREEN ELEMENTARY	610	0	0
50/75093-00-008 ^[1]	DUBLIN HIGH	0	0	881
50/75093-00-009 ^[1]	H.W. KOLB ELEMENTARY	640	0	0
50/75093-00-010 ^[1]	J.M. AMADOR ELEMENTARY	925	0	0
50/75093-00-011 ^[1]	DOUGHERTY ELEMENTARY	150	0	0
50/75093-00-012 ^{[1],[2]}	COTTONWOOD CREEK ELEMENTARY	0	0	0
Total		6,269	1,450	2,499
Grand Total for All School Levels				10,218

^[1] Based on information provided on SAB 50-04 Applications for New Construction Funding.

^[2] SAB 50-04 Form No. 50/75093-00-012 for Cottonwood Creek Elementary School includes capacity for 725 elementary pupils and 459 middle school pupils; however, they have been excluded from this list since the school is not currently open for enrollment.

APPENDIX C
ENROLLMENT SUMMARY

**DUBLIN UNIFIED SCHOOL DISTRICT
2017/18 ENROLLMENT SUMMARY
APPENDIX C**

School Name/Program	Elementary						Middle			High				Other-SDC	Grand Total	
	TK/K	1	2	3	4	5	6	7	8	9	10	11	12			
AMADOR ELEMENTARY	157	186	192	148	149	136	-	-	-	-	-	-	-	-	-	968
DOUGHERTY ELEMENTARY	255	140	140	137	153	131	-	-	-	-	-	-	-	-	-	956
DUBLIN ELEMENTARY	207	152	148	146	145	128	-	-	-	-	-	-	-	-	-	926
DUBLIN HIGH	-	-	-	-	-	-	-	-	-	789	753	625	541	-	7	2,715
FALLON MIDDLE	-	-	-	-	-	-	541	499	466	-	-	-	-	-	-	1,506
FREDERIKSEN ELEMENTARY	119	152	144	110	156	134	-	-	-	-	-	-	-	-	-	815
GREEN ELEMENTARY	124	131	109	161	162	164	-	-	-	-	-	-	-	-	-	851
KOLB ELEMENTARY	156	180	162	157	153	140	-	-	-	-	-	-	-	-	-	948
MURRAY ELEMENTARY	161	78	73	72	73	67	-	-	-	-	-	-	-	-	-	524
VALLEY CONTINUATION HIGH	-	-	-	-	-	-	-	-	-	-	3	16	27	-	-	46
WELLS MIDDLE	-	-	-	-	-	-	364	339	323	-	-	-	-	-	-	1,026
GRAND TOTAL	1,179	1,019	968	931	991	900	905	838	789	789	756	641	568	7	11,281	
TOTAL BY SCHOOL LEVEL						5,988			2,532					2,761	11,281	
ADJUSTED FOR CAPACITY ANALYSIS ^[1]							6,893		1,627					2,761	11,281	

^[1] Capacity is determined based on K-6, 7-8 and 9-12 school level configurations pursuant to Education Code Section 17071.10.

Source: School District

APPENDIX D
ESTIMATED SCHOOL FACILITIES COSTS

**DUBLIN UNIFIED SCHOOL DISTRICT
ESTIMATED ACTUAL COST PER SQUARE FOOT CALCULATION
SUMMARY OF ESTIMATED COSTS
APPENDIX D**

K-8 SCHOOL

I. Site Costs		\$54,475,272
Land Acquisition Cost	\$54,475,272	
Acres ^[1]	14.60	
Cost per Acre ^[2]	\$3,731,183	
II. Development/Construction Costs^[3]		66,680,763
TOTAL ESTIMATED COST		<u><u>\$121,156,035</u></u>

^[1] Estimated land acreage is determined under the guidelines of the State Department of Education, as published in the "School Site Analysis and Development Handbook" as of January 1, 1998, and do not represent the required site size requirements for constructing new school campuses, but instead serve as a 'rule of thumb'.

^[2] Estimates are based on a land appraisal prepared for the School District.

^[3] Estimated by LPA, Inc.; Draft Facilities Master Plan, Master Plan Total Cost Matrix, New E-6 Dublin Crossing School. Costs are adjusted to 2018 dollars by the percentage change in the Sierra West Material/Labor Index. Does not include costs for utility hook-up and City connection fees, off-site work and traffic signals, hazardous material surveys, abatement and disposal and EDCC new construction.

**DUBLIN UNIFIED SCHOOL DISTRICT
ESTIMATED ACTUAL COST PER SQUARE FOOT CALCULATION
SUMMARY OF ESTIMATED COSTS
APPENDIX D**

HIGH SCHOOL

I. Site Costs		\$175,738,721
Land Acquisition Cost	\$175,738,721	
Acres ^[1]	47.10	
Cost per Acre ^[2]	\$3,731,183	
II. Development/Construction Costs^[3]		269,405,533
TOTAL ESTIMATED COST		<u><u>\$445,144,254</u></u>

^[1] Estimated land acreage is determined under the guidelines of the State Department of Education, as published in the "School Site Analysis and Development Handbook" as of January 1, 1998, and do not represent the required site size requirements for constructing new school campuses, but instead serve as a 'rule of thumb'.

^[2] Estimates are based on a land appraisal prepared for the School District.

^[3] Estimated by LPA, Inc.; Draft Facilities Master Plan, Master Plan Total Cost Matrix, New E-6 Dublin Crossing School. Costs are adjusted to 2018 dollars by the percentage change in the Sierra West Material/Labor Index. Does not include costs for utility hook-up and City connection fees, off-site work and traffic signals, hazardous material surveys, abatement and disposal and EDCC new construction.