



PERRIS UNION HIGH SCHOOL DISTRICT
SCHOOL FEE JUSTIFICATION STUDY

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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 Perris Union High 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 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 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 for unified school districts. The State Allocation Board (“SAB”) reviews and may adjust the maximum authorized School Fees every January in even-numbered years.

The School District provides education for grades 7-12 for students generated by the Perris Elementary School District (“PESD”) and grades 9-12 for students generated by the Menifee Union School District (“MUSD”), the Nuvew Union School District (“NUSD”) and the Romoland School District (“RSD”). Pursuant to Education Code Section 17623(a), the School District, as a nonunified school district sharing common jurisdiction with other nonunified school district(s), entered into a fee sharing agreement with PESD, MUSD, NUSD and RSD. The agreement specifies the percentage of the maximum School Fees that may be levied and collected by each school district. According to the agreement, twenty eight percent (28%) of the maximum School Fees may be charged and collected by the School District for areas within the School District boundaries shared by MUSD, NUSD and RSD, or \$1.06 and \$0.1708 for residential and commercial/industrial development, respectively (“Applicable School Fees”) and forty percent (40%) of the maximum School Fees may be charged and collected by the School District for areas within the School District boundaries shared by PESD, or \$1.52 and \$0.2440 for residential and commercial/industrial development, respectively (“PESD Area Applicable School Fees”). Based on the findings presented in this Study, the School District is justified in collecting its portion of the maximum residential and commercial/industrial Applicable School Fees and PESD Area Applicable School Fees. The findings are summarized as follows:

Residential Development

New residential development in the School District is projected over the next ten (10) years and beyond. Based on historical student generation rates, new residential development not within a Community Facilities District or subject to a Mitigation Agreement will generate an estimated 3,280 new students over the next ten (10) years. The projected student enrollment supports

construction of additional school facilities and expansion of existing school facilities. The school facilities cost impacts per residential square foot as determined in this Study are shown in the following table by area of the School District.

**Table E-1
Residential School Facilities Cost Impacts by Area**

IMPACT PER SQUARE FOOT FOR AREAS WITHIN PESD	IMPACT PER SQUARE FOOT FOR AREAS WITHIN MUSD, NUSD & RSD
\$7.79	\$4.12

The cost impacts per square foot of residential construction/reconstruction shown in Table E-1 are greater than the School District’s share of the current maximum authorized residential School Fee, which is \$1.06 per square foot for the area served by MUSD, NUSD and RSD, and \$1.52 per square foot for the area served by PESD (the “Applicable Residential School Fees”); therefore the School District is reasonably justified in levying statutory Level I school fees in an amount up to but not exceeding the Applicable Residential School Fees. The Applicable Residential School Fees that may be charged by the School District are summarized in Table E-2 below by area of the School District.

**Table E-2
Applicable Residential School Fees by Area**

APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR AREAS WITHIN PESD	APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR AREAS WITHIN MUSD, NUSD & RSD
\$1.52	\$1.06

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 adds that employee generation estimates shall 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 of assessable space as determined in this

Study are shown in Table E-3 by commercial/industrial land use type and by area of the School District (each commercial/industrial category is further described in Appendix “A”).

**Table E-3
Commercial/Industrial School Facilities Cost Impacts**

COMMERCIAL/INDUSTRIAL CATEGORY	IMPACT PER SQUARE FOOT FOR AREAS WITHIN PESD	IMPACT PER SQUARE FOOT FOR AREAS WITHIN MUSD, NUSD & RSD
Banks	\$3.62	\$1.94
Community Shopping Center	\$1.97	\$1.05
Neighborhood Shopping Center	\$3.59	\$1.92
Industrial Business Parks	\$4.51	\$2.41
Industrial Parks/Warehousing	\$1.73	\$0.92
Rental Self-Storage	\$0.08	\$0.05
Research & Development	\$3.90	\$2.09
Hospitality (Lodging)	\$1.45	\$0.78
Commercial Offices (Standard)	\$6.14	\$3.28
Commercial Offices (Large High Rise)	\$5.83	\$3.12
Corporate Offices	\$3.44	\$1.84
Medical Offices	\$5.47	\$2.93

The cost impacts per square foot for each category of commercial/industrial construction are equal to or exceed (i) \$0.1708 per square foot, the School District’s share of the maximum authorized School Fee per square foot of assessable space applicable to new commercial/industrial development within the area served by MUSD, NUSD and RSD and (ii) \$0.2440 per square foot, the School District’s share of the maximum authorized School Fee per square foot applicable to new commercial/industrial development within the area served by PESD; except for Rental Self-Storage development, which may be charged at \$0.05 per square foot for the area served by MUSD, NUSD and RSD and \$0.08 per square foot for areas within PESD (“Applicable Com/Ind School Fees”). Therefore, except for Rental Self-Storage development, the School District is fully justified in levying commercial/industrial School Fees on new commercial/industrial development in an amount up to but not exceeding the Applicable Com/Ind School Fees. The Applicable Com/Ind School Fees that may be charged by the School District are summarized in Table E-4.

**Table E-4
Applicable Commercial/Industrial School Fees**

COMMERCIAL/INDUSTRIAL CATEGORY	APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR AREAS WITHIN PESD	APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR AREAS WITHIN MUSD, NUSD & RSD
Banks	\$0.2440	\$0.1708
Community Shopping Center	\$0.2440	\$0.1708
Neighborhood Shopping Center	\$0.2440	\$0.1708
Industrial Business Parks	\$0.2440	\$0.1708
Industrial Parks	\$0.2440	\$0.1708
Rental Self-Storage	\$0.0800	\$0.0500
Research & Development	\$0.2440	\$0.1708
Hospitality (Lodging)	\$0.2440	\$0.1708
Commercial Offices (Standard)	\$0.2440	\$0.1708
Commercial Offices (Large High Rise)	\$0.2440	\$0.1708
Corporate Offices	\$0.2440	\$0.1708
Medical Offices	\$0.2440	\$0.1708

SECTION I. 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/industrial 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 following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project:

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.

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 decisions, which formerly permitted school districts to challenge local land use approvals for residential and commercial/industrial developments based on a lack of space in school facilities, are suspended by SB 50.

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.

In addition, Proposition 55 was approved on March 2, 2004, which authorized the sale of \$12.3 billion in State bonds. Furthermore, 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 II. PROJECTED UNHOUSED STUDENTS AND ESTIMATED FACILITY AND PER STUDENT COSTS

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 IV. to evaluate the impact of commercial/industrial development.

A. SCHOOL DISTRICT CAPACITY AND STUDENT ENROLLMENT

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

The School District currently operates one (1) middle school serving grades 7 and 8, three (3) comprehensive high schools and one (1) continuation high school serving grades 10 through 12, one (1) community adult school generally serving grades 9 through 12, one (1) military institute charter facility serving grades 5 through 12 and one online charter school serving grades 9 through 12. Pursuant to Education Code Section 17071.10, these facilities have a capacity to accommodate 9,530 students, 8,424 of which are at the high school level and 1,106 seats are at the middle school level. Appendix "D" provides a calculation of the updated facility capacity.

Based on October 2017 California Longitudinal Pupil Achievement Data System (CALPADs) data, the student enrollment of the School District is 10,825 students. Of those students, 26 are on independent study and 34 are enrolled in the Scholar Plus Online Learning Program ("SPOLP"). Those students do not require full-time teaching stations and have been subtracted from the CALPADs figures. Furthermore, a total of 180 grades 5 and 6 students attending the California Military Institute ("CMI") have been subtracted from the CALPADs figures. Should these students return to traditional enrollment, the students would attend an elementary "feeder" school district and therefore would have no impact on the School District's facilities. Subtracting the independent program, SPOLP and grades 5 and 6 CMI students from the CALPADs figures results in a net enrollment of 10,585 students. Appendix "B" provides a summary of the School District's student enrollment as of October 2017. Current available capacity is calculated by subtracting current student enrollment from existing school facilities capacity for each school level. This operation results in deficit capacity at the middle school level the high school level. The available capacity determination 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
Middle School (7-8)	1,106	1,167	(61)
High School (9-12)	8,424	9,418	(994)
TOTAL	9,530	10,585	(1,055)

¹ Does not include Independent Study and Scholar Plus Online Learning students; students attending California Military Institute (CMI) have been categorized as High School students (excluding 5th and 6th grade students); CMI serves students throughout the School District.

B. PROJECTED UNHOUSED STUDENTS

1. Projected Residential Units

Based on information obtained from the Planning Departments of the cities of Perris, Menifee, Lake Elsinore, Murrieta and San Jacinto (“Cities”) and the County of Riverside (“County”) Planning Department (collectively the “Planning Agencies”) Koppel & Gruber Public Finance (“K&G Public Finance”), estimated a total of 24,374 residential units could be developed within the School District’s boundaries over the next ten (10) years (“Projected Units”). Of the 24,374 Projected Units, an estimated 3,650 units are subject to alternative mitigation through the execution of a mitigation agreement or participation in a Community Facilities District (“CFD”). The projected residential units located within areas subject to mitigation agreements or within a CFD are not expected to pay Applicable School Fees and therefore have been excluded from the findings established herein. The number of Projected Units, mitigated Projected Units and unmitigated Projected Units are summarized in Table 2 by jurisdiction and residential category and more specifically Single-Family Detached units (“SFD”) and Multi-family units (“MF”). SFD are those units with no common walls and MF are those units sharing a common wall and include townhouses, condominiums, apartments, duplexes, and other similar residential types.

**Table 2
Projected Residential Units**

JURISDICTION	RESIDENTIAL CATEGORY	TOTAL PROJECTED UNITS	MITIGATED PROJECTED UNITS	UNMITIGATED PROJECTED UNITS
MUSD, NUSD and RSD	SFD	19,954	(3,581)	16,373
	MF	1,654	0	1,654
PESD	SFD	800	(69)	731
	MF	1,966	0	1,966
TOTAL		24,374	(3,650)	20,724

2. Student Generation Rates

In order to calculate SGRs, K & G Public Finance first obtained property characteristic data from the Assessor’s Office of the County of Riverside (“County”) for fiscal year 2017/2018. The database contains all residential parcels within the School District and provides the year that a structure (if any) was built and land use class information (i.e. condominiums, single family dwellings, etc.). Additional research, including collection of building permit data, was used to update the database. Parcels in the database were classified by residential category (SFD or MF units).

Since the property data information was missing unit counts for many of the residential parcels contained therein, K&G Public Finance relied on housing information from the U.S. Census Bureau¹ to estimate the total number of residential units located within the School District by residential category.

K&G Public Finance then obtained a student database from the School District, which contained student identification, school attended and physical address information for each student enrolled in the School District. The student database is reflective of student enrollment information as of October 2017. The student enrollment address information was matched to the address (situs address) information of parcels in the County property characteristic database. The number of students matched was then queried by school level and residential category. Table 3 below summarizes the SGRs by school level and residential category. The calculation of the SGRs and are further described in Appendix “C” of this Study.

¹ 2012-2016 American Community Survey 5-Year Estimates; DP04- Selected Housing.

**Table 3
Student Generation Rates**

SCHOOL LEVEL	SFD UNITS	MF UNITS
Middle School (7-8)	0.1247	0.0640
High School (9-12)	0.1010	0.1339
TOTAL	0.2257	0.1979

3. Projected Student Enrollment

Projected student enrollment was determined by multiplying the SGRs in Table 3 by the unmitigated Projected Units as shown in Table 2. A total of 2,743 students are estimated to be generated from Projected Units within the MUSD, NUSD and RSD area and 537 students are estimated to be generated from unmitigated Projected Units built within the PESD area. The projected student enrollment is summarized by school level and area of the School District in Tables 4 and 5.

**Table 4
Projected Student Enrollment08**

PESD Area Enrollment Projection	
SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT
Middle School (7-8)	252
High School (9-12)	285
SUBTOTAL PESD AREA	537
MUSD, NUSD and RSD Area Enrollment Projection	
SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT
High School	2,743
SUBTOTAL MUSD, NUSD and RSD AREA	2,743
TOTAL PROJECTED STUDENTS ENROLLMENT	3,280

¹ Includes unmitigated Projected Units only.

4. Projected Unhoused Students

As shown in Table 1, there is a deficit capacity at the middle school level and the high school level. Therefore, there are no seats available to accommodate students generated from unmitigated Projected Units and the number of projected unhoused students is equal to the projected student enrollment shown in Table 4. The projected number of

unhoused students (“Projected Unhoused Students”) are shown in Tables 5 and 6 by area of the School District.

Table 5
Projected Student Enrollment for MUSD, NUSD and RSD Area

SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT	SEATS AVAILABLE	PROJECTED UNHOUSED STUDENTS
Middle School (7-8)	NA	NA	NA
High School (9-12)	2,743	0	2,743
TOTAL	2,743	0	2,743

Table 6
Projected Unhoused Students for PESD Area

SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT	SEATS AVAILABLE	PROJECTED UNHOUSED STUDENTS
Middle School (7-8)	252	0	252
High School (9-12)	285	0	285
TOTAL	537	0	537

C. FACILITY NEEDS AND ESTIMATED PER STUDENT COST

1. Facility Needs

In 2017, The School District finalized a Long-Range Facilities Master Plan (the “2017 FMP”), which among other items, identifies both the short-range and long-range facility needs of the School District. The total project costs were estimated at \$540,290,854 in 2017 dollars, without accounting for projected construction cost escalation over the project timeline.

The 2017 FMP identifies the need for one (1) additional middle school (Middle School #2) and two (2) additional comprehensive high schools (High School #4 and High School #5). The School District currently owns one (1) site planned for the construction of Middle School #2 and one (1) site planned for the construction of High School #4. Acquisition of a new school site is required for the construction of High School #5.

Revenues from the imposition of the applicable school fees are intended to help bridge the funding gap between (i) monies available from general obligation bond proceeds, or other sources, and (ii) the estimated costs of the capital improvement projects outlined in the 2017 FMP.

Table 7 summarizes the estimated cost to the School District of providing new school facilities per school level and focuses on estimated construction costs for a new middle school campus and a new high school campus.

Table 7
Estimated Facilities Costs Per School Level

SCHOOL LEVEL	ESTIMATED SITE COSTS ^{1,2}	ESTIMATED FACILITIES CONSTRUCTION & SOFT COSTS ³	TOTAL ESTIMATED SCHOOL FACILITIES COSTS
Middle School (7-8)	\$0	\$50,597,918	\$50,597,918
High School (9-12)	\$5,887,500	\$141,723,781	\$147,611,281

1 The School District owns one (1) Middle School and one (1) High School Site.

2 The need to acquire an additional high school site is anticipated in the 2017 FMP. Site costs are estimated based on the average cost per acre determined in a land appraisal prepared by Epic Land Solutions in December 28, 2016 and the land acreages 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.

3 Based on cost estimates presented in the 2017 FMP.

2. Estimated Cost Per Student

The School District has determined that future school facilities will be designed to accommodate a capacity of 1,000 students at the middle school level and 2,600 students at the high school level. The estimated Cost per Student for each school level is determined by dividing the Total Estimated School Facilities Costs shown in Table 7 by the student capacity. The cost per student calculation is shown in Table 8.

Table 8
Facilities Costs Per Student

SCHOOL LEVEL	TOTAL ESTIMATED SCHOOL FACILITIES COST	STUDENT CAPACITY	COST PER STUDENT
Middle School (7-8)	\$50,597,918	1,000	\$50,598
High School (9-12)	\$147,611,281	2,600	\$56,774

SECTION III. PROJECTED IMPACT OF RESIDENTIAL DEVELOPMENT

The following sections present the school facility impact analysis for new residential development and provides step-by-step calculations of the estimated per residential square foot cost impact for the area served by MUSD, NUSD and RSD and for the area served by PESD.

A. NET IMPACT PER RESIDENTIAL SQUARE FOOT -- MUSD, NUSD & RSD AREA

To determine the school facilities cost impact per square foot of residential development within the area served by MUSD, NUSD and RSD, first the Projected Unhoused Students determined in Table 5 were multiplied by the Costs per Student determined in Table 8. The result of this computation is shown in Table 9 and reflects the estimated school facilities cost impact to house Projected Unhoused Students.

**Table 9
Facilities Cost Impact**

SCHOOL LEVEL	PROJECTED UNHOUSED STUDENTS	COST PER STUDENT	FACILITIES IMPACT
Middle School (7-8)	NA	NA	NA
High School (9-12)	2,743	\$56,774	\$155,731,082
TOTAL	2,743	NA	\$155,731,082

The school facilities impact allocation shown in Table 9 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 10.

**Table 10
School Facilities Cost per Residential Unit**

FACILITIES COST ALLOCATION	UNMITIGATED PROJECTED UNITS	FACILITIES COST PER RESIDENTIAL UNIT
\$155,731,082	18,027	\$8,639

The school facilities cost impact per residential square foot was calculated by dividing the school facilities cost per residential unit determined in Table 10 by the weighted average square footage of a residential unit within MUSD, NUSD and RSD. This calculation is shown in Table 11. K&G Public Finance used square footage information obtained from the Assessor's Office of the County for residential units constructed within the School

District over the last five-year period to estimate the weighted average square footage of the unmitigated Projected Units within MUSD, NUSD and RSD.

Table 11
School Facilities Cost per Residential Square Foot

FACILITIES COST PER RESIDENTIAL UNIT	WEIGHTED AVERAGE SQUARE FOOTAGE	FACILITIES COST PER RESIDENTIAL SQUARE FOOT
\$8,639	2,097	\$4.12

The school facilities impact per residential square foot determined in Table 11 is greater than the School District’s share of the current maximum authorized residential School Fees of \$1.06 per square foot for the area served by MUSD, NUSD and RSD; therefore the School District is justified in levying up to but not exceeding the maximum authorized amount for residential construction and reconstruction.

B. NET IMPACT PER RESIDENTIAL SQUARE FOOT – PESD AREA

To determine the school facilities cost impact per square foot of residential development within the area served by PESD, first the Projected Unhoused Students determined in Table 6 were multiplied by the Cost per Student determined in Table 8 for each school level. The result of this computation is shown Table 12 and reflects the estimated school facilities cost impact to house Projected Unhoused Students.

Table 12
PESD Area
Facilities Cost Impact

SCHOOL LEVEL	PROJECTED UNHOUSED STUDENTS	COST PER STUDENT	FACILITIES IMPACT
Middle School (7-8)	252	\$50,598	\$12,750,696
High School (9-12)	285	\$56,774	\$16,180,590
TOTAL	537	NA	\$28,931,286

The school facilities impact allocation shown in Table 12 was then divided by the number of unmitigated Projected Units within the area served by PESD shown in Table 2 to determine the school facilities cost per residential unit. The cost per residential unit is shown in Table 13.

Table 13
PESD Area
School Facilities Cost per Residential Unit

FACILITIES COST ALLOCATION	UNMITIGATED PROJECTED UNITS	FACILITIES COST PER RESIDENTIAL UNIT
\$28,931,286	2,697	\$10,727

The school facilities cost impact per residential square foot was calculated by dividing the school facilities cost per residential unit determined in Table 13 by the weighted average square footage of a residential unit within the PESD area. This calculation is shown in Table 14.

Table 14
PESD Area
School Facilities Cost per Residential Square Foot

FACILITIES COST PER RESIDENTIAL UNIT	WEIGHTED AVERAGE SQUARE FOOTAGE	FACILITIES COST PER RESIDENTIAL SQUARE FOOT
\$10,727	1,377	\$7.79

The school facilities impact per residential square foot determined in Table 14 are greater than the School District's share of the current maximum authorized residential School Fees of \$1.52 per square foot for the area served by PESD; therefore the School District is justified in levying up to but not exceeding the maximum authorized amount for residential construction and reconstruction.

SECTION IV. 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 sets out 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 15 below. 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 15
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 15 were first used to determine the impact of commercial/industrial development on a per household basis. Based on information obtained from the U.S. Census Bureau², there are approximately 1.24 employed persons per household on average for households located within the School District. Dividing the employee generation estimates listed in Table 15 by 1.24 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 therefore will 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 data³, it is estimated that approximately 14.00% of employees both live and work within the School District. Multiplying the Total Household Impact by 14.00% 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 16.

Table 16
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	0.3190
Community Shopping Center	0.1733
Neighborhood Shopping Center	0.3160
Industrial Business Parks	0.3969
Industrial Parks/Warehousing	0.1521
Rental Self-Storage	0.0073
Research & Development	0.3433
Hospitality (Lodging)	0.1279
Commercial Offices (Standard)	0.5408
Commercial Offices (Large High Rise)	0.5131
Corporate Offices	0.3031
Medical Offices	0.4816

² 2016 American Community Survey 1-Year Estimate; DP03-Housing units; S0801-Commuting Characteristics (workers 16 years and over).

³ 2016 American Community Survey 1-Year Estimates; S0801- (worked in place of residence).

2. Household Student Generation

The student generation impacts per 1,000 square feet of commercial/industrial development were calculated by multiplying the household impacts shown in Table 16 by blended student generation rates determined for each school level. The result of this calculation is shown in Table 17. The determination of the blended student generation rates is shown and described in Appendix “C” of this Study.

Table 17
Student Generation per 1,000 Square Feet of
Commercial/Industrial Development

COMMERCIAL/INDUSTRIAL CATEGORY	MIDDLE SCHOOL STUDENT GENERATION	HIGH SCHOOL STUDENT GENERATION	TOTAL STUDENT GENERATION
Banks	0.0325	0.0466	0.0791
Community Shopping Center	0.0177	0.0253	0.0430
Neighborhood Shopping Center	0.0322	0.0462	0.0784
Industrial Business Parks	0.0404	0.0580	0.0984
Industrial Parks/Warehousing	0.0155	0.0222	0.0377
Rental Self-Storage	0.0007	0.0011	0.0018
Research & Development	0.0350	0.0502	0.0852
Hospitality (Lodging)	0.0130	0.0187	0.0317
Commercial Offices (Standard)	0.0551	0.0790	0.1341
Commercial Offices (Large High Rise)	0.0523	0.0750	0.1273
Corporate Offices	0.0309	0.0443	0.0752
Medical Offices	0.0491	0.0704	0.1195

C. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT -- MUSD, NUSD AND RSD AREA

1. Cost Impact

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the total school facilities cost per student was determined by multiplying the school facilities costs per student determined in Table 8 by the student generation impacts for the high school level shown in Table 17. The school facilities cost impacts are shown in Table 18 by commercial/industrial development category and school level.

Table 18
School Facilities Costs per 1,000 Square Feet of
Commercial/Industrial Development

COMMERCIAL/INDUSTRIAL CATEGORY	MIDDLE SCHOOL IMPACT ¹	HIGH SCHOOL IMPACT	TOTAL COST IMPACT
Banks	NA	\$2,646	\$2,646
Community Shopping Center	NA	\$1,436	\$1,436
Neighborhood Shopping Center	NA	\$2,623	\$2,623
Industrial Business Parks	NA	\$3,293	\$3,293
Industrial Parks/Warehousing	NA	\$1,260	\$1,260
Rental Self-Storage	NA	\$62	\$62
Research & Development	NA	\$2,850	\$2,850
Hospitality (Lodging)	NA	\$1,062	\$1,062
Commercial Offices (Standard)	NA	\$4,485	\$4,485
Commercial Offices (Large High Rise)	NA	\$4,258	\$4,258
Corporate Offices	NA	\$2,515	\$2,515
Medical Offices	NA	\$3,997	\$3,997

¹ The areas with the School District served by MUSD, NUSD and RSD serve grades 9 through 12 only.

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 18.

The residential fee offsets are calculated by using the School District’s proposed Level I Fee applicable to residential development within the area served by MUSD, NUSD and RSD (\$1.06 per square foot) and multiplying that amount by the weighted average square footage of a residential unit in the MUSD, NUSD and RSD area, which is 2,097 square feet. This calculation provides the average residential revenues from a residential unit of \$2,223 (\$1.06 x 2,097). The proposed Level I Fee for the MUSD, NUSD and RSD area is utilized for purposes of this analysis as a conservative approach to calculating the Net Cost Impacts. It should be noted the Applicable Com/Ind School Fees for the MUSD, NUSD and RSD area, \$0.1708 per square foot, would also be justified utilizing the current maximum Level I School Fee (\$0.97 per square foot). The average residential revenues from a residential unit multiplied by New Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 18, 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 19.

**Table 19
Residential Fee Offset**

COMMERCIAL/INDUSTRIAL CATEGORY	NEW HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	RESIDENTIAL FEE OFFSET PER 1,000 SQUARE FEET COM./IND.
Banks	0.3190	\$709
Community Shopping Center	0.1733	\$385
Neighborhood Shopping Center	0.3160	\$702
Industrial Business Parks	0.3969	\$882
Industrial Parks/Warehousing	0.1521	\$338
Rental Self-Storage	0.0073	\$16
Research & Development	0.3433	\$763
Hospitality (Lodging)	0.1279	\$284
Commercial Offices (Standard)	0.5408	\$1,202
Commercial Offices (Large High Rise)	0.5131	\$1,141
Corporate Offices	0.3031	\$674
Medical Offices	0.4816	\$1,071

3. Net School Facilities Costs

Subtracting the Residential Fee Offset determined in Table 19 from the total school facilities costs listed in Table 18 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 20.

**Table 20
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
Banks	\$2,646	\$709	\$1,937
Community Shopping Center	\$1,436	\$385	\$1,051
Neighborhood Shopping Center	\$2,623	\$702	\$1,921
Industrial Business Parks	\$3,293	\$882	\$2,411
Industrial Parks/Warehousing	\$1,260	\$338	\$922
Rental Self-Storage	\$62	\$16	\$46
Research & Development	\$2,850	\$763	\$2,087
Hospitality (Lodging)	\$1,062	\$284	\$778
Commercial Offices (Standard)	\$4,485	\$1,202	\$3,283
Commercial Offices (Large High Rise)	\$4,258	\$1,141	\$3,117
Corporate Offices	\$2,515	\$674	\$1,841
Medical Offices	\$3,997	\$1,071	\$2,926

The Net School Facilities Costs determined in Table 20 were then divided by 1,000⁴ to provide the cost impact on a square foot basis. These cost impacts are listed in Table 21.

Table 21
Net Cost Impacts
Per Square Foot of Commercial/Industrial Development

COMMERCIAL/INDUSTRIAL CATEGORY	MUSD, NUSD AND RSD NET IMPACTS
Banks	\$1.94
Community Shopping Center	\$1.05
Neighborhood Shopping Center	\$1.92
Industrial Business Parks	\$2.41
Industrial Parks/Warehousing	\$0.92
Rental Self-Storage	\$0.05
Research & Development	\$2.09
Hospitality (Lodging)	\$0.78
Commercial Offices (Standard)	\$3.28
Commercial Offices (Large High Rise)	\$3.12
Corporate Offices	\$1.84
Medical Offices	\$2.93

The net cost impacts shown in Table 21 are greater than the School District’s share of the current maximum authorized commercial/industrial School Fees of \$0.1708 per square foot for the area served by MUSD, NUSD and RSD, except for the category of Rental Self-Storage development. Therefore, the School 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 \$0.05 per square foot.

D. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT -- PESD AREA

1. PESD Area Cost Impact

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the total school facilities cost per student was determined by multiplying the school facilities costs per student determined in Table 8 by the student generation impacts calculated in Table 17. The

⁴ The Employee Generation rates derived from the SANDAG study are estimated per 1,000 square feet of development.

school facilities cost impacts for the area served by PESD are shown in Table 22 by commercial/industrial development category and school level.

Table 22
PESD Area
School Facilities Costs per 1,000 Square Feet of
Commercial/Industrial Development

COMMERCIAL/INDUSTRIAL CATEGORY	MIDDLE SCHOOL IMPACT	HIGH SCHOOL IMPACT	TOTAL COST IMPACT
Banks	\$1,644	\$2,646	\$4,290
Community Shopping Center	\$896	\$1,436	\$2,332
Neighborhood Shopping Center	\$1,629	\$2,623	\$4,252
Industrial Business Parks	\$2,044	\$3,293	\$5,337
Industrial Parks/Warehousing	\$784	\$1,260	\$2,044
Rental Self-Storage	\$35	\$62	\$97
Research & Development	\$1,771	\$2,850	\$4,621
Hospitality (Lodging)	\$658	\$1,062	\$1,720
Commercial Offices (Standard)	\$2,788	\$4,485	\$7,273
Commercial Offices (Large High Rise)	\$2,646	\$4,258	\$6,904
Corporate Offices	\$1,563	\$2,515	\$4,078
Medical Offices	\$2,484	\$3,997	\$6,481

2. PESD Area Residential Fee Offsets

The residential fee offsets are first calculated by using the School District’s proposed Level I Fee applicable to residential development within the PESD area (\$1.52 per square foot) and multiplying that amount by the weighted average square footage of a residential unit in the PESD area, which is 1,377 square feet. This calculation provides the average residential revenues from a residential unit of \$2,093 (\$1.52 x 1,377). The proposed Level II Fee for the PESD area is utilized for purposes of this analysis as a conservative approach to calculating the Net Cost Impacts. It should be noted the Applicable Com/Ind School Fees for the PESD area, \$0.2440 per square foot, would also be justified utilizing the current maximum Level I School Fee (\$1.39 per square foot). The average residential revenues from a residential unit multiplied by New Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 17, results in the residential school fee revenues per 1,000 square feet of commercial/industrial development (“PESD Area Residential Fee Offset”). This computation is shown in Table 23.

**Table 23
PESD Area Residential Fee Offset**

COMMERCIAL/INDUSTRIAL CATEGORY	NEW HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	PESD AREA RESIDENTIAL FEE OFFSET PER 1,000 SQUARE FEET COM./IND.
Banks	0.3190	\$668
Community Shopping Center	0.1733	\$363
Neighborhood Shopping Center	0.3160	\$661
Industrial Business Parks	0.3969	\$831
Industrial Parks/Warehousing	0.1521	\$318
Rental Self-Storage	0.0073	\$15
Research & Development	0.3433	\$719
Hospitality (Lodging)	0.1279	\$268
Commercial Offices (Standard)	0.5408	\$1,132
Commercial Offices (Large High Rise)	0.5131	\$1,074
Corporate Offices	0.3031	\$634
Medical Offices	0.4816	\$1,008

3. PESD Area Net School Facilities Costs

Subtracting the PESD Area Residential Fee Offset determined in Table 23 from the total school facilities costs listed in Table 22 results in the net school facilities costs per 1,000 square feet of commercial/industrial development (“PESD Area Net School Facilities Costs”). The PESD Area Net School Facilities Costs are listed in Table 24.

Table 24
PESD Area Net School Facilities Costs
Per 1,000 Square Feet Commercial/Industrial Development

COMMERCIAL/INDUSTRIAL CATEGORY	TOTAL SCHOOL FACILITIES COSTS	PESD AREA RESIDENTIAL FEE OFFSET	PESD AREA NET SCHOOL FACILITIES COSTS
Banks	\$4,290	\$668	\$3,622
Community Shopping Center	\$2,332	\$363	\$1,969
Neighborhood Shopping Center	\$4,252	\$661	\$3,591
Industrial Business Parks	\$5,337	\$831	\$4,506
Industrial Parks/Warehousing	\$2,044	\$318	\$1,726
Rental Self-Storage	\$97	\$15	\$82
Research & Development	\$4,621	\$719	\$3,902
Hospitality (Lodging)	\$1,720	\$268	\$1,452
Commercial Offices (Standard)	\$7,273	\$1,132	\$6,141
Commercial Offices (Large High Rise)	\$6,904	\$1,074	\$5,830
Corporate Offices	\$4,078	\$634	\$3,444
Medical Offices	\$6,481	\$1,008	\$5,473

The PESD Area Net School Facilities Costs determined in Table 24 were then divided by 1,000⁵ to provide the cost impact on a square foot basis. These cost impacts are listed in Table 25.

Table 25
PESD Area Net Cost Impacts
Per Square Foot of Commercial/Industrial Development

COMMERCIAL/INDUSTRIAL CATEGORY	PESD AREA NET IMPACTS
Banks	\$3.62
Community Shopping Center	\$1.97
Neighborhood Shopping Center	\$3.59
Industrial Business Parks	\$4.51
Industrial Parks/Warehousing	\$1.73
Rental Self-Storage	\$0.08
Research & Development	\$3.90
Hospitality (Lodging)	\$1.45
Commercial Offices (Standard)	\$6.14
Commercial Offices (Large High Rise)	\$5.83
Corporate Offices	\$3.44
Medical Offices	\$5.47

⁵ The Employee Generation rates derived from the SANDAG study are estimated per 1,000 square feet of development.

The net cost impacts shown in Table 25 are greater than the School District's share of the current maximum authorized commercial/industrial School Fees of \$0.2440 per square foot for the area served by PESD, except for the category of Rental Self-Storage development. Therefore, the School 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 \$0.08 per square foot.

E. COMMERCIAL/INDUSTRIAL DEVELOPMENT NOT IN PRESCRIBED CATEGORIES

In cases where new commercial/industrial development does not fit within the prescribed categories shown in Table 15, 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.

F. 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 V. 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 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. school fees 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 construction 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 Appendix “C” 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 VI. 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 School Fees described herein, 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:

- (i). Regular maintenance or routine repair of school buildings and facilities;
- (ii). 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,
- (iii). 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 shall be used for the following purposes:

- (i). 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;
- (ii). Construction or reconstruction of administrative and operations facilities required in response to new student growth from new development;
- (iii). Acquisition or lease of property for unhoused students generated from new development;
- (iv). Purchase or lease of interim and/or temporary school facilities in order to accommodate student capacity demands;
- (v). Furniture for use in new school facilities;
- (vi). Costs associated with the administration, collection, and justification for the Applicable School Fees;
- (vii). Provide local funding that may be required if the School District applies for State funding through SB 50.

The School District finalized its 2017 FMP outlining proposed improvement plans to a number of existing school facilities and the proposed development and construction of new school facilities. As previously noted and described herein, the Applicable School Fees will be used to fund school facilities necessary to accommodate Projected Unhoused Students generated by unmitigated Projected Units to the extent described in this Study and permitted by applicable law. Such Applicable School Fees will be used to fund, in part, the school facilities identified in the 2017 FMP, inclusive of those school facilities described in this Study.

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, adequate school facilities do not exist to accommodate students generated from new residential and commercial/industrial development in the areas of the School District where new development is anticipated. The fees imposed on such new development will be used to finance the acquisition of property and 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 Fees of \$1.06 and \$1.52 per square foot of residential development for the area served by MUSD, NUSD and RSD and the area served by

PESD, respectively, are justified as these fees are below the per square foot cost impacts to provide adequate school facilities required as a result of such new residential development.

Similarly, the imposition of the Applicable Com/Ind. School Fees of \$0.1708 and \$0.2440 per square foot of commercial/industrial development or the area served by MUSD, NUSD and RSD and the area served by PESD, respectively 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 Category 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 – Enrollment Summary

**PERRIS UNION HIGH SCHOOL DISTRICT
2017/2018 ENROLLMENT
APPENDIX B**

School	Total		Total
	Middle	High	
California Military Institute (CMI)[1]	0	837	837
Scholar Plus Online Learning	0	34	34
Heritage High School	0	2,831	2,831
Paloma Valley High School	0	3,191	3,191
Perris High School	0	2,306	2,306
Perris Lake High School	0	253	253
Pinacate Middle School	1,167	0	1,167
Independent Study	0	26	26
Total	1,167	9,478	10,645
Eligible[2]	1,167	9,418	10,585

[1] Does not include grades 5 and 6 students attending CMI. CMI students assigned to High School level since this school serves students throughout the District.

[2] Does not include Independent Study students and Scholar Plus Online Learning Program students;

Appendix C – Student Generation Rates

Student Generation Rates (SGRs) used in this Study are based on information obtained from the Riverside County Assessor’s Office, student enrollment data from the School District and housing information from the U.S. Census Bureau.

A property characteristic data file was obtained from the County Assessor’s Office in June 2018 and parcels in the file were classified by unit type (SFD and MF). Due to the County data missing unit counts in certain instances, residential unit counts were compiled based on information from the U.S. Census Bureau⁶, resulting in a total of 40,124 SFDs, and 5,183 MFs within the MUSD, NUSD and RSD area of the School District and 7,614 SFDs, and 1,686 MFs within PESD area of the School District

A student enrollment database was obtained from the School District and was reflective of student enrollment information as of October 2017. The student enrollment address information was matched to the address (situs address) information of parcels in the County property characteristic databases. Students could not be matched if they were inter-district or they did not have a valid physical address (e.g. only P.O. Box was listed). Mobile homes are not considered in the SGR determination, including the students matched to the mobile home land use, and therefore have been omitted⁷. The number of students matched to units built was then queried by school level and residential category. The determination of the SGRs is summarized in Tables C-1 and C-2.

**Table C-1
Single Family Detached (SFD)
Student Generation Rates**

SCHOOL LEVEL	STUDENTS MATCHED	SFD UNITS	SGR BY SCHOOL LEVEL
Middle School (7-8) ¹	797	7,614	0.1047
High School (9-12)	6,375	40,124	0.1589
TOTAL	7,172	NA	0.2636

¹ Includes area within PESD only.

**Table C-2
Multi Family (MF)
Student Generation Rates**

SCHOOL LEVEL	STUDENTS MATCHED	MF UNITS	SGR BY SCHOOL LEVEL
Middle School (7-8) ¹	150	1,686	0.0890
High School (9-12)	445	5,183	0.0859
TOTAL	595	NA	0.1748

¹ Includes area within PESD only.

⁶ 2012-2016 American Community Survey 5-Year Estimate: DP04-Selected Housing.

⁷ Education Code Section 17625 sets forth the prerequisites that must be met before school districts may levy school fees on mobile homes. Since it is often difficult to determine and make projections relating to mobile homes that meet those requirements, the mobile home category is omitted from this analysis.

In order to evaluate students generated from future households by school level, the student generation rates determined in Table C-1 and C-2 above (also summarized in Table 5 of this Study) were used. These student generation rates are listed by residential category and by school level.

**Table C-3
Student Generation Rates**

SCHOOL LEVEL	SFD UNITS	MF UNITS
Middle School (7-8)	0.1047	0.0890
High School (9-12)	0.1589	0.0859
TOTAL	0.2636	0.1748

The student generation rates for each residential category listed in Table C-4 were blended into a single student generation rate for each school level based on the percentage allocation residential categories of unmitigated Projected Units. The percentage allocations are shown in Table C-4.

**Table C-4
Allocation of Unmitigated Projected Units by Residential Category**

RESIDENTIAL CATEGORY	UNMITIGATED PROJECTED UNITS	PERCENTAGE ALLOCATION
SFD	17,104	82.5%
MF	3,620	17.5%
TOTAL	20,724	100.0%

The Blended Student Generation Rates were determined by applying the percentage allocations, the results of which are shown in Table C-5.

**Table C-5
Blended Student Generation Rates**

SCHOOL LEVEL	BLENDED STUDENT GENERATION RATE ¹
Middle School (7-8)	0.1019
High School (9-12)	0.1461
TOTAL	0.2480

¹ Figures may not compute due to rounding.

Appendix D – Facilities Capacity Update

**PERRIS UNION HIGH SCHOOL DISTRICT
FACILITIES CAPACITY UPDATE
APPENDIX D**

Item	School	Middle School	High School
SAB Form 50-02 (as of 2001)	NA	972	2,349
Non-Severe/Severe	NA	0	0
*002	Paloma Valley High	0	1,796
*003	Perris High	0	40
*004	Pinacate Middle	53	0
*005	Perris Valley Academy	0	297
*006	Perris High	0	702
*007	Heritage High	0	2,673
*008	Paloma Valley High	0	567
*009	Pinacate Middle	81	0
*010[1]	High School #4	0	0
Total		1,106	8,424

*Based on information provided on SAB 50-04 Applications for New Construction Funding

[1] High School #4 has yet to be constructed, therefore additional seats have not been added.