School Facilities Fee Justification Report

Prepared Pursuant to Government Code Section 66001

Report dated December 20, 2024
for Board Approval on January 16, 2025

Coronado Unified School District

2024/2025

SDFA

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I. Introduction

In 1986, the Governor signed into law Assembly Bill ("AB") 2926. AB 2926 provided for the addition of several sections to the Government Code establishing the ability of school districts to impose impact fees on new residential development ("Future Residential Development") and commercial/industrial development ("Future Commercial/Industrial Development") for the construction or reconstruction of school facilities ("School Fees").

AB 2926 also established cities or counties may not issue a building permit for a development project unless such School Fees have been paid and set the maximum level of School Fees at $1.50 per square foot for residential development and $0.25 per square foot for commercial/industrial development. Initially, these maximums were subject to increase each year based on a statewide cost index, as determined by the State Allocation Board ("SAB"); however, the adjustment provisions were subsequently extended to every other year by AB 181. Pursuant to AB 2926, a school district wishing to impose School Fees must determine that the School Fees "are reasonably related and limited to the need for school facilities caused by the development".

In 1987 AB 1600 was enacted providing additional guidance regarding the establishment of School Fees. Specifically, AB 1600 requires that public agencies satisfy the following requirements when establishing and imposing an impact fee as a condition of approval for a development project:

- Determine the purpose of the fee.
- Identify the facilities to which the fee will be applied.
- Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
- Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the facility attributable to the development on which the fee is imposed.

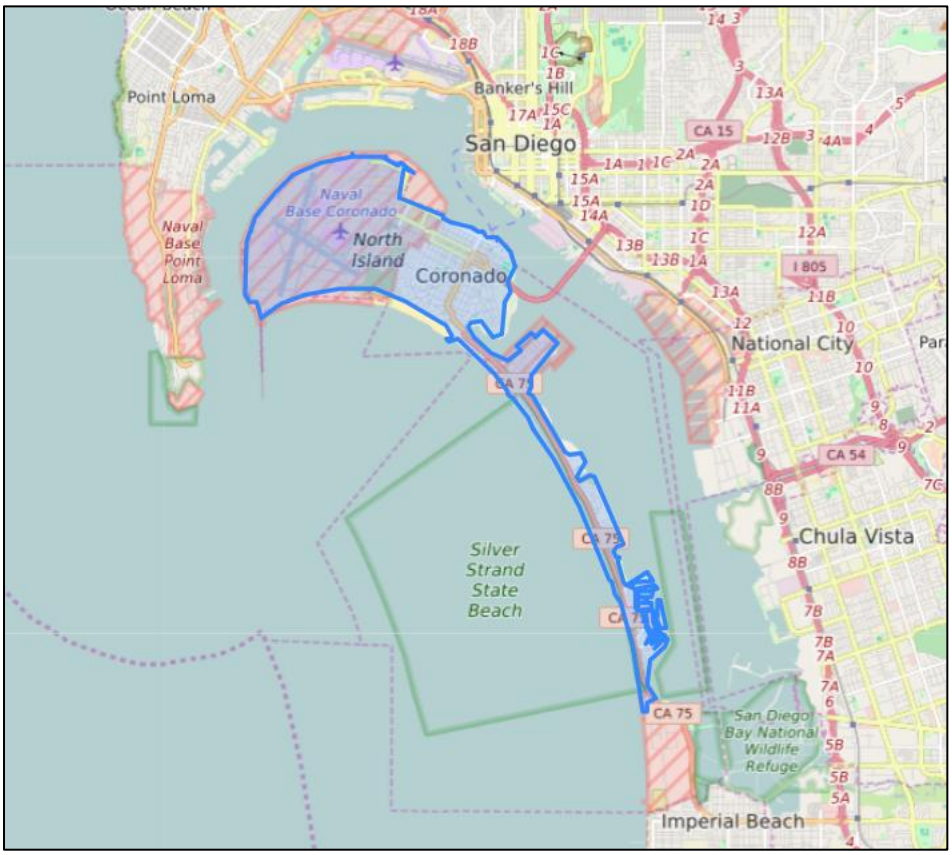
- Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the school district's accounts five or more years after it was collected.

The purpose of this School Facilities Fee Justification Report (the "Report") is to provide the information necessary to satisfy these requirements for the imposition of School Fees, pursuant to AB 2926, by the Coronado Unified School District (the "District").

II. The School District

The Coronado Unified School District (the "District") was established in 1913 and serves transitional kindergarten ("TK") through 12th grade students in the City of Coronado ("City") located in San Diego County. The City is located on a peninsula across the San Diego Bay from the cities of San Diego, National City and Chula Vista. The District operates two elementary schools, one middle school, one comprehensive high school, one continuing education program and preschool/adult education center. The District has a student population of approximately 2,800.

Coronado Unified School District
Boundary Map



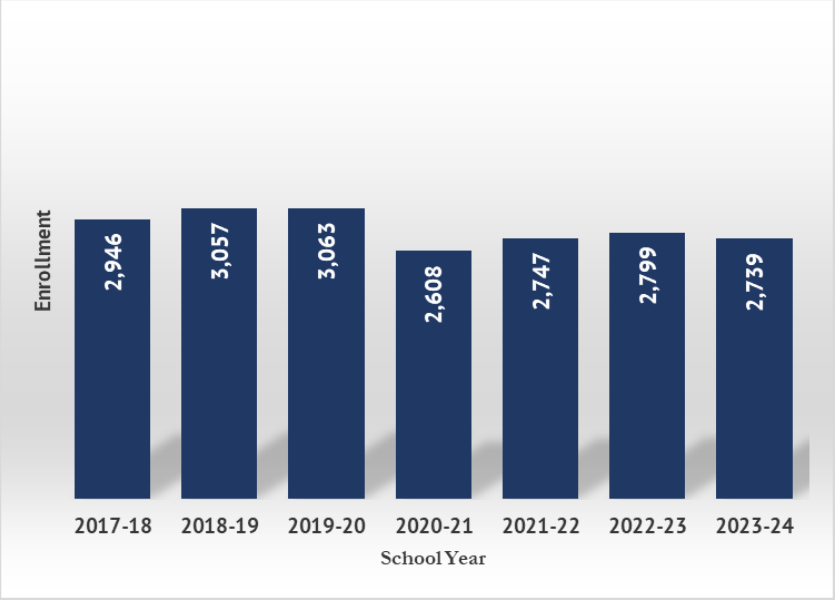
III. District Facilities Needs

In order to identify the impact of Future Residential Development on the facilities of the District, this Report (i) evaluates the District's current and projected enrollment, (ii) establishes the capacity of the District's existing facilities and (iii) identifies a plan to meet the District's facility needs.

A. Enrollment

1. **Historical Enrollment –** This Report uses the California Basic Educational Data System ("CBEDS") to identify the District's enrollment over the past seven years. Over the past seven years the District has experienced a slight decline in enrollment. However, in the school year ending in 2021 the District saw a significant decrease in enrollment, some of this decline was recovered the next school year. Over the last three years the District's enrollment has been relatively stable. Based on the amount of planned residential development and recent demographic trends the District expects enrollment to remain at the current level into the future. Chart 1 shows the historical enrollment during this period.

Chart 1
Historical Enrollment Trend



2. **Enrollment as a Result of Future Residential Development –**

   a. **Future Residential Development -** To evaluate the enrollment expected as a result of Future Residential Development, this Report must first determine the number of units that are expected to be constructed within the District's boundaries.

      According to the San Diego Association of Governments ("SANDAG"), approximately 117 additional residential units are expected to be constructed within the boundaries of the District through calendar year 2050 ("Future Units").

   b. **Reconstruction -** Reconstruction means the voluntary demolition of existing residential dwelling units or commercial/industrial construction and the subsequent construction of new residential dwelling units ("Reconstruction").

      The District acknowledges that Reconstruction projects may occur. In such a situation, the District shall levy School Fees if there is a nexus established between the impact of the new residential dwelling units in terms of a net increase in students generated and the fee to be imposed. In other words, the School Fees must bear a nexus to the burden caused by the Reconstruction project.

      i. **Existing Residential Dwelling Units -** To the extent Reconstruction increases the residential square footage beyond what was demolished ("New Square Footage"), the increase in square footage is subject to the applicable School Fee as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage ("Replacement Square Footage"), the determination of the applicable fee, if any, is subject to a showing that the Replacement Square Footage results in an increase in student enrollment and, therefore, an additional impact being placed on the District to provide school facilities for new student enrollment.

As of the date of this Report, the large-scale Reconstruction of residential development within the District has not occurred to the point where statistically significant data can be utilized to determine if Replacement Square Footage increases student enrollment. Therefore, prior to the imposition of School Fees on Replacement Square Footage, the District may undertake an analysis on any future proposed project(s) and may amend/update this Report. Such analysis will examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in student generation rates as identified in the Report for the applicable unit types between existing square footage and Replacement Square Footage. To the extent it can be demonstrated that Replacement Square Footage will increase student enrollment, the District may then impose a fee on the Replacement Square Footage. This fee amount on Replacement Square Footage shall be calculated by determining the cost impacts associated with any growth in student enrollment from the Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

ii. **Existing Commercial/Industrial Construction -** As with Reconstruction of existing residential dwelling units, there is not significant information regarding (i) the amount of Commercial/Industrial Reconstruction planned within the District or (ii) historical levels, which might indicate the amount to be expected in the future. Due to the lack of information, the District has decided to evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

The fee credit determination will be based upon a comparison of the impacts of the planned residential

project and the existing land use category (i.e. retail and services, office, research and development, industrial/warehouse/manufacturing, hospital, hotel/motel or self-storage). The actual impacts of the planned residential project will be reduced by the impact of the existing commercial/industrial category (derived from calculations contained in this Report). Any reduction to the School Fee would only occur if the reduced amount falls below the School Fee. In such a case, the District would levy the reduced amount per square foot of new residential construction for the subject Reconstruction project.

c. **Student Generation Factors -** To estimate the impact on the District's enrollment of Future Units, Student Generation Factors ("SGFs") must be established.

   The process of determining SGFs involved obtaining student enrollment from the District and dividing it by the total number of units within the District's boundaries, which was obtained from SANDAG. Table 1 outlines the results of this analysis.

Table 1
Student Generation Factors

School Level	Student Enrollment	Units	Student Generation Factors
Elementary School (Grades TK-5)	1,103	9,680	0.1139
Middle School (Grades 6-8)	661	9,680	0.0683
High School (Grades 9-12)	994	9,680	0.1027
Total	**2,758**		**0.2849**

d. Projected Enrollment - When these SGFs are applied to the projected Future Units the resulting enrollment impact is 33 students. Table 2 outlines this calculation.

Table 2
Projected Enrollment
As a Result of Future Units

School Level	Student Generation Factors	Future Units	Projected Enrollment
Elementary School (Grades TK-5)	0.1139	117	13
Middle School (Grades 6-8)	0.0683	117	8
High School (Grades 9-12)	0.1027	117	12
Total	**0.2849**		**33**

B. Capacity of District Facilities

In 2014 the District completed and evaluation of their facilities, based on State loading standards the District facilities can accommodate 3,607 students. Of this capacity 1,589 seats are at the elementary school level, 709 seats are at the middle school level, and 1,309 seats are at the high school level.

Based on the expected future enrollment identified above the District believes that the current capacity is adequate to house current and future students.

C. District Facilities Needs

1. Future Improvements

Though the District's facilities capacity is adequate to house current and future enrollment, many of the District's facilities are more than 20 years old. The District expects that improvements will be required at each facility to maintain the availability of capacity and enhance the ability of the facilities to achieve educational purposes. The table below lists each of the District's

school facilities, their capacity, and the year the facility was first constructed.

Table 3
District School Facilities
Capacity and Age

Campus	Capacity	First Constructed
Silver Strand Elementary School	601	1980
Village Elementary School	988	1990
Coronado Middle School	709	2001
Coronado High School	1,309	1939
Total	**3,607**	**NA**

2. Ongoing Lease Obligation

On July 13, 2005 the District issued the $11,085,000 Certificates of Participation (2005 Financing Project) ("2005 Certificates"). Approximately $4,223,000 of the proceeds of the 2005 Certificates were used to fund the expansion of Coronado High School to benefit future students of the District in advance of the collection of School Fess and other revenues. The amount used for this purpose was approximately 42.22% of the amount generated for projects by the 2005 Certificates.

On March 25, 2015 the District issued the $8,420,000 2015 Refunding Certificates of Participation ("2015 Certificates") for the purpose of refunding the 2005 Certificates at a lower interest rate. The last payment on the 2015 Certificates is November 1, 2035.

IV. Financial Impact of Residential Development

As outlined in Section III, Future Units are expected to generate additional enrollment for the District resulting in the need to complete future improvements to maintain the availability of capacity and enhance the ability of the facilities to achieve educational purposes as well as pay the lease payment on the 2015 Certificates. This section quantifies the financial impact of the additional enrollment resulting from Future Units.

A. Future School Facilities Improvement Cost Estimates

The District does not have relative experience by which to estimate the cost of the improvements that will be needed. In order to estimate the cost associated with the future improvements needed to maintain the availability of capacity and enhance the ability of the facilities to achieve educational purposes this Report relies on the structure of the SAB's grant program and recent construction experience of neighboring school districts.

1. **SAB Base Grant Programs –** The SAB maintains two base grant programs. One program is focused on providing funds for new construction projects which is meant to provide 50% of the funding needed to complete the project with the balance of funds being generated locally (50/50 program). The other program is focused on providing funding for modernization projects, like the ones which will need to be completed by the District, which is meant to provide 60% of the funding needed to complete the project (60/40 program). By comparing the grant amounts for each program this Report estimated that the SAB assumes that on a per pupil basis a modernization project costs approximately 32% of a new construction project at the elementary and middle school levels and 33% at the high school level.
2. **Cost Estimates –** This Report estimates the per pupil cost for a new construction project relying on estimates prepared by Chula Vista Elementary School District and Sweetwater Union High School District. Both of these districts have recently completed significant projects and maintain an active building program making their estimates reliable.

In order to establish an estimated budget for the cost associated with the future improvements needed to maintain the availability of capacity and enhance the ability of the facilities to achieve educational purposes this Report applies the SAB factors established above. The table below shows the estimated costs utilized in this Report, A more detailed breakdown of the costs is listed in Exhibit A.

Table 4
Estimated School Facilities Cost

School Level	Elementary School (Grade TK-5)	Middle School (Grades 6-8)	High School (Grades 9-12)
Estimated Per Pupil New Construction Cost [1]	$83,843	$157,680	$189,216
Modernization Factor [2]	32.00%	32.00%	33.00%
Estimated Per Pupil Modernization Cost	$26,830	$50,458	$62,441

[1] In order to estimate construction costs the Report relies on estimates prepared by neighboring school districts who have more recent experience.

[2] The cost of new construction is utilized to estimate the cost of modernization based on the proportionality of the State Allocation Board's base per pupil grant amount for new constriction and modernization.

B. Lease Payment Obligation

As noted, 42.22% of the proceeds from the 2005 Certificates were used to complete improvements that would otherwise have been completed through the collection of School Fees and the last payment on the 2015 Certificates is November 2035 which falls within the development horizon utilizes by this Report. For these reasons, this Report assumes that 42.22% of the remaining payments should be include in the cost of providing school facilities.

C. Cost of Providing School Facilities

This Report determines the cost of future improvements needed to maintain the availability of capacity and enhance the ability of the facilities to achieve educational purposes resulting from Future Units by multiplying the projected enrollment, listed in Table 2, by the Estimated School Facilities Cost, listed in Table 4. The estimated cost of future improvement is then added to 42.22% of the remaining lease payments

on the 2015 Certificates to establish the total cost of providing school facilities. Table 5 outlines the results of this calculation.

Table 5
Total Cost of Providing School Facilities
As a Result of Future Units

School Level	Projected Enrollment	Cost Per Pupil	Facilities Cost Impacts
Elementary School (Grades TK-5)	13	$26,830	$348,785
Middle School (Grades 6-8)	8	$50,458	$403,661
High School (Grades 9-12)	12	$62,441	$749,295
Cost of Future Improvements			**$1,501,742**
42.22% of the Remaining 2015 Certificates Lease Payments			$2,315,934
Total Cost of Providing School Facilities			**$3,817,676**

D. Cost of Providing School Facilities per Square Foot of Future Residential Development

To determine the cost of providing school facilities per square foot of Future Residential Development, this Report first allocates the Total Cost of Providing School Facilities to the Future Units. Table 9 shows the calculation of the Cost of Providing School Facilities per Future Unit.

Table 6
Cost of Providing School Facilities
Per Future Units

Total Cost of Providing School Facilities	Future Units	Facilities Cost Per Future Unit
$3,817,676	117	$32,630

The Cost of Providing School Facilities per Future Unit is then divided by the expected average square footage of Future Units. To estimate the average square footage of a Future Unit this Report assumes a mix of 46 single family units and 71 multi-family units, as projected by SANDAG. Table 7 shows the calculation of the School Facilities Cost Impact per Square Foot.

Table 7
Cost of Providing School Facilities
Per Square Foot of Future Unit

Facilities Cost Per Future Unit	Average Square Footage	School Facilties Cost Impact Per Square Foot
$32,630	1,697	$19.23

V. Comparison of Impact and Residential School Fee Revenue

As noted in the introduction to this Report, the maximum level of School Fee that may be imposed by a school district on Future Residential Development is set by the SAB. In order to impose School Fees at this level, the District must demonstrate that the cost of providing school facilities equals or exceeds the amount of the School Fee to be imposed. This section compares the maximum School Fee that may be imposed by the District with the cost of providing school facilities per square foot of Future Residential Development as established in Section IV.

A. Maximum Residential School Fee

In January of 2024, the SAB approved an increase to the maximum School Fee that may be imposed by a unified school district on Future Residential Development to $5.17 per square foot.

B. Comparison of Impact and Maximum School Fee

This Report identifies in Section IV that the cost of providing school facilities per square foot of Future Residential Development is approximately $19.23. Since the current maximum School Fee is less than the cost of providing school facilities per square foot of Future Residential Development, the District is justified in imposing their portion of the maximum School Fee of $5.17 per square foot for all Future Residential Development within its boundaries.

VI. Financial Impact of Commercial/Industrial Development

This Section analyzes the financial impact on the District resulting from students that are generated by Future Commercial/Industrial Development.

Future Commercial/Industrial Development will attract additional workers to the District. Because some of those workers will have school-age children, such Future Commercial/Industrial Development will generate additional enrollment for the District. The District is also likely to experience additional enrollment as a result of new workers who do not live within the District's boundaries, but whose children attend the District's schools as a transfer student.

A. Employees Per 1,000 Square Feet

To identify the impact of Future Commercial/Industrial Development this Report must first estimate the number of employees that will be generated by such development.

1. **Employee Generation Rate -** As permitted by State law, this Report estimates the number of employees to be generated by Future Commercial/Industrial Development by utilizing the generation factors set forth by the San Diego Association of Governments ("SANDAG"). Table 8 shows these generation rates.

Table 8
Employee Generation Rates
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Employees Per 1,000 Square Feet
Retail and Services	2.2371
Office	3.4965
Research and Development	3.0395
Industrial/Warehouse/Manufacturing	2.6954
Hospital	2.7778
Hotel/Motel	1.1325
Self Storage	0.0643

Source: SANDAG

2. **Percentage of Employees Residing Within the District -** To accurately identify the number of employees that will reside within the District, this Report adjusts the Employee Generation Rates list in Table 8 to account for employees that may not live within the District.

   To estimate the percentage of employees that will reside within the District this Report utilizes data collected by the US Census Bureau measuring individual's commute time. Based on this information, approximately 34 percent of employees within the District have a commute time of less than 15 minutes and thus are likely to reside within the District. Table 9 shows the Resident Employee Generation Rates.

Table 9
Resident Employee Generation Rates
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Employee Generation Rates	Employees Residing Within the District	Resident Employee Generation Rates
Retail and Services	2.2371	0.3580	0.8009
Office	3.4965	0.3580	1.2517
Research and Development	3.0395	0.3580	1.0881
Industrial/Warehouse/Manufacturing	2.6954	0.3580	0.9650
Hospital	2.7778	0.3580	0.9945
Hotel/Motel	1.1325	0.3580	0.4054
Self Storage	0.0643	0.3580	0.0230

B. Household Impact

As noted in Section III, the SGFs calculated for the District is based on the number of students generated per housing unit. Therefore, this Report must convert the number of resident employees into the resulting number of new households to estimate the number of students to be generated.

1. **Average Number of Employees per Household -** To estimate the number of households to be generated by these resident employees, this Report utilizes information collected by the US Census Bureau. According to the US Census Bureau the average number of employed persons per household within the District is 1.5181.
2. **Household Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Household Impact per 1,000 Square Feet of Commercial/Industrial Development is calculated by dividing the Average Number of Employees per Household by the Resident Employee Generation Rates listed in Table 9. Table 10 summarizes this calculation.

Table 10
Household Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Resident Employee Generation Rate	Average Employees Per Household	Household Impact Per 1,000 Square Feet
Retail and Services	0.8009	1.5181	0.5276
Office	1.2517	1.5181	0.8245
Research and Development	1.0881	1.5181	0.7168
Industrial/Warehouse/Manufacturing	0.9650	1.5181	0.6356
Hospital	0.9945	1.5181	0.6551
Hotel/Motel	0.4054	1.5181	0.2671
Self Storage	0.0230	1.5181	0.0152

C. Student Generation Impact

This Report recognizes that employees may impact the District in two (2) ways. First, some of the employees will reside within the District and have school aged children who attend the District's schools. Secondly, of those employees that do not reside within the District some will have school aged children who choose to attend the District's schools as transfer students.

1. **Resident Student Generation Impact -** To estimate the number of resident students to be generated per 1,000 Square Feet of Commercial/Industrial Development this Report multiplies the SGFs, outlined in Section III, by the Household Impacts listed in Table 10. The resulting Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development is listed in Table 11.

Table 11
Resident Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Total
Retail and Services	0.0601	0.0360	0.0542	0.1503
Office	0.0939	0.0563	0.0847	0.2349
Research and Development	0.0817	0.0489	0.0736	0.2042
Industrial/Warehouse/Manufacturing	0.0724	0.0434	0.0653	0.1811
Hospital	0.0746	0.0447	0.0673	0.1866
Hotel/Motel	0.0304	0.0182	0.0274	0.0761
Self Storage	0.0017	0.0010	0.0016	0.0043

2. **Inter-District Transfer Student Generation Impact -** To estimate the number of inter-district transfer students that may be generated, this Report utilizes enrollment data of the District. The total number of inter-district transfer students attending District schools was divided by the total number of employed persons within the District, as estimated by the US Census Bureau. This calculation is summarized in Table 12.

Table 12
Inter-District Transfer Rate Per Employee

Item	Elementary School (Grades TK-5)	Middle School (Grades 6-8)	High School (Grades 9-12)
Number of Employed Persons	9,942	9,942	9,942
Number of Inter-District Transfers	148	122	213
Inter-District Transfers Per Employee	**0.0149**	**0.0123**	**0.0214**

3. **Total Student Generation Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Inter-District Transfer Rates, listed in Table 12, were multiplied by the Employee Generation Rates in Table 8 to calculate Inter-District Transfer Rates per 1,000 Square Feet of Future Commercial/Industrial Development. These Inter-District Transfer Rates were added to the Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development, listed in Table 11, to calculate the Total Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development list in the Table 12.

Table 12
Total Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Total
Retail and Services	0.0935	0.0635	0.1982	0.3552
Office	0.1460	0.0993	0.3097	0.5551
Research and Development	0.1270	0.0863	0.2693	0.4826
Industrial/Warehouse/Manufacturing	0.1126	0.0766	0.2388	0.4279
Hospital	0.1160	0.0789	0.2461	0.4410
Hotel/Motel	0.0473	0.0322	0.1003	0.1798
Self Storage	0.0027	0.0018	0.0057	0.0102

D. Cost of Providing School Facilities

To calculate the Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development, this Report calculates the cost impact per student using the information listed in Table 5 and multiplies the per student cost by the Total Student Generation Impacts listed in Table 12. Table 13 outlines the resulting Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development.

Table 13
Cost of Providing School Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Total
Retail and Services	$9,065.62	$7,665.73	$26,285.02	$43,016.37
Office	$14,167.90	$11,980.27	$41,077.99	$67,226.16
Research and Development	$12,316.83	$10,414.95	$35,711.42	$58,443.20
Industrial/Warehouse/Manufacturing	$10,921.88	$9,235.45	$31,666.61	$51,823.94
Hospital	$11,256.54	$9,518.36	$32,637.30	$53,412.19
Hotel/Motel	$4,589.45	$3,880.75	$13,306.79	$21,776.99
Self Storage	$260.96	$220.62	$756.84	$1,238.42

E. Residential School Fee Revenue Offset

A portion of the Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development will be mitigated through the collection of School Fees from Future Residential Development. To estimate the amount of these School Fees that will be collected, this Report multiplies the estimated average square footage of a Future Unit, by the District's Residential School Fee of $5.17. This amount is then multiplied by the Household Impacts listed in Table 10. Table 13 outlines this calculation.

Table 13
Residential School Fee Revenue
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Household Impact	Average Residential School Fees	Residential Revenue
Retail and Services	0.5276	$8,773.49	$4,628.89
Office	0.8245	$8,773.49	$7,233.74
Research and Development	0.7168	$8,773.49	$6,288.84
Industrial/Warehouse/Manufacturing	0.6356	$8,773.49	$5,576.43
Hospital	0.6551	$8,773.49	$5,747.51
Hotel/Motel	0.2671	$8,773.49	$2,343.40
Self Storage	0.0152	$8,773.49	$133.36

The Residential School Fee Revenue per 1,000 Square Feet of Commercial/Industrial Development listed in Table 13 is then subtracted from Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development identified in Table 12 to calculate the Remaining Cost of Providing Facilities per 1,000 Square Feet of Commercial/Industrial Development. Table 14 outlines this calculation.

Table 14
Remaining Cost of Providing Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Cost of Providing School Facilities	Residential School Fee Revenue	Remaining Cost of Providing School Facilities
Retail and Services	$43,016.37	$4,628.89	$38,387.47
Office	$67,226.16	$7,233.74	$59,992.41
Research and Development	$58,443.20	$6,288.84	$52,154.36
Industrial/Warehouse/Manufacturing	$51,823.94	$5,576.43	$46,247.51
Hospital	$53,412.19	$5,747.51	$47,664.67
Hotel/Motel	$21,776.99	$2,343.40	$19,433.60
Self Storage	$1,238.42	$133.36	$1,105.07

VII. Comparison of Impact and Commercial/Industrial Fee Revenues

As with Future Residential Development the maximum level of School Fee that may be imposed by a school district on Future Commercial/Industrial Development is set by the SAB. In order to impose School Fees at the maximum level the District must demonstrate that the cost of providing school facilities does not exceed the amount of the School Fees to be imposed. This section compares the maximum School Fee that may be imposed by the District, with the cost of providing school facilities as a result of Commercial/Industrial Development, as established in Section V.

A. Maximum Commercial/Industrial School Fee

In January of 2024, the SAB approved an increase to the maximum School Fee that may be imposed by a unified school district on Commercial/Industrial Development to $0.84 per square foot.

B. Comparison of Financial Impact and Maximum School Fee Revenues Per Square Foot of Commercial/Industrial Development

This Report identified in Section VI that the Remaining Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development ranges from $1,105.07 to $59,992.41. Table 15 compares these costs to the maximum School Fee for Commercial/Industrial Development.

Table 15
Comparison of Remaining Cost of Providing School Facilities
And Maximum School Fee for Commercial/Industrial Development

Commercial/Industrial Category	Remaining Cost of School Facilities		Maximum School Fee	Justified School Fee
	Per 1,000 Square Feet	Per Square Foot		
Retail and Services	$38,387.47	$38.39	$0.84	$0.84
Office	$59,992.41	$59.99	$0.84	$0.84
Research and Development	$52,154.36	$52.15	$0.84	$0.84
Industrial/Warehouse/Manufacturing	$46,247.51	$46.25	$0.84	$0.84
Hospital	$47,664.67	$47.66	$0.84	$0.84
Hotel/Motel	$19,433.60	$19.43	$0.84	$0.84
Self Storage	$1,105.07	$1.11	$0.84	$0.84

Since the District's share of the current maximum School Fee is less than the Remaining Cost of Providing School Facilities per Square Foot of Commercial/Industrial Development in each category the District is justified in imposing a School Fee $0.84 per square foot for all Future Commercial/Industrial Development.

C. Senior Housing

As it relates to the imposition of developer fees upon senior citizen housing projects, Section 65995.1(a) of the Government Code reads as follows:

Notwithstanding any other provision of law, as to any development project for the construction of senior citizen housing, as described in section 51.3 of the Civil Code, a residential care facility for the elderly as described in subdivision (k) of Section 1569.2 of the Health and Safety Code[1], or a multilevel facility for the elderly as described in paragraph (9) of subdivision (d) of Section 15432, any fee charge, dedication or other requirement that is levied under Section 53080[2] may be applied only to new construction and is subject to the limits and conditions applicable to under subdivision (b) of Section 65995 in the case of commercial or industrial development.

[1] Although described in subdivision (k), definition found under subdivision (o) and (p).

[2] Government Code section 53080 was revised to Education Code section 17620.

The District must exercise discretion in determining whether a particular project qualifies as "senior citizen housing" for the purpose of imposing developer fees. (See California Ranch Homes Development Co. v. San Jacinto Unified School Dist. (1993) 17 Cal.App.4th 573, 580–581.) The District also acknowledges that students typically do not reside in senior citizen housing units unless the CC&Rs permit such living arrangements. However, the development of such housing generally generates jobs for facilities maintenance and administration, and in the case of assisted care living situations, health professionals. These jobs may be filled by persons living either within the boundaries of the District or outside the boundaries of the District. In either case, the employees may enroll their students in the District. As a result, some students may be generated as a result of the development of new senior citizen housing.

The District acknowledges Section 65995.1 and will levy developer fees on any senior citizen housing projects at the current commercial/industrial rate of $0.84 per square foot. The District will require proof that such senior units are indeed restricted to seniors (i.e. a copy of the recorded CC&Rs or deed(s)) and reserves the right to revoke a Certificate of Compliance and/or require payment of difference of the amount per square foot paid to the then current amount of developer fees being levied on residential development per square foot should such CC&Rs or deed(s) be modified to allow students to reside such the housing units. If there is any uncertainty as to whether a project qualifies as senior citizen housing or will, in fact, remain senior citizen housing beyond initial approval, the District may wish to seek cooperation from the developer as a condition of levying the commercial/industrial rate. Such cooperation could take the form of an agreement by the developer to record a condition upon the property that then current residential fees would be due to be paid should the residency requirements change so as to allow students to reside on the property.

VIII. Conclusion and Statement of Findings

Based on the findings of this School Facilities Fee Justification Report, the Coronado Unified School District is justified in collecting the legal maximum fee of **$5.17** per square foot of residential development as authorized by Government Code Section 65995, as future residential development creates a school facility cost impact greater than the legal maximum fee. The District is also justified in collecting the legal maximum fee of **$0.84** per square foot of commercial/industrial development on all categories of commercial/industrial development.

The findings of this Report are a based on the following:

- According to SANDAG approximately 117 residential units are planned to be built within the District.
- These residential units are expected to generate 33 students. The District expects these students will require the District to construct new school facilities.
- Each square foot of future residential development creates an estimated school facility cost impact of $19.23.
- If the District collects the maximum school fee which is $5.17, fee revenue will offset approximately 26.89 percent of the school facility cost impact of such residential development.
- Future commercial/industrial development will create the need for additional school facilities by increasing the number of households within the District and the number of inter-district transfer students.
- After accounting for the collection of the maximum school fee from residential development the remaining school facilities cost impact of commercial/industrial development ranges between $1.11 and $59.99 per square foot depending on the category of development.
- If the District collects their portion of the maximum school fee which is $0.84 per commercial/industrial square foot, fee revenue will offset between 1.40 – 76.01 percent of the school facility cost impact of all commercial/industrial categories.

Exhibit A

Estimated School Facilities Cost

Coronado Unified School District
Estimated Cost
Elementary School Facility

A. Site		**$10,640,245**
Site Purchase Price		
Acres	9.53	
Cost Per Acre [1]	$1,116,500	
B. Site Development		**$663,576**
Utilities - Fire Service Water Meters	$411,048	
Equipment Cost and Other Services	$252,528	
C. Construction		**$57,938,009**
Construction Costs with Allowances	$53,592,160	
Construction Management & Reimbursables	$4,345,849	
D. Inspections/Engineering		**$6,042,533**
Architectural Fees/Reimbursables	$4,290,634	
DSA	$418,570	
Building Tests & Exams	$1,333,329	
Attorneys Fees, PLA Consultant, rentals		
CM General Conditions (Reimb.)		
Construction Management Fee		
E. Furniture and Equipment		**$2,430,000**
Equipment	$255,000	
Furnishings	$875,000	
Computers,Classroom Furniture, Copiers, Etc	$1,300,000	
Total Estimated Cost		**$77,714,363**
School Facility Capacity		**800**
School Facility Cost Per Student		**$97,143**
School Facility Cost Per Student - Excluding Site Cost		**$83,843**
Modernization Factor		**31.73%**
Estimated Modernization Cost Per Student		**$26,603**

Source: Chula Vista Elementary School District, Fee Justification Report dated May 2024

Coronado Unified School District
Estimated Cost
Middle School Facility

A. Site				**$29,172,000**
	Site Purchase Price		$28,050,000	
	Acres	25.50		
	Cost Per Acre [1]	$1,100,000		
	Appraisals / Escrow / Survey Costs - 4% of Site Costs per Section 1859.74(a)(2)		$1,122,000	
B. Plans				**$22,680,000**
	Architect's Fee	10.00%	$16,200,000	
	Preliminary Testing	1.00%	$1,620,000	
	DSA/SDE Plan Check	2.40%	$3,888,000	
	Environmental Fee Analysis	0.30%	$486,000	
	Duplicating/Advertising Costs	0.10%	$162,000	
	Other	0.20%	$324,000	
C. Construction				**$162,000,000**
	Square Feet Per Student	100	$150,000,000	
	Cost Per Square Foot [1]	$1,000		
	Utility Services (Including Fees)	1.00%	$1,500,000	
	Service Site & Off Site Development	7.00%	$10,500,000	
D. Testing			2.00%	**$3,240,000**
E. Inspection			9.00%	**$14,580,000**
F. Furniture and Equipment			11.00%	**$17,820,000**
G. Contingency			10.00%	**$16,200,000**
Total Estimated Cost				**$265,692,000**
	School Facility Capacity			**1,500**
	School Facility Cost Per Student			**$177,128**
	School Facility Cost Per Student - Excluding Site Cost			**$157,680**
	Modernization Factor			**31.73%**
	Estimated Modernization Cost Per Student			**$50,032**

Source: Sweetwater Union High School District, Fee Justification Report dated April 3, 2024

Coronado Unified School District
Estimated Cost
High School Facility

A. Site				**$63,263,200**
	Site Purchase Price		$60,830,000	
	Acres	55.30		
	Cost Per Acre [1]	$1,100,000		
	Appraisals / Escrow / Survey Costs - 4% of Site Costs per Section 1859.74(a)(2)		$2,433,200	
B. Plans				**$43,545,600**
	Architect's Fee	10.00%	$31,104,000	
	Preliminary Testing	1.00%	$3,110,400	
	DSA/SDE Plan Check	2.40%	$7,464,960	
	Environmental Fee Analysis	0.30%	$933,120	
	Duplicating/Advertising Costs	0.10%	$311,040	
	Other	0.20%	$622,080	
C. Construction				**$311,040,000**
	Square Feet Per Student	120	$288,000,000	
	Cost Per Square Foot [1]	$1,000		
	Utility Services (Including Fees)	1.00%	$2,880,000	
	Service Site & Off Site Development	7.00%	$20,160,000	
D. Testing			2.00%	**$6,220,800**
E. Inspection			9.00%	**$27,993,600**
F. Furniture and Equipment			11.00%	**$34,214,400**
G. Contingency			10.00%	**$31,104,000**
Total Estimated Cost				**$517,381,600**
	School Facility Capacity			**2,400**
	School Facility Cost Per Student			**$215,576**
	School Facility Cost Per Student - Excluding Site Cost			**$189,216**
	Modernization Factor			**32.65%**
	Estimated Modernization Cost Per Student			**$61,779**

Source: Sweetwater Union High School District, Fee Justification Report dated April 3, 2024