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### **Proposal to Beverly Hills unified School District for The Preparation of School Facilities Needs Analysis And Developer Fee Justification Studies**

California school districts may impose fees on new residential or remodeling projects, commercial and industrial construction. These fees are intended to provide funds for the construction or reconstruction of school facilities to accommodate increasing enrollment within school district boundaries resulting from new development. State law specifies the purpose and restrictions for the fees and has procedures for their implementation, accounting and use.

*KeyAnalytics*, a division of California Financial Services (“*KeyAnalytics*”) is pleased to propose to the Beverly Hills Unified School District (the “District”) assistance in the preparation and approval of Developer Fee Justification Studies (*Justification of Level I Fees*) (“*Study*”) to establish a nexus between residential and commercial/industrial development and the District’s need for facilities improvements, pursuant to the provisions of Sections 17620 of the Education Code and Sections 65995 and 66001 of the Government Code (the “Code”).

***KeyAnalytics believes that identifying and mitigating the impact of development on the District’s facilities is an important part of effectively managing your capital facilities program. Though the levy of school fees will undoubtedly not meet all the needs of the District, it is a critical building block and a requirement under certain programs administered by the Office of Public School Construction. As an industry leader in each significant component of the public school capital facilities funding “puzzle” (State School Facility Program Grants, Development Impact Revenue and General Obligation Bonds), KeyAnalytics is uniquely positioned to complete your studies and make recommendations to integrate its findings into your larger capital facilities funding plan and strategy.***

## Scope of Services:

### 1. Preparation of School Fee Justification Studies:

The Study will justify statutory school fees ("Level I Fees") for the District and identify the full school facilities impacts to be mitigated by all types of development within the District. The specific activities to be performed by KeyAnalytics include the following:

- **Calculate student generation factors ("SGFs")** by housing category (i.e., single family detached and multi-family attached) and school level. SGFs will be calculated by comparing student enrollment of the District to residential data provided from the County Office of the Assessor ("Assessor").
- **Review the school facilities capacity**, as provided by the District and reported on SAB Form 50-02, to determine the number of students that can be adequately housed at each school level.
- Review development plans as provided by local planning agencies and related tract maps of jurisdictions (e.g., city or county) served by the District, to **estimate the number of future residential units by housing category** that can be constructed within the District.
- Compare current enrollment to facilities capacity, by school grade level/configuration, to **determine whether any surplus seats currently exist** to house students generated from future residential units.
- **Project the number of students to be generated** by housing category and school grade level/configuration from future residential units within the District.
- **Estimate the number and type of school facilities** by grade level and school configuration that will need to be constructed or expanded by the District based on the projected enrollment and the capacity of existing school facilities.
- Review and analyze documents to be provided by the District or its architect/construction manager to **estimate the cost of constructing or expanding the school facilities identified**.
- Estimate the resulting school facilities impacts per unit and square foot of residential floor space by each housing category. **Confirm that the "actual" school facilities impacts per square foot of residential floor space exceeds the new Residential School Fee for a housing category**
- **Estimate the employment generation rates per building square foot** and per gross acre by commercial/industrial building and the employee migration factor for the District utilizing data provided by the San Diego Association of Governments and the Bureau of the Census.
- **Estimate the current number of workers per household** within the District (if possible, by commercial/industrial building) based on current housing and employment estimates by state and county agencies, supplemented by the Census and other available data where available.
- Project the number of **new households** that will locate within the District **as a direct result of commercial/industrial development** within the District adjusting for new housing units.
- **Estimate student enrollment increases for each commercial/industrial building**, based on SGFs and the local household impacts per commercial/industrial building unit.

- **Estimate additional student enrollment increases** for each commercial/industrial building based on (i) employment-related inter-district transfer rates and (ii) estimated student enrollment increases per commercial/industrial building.
- Estimate the school facilities impacts per square foot of commercial/industrial floor space for commercial/industrial building. **Confirm that the school facilities impacts per square foot of commercial/industrial floor space for commercial/industrial building are less than the difference between the average “actual” school facilities as a result of the development of a residential unit and the estimated residential School Fees for such unit.**
- Prepare draft and final version of a report presenting the findings of the Study.
- Complete a preliminary review of the District’s ability to justify and levy alternative school fees pursuant to the provisions of Senate Bill 50 and the Code. **Make recommendations regarding the preparation of a School Facilities Need Analysis.**

### **Proposed Compensation:**

- **The fee for providing Developer Fee Justification Study Preparation Services**, as described above, is a fixed fee of **\$8,500 inclusive of all ordinary expenses**. Ordinary expenses shall include expenses associated with (i) the acquisition of data required to prepare the Study and (ii) attendance at one meeting at the District’s office.
- The District may, at its sole discretion, contract with KeyAnalytics for **additional services** related to but not included in the services described herein at a rate of \$250 per hour plus expenses. The hourly rate includes travel time in excess of one-hour round trip.