

**"Empowering
Students for
Success"**



Update on Rancho Mission Viejo Development and School Impact Mitigation Agreement

January 28, 2013

Rancho Mission Viejo Development

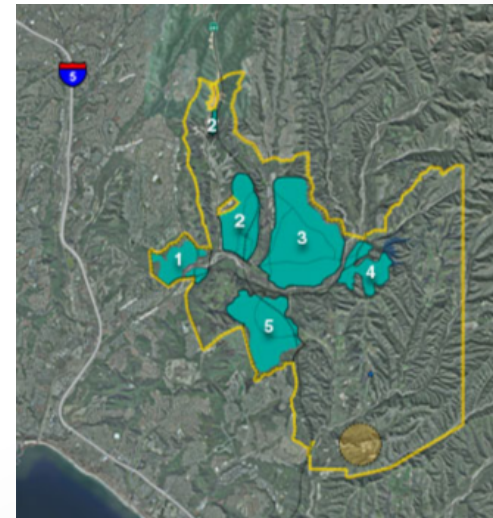
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Summary of latest information on
Rancho Mission Viejo's development plans



RMV Development Plan

- The Ranch Plan was approved by Orange County in 2004
 - 14,000 homes (including 8,000 market rate homes and 6,000 senior citizen homes)
 - 5,000,000 s.f. of commercial development
 - 6,000 acres of development and over 17,000 acres of permanently protected open space and ranch land
- Original plan included nine planning areas. Subsequent revisions to the plan eliminated development from planning areas 6, 7, and 9.
- Planning Area 1- Sendero
 - 1,227 homes (including 941 market rate homes and 286 senior citizen homes)
 - 90,000 s.f. of commercial development
 - 690 acres
 - Scheduled to begin sales in summer 2013.
 - Occupancy scheduled for late 2013/ early 2014
- Planning Area 2
 - Preparing initial tract map
 - Will include first new school – a k-8
 - Scheduled to begin planning new school within next few months



School Impact Mitigation Agreement

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Summary of latest information regarding school impact mitigation negotiations with Rancho Mission Viejo



School Impacts

- Requirements of development approval
 - In 2004, the County Board of Supervisors approval included a provision which requires RMV to ensure that adequate school facilities and services will be available concurrent with need. This is consistent with board policy 7151.
- Mitigation agreements
 - To meet requirements of law and the development approval RMVC desires to enter into a mitigation agreement to stipulate mitigation payments for school facilities impacts
 - CUSD and RMV have previously entered into mitigation agreements related to their developments . Ladera Ranch was the most recent agreement
 - RMV approached CUSD in early 2012 to request to meet to negotiate a mitigation agreement for the RMV developments prior to the need for building permits.
 - Spring/Summer – worked on quality standards
 - Fall/Winter – worked on quantity (capacity) and cost (funding)
 - Friday, January 25, 2013 – RMV delivered a proposed term sheet for agreement



Summary of the Mitigation Issue

- There are three basic components to the issue.
 - QUANTITY : How many new seats will be needed
 - QUALITY: What type of facilities will be needed
 - COST: How much it will cost to provide the QUANTITY at the QUALITY

- **$COST = QUANTITY \text{ times } QUALITY$**

- At least one of these components must be variable
 - If QUANTITY is fixed and QUALITY is fixed then COST is variable
 - If QUANTITY is fixed and COST is fixed then QUALITY is variable
 - If QUALITY is fixed and COST is fixed then QUANTITY is variable
- Major elements of each variable
 - QUANTITY – new students, existing capacity
 - QUALITY – standards/expectations, joint use
 - COST – revenues, costs



Student Generation Rates

- Student Generation Rates (SGR)
 - Based on existing residential development comparable in density, size, pricing and amenities to the planned housing of the next new community (“Like Product”)
- SGR for Planning Area 1
 - Is based on Ladera Ranch “like product”.
- SGR for Remaining Planning Areas
 - Is currently based on the SGRs from the 2010 SFNA.
 - Will be revised as each planning area proceeds to reflect SGRs from “like product” from each of the earlier planning areas.
- Current Forecast of Total Students Generated by New Development
 - 4,561 (k-12 students)
 - 2,724 (k-5 students)
 - 991 (6-8 students)
 - 846 (9-12 students)



Existing Capacity

- District-wide Existing Enrollment Capacity Shortage
 - Calculated shortage of enrollment capacity based on 2010 SFNA per SAB

School Level	2008/09 Facilities Capacity	2011/12 Student Enrollment	Excess/ (Shortage) Capacity
Elementary (K-6) per SAB regs	22,649	27,814	(5,165)
Middle (7-8) per SAB regs	6,410	8,457	(2,047)
High (9-12)	10,808	16,899	(6,091)
Total	39,867	53,170	(13,303)

- District-wide Permanent Facilities Shortage
 - Calculated shortage of square footage capacity based on CDE standards

School Level	Actual Facilities Square Footage	CDE Standard S.F./student	Excess/ (Shortage) Square Footage
Elementary (K-5) per CUSD actuals - includes 7-8 at Arroyo Vista and Carl Hankey	1,379,373	1,391,515 - At 56 s.f./student	(12,142)
Middle (6-8) per CUSD actuals	600,704	926,078 - At 80 s.f./student	(325,374)
High (9-12)	1,119,751	1,554,708 - At 92 s.f./student	(434,957)
Total	3,099,828	3,872,301	(772,473)

Need for New School Facilities

- CUSD Preferred School Models
 - To meet needs of 2,724 (k-5 students), 991 (6-8 students), 846 (9-12 students)
 - K-5 model: 750 enrollment
 - K-8 model: 1200 enrollment
 - 6-8 model: 1200 enrollment
 - 9-12 model: 2400 enrollment
- Best Fit of Models to Need
 - Two new 1200 student K-8 schools
 - One new 750 student K-5 school
 - Insufficient 9-12 students to fit current models
- Interim Housing of Students
 - District can temporarily house new students at existing schools
 - Students will attend closest available school that can house them
 - RMV will pay for transportation if needed
 - New schools will be planned to allow for 33% temporary overload with portables
- Plan for Housing Additional Ranch K-8 Students (as determined by actual SGR)
 - New permanent construction at existing sites (possibly including at new Ranch schools)
- Plan for Housing 9-12 Students
 - Create a new model for a small high school
 - Plan for a comprehensive high school for when funding exists
 - Expand existing high school(s)
 - 20 acres adjacent to Tesoro High School



School Facilities Standards

- CDE Guide to School Site Analysis and Development
 - CDE establishes standards for school sites per Ed. Code §17251 and adopts regulations for school sites which are contained in Title 5
- Building Area per Student per CDE Standards
 - 59 s.f. per k-6 student, 80 s.f. per 7-8 student and 92 s.f. per 9-12 student.
- Site Size per CDE Standards for CUSD Preferred School Sizes
 - 13.1 acres for 750 student k-6 school (760 s.f./student)
 - 23.1 acres for 1,200 student 7-8 school (840 s.f./student)
 - 52.7 acres for 2,400 student 9-12 school (960 s.f./student)
- Additional Specific CDE Standards
 - Standard classroom = 960 s.f., kindergarten = 1350 s.f.
 - Physical education (e.g., hardcourts, apparatus, fields, etc.)
- CUSD or Other Standards
 - No specific standards established by CUSD
 - ADA, Field Act, Title IX, CEQA, TRAFFIC



Joint Use

- Statewide Policy Interest
 - provide for more efficient use of public resources and increase access to needed services - Ed. Code §10900-10914.5, 17051-17052 ,17077.40-17077.45
 - encourage joint use of athletic fields, hardcourts, multipurpose room, gymnasium, child care facility, library, or teacher education facility beyond that necessary for school use.
- Existing Joint Use Agreements
 - CUSD has entered into many joint use agreements including many in connection with Rancho Mission Viejo projects
 - City of Mission Viejo, LARMAC, SAMLARC, etc.
- Potential Joint Use for the Ranch projects
 - K-5 school – 3 acres of joint use including fields/hardcourts
 - K-8 schools – 5 acres of joint use including fields/hardcourts, gym, library, meeting rooms



Funding

- Governing law
 - Education Code Section 17620 and Government Code Sections 65995, 65995.5 (Level 1), 65995.6 (Level 2) and 65995.7 (Level 3)
- Level 1 Fees – (Requires adoption of a Justification Study)
 - Residential - \$3.20/s.f. (current statutory amount)
 - Senior and commercial - \$0.51/s.f. (current statutory amount)
 - District is currently preparing the justification study
- Level 2 & 3 Fees – (Requires adoption of an SFNA)
 - SFNA – School Facilities Needs Analysis
 - SFNA prepared in 2009 but district needed to meet at least 2 of 4 statutory requirements.
 - Substantial enrollment in multi-track year-round calendar (NO)
 - At least one GO bond within 4 years with at least 50%+1 (NO)
 - Capital outlay obligations equal to 15% of bonding capacity (NO)
 - At least 20% of teaching stations are relocatable (YES)



Proposed Scope and Cost

- K-8 School in Planning Area 2
 - Buildings: 80,400 s.f. = 1200 students at 59 s.f./student (k-5) + 80 s.f./student (k-8)
 - Building Cost: \$31 million = 80,400 s.f. at \$388/s.f.
 - Land: 19 acres = 14 school acres + 5 joint use (non-district purchased) acres
 - Land Cost: \$21 million = 14 acres at \$1,500,000/acre
 - Total Cost: \$52.million = \$31 million in buildings and \$21 million in land
- 9-12 High School
 - PA1/PA2 Allowance for 9-12 Building Cost: \$10 million to be used when needed
 - Remainder: Study need after 3,000th home and plan accordingly
- All remaining K-8 Students
 - Negotiate future agreement to address PAs 3, 4, 5, 6, & 8

