

SWEETWATER UNION HIGH SCHOOL DISTRICT STATUTORY FEES AND MITIGATION PAYMENTS REPORT FISCAL YEAR 2012-2013

Government Code Sections 66006 and 66001 provide that the District shall make available to the public certain information relative to statutory school fees ("Statutory School Fees") collected pursuant to Education Code Sections 17620 et seq. and Government Code Sections 65995 et seq. and mitigation payments specified or required by conditions of legislative land-use approvals, mitigation measures of environmental impact reports and negative declarations or mitigation agreements entered into with the District ("Mitigation Payments") collectively, "Reportable Fees". The described information and findings relate to Reportable Fees received, expended or to be expended in connection with school facilities ("School Facilities") to accommodate additional students from new development if funded or partially funded with Reportable Fees. The Reportable Fees do not include letters of credit, bonds or other instruments to secure payment of Reportable Fees at a future date. The Reportable Fees have not been levied, collected or imposed for general revenue purposes.

The following is the information and proposed findings the District proposes to review and adopt in accordance with Government Code Sections 66006 and 66001.

I. ANNUAL REPORT

In accordance with Government Code Section 66006(b)(1) and (2), the Sweetwater Union High School District (the "District") provides the following information for Fiscal Year 2012-2013.

A. DESCRIPTION OF THE TYPE OF REPORTABLE FEES IN THE ACCOUNTS OF THE DISTRICT:

The Reportable Fees consist of Statutory School Fees and Mitigation Payments.

B. AMOUNT OF REPORTABLE FEES:

The current Statutory School Fee in effect at the end of Fiscal Year 2012-2013 applicable to new residential development was \$1.79 per square foot of assessable space for all residential dwelling units that are constructed within the District but not within the San Ysidro School District boundaries and for which alternative mitigation does not exist. Within the boundaries of the San Ysidro School District, the District residential fee is \$1.25 per square foot of assessable space. This residential fee amount (Level I) has been in effect since July 7, 2012. The residential statutory school fee amounts were adopted by the Governing Board ("Board") of the School District on May 7, 2012 by Resolution No. 4139.

The current Statutory School Fee in effect at the end of Fiscal Year 2012-2013 applicable to new commercial/industrial development was \$0.28 per square foot of covered and enclosed, non-residential, space constructed within the District and outside of the San Ysidro School District. The new District commercial/industrial development fee within the San Ysidro School boundaries is \$0.20 per square foot

of covered and enclosed, non-residential, space constructed. This non-residential fee amount (Level I) has been in effect since July 7, 2012. The Board adopted the non-residential statutory school fee amounts on May 7, 2012 as set forth in Resolution No. 4139.

The Statutory School Fee amounts only partially mitigate the impacts to the District caused by new residential development because the Statutory School Fees do not adequately fund the school facility needs resulting from additional development within the District. Additional amounts collected in the form of Mitigation Payments are essential to help fund interim and permanent School Facilities to accommodate students from additional development within the District.

C. BEGINNING AND ENDING BALANCE OF ACCOUNTS:

Table 1

FUND BALANCE	REPORTABLE SCHOOL FEES
Beginning Balance, 7/1/12	\$2,443,010.13
Ending Balance, 6/30/13	\$ 748,831.58

D. AMOUNT OF THE REPORTABLE FEES COLLECTED AND INTEREST EARNED:

Table 2 below shows the amount of Reportable Fees collected to accommodate students from additional development (“Project Students”) and interest earned during fiscal year 2012-2013.

Table 2

SOURCE	AMOUNT COLLECTED
Residential Construction	\$199,416.56
Commercial Construction	\$ 43,451.50
Transfer from CFD Funds	\$ 0.00
Grants/insurance reimbursements	\$ 0.00
Interest Earned	\$ 6,161.52

E. IDENTIFICATION OF EACH IMPROVEMENT ON WHICH REPORTABLE FEES WERE EXPENDED AND THE AMOUNT OF THE EXPENDITURES ON EACH IMPROVEMENT, INCLUDING THE TOTAL PERCENTAGE OF THE COST OF EACH PROJECT OF THE DISTRICT THAT WAS FUNDED WITH REPORTABLE FEES:

The statutory fees collected from new development projects are largely used to pay for the cost of payments for relocatable classrooms, for Eastlake High Science labs and Construction defects – light poles. Table 3 identifies the amount of Reportable Fees

expended for School Facilities in Fiscal Year 2012-2013, as well as the percentage of each improvement funded by Reportable Fees.

Table 3

Project	Amount Expended and Percentage of the Project Funded by Reportable Fees	
Planning and Construction Misc. Charges	\$7,578.90	0.39%
COP Debt Payment for Relocatables at various school sites	\$518,385.00	26.68%
Relocatables at various school sites	\$20,648.40	1.06%
ELH Science Labs/construction defects	\$1,396,595.83	71.87%

F. IDENTIFICATION OF INCOMPLETE PROJECTS:

The District has determined that for Fiscal Year 2012-2013, Reportable Fees and other sources of funding were not sufficient to complete the financing of identified public improvement. The District will use the Reportable Fees in Fund 25 to pay for relocatable classrooms placed at Castle Park High School and Hilltop High School to provide housing for students generated from new development within the District. Any remaining portion of the Reportable Fees will be used to pay for ELH Science Labs and Construction Defects Light Poles.

G. DESCRIPTION OF INTERFUND TRANSFERS OR LOANS MADE FROM THE ACCOUNT:

No loans or interfund transfers have been made from Fund 25.

H. THE AMOUNT OF REFUNDS MADE OR REVENUES ALLOCATED FOR OTHER PURPOSES IF THE ADMINISTRATIVE COSTS OF REFUNDING UNEXPENDED REVENUES EXCEED THE AMOUNT TO BE REFUNDED:

No refunds of Reportable Fees were made in Fiscal Year 2012-2013, and no refunds are required under applicable law.

II. FIVE-YEAR REPORT

In accordance with Government Code Section 66001, the District provides the following information with respect to that portion of the account or sub-account(s) remaining unexpended, whether committed or uncommitted.

A. IDENTIFICATION OF THE PURPOSE TO WHICH THE REPORTABLE FEES ARE TO BE PUT:

The purpose of the Reportable Fees imposed and collected on new residential, commercial and industrial development within the District is to fund additional School Facilities required to serve the students of the District generated by such new development. Specifically, the Reportable Fees may be used for the construction and/or acquisition of additional School Facilities, remodeling existing School Facilities to add additional classrooms and technology, as well as acquiring and installing additional relocatable classrooms. To date the Statutory School Fees have been expended to provide for the installation of relocatable classrooms and their furnishings at Bonita Vista High School, Castle Park Middle School, Castle Park High School, Chula Vista High School, Eastlake High School, Hilltop High School, Mar Vista Middle School, Mar Vista High School, Montgomery High School, Otay Ranch High School, Palomar High School, Rancho del Rey Middle School, San Ysidro High School, Southwest Middle School, Southwest High School and Sweetwater High School.

B. DEMONSTRATION OF A REASONABLE RELATIONSHIP BETWEEN THE REPORTABLE FEES AND THE PURPOSES FOR WHICH THEY ARE CHARGED:

As shown in the Fee Justification Report dated April 24, 2012, there is a roughly proportional, reasonable relationship between the new development upon which the Reportable Fees are charged and the need for additional School Facilities by reason of the fact that additional students will be generated by additional development within the District and the District does not have student capacity in the existing School Facilities to accommodate these new students. Furthermore, the Reportable Fees charged on new development will be used to fund School Facilities, which will serve the students generated from new development, and the Reportable Fees do not exceed the costs of providing such School Facilities for new students.

C. IDENTIFICATION OF ALL SOURCES AND AMOUNTS OF FUNDING ANTICIPATED TO COMPLETE FINANCING OF THE SCHOOL FACILITIES THE DISTRICT HAS IDENTIFIED IN THE DISTRICT'S REPORTS:

Table 4 identifies all funding received and allocated to capital facilities projects during the past five years. These expenditures have been summarized to reflect funds received which may be classified as reportable fees as they are described in Government Code Section 66001 and 66006. These amounts include statutory fees (Level I and Level II fees), mitigation payments collected on new development within the boundaries of CFD No. 1 through 17, as well as any monies received from redevelopment areas in accordance with the redevelopment agreements with the City of Chula Vista. To date, no redevelopment monies have been received.

Revenues shown under "Other Funding Sources" include, but may not be limited to, general fund expenditures, bond proceeds from the issuance of general obligation bonds, special tax bonds and certificates of participation (COP's), state funding, and interest.

Table 4
Capital Facilities Revenue Received for Five-Year Period Ending June 30, 2013

Revenue Source	Reportable Fees	Other Funding Sources ⁽¹⁾	Total
Balance on June 30, 2008	\$2,371,090.74		\$2,371,090.74
Fiscal Year 2012 - 2013:			
Reportable Fees:	\$242,808.06		\$242,808.06
Statutory Developer Fees			
Mitigation Payments			
Other Reportable Fees			
Other Funding Sources		\$6,161.52	\$6,161.52
Fiscal Year 2011 - 2012:			
Reportable Fees:	\$277,500.00		\$277,500.00
Statutory Developer Fees			
Mitigation Payments			
Other Reportable Fees			
Other Funding Sources		\$12,315.44	\$12,315.44
Fiscal Year 2010 - 2011:			
Reportable Fees:	\$394,904.50		\$394,904.50
Statutory Developer Fees			
Mitigation Payments			
Other Reportable Fees			
Other Funding Sources		\$383,588.14	\$383,588.14
Fiscal Year 2009 - 2010:			
Reportable Fees:	\$514,519.67		\$514,519.67
Statutory Developer Fees			
Mitigation Payments			
Other Reportable Fees			
Other Funding Sources		\$2,154,830.43	\$2,154,830.43
Fiscal Year 2008 - 2009:			
Reportable Fees:	\$430,954.81		\$430,954.81
Statutory Developer Fees			
Mitigation Payments			
Other Reportable Fees			
Other Funding Sources		\$2,340,496.85	\$2,340,496.85
Totals	\$4,231,837.78	\$4,897,392.38	\$9,129,230.16

Notes:¹

¹ Transfer funds from CFD's and Fund Interest

Table 5 identifies all capital facilities expenditures during the corresponding five-year period and also shows remaining funds available to be used for incomplete projects. This table also classifies the capital facilities expenditures as to whether or not such expenditures were from "reportable fees" or "other funding sources".

Table 5
Capital Facilities Expenditures for Five-Year Period Ending June 30, 2013

Facilities Item	Reportable (1) Fees	Other (2) Funding Sources	Total
Central Administration: Salaries -Planning/Const. Mgr		\$764,944.12	\$764,944.12
Legal/Financial/Admin. Other		\$7,578.90	\$7,578.90
New Construction Projects: School Site Acquisition/Construction Relocatables – leases Transportation – Buses	\$644,863.55		\$644,863.55
Modern/Expansion Projects: Modernization (Prior to SB50) Modernization Projects (SB50)			
Other Facilities Projects: ELH Field Turf/Science Labs		\$2,823,342.38	\$2,823,342.38
Construction Defects		\$821,400.53	\$821,400.53
Debt Svc on CFD/COP Bonds:	\$3,318,269.10		\$3,318,269.10
Total	\$3,963,132.65	\$4,417,265.93	\$8,380,269.10
Balance/Deficit as of 6/30/13	\$268,705.13	\$480,126.45	\$748,831.58

Notes: (1) Statutory School Fees, (2) Transfer funds from CFD to pay for Administrative Salaries, Construction projects and Fund interest

D. DESIGNATION OF THE APPROXIMATE DATE ON WHICH THE FUNDING REFERRED TO IN PARAGRAPH “C” ABOVE IS EXPECTED TO BE DEPOSITED IN THE APPROPRIATE ACCOUNT:

Table 6 below lists the approximate dates on which the funds are expected to be available for the School Facility projects identified by the District as of June 30, 2013, to be funded from Reportable Fees as well as from “other funding sources”. This does not represent a complete list of capital facilities projects to be funded during the next five years. Rather it demonstrates that all unexpended reportable fees are expected to be expended within the next 18 months. The Table shows expenditures related to relocatables placed at various school sites.

**Table 6
Incomplete Capital Facilities Projects and Expected Funding Dates**

Facilities Item	Remaining Reportable Fee Funding Needs	Remaining "Other" Funding Needs	Expected Available Funding Date
Central Administration: Salaries - Planning/Const. Mgr Legal/Financial/Admin. Other New Construction Projects: Modernization/Expansion			
Projects: Debt Service for existing relocatables	\$518,385.00		2013-2014
Remaining debt service for existing relocatables Relocatables at Otay Ranch High School and San Ysidro High School	\$230,446.58		2014-2023
Total	\$748,831.58		