



Voluntary Capital Mitigation Fee

Prepared for:
Kuna School District

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Executive Summary

The Kuna School District retained TischlerBiseGalena (TBG) to update its Voluntary Capital Mitigation Fee (VCMF). The VCMF are one-time payments used to construct system improvements needed to accommodate new development. The revenue does have limitations and should not be regarded as the total solution for infrastructure funding needs. Rather, they are one component of a comprehensive portfolio to ensure provision of adequate public facilities needed to serve new development. In contrast to general taxes, the VCMF program may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies.

The Kuna School District has seen significant residential growth and with it increased enrollment. This growth is expected to continue in the future as well. The Kuna School District VCMF is derived using a consumption-based approach for elementary, middle, and high schools. This approach determines current level-of-service standards for school buildings and land for school sites. Level-of-service standards are derived using 2022-2023 capacity and are expressed as follows:

1. School buildings: square feet per student by type of school
2. Land: acres per student by type of school

Conceptual Calculation

The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of demand units for each unit of development. For example, an appropriate indicator of the demand for schools is enrollment growth. The second step in the formula is to determine infrastructure units per demand unit, typically called level-of-service (LOS) standards. In keeping with the school example, a common LOS standard is square footage per student. The third step is the cost of various infrastructure units. To complete the school example, this part of the formula would establish the cost per square foot for school facility construction.

Consumption-Based Approach

The consumption-based approach documents current level-of-service (LOS) standards for each type of public facility. This approach ensures that there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development.

Service Area

Based on projected growth and available school capacity, over the next ten years, TBG is recommending the VCMF be assessed districtwide and for all three school levels. Future residential development districtwide will place a districtwide burden on school infrastructure and based on capacity utilization facility expansions will be necessary at the elementary, middle, and high school levels to accommodate the future demand.

Maximum Supportable Voluntary Capital Mitigation Fee

The Kuna School District VCMF is applied only to residential development and are per housing unit, reflecting the proportionate demand by type of unit. The amounts shown are “maximum supportable” amounts based on the methodologies, levels of service, and costs for the capital improvements identified herein. The fees represent the highest amount feasible for each type of applicable development, which represent new growth’s fair share of the school capital costs detailed in this report. The School District can adopt amounts that are lower than the maximum amounts shown.

Figure 2 provides the maximum supportable amounts for single family and multifamily developments. For a single family unit, the maximum supportable amount is \$32,863 per unit. For a multifamily unit, the maximum supportable amount is \$30,719.

Figure 1. Maximum Supportable Voluntary Capital Mitigation Fee

Maximum Supportable Voluntary Capital Mitigation Fee				
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>	<i>Total</i>
Single Family	\$13,710	\$7,031	\$12,122	\$32,863
Multifamily	\$6,548	\$2,373	\$21,798	\$30,719

As mentioned, the totals listed in Figure 1 represent the highest dollar amounts supportable by this study. However, the Kuna School District may choose to adopt a lower amount considering market factors and its ability to raise other revenues for capita. In this case, Figure 2 lists KSD staff’s recommended VCMF amounts. The recommendation represents 10 percent of the maximum supportable amounts.

Figure 2. School District Staff Recommended Voluntary Capital Mitigation Fee

Housing Type	District Staff Rcmd. VCMF per Unit	Percent of Maximum
Single Family	\$3,286	10%
Multifamily	\$3,072	10%

A note on rounding: Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using one, two, and three digit places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

Student Generation Rates and Projected Enrollment

This section of the report discusses the student generation rates and enrollment projections used in the VCMF calculations.

Student Generation Rates

Demand for additional school capacity will be generated by new residential development. To determine the level of this demand, student generation rates are used as the “service unit” for the VCMF. The term “student generation rate” (SGR) refers to the number of public school students per housing unit within the Kuna School District. The analysis takes a conservative approach and only includes students attending public schools, excluding school-aged children attending charter schools, private schools, and home-schooled children.

TischlerBise derived custom student generation rates for Kuna using demographic data from survey responses published by the U.S. Census Bureau in files known as Public Use Microdata Samples (PUMS) and 2022-2023 school year enrollment data from Kuna Schools. TischlerBise uses American Community Survey (ACS) 2016-2020 PUMS data – the most recent year available – to derive the number of students per housing unit by type of unit. PUMS data are only available for areas of roughly 100,000 persons, and Kuna is included in Idaho Public Use Microdata Area (PUMA) 800. This analysis calculates unadjusted SGRs based on all public school students and housing units in PUMA 800 and then adjusts these rates based on local enrollment and housing unit estimates for Kuna.

Importantly, although the SGRs are adjusted for Kuna conditions, the survey area includes portions of Boise city. Since there are generally smaller household sizes in Boise compared to Kuna, the resulting SGRs are assumed to be conservative estimates. Also, the estimates are assumed for all residential developments districtwide.

Figure 3. KSD Public School Students by Housing Unit Type

	Public School Students		Total	Kuna School District Enroll. 2022-2023
	Single Family	Multifamily		
Elementary School	1,465	22	1,487	2,614
Middle School	875	9	884	1,323
High School	1,246	71	1,318	1,817
Total	3,586	103	3,689	5,754

	Housing Units		Total	2022 Housing Units
	Single Family	Multifamily		
Housing Units	10,931	349	11,280	11,280

Source: TischlerBise estimates for Kuna School District using U.S. Census Bureau, 2020 Public Use Microdata Sample for Idaho PUMA 800 (calibrated to KSD enrollment for 2022 and 2022 housing unit estimates).

Next, using the totals above, student generation rates by housing unit type are calculated by dividing the number of students in each type of unit by the total number of housing units in the Kuna School District. Figure 4 indicates that a single family unit is estimated to generate a total of 0.513 students, with 0.236

in elementary grades, 0.120 in middle school grades, and 0.157 in high school grades. A multifamily unit is estimated to generate 0.435 students per unit.

Figure 4. KSD Student Generation Rates by Housing Unit Type

	Public School Students per Housing Unit		
	Housing Types		Weighted Average
	Single Family	Multifamily	
Elementary School	0.236	0.112	0.232
Middle School	0.120	0.040	0.117
High School	0.157	0.283	0.161
Total	0.513	0.435	0.510

Source: TischlerBise estimates for Kuna School District using U.S. Census Bureau, 2020 Public Use Microdata Sample for Idaho PUMA 800 (calibrated to 2022 KSD enrollment and housing unit estimates).

Student Enrollment Projections

To understand future enrollment growth, residential development was first analyzed. The Kuna School District (KSD) serves development within the City of Kuna and unincorporated areas of Ada County. As an approximation of recent development in the school district, Figure 5 lists the building permit history in the City of Kuna over the last five years. On average, there has been 459 single family units and 6 multifamily units constructed in Kuna over the recent past. Additionally, there are 8,000 platted but unbuilt lots in KSD.

Figure 5. Housing Construction in the City of Kuna

Housing Type	2018	2019	2020	2021	2022	5-Year Total	5-Year Average
Single Family	495	557	423	390	431	2,296	459
Multifamily	10	0	20	0	0	30	6
Total Units	505	557	443	390	431	2,326	465

Based on the trends in Kuna, available platted lots, and available land in unincorporated areas of the school district, TBG conservatively projects an annual growth of 515 homes in the school district. This would total 5,150 new housing units over the next ten years, 65 percent of the unbuilt lots currently available.

The next step to projecting enrollment is applying the student generation rates to the projected housing development. Shown in Figure 6 this is done for elementary, middle, and high school levels separately. The elementary school analysis is provided as an example.

As of December 5, 2022 there were 2,614 elementary school students in KSD. Based on the student generation rates and housing projections, enrollment is estimated to increase by 1,190 students over the next ten years. This results in an estimated 3,804 elementary school students in 2023.

Figure 6 also compares the projected enrollment to the current education capacity. The education capacity represents the maximum number of students that allows the school district to provide general education and special program classrooms.

Following the elementary school example, the capacity utilization is 99 percent (2,614 enrollment / 2,636 education capacity = 99 percent). Over the next ten years, the capacity utilization is projected to increase to 144 percent. A similar trend is projected for middle and high school capacity utilization. KSD middle schools are currently at 85 percent capacity utilization and it is projected to increase to 123 percent utilization in the next ten years. KSD high schools are currently at 98 percent capacity utilization and it is projected to increase to 143 percent utilization in the next ten years.

Figure 6. Kuna School District Enrollment Projections

Kuna School District - Elementary				Kuna School District - Middle				Kuna School District - High						
Year	Education Capacity [1]	Projected Enrollment	Capacity Utilization	Year	Education Capacity [1]	Projected Enrollment	Capacity Utilization	Year	Education Capacity [1]	Projected Enrollment	Capacity Utilization			
Base 2022	2,636	2,614	99%	Base 2022	1,559	1,323	85%	Base 2022	1,856	1,817	98%			
1 2023	2,636	2,733	104%	1 2023	1,559	1,383	89%	1 2023	1,856	1,900	102%			
2 2024	2,636	2,852	108%	2 2024	1,559	1,443	93%	2 2024	1,856	1,983	107%			
3 2025	2,636	2,971	113%	3 2025	1,559	1,503	96%	3 2025	1,856	2,066	111%			
4 2026	2,636	3,090	117%	4 2026	1,559	1,563	100%	4 2026	1,856	2,149	116%			
5 2027	2,636	3,209	122%	5 2027	1,559	1,623	104%	5 2027	1,856	2,232	120%			
6 2028	2,636	3,328	126%	6 2028	1,559	1,683	108%	6 2028	1,856	2,315	125%			
7 2029	2,636	3,447	131%	7 2029	1,559	1,743	112%	7 2029	1,856	2,398	129%			
8 2030	2,636	3,566	135%	8 2030	1,559	1,803	116%	8 2030	1,856	2,481	134%			
9 2031	2,636	3,685	140%	9 2031	1,559	1,863	119%	9 2031	1,856	2,564	138%			
10 2032	2,636	3,804	144%	10 2032	1,559	1,923	123%	10 2032	1,856	2,647	143%			
10-Year Increase			1,190	45%	10-Year Increase			600	38%	10-Year Increase			830	45%

[1] Education capacity allows for general education and special program classrooms

Capital Improvement Plan

As demonstrated in the enrollment projections, KSD will need to expand its schools to accommodate future growth or these will be capacity issues at all levels. Listed in Figure 7 are the capital projects which are the top priority of the School District. This includes elementary, middle, and high school expansions to add seats for future growth. In total, the plans are \$111.4 million.

Figure 7. Kuna School District Phase 1 Capital Plan

Kuna School District Phase 1 Capital Plan	Cost
New elementary school	\$28,194,400
Kuna Middle renovation & additions	\$7,795,000
Fremont Middle renovation & additions	\$12,659,000
Swan Falls 28-room classroom wing & athletic additions	\$47,615,000
Second bus facility	\$3,050,000
Deferred maintenance	\$2,000,000
Inflation 10% adjustment	\$10,131,340
Grand Total \$111,444,740	

The new elementary school and Swan Falls HS construction costs are compared to the future new square footage to find average construction costs per square foot. As a result, elementary school construction costs \$443 per square foot and high school construction costs \$468 per square foot. Since the two middle school capital projects included in Phase 1 Capital Plan include renovations, skewing capacity-related costs, the weighted average between the elementary school and high school factors are used for middle school construction costs.

Figure 8. Construction Cost Estimates

Future Project	Cost plus Inflation	Square Feet	Cost per Square Foot
New Elementary School	\$31,013,840	70,000	\$443
Swan Falls HS Expansion	\$52,376,500	112,000	\$468
Weighted Average for MS Estimate			\$458

Lastly, TBG recently performed the City of Kuna Development Impact Fee Study and found that the average purchase price for land in the area is \$100,000 per acre.

Building and Site Level-of-Service Standards

This section provides data on infrastructure standards for school buildings and sites on which the proposed VCMF is based.

Elementary Schools

The inventory and current level-of-service for elementary schools (ES) in KSD is shown below in Figure 9. As indicated, ES school buildings have a total of 317,788 square feet on 127.3 acres. As of December 5, 2022, the total enrollment was 2,614 students and the education capacity was 2,636 students.

Levels of service are shown for square footage and land at the bottom of the figure. Levels of service are calculated by dividing the amount of infrastructure by total enrollment and capacity. For example, 317,788 square feet of school building space is divided by capacity of 2,636 students to arrive at 120.56 square feet per student.

Since KSD capital plans ensure schools will be operating at or below capacity, *the level-of-service standard on which the VCMF is based is calculated using education capacity* (shaded in the figure). This ensures new development is not charged for a higher level of service than what is currently provided.

Figure 9. Elementary School Level-of-Service Standards

Elementary School	Building Sq Ft	Acreage	Current Enrollment [1]	Education Capacity [2]	Utilization
Hubbard	46,009	18.6	308	392	79%
Reed	68,864	16.2	680	550	124%
Indian Creek	30,203	13.9	329	308	107%
Ross	37,643	15.4	239	330	72%
Crimson Point	64,600	10.8	483	506	95%
Silver Trail	70,469	52.5	575	550	105%
Total	317,788	127.3	2,614	2,636	99%

<i>Elementary School Levels of Service</i>	<i>Building SF</i>	<i>Site Acreage</i>
LOS per Student (current enrollment)	121.57	0.049
LOS per Student (current capacity)	120.56	0.048

[1] As of December 5, 2022

[2] Education capacity allows for general education and special program classrooms

Middle Schools

The inventory and current level-of-service for middle schools (MS) in KSD is shown below in Figure 10. As indicated, MS school buildings have a total of 192,820 square feet on 37.4 acres. As of December 5, 2022, the total enrollment was 1,323 students and the education capacity was 1,559 students.

Levels of service are shown for square footage and land at the bottom of the figure. Levels of service are calculated by dividing the amount of infrastructure by total enrollment and capacity. Since KSD capital plans ensure schools will be operating at or below capacity, *the level-of-service standard on which the VCMF is based is calculated using education capacity* (shaded in the figure). This ensures new development is not charged for a higher level of service than what is currently provided.

Figure 10. Middle School Level-of-Service Standards

Middle School	Building Sq Ft	Acreage	Current Enrollment [1]	Education Capacity [2]	Utilization
Kuna	117,495	18.9	770	892	86%
Fremont	75,325	18.6	553	667	83%
Total	192,820	37.4	1,323	1,559	85%

<i>Middle School Levels of Service</i>	<i>Building SF</i>	<i>Site Acreage</i>
LOS per Student (current enrollment)	145.74	0.028
LOS per Student (current capacity)	123.65	0.024

[1] As of December 5, 2022

[2] Education capacity allows for general education and special program classrooms

High Schools

The inventory and current level-of-service for high schools (HS) in KSD is shown below in Figure 11. As indicated, HS school buildings have a total of 282,035 square feet on 110.9 acres. As of December 5, 2022, the total enrollment was 1,817 students and the education capacity was 1,856 students.

Levels of service are shown for square footage and land at the bottom of the figure. Levels of service are calculated by dividing the amount of infrastructure by total enrollment and capacity. Since KSD capital plans ensure schools will be operating at or below capacity, *the level-of-service standard on which the VCMF is based is calculated using education capacity* (shaded in the figure). This ensures new development is not charged for a higher level of service than what is currently provided.

Figure 11. Middle School Level-of-Service Standards

High School	Building Sq Ft	Acreage	Current Enrollment [1]	Education Capacity [2]	Utilization
Kuna/Swan Falls	282,035	110.9	1,817	1,856	98%
Total	282,035	110.9	1,817	1,856	98%

<i>High School Levels of Service</i>	<i>Building SF</i>	<i>Site Acreage</i>
LOS per Student (current enrollment)	155.22	0.061
LOS per Student (current capacity)	151.94	0.060

[1] As of December 5, 2022

[2] Education capacity allows for general education and special program classrooms

VCMF Calculation

The Kuna School District Voluntary Capital Mitigation Fee methodology is based on current average public school student generation rates, level-of-service standards, and local costs. The factors are summarized in Figure 12. The total capital cost per student is the sum of the cost per student for each component. For example, the elementary student calculation is as follows: $\$53,408$ [building construction] + $\$4,800$ [land] = $\$58,208$ capital cost per student. Also, the maximum supportable VCMF is only assessed on residential development. The study supports a maximum amount of $\$32,863$ per single family unit and $\$30,719$ per multifamily unit.

Figure 12. Maximum Supportable Voluntary Capital Mitigation Fee

Public School Students per Housing Unit	School Level			Total
	Elementary	Middle	High	
Single Family	0.236	0.120	0.157	0.513
Multifamily	0.112	0.040	0.283	0.435

Current Level of Service Standards			
	Elementary	Middle	High
Building Square Feet per Student	120.56	123.65	151.94
Total Cost per Square Foot	\$443	\$456	\$468
Total Building Construction Cost per Student	\$53,408	\$56,323	\$71,108
Land Acres per Student	0.048	0.024	0.060
Total Cost per Acre [1]	\$100,000	\$100,000	\$100,000
Total Land Cost per Student	\$4,800	\$2,400	\$6,000
Total Capital Cost per Student	\$58,208	\$58,723	\$77,108

[1] Source: Recent TBG estimate for park land in the City of Kuna

Maximum Supportable Voluntary Capital Mitigation Fee				
	Elementary	Middle	High	Total
Single Family	\$13,710	\$7,031	\$12,122	\$32,863
Multifamily	\$6,548	\$2,373	\$21,798	\$30,719

As mentioned, the totals listed above represent the highest dollar amounts supportable by this study. However, the Kuna School District may choose to adopt a lower amount considering market factors and its ability to raise other revenues for capital. In this case, Figure 13 lists KSD staff's recommended VCMF amounts. The recommendation represents 10 percent of the maximum supportable amounts.

Figure 13. School District Staff Recommended Voluntary Capital Mitigation Fee

Housing Type	District Staff Rcmd. VCMF per Unit	Percent of Maximum
Single Family	\$3,286	10%
Multifamily	\$3,072	10%