

**North San Jose Vision
Education Needs 2040**

A Report on the Planning for New Schools

March 6, 2008

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North San Jose Vision Educational Needs 2040

EXECUTIVE SUMMARY

The North San Jose Development Policy provides for 83,000 new jobs in the North San Jose area. To support these jobs, the Plan includes 32,000 high density residential housing units. These new housing units require new public services including retail, parks, libraries, community centers and schools. This report focuses on the need for neighborhood schools.

Four school districts serve the students in North San Jose: Santa Clara Unified School District (K-12) serves the area generally north of Trimble Road, Orchard School District (K-8), Eastside Union High School District (9-12) jointly serve the area south of Trimble Road and San Jose Unified School District (K-12) serves a small corner in the southern part of the North San Jose Policy Area. Each school district is responsible, independently of the City, for providing educational services including school facilities within its boundaries. Most of the residential development impact and potential school sites are located within the Santa Clara Unified School District boundaries. All four school districts have met on a regular and frequent basis with City and Agency staff to develop this report and recommendation.

This working committee of the school districts and City and Agency staff dealt with three primary issues:

1. How many students would be generated from the new residential housing and thus how many schools would be needed?
2. Where would the new schools be located? and
3. How would school construction be financed?

The issue of school operational funding is discussed, but, since each school district is funded differently no recommendations are being put forth from this working committee relative to operational funding. Orchard, Eastside and San Jose are funded on a per pupil basis from the State of California and that per pupil funding would not change as a result of development in North San Jose. Santa Clara Unified is funded by local property taxes. Total revenue would increase as a result of the tax increment provide by the development in North San Jose. Per pupil revenue would be higher if fewer students come out of the new development and lower if more students are generated.

Santa Clara Unified School District (SCUSD), with agreement by Agency staff, retained School House Services Inc. to conduct a Student Generation Rate (SGR) study. The result of this study predicted a SGR of 0.22 students per unit for SCUSD schools, or as many as 3,500 students from 16,000 living units within SCUSD boundaries. This would translate up to 3.25 new K-5 or K-8 schools and one small high school. The estimated land and construction cost for two elementary schools, one elementary/middle school and one small high school would range from \$227 to \$266 million.

The City and Agency's internal SGR study predicted fewer than 1,000 students for all 32,000 living units resulting in the need for only one school. Staffs from the Orchard and San Jose school districts believe that they have the current capacity to house students generated out of new residential units within their boundaries. Staffs from the East Side Union High School District believe that construction in North San Jose and Berryessa areas will ultimately require a new high school.

The working committee recognized that many variables contribute to the number of families and the number of students generated by new residential development. Neither the City nor the school districts could afford to under build or over build schools. Therefore, the working committee recommends that SCUSD proceeds with the development of one K-5 or K-8 school now and purchase the land for two or three additional schools and one high school now to have it banked for future development in case additional school sites are needed.

The working committee, the Schools subcommittee of the North San Jose Task Force and the SCUSD internal School Site Selection Committee developed guidelines for determining ideal school sites. Each group independently reviewed available locations and recommended six potential school site locations:

1. Agnews Developmental Center – The State of California plans to make this property available in 2009. Government agencies, including schools, have first priority for acquiring this site. This site would be ideal for the fifteen acres required for a K-8 school.
2. North River Oaks – this property is between the Agnews property and the proposed Irvine development at the old Sony site. This, and the Agnews site, would provide easy access to the majority of the new residential developments in North San Jose.
3. Moitozo – This site, lying between Zanker and N. First Street, is currently within Orchard and East Side Union district boundaries and not available for SCUSD schools. It would however, be an ideal site for community facilities, a park, a library and a school.
4. George Mayne School expansion – by providing more land to George Mayne School in Alviso, both the school and the park could be expanded.
5. VTA – this site, located on the VTA administration site north of Montague and west of N. First Street is a small site that could accommodate an urban style (multistory) school.
6. Baypointe – this site, located within the triangle formed by Zanker, N. First Street and Baypointe Drive is a small site that would require an urban style school and because of its location and proximity to planned development would probably be the last site to be developed into a school.

The report provides a recommendation that the four school districts engage in a discussion to potentially adjust district boundaries. Modification of school district boundaries could reduce or eliminate the need for students to cross boundaries en route to school or to allow students to attend

a school nearer to their home. School districts are also strongly encouraged to build “urban schools” with two to three story classrooms consistent with the urban character of the North San Jose.

Each school district currently has some excess capacity to house students from North San Jose. However, Santa Clara expects to have much of their excess capacity filled by growth within the City of Santa Clara. Any remaining capacity would be used to house students temporarily as new schools were built in North San Jose.

The cost of land acquisition and school construction funding are the responsibility of each school district. Developers typically pay a School Impact Fee (or Developer Fee) to the school districts prior to obtaining building permits from the City. At the current rate, developers would pay a total of about \$138 million in developer fees; \$34 million going to SCUSD, \$50 million to each to the Orchard and East Side Union High School Districts and \$3.3 million to San Jose Unified. The developer fees are likely not adequate to provide funding for land acquisition or school construction, especially if more than one school is required. The school districts, especially Santa Clara Unified, may have to seek alternative funding sources including funding from the Redevelopment Agency, State Matching School Construction Grants, increased developer contributions or a Community Facilities District tax. The up-front funding requirements will be increased by the need to procure several potential school sites now, rather than when needed.

1.

Background to the Study – Planning for the Education System

In June 2005, the San Jose City Council and the San Jose Redevelopment Agency Board approved an update to the North San José Area Development Policy, primarily to provide for additional industrial development capacity within North San José and to guide the ongoing development of the North San José area as an important employment center for San José.

The main components of the adopted *North San Jose Area Development Policy* include:

- Capacity and a policy framework for the development of up to 26.7 million square feet of new industrial/commercial office space and up to 1.7 million square feet of new neighborhood serving retail including the addition of 16 million square feet of development within the Core Area along the North First Street Corridor.
- New residential development capacity for up to 32,000 residential units , in part through the conversion of up to 285 acres of existing industrial lands to residential use at minimum densities of either 55 DU/AC (up to 200 acres) or 90 DU/AC (up to 85 acres).
- The identification of necessary transportation improvements and the establishment of a Traffic Impact Fee to be used to fund the improvements.

The Policy anticipated that the proposed amount of new residential development would generate the need for new schools and other community facilities such as libraries, parks, and community

centers. With respect to schools the policy states that planning for a new school site and/or the development of other strategies to address the need for expanded school capacity should be completed prior to the addition of 50 elementary, junior high or high school students within the new residential overlay areas. (While no projects have commenced construction, as of the date of this report the City Council has approved nine rezonings for high-density residential development within the North San José Policy Area totaling 4,841 units on 87.8 acres in area.)

Subsequent to the Policy's adoption in June 2005, the City of San José in December 2006 agreed to further study the North San José Policy's potential impact on schools, including the funding of a pupil generation report and the preparation of a school facility plan in accordance within the conditions of a settlement agreement for a legal challenge by the City of Santa Clara of the North San José Area Development Policy.

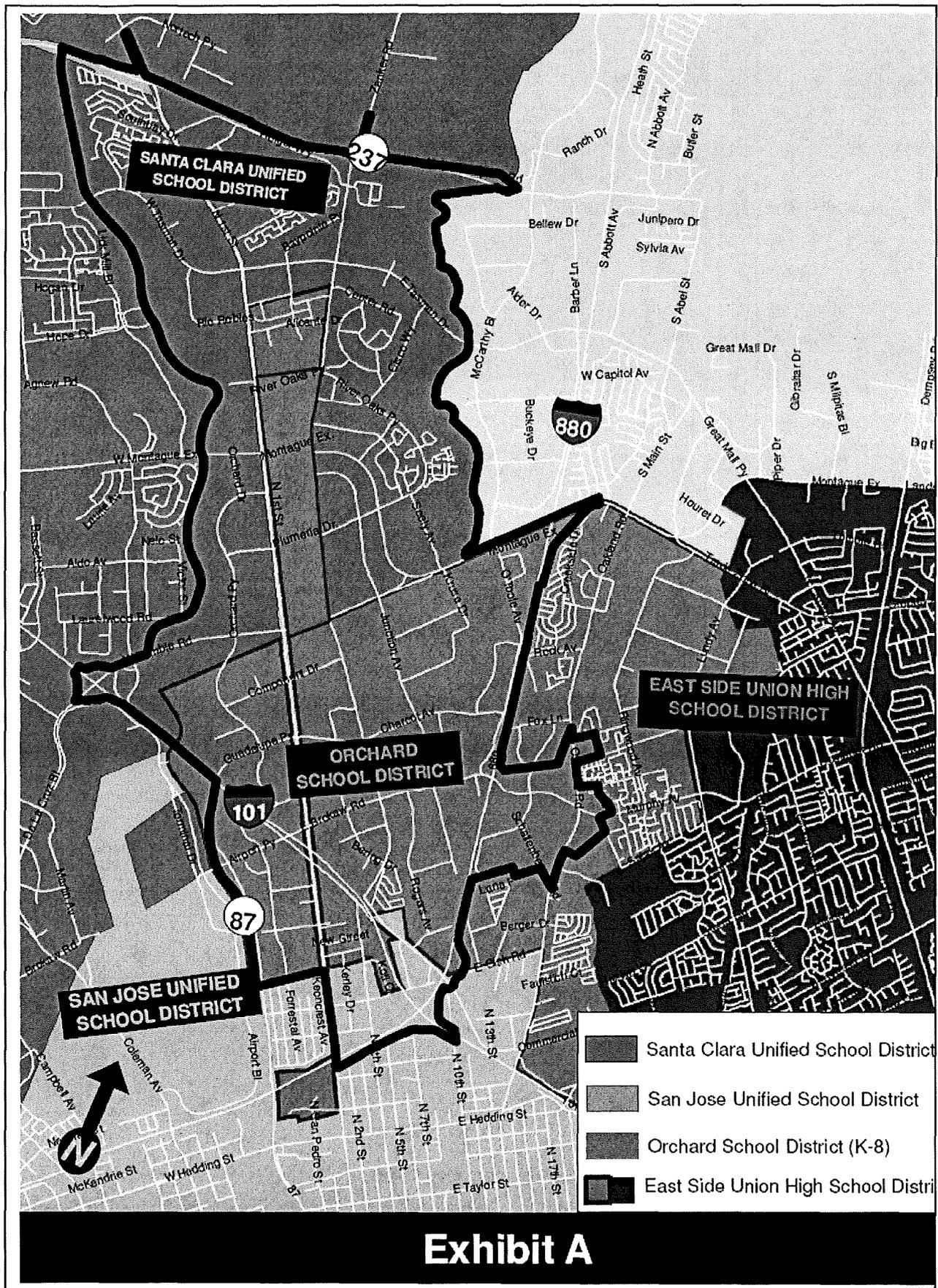
Additionally, during the public discussion of new residential development proposals, current North San Jose area residents have strongly requested that the City provide a plan for the number and location of new schools to serve the new and existing residences. This report identifies and analyzes a list of potential school sites for the school districts to consider.

Existing School System

Within North San Jose, there are four school districts (Exhibit A) Each district is responsible for providing educational services for the residents within the boundaries of their district. These districts are:

1. Santa Clara Unified School District (K-12)
2. Orchard School District (K-8)
3. East Side Union High School District (9-12)
4. San Jose Unified School District (K-12)

While school districts usually plan for school needs just within their own boundaries, all four districts have been meeting with the City and Agency staff to cooperatively develop this school report. This effort was done in conjunction with the North San José Neighborhoods Planning Task Force, which included a subcommittee to specifically address school planning issues. It is only through this comprehensive approach that both facility needs, that is the need for school sites and school construction, as well as the operational costs to each district, can be presented and evaluated.



2.

Statement of the Problem

Predicting the number of future students in new residential neighborhoods is never an easy task. Compounding that challenge is the recognition that the future of San Jose will include changes in its economic mix, ethnicity and housing needs. All of those factors will play a role in determining both the number of students and their educational needs.

The boundaries of each school district, the characteristics of neighborhoods, and the type and size of businesses impact the revenues the districts receive and the services they can provide. Each district faces unique issues and challenges:

- Some districts receive more funds per student than other districts.
- For the most part school district boundaries do not reflect either the existing or future street patterns that define neighborhoods or neighborhood areas. As a result, a conveniently laid out school site near a large neighborhood may fall into a different district than the surrounding neighborhoods.
- In North San Jose, San Jose Unified, the largest school district in San Jose has only a small portion of land in this planning area, but it has a potential for additional student capacity. Santa Clara Unified has several schools nearby with growth capacity, but none conveniently located to the expanding residential areas.

All of the districts face uncertain future budgets, particularly in the area of funding from the State of California.

The primary issue facing schools planning in North San Jose is a lack of identified and prioritized potential school sites. Within this report a number of school sites have been identified that will effectively work in these new neighborhoods. The real problem is accurately forecasting the number of schools needed based on proper estimates of the number students that will be generated from the residential projects and forecasting when the resulting demand for new schools will occur. The city considered studies prepared by the Santa Clara Unified School District consulting demographer, School House Services, Inc, reviewed studies in other school districts, and conducted original research dealing with student generation in high density housing projects in San Jose. These studies reached widely varying conclusions. One estimate predicted the need for one elementary school while another estimate indicated the need for up to four elementary schools in the same area.

The second issue is how to fund school construction. All of the school districts collect fees from new development based on the square footage of the development. If student generation is at the low end of the forecast, the existing fee structure will produce sufficient funds for new school construction. If student generation dramatically increases, one or more of the districts will have to consider additional funding options.

To deal with the wide ranging projections for future school needs, this report takes a conservative approach and presents a range of school planning options. Those options are designed with the flexibility to add school sites if the population changes as the area matures.

3.

Study Purpose

This study is intended to identify and analyze options for meeting the need for educational services in North San Jose. This includes:

- Estimating the number of students to be generated by new residential development in North San Jose.
- Identifying and preliminarily analyzing potential sites for the school district to consider as school sites.
- Estimating the total capital cost to acquire and develop school sites.
- Estimating operational costs for each school district

4.

Study Conclusions and Recommendations

The study's recommendations are divided into three parts. They are:

- a. Recommendations for School Sites
- b. Estimates of Land and Construction Costs
- c. Estimates of Operating Costs

A. Recommendations for School Sites by School District

The recommendations for school sites are based on enrollment projections or consultations with each school district, the district's site committees, the North San Jose Task Force Schools Subcommittee and the North San Jose Task Force. Based on these district's and city projections, the total number of students will range from 2,906 (1,377 SCUSD + Orchard + SJUSD) to 7040 students for the 32,000 new dwelling units. Within the three school districts that provide elementary education, there is existing capacity for approximately 900 students in schools either in or immediately adjacent to North San Jose

1. Santa Clara Unified School District

A majority of the project new students will be within the boundaries of the Santa Clara Unified School District in which five potential new sites and one school expansion were evaluated within the Santa Clara Unified School District. One site could be developed as either a K-5 or a K-8 school and one site would be for a high school. Using Santa Clara Unified's estimates for student growth, 3.25 elementary/middle school sites would be needed. The following sites were identified and evaluated as potential new or expanded schools within the boundaries of the Santa Clara; Unified School District (See Exhibit B). They are:

- Site 1--Agnews Developmental Center (A small portion at the SW corner of the site)*
- Site 2--River Oaks North
- Site 4--VTA/Valley Transportation Authority Headquarters
- Site 5--Baypoint Parkway Area
- Site 6--George Mayne Expansion

To accommodate overcrowding in existing high schools in the Santa Clara Unified School District and student growth in North San Jose, one high school site has been identified to accommodate other North San Jose and Santa Clara district growth:

Site 7--Alviso High School Site

2. Orchard School District

Orchard School District staff feels that they have sufficient capacity to accommodate growth at the school's present location on Fox Lane. However one additional site is recommended for consideration if the boundaries were adjusted between the Orchard and Santa Clara Unified School Districts. This site is:

Site 3--A portion of the Moitozo Property

3. San Jose Unified School District

It is unlikely that there will be sufficient demand for a new site in these districts so no new sites are recommended. San Jose Unified may in the future evaluate expansion at its existing Bachrodt School.

4. East Side Union High School District

Officials from the East Side Union High School District believe that new growth in North San Jose coupled with additional residential growth in the northern part of the district's jurisdiction will require the construction of a new school to serve the student population in the Berryessa and north San Jose geographic region. While there is no current estimate as to when a new school will be triggered, city staff will continue to work with the district to identify a potential site and the timing for land acquisition and construction.

*The Agnews property belongs to the State of California and is going through a disposition process which will afford other governmental entities potential acquisition rights before the property is available to the private market. When Cisco systems acquired the adjacent residual Agnews property in 1995, they received a right of first refusal for the main campus. The City supports use of this property for industrial use, but acknowledges that a small portion (11-15 acres) of the 75 acres located in the southwest portion of the property could be appropriate for a school or park or a joint school/park site.

Vision North San Jose Possible School Sites

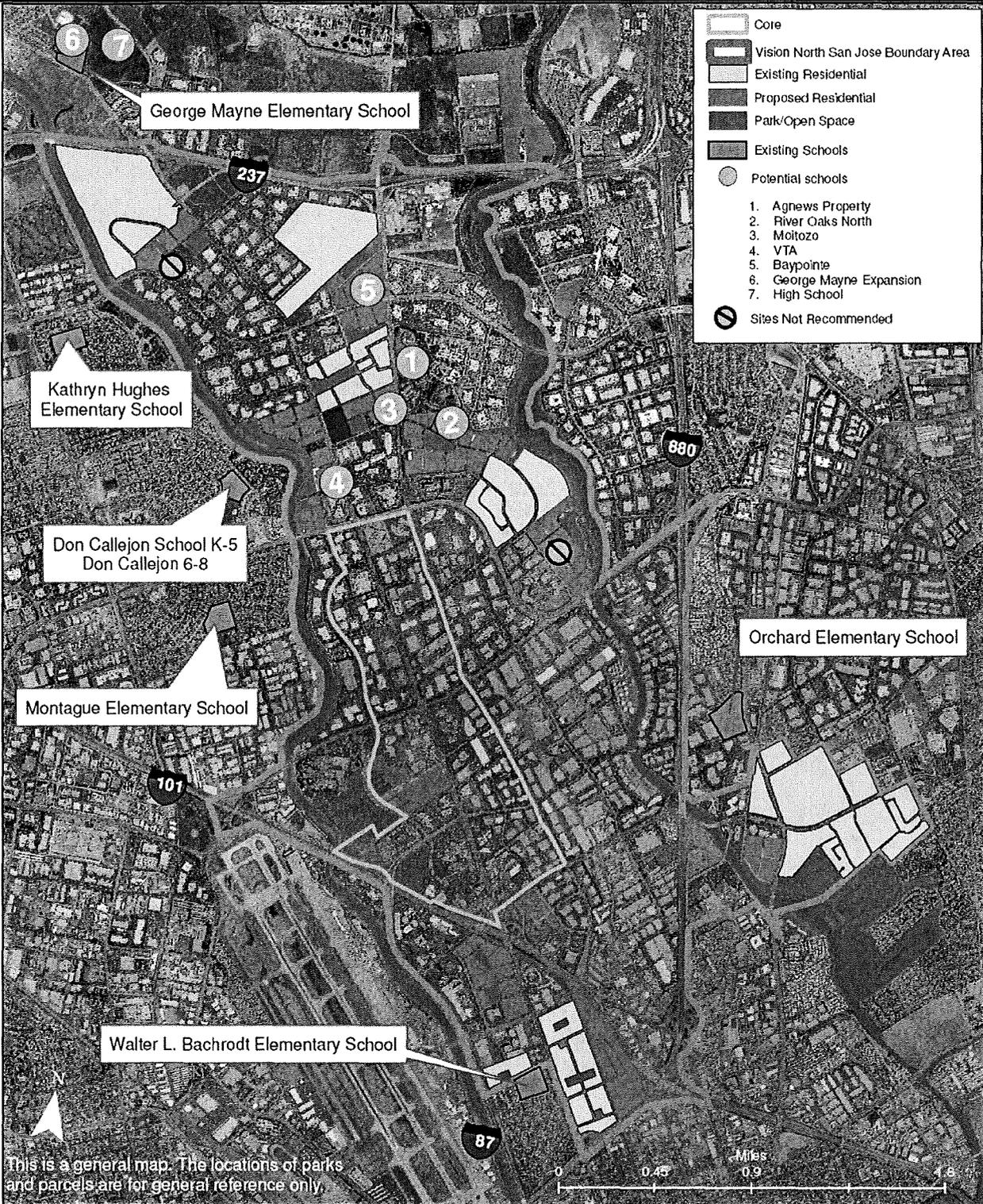


Exhibit B

B. School Site Acquisition and Construction Estimates

Urban elementary school sites need approximately six acres, utilizing two to three story classroom buildings. If a school is attached to a city park where there is a shared use agreement, the district needs only three acres for the school property. Development of K-8 and 9-12 schools is substantially higher in cost based on increased land and enrollment sizes. Using current land values and school construction estimates, the range of school development cost is:

Elementary School K-5	\$ 32 million to \$43 million
Elementary/Middle K-8	\$ 47 million to \$64 million
High School 9-12	\$116 million

For the Santa Clara Unified School District the estimated land and construction cost for a high estimate of two elementary schools, one elementary/middle school and one small high school would range from \$227 to \$266 million.

C. Estimates of Operating Costs

Each of the four districts has provided figures for the costs to educate a student on an annual basis. The average cost per student* is based on each district's current spending. Based on those costs, and assuming costs remain constant at full buildout, the total operating cost ranges are listed below. The breakdown for each district corresponds to the projected number of dwelling units and a range of the potential number of new students in each district. Numbers provided by each District are used for estimating purposes.

Santa Clara Unified	Orchard	East Side Union	San Jose Unified
14,691 units	13,900 units	13,900 units	3,409 units
1377 to 3232 students	1059 to 2118 students	470-940 students	375 to 750 students

Alternatively, using City/Agency generated SGRs the numbers would be:

Santa Clara Unified	Orchard	East Side Union	San Jose Unified
632 students	444 students	167 students	147 students

Based on this low (City/Agency) and high (Santa Clara Unified) range of estimated student yields, the annual cost to each district would be:

Santa Clara Unified	Orchard	East Side Union	San Jose Unified
\$5877 student/year	\$5959 student/yr	\$6600 student/year	
\$3.7m to \$19m/year	\$2.6m to \$57.3m/yr	\$1.1m to \$6.2m/yr.	\$0.85m to \$4.3m/yr.

D. Other Options

1. Modify District Boundaries

One other option would be to consider changing district boundaries. That way, districts that have available capacity could immediately serve areas where other districts have limited or no capacity to expand. In the case of Santa Clara Unified and Orchard School District, a boundary change could provide significant capacity to at least meet K-8 student needs. Santa Clara Unified has stated that its present capacity in nearby schools will be absorbed by growth only in the city of Santa Clara.

Modification of school district boundaries could also result in a rationalization of boundaries to reduce the need for students to cross boundaries en route to school or to allow students to attend a school nearer to their residence. Boundary changes however require a political process that is likely cumbersome and controversial.

2. Urban Schools

The Task Force has expressed a preference for "urban" schools, by which are typically multi-story and utilize a smaller amount of property. Multi-story construction makes more efficient use of land; supports the densification of North San Jose; contributes to the emerging urban character of the district; facilitates synergies between neighboring mixed uses; and reduces walking distances between schools, housing, jobs and other destinations. More urban building types and site plans will also support sustainable or "green" building objectives for the same reasons and because buildings with lower ratios of building exterior surface (roofs and exterior walls) to interior floor area generally have lower heating and cooling loads.

With the high densities planned for North San Jose, multi story classroom construction is not only appropriate, but consistent with the urban fabric and character of the area. It is also a more efficient land use particularly when coupled with an adjacent city park. All of the future school sites analyzed in this report benefit from surrounding high density development which promotes walking over auto use and provides a greater sense of neighborhood by having local schools close to residential development.

The City in conjunction with the school districts will encourage the development of schools that are "urban" in character.

*The average cost per student does not include funds used for special funding programs that are unique to each district. This funding may vary from year to year depending on local, state and federal funding.

5.

Analysis- The Methodology for Projecting Student Generation

A. What are Student Generation Rates? (SGR)

Virtually all studies that estimate the existing and future demand for schools use "Student Generation Rates" (SGR). The SGR establishes a number of students measured in terms of the number of students per dwelling unit. For example, if an average of 100 students were generated out of 100 dwelling units, the SGR would be "1" or an average of 1 student per unit. If there were 150 students per 100 dwelling units, the SGR would be "1.5". SGR's used in this study only pertain to students attending kindergarten through 12th grade public school facilities. Students attending private schools are not counted in this study because they have no direct impact to the public school system.

B. Are Student Generation Rates Reliable Predictors of the Future?

Predicting the SGR for future enrollment with a 30 year plan is at best a very challenging task. Any 30 year prediction should be viewed with a little skepticism. One can only use the best data available from a variety of sources and determine how current trends may be changing. For example, in North San Jose, the current SGR is very low, on the order of less than 0.05, which is approximately one student per 20 units. However, as more amenities are added to the redevelopment area including parks, libraries and retail facilities, the area may become more attractive to families with children and the SGR could increase.

Other factors will also have an impact on the SGR. As the population of San Jose grows, the changing ethnicity of the population will also have an impact on the SGR. Birth rates among immigrant populations vary and one needs to estimate just how both the birth rates of the existing and future population will affect the future school age population.

Finally, the type of housing (apartments or ownership), the project's density, number of bedrooms, and the projects age will also influence the SGR. For example, in North San Jose, all the recently built (in the last 10 years) projects are high density development with smaller units and fewer bedrooms. These projects are not designed by the developers with families in mind. Here, the result is very predictable. There are very small numbers of school age children.

C. What are the Criteria for Selecting School Sites?

School sites would be required for all parts of North San Jose where estimates of student generation will be sufficient to establish a school. This includes site locations in the key housing sites north of Montague Expressway. Seven sites were identified north of Montague. Thirteen criteria were initially developed by the North San Jose Task Force. They are:

- ❑ Have the possibility to be built adjacent to potential parks which would allow for shared open space.
- ❑ Proximity to existing and future residential development.
- ❑ Conformance with the state of California school locational criteria
- ❑ Evaluated based on cost/affordability
- ❑ Availability and ease of acquisition.
- ❑ Opportunities for multi-purpose facility/joint use.
- ❑ Designed as an urban school.
- ❑ Location that benefits both existing and future residents.
- ❑ Ability to have a flexible in design to meet changing needs.
- ❑ Adjacency to a central place in the neighborhood.
- ❑ Convenient and safe walking distances from the potential student population.
- ❑ Allow for adequate bus circulation.
- ❑ Compatibility with or separation from existing and planned industrial uses particularly near production facilities that utilize toxic substances.

6.

Planning for the Future-School Sites

Site Specific Recommendations

The following list of potential school sites was prepared cooperatively with school district officials, the Site Committee for the Santa Clara Unified School District, and the Schools Subcommittee of the North San Jose Task Force. All of these sites fundamentally meet the entire thirteen criteria identified in this report. Where possible, school sites are illustrated with adjacent neighborhood parks that could be designed as joint use facilities.

- Site 1-Agnews Developmental Center Property (11 acres K-5 to 15 acres K-8)



Agnews Property Site Option



The Agnew's property, now owned by the state of California, is slated to be declared surplus in 2009. While the timing for the disposition of the property may change, the southern portion of the property is ideally suited because of its location near to the largest concentration of existing and planned residential development (within walking distance) in North San Jose. There is sufficient land (15 acres) so this site can accommodate a combined elementary and middle school similar to Don Callejon School in Santa Clara. It also could be combined with future park development that may be planned for this area.

The potential drawbacks are the unknowns including when the State will actually surplus the site and the fact that Cisco, the largest employer in San Jose has an option to purchase the entire Agnews site. Official City policy is supportive of industrial/office uses of this property. For the City to support using a portion, albeit small portion of this site for a school and or park, would require Cisco's concurrence. Additionally, the site may contain buildings that may be deemed historic, which could severely limit the ability to build a

multi story urban school. Finally, any students living west of Zanker Road would have to cross this six lane street which would by necessity require busing or a school safety guard.

- Site 2- North River Oaks (11.1 acres)



River Oaks North Site Option

This site would rank equal to the Agnews property if it were not the fact that there are very limited opportunities for a joint school and city park. It's proximity to existing and planned development, make it an ideal location. It has all of the same attributes and drawbacks of the Agnews site except that it too small for a combined elementary and middle school and has different ownership conditions, being currently in private ownership. It is only of a size that can accommodate an elementary (K-5) school.

- Site 3 Moitozo (15.7 acres)



Field Paol November 2007

Moitozo Property Site Option



0 200 400 1000 FT

This property is highly desirable given its central location midway between the residential developments north of Montague Expressway. The site only works if school district boundaries are changed in one of two ways. Either the Santa Clara Unified School District cedes some of its surrounding jurisdiction to the Orchard School District or Orchard cedes the Moitozo area to Santa Clara Unified. It has the opportunity to be placed adjacent to a city park. This site can also accommodate major residential and or commercial development with the option for a city library and community center.

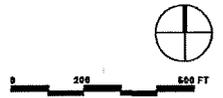
Students living east of Zanker face the same problem as the sites east of Zanker where a substantial portion of the students would have to cross Zanker Road to get to school.

- Site 4 VTA (6.8 acres)



BJRA November 2007

VTA Site Option



Sites 4 and 5 are approximately equal in terms of advantages and disadvantages.

The VTA property has the potential to tie in directly with the planned city park adjacent to the Guadalupe River. A suitable site design has not been achieved because the school would be separated from the city park by a two lane roadway that parallels the park and school site.

A disadvantage of this site is that most of the major residential development is east of this property. It may be more advantageous for students living in this area to attend Don Callejon School. That school is only a short walk over the River Oak pedestrian bridge over the Guadalupe River. Direct access to Don Callejon would require access through a private residential development in the city of Santa Clara and no public trail or road is planned through that development.

- Site 5 Baypointe (undetermined size)



GJRA January 2008

Baypointe Site Location

General Location Only

This site should be one of the last school sites for active consideration because it is in the northern part of the residential development areas of North San Jose, away from most of the new development and closer to the existing school in Alviso. It should only be considered for a school site in later phases of development if students are generated at the high end of the forecast SGR's.

- Site 6 Expansion of George Mayne Elementary (+ 3 acres park and school)



George Mayne Elementary School Expansion

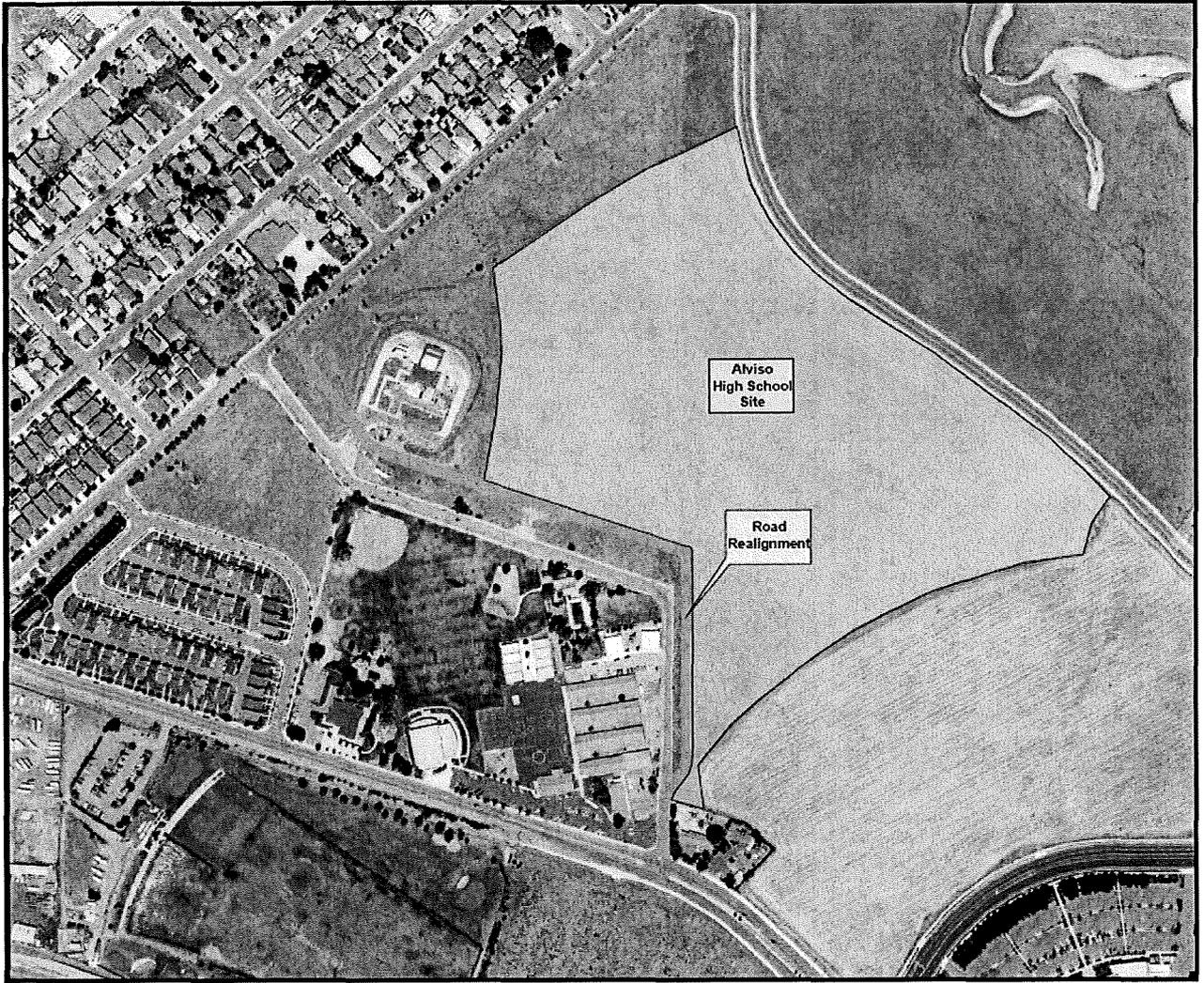
Expansion Acreage: 3.0

GJRA January 2008



George Mayne has a present capacity of 520 students. The site is landlocked from expanding because there is a city park and community center to the north. On the east, there is a roadway (Wilson Way). East of that roadway, the City owns a parcel of land approximately 100 feet in width that runs parallel to the park and school. If Wilson Way were realigned to the eastern edge of the city owned property both the school and park would be expanded by approximately three acres.

- Site 7 High School Site-Alviso (31 acres)



©JRA January 2003

Alviso High School Site Location

Total Acreage: 30.0



If a high school is needed to accommodate the North San Jose Vision, this site in Alviso would rank as the only potential high school site. No other site of this size is available in North San Jose that meets the size requirements, is not too near industrial development and would not interfere with potential job growth. Although there is insufficient student generation for a high school site in the northern part of North San Jose, the Santa Clara Unified District has stated it needs a new high school site because its exiting high schools in Santa Clara are overcrowded. A suitable site is located immediately east of the George Mayne elementary school. There are two undeveloped parcels totaling approximately 31 acres that are planned for industrial development. If this property were combined with the city owned land adjacent to Wilson Way and Tony Santos Street, it would allow for the realignment of these two streets to accommodate a larger city park and an expansion of Mayne elementary school. (Site 6)

□ Sites Not Recommended

Two sites previously suggested include the Cadence and the Vista Montana property. The Cadence site was considered because it offered the opportunity to reuse a relatively new commercial building for a school. However, the site is on the far southeastern portion of Montague at the south end of the planned residential areas. That southerly location (See Exhibit B) makes it unsuitable for a facility that is centrally located and a convenient walking distance to school.

The Vista Montana school site also faces a similar dilemma in that it is located on the northwestern edge of the new residential development. It is not centrally located sufficiently to be considered for a school site.

7.

Timing for School Site Acquisition and Construction

Predicting the timing for school site acquisition is at best a combination of good data analysis and a lot of plain “luck”. Business cycles are never linear. However, to adequately predict the timing for a school development requires one to know with a great deal of precision;

- Where and when in North San Jose residential development will take place.
- Whether other constraints such as the North San Jose Area Development Policy which limits the residential development to phases where a certain amount of commercial/industrial development must take place before further residential development can proceed. Here, the Policy allows 8,000 dwelling units to be developed, but there must be more than 7 million square feet of industrial/office space with building permits issued before any additional residential units can be entitled. That could mean that if there was insufficient commercial development to progress to the next phase of development, and there was a strong housing market, that housing would not proceed until the Development Policy requirements were realized.

School districts work around this uncertainty usually by adding temporary “portable” classrooms to an existing school site. That way, an influx of students can be accommodated on an existing site until there are a sufficient numbers of students to build a new school. In the case of Santa Clara Unified, three nearby elementary and one middle school have existing capacity for new students, although the District staff has stated that planned residential growth near these schools will eventually eliminate this surplus capacity. However, these sites could add temporary portable classrooms if a short term need arise.

It would be prudent for Santa Clara Unified to decide which one of the three top sites in their district should be purchased. It typically takes 5 years to acquire and develop a school site. In evaluating all of the five potential sites, both the City’s Redevelopment Agency and the District have been meeting with state officials to determine their suitability under the state criteria. Based on initial meetings with state officials, it appears that the top five sites can satisfy the state

requirements. Additionally, the Redevelopment Agency is also assisting the District in evaluating the potential for hazardous materials either at or near these potential school sites.

- With regard to the second and third K-5 sites, the District should seriously consider also acquiring one or more of the preferred sites. Then the district could land bank these properties until they are needed to accommodate increased student enrollment. If those properties were developed, the district could receive lease revenues until the district was ready to build the school. However, if that enrollment never materializes, the properties could be resold to a private developer.
- While the North San Jose Policy anticipates residential development over a 30 year period, it is unlikely that these school sites, particularly those sites that are currently undeveloped would remain undeveloped. Therefore, it would be prudent for the District to acquire as many sites as possible before any prime school sites are developed with alternative uses.

8. Capital Costs-Land and Construction

School site construction costs will vary depending on the land selected and whether the site is vacant or developed. The sites that received the highest recommendations are presently either vacant (Moitozo) or partially developed (Agnews). Some sites may require historic preservation (Agnews) which could dramatically increase development costs. For purposes of this study we have used only vacant land. For construction, there is an assumption that at least some of the school structure will be in multi story buildings. That construction will be more expensive than traditional single story school construction.

Another critical factor is the potential for joint use of park facilities. Since it is not known if any school site and also be combined with a park site, this analysis will use a range of land use from three to six acres depending on whether it is combined with a park site.

Table 2 illustrates the average cost to build an elementary school in North San Jose.

**Table 1
School Facilities Cost**

	500 Students K-5			900 Students K-8			High School 9-12	
	4	8	cost per sq ft	6.5	13	cost per sq ft	32	cost per sq ft
Land	\$10,454,400	\$20,908,800	\$60.00	\$16,988,400	\$33,976,800	\$60.00	\$55,756,800.00	\$40.00
Const.								
Costs	\$22,000,000	\$22,000,000		\$30,000,000	\$30,000,000		\$60,000,000.00	
Total	\$32,454,400	\$42,908,800		\$46,988,400	\$63,976,800		\$115,756,800.00	

□ **School Site Planning-Orchard, East Side Union and San Jose Unified School Districts**

Developing school sites in the Orchard, East Side Unified and San Jose Unified School Districts presents a different set of issues and solutions for each school district. Each district has its own school board priorities, community concerns, development priorities and funding issues. Each district has stated that development in North San Jose will have a ripple effect extending beyond the North San Jose borders dealing with individual school attendance boundaries, enrollment in existing school and how the district will finance the growth in student enrollment in each district. In meetings with all of the district representatives, all three expressed their desire to work with the City/Agency to find alternatives that work for the entire community.

Neither of these previous studies included potential student generation in the three remaining school districts including San Jose Unified, the East Side Union School District or the Orchard School District. However, the conclusions of the Santa Clara Unified and City/Agency studies are directly applicable to these other districts and have been applied to the SGRs for these districts.

One key difference among all the school districts is their ability to accommodate future growth. While all four districts have capacity in schools either in or adjacent to North San Jose, some districts feel they can easily accommodate future growth, while other districts have stated that other growth in their jurisdictions will require a substantial investment in additional facilities.

Table 2 below lists the present capacities in each of the districts.

Table 2								
Available Capacity by School District for Adjacent Schools								
Santa Clara Unified		Orchard		East Side Union		San Jose Unified		Total
George Mayne	58	Orchard	313			Bachrodt	60	
Kathryn Hughes	69							
Don Callejon K-5	70							
Don Callejon 6-8	156							
Montague	166							
Total	519		313	N/A			60	892

While Santa Clara Unified has the largest current availability, their District staff has stated that their capacity will be absorbed by development in the city of Santa Clara. Orchard School District would then have the greatest existing capacity to increase enrollment. Since they have both expansion land and classroom space, the cost to provide schools in the early phases of North San Jose development is the lowest for Orchard among the districts that provide elementary education. However, their site is east of most North San Jose residential development. It would require either those parents drive their children to school or the district would have to provide busing.

At first glance, the issue of parents driving their children to elementary school would be contrary to the concept of developing neighborhood schools within a reasonable walking distance. However, both the Santa Clara and Orchard districts have stated that over the past two decades, for a variety of reasons an increasing number of parents are in fact driving their children to elementary school regardless of school proximity. That trend does not appear to be changing.

9. Revenue Projections

The following table demonstrates potential revenues to each school district based on the amount of amount of residential and commercial construction allocated to each district. These figures represent the 30 year buildout of North San Jose.

**Table 3
North San Jose Vision
Projected Development Fees by School District Over 30 Years**

District	Residential Units	Projected fees	Commercial Square Feet	Projected Fees	Total
SCUSD	14,691	\$8,021,286	9,870,000	\$25,958,100	\$33,979,386
Orchard	13,900	\$7,589,400	16,330,000	\$42,947,900	\$50,537,300
East Side Union	13,900	\$7,589,400	16,330,000	\$42,947,900	\$50,537,300
San Jose Unified	3,409	\$1,861,314	500,000	\$1,315,000	\$3,176,314
total	32,000	\$25,061,400	26,700,000	\$113,168,900	\$138,230,300

Fees for Orchard and East Side Union are based on the same residential units and commercial square feet because of the overlapping jurisdiction. Totals include these units/sq ft once only. Residential units average 1300 square feet including common areas. Fees are \$2.63 square foot for residential and \$0.43 square foot for commercial.
All \$ figures are in 2008 dollars