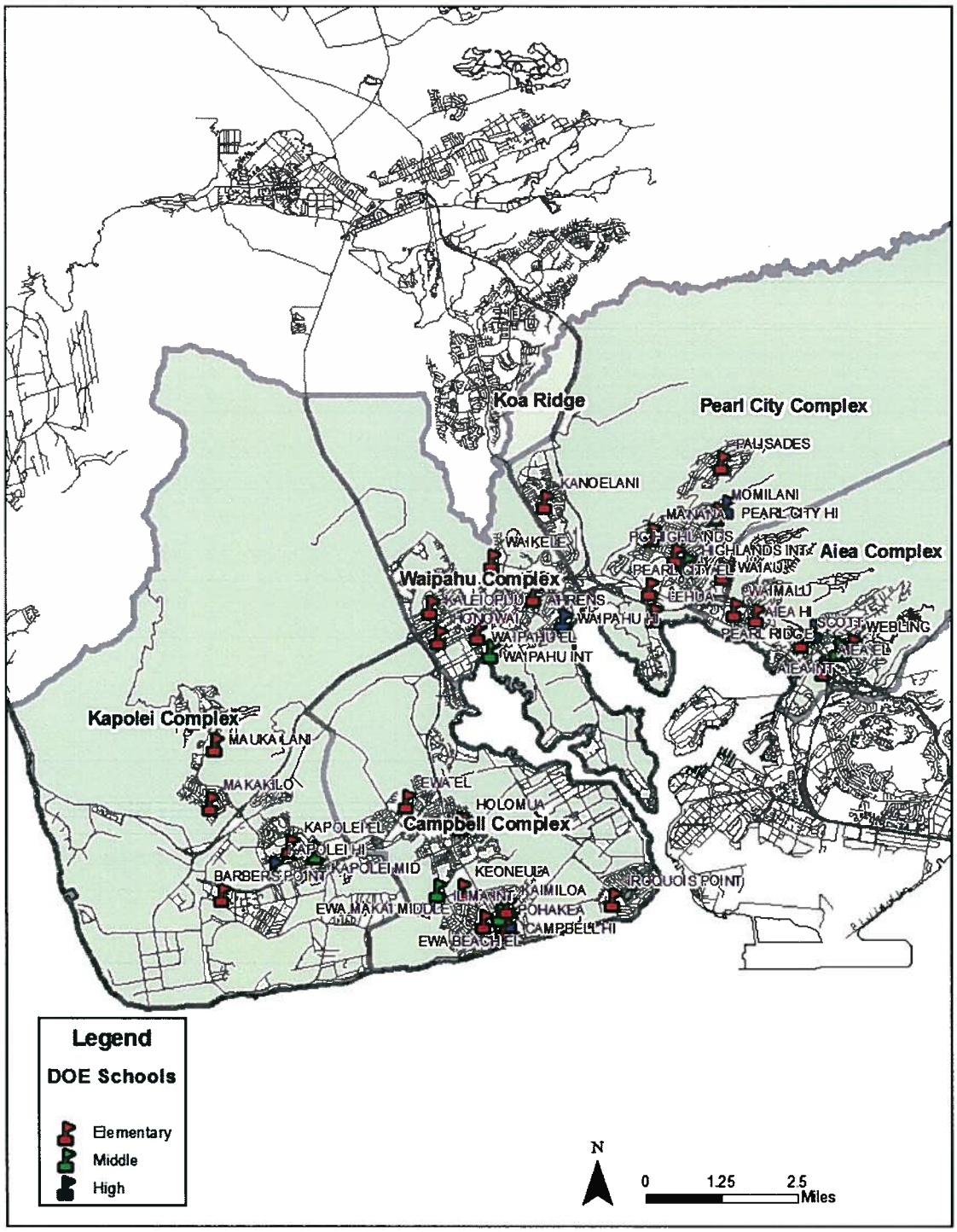
EXHIBIT A

ANALYSIS OF THE LEEWARD OAHU SCHOOL IMPACT DISTRICT



12/29/2011

This report was prepared in accordance with
Act 245, Session Laws of Hawaii 2007 and Act 188, Session Laws of Hawaii 2010

The Department of Education held a public hearing on the proposed Leeward Oahu School Impact District on December 28, 2011 at Waipahu High School.

Comments on the Leeward Oahu School Impact District can be emailed to heidi_meeker@notes.k12.hi.us.

THE LEEWARD OAHU IMPACT DISTRICT

I. Introduction and Background

Residential developers in Hawaii have provided land and money for public schools since the early 1980's. The Department of Education (hereinafter "DOE") collected payments of school land and cash when developers were required to make "fair-share contributions" by the State Land Use Commission or the counties as a condition of project approval.

The DOE was only granted its own authority to collect impact fees with the passage of Act 245, Session Laws of Hawaii 2007.

The groundwork for Act 245 was done by the School Impact Fee Working Group (hereinafter "Group") created by the State Legislature in 2005. The Group submitted its findings and recommendations in a report, *Hawaii School Impact Fee Working Group Report* (hereinafter "2007 Report"), prepared by Duncan Associates and Group 70 International, Inc., in March 2007. The 2007 Report provided a framework, or procedure, for determining fee schedules for those areas of the state experiencing enough new residential development to require new or expanded school facilities.

The New Law

Act 245 incorporated many of the findings and recommendations in the 2007 Report. It allows the DOE to charge impact fees within school impact districts where new public schools must be constructed or existing public schools must be expanded to accommodate students from new homes.

The 2007 Report determined that it cost the State of Hawaii approximately $17,102 in school construction to cover the additional students generated by each new unit of single family housing from 1997 to 2007. Every 100 units of new single family homes required 0.856 acres of land for schools.

Act 245 requires developers to provide most of the land needed for new schools. In addition, developers are also required to contribute either ten percent (10%) of all new school construction costs, or ten percent (10%) of the construction costs of expanding an existing school. The balance of school construction funds would continue to come from state tax revenues.

The school impact fee law did not exempt developers of small projects, individual home builders, or affordable housing projects. For the purposes of this analysis, the term developer is meant to include all home builders regardless of the number of units being constructed.

The Legislature determined that new residential developments within identified school impact districts create demand for public school facilities. Therefore, developers of new housing are required to pay a portion of the cost of providing new or enlarged public schools to serve the additional students who will be living in the new housing. The land or fees charged are based on each new development's proportionate share of the additional demand on public school facilities.

The law requires the DOE to identify impact districts where school impact fees should be charged. It also requires the DOE to conduct an analysis of each of the proposed districts to verify the need for new school facilities and to determine the amount of fees charged. The written analysis must contain a map showing the boundaries of the impact district, and analysis to support the need to construct new or expand existing school facilities within the next twenty-five years to accommodate projected growth in the district.

The school impact fee law was amended in 2010 by Act 188. Act 188 (2010) clarified many aspects of the school impact fee law, including the analysis required of the DOE prior to seeking the adoption of a school impact district by the Board of Education (BOE).

What follows is the required analysis, based on recent history and DOE's best predictions for the future. Anticipating the future is not an easy task, especially in light of unprecedented uncertainty about the economy and home building in particular.

Summary of Findings

The DOE decided Leeward Oahu was an appropriate location for a new school impact district. The BOE previously designated the West Hawaii School Impact District in April 2010 and the Central Maui and West Maui School Impact Districts in November 2010. The identification of the Leeward Oahu Impact District (hereinafter "Impact District") is based on the growth experienced over the past 20 to 30 years (Table 1), as well as on the growth expected over the next 20 to 30 years (Table 2).

More than 55,000 new residential units are proposed in the next 25-30 years within the Impact District. These new units are expected to generate over 21,000 additional public school students who will attend area schools. Please refer to Appendix A for list of proposed Leeward Oahu projects and their projected number of new units. Approximately 10,000 of these units are from projected transit oriented development. The Impact District includes the proposed Hoopili, Koa Ridge, and Waiawa projects.

Over 21,000 new public school students in the next 30 years would require between 23 and 46 new schools, with a total acreage of approximately 606 acres, if existing schools are not expanded. School impact fees would generate approximately 421 of those school acres if, and when, every proposed project is completed (Table 12). The DOE has 22 school sites reserved in future projects through existing agreements. Many of the 55,000 new residential units are covered by these existing agreements.

If all of the construction impact fees generated from 55,000 new residential units were collected at the same time, the amount would be approximately $99 million (Table 12). While that might seem like a staggering figure, it's useful to note that the total cost of constructing two DOE elementary schools in 2006 was $90 million and a new middle school will cost $76 million when it is fully built out in the next few years. Also, many of these units are covered by prior existing agreements between the developer and the DOE.

A draft fee schedule for land and construction can be found in Appendix C.

The DOE's analysis of population and enrollment growth in the Impact District concludes that there was substantial growth during the 1980's and part of the 1990's (Table 1). The number of schools serving the Impact District during that period grew from 31 to 38. Two additional schools were built between 2000 and 2010.

Over the next 20 to 30 years, if most of the proposed residential construction in the Impact District is completed, the DOE will be facing an enormous task of providing an unprecedented number of new or expanded schools.

II. The Leeward Oahu School Impact District

Act 245 defines "school impact district" as a geographic area designated by the BOE where anticipated growth will create the need for one or more new schools or the expansion of one or more existing schools. These schools are or will be located within the area and will primarily serve new housing units within the area. The analysis must demonstrate that growth and development are occurring and creating the need for new or expanded school facilities.

The owners or developers of many of the proposed Leeward Oahu development projects have represented their projects as communities for full-time, year-round residents. This differs from residential development in other areas of the state that may have a larger transient or vacation component and fewer students per unit.

The analysis focuses on the direct impact of new development on Leeward Oahu schools. The boundaries the DOE selected for the Impact District are the existing school service boundaries of the Kapolei, Campbell, Waipahu, Pearl City, and Aiea Complexes, plus the region surrounding the proposed Koa Ridge project. Each DOE complex generally consists of a high school and the middle and elementary schools that feed their students into the high school. Figure 1 and Figure 2 show the schools in the impact district and their 2011-12 enrollments. Figure 3 and Figure 4 show the schools in the complexes adjacent to the impact district and their 2011-12 enrollments.

Figure 1
Map of the Campbell – Kapolei – Waipahu Portion of the Leeward Oahu School Impact District, with 2011-12 Enrollment of Schools

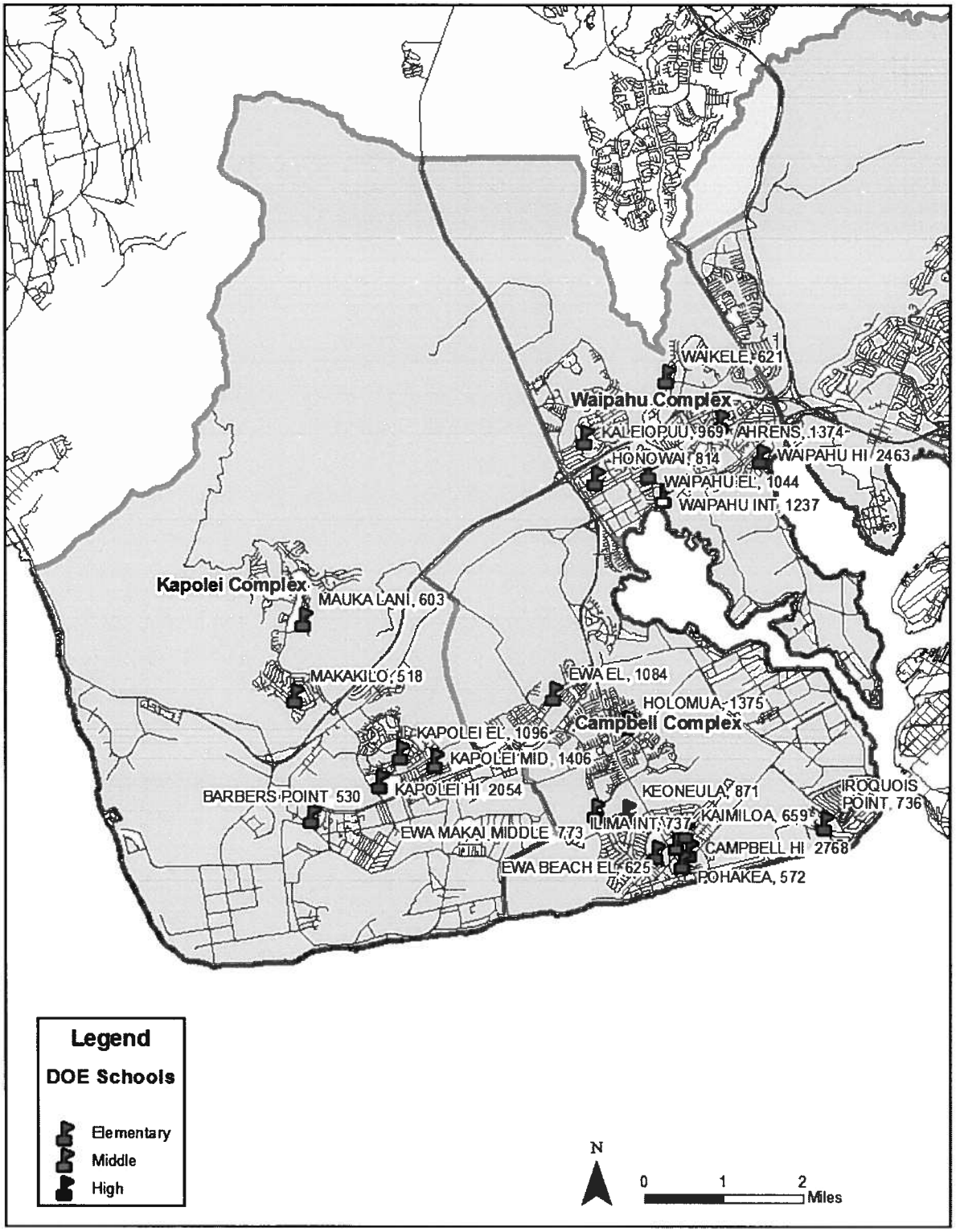


Figure 2
Map of the Koa Ridge – Pearl City – Aiea Portion of the Leeward Oahu School Impact District, with 2011-12 Enrollment of Schools.

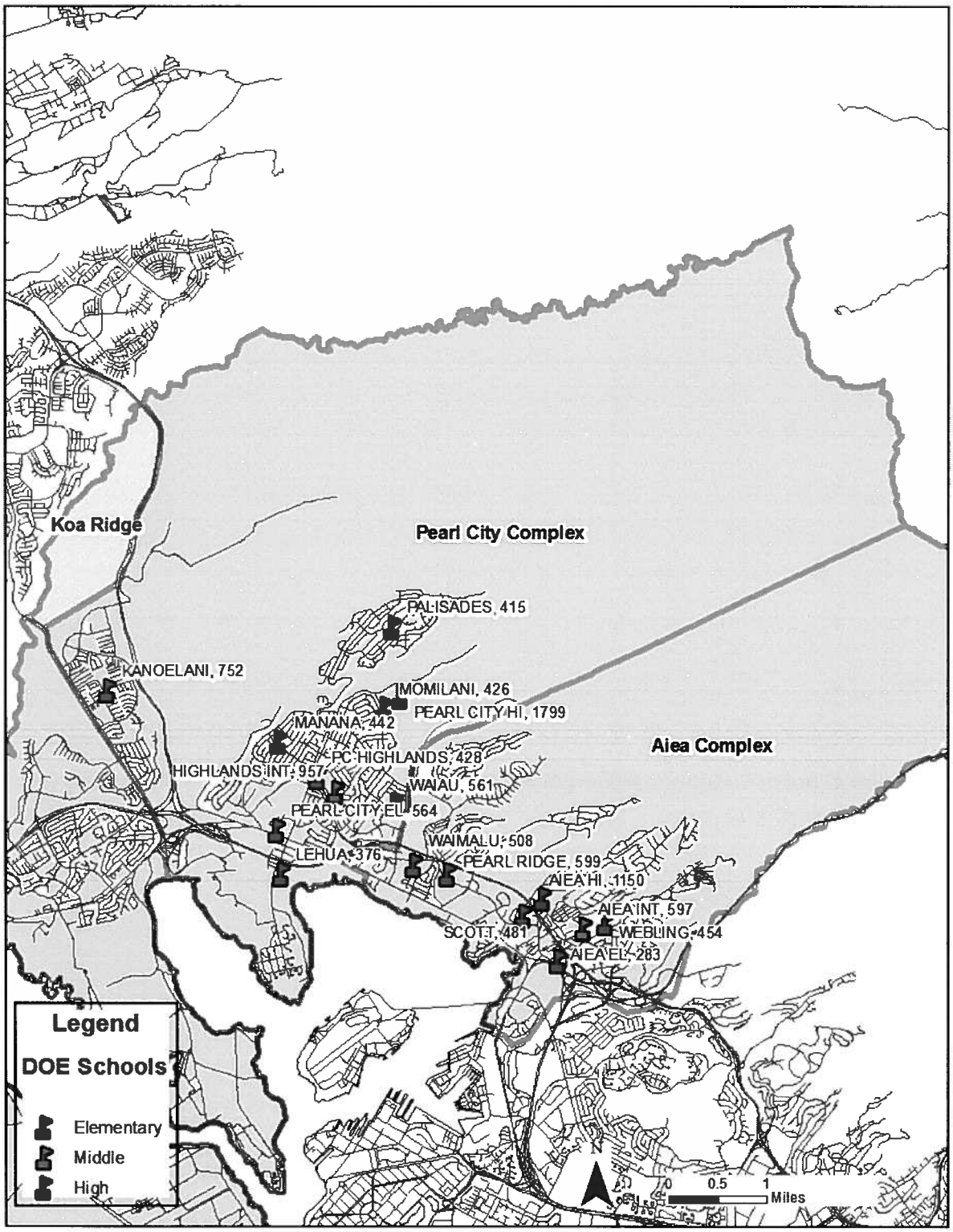


Figure 3
Map of Schools Adjacent To But Not Included in the Proposed Leeward Oahu School Impact District: the Nanakuli and Mililani Complexes, with 2011-12 enrollment. (The labeled schools are not within the Impact District.)

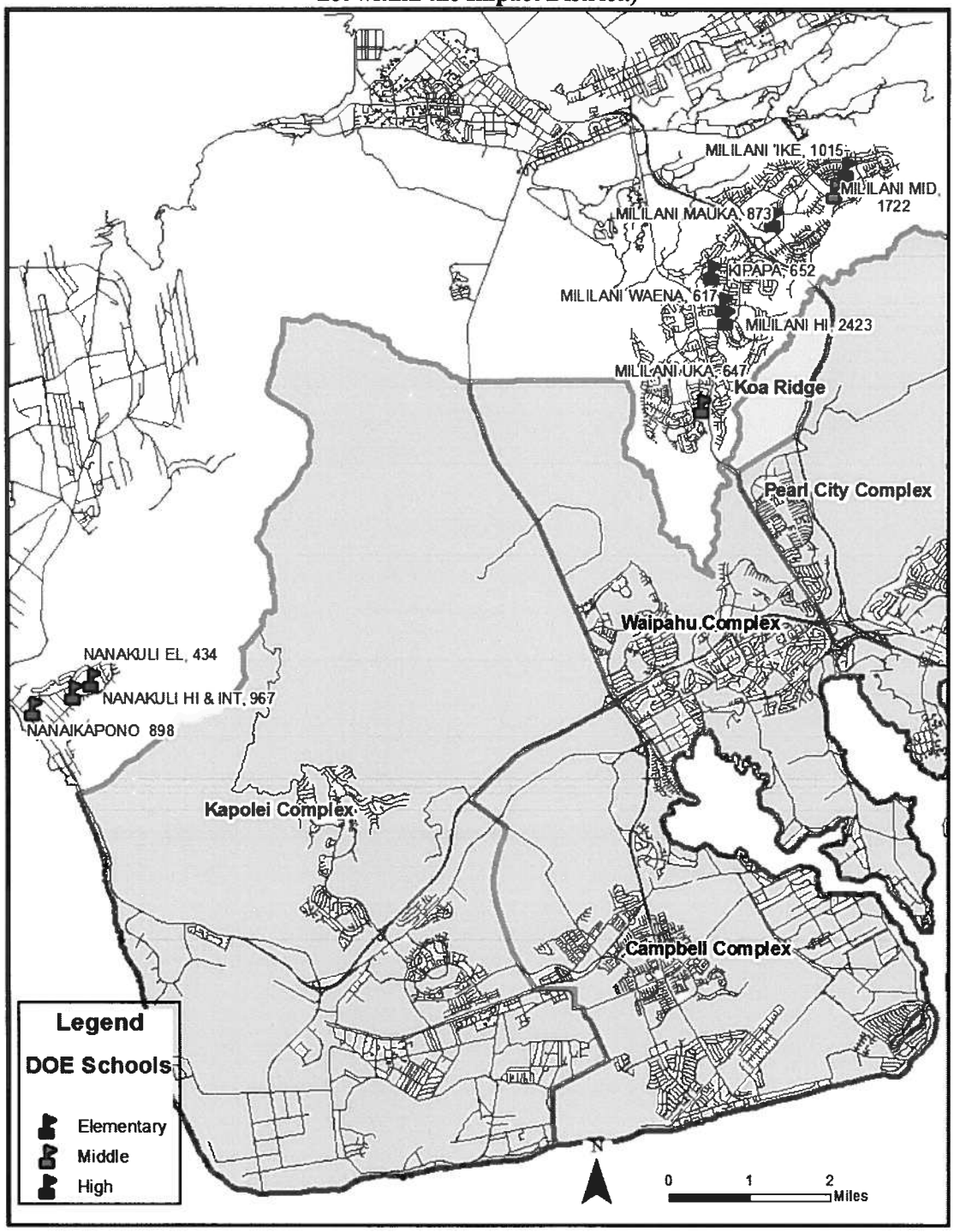
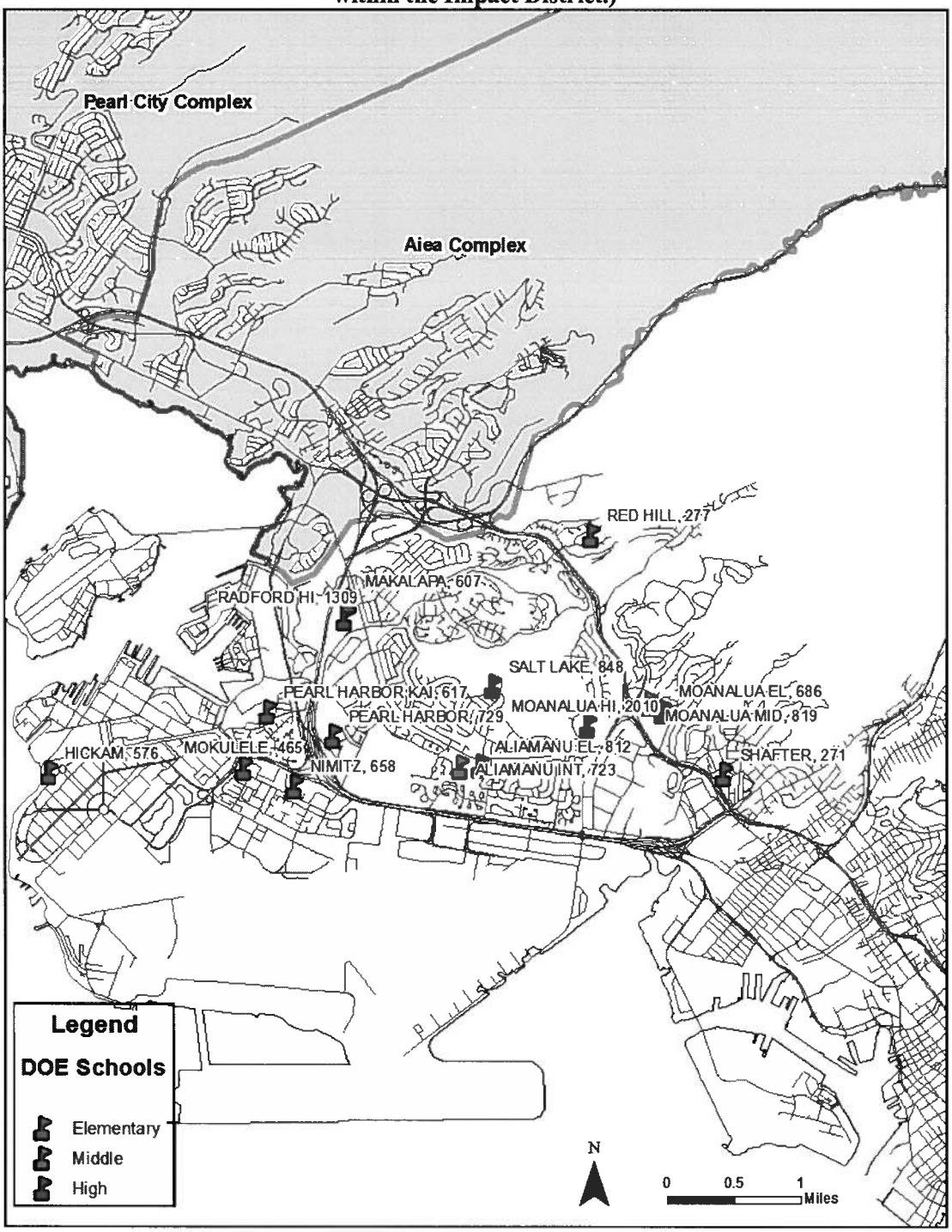


Figure 4
Map of Schools Adjacent But Not Included in the Proposed Leeward Oahu School Impact District: the Moanalua and Radford Complexes, with 2011-12 enrollment. (The labeled schools are not within the Impact District.)



Description of the Leeward Oahu School Impact District

Leeward Oahu had a substantial rate of growth, exceeding that of the City and County of Honolulu overall, over the past two decades.

Table 1
Recent Population Trends

Region	1960	1970	1980	1990	2000	2010
Honolulu County	500,409	630,528	762,565	836,231	876,156	911,841
Leeward Oahu Impact District Population[1]				173,416	207,662	234,436

Source: 2010 Census, DBEDT, and DPP

The City and County of Honolulu has also had substantial growth over the past 50 years, with the fastest growth occurring between 1960 and 1970. During that 10 year period, the island-wide population increased by over 26%. While the *rate* of growth has slightly tapered off in recent years, the City and County of Honolulu has continued to grow. Roughly 25% of Oahu's population lived in the Leeward Oahu Impact District in 2010.

Table 2
Population Projection for Honolulu County and Leeward Oahu

Region	2010	2015	2020	2025	2030	2035
Honolulu County	911,841	941,847	969,467	994,632	1,017,576	1,038,317
Leeward Oahu Impact District Population[2]	234,436	257,066	276,377	295,368	314,217	331,615
Rest of Oahu	677,405	684,781	693,090	699,264	703,359	706,702

Source: DPP and DPP Socioeconomic Projections, 2000-2035

As detailed above, the Impact District is projected to increase in population by 41% between the present and 2035.

Enrollment in Leeward Oahu School Impact District

The Impact District is the service area of all the schools in the Aiea, Pearl City, Waipahu, Campbell, and Kapolei Complexes. Historical and projected enrollment figures from 1980-2017 are shown below.

Table 3
Historical and Projected Enrollment, Leeward Oahu School Impact District

School Name	1980 - 81 school year	1990 - 91 school year	2000 - 2001 school year	2011 - 2012 school year	2016 - 17 school year projected	Net Gain / Loss, 80 to 90	Net Gain / Loss, 90 to '00	Net Gain / Loss, 2000-01 to 11-12	Total Net Gain / Loss, 1980-81 to 11-12	Projected Net Gain / Loss, 2011-12 to 2016-17
Aiea Complex										
Aiea El	479	369	376	283	312	-110	7	-93	-196	29
Pearl Ridge	468	548	631	599	601	80	83	-32	131	2

[1] Approximated as the Aiea, Pearl City, Waipahu, Ewa, and Makakilo/Kapolei/Honokai Hale neighborhood areas.

[2] Approximated for 2015-2035 as the Aiea, Waiau, Ewa Villages, Ewa Gentry, Ewa Beach, Ocean Pointe, Kalaeloa, Ko Olina, City of Kapolei, Villages of Kapolei, East Kapolei, Makakilo, Village Park, Waipahu, Waikele, Waipio, and Waiawa DPP Planning Sub-areas.

School Name	1980 - 81 school year	1990 - 91 school year	2000 - 2001 school year	2011 - 2012 school year	2016 - 17 school year projected	Net Gain / Loss, 80 to 90	Net Gain / Loss, 90 to '00	Net Gain / Loss, 2000-01 to 11-12	Total Net Gain / Loss, 1980-81 to 11-12	Projected Net Gain / Loss, 2011-12 to 2016-17
Scott	889	930	661	481	458	41	-269	-180	-408	-23
Waimalu	811	873	685	508	526	62	-188	-177	-303	18
Webling	446	529	489	454	455	83	-40	-35	8	1
Aiea Intermediate	843	754	571	597	597	-89	-183	26	-246	0
Aiea High	2,038	1,460	1,367	1,150	1,176	-578	-93	-217	-888	26
Aiea Complex Total	*5,974*	*5,463*	*4,780*	*4,072*	*4,125*	*-511*	*-683*	*-708*	*-1,902*	*53*
Campbell Complex										
Ewa El	413	421	780	1,084	1,060	8	359	304	671	-24
Ewa Beach	656	380	533	625	625	-276	153	92	-31	0
Holomua	0	0	1,077	1,375	1,454	0	1,077	298	1,375	79
Iroquois Point	1,012	1,115	732	736	729	103	-383	4	-276	-7
Kaimiloa	546	630	750	659	638	84	120	-91	113	-21
Keoneula	0	0		871	927	0	0	871	871	56
Pohakea	667	559	556	572	615	-108	-3	16	-95	43
Ewa Makai Middle	0	0		773	877	0	0	773	773	104
Ilima Intermediate	1,080	1,006	959	737	855	-74	-47	-222	-343	118
Campbell High	2,294	1,545	2,102	2,768	2,904	-749	557	666	474	136
Campbell Complex Total	*5,599*	*4,855*	*7,489*	*10,200*	*10,684*	*-744*	*2,634*	*2,711*	*4,601*	*484*
Kapolei Complex										
Barbers Point	351	471	198	530	511	120	-273	332	179	-19
Kapolei El	0	0	1,039	1,096	1,210	0	1,039	57	1,096	114
Makakilo	529	522	617	518	514	-7	95	-99	-11	-4
Mauka Lani	422	437	691	603	563	15	254	-88	181	-40
Kapolei Middle	0	0	1,261	1,406	1,537	0	1,261	145	1,406	131
Kapolei High	0	0	373	2,054	2,161	0	373	1,681	2,054	107
Kapolei Complex Total	*1,302*	*1,430*	*4,179*	*6,207*	*6,496*	*128*	*2,749*	*2,028*	*4,905*	*289*
Pearl City Complex										
Kanoelani	0	885	811	752	757	885	-74	-59	752	5
Lehua	500	482	362	376	418	-18	-120	14	-124	42
Manana	601	455	501	442	422	-146	46	-59	-159	-20
Momilani	386	242	406	426	415	-144	164	20	40	-11
Palisades	647	453	378	415	429	-194	-75	37	-232	14
Pearl City El	571	503	552	564	588	-68	49	12	-7	24
Pearl City	625	420	392	428	394	-205	-28	36	-197	-34

School Name	1980 - 81 school year	1990 - 91 school year	2000 - 2001 school year	2011 - 2012 school year	2016 - 17 school year projected	Net Gain / Loss, 80 to 90	Net Gain / Loss, 90 to '00	Net Gain / Loss, 2000-01 to 11-12	Total Net Gain / Loss, 1980-81 to 11-12	Projected Net Gain / Loss, 2011-12 to 2016-17
Highlands El										
Waiau	492	566	669	561	551	74	103	-108	69	-10
Highlands Intermediate	1,172	1,075	1,103	957	983	-97	28	-146	-215	26
Pearl City High	2,528	2,170	2,032	1,799	1,838	-358	-138	-233	-729	39
Pearl City Complex Total	*6,421*	*5,429*	*7,206*	*6,720*	*6,795*	*-992*	*1,777*	*-486*	*299*	*75*
Waipahu Complex										
Ahrens	1,555	1,525	1,221	1,374	1,346	-30	-304	153	-181	-28
Honowai	984	858	832	814	806	-126	-26	-18	-170	-8
Kaleiopuu	0	546	991	969	955	546	445	-22	969	-14
Waikele	0	0	732	621	625	0	732	-111	621	4
Waipahu El	978	906	984	1,044	1,066	-72	78	60	66	22
Waipahu Intermediate	1,095	952	1,192	1,237	1,275	-143	240	45	142	38
Waipahu High	2,206	1,864	2,411	2,463	2,489	-342	547	52	257	26
Waipahu Complex Total	*6,818*	*6,651*	*8,363*	*8,522*	*8,562*	*-167*	*1,712*	*159*	*1,704*	*40*
Leeward Oahu Impact District Total	**26,114**	**23,828**	**32,017**	**35,721**	**36,662**	**-2,286**	**8,189**	**3,704**	**9,607**	**941**

Source: Department of Education

Public school enrollment in the Impact District has increased by over 22% from 1980 to 2000. During that period, seven new schools were completed: Kaleiopuu, Kanoelani, Waikele, Holomua, and Kapolei Elementary Schools, Kapolei Middle School, and Kapolei High School. Public school enrollment in the Impact District increased by 12% from 2000-01 to 2011-12. During that time, two new schools were completed: Keoneula Elementary School and Ewa Makai Middle School.

In the 2011-12 school year, 19,780 students in the Impact District were in elementary schools, 5,707 were in intermediate or middle schools, and 10,234 were in high schools. Enrollment in the Impact District has increased by 37% over the past 31 years and is expected to continue to increase. Total projected enrollment for these schools in the 2016-17 school year is expected to exceed 36,000 students, a 3% increase from 2011-12.

Projected Growth in the Impact District

The DOE predicts 55,613 additional residential units in proposed residential projects in the Impact District over the next 25 years. Some of these units are identified in specific development projects, while other units are based on higher-density zoning due to transit-oriented development (TOD). The City and County has prepared several plans proposing zoning changes to encourage new residential development within a quarter mile of the proposed mass transit stations. The new units from these zoning changes are assumed to be multi-family. The units for the Hoopili and UH-West Oahu TOD areas in the Kapolei Complex and for the Pearlridge TOD area in the Aiea project are incorporated in the specific project unit counts for Hoopili, UH-West Oahu, and The Pearl. Appendix A has project unit counts.

Table 4
New Units Projected in the Leeward Oahu District

Region	Single Family Units	Multi-Family Units	Total Units
Kapolei Complex	6,290	21,256	27,546
Campbell Complex	1,389	1,282	2,671
Waipahu Complex	650	5,870	6,520
Pearl City Complex	5,355	10,081	15,436
Aiea Complex	0	3,440	3,440
Total	13,684	41,929	55,613

Source: DOE Analysis

Student Generation Rates

Table 5 below illustrates the number of students expected to reside in the future units. The student count is calculated by multiplying the unit counts by a set of student generation rates (SGR).

Table 5
New Students Generated from New Projected Units

Region	Single Family Students	Multi-Family Students	Total Students
Kapolei Complex	2,893	7,865	10,758
Campbell Complex	639	474	1,113
Waipahu Complex	299	2,172	2,471
Pearl City Complex	2,463	3,730	6,193
Aiea Complex	0	1,273	1,273
Total	6,294	15,514	21,808

The SGR is the average number of students that will reside in each unit after a project has reached maturity and its population stabilizes. Appendix B provides an explanation of how the Impact District SGRs were calculated.

As an example, the Impact District's multi-family SGR totals 0.37. This means that, on average, the DOE expects 0.37 students per multi-family unit. Put another way, the DOE expects 37 students per every 100 new multi-family units.

An analysis of school impacts within an impact district requires a district-wide student generation rate. Table 6 illustrates how the District SGRs are applied to future unit counts to produce an estimated number of additional students.

Table 6
New Students Generated by New Development in the Leeward Oahu Impact District through 2035

	Single Family SGR	Students in Single Family Units	Multi-Family SGR	Students in Multi-Family Units	Total
Total # Units		13,684		41,929	
Elementary	0.25	3,421	0.21	8,805	12,226
Middle	0.07	957	0.06	2,516	3,473
High	0.14	1,916	0.10	4,193	6,109
Total Students	0.46	6,294	0.37	15,514	21,808

III. HOW THE IMPACT FEE FORMULA WORKS

Impact fees consist of a land requirement, either through land dedicated by the developer or a fee in lieu, and a construction fee. The fee amounts are based on the development's proportionate share[3] of the need to build additional public school facilities.

Land Component
The amount of land dedication is based on the following three variables:
1) Projected number of new students generated within the Leeward Oahu District;
2) The number of dwelling units in the development; and
3) The 2007 report calculated the average acres per student provided in schools built statewide over a 10 year period. This was expanded and recalculated to include Ewa Makai Middle School, the only school built after that period.

The projected number of new students is determined by multiplying the District's SGRs by the amount of single family and multi-family units. That number is then multiplied by the average acres per student to arrive at the total school land requirement for a particular development.

Act 245 supplied the average acres per student for elementary (K-5), middle (6-8) and high (9-12) schools. Based on all DOE schools built between 1997 and 2011, the actual school acreage per student figures are shown in Table 7.

[3] In determining proportionate share, new developments shall be charged for a level of service that is equal to, and no higher than, the current level of service that is being provided to existing residential areas. Level of service is defined by Act 245 to be the percentage of classrooms that are located in permanent structures, but not including classrooms located in portable buildings.

Table 7
Average Acres per Student Based On Recent School Construction

New Schools built 1997-2011	Total Acreage of all schools	Total Design Enrollment of all schools	Acres/student
7 Elementary Schools	87.05	5,591	0.0156
4 Middle Schools	67.76	5,327	0.0127
3 High Schools	144.34	4,711	0.0306

Source: Hawai`i School Impact Fee Working Group Report, March 2007 and DOE Data

Table 8
Calculating the Land Cost Component of the School Impact Fees

School Type	(1) Leeward Oahu SGR	(2) Number of Units / Project	(3) Avg. acres/student provided '97-'11	Land fee in acres for 1 SF Unit	Land fee in acres for 100 SF Units
Elementary	0.25	1	0.0156	0.00389	0.389
Middle	0.07	1	0.0127	0.00089	0.089
High	0.14	1	0.0306	0.00429	0.429
Acreage for Leeward Oahu Single Family Units				**0.00907**	**0.907**
				1 Multi-family Unit	100 Multi-family Units
Elementary	0.21	1	0.0156	0.00327	0.327
Middle	0.06	1	0.0127	0.00076	0.076
High	0.10	1	0.0306	0.00306	0.306
Acreage for Leeward Oahu Multi-Family Units				**0.00709**	**0.709**

School Land Formula
To calculate the land dedication requirement for an individual project, the acres per student required for elementary, middle and high school is each multiplied by the total number of single family and multi-family units in the project. The results are then added together for the total acreage required from the project. This is shown in Table 8 above.

According to the land formula above, the amount of school land required to accommodate new students in the Impact District is 0.907 acres for every 100 single family homes and 0.709 acres for every 100 multi-family homes.

Fee-in-Lieu of Land
If the DOE determines it does not need land, it will notify a developer of a need for a fee-in-lieu of land. Individual lot owners will almost always pay a fee-in-lieu of land instead of dedicating land.

The dollar amount of the fee-in-lieu of land is determined using the following formula: the total school land requirement multiplied by the value per acre of existing school sites in the district. The value is based on the appraised fair market value of improved school sites, zoned for residential use with the necessary infrastructure. The DOE had appraisals conducted for the value of existing school land within

the impact district. These appraised values were blended based on 2011-12 enrollment in the Campbell-Kapolei, Waipahu, and Pearl City-Aiea regions. The blended fee-in-lieu values are shown below.

Table 9
Fee-in-Lieu of Land

School Type	Value Per Acre from Appraisal	Land Fee Per SF Unit (Acres)	Fee-in-Lieu per SF Unit
Elementary	$411,547	0.00389	$1,601
Middle	$385,023	0.00089	$343
High	$330,762	0.00429	$1,419
Total Fee-in-Lieu of Land per Single Family Unit			**$3,363**
	Value Per Acre from Appraisal	Land Fee Per MF Unit (Acres)	Fee-in-Lieu per MF Unit
Elementary	$411,547	0.00327	$1,346
Middle	$385,023	0.00076	$293
High	$330,762	0.00306	$1,012
Total Fee-in-Lieu of Land per Multi-Family Unit			**$2,651**

School Construction Cost Component
Developers are also required to provide 10% of all new school construction costs generated by their project

The construction cost impact fee is based on the following five variables:

1) Student generation rates for the Leeward Oahu Impact District;
2) Recent statewide public school construction costs per student;
3) The statewide percentages of students in permanent school facilities;
4) A construction cost factor for each of the twenty-six geographically defined cost districts; and
5) The number of single family and multi-family dwelling units in the development.

Student generation rates were discussed earlier in this document. Recent public school construction costs per student are from the 2007 *Hawaii School Impact Fee Working Group Report*, with the addition of Ewa Makai Middle School. Public school construction costs have been escalated from 2006 (annual average) to September 2011 using the Engineering News Record Construction Cost Index and adjusted for revised construction cost factors as specified by the Department of Accounting and General Services (DAGS). The construction cost factor is 1.05 for Leeward Oahu. The list of revised construction cost factors can be found in Appendix F.

The statewide percentage of permanent classrooms to all classrooms is below. In the case of schools with grades of K-8, K-12, or 6-12, the classrooms were pro-rated based on 6 elementary school grades, 3 middle school grades, and 4 high school grades. For example, if a K-8 school had 9 permanent classrooms and 3 portable classrooms, 6 permanent classrooms and 2 portable classrooms would be treated as elementary school classrooms, and 3 permanent classrooms and 1 portable classroom would be treated as middle school classrooms.

Table 10
Statewide Permanent and Portable Classrooms

	Permanent Classrooms	Portable Classrooms	Total Classrooms	Percentage of Classrooms that are Permanent
Elementary	5,402	981	6,383	84.6%
Middle	1,822	233	2,055	88.7%
High	2,637	443	3,080	85.6%
Total	9,861	1,657	11,518	85.6%

Source: DOE Data, 2009-10 Classroom Utilization.

Impact fees cannot be used to provide a higher level of service than is already being provided. Impact fees must be based on a level of service standard that "shall apply equally to existing and new public facilities."[4] Act 245 defines "Level of service" as the percentage of classrooms that are in permanent structures, as opposed to portable buildings.

A discussion of the percent of Leeward Oahu students in permanent school facilities follows under the heading "Current Local Levels of Service."

Table 11
Calculating the Construction Cost Component of the School Impact Fees: Leeward Oahu

School Type	(1) Leeward Oahu SGR	(2) Recent School Construction Costs/Student	(3) Discounted by the per cent of statewide classrooms in permanent structures	(4) Construction Cost Factor for Leeward Oahu	(5) Number of Units / Project	Construction Costs per 1 unit of housing	10% of Cost = Fee Amount
Elementary	0.25	$39,425	84.6%	1.05	1	$8,755	$876
Middle	0.07	$47,008	88.7%	1.05	1	$3,065	$306
High	0.14	$76,188	85.6%	1.05	1	$9,587	$959
Total Construction Cost per Single Family Unit							**$2,141**
Elem	0.21	$39,425	84.6%	1.05	1	$7,355	$735
Mid	0.06	$47,008	88.7%	1.05	1	$2,627	$263
High	0.10	$76,188	85.6%	1.05	1	$6,848	$685
Total Construction Cost per Multi-Family Unit							**$1,683**

The Construction Fee Formula ***(for either single family or multi-family units):***
Elementary SGR per unit (x) elementary school cost per student (x) percentage of existing elementary students in permanent buildings (x) construction cost district factor;
plus (+)
Middle or intermediate school student generation rate per unit (x) middle or intermediate school cost per student (x) statewide percentage of existing middle school students in permanent buildings (x) cost district factor;

[4] *Hawaii School Impact Fee Working Group Report*, Duncan and Associates and Group 70 International, Inc., March 2007, page 44.

plus (+)
High school student generation rate per unit (x) high school cost per student (x) statewide percentage of existing high school students in permanent buildings (x) cost district factor;
equals (=)
School construction cost per unit.

The school construction cost per unit (x) 10% = construction fee amount.[5]

The construction cost per unit, for elementary, middle and high schools and for single family and multi-family units is then multiplied by the number of single family and multi-family units, respectively.

The components of Tables 7-11 are subject to revision as required by Act 245 and Act 188.

An Estimated Total of Impact Fees for the District
Based on the foregoing analysis, over the next 25 to 30 years in the Impact District, over 55,000 additional residential units and over 21,000 new public school students would generate a total of 421 acres and over $99 million in construction impact fees. See Table 12, below.

Table 12
Estimate of Total Impact Fees for Leeward Oahu School Impact District, Based on Projected Number of New Units

Complex	Unit Type	Units	Total Land Fee (acres)	Total Construction Fee
Kapolei Complex	Single Family	6,290	57	$13,466,890
	Multi-Family	21,256	151	$35,773,848
Campbell Complex	Single Family	1,389	13	$2,973,849
	Multi-Family	1,282	9	$2,157,606
Waipahu Complex	Single Family	650	6	$1,391,650
	Multi-Family	5,870	42	$9,879,210
Pearl City Complex	Single Family	5,355	49	$11,465,055
	Multi-Family	10,081	71	$16,966,323
Aiea Complex	Single Family	0	0	$0
	Multi-Family	3,440	24	$5,789,520
Total		**55,613**	**421**	**$99,863,951**

Board of Education Policy
Table 7 sets the historic average acreage per student provided from 1997 to 2011. That is the basis for calculating the land component of the impact fee. The BOE policy for future schools reflects a range of school sizes, including campus acreage and number of students. The average acreage per student for actual future schools (Table 14) may be larger than the historic average acreage (Table 7) used to calculate the fee amount.

[5] Act 245 (§302A-1605, Hawaii Revised Statutes) states that the fee for construction shall be 10% of the construction cost per unit.

Table 13
BOE Policy on Acreage and Enrollment

	Usable[6] Acres/school	Enrollment/school	Acres/student	Average of Enrollment Range
Elementary	8-15	400- 750	.02	575
Middle	15-20	500-1,000	.02-.03	750
High	45-55	800-1,600	.0343-.0562	1,200

The BOE policy for school size could mean that when the Impact District is built out, meaning 100% of all proposed units are constructed, the additional enrollment would require between 23 and 46 new schools, with a total land requirement of approximately 606 acres. As calculated in Table 12 above, developers would be required to provide approximately 421 acres. The balance of the land would have to be purchased with state revenues or could be provided by developers and credited against their construction fee requirement.

Table 14
New Leeward Oahu Students and Number of New Schools Needed

	# additional Students	# schools based on minimum enrollment size	# schools based on maximum enrollment size	# schools, based on average of enrollment range	Acres per student	Acres needed (approx.)
Elementary	12,226	31	16	21	0.020	245
Middle	3,473	7	3	5	0.023	80
High	6,109	8	4	5	0.046	281
Total	21,808	46	23	31		606

The calculation in Table 14 assumes all additional students will be housed in new schools, which is unlikely. Some students will attend existing schools that may be enlarged to accommodate growth in enrollment. Act 245 allows impact fees to be used for the expansion of existing schools in an impact district.

Also, there are a number of projects within the Leeward Oahu School Impact District that already have committed school sites to the DOE. These include school sites in the Hoopili project, the Mehana project, the Koa Ridge project, the Makaiwa Hills and West Kapolei projects, and the University of Hawaii West Oahu and Department of Hawaiian Home Land East Kapolei projects. There are 15 elementary, 4 middle and 3 high school sites that have been committed or identified and discussed with developers in the Impact District. These sites are contingent on development proceeding in their particular project. A full list of school sites reserved can be found in Appendix G.

[6] *DOE Policy #6701;* Usable is generally defined as land free of encumbrances determined to be unnecessary by the department of education, slope of five percent or less, with no ravines or stream beds. The DOE will make the final determination as to whether land is usable based on an evaluation of the specific property taken in the context of the development as a whole.

After accounting for these reserved school sites, there is still a need for 2 – 24 schools, most likely on the order of 9 schools, as shown in the table below. This will depend on the capacity of the school sites and assumes that all of the currently reserved school sites will be conveyed to the DOE.

Table 15
New Schools Required, in Addition to Reserved School Sites

	# schools based on minimum enrollment size	# of schools based on maximum enrollment size	# schools, based on average of minimum and maximum enrollment size
Elementary	16	1	6
Middle	3	0	1
High	5	1	2
Total	24	2	9

IV. Legal Tests and Required Considerations

Rational Nexus and Rough Proportionality
Proposed impact fees must meet the "rational nexus" and "rough proportionality" tests established by court decisions.

"Rational nexus" was defined in the case of *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987), as the reasonable connection that must exist between new development and the new or expanded facilities required to accommodate that development. "Rough proportionality" was defined in the case of *Dolan v. City of Tigard*, 512 U.S. 374 (1994), as an expansion of the rational nexus test, adding that there must be a "rough proportionality" between the impact of the new development and burden of the exaction imposed on it.

In this analysis, the required additional public school facilities are a direct result of the anticipated development's additional residential units and their additional public school students. The District anticipates over 55,000 new residential units (Appendix A), which will generate over 21,000 additional new public school students. To accommodate the increase in enrollment, a large number of new public schools will be required.

Both the land and construction cost requirement of the impact fee are roughly proportional to the impact of anticipated new development. The acreage requirements for new school facilities are based on actual historic school construction averages, not an arbitrary amount. The cost of the land, when used to determine the fee in-lieu amount, is the fee simple value of school sites in the impact district as if the land were vacant and zoned for residential use with the necessary infrastructure. Construction fees are also based on actual historical school construction costs.

Each development pays the same fee amount per unit, and the fees can only be used to build school facilities serving the students in the impact district.

Current Local Level of Service
The following table provides information on existing and projected conditions in the DOE schools located within the Impact District.

A number of schools have enrollment at or above their facility capacity.

Table 16
2011-2012 Enrollment and Facility Capacity in the Impact District

School Name	Type	Facility Capacity, 2009-10	Enrollment, 2011-12	% of Existing Capacity	# Perm Classrooms	# Portables	% Port to All Classrooms
Aiea Complex							
Aiea El	Elementary	527	283	54%	33	1	3%
Pearl Ridge	Elementary	544	599	110%	22	6	21%
Scott	Elementary	631	481	76%	40	2	5%
Waimalu	Elementary	781	508	65%	30	13	30%
Webling	Elementary	550	454	83%	26	1	4%
Aiea Int	Middle	734	597	81%	43	2	4%
Aiea Hi	High	1,284	1,150	90%	73	0	0%
Aiea Complex Total		*5,050*	*4,072*	*81%*	*267*	*25*	*9%*
Campbell Complex							
Ewa El	Elementary	798	1,084	136%	39	8	17%
Ewa Beach El	Elementary	544	625	115%	36	1	3%
Holomua	Elementary	1,264	1,375	109%	40	14	26%
Iroquois Point	Elementary	995	736	74%	36	19	35%
Kaimiloa	Elementary	716	659	92%	28	14	33%
Keoneula	Elementary	742	871	117%	36	0	0%
Pohakea	Elementary	626	572	91%	30	6	17%
Ewa Makai Middle	Middle	800	773	97%			
Ilima Int	Middle	1,330	737	55%	66	8	11%
Campbell Hi	High	2,022	2,768	137%	107	18	14%
Campbell Complex Total		*9,837*	*10,200*	*104%*	*418*	*88*	*17%*
Kapolei Complex							
Barbers Point	Elementary	636	530	83%	40	0	0%
Kapolei El	Elementary	1,233	1,096	89%	38	13	25%
Makakilo	Elementary	627	518	83%	30	0	0%
Mauka Lani	Elementary	702	603	86%	21	17	45%
Kapolei Mid	Middle	1,744	1,406	81%	57	13	19%
Kapolei Hi	High	1,841	2,054	112%	98	8	8%
Kapolei Complex Total		*6,783*	*6,207*	*92%*	*284*	*51*	*15%*
Pearl City Complex							

School Name	Type	Facility Capacity, 2009-10	Enrollment, 2011-12	% of Existing Capacity	# Perm Classrooms	# Portables	% Port to All Classrooms
Kanoelani	Elementary	807	752	93%	26	15	37%
Lehua	Elementary	551	376	68%	30	0	0%
Manana	Elementary	461	442	96%	24	0	0%
Momilani	Elementary	337	426	126%	16	0	0%
Palisades	Elementary	529	415	78%	33	0	0%
Pearl City El	Elementary	577	564	98%	37	0	0%
PC Highlands	Elementary	515	428	83%	30	0	0%
Waiau	Elementary	644	561	87%	24	13	35%
Highlands Int	Middle	954	957	100%	47	8	15%
Pearl City Hi	High	2,231	1,799	81%	97	5	5%
Pearl City Complex Total		*7,606*	*6,720*	*88%*	*364*	*41*	*10%*
Waipahu Complex							
Ahrens	Elementary	1,411	1,374	97%	62	27	30%
Honowai	Elementary	819	814	99%	38	7	16%
Kaleiopuu	Elementary	1,055	969	92%	41	12	23%
Waikele	Elementary	674	621	92%	35	5	13%
Waipahu El	Elementary	850	1,044	123%	41	16	28%
Waipahu Int	Middle	1,587	1,237	78%	63	7	10%
Waipahu Hi	High	2,135	2,463	115%	97	26	21%
Waipahu Complex Total		*8,531*	*8,522*	*100%*	*377*	*100*	*21%*
Leeward Oahu Impact District Total		**37,808**	**35,721**	**94%**	**1,710**	**305**	**15%**

Source: DOE data and 2007 Statewide School Impact Fee Report

By school level, the above table can be summarized by the table below.

Table 17
2011-2012 Enrollment and 2009-10 Facility Capacity by School Level

School Name	Facility Capacity, 2009-10	Enrollment, 2011-12	% of Existing Capacity
Elementary	21,146	19,780	94%
Middle	7,149	5,707	80%
High	9,513	10,234	108%
Total	37,808	35,721	94%

Within the Leeward Oahu School Impact District, there is currently sufficient additional capacity for roughly 1,400 elementary students and 1,400 middle school students, assuming all available capacity could be used. Total high school enrollment in the Impact District currently exceeds facility capacity by over 700 students. As over 21,000 new students are projected, additional schools are needed, even if all

currently available capacity could be utilized at the elementary and middle school levels. At the high school level, any additional students would add to the current crowded conditions.

Related Issues

Act 188 requires a statewide classroom utilization report, which contains the current design enrollment per school, the current total student enrollment per school, and the current number of classrooms not being used for active teaching. That data can be found in Appendix E.

Underutilized School Facilities

There are very few underutilized school facilities within the Impact District. As shown in Appendix E, after classrooms for instruction and school-level supplemental and DOE support functions are accounted for, there are approximately 31.5 classrooms within the Impact District that are being used for non-school level uses (i.e., DOE district/complex offices or outside agency use). This amounts to less than 2% of the current available classroom space in the Impact District.

Busing and Redistricting to Relieve Overcrowded Schools

Act 245 (§302A-1605, Hawaii Revised Statutes) requires an analysis of proposed redistricting, listing the advantages and disadvantages by making more efficient use of existing underutilized assets.

While redistricting is possible within the schools and complexes in the impact district, this would have no effect on the amount of capacity available to students generated from the district. As discussed above, there are very few school facilities in the Impact District that are not being used for classroom instruction or school-level supplemental and support functions.

Redistricting schools within the Impact District with schools outside of the Impact District is possible. However, the schools adjacent to the impact district do not have enough capacity to accommodate the number of students projected in the District. At current enrollment and the most recent calculated capacity, at most 1,585 students could be accommodated in this fashion. As stated above, there are very few classrooms being utilized for non-school level functions within the Impact District, so redistricting would have a very limited effect. The Department has recently held redistricting within the Campbell Complex due to the opening of Ewa Makai Middle School, and it anticipates additional redistricting for the Campbell Complex's elementary schools.

Busing students would create a costly operational expenditure to the Department at a time when the Department has reduced its bus services. Similar to redistricting, students would need to be bussed outside of the impact district for there to be any net effect on the amount of space needed. As discussed above, the schools in the complexes adjacent to the impact district do not have enough capacity to accommodate the number of students projected in the District.

School Design Issues

Act 245 (§302A-1605, HRS) requires an analysis of appropriate school land area and enrollment capacity, which may include non-traditional (i.e. mid-rise or high-rise structures) facilities to accommodate the need for public school facilities in high growth areas within existing urban developments.

There are advantages of both single-story and multi-story school construction. Single-story construction eliminates the cost of stairwells and elevators, is more residential in character, and makes it easier to utilize natural light. Single-story construction also provides for more flexibility in construction, such as allowing DOE to postpone some of the classroom wings in the new Ewa Makai facility until additional funding becomes available. The main advantage of multi-story schools is that they require a smaller

footprint on the site, which allows for smaller sites and/or more open space on a site. Multi-story construction also facilitates stacking of utilities and shorter utility lines.

The DOE encourages the preservation of open space on its school sites, and therefore strongly supports the use of multi-story structures when appropriate. Typically, this has resulted in the stacking of the classroom buildings. Ten of the last 14 schools built by DOE have had multi-story classroom facilities. The advantages of multi-story schools in terms of reduced site area per student has already been incorporated into the historical design standards used in this report to determine land dedication requirements.

The DOE is open to considering non-traditional designs and varying campus sizes for new schools within the proposed Impact District. The DOE cannot compromise school size to such a degree that schools are unable to handle the number of students estimated in the area. As the design of a school will be dependent on the characteristics of the school site and the guidance of a design team, the DOE cannot state definitively whether future schools in this area will be multi-story schools.

Geographic Exceptions

There are numerous reasons why parents request geographic exceptions (GE) so their children are able to attend schools outside the service area where they reside. The DOE administrative rules[7] govern the method of granting a student a GE. The decision to grant or deny GE's belongs solely with the principal of each school.

The student generation rate calculated in Appendix B is based on students who attend DOE schools in the impact district and who also live in the impact district. The student generation rate excludes students who live in the impact district and attend a school outside of the impact district, and it also excludes students who live outside of the impact district and who attend a school inside the impact district.

Very little data exists on the number of students applying or receiving GEs at individual schools, at the complex level, or statewide, but the numbers are generally small. Every school probably has some outside students coming in to attend that school as well as some students from the area going to schools outside the area. The net effect of GEs on enrollment at most schools is minimal. The number of GE students at individual schools can fluctuate year to year by the actions of one or two families.

When a school is crowded or faces the likelihood of overcrowding, a principal can decide not to accept any GE applications. However, any student residing in the school's service area must be allowed to enroll.

The rules of the federal government's No Child Left Behind Act[8] permit students from failing schools to transfer to schools in good standing. There have been very few requests in Leeward Oahu for transfers based on the federal Act.

The number of GE's in any school within the Leeward Oahu School Impact District, in any given year, is not significant enough to address the large number of students projected in the Impact District.

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[7] *Hawaii Administrative Rules*, Title 8, Chapter 12, Compulsory Attendance Exceptions
[8] Public Law 107-110

Charter Schools
The Hawaii Revised Statutes (Chapter 302A-1608) is silent as to whether impact fees can or cannot be used for charter schools. The intent of the impact fee is to provide school facilities for the students generated by the development against which the impact fee is levied. Therefore, school impact fees may be utilized for charter schools, provided that school serves a sufficient amount of students generated from the development. A charter school could enroll students from around the island, but would have to provide a specified number of spaces to offset the enrollment impact of the development creating the need for a school.

There is one charter school within the Leeward Oahu School Impact District: Hawaii Technology Academy. The University of Hawaii – West Oahu (UHWO) has an Education Contribution Agreement with the DOE to cover its residential development in East Kapolei. The Agreement includes the provision of a traditional elementary school in the lands UHWO plans to sell to a private developer and a second school similar to the University of Hawaii's Education Laboratory School on its West Oahu campus. The UH-West Oahu school may be a charter school.

Use of Public Land
The primary consideration in determining where to locate a new public school is convenience to public school students. New schools should be located where there will be large numbers of new homes. The DOE locates schools on a case-by-case basis as it negotiates with large landowners, both private and state, and adapts to their development schedules. In the future, it is more likely that larger high school sites will come from state owned land, as few private development projects are large enough to be required to provide 45 to 55 acres for a high school.

The DOE, in the past, has used state land for public schools in situations where large amounts of state land are developed for residential use. For example, all of the schools in the Kapolei (Oahu) and Kealakehe (Hawai`i) developments were built on state lands. The use and responsibility for school land is transferred from the State to the DOE in executive orders from the Governor.

The DOE will continue to seek school sites in any future large development of state land in the same manner as DOE pursues school sites in large developments of private land. Future school sites are reserved in state developments in East Kapolei (Oahu), Keahuolu (Kealakehe), and Lei`alii (Lahaina).

It is likely DOE will continue to request and receive state parcels within state residential projects. However, it is less likely that DOE will receive state parcels that stand alone, outside of state residential developments. When private developers provide school sites, they also provide the infrastructure for the site, including water, sewage and drainage. The private developers also build the roads that provide access to the school sites. If DOE were provided a stand-alone state parcel, the additional costs for improving the school site would most likely be borne by taxpayers.

Department of Hawaiian Home Lands
Please see Appendix D for a response provided by The Department of Hawaiian Home Lands (DHHL).

Appendix A
List of Proposed Projects

Table 18 has a list of the proposed projects in Leeward Oahu that the DOE is aware of as of April 5, 2011. Some of these projects lack entitlements or approvals. Additional projects that are not on this list may be proposed or developed in the future. The DOE has existing agreements for school sites with many of the developers on this list.

The presence of a project on this list should not be interpreted to mean that the project will happen or that the project has all of its approvals and entitlements. Similarly, the absence of a project on this list should not be interpreted to mean that the project will not happen. The presence of a project on this list should not be interpreted to mean that the DOE endorses the project. As many of these projects are still in the process of gaining their entitlements and approvals, the Department cannot make any statements as to what peak enrollment across the District will look like, as that will be dependent on project approval and project phasing plans.

Table 18
Proposed Leeward Oahu Projects and Proposed Number of Units

		Units to be Built	
Project	Owner/Developer	SF	MF
Campbell High School			
Ewa by Gentry	Gentry Homes, Ltd.	851	74
Ewa Villages (last empty lots)	City Dept. of Housing	57	0
Area H	EAH	50	192
Ocean Pointe			
Area 4		232	42
Ka Makana Hoakalei (Area 4)		16	22
Area 3F		183	0
Area 6		0	952
Campbell Subtotal		**1,389**	**1,282**
Kapolei High School			
City of Kapolei	Estate of James Campbell	0	300
East Kapolei UH-WO	UH-WO	365	2,915
East Kapolei - Phase I DHHL	DHHL	253	0
East Kapolei - Phase II DHHL	DHHL	1,140	1,030
E.Kapolei-HFDC project	HFDC	0	610
Ho'opili	Horton	2,350	9,400
Kai Lani at Ko Olina	Armstrong Builders Ltd.	0	116
Kapolei Village Center for sale	C&C	0	165
Kapolei Vil 4 rental	C&C	0	64
Kapolei Vil 6 Parcel 2- sale&rental	C&C/Pacific Housing	0	52
Kapolei West	Campbell	0	2,070
Ko Olina Kai Golf Estates & Villas	Centex	60	264
Makaiwa Hills	Estate of James Campbell	1,619	2,481

		Units to be Built	
Project	Owner/Developer	SF	MF
Makakilo C & D (Kahiwelo)	Horton	297	0
Mehana (Kapolei Makai)	D.R. Horton Inc. (Schuler)	206	799
East Kapolei TOD			990
Kapolei Subtotal		**6,290**	**21,256**
Pearl City Complex			
Hale Moalu II (aff.rental)		0	168
Koa Ridge Makai	Castle & Cooke	1,050	2,088
Waiawa	Castle & Cooke	225	1,175
Gentry Waiawa Phase I	Gentry	1,545	2,820
Gentry Waiawa Phase 2	Gentry	2,535	1,600
LCC TOD			820
Pearl Highlands TOD			1,410
Pearl City Subtotal		**5,355**	**10,081**
Waipahu Complex			
Royal Kunia Phase II -	Horita	650	1,350
Farrington Hwy/Mokuola TOD			1,520
Farrington Hwy/Leoku TOD			3,000
Waipahu Subtotal		**650**	**5,870**
Aiea			
Kam Drive-in	Robertson Properties		1,800
Pearlridge TOD (net of Kam Drive-in)			1,640
Aiea Subtotal		**0**	**3,440**
Leeward Oahu Impact District Total		**13,684**	**41,929**

Appendix B
Calculation of Student Generation Rates

The Student Generation Rate (SGR) is the number of expected public school students, on average, per unit within a development or district. For example, a SGR of 0.5 means that, on average, 0.5 public school students per unit, or 50 students per 100 units, are expected.

The initial step in calculating the SGR for the Leeward Oahu Impact District was determining the composition of the housing units in the census tracts in the Leeward Oahu Impact District, based on the U.S. Census Bureau's 2005-9 American Community Survey (ACS) data. The residential unit mix was 69% single family and 31% multi-family.

This unit mix ratio was then applied to the number of housing units in the Leeward Oahu Impact District from the 2010 Census Redistricting Data Summary File[9] to estimate the number of each type of existing unit.

Then the DOE took the number of students attending Leeward Oahu Impact District's public schools who also live in the Leeward Oahu Impact District. The DOE estimated the number of these students coming from single family and multi-family housing. The DOE divided this by the number of existing single-family and multi-family units in the Leeward Oahu Impact District to calculate the Student Generation Rate. For the purposes of the table below, elementary schools consist of schools with grades K-5 and K-6, middle schools consist of schools with grades 7-8 and 6-8, and high schools consist of schools with grades 9-12.

The data on the students living in and attending schools in the Leeward Oahu Impact District is from the DOE as of August 1, 2011. This differs somewhat from the official enrollment count.

Table 19
Student Generation Rate Calculation for the Leeward Oahu Impact District

Grade Levels	Existing Units in Leeward Oahu District		Students Enrolled and Residing in the Leeward Oahu District		Student Generation Rates	
	Single Family Units	Multi-Family Units	Single Family Units	Multi-Family Units	Single Family	Multi-Family
Elementary	53,752	24,150	13,466	5,041	0.25	0.21
Middle	53,752	24,150	3,915	1,458	0.07	0.06
High	53,752	24,150	7,328	2,443	0.14	0.10
Total	53,752	24,150	24,709	8,942	0.46	0.37

[9] Approximated using the 2010 Census housing unit statistic of census tracts 75.02, 75.03, 75.04, 77.01, 77.02, 78.04, 78.05, 78.07, 78.08, 78.09, 78.1, 78.11, 80.01, 80.02, 80.03, 80.05, 80.06, 80.07, 83.01, 83.02, 84.02, 84.05, 84.06, 84.07, 84.08, 84.1, 84.11, 84.12, 85.02, 86.06, 86.09, 86.1, 86.11, 86.12, 86.13, 86.14, 86.17, 86.22, 87.01, 87.02, 87.03, 88, 89.12, 89.13, 89.14, 89.2, 89.21, 89.22, 89.23, 89.24, 89.25, 89.31, 9803, 114, and 115. The redistricting summary file has information on the *number* of housing units but not the *type* of housing units, which is why the residential unit mix from the ACS was applied.

Appendix C
Fee Schedule

Projects in the Leeward Oahu School Impact District will pay a construction fee and *either* contribute land *or* pay a fee in lieu of a land contribution.

To see the calculations behind these figures, please see Table 8 for the land fee, Table 9 for the fee-in-lieu of land, and Table 11 for the construction fee.

The components of these fees are subject to occasional updates pursuant to Act 245 and Act 188, as amended.

Table 20
Leeward Oahu Fee Schedule

# Units	Est # of Total Students	Construction Fee		Land Amount		Fee in Lieu of Land	Construction and Fee in Lieu
Single Family		**Per Unit**	**Total**	**Acres Per Unit**	**Total Acres**		
1	0.46	$2,141	$2,141	0.00907	0.00907	$3,363	$5,504
2	0.92	"	$4,282	"	0.01814	$6,726	$11,008
5	2.30	"	$10,705	"	0.0454	$16,815	$27,520
100	46	"	$214,100	"	0.907	$336,300	$550,400
1000	460	"	$2,141,000	"	9.07	$3,363,000	$5,504,000
Multi-Family							
1	0.37	$1,683	$1,683	0.00709	0.007	$2,651	$4,334
2	0.74	"	$3,366	"	0.014	$5,302	$8,668
5	1.85	"	$8,415	"	0.04	$13,255	$21,670
100	37	"	$168,300	"	0.7	$265,100	$433,400
1000	370	"	$1,683,000	"	7	$2,651,000	$4,334,000

Appendix D
A Statement from the Department of Hawaiian Home Lands

Because the Department of Hawaiian Home Lands (DHHL) does not need state or county land use approvals, it has not been required to provide land and fair-share contributions to the DOE. DHHL acknowledges that its communities need schools but is of the opinion that it should not be required to pay such impact fees to the DOE. A major reason of this opinion is the fact that DHHL is a state agency that develops homes in accordance with the Hawaiian Homes Commission Act of 1920, as amended (Act). The policy of this Act is to "enable native Hawaiians to return to their lands in order to fully support self-sufficiency for native Hawaiians and the self-determination of native Hawaiians in the administration of this Act, and the preservation of the values, traditions, and culture of native Hawaiians."

Everyday, DHHL operates to achieve the policy as stated in the most unique way. As noted, DHHL develops homes as a state agency and not as a private for-profit developer, or even as a non-profit organization. DHHL uses funds out of Act 14 and revenues generated by its income-producing properties. It does not generate any profits in the sale of homes to its beneficiaries. If DHHL was a for-profit organization, it would be selling its homes at a loss. For example, the cost to construct a residential lot and provide it with the necessary infrastructure, such as water, drainage, sewer and utilities, may cost up to $200,000 per lot, depending on its location. The cost for the development of the lot is not passed on to the beneficiaries. Only the cost of the home is passed on to the beneficiaries and DHHL does not recover the cost of constructing the lot. A private for-profit developer or a non-profit would include the cost of any impact fees into the sales price of the home to recapture the fee as well as any cost to construct the lot. Another major reason for DHHL not to pay the impact fee is the fact that DHHL is returning the native Hawaiians to the land, land that they were originally on.

It is unknown whether DHHL would be legally compelled to pay impact fees when they develop new housing. DHHL is of the opinion, however, that any legislation can be created so DHHL is exempt from paying such fees for the reasons cited above.

Appendix E
Act 188 Specified Classroom Report

Act 188 (2010) requires the inclusion of a "statewide classroom utilization report" in this analysis. The report includes the current "design enrollment per school", the current total enrollment per school, and the current number of classrooms not being used for active teaching.

Design enrollment is specifically defined in Act 188 as "the maximum number of students, or student capacity, a permanent school facility is designed to accommodate."

In Table 21 below, the design enrollment column will only consist of permanent classroom buildings. In general, a permanent elementary school classroom holds 23 students, and a permanent middle or high school classroom holds 25 students. For example, if an elementary school had 10 permanent classrooms, its design enrollment is 230.

For schools with both elementary and middle or high school students, classrooms are pro-rated based on 6 elementary school grades, 3 middle school grades, and 4 high school grades.

For example, an elementary and middle school has 9 permanent classrooms. These classrooms are pro-rated based on 6 elementary school grades and 3 middle school grades. Six elementary classrooms hold 138 students, and 3 middle school classrooms hold 75 students, for a total design enrollment of 213.

Design enrollment, as specified by Act 188, differs significantly from school facility capacity calculations because, among other issues:

1. Facility Capacity is modified for classrooms used for special education. Special education classrooms generally have significantly fewer students than regular education classrooms.
2. Facility Capacity includes temporary classroom facilities. Act 188 design enrollment only consists of permanent school facilities.
3. Facility Capacity includes adjustments based on program usage.

Classrooms not used for teaching, school level support, or school level supplementary programs include classrooms that are used for complex and state offices and programs. Ewa Makai Middle is not included in the table below.

Table 21
Classroom Utilization

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Aiea Elementary School	Aiea	283	759	2.5
Aiea High School	Aiea	1,150	1,825	1
Aiea Intermediate School	Aiea	597	1,075	0.5
Alvah Scott Elementary School	Aiea	481	920	1
Pearl Ridge Elementary School	Aiea	599	506	0
Waimalu Elementary School	Aiea	508	690	1

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Webling Elementary School	Aiea	454	598	0
Baldwin High School	Baldwin	1,612	1,675	3.5
Iao School	Baldwin	876	897	0
Waihe`e Elementary School	Baldwin	769	736	1
Wailuku Elementary School	Baldwin	920	1,173	0.75
Campbell High School	Campbell	2,768	2,675	0
Ewa Beach Elementary School	Campbell	625	828	8
Ewa Elementary School	Campbell	1,084	897	3
Holomua Elementary School	Campbell	1,375	920	0
Ilima Intermediate School	Campbell	737	1,518	0
Iroqouis Point Elementary School	Campbell	736	828	1
Kaimiloa Elementary School	Campbell	659	644	1
Keone`ula Elementary School	Campbell	871	828	0
Pohakea Elementary School	Campbell	572	690	1
Ahuimanu Elementary School	Castle	376	506	0
Castle High School	Castle	1,247	1,925	0
He'eia Elementary School	Castle	442	828	1
Kahaluu Elementary School	Castle	252	552	0
Kaneohe Elementary School	Castle	615	805	0.5
Kapunahala Elementary School	Castle	576	690	0
King Intermediate School	Castle	647	1,450	7
Parker Elementary School	Castle	271	966	8
Puohala Elementary School	Castle	219	690	6
Waiahole Elementary School	Castle	68	276	2
Dole Middle School	Farrington	787	1,225	1
Farrington High School	Farrington	2,483	3,150	1
Fern Elementary School	Farrington	533	667	1
Ka'ewai Elementary School	Farrington	350	690	2
Kalakaua Middle School	Farrington	1,005	1,250	0
Kalihi Elementary School	Farrington	248	690	3
Kalihi Kai Elementary School	Farrington	608	1,035	1
Kalihi Uka Elementary School	Farrington	255	575	1.3
Kalihi Waena Elementary School	Farrington	593	759	0
Kapalama Elementary School	Farrington	683	851	0.5
Linapuni Elementary School	Farrington	171	368	0

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Puuhale Elementary School	Farrington	239	437	2
Hana High & Elementary	Hana	341	525	0
De Silva Elementary School	Hilo	406	414	0
Ha'aheo Elementary School	Hilo	182	184	0.5
Hilo High School	Hilo	1,207	1,925	3
Hilo Intermediate School	Hilo	493	1,400	6
Hilo Union School	Hilo	445	759	3
Kalaniana`ole Elementary and Intermediate School	Hilo	292	1,089	2
Kapiolani Elementary School	Hilo	381	713	1.5
Kaumana Elementary School	Hilo	269	299	0
Keaukaha Elementary School	Hilo	365	483	8
Honoka'a Elementary School	Honokaa	376	483	0.3
Honokaa High and Intermediate School	Honokaa	660	1,200	2
Paauilo Elementary school	Honokaa	232	355	0
Waikoloa Elementary & Middle School	Honokaa	781	757	0
Waimea Elementary School	Honokaa	576	805	3.3
Waimea Middle-PCS	Honokaa	279	475	0
Hauula Elementary School	Kahuku	267	506	3.5
Kaaawa Elementary School	Kahuku	141	92	0
Kahuku Elementary School	Kahuku	490	667	0
Kahuku High and Intermediate School	Kahuku	1,491	1,875	2
Laie Elementary School	Kahuku	658	736	2
Lanikai PCS	Kahuku	319	345	0
Sunset Beach Elementary School	Kahuku	451	161	0.5
Enchanted Lake Elementary School	Kailua	472	874	0
Kaelepulu Elementary School	Kailua	180	368	1
Kailua High School	Kailua	853	1,925	3.5
Keolu Elementary School	Kailua	154	598	3
Maunawili Elementary School	Kailua	376	690	3.3
Olomana School	Kailua	102	0	0
Pope Elementary School	Kailua	233	598	1
Waimanalo Elementary and Intermediate School	Kailua	493	1,041	1
Ala Wai Elementary School	Kaimuki	472	782	1
Aliiolani Elementary School	Kaimuki	244	644	4
Hokulani Elementary School	Kaimuki	356	483	0

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Jarrett Middle School	Kaimuki	244	950	5
Jefferson Elementary School	Kaimuki	399	943	5
Kaimuki High School	Kaimuki	984	2,175	1
Kuhio Elementary School	Kaimuki	327	575	0
Lunalilo Elementary School	Kaimuki	482	851	0.5
Palolo Elementary School	Kaimuki	267	897	10
Washington Middle School	Kaimuki	840	1,450	0
Aina Haina Elementary School	Kaiser	654	736	1.5
Hahaione Elementary School	Kaiser	517	828	2
Kaiser High School	Kaiser	1,175	1,500	0
Kamiloiki Elementary School	Kaiser	374	736	0
Koko Head Elementary School	Kaiser	284	851	11
Niu Valley Middle School	Kaiser	833	950	0.1
Aikahi Elementary School	Kalaheo	502	690	0
Kailua Elementary School	Kalaheo	347	713	0.5
Kailua Intermediate School	Kalaheo	671	1,550	3
Kainalu Elelmentary School	Kalaheo	458	966	1.5
Kalaheo High School	Kalaheo	828	1,650	0
Mokapu Elementary School	Kalaheo	826	851	2
Kahala Elementary School	Kalani	458	736	0
Kaimuki Middle School	Kalani	993	1,675	0
Kalani High School	Kalani	1,182	1,825	7.5
Liholiho Elementary School	Kalani	418	621	0
Lili'uokalani Elementary School	Kalani	-	552	
Waikiki Elementary School	Kalani	423	552	0
Wilson Elementary School	Kalani	604	644	0
Hanalei Elementary School	Kapaa	274	184	1
Kapaa Elementary School	Kapaa	815	1,219	1
Kapa'a High School	Kapaa	1,045	1,400	0.3
Kapaa Middle School	Kapaa	633	1,225	6
Kilauea Elementary School	Kapaa	310	368	1
Barbers Point Elementary School	Kapolei	530	920	5
Kapolei Elementary School	Kapolei	1,096	874	1
Kapolei High School	Kapolei	2,054	2,450	0
Kapolei Middle School	Kapolei	1,406	1,425	0

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Makakilo Elementary School	Kapolei	518	690	0
Mauka Lani Elementary School	Kapolei	603	483	0
Kau High and Pahala Elementary	Kau	566	939	0
Naalehu Elementary & Intermediate School	Kau	373	414	0
Chiefess Kamakahelei Middle School	Kauai	889	1,500	1
Kauai High School	Kauai	1,187	1,625	2
King Kaumualii Elementary School	Kauai	611	897	2.5
Koloa Elementary School	Kauai	276	345	1.5
Wilcox Elementary School	Kauai	933	1,081	1.5
Kea'au Elementary School	Keaau	770	1,035	0
Keaau High School	Keaau	915	1,675	0
Keaau Middle School	Keaau	602	1,225	10
Mountain View Elementary School	Keaau	548	644	1
Holualoa Elementary School	Kealakehe	516	207	0
Kahakai Elem. School	Kealakehe	614	805	2
Kealakehe Elementary School	Kealakehe	1,046	759	2.5
Kealakehe High School	Kealakehe	1,541	1,800	0
Kealakehe Intermediate School	Kealakehe	759	1,225	1.8
Haiku Elementary School	Kekaulike	448	299	0
Kalama Intermediate School	Kekaulike	829	1,225	1
Kekaulike High School	Kekaulike	1,116	1,575	1.5
Kula Elementary School	Kekaulike	357	460	0.5
Makawao Elementary School	Kekaulike	500	598	0
Paia Elementary School	Kekaulike	297	483	0
Pukalani Elementary School	Kekaulike	496	552	0
Kohala Elementary School	Kohala	389	437	0
Kohala High School	Kohala	266	575	0
Kohala Middle School	Kohala	212	325	0
Honaunau Elementary School	Konawaena	147	230	0
Hookena Elementary School	Konawaena	138	230	0
Ke Kula 'o 'Ehunuikaimalino School	Konawaena	175	72	0
Konawaena Elementary School	Konawaena	583	759	0
Konawaena High School	Konawaena	686	1,350	3
Konawaena Middle School	Konawaena	529	750	4
Kamehameha III Elementary School	Lahaina	760	552	0.25

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Lahaina Intermediate School	Lahaina	651	650	0.7
Lahainaluna High School	Lahaina	1,057	900	0
Nahienaena Elementary School	Lahaina	643	713	0
Lanai High and Elementary School	Lanai	543	1,132	0
Laupahoehoe High and Elementary School	Laupahoehoe	228	650	5.5
Hale Kula Elementary School	Leilehua	968	920	0
Helemano Elementary School	Leilehua	580	575	1
Iliahi Elementary School	Leilehua	418	690	0
Ka`ala Elementary School	Leilehua	455	690	1.5
Leilehua High School	Leilehua	1,930	2,000	2
Solomon Elementary School	Leilehua	983	966	0
Wahiawa Elementary School	Leilehua	540	920	3.33
Wahiawa Middle School	Leilehua	810	1,175	2
Wheeler Elementary School	Leilehua	661	851	1
Wheeler Middle School	Leilehua	863	1,025	0
Kahului Elementary School	Maui	986	874	0.5
Kamalii Elementary School	Maui	638	897	0
Kihei Elementary School	Maui	920	920	2
Lihikai Elementary School	Maui	971	736	1
Lokelani Intermediate School	Maui	597	625	0
Maui High School	Maui	1,826	1,425	1
Maui Waena Elementary School	Maui	1,084	1,050	0
Pomaikai Elementary School	Maui	655	1,012	0
Central Middle School	McKinley	371	1,075	6
Ka'ahumanu Elementary School	McKinley	560	782	0
Kaiulani Elementary School	McKinley	420	690	1
Kauluwela Elementary School	McKinley	366	644	0
Lanakila Elementary School	McKinley	442	713	1
Likelike Elementary School	McKinley	366	690	0
McKinley High School	McKinley	1,790	2,625	0
Royal School Elementary School	McKinley	364	529	0
Kipapa Elementary School	Mililani	652	736	1
Mililani High School	Mililani	2,423	2,200	1.5
Mililani 'Ike Elementary School	Mililani	1,015	828	0
Mililani Mauka Elementary School	Mililani	873	989	0

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Mililani Middle School	Mililani	1,722	1,575	0
Mililani Uka Elementary School	Mililani	647	920	2
Mililani Waena Elementary School	Mililani	617	736	1
Kamaile Academy	Moanalua	910	736	0
Moanalua Elementary School	Moanalua	686	644	0
Moanalua High School	Moanalua	2,010	1,925	0
Moanalua Middle School	Moanalua	819	925	0
Red Hill Elementary School	Moanalua	277	736	2
Salt Lake Elementary School	Moanalua	848	897	6
Shafter Elementary School	Moanalua	271	460	2.6
Kaunakakai Elementary School	Molokai	247	552	0
Kilohana Elementary School	Molokai	67	184	0
Kualapuu PCS	Molokai	380	460	0.3
Maunaloa Elementary School	Molokai	68	230	0
Molokai High School	Molokai	326	625	0
Molokai Middle School	Molokai	179	325	0
Nanaikapono Elementary School	Nanakuli	898	1,334	0
Nanakuli Elementary School	Nanakuli	434	644	1
Nanakuli High and Intermediate School	Nanakuli	967	1,650	0
Keonepoko Elementary School	Pahoa	593	736	1
Pahoa Elementary School	Pahoa	444	345	0.6
Pahoa High School	Pahoa	663	1,550	0
Highlands Intermediate School	Pearl City	957	1,175	1
Kanoelani Elementary School	Pearl City	752	598	0.5
Lehua Elementary School	Pearl City	376	690	0
Manana Elementary School	Pearl City	442	552	1
Momilani Elementary School	Pearl City	426	368	0
Palisades Elementary School	Pearl City	415	759	0
Pearl City Elementary School	Pearl City	564	851	1
Pearl City High School	Pearl City	1,799	2,425	1
Pearl City Highlands Elementary School	Pearl City	428	690	0
Waiau Elementary School	Pearl City	561	552	1
Aliamanu Elementary School	Radford	812	920	0
Aliamanu Middle School	Radford	723	1,075	2
Hickam Elementary School	Radford	576	690	0

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Makalapa Elementary School	Radford	607	621	12
Mokulele Elementary School	Radford	465	690	1
Nimitz Elementary School	Radford	658	920	2.3
Pearl Harbor Elementary School	Radford	729	920	0
Pearl Harbor Kai Elementary School	Radford	617	874	0
Radford High School	Radford	1,309	1,800	3
Anuenue School	Roosevelt	387	667	0
Kawanakoa Middle School	Roosevelt	866	1,200	0.5
Lincoln Elementary School	Roosevelt	356	805	3
Ma`ema`e Elementary School	Roosevelt	645	851	0
Manoa Elementary School	Roosevelt	554	851	3
Noelani Elementary School	Roosevelt	468	460	0
Nuuanu Elementary School	Roosevelt	375	368	0
Pauoa Elementary School	Roosevelt	307	690	2
Roosevelt High School	Roosevelt	1,426	1,900	0
Stevenson Middle School	Roosevelt	633	1,225	2.5
Waialae Elementary PCS	Roosevelt	460	690	0
Waiakea Elementary School	Waiakea	837	989	0
Waiakea High School	Waiakea	1,172	1,875	5.5
Waiakea Intermediate School	Waiakea	877	1,100	0
Waiakeawaena Elementary School	Waiakea	702	851	0
Haleiwa Elementary School	Waialua	180	713	2
Waialua Elementary School	Waialua	506	552	0
Waialua High and Intermediate School	Waialua	642	1,200	3
Leihoku Elementary School	Waianae	894	874	1
Maili Elementary School	Waianae	892	782	1
Makaha Elementary School	Waianae	609	690	3.5
Waianae Elementary School	Waianae	566	989	1
Waianae High School	Waianae	1,743	2,250	0
Waianae Intermediate School	Waianae	885	1,325	1
Ele`ele Elementary School	Waimea	393	575	0
Kalaheo School	Waimea	512	598	0
Kekaha Elementary School	Waimea	368	460	0
Niihau School	Waimea	18	72	0
Waimea Canyon Middle School	Waimea	429	850	6

School	Complex	2011-12 Enrollment	Design Enrollment	Classrooms Not Used for Teaching or School Level Functions
Waimea High School	Waimea	618	1,375	2
August Ahrens Elementary School	Waipahu	1,374	1,426	2
Honowai Elementary School	Waipahu	814	874	1
Kaleiopuu Elementary School	Waipahu	969	943	0
Waikele Elementary School	Waipahu	621	805	1
Waipahu Elementary School	Waipahu	1,044	943	2
Waipahu High School	Waipahu	2,463	2,425	0
Waipahu Intermediate School	Waipahu	1,237	1,575	0

Appendix F

Below is an updated list of Construction Cost Factors from the Department of Accounting and General Services (DAGS). These factors are applied in the calculation of historical construction costs and in the calculation of the construction fee amount.

TABLE A9
REGIONAL COST FACTORS

County	Districts	0%	5%	10%	15%	20%	25%	30%	35%	Other
Oahu	Honolulu	x								
Oahu	Ewa		x							
Oahu	Wahiawa			x						
Oahu	Waialua				x					
Oahu	Waianae				x					
Oahu	Koolauloa		x							
Oahu	Koolaupoko				x					
Maui	Wailuku				x					
Maui	Lahaina							x		
Maui	Makawao							x		
Maui	Hana								x	
Maui	Lanai								x	
Maui	Molokai							x		
Hawaii	Hilo				x					
Hawaii	Hamakua						x			
Hawaii	South Kohala						x			
Hawaii	North Kohala								x	
Hawaii	Kona						x			
Hawaii	Kau									
Hawaii	Puna							x		
Hawaii	Pohakuloa								x	
Kauai	Lihue				x					
Kauai	Koloa					x				
Kauai	Waimea							x		
Kauai	Kawaihau					x				
Kauai	Hanalei							x		

Appendix G
Reserved School Sites

The DOE has identified and reserved school sites in numerous projects within the Impact District. However, these reservations are contingent on the respective project proceeding as planned.

Table 22
List of Reserved School Sites in the Leeward Impact District

Projects with Elementary School Sites	Number of Sites
Mehana	1
Royal Kunia	1
Hoopili	3
Koa Ridge	2
Waiawa	3
Makaiwa Hills	1
Kapolei West	1
UHWO	2
DHHL E. Kapolei	1
Total Elementary School Sites	**15**
Projects with Middle School Sites	
DHHL E. Kapolei	1
Makaiwa Hills	1
Hoopili	1
Waiawa	1
Total Middle School Sites	**4**
Projects with High School Sites	
DHHL E. Kapolei	1
Hoopili	1
Waiawa	1
Total High School Sites	**3**