



**STATE OF HAWAII**  
**DEPARTMENT OF EDUCATION**  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

October 17, 2017

TO: The Honorable Kenneth Uemura  
Chairperson, Finance and Infrastructure Committee

FROM: Dr. Christina M. Kishimoto  
Superintendent

A handwritten signature in black ink, appearing to be "Christina M. Kishimoto".

SUBJECT: **Update on Status of Implementation of School Impact Fee Districts:  
Impact Fee Analysis for Kalihi to Ala Moana Impact District**

1. DESCRIPTION

Office of School Facilities and Support Services (OSFSS) will provide an update on the status of implementation of school impact fee districts.

2. UPDATE OR PRESENTATION

OSFSS will present an update on the status of implementation of school impact fee districts.

CMK:jmb  
Attachment

c: Office of School Facilities and Support Services

# Update on Status of Implementation of School Impact Fee Districts: Impact Fee Analysis for Kalihi to Ala Moana Impact District

Presented by Office of School Facilities and Support Services

Finance and Infrastructure Committee  
October 17, 2017



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## Purpose of the Brief

- A. Implement the Impact Fee as defined by current law and presented to FIC, 2/21/17

Or

- B. Consider a Board Policy “exception” to allow for reduced school site areas and higher enrollments in near-rail schools in urban infill

And/or

- C. Consider legislation on the impact fee law that supports a percentage contribution based on prior value of contributions in land and construction cost.



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## The Current Law and Board Policy

*“Upon designation of a school impact district, the department shall prepare an impact fee analysis that shall include, at a minimum, an analysis including the advantages and disadvantages of potential changes to statewide school site areas and design enrollment standards that may be appropriate for application in the particular school impact district.”*

(\*HRS 302A-1605 Impact Fee Analysis)

Hence – a request to change BOE Policy to adjust to an Urban Environment

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## The Current Law and Vertical Schools

*“The analysis may include, for example, non-traditional facilities such as mid-rise or high-rise structures in existing urban areas where new residential developments are expected to generate the need for new school construction.”*

(\*HRS 302A-1605 Impact Fee Analysis)

Hence – a request to reduce land area requirements in infill urban areas due to vertical design in both Board Policy and Legislation

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# Why Legislative Changes are Needed

*“The school land area requirements for new residential developments in a school impact district shall be based on recent school site area averages (the DOE does not have any current urban models, Pohukaina developing), student generation rates, and number of dwelling units in the new residential development.”*

(\*HRS 302A-1606 Land Component Impact Fee)

Hence – a request to Legislatively change the Impact Fee Law to include a change that supports a percentage contribution basis for determining the amount based off of prior contributions in land and construction cost.



# Recent School Site Areas

*Recent school sites Areas take the average acreage of elementary, middle, and high schools built within the last ten years to establish land area requirements for new schools.*

	<i>Land Area/school</i>	<i>Enrollment/school</i>	<i>Land Area/student</i>
<i>Elementary</i>	<i>12.5 acres</i>	<i>800 students</i>	<i>.0156 acres</i>
<i>Middle</i>	<i>16.5 acres</i>	<i>1500 students</i>	<i>.0110 acres</i>
<i>High</i>	<i>49 acres</i>	<i>1600 students</i>	<i>.0306 acres</i>

(\*HRS 302A-1602 Definitions)



# Need for BOE Policy Change

*Schools built within the last ten years have followed:  
BOE Policy 301-2 “Creating Communities of Learners”  
(a.k.a. Policy 6701 established 3/20/97)*

<i>Elementary (K-5)</i>	<i>400-750 students</i>	<i>8 to 15 usable acres</i>
<i>Middle (6-8)</i>	<i>500-1000 students</i>	<i>15 to 20 usable acres</i>
<i>High (9-12)</i>	<i>800-1600 students</i>	<i>45 to 55 usable acres</i>

BOE Policies influence impact fee amounts – need to establish a new urban exception

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# New Urban Campuses

The Department of Education (DOE) sees a need for **greater flexibility** in school design, configuration, and siting in urban areas. A school policy “exception” for urban development areas would allow the DOE to take advantage of unique siting schemes. **This is one measure to reduce land cost of impact fee**



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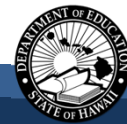
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## Additional Measure

- Consider legislation that removes the land specific contribution for urban development.
- This could be done by way of a proportional percentage contribution equal to the land value contribution in suburban (Greenfield) developments.



## Example

Percentage equivalent impact fee based on prior value of total contributions of land + 10% construction cost.

### EXAMPLE:

- recent school site areas for high school of 50 acres
- estimated land value \$400,000/acre
- contribution value, \$20 million for land + 10% construction
- if the high school building cost \$150 million to build the developer's total contribution would be \$35 million (\$20 million in value of land and \$15 million toward construction)
- this represents roughly 21% of total project (\$170 million)



## Outcome

If the urban impact fee was based on an equivalent percentage of the value of land (provided by Greenfield Developers) + 10% of construction, new public schools built in the urban areas would be provided that same value in contribution as suburb schools, while stakeholders would not incur the exponential increase in fee due to very high land cost in urban areas.



## Options

- A. Implement the Impact Fee as defined by current law and presented to FIC, 2/21/17

Or

- B. Consider a Board Policy "exception" to allow for reduced school site areas and higher enrollments in near-rail schools in urban infill

And/or

- C. Consider legislation on the impact fee law that supports a percentage contribution based on prior value of contributions in land and construction cost.



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