

Summary of Technical Report Text Changes

Section (Page)	Change	Reason for Change
1	Date of School District Analysis Memorandum	New SFNA
2	Date of San Marcos Unified School District ("SMUSD") School Facilities Needs Analysis ("SFNA").	New SFNA
2	Date of Escondido Union School District ("EUSD") SFNA.	New SFNA
2	Summary of the allocation of age-qualified school fee between EUSD and Escondido Union High School District ("EUHSD").	New SFNA
2	SMUSD Residential School Fee.	Updated Fee per New SFNA
2	EUSD Residential School Fee.	Updated Fee per New SFNA
2	SMUSD Age-Qualified School Fee.	Updated Fee per New SFNA
2	EUSD Age-Qualified School Fee.	Updated Fee per New SFNA
2	EUHSD Age-Qualified School Fee.	Rounding
2	SMUSD Commercial School Fee.	Updated Fee per New SFNA
2	EUSD Commercial School Fee.	Updated Fee per New SFNA
2	EUHSD Commercial School Fee.	Rounding
2	Footnote detailing when the SMUSD Age-Qualified and Commercial School Fees will go into effect.	New SFNA
2	Footnote detailing when the EUSD Age-Qualified and Commercial School Fees will go into effect.	New SFNA
3	Total projected school fees for SMUSD for the Newland Sierra Project.	Updated Fee per New SFNA
3	Total projected school fees for EUSD for the Newland Sierra Project.	Updated Fee per New SFNA
3	Total projected school fees for EUHSD for the Newland Sierra Project.	Updated Fee per New SFNA
3	Total projected school fees for the Newland Sierra Project.	Updated Fee per New SFNA
4	Total Elementary Students (K-5) for SMUSD.	Updated Student Generation Rate ("SGR") per New SFNA
4	Total Elementary Students (K-5) for EUSD.	Updated SGR per New SFNA
4	Total Elementary Students (K-5) for the Newland Sierra Project .	Updated SGR per New SFNA
4	Total Middle Students (6-8) for SMUSD.	Updated SGR per New SFNA
4	Total Middle Students (6-8) for EUSD.	Updated SGR per New SFNA

Summary of Technical Report Text Changes

Section (Page)	Change	Reason for Change
4	Total Middle Students (6-8) for the Newland Sierra Project.	Updated SGR per New SFNA
4	Total High School Students (9-12) for SMUSD.	Updated SGR per New SFNA
4	Total High School Students (9-12) for the Newland Sierra Project.	Updated SGR per New SFNA
4	Total Students Generated for SMUSD.	Updated SGR per New SFNA
4	Total Students Generated for EUSD.	Updated SGR per New SFNA
4	Total Students Generated for the Newland Sierra Project.	Updated SGR per New SFNA
4	Total School Fees per Student for SMUSD.	Updated Fee and SGR per New SFNA
4	Total School Fees per Student for EUSD.	Updated Fee and SGR per New SFNA
4	Total School Fees per Student for EUHSD.	Updated Fee and SGR per New SFNA
4	Total School Fees per Student for the Newland Sierra Project.	Updated Fee and SGR per New SFNA
Exhibit A	Date of Exhibit	New SFNA
Exhibit A	SMUSD Residential Non-AQ School Fee.	Updated Fee per New SFNA
Exhibit A	EUSD Residential Non-AQ School Fee.	Updated Fee per New SFNA
Exhibit A	Subtotal of Residential Non-AQ School Fees for SMUSD.	Updated Fee per New SFNA
Exhibit A	Subtotal of Residential Non-AQ School Fees for EUSD.	Updated Fee per New SFNA
Exhibit A	Subtotal of Residential Non-AQ School Fees for the Newland Sierra Project.	Updated Fee per New SFNA
Exhibit A	SMUSD Age-Qualified School Fee.	Updated Fee per New SFNA
Exhibit A	EUSD Age-Qualified School Fee.	Updated Fee per New SFNA
Exhibit A	EUHSD Age-Qualified School Fee.	Rounding
Exhibit A	Subtotal of Age-Qualified School Fees for EUSD.	Updated Fee per New SFNA
Exhibit A	Subtotal of Age-Qualified School Fees for EUHSD.	Updated Fee per New SFNA
Exhibit A	Subtotal of Age-Qualified School Fees for the Newland Sierra Project.	Updated Fee per New SFNA
Exhibit A	Total Residential School Fees for SMUSD.	Updated Fee per New SFNA

Summary of Technical Report Text Changes

Section (Page)	Change	Reason for Change
Exhibit A	Total Residential School Fees for EUSD.	Updated Fee per New SFNA
Exhibit A	Total Residential School Fees for EUHSD.	Updated Fee per New SFNA
Exhibit A	Total Residential School Fees for the Newland Sierra Project.	Updated Fee per New SFNA
Exhibit A	Total Residential School Fees Per Unit for SMUSD.	Updated Fee per New SFNA
Exhibit A	Total Residential School Fees Per Unit for EUSD.	Updated Fee per New SFNA
Exhibit A	Total Residential School Fees Per Unit for EUHSD.	Updated Fee per New SFNA
Exhibit A	Average Residential School Fees Per Unit for the Newland Sierra Project.	Updated Fee per New SFNA
Exhibit A	SMUSD Commercial School Fee.	Updated Fee per New SFNA
Exhibit A	EUSD Commercial School Fee.	Updated Fee per New SFNA
Exhibit A	EUHSD Commercial School Fee.	Rounding
Exhibit A	Total Commercial School Fees for EUSD.	Updated Fee per New SFNA
Exhibit A	Total Commercial School Fees for EUHSD.	Updated Fee per New SFNA
Exhibit A	Total Commercial School Fees for the Newland Sierra Project.	Updated Fee per New SFNA
Exhibit A	Total Residential and Commercial School Fees for SMUSD.	Updated Fee per New SFNA
Exhibit A	Total Residential and Commercial School Fees for EUSD.	Updated Fee per New SFNA
Exhibit A	Total Residential and Commercial School Fees for EUHSD.	Updated Fee per New SFNA
Exhibit A	Total Residential and Commercial School Fees for the Newland Sierra Project.	Updated Fee per New SFNA
Exhibit A	Elementary School Student Generation Rate for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Elementary School Student Generation Rate for Single Family Detached for EUSD.	Updated SGR per New SFNA
Exhibit A	Middle School Student Generation Rate for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Middle School Student Generation Rate for Single Family Detached for EUSD.	Updated SGR per New SFNA
Exhibit A	High School Student Generation Rate for Single Family Detached for SMUSD.	Updated SGR per New SFNA

Summary of Technical Report Text Changes

Section (Page)	Change	Reason for Change
Exhibit A	Total Student Generation Rate for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Generation Rate for Single Family Detached for EUSD.	Updated SGR per New SFNA
Exhibit A	Projected Elementary School Students for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Projected Elementary School Students for Single Family Detached for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Projected Elementary School Students for Single Family Detached for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Projected Middle School Students for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Projected Middle School Students for Single Family Detached for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Projected Middle School Students for Single Family Detached for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Projected High School Students for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Projected High School Students for Single Family Detached for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Total Student Count for Single Family Detached for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Count for Single Family Detached for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Count for Single Family Detached for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Elementary School Student Generation Rate for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Elementary School Student Generation Rate for Townhomes/Condos for EUSD.	Updated SGR per New SFNA
Exhibit A	Middle School Student Generation Rate for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Middle School Student Generation Rate for Townhomes/Condos for EUSD.	Updated SGR per New SFNA
Exhibit A	High School Student Generation Rate for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Generation Rate for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Generation Rate for Townhomes/Condos for EUSD.	Updated SGR per New SFNA
Exhibit A	Projected Elementary School Students for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA

Summary of Technical Report Text Changes

Section (Page)	Change	Reason for Change
Exhibit A	Projected Elementary School Students for Townhomes/Condos for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Projected Elementary School Students for Townhomes/Condos for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Projected Middle School Students for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Projected Middle School Students for Townhomes/Condos for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Projected Middle School Students for Townhomes/Condos for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Projected High School Students for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Projected High School Students for Townhomes/Condos for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Total Student Count for Townhomes/Condos for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Count for Townhomes/Condos for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Student Count for Townhomes/Condos for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Total Elementary School Students (K-5) for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Elementary School Students (K-5) for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Elementary School Students (K-5) for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Total Middle School Students (6-8) for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Middle School Students (6-8) for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Middle School Students (6-8) for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Total High School Students (9-12) for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total High School Students (9-12) for the Newland Sierra Project.	Updated SGR per New SFNA
Exhibit A	Total Students Generated for SMUSD.	Updated SGR per New SFNA
Exhibit A	Total Students Generated for EUSD.	Updated SGR per New SFNA
Exhibit A	Total Students Generated for the Newland Sierra Project.	Updated SGR per New SFNA

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Section (Page)	Change	Reason for Change
Exhibit A	Total School Fees per Student for SMUSD.	Updated Fee and SGR per New SFNA
Exhibit A	Total School Fees per Student for EUSD.	Updated Fee and SGR per New SFNA
Exhibit A	Total School Fees per Student for EUHSD.	Updated Fee and SGR per New SFNA
Exhibit A	Average School Fees per Student for the Newland Sierra Project.	Updated Fee and SGR per New SFNA
Exhibit A	Footnote detailing the new SFNA date and when it will go into effect for SMUSD.	New SFNA
Exhibit A	Footnote detailing the new SFNA date and when it will go into effect for EUSD.	New SFNA

Memorandum

To: Rita Brandin, Senior VP/Development Director, Newland Real Estate Group, LLC

From: Sunit Patel, Principal

Date: ~~March 30, 2017~~ June 5, 2018

Re: **Newland Sierra Project – School District Analysis**

Rita,

Per your request, we have prepared this memorandum to summarize our analysis of projected school fees and student generation in connection with development of the Newland Sierra project (“Project”).

A. OVERVIEW

The Project is currently planned for a total of 2,135 residential units (1,140 single family + 995 multi-family dwelling units), 81,000 square feet of neighborhood serving commercial-retail space, and a 6-acre, Kindergarten through eighth grade (K-8) school site. The Project lies within the boundaries of three (3) school districts: San Marcos Unified School District (“SMUSD”), Escondido Union School District (“EUSD”), and Escondido Union High School District (“EUHSD”). SMUSD serves grades K-12, EUSD serves grades K-8, and EUHSD serves grades 9-12. In terms of gross residential units, the Project is split almost equally between SMUSD and EUSD/EUHSD, however, a significant portion (325 dwelling units) of the Project on the EUSD/EUHSD side will include an age-qualified neighborhood which is not anticipated to generate students and would be subject to lower school fees, as further described below.

Using the School District Exhibit prepared by Fuscoe Engineering dated 9/21/16, the Project Site Plan from the Project’s Specific Plan, and the product information provided by Newland (“Product Assumptions”), we identified the applicable Project planning areas located within each school district and the corresponding unit counts, unit types (as defined by the school districts) and home sizes by school district. Our detailed analysis is shown in Exhibit “A” attached hereto and each component is summarized in the sections below.

B. SCHOOL FEES

Based on the Product Assumptions, we identified the total residential (livable) square footage and commercial square footage anticipated to be developed within each school district. The “Mesa” planning area as shown on the Project site plan is planned to be developed as a 325-lot age-qualified neighborhood (i.e., senior community), and therefore, would be subject to commercial/industrial school fees as opposed to standard residential school fees. The entirety of the “Mesa” planning area is located within the boundaries of EUSD and EUHSD, and is broken out separately in our analysis for purposes of calculating school fees and student generation. The breakdown of total square footage by school district is shown below.



PLANNED DEVELOPMENT SQUARE FOOTAGE			
	SMUSD	EUSD / EUHSD	Total
<u>Residential</u>			
Total Non-AQ SF	2,276,821	1,432,954	3,709,775
Total Age Qualified SF	0	627,000	627,000
<u>Commercial</u>			
Total Square Feet	0	81,000	81,000

The applicable school fees per square foot for each school district were determined based on the respective district’s most recent school fee study, as listed below:

- SMUSD: School Facilities Needs Analysis (“SFNA”) dated April 14, 2016~~12, 2018~~.
- EUSD: School Facilities Needs Analysis (“SFNA”) dated March 28, 2016~~12, 2018~~.
- EUHSD: School Fee Justification Study for Commercial and Residential dated March 29, 2016.

Please note, EUSD charges the current maximum commercial/industrial school fee of \$0.61 per square foot authorized by the State Allocation Board as of January 24, 2018 and receives 48.95% of the fee pursuant to a fee sharing agreement between EUSD and EUHSD—charge. EUHSD charges the 2016 maximum commercial/industrial school fee of \$0.56 per square foot authorized by the State Allocation Board as of February 26, 2016; these districts have a fee sharing agreement in which EUSHDand receives 51.05% and EUSD receives 48.95% of school fee revenues from all commercial/industrial development built of the fee. (Note: this also includes senior/age-qualified development).

The school fees per square foot for each school district are shown below.

SCHOOL FEES PER SQUARE FOOT			
	SMUSD	EUSD	EUHSD
<u>Residential</u>			
Residential School Fee	\$4.68 <u>\$5.61</u>	\$2.26 <u>\$2.25</u>	\$1.78
Age Qualified Fee	\$0.56 <u>\$0.61*</u>	\$0.27 <u>\$0.430**</u>	\$0.28 <u>\$0.29</u>
<u>Commercial</u>			
Commercial School Fee	\$0.56 <u>\$0.61*</u>	\$0.27 <u>\$0.430**</u>	\$0.28 <u>\$0.29</u>

*Fee will take effect July 15, 2018.

**Fee will take effect June 16, 2018.

Based on the planned development square footage and school fee amounts shown in the tables above, the total school fee revenue projected for each school district is presented below.

TOTAL PROJECTED SCHOOL FEES				
	SMUSD	EUSD	EUHSD	Total
Total Res. & Comm. School Fees	\$10,655,524 12,772,968	\$3,432,552 436,546	\$2,753,060 755,977	\$16,841,137 18,965,491

C. STUDENT GENERATION

As noted in the Section B above, of the 2,135 units planned for the Project, 325 units are planned to be age-qualified units, bringing the net number of units which will generate students to 1,810. These units are classified by housing type according to the following defined terms found in the respective school fee studies identified in Section B.

SMUSD:

- Single Family Detached or “SFD”: units with no common walls each assigned a unique Assessor’s parcel number.
- Single Family Attached or “SFA”: units with common walls each assigned a unique Assessor’s parcel number (e.g., townhomes, condominiums, etc.).
- Multifamily or “MF”: units with common walls on an Assessor’s parcel on which other units are located.

EUSD

- Single Family Detached or “SFD”: units with no common walls each assigned a unique Assessor’s parcel number.
- Single Family Attached or “SFA”: units with common walls each assigned a unique Assessor’s parcel number (e.g., townhomes, condominiums, etc.).
- Multifamily or “MF”: units with common walls on an Assessor’s parcel on which other units are located.

EUHSD

- Single Family Detached or “SFD”: *No specific definition indicated.*
- Multi-Family Attached or “MFA”: units such as townhomes, condominiums, apartments, duplexes, etc.

The number of units in each school district broken down by the school districts’ housing type classifications is shown below.

HOUSING TYPE CLASSIFICATIONS (EXCLUDES AGE-QUALIFIED)			
	SMUSD	EUSD / EUHSD	Total
<i>Single Family Detached (SFD):</i> Units	733	220	953
<i>Townhomes/Condos (SFA/MFA):</i> Units	316	541	857
Total	1,049	761	1,810

The student generation rates per household were sourced from the school fee studies referenced in Section B above. These rates can also be found in Exhibit “A” attached hereto. Using the provided rates and the housing type breakdown in the table above we have calculated the students projected to be generated per school district. The estimated student generation totals broken down by school-level are presented in the table below.

STUDENT GENERATION				
	SMUSD	EUSD	EUHSD	Total
Total Elementary Students (K-5)	317 336	132 167	-	449 503
Total Middle Students (6-8)	85 152	45 66	-	130 218
Total High School Students (9-12)	98 127	-	119	217 246
Total Students Generated	500 615	177 233	119	796 967
<i>Total School Fees per Student*</i>	\$21,311 \$20,769	\$19,393 \$14,749	\$23,135 \$159	\$21,157 \$19,613

*Represents equivalent school fees per student based on projected school fees shown in Section B.

Please do not hesitate to contact me with any questions regarding this analysis.

EXHIBIT A

Newland Sierra
School District Analysis
March 30, 2017 June 5, 2018

Draft

LAND USE				
	San Marcos Unified (a)	Escondido Union (b)	Escondido Union HS (c)	Total/Avg.
Residential Units	1,049		1,086	2,135
Commercial Square Footage	0		81,000	81,000

SCHOOL FEES				
Residential				
Non Age-Qualified (AQ) Units	1,049		761	1,810
Avg. Non AQ Unit SF	2,170		1,883	2,050
Total Non AQ SF	2,276,821		1,432,954	3,709,775
Residential School Fee	\$4.68\$5.61	\$2.26\$2.25	\$1.78	
Subtotal Res. Non-AQ School Fees	\$10,655,524\$12,772,968	\$3,238,475\$3,224,146	\$2,550,657	\$16,444,657\$18,547,771
Age-Qualified Units	N/A		325	325
Avg. Age Qualified SF	N/A		1,929	1,929
Total Age Qualified SF	N/A		627,000	627,000
Age Qualified Fee	\$0.56\$0.61	\$0.274\$0.30	\$0.286\$0.29	
Subtotal Age Qualified Fees	-	\$171,873\$188,100	\$179,247\$181,830	\$351,120\$369,930
Total School Fees	\$10,655,524\$12,772,968	\$3,410,348\$3,412,246	\$2,729,904\$2,732,487	\$16,795,777\$18,917,701
Total School Fees/Unit	\$10,158\$12,176	\$3,140\$3,142	\$2,514\$2,516	\$7,867\$8,861
Commercial				
Total Square Feet	0		81,000	81,000
Commercial School Fee	\$0.56\$0.61	\$0.274\$0.30	\$0.286\$0.29	
Total School Fees	\$0	\$22,204\$24,300	\$23,156\$23,490	\$45,360\$47,790
Total Res. & Comm. School Fees [1]	\$10,655,524\$12,772,968	\$3,432,552\$3,436,546	\$2,753,060\$2,755,977	\$16,841,137\$18,965,491

STUDENT GENERATION				
	San Marcos Unified (a)	Escondido Union (b)	Escondido Union HS (c)	Total/Avg.
<i>Single Family Detached (SFD):</i>				
Units	733		220	953
Generation Rates:				
Elementary	0.36050.3739	0.29490.3973	-	
Middle	0.09010.1743	0.08320.1260	-	
High	0.09860.1284	-	0.1365	
SGR Total	0.54920.6766	0.37810.5233	0.1365	
Projected Students:				
Subtotal Elementary	265275	6588	-	330363
Subtotal Middle	67128	1928	-	86156
Subtotal High	7395	-	31	104126
Total SFD Students	405498	84116	31	520645
<i>Townhomes/Condos (SFA/MFA):</i>				
Units	316		541	857
Generation Rates:				
Elementary	0.16170.1926	0.12350.1448	-	
Middle	0.05610.0738	0.04660.0694	-	
High	0.07760.1011	-	0.1617	
SGR Total	0.29540.3675	0.17010.2142	0.1617	
Projected Students:				
Subtotal Elementary	5261	6779	-	119140
Subtotal Middle	1824	2638	-	4462
Subtotal High	2532	-	88	113120
Total SFA/MFA Students	95117	93117	88	276322
Total Elementary Students (K-5)	317336	132167	-	449503
Total Middle Students (6-8)	85152	4566	-	130218
Total High School Students (9-12)	98127	-	119	217246
Total Students Generated [2]	500615	177233	119	796967
Total School Fees per Student [1]÷[2]	\$21,311\$20,769	\$19,393\$14,749	\$23,135\$23,159	\$21,157\$19,613

Footnotes:

- (a) San Marcos Unified School District residential fees and student generation rates per School Facilities Needs Analysis prepared by Dolinka Group Cooperative Strategies dated April 14, 2016 April 12, 2018. The school district's residential fee took effect on May 16, 2018 and the age-qualified/commercial fee will take effect on July 15, 2018.
- (b) Escondido Union School District residential fees and student generation rates per School Facilities Needs Analysis prepared by Dolinka Group Cooperative Strategies dated March 28, 2016 March 12, 2018. The school district's residential fee took effect on April 13, 2018 and the age-qualified/commercial fee will take effect on June 16, 2018.
- (c) Escondido Union High School District fees and generation rates per Residential Development School Fee Justification Study prepared by Dolinka Group dated March 29, 2016. Age-restricted fees per Commercial/Industrial Development School Fee Justification Study prepared by Dolinka Group dated March 29, 2016.