

## VOLUNTARY CAPITAL MITIGATION

### Definition

Voluntary capital mitigation is the voluntary contribution of funds or other in-kind gifts, donations or agreements by a developer of proposed residential units that would assist the district in constructing additional classroom capacity. By definition, voluntary capital mitigation funds will be used for capital improvements or projects and not on operating expenditures.

### Method of Evaluating Voluntary Capital Mitigation Proposals

Once a school has been determined to exceed the benchmark capacity and the district has commenced writing letters recommending the denial of developments in response to local governmental entity referrals, the district may review possible mitigation options from developers to determine whether a positive recommendation to the referral may be provided.

The following voluntary capital mitigation proposals shall be considered by the district in determining whether a positive referral letter may be provided.

1. Construction of a new school facility or classroom space to serve the students of the proposed new residential subdivision.
2. Donation of funds that could be used toward the construction of new facilities or classroom space to serve the students of the proposed new residential subdivision.

Acceptance of the mitigation proposal shall be within the discretion of the district based on an evaluation of student impacts on core facilities and the timing of the potential capacity relief. Any cash-in-lieu of land payment or land dedication requirement based on IGA's with the cities, towns and counties shall not be considered to be a capital mitigation for purposes of this regulation.

### Guidelines for Determining Appropriate Capital Mitigation Donations

The calculation of the voluntary capital mitigation amount shall take into consideration the following components:

1. The cost of the classroom – Standard classroom size times the construction cost per square feet, including common space.
2. Students in classroom – Standards for the number of students per classroom at elementary, middle, or high school (staffing ratio) times the 125% benchmark capacity.
3. Cost per student – Total cost of the classroom divided by the number of students in the classroom at 125% of capacity.
4. Cost per dwelling unit – Cost per student times the student yield per type of unit.

Calculations would be made for each school level within the applicable school feeder area with the mitigation amount considered only for those schools exceeding the

benchmark capacity. Any variation from this standard calculation proposed by a builder/developer must be reviewed by the Board of Education. Approval would only be granted if it was determined that there was an exceptional benefit to the district.

### **Timing of the Voluntary Capital Mitigation Funds**

Voluntary capital mitigation funds, if accepted by the school district, shall be provided prior to or at the time of the recording of each final plat for units proposed within the subdivision. This would allow for the use of the funds to begin construction of classroom space concurrent with the construction of new residential dwelling units. Other methods of staging the voluntary contribution would need to be reviewed by the district on a case-by-case basis. If a sufficient revenue stream is provided for and assured through an agreement with the developer that allows the district to fund necessary capital improvements up front, the district would consider forwarding a positive referral letter.

### **Use of Voluntary Capital Mitigation Funds**

The district will use voluntary capital mitigation funds that it has received as follows:

1. If funds donated will allow for the complete construction of classroom space to bring the capacity of a school up to the facility size standards per policy, the district will commence with the design and construction of the project as soon as possible, pending coordination with other building additions scheduled for the school.
2. If funds are not adequate to complete the construction of the classroom space to bring the capacity of a school up to the facility size standards, the district shall deposit the funds in a capital construction account for the applicable school feeder area. Design and construction will commence as soon as sufficient funds can be obtained either through additional developer donations or other funding efforts.
3. If the school is already at the facility size standards, the funds shall be deposited in a capital construction account for the applicable school feeder area for use in the construction of a new school to relieve the overcrowding at the existing school. Donations provided under this circumstance could be used to reduce the amount to be requested in future bond elections.
4. Funds may also be used to provide temporary capacity on a short-term basis until the completion of the necessary permanent classroom capacity can be provided.
5. If development causes enrollment to exceed the benchmark at one or more schools in a community that does not have a self-contained feeder system (i.e. elementary, middle and high school all in the same community), the funds allocated to the school level(s) within that community shall be used only for capital construction within the attendance boundary of each individual school that serves the community.

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St. Vrain Valley School District RE-1J, Longmont, Colorado