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## **2.10 ADDITIONAL ANALYSIS OF ENROLLMENT FACTORS AFFECTING SOUTH SUBAREA**

### **2.10.1 Introduction**

The Gadsden Independent School District is updating the growth analysis and enrollment projections for the district's southern area because of changes in the El Paso metropolitan economy and a more specific project schedule for Verde Realty development in Santa Teresa. In particular, enrollment is projected for a new elementary school and a new middle school in Santa Teresa.

### **2.10.2 Analysis of Growth Factors**

#### *Assumptions Used in 2005 Analysis*

The projections completed in 2005 relied heavily on the historic trend of very steady enrollment growth, with growth occurring at an average rate of 1.6% per year since 2000. The mid-range projections at that time also assumed additional future growth of 100 dwelling units per year, with most of that growth concentrated in the south subarea of the district (the Sunland Park and Santa Teresa areas). The 100-units-per-year estimate was at that time a conservative estimate of the pace of development, based on then-existing plans and expectations of community representatives.

Based on student generation rates in samples of the existing housing in the south subarea, this additional housing was projected to result in approximately 80 new students per year above historic growth. Multipliers were used to reflect this increased enrollment at Santa Teresa, Sunland Park, Riverside, and Desert View ES, Santa Teresa MS, and Santa Teresa HS.

#### *2007 Analysis of Growth Factors*

The primary impetus for this new analysis of growth in the south subarea was the plans for Santa Teresa, to be developed by Verde Realty west of Sunland Park. Verde, based in El Paso, owns 22,000 acres in Doña Ana County, near the intersection of Pete Domenici Highway and Columbus Highway. The firm plans to create a mixed-use community on the property that will include:

- 11,800 acres residential
- 3,100 acres industrial
- 310 acres commercial
- 720 acres "urban core"
- 4,500 acres open space

Verde has planned a 25- to 40-year build-out, with as many as 25,000 housing units and a population of up to 100,000. By 2018, Verde Realty plans to have sold almost 5,000 residential units on the site. They expect to start selling units in late 2007, with the first occupants arriving in early 2008. Homes will range in price from \$100,000 to \$200,000.

**Exhibit 2-92**  
**Santa Teresa**  
**Absorption Analysis**

The table below outlines Verde Realty’s expected residential unit absorption through 2017 (source: Verde Realty).

Santa Teresa Absorption Analysis														
Residential units with residents living in them by month and year (Only within the MPC)														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Cum Total
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	12	12	12	12	12	12	12	12	12	12	12	132	132
2009	12	20	20	20	20	20	20	20	20	20	20	20	232	364
2010	20	35	35	35	35	35	35	35	35	35	35	35	405	769
2011	35	55	55	56	56	56	56	56	56	56	56	56	649	1418
2012	56	35	35	35	35	35	35	35	35	35	35	35	441	1859
2013	35	38	38	39	38	38	39	38	38	39	38	38	456	2315
2014	39	59	59	59	59	59	59	59	59	59	59	60	689	3004
2015	60	38	38	39	38	38	39	38	38	39	38	38	481	3485
2016	39	43	43	44	43	43	44	43	43	44	43	44	516	4001
2017	44	72	73	73	72	73	73	72	73	73	72	73	843	4844
2018	73												73	4917

Data from Leland's - Santa Teresa Master Plan Market Absorption Analysis Post-BRAC - Scenario 1 (March 2006)  
 (Assumes a four month period between the lots being sold and the residents moving in)

4917

For the first year, load 12 per month  
 For the second year, load 20 per month  
 Starting in the third year, use absorption schedule

According to the city of Sunland Park, continued development activity is anticipated. Several projects are in the pipeline in Sunland Park or are in areas proposed for annexation. Several small subdivisions planned for the Sunland Park / Santa Teresa area include:

- Franklin View Estates: This development is located in Santa Teresa, and includes 91 lots on 21 acres.
- Villa Hermosa Phase 2: This development is located near La Union. Phase 2 will include 24 lots, for a total of 72 units at the site. Development depends on County Commission approval. (Source: Doña Ana County Planning Department)

Evidence that there is a market for this new housing is based on existing and planned growth in the El Paso metropolitan area. The primary growth factor is the planned expansion at Fort Bliss, on El Paso’s northeast side. Currently, there are approximately 17,000 active military personnel at Fort Bliss (source: Real Estate Center of Texas A&M University). Soldiers are already arriving at Fort Bliss as

part of the BRAC 2005 recommendations. By 2011, El Paso expects to receive an additional 20,125 soldiers, 1,569 civilian employees, and 33,065 family members (source: El Paso Regional Economic Development Corporation). This growth will also lead to additional local jobs to accommodate this growth.

Other employment growth in the El Paso area has been relatively slow, but positive. Between 1995 and 2005, total employment in the El Paso MSA increased by 7.7%, compared to 18.2% statewide. The biggest sectors of employment growth in 2005 were educational and health services (8.9% growth); natural resources, mining, and construction (7% growth); and leisure and hospitality (4.1% growth) (source: Real Estate Center at Texas A&M University).

Economic development activities in Sunland Park, including planned entertainment and shopping and a new port of entry, could also support population growth in this area. An application has been submitted for the Sunland Park port of entry, and if approved, the border crossing could be constructed within a year or two (source: El Paso MPO). The port of entry will connect to the 16<sup>th</sup> of September Highway in Ciudad Juarez.

News reports suggest that the El Paso housing market remained tight throughout 2006, despite sagging sales elsewhere in the country. In 2006, used homes stayed on the market an average of 44 days, compared to 53 days in 2005, and the median home price in 2006 was up 14.1% to \$125,000 (source: Real Estate Center at Texas A&M University). An analysis prepared by the Leland Consulting Group for Verde Realty estimated an El Paso MSA need of nearly 20,000 new units during 2004-2009, another 18,000 new units during 2009-2014, and another 17,000 during 2014-2019. This analysis estimates that Verde's Santa Teresa development could capture 13% of this need from 2009-2019 (source: Leland Consulting Group). This timeline is approximately equivalent to Verde Realty's timeline for residential development.

Transportation and access concerns may be a possible factor that will limit development at the Verde Realty site. Currently, access exists via the Domenici Highway to either Artcraft or Airport Roads, and from there to McNutt Road (into Sunland Park) or to I-10. The southern portion of McNutt Road (south of Country Club Road) was widened from two to four lanes in 2005 to accommodate additional traffic, and funding has been reserved to widen McNutt from Country Club to Artcraft within the next five years (source: El Paso MPO).

An extension of the Columbus Highway, providing direct access into Sunland Park and from there to downtown El Paso, is on the long-range metropolitan transportation plan, and a feasibility study is in progress. However, no federal or state funding has been obtained for it.

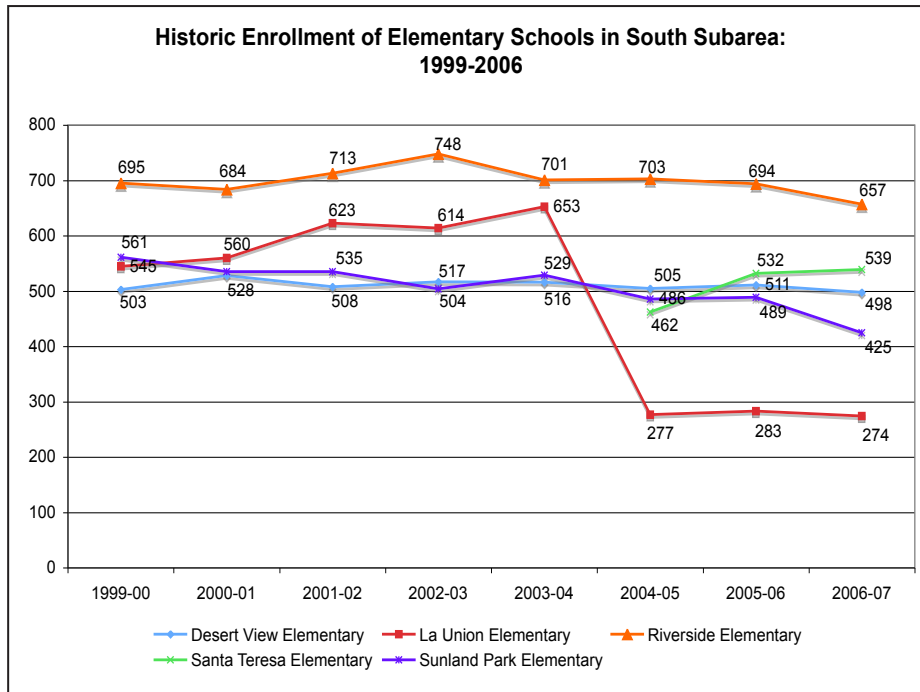
In addition to the local connectivity issues, access may be a concern because the Santa Teresa site is 20 miles from Fort Bliss, where the majority of future growth is expected. Areas on the east side of El Paso are likely to compete most strongly for housing Fort Bliss soldiers and civilian personnel. Santa Teresa might reach the segment of the market that is unrelated to Fort Bliss (e.g., residents with jobs in downtown El Paso), or may serve as an alternative location as areas on the east side of El Paso become more crowded.

### 2.10.3 Impact of New Development on Enrollment Projections

Assuming that the Santa Teresa / Sunland Park housing developments come to fruition as planned, they will have a noticeable impact on the projected enrollment in the south subarea schools.

Exhibit 2-93 shows historic enrollment at the five south subarea elementary schools: Desert View, La Union, Riverside, Santa Teresa, and Sunland Park.

**Exhibit 2-93**  
*Historic ES Enrollment,  
South Subarea*



Enrollment has been steady at most schools, with steady increases at Santa Teresa ES since its opening in 2004-05. (The drop in enrollment at La Union ES in 2004-05 is due to the opening of Santa Teresa ES.)

Historically, elementary school enrollment in the south subarea grew at an average of 1.5% per year between 1999 and 2005, from 2,304 to 2,509 students. Enrollment dropped off at several of the schools for the 2006-07 school year for a total loss of 116 students from 2005-06, probably because of the flooding that occurred during this time. The following two tables examine this decline in more detail.

Exhibit 2-94 below examines the number of students who attended south subarea elementary schools in 2005-06, and where they then attended school in 2006-07. In Sunland Park ES, which experienced the greatest loss of students of the south subarea, a high percentage of students changed addresses between the 2005-06 and 2006-07 school year, and a high percentage of those students moved to another school. Many of these students went to other south subarea schools (in particular, Desert View, Riverside, and Santa Teresa), but others went to Anthony ES and Berino ES. Riverside ES, which had the second-largest loss of students and the second-largest percentage of moves to a different school, saw its students move to other schools across the district.

**Exhibit 2-94**  
*South Subarea ES*  
*Student Address*  
*Change*

	Moved Address (Within District)		Same Address		New in District	Total
	Same School	Different School	Same School	Different School		
Desert View ES	1.7%	2.6%	83.5%	2.2%	10.0%	100%
La Union ES	8.6%	3.4%	75.0%	1.3%	11.6%	100%
Riverside ES	4.3%	3.8%	80.8%	1.7%	9.4%	100%
Santa Teresa ES	3.3%	2.8%	76.0%	1.1%	16.8%	100%
Sunland Park ES	6.9%	5.6%	76.3%	3.1%	8.2%	100%
Note: Includes students in grades K-5 in 2005-06.						

**Exhibit 2-95**  
*ES Assignments and Transfers*

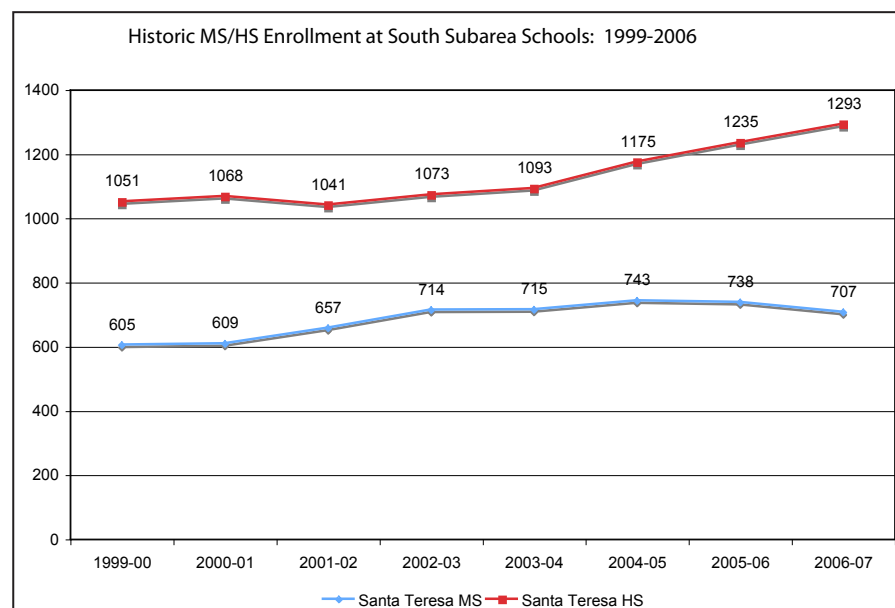
Student transfers for 2006-07 also support this explanation. Desert View, La Union, and Sunland Park ES all had a high percentage of transfers in, meaning that students enrolled who did not live in the attendance area.

School	Enrollment		Transfers In		Living in School Attendance Area		Transfers Out		Attending Assigned School	
	Number	Number	Percentage Enrollment	Number	Number	Percentage Residents	Number	Percentage Enrollment		
Anthony ES	649	73	11.2%	639	63	9.9%	576	90.1%		
Berino ES	678	99	14.6%	640	61	9.5%	579	90.5%		
Chaparral ES	719	31	4.3%	763	75	9.8%	688	90.2%		
Desert Trail ES	584	59	10.1%	592	67	11.3%	525	88.7%		
Desert View ES	498	106	21.3%	527	135	25.6%	392	74.4%		
La Union ES	274	66	24.1%	227	19	8.4%	208	91.6%		
Loma Linda ES	533	64	12.0%	566	97	17.1%	469	82.9%		
Mesquite ES	489	72	14.7%	465	48	10.3%	417	89.7%		
Riverside ES	656	92	14.0%	675	111	16.4%	564	83.6%		
San Miguel ES	364	30	8.2%	378	44	11.6%	334	88.4%		
Santa Teresa ES	539	61	11.3%	557	79	14.2%	478	85.8%		
Sunland Park ES	425	137	32.2%	309	21	6.8%	288	93.2%		
Sunrise ES	516	75	14.5%	459	18	3.9%	278	96.1%		
Vado ES	463	35	7.6%	509	81	15.9%	342	84.1%		
<b>Total</b>	<b>7387</b>	<b>1000</b>			<b>919</b>		<b>6138</b>			

High
Low

Enrollment has been increasing at both Santa Teresa MS and Santa Teresa HS.

**Exhibit 2-96**  
*Historic MS/HS Enrollment, South Subarea*



**Exhibit 2-97  
and 2-98**  
*MS and HS  
Assignments and  
Transfers*

Transfers into and out of both of these schools are low.

GISD Assignments and Transfers for Middle Schools: 2006-07								
School	Enrollment Number	Transfers In		Living in School Attendance Area	Transfers Out		Attending Assigned School	
		Number	Percentage Enrollment	Number	Number	Percentage Residents	Number	Percentage Enrollment
Chaparral MS	550	7	1.3%	549	6	1.1%	543	98.9%
Gadsden MS	981	16	1.6%	982	17	1.7%	802	98.3%
Santa Teresa MS	707	26	3.7%	694	13	1.9%	595	98.1%
Total	2238	49			36		1940	
		High	Low					

GISD Assignments and Transfers for High Schools: 2006-07								
School	Enrollment Number	Transfers In		Living in School Attendance Area	Transfers Out		Attending Assigned School	
		Number	Percentage Enrollment	Number	Number	Percentage Residents	Number	Percentage Enrollment
Chaparral HS	437	11	2.5%	868	46	5.3%	822	94.7%
Gadsden HS	2066	68	3.3%	1899	33	1.7%	1703	98.3%
Santa Teresa HS	1293	51	3.9%	1343	15	1.1%	1242	98.9%
Total	3796	130			94		3767	
		High	Low					

In order to estimate the number of students that will be generated by new units, comparable areas were sought. Verde Realty indicated that the target market would be similar to that of East El Paso, in the Socorro School District. In this area, extensive new housing serves a middle-income population.

**Exhibit 2-99**  
*Student Population  
Estimate*

	88008	88063	79935	79936	79938	87031	87505	87004
Location	Santa Teresa	Sunland Park	E. El Paso	E. El Paso	E. El Paso	Los Lunas	S. Santa Fe	Bernalillo
Population	5,551	10,377	19,452	92,089	18,628	35,958	40,414	8,154
Avg. HH Size	3.19	4.00	2.88	3.41	3.88	2.99	2.17	2.91
Median Age	30.7	25.7	30.6	28.2	24.7	31.6	41.8	31.6
Median HH Income	\$38,571	\$20,139	\$38,112	\$42,857	\$28,829	\$34,771	\$40,406	\$31,599
Source: Census 2000.								

Student generation rates per housing unit were calculated for existing housing in the south subarea of the district, and were the rates used in the mid-range projections. Low-range projections were calculated

using the lower student generation rates of other areas of New Mexico, similar in their new housing growth, demographics, and location in relation to a larger metropolitan area.

**Exhibit 2-100**  
*Student Generation Rates per Unit*

<b>Student Generation Rates Per Housing Unit in Selected Areas</b>				
Subdivision/Area	Location	Total Enrollment	Housing Units (Approx.)	Student Generation Per Unit
Existing Developments	Sunland Park ES Attendance Area, NM	647	900	0.719
Existing Developments	Riverside ES Attendance Area, NM	1414	1500	0.943
Existing Developments	Desert View ES Attendance Area, NM	867	1100	0.788
Existing Developments	Santa Teresa ES Attendance Area, NM	939	1200	0.783
Sun Ranch Village	Los Lunas, NM	68	171	0.398
Sivage Community	Los Lunas, NM	269	608	0.442
Huning Ranch	Los Lunas, NM	114	428	0.266
Tierra Contenta	Santa Fe, NM	796	2045	0.389

Source: Geocoding and Housing Counts by ARC.

The following table shows student generation rates by school level in areas of the south subarea.

**Exhibit 2-101**  
*Student Generation Rate, South Subarea*

<b>Student Generation Rate in South Subarea Elementary Attendance Areas</b>				
	Santa Teresa	Sunland Park	Riverside	Desert View
ES Students	541	351	685	476
MS Students	148	112	264	135
HS Students	250	184	465	256
Total Students	939	647	1414	867
Number of Housing Units (Approx.)	1200	900	1500	1100
ES Students per Unit	0.451	0.390	0.457	0.433
MS Students per Unit	0.123	0.124	0.176	0.123
HS Students per Unit	0.208	0.204	0.310	0.233
Total Student Generation Rate	0.783	0.719	0.943	0.788

## 2.10.4 Enrollment Projections

The baseline for the adjusted projections uses six-year cohort survival ratios, with enrollment growth projected at an average rate of 1.9% per year. Other options were developed based on the following scenarios:

- **Low Range Scenario 1:** In addition to continued district growth, Santa Teresa will be developed consistent with Verde



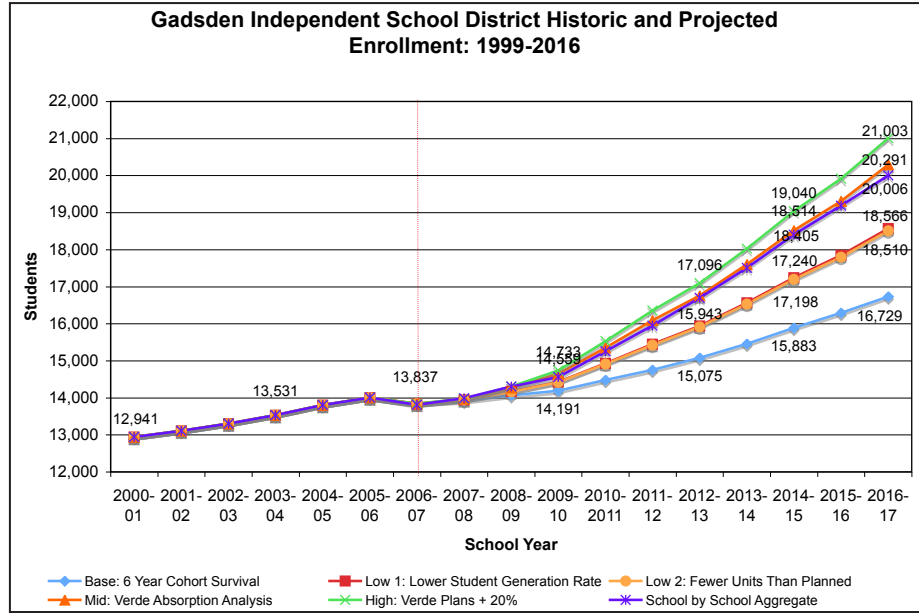
Realty's planned absorption schedule. New units use a student generation ratio of 0.42 students per dwelling unit, as seen in other new subdivisions in New Mexico.

- **Low Range Scenario 2:** In addition to continued district growth, new units will be developed, but at a rate of 50% of Verde Realty's planned absorption schedule. This rate may be consistent with a downturn in the housing market or a slowed construction schedule. New units use a student generation ratio of 0.81 students per dwelling unit, as seen currently in the Sunland Park / Santa Teresa area.
- **Mid-Range Scenario:** In addition to continued district growth, Santa Teresa will be developed at a rate of 90% of Verde Realty's planned absorption schedule. New units use a student generation ratio of 0.76 students per dwelling unit, as seen currently in the Sunland Park / Santa Teresa area.
- **High Range Scenario:** Significant additional growth is spurred by the Verde Realty development in the Sunland Park / Santa Teresa area. This scenario estimates growth consistent with Verde Realty's planned absorption schedule plus 20% additional development. New units use a student generation ratio of 0.81 students per dwelling unit, as seen currently in the Sunland Park / Santa Teresa area.

The mid-range projection with the Verde absorption analysis was selected because it best reflects the anticipated housing growth planned by Verde Realty. This growth is in response to the relatively tight housing market in the El Paso metropolitan area and the expected influx of new residents to Fort Bliss, as well as new residents moving to the area because of other positive economic growth indicators in the region. Limitations in transportation accessibility may impede full programmed growth during the ten-year projection horizon.

Exhibit 2-102 shows the revised projection for the total district. Compared to the 2005 projections, the revised mid-range projection shows 1,918 additional students in the school district by year 2015-16, for a total of 19,142 students in that year.

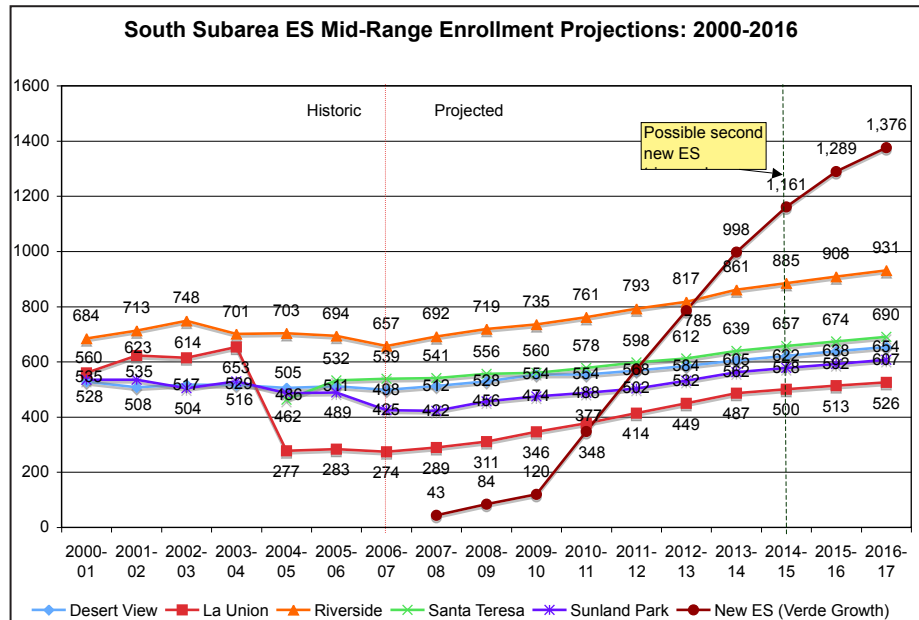
**Exhibit 2-102**  
GISD Historic and  
Projected Enrollment



**South Subarea Enrollment Projections**

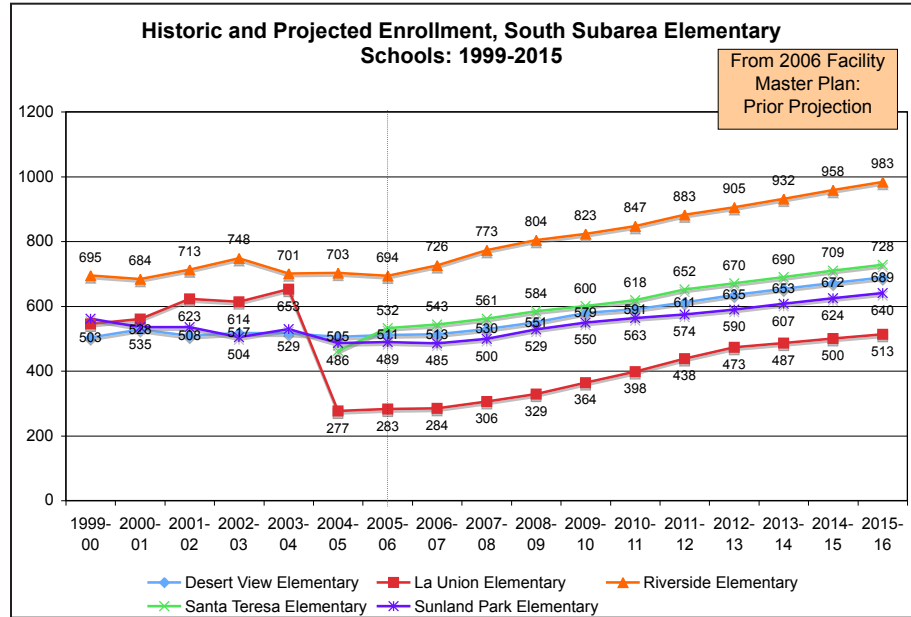
Enrollment growth is projected for each existing school, consistent with the schools' historic trends. In the following charts, new enrollment generated by the Verde Realty development has been separated and distributed by school level.

**Exhibit 2-103**  
ES Enrollment  
Projections, South  
Subarea

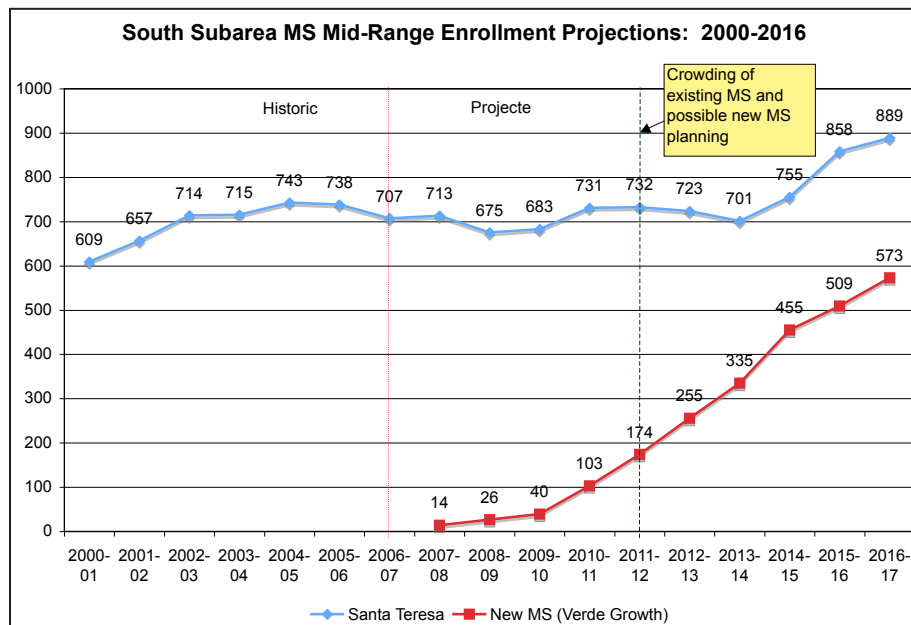


The previous 2005 projections of the south subarea elementary schools are shown in the chart below. Other schools are anticipated to grow somewhat slower because of a new elementary school.

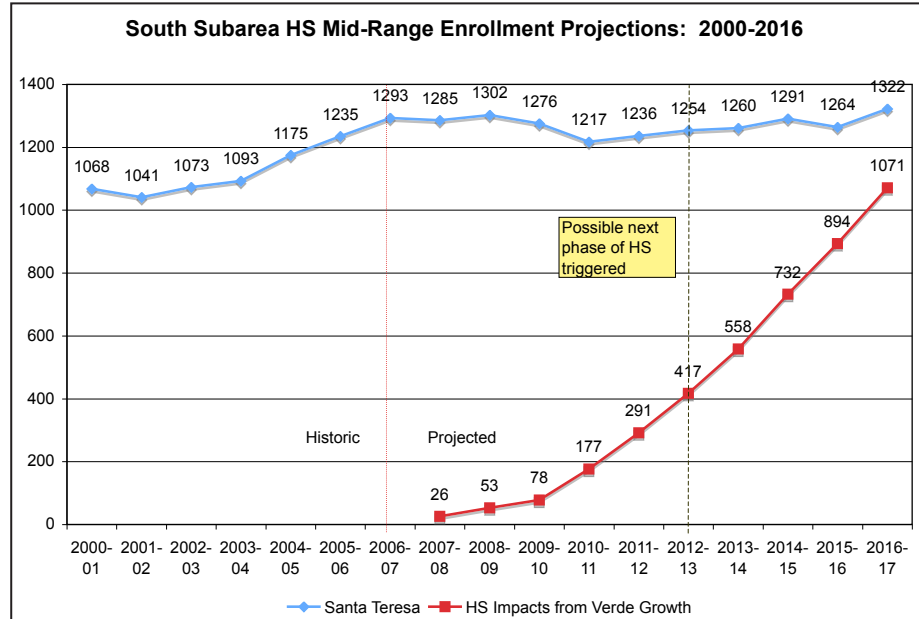
**Exhibit 2-104**  
*ES Enrollment Projections, South Subarea*



**Exhibit 2-105**  
*MS Enrollment Projections, South Subarea*



**Exhibit 2-106**  
*HS Enrollment Projections, South Subarea*



In conclusion, growth in the south subarea is expected to continue in Sunland Park and start in the Santa Teresa area with Verde Realty development. Enrollment growth is projected to have the following impacts:

- A new elementary school will be needed to serve Verde Realty residential growth in the next three or four years. If development keeps pace with plans, a second new elementary school is needed in approximately 2013. Under a scenario of quicker development in Santa Teresa, a second elementary school would be needed prior to 2013.
- Riverside Elementary continues to be projected to grow to over 900 students by year 2015-16 and exhibits a strong need for added capacity that is independent from the need for one or more new Santa Teresa elementary schools. The 2005 projections showed enrollment surpassing 900 in 2012-13, under the assumptions of absorbing a portion of Verde Realty’s Santa Teresa growth and slower build-out of Santa Teresa.
- The current mid-school is expected to be crowded by 2012 and possibly a new mid-school will be needed.
- A new phase of the high school may be triggered by growth by 2012.
- There is a possibility that the “No Child Left Behind Act” could result in students transferring from a school that is not meeting standards nor making adequate progress to new schools, such as the proposed new school(s) developed in response to the expected Verde Realty’s growth. If this happened, schools could grow more quickly than projected.