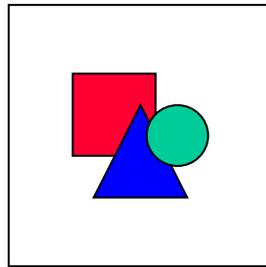


**TOWN OF PELHAM, NH**



**IMPACT FEE STUDY**

*January 1999*

*Prepared by the*



*Nashua Regional Planning Commission*

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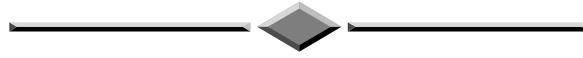
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*CHAPTER ONE*

*INTRODUCTION AND EXECUTIVE SUMMARY*

## **CHAPTER ONE INTRODUCTION AND EXECUTIVE SUMMARY**

The Nashua Regional Planning Commission was commissioned by the Pelham Planning Board to conduct an impact fee feasibility analysis. The project was approved for funding by the voters at the 1998 town meeting. This indicates a degree of support among the public to seek alternative funding solutions for facilities attributable to new growth.

Pelham has experienced an extraordinary amount of growth since 1960. At that time, its population was 2,605; in 1996 its population was estimated to be 10,374, an increase of 289% since 1960. Over the past twenty years, Pelham has averaged about 67 new dwelling units per year. All of the new development has stressed the Town's facilities, resulting in increased property taxes. Over the next twenty years, a projected total of approximately 1,300 new dwelling units will be constructed. The Town has the capacity to absorb a total of 4,448 new residential units, assuming that current zoning densities remain unchanged.

Impact fees are a way to shift the burden associated with new residential development away from the taxpayers and on to applicants for building permits. The impact fee schedule, which assesses the relative impacts per unit of new development, must be based upon logical assumptions. Impact fees can be used only for capital improvements associated with new development. Impact fees cannot be used to address the Town's current space problems, but only future needs that will be associated with future development. In addition, prior to implementing an impact fee schedule, it is critical that the proposed project is likely to be undertaken, as if the project is not undertaken within six years of the collection of an impact fee, that fee must be returned. (See RSA 674:21).

Based upon discussions with the Planning Board, it was determined that an impact fee was desired to mitigate the impacts associated with new residential development. As such, the opportunity to collect impact fees would be limited primarily to major items, such as schools and municipal facilities, although residential development could result in impacts to public libraries and recreational facilities as well.

It should be noted that a complete facilities analysis of all town and school property is beyond the scope of this project. To successfully implement impact fees, it is imperative that the Town determine the space alternatives it desires, and to have detailed cost estimates that reflect accurate conditions. In the absence of this, the impact fee analysis can be used to weigh the relative impacts associated with various projects and funding alternatives.

### **PROJECT SCENARIOS**

The School Building Committee is in the process of proposing a new elementary school. As of this writing, that proposal has not been finalized. Absent a specific project for consideration, the series of analyses in following chapters are strictly hypothetical, and for the purposes of understanding the fiscal impact of specific impact fee formulae. When specific proposals are presented, impact fee schedules should be developed and considered as a potential funding mechanism. In addition, the Town has been considering converting the Sherburne School into a municipal facility, including the Town Hall, Library, and other municipal functions. This proposal would depend upon the construction of a new elementary school. To date, no specific proposals have been presented. This report evaluates three hypothetical scenarios for consideration.

In each of these scenarios, it was assumed that the cost per square foot would be \$100, and that the Town's borrowing rate would remain at 4.6%. It is important to stress that the school or town has proposed none of these scenarios at this time.

### *New Elementary School*

- An \$8.5 million replacement elementary school would likely accommodate 708 students assuming 120 s.f. per student. If built in the year 2000, 708 of these students would be from existing households. Therefore, an impact fee could be assessed only for the remaining 73 spaces. Such an impact fee would be \$1.35 per square foot of new residential space. This would result in a fee of \$2,296 for the average sized (1,700 s.f.) unit and \$3,375 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 429 housing units have been constructed, which would take approximately 6.4 years. Using this fee a total of \$984,000 could be collected in impact fees. This would account for 9.3% of the total amount to be financed by the Town (\$10,632,433).

### *Twenty Year Needs Analysis*

Another set of scenarios was examined, which projected the number of new students over the next twenty years. Under these scenarios, a new elementary school would be constructed, and additions would be added to the existing middle and high schools.

- **Elementary School.** A \$10.3 million replacement elementary school would likely accommodate 858 students assuming 120 s.f. per student. If built in the year 2000, 631 of these students would be from existing households. Therefore, an impact fee could be assessed only for the remaining 227 spaces. Such an impact fee would be \$1.03 per square foot. This would result in a fee of \$1,753 for the average sized (1,700 s.f.) unit and \$2,575 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 1,336 housing units have been constructed, which would take approximately 20 years. Using this fee a total of \$2,342,008 could be collected in impact fees. This would account for 18% of the total amount to be financed by the Town (\$12,879,004).
- **Middle School Addition.** An \$1.1 million expansion to the middle school would likely accommodate 240 new students assuming 45 s.f. per student for school additions, all of who would be from future households. Such an impact fee would be \$0.41 per square foot. This would result in a fee of \$696 for the average sized (1,700 s.f.) unit and \$1,025 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 1,336 housing units have been constructed, which would take approximately 20 years. Using this fee a total of \$929,856 could be collected in impact fees. This would account for 69% of the total amount to be financed by the Town (\$1,350,944).
- **High School Addition.** An \$0.9 million expansion to the middle school would likely accommodate 200 new students assuming 45 s.f. per student for school additions, all of who would be from future households. Such an impact fee would be \$0.34 per square foot. This would result in a fee of \$580 for the average sized (1,700 s.f.) unit and \$850 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 1,336 housing units have been constructed, which would take approximately 20 years. Using this fee a total of \$774,880 could be collected in impact fees. This would account for 69% of the total amount to be financed by the Town (\$1,125,780).

### *General Government Alternatives*

Three alternative scenarios were explored for the conversion of the Sherburne School into a municipal complex. These scenarios were based upon different costs and financing schedules associated with such renovation. These scenarios include the approximately \$558,000 available to the Town in reserve funds.

- **\$1,000,000, Ten-Year Financing.** Under this scenario, the impact fee would likely be \$0.17 per square foot. This would result in a fee of \$287 for the average sized (1,700 s.f.) unit and \$425 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 668 units have been constructed, which would take approximately 10 years. Using this fee a total of \$191,720 could be

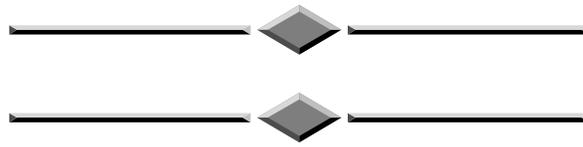
collected in impact fees. This would account for 34% of the total amount to be financed by the Town (\$560,023).

- ***\$1,000,000, Twenty-Year Financing.*** Under this scenario, the impact fee would likely be \$0.17 per square foot. This would result in a fee of \$287 for the average sized (1,700 s.f.) unit and \$425 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 1,336 units have been constructed, which would take approximately 10 years. Using this fee a total of \$392,784 could be collected in impact fees. This would account for 57% of the total amount to be financed by the Town (\$684,120).
- ***\$1,500,000, Twenty-Year Financing.*** Under this scenario, the impact fee would likely be \$0.25 per square foot. This would result in a fee of \$425 for the average sized (1,700 s.f.) unit and \$625 for a household with 2,500 s.f. of gross livable area. This fee would be extinguished after 1,336 units have been constructed, which would take approximately 10 years. Using this fee a total of \$586,504 could be collected in impact fees. This would account for 40% of the total amount to be financed by the Town (\$1,459,560).

### ***Impact Fee Ordinance and Schedule***

A draft impact fee ordinance and schedule was developed to accommodate issues and concerns expressed by the Planning Board. The ordinance would simply enable the Capital Improvement Committee and Planning Board to develop a specific impact fee schedule when cost estimates are made available for proposed projects. This could happen at any time in the future, if at all. If the ordinance is adopted, it would enable the Capital Improvements Committee assess specific capital improvements and derive an impact fee. The impact fee schedule would be subject to two public hearings, one by the Planning Board and the other by the Board of Selectmen. Each year, the Capital Improvement Committee and Planning Board would assess the fee and propose modifications based upon any new or changed information. This modification would be subject to the approval of the Board of Selectmen.

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## *CHAPTER TWO*

### *LEGISLATIVE BASIS FOR IMPACT FEES*

## CHAPTER TWO LEGISLATIVE BASIS FOR IMPACT FEES

Impact fees are a way to shift the burden associated with the capital needs attributable to new growth from the taxpayers to those who seek building permits. Impact Fees are enabled through RSA 674:21, I (m) and 674L21, V, and can be collected for the following public needs: water treatment, wastewater treatment; sanitary sewers; storm water, drainage and flood control; public road systems and rights-of-way; municipal office facilities; public school facilities; public safety facilities; solid waste collection; public libraries; and public recreation facilities excluding open space. The following outlines all aspects of the RSA as it relates to Impact Fees:

**674:21V(a).** *The amount of any such fee shall be a proportional share of municipal capital improvement costs which is reasonably related to the capital needs created by the development, and to the benefits accruing to the development from the capital improvements financed by the fee. Upgrading of existing facilities and infrastructures, the need for which is not created by new development, shall not be paid for by impact fees.*

- The intent of impact fees is for new development to pay its fair share for capital needs. Therefore, impact fees alleviate the tax burden by requiring new development to pay its proportionate share of the costs. The alternative to this is that the project be funded through the general tax base, with existing taxpayers paying for impacts created by new development.
- Any impact fee program must evaluate the impact associated with new development. In cases where the benefits of the infrastructure will be shared between existing and future residents, the proportionate impacts must be established.
- The impact fee feasibility study must know how many dwelling units could be established prior to the build-out of the community. If the impact fee is dependent upon 1,000 new dwelling units over a twenty-year period, but current zoning indicates that there is room for only 750 new units, a shortfall will be experienced.
- It is critical that space needs and cost estimates be as accurate as possible. If a new school will accommodate growth for the next fifteen years, the fee structure cannot extend beyond this time frame. Therefore, the impact fee must determine the number of permits to be issued prior to the full financing of the project. This means that a system of tracking the number of permits that have been issued needs to be established.
- Impact fees cannot be used to fund deficiencies in place prior to the enactment of the fee. If the school system is currently over capacity, the impact fee will need to determine how much of the new school infrastructure will go toward resolving existing deficiencies. The impact fee can be collected only for the difference between the project's total capacity and the required capacity when the first fee is collected.
- Credits are applied to impact fees to account for future taxes paid by projects assessed an impact fee. Since impact fees are considered a source of revenue, they can be used to offset the tax impact of a specific project. Since those who are assessed impact fees will be paying for these projects through their Town property tax, the fee must utilize a mechanism by which to deduct such payments from the fee. This mechanism is known as a credit. The credit is calculated by determining the total project cost (including financing) attributable from new development, divided by the overall residential property tax assessment,

multiplied by the average assessment per residential unit. The credit is then deducted from the impact fee.

**674:21V(b).** *In order for a municipality to adopt an impact fee ordinance, it must have enacted a capital improvement program pursuant to RSA 674:5-7.*

- Impact fees must be tied into the CIP. If a project is not listed on the CIP, then it should not be eligible for funding through impact fees. The best approach is for the community to first assess its capital needs, and then to go through that list to determine which projects are attributable (at least in part) to new development. For example, if your school is currently overcrowded, and you intend to add space that will bring the current student body up to an adequate standard, an impact fee cannot be employed. If, however, school additions are being proposed for the purpose of accommodating future demand, impact fees can be used.
- The CIP should identify impact fee revenue as a means by which to finance a portion of the specific project.

**674:21V(c).** *Any impact fee shall be accounted for separately, shall be segregated from the municipality's general fund, may be spent upon order of the municipal governing body, shall be exempt from all provisions of RSA 32 relative to limitation and expenditure of town moneys, and shall be used solely for capital improvements for which it was collected, or to recoup the cost of capital improvements made in anticipation of the needs which the fee was collected to meet.*

- Since impact fees must be used for a specific capital improvement, all moneys collected must be placed into a specific account to be used for that purpose. Each project to be financed by impact fees must have its own impact fee ordinance, approved by the legislative body. The specific formulas, assumptions and fees need to be incorporated into an impact fee schedule that should be reviewed on an annual basis by the planning board, and affirmed by the governing body of the community. This means that if assumptions about a specific project change, such as the cost per square foot, or the space per student, there is an opportunity to amend the impact fee schedule on an annual basis.
- Impact fees can be collected either in anticipation of a project, or to pay off bonded indebtedness provided that the fee is assessed only for the portions of projects attributable to new growth.
- The more specific the impact fee formula, the lower the likelihood of a legal challenge. In order to reduce challenges under this section of the enabling statute, the project for which an impact fee is assessed should be based as closely as possible on the actual project to be funded. In cases where no specific project is envisioned, the impact fee should err on the side of caution, with assumptions that favor the payer of the fee.
- Impact fees will work best in situations where the Town has a specific project that it would like to have funded. The impact fee can be presented to voters as a mechanism to provide revenue outside of municipal property taxes.

**674:21V(d).** *All impact fees imposed pursuant to this section shall be assessed prior to, or as a condition for, the issuance of a building permit or other appropriate permission to proceed with development.*

- Impact fees are assessed as a condition of issuance of a building permit. Therefore, the unit of analysis for an impact fee ordinance, particularly one that addresses residential development, is the residential dwelling unit. All impact projections and determinations of

proportionality should be based upon building permit data. Therefore, population projections found in this report are based upon historic building permit trends.

**674:21V(e).** *The ordinance shall establish reasonable times after which any portion of an impact fee which has not become encumbered or otherwise legally bound to be spent for the purpose for which it was collected shall be refunded, with any accrued interest. Whenever the calculation of an impact fee has been predicated upon some portion of capital improvement costs being borne by the municipality, a refund shall be made upon the failure of the legislative body to appropriate the municipality's share of the capital improvement costs within a reasonable time. The maximum time which shall be considered reasonable hereunder shall be six years.*

- Impact fees that are assessed must be returned if the specific project is not funded within six years of the collection of the fee. Impact fees should not be used for projects that have not yet gained political support from the community. Therefore, impact fees should be used for projects that would otherwise be funded, regardless of the implementation of the fee. Since the collection of impact fees depends upon the growth of the community, during times of economic slow-down, funding for the project will need to come from the general tax base. The amount of money that could potentially be generated through the fees should be considered only as a projected revenue stream from the project. Impact fees are utilized most effectively, and with minimal risk of having to return the fee, when they are tied into the life of a bond.

**674:21V(f).** *Unless otherwise specified in the ordinance, any decision under an impact fee ordinance may be appealed in the same manner provided by statute for appeals from the officer or board making that decision, as set forth in RSA 675:5, RSA 677:2-14, or RSA 677:15, respectively.*

- The impact fee may be appealed to the Zoning Board of Adjustment, just as a variance could be appealed. To minimize appeals, impact fee ordinances often allow for different fees depending upon the type of dwelling unit (single family, multi-family, manufactured housing, etc.) The impact fees presented in this report are charged on a per-room basis regardless of housing type.

**674:21V(g)** *The ordinance may also provide for a waiver process, including the criteria for granting such a waiver.*

- The impact fee should account for situations where the dwelling unit will not generate the impact associated with the fee. For instance, housing for senior citizens will generate no school impacts, and therefore a waiver should be built in to exclude housing to be occupied solely by senior citizens. This is not to be confused with a dwelling unit that will be occupied by a senior citizen. In the latter circumstance, such housing could be sold any time during the impact fee period and occupied by a large family. The school impact fee may also want to exclude dwelling units with three rooms or less, as such housing is unlikely to generate school children. In addition, waivers may be developed for the addition of a unit to an already existing single family home, or for the construction of an accessory unit.

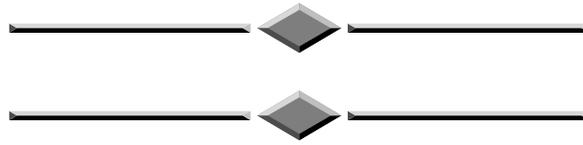
**674:21V(h)** *The adoption of a growth management limitation or moratorium by a municipality shall not affect any development with respect to which an impact fee has been paid or assessed as part of the approval for that development.*

Pelham currently does not engage in a growth management limitation or moratorium. This is typically a formula that is used to restrict the number of building permits granted during a given fiscal year.

**674:21V(i)** *Neither the adoption of an impact fee ordinance, nor the failure to adopt such an ordinance shall be deemed to affect existing authority of a planning board over subdivision or site plan review, except to the extent expressly stated in such an ordinance.*

Impact fees do not preclude the Planning Board from placing conditions of approval on a subdivision for sidewalks, street trees, playgrounds or other off-site improvements, except for cases where these improvements are all ready covered by an impact fee.

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## *CHAPTER THREE*

### *FACILITY DEMAND, ASSUMPTIONS AND MULTIPLIERS*

**CHAPTER THREE  
FACILITY DEMAND, ASSUMPTIONS AND MULTIPLIERS**

In order to calculate an impact fee, it is necessary to determine the extent to which future households will generate demand for specific projects. This is a necessary element in determining the proportionate impacts associated with new development, and is a critical element in determining the impact fee to be assessed.

The assumptions made in an impact fee analysis are statistical estimations. As with any type of estimation, it is not possible to know with absolute certainty future conditions. With any impact fee ordinance, there is a certain degree of risk to the community that: development expectations will fall short, that the building costs will increase, that the composition of housing will change, or that the Town's interest rates will increase. Prior to implementing any impact fee program it is essential that all assumptions are as accurate as possible at the time the fee is imposed.

***Future Building Permit Activity***

In order to gauge likely building permit activity over the next twenty years, a review of building permit activity by housing type over the past twenty was conducted. Twenty years is a very long period of time and takes into account variations in economic conditions. Therefore, what has happened over the past twenty years is likely to be repeated over the next. The overall average can also be used to estimate demand over less than a twenty-year period. Since impact fees are assessed on a building permit basis, all population projections in this report are based historic trends in building permit activity.

**TABLE 3-1**  
**RESIDENTIAL BUILDING PERMIT ACTIVITY, 1977-1997**

<i>Year</i>	<i># of Single Family Units</i>	<i># of Duplex Units</i>	<i># of Multi-Family Units</i>	<i># of Units Total</i>
1997	77	2	0	79
1996	62	0	0	62
1995	61	0	0	61
1994	67	4	0	71
1993	77	4	0	81
1992	72	0	0	72
1991	49	2	0	51
1990	47	2	0	49
1989	43	0	0	43
1988	58	6	0	64
1987	84	8	0	92
1986	88	16	0	104
1985	74	6	0	80
1984	61	14	0	75
1983	64	14	0	78
1982	23	4	0	27
1981	39	2	0	41
1980	39	0	24	63
1979	N/A	N/A	0	N/A
1978	50	8	0	58
1977	77	8	0	85
<b>TOTAL</b>	<b>1212</b>	<b>100</b>	<b>24</b>	<b>1,336</b>
<b>AVERAGE YEARLY</b>	<b>60.6</b>	<b>5.0</b>	<b>1.2</b>	<b>66.8</b>

*Source: Pelham Town Reports, 1977-1997.*

The yearly average applied over 5, 10, 15 and 20-year intervals (Table 3-2) estimates that in twenty years, 1,212 single-family homes, 100 duplex units, and 24 multi-family units are likely.

**TABLE 3-2**  
**5, 10, 15 AND 20-YEAR PROJECTIONS**

<i>Term</i>	<i># of Single Family</i>	<i># of Duplexes</i>	<i># of Multi-Family</i>	<i># of Units, Total</i>
<b>5 years</b>	303	25	6	334
<b>10 years</b>	606	50	12	668
<b>15 years</b>	909	75	18	1,002
<b>20 years</b>	1212	100	24	1,336

*Source: Based on Table 3-1.*

The previous table shows the number of likely housing units over 5 year intervals. When calculating impact fees, it is important that the life of the fee not exceed the year that the new project will reach its capacity.

**Build-Out Analysis.** A build out analysis is essential to determine if the Town will reach its total capacity over the next twenty year period based upon current zoning standards and master plan objectives. This will help to determine if the Town is expected to be completely developed prior to the end of the impact fee period. The build-out analysis determines whether or not the Town can absorb the number of

housing permits likely to be developed (the 20-year average) prior to the full capacity of the proposed capital improvement.

In order to perform the build-out analysis, NRPC evaluated various constraints in Pelham based upon the Town's parcel mapping system. The analysis determined how much developable land is still available. Land deemed to be suitable for development was then compared with various zoning densities to determine the number of lots that could be built based upon these standards. The following were considered to be development constraints:

- Hydric soils (wetlands)
- 100 year flood plains
- Developed land
- Town owned property
- Existing conservation properties

Agricultural land was considered to be suitable for development, unless the property had development constraints.

The analysis revealed that there is the potential for 4,448 new residential dwelling units, and 138 commercial lots. Since this analysis will be limited to residential development, it is highly unlikely that residential build-out will occur over the next twenty years, assuming that residential zoning and zoning district boundaries remain constant.

#### *Facility Demand Estimation*

Impact fees, if they are to be assessed, must be applied fairly and consistently throughout the community. In order for this to occur, the method for assessing fees must be current, consistent and based upon the best data that is available. There are numerous ways by which to establish an impact fee schedule, and the results will vary. In order to provide the best estimate of the amount of impact generated by new residential development, assumptions need to be made about the demands for municipal services created by various housing types.

In order for the impact fee to adequately assess the impact of new residential development, the impact fee program must be based upon 1) reasonable expectations for future development, 2) estimates regarding the demand for service created by that new development over time, 3) cost assumptions and 4) estimates regarding the demand associated with housing type.

#### *Housing Type.*

The following table shows the distribution of housing units by type in Pelham:

**TABLE 3-3**  
**DISTRIBUTION OF HOUSING UNITS BY TYPE**

<i>Housing Type</i>	<i># of Units</i>	<i>% of Units</i>
Single Family	3,109	86.2%
Duplex	390	10.8%
Three-Family	30	0.8%
Multi-Family	68	1.9%
Manufactured Housing	8	0.2%
<b>Total</b>	<b>3,605</b>	

*Source: Tax Assessment Data, 1998.*

As the table demonstrates, Pelham contains a disproportionate number of single family homes, constituting 86.2% of all dwelling units. Less than 3% of the Town's total housing unit stock consists of multi-family, three-family and manufactured homes.

**Square-Feet Per Unit.** Most impact fee ordinances differentiate between housing types in the actual fee. Since single family units tend to contain more bedrooms than other types, they have the capacity to hold more people, and thus have greater impacts on municipal facilities. However, since Pelham contains a disproportionate number of single family homes, and very low numbers of manufactured and multi-family housing, it is difficult, if not impossible, to draw conclusions based upon existing occupancy characteristics. This problem is addressed by generating town-wide averages based upon the square footage, and dividing the total fee per unit by the mean square footage to generate a fee per square foot.

Square feet per unit is a strong indicator of the number of persons that will reside in that unit, and is a good way to distinguish the level of demand for services by that housing unit. The amount of square feet relates to the total livable space within the unit. The term "living area" includes only space that is suitable for living or that can be improved. This excludes areas such as stairwells, uncovered porches or decks, unfinished garages, sally port basement openings, and so forth. In order to determine the average livable area per unit in Pelham, a sample of 150 buildings was taken from Pelham tax assessment data. Every 25<sup>th</sup> tax record was analyzed for gross living area. This sample did capture the full spectrum of housing types in town, including single family homes, duplexes, multi-family, etc. The results from this sample indicate that the average gross area for a home in Pelham is 2,152 square feet, and that the average gross living area is 1,700 square feet. In order to calculate an impact fee the gross living area should be used, as will be discussed later.

**TABLE 3-4**  
**AVERAGE GROSS AREA AND GROSS LIVING AREA**

	# Records	# Units	Total Area	Total Living Area
Total	150	162	348,643 s.f.	275,430 s.f.
Mean			2,152 s.f.	1,700 s.f.

*Source: Tax Assessment Data, 1998.*

As the table indicates, the mean living area for a dwelling unit in Pelham is 1,700 s.f. This figure is divided by the base fee for each particular project to determine the fee on a per square foot basis. Calculations on a per-square foot basis account for differences in housing type. Duplexes, multi-family units and manufactured housing tend to have less total living area than single family homes. Therefore, to account for such differences between housing types, it is essential to calculate the fee based upon a square-foot schedule.

As indicated, the average total living area is based upon a sample of all structures located in the Town. It has been noted that in recent years, the average size of a single family home has increased to approximately 2,500 square feet per unit. At the same time, it should be noted that as a general rule, household sizes have been decreasing as the population ages. Therefore, it would be inaccurate to base projected revenues from impact fees on the 2,500 square foot figure, as over the course of the life of a twenty-year impact fee, one might expect numerous changes in preferences for the size of a home. For the purposes of demonstrating the fees expected for the typical new home, in subsequent chapters the analysis the square foot fee for a new 2,500 square foot home has been presented.

**Persons Per Household.** All households contribute the need for fire, police, governmental administration and recreational services. Persons per household is a standard that is available through the 1990 US Census. This is the most current available data, and is likely to be close to current actual conditions as the

variable is not one that shows dramatic changes over time. In 1990, the average residential unit contained 2.71 persons.

**Students Per Household by Grade Level.** In order to determine the level of impact a housing unit has on the need for school facilities, it is necessary to determine the number of students generated by grade level. If the project is for an elementary school, it is necessary to determine the number of elementary school students generated per household.

This impact fee analysis assumes that the Town will not be making any changes to its current grade level structure. Currently the elementary school consists of grades 1-4; middle school is grades 5-8; and high school is grades 9-12. In order to determine the impact that a housing unit will have on a particular grade level, the total number of students in that grade level is divided by the total number of housing units.

Overall, in Pelham, the following impacts are generated on a per household basis per grade level:

**TABLE 3-5  
SCHOOL ENROLLMENT RATIOS**

	<i>Enrollment:</i> 1-4	<i>Enrollment:</i> 5-8	<i>Enrollment:</i> 9-12
Total Students, 1997-8 School Year	630	658	547
Total Dwelling Units, Town of Pelham	3,605	3,605	3,605
Ratio: Students Per Unit, By Grade Level	0.17	0.18	0.15

*Source: SAU 24, Pelham Town Reports.*

In many cases impact fees are assessed based upon housing type. Typically, multi-family units generate fewer students than single family homes and duplexes. Likewise, single family homes tend to generate more students than duplexes. Manufactured housing is often occupied by elderly people and often generates fewer school children; in fact, in Pelham there are only 10 manufactured housing units, and none of these units generate any school children. The vast majority of Pelham's housing units (97%) are either single family (86.2%) or duplex (10.8%). Data of student addresses received from SAU 36 was inconsistent with housing unit records and listed up to 11% of all addresses as being a post office box or an out-of-town address. When data was calculated, the result in many cases was a higher unit to student ratio for duplexes and multi-family units. This resulted in higher fees for those units. To account for this, this study has taken town-wide ratios for all housing units combined. The average square feet of gross livable area was determined using a random sample of tax assessment cards. Since duplexes and multi-family units tend to have lower gross square footage than single family homes, a per square foot fee would account for variation in housing type.

### **Cost Per Square Foot**

Calculating the square footage costs for school construction is difficult to do without a specific proposal. Several sources were considered here in order to derive a usable figure. According to an informal survey of various school projects in Southern New Hampshire and Northern Massachusetts (see appendix 4) between 1993 and 1998, new school space projects have ranged from between \$55.5 and \$126.5 per square foot. The variation is due to differences associated with the space per student. Manchester (NH) Middle School was constructed in 1998 at \$93.9 per square foot. That school has 121.5 square feet per student, similar to the analysis to be applied here. Belmont (NH) High School was constructed at \$99.6 per square foot in 1998, but it has 144 square feet per student. The National Clearing House for Educational Facilities (NCEF), when asked to provide a figure for schools in New Hampshire provided the following

estimates: Elementary Schools \$139.37; Middle Schools \$136.82; High Schools \$134.85. School Planning and Management's Construction Report indicated a national median of \$97.69 for elementary, \$93.49 for middle; and \$92.86 for high schools for 1998. Given all of these reports, \$100 per square foot is a reasonable estimate to account for all new school construction costs. Building space additions can be assumed to cost less on a square foot basis, as the type of construction tends to be more basic, not involving more elaborate common facility space.

### ***Students Per Square Foot***

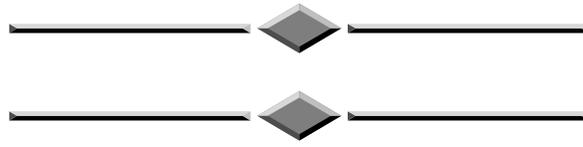
If there is no specific design for a school, a method needs to be determined to establish the amount of elementary school space that can be built for the allocated amount. Space standards for school facilities depend on a variety of assumptions that are best addressed through the development of specific designs. This is because different rooms of a school building, such as gymnasiums, cafeterias, auditoriums and workshop space have different abilities to absorb students by classroom. All of these factors can vary depending upon the specific characteristics of the school building that has been proposed.

There are a variety of factors that need to be incorporated into the design of classroom space. The New Hampshire Code of Administrative Rules establishes minimum space requirements for public schools. A generally accepted minimum standard for elementary schools is 120 square feet per student on average for the entire facility. This includes classroom space, bathrooms, gymnasiums, auditoriums, and other common areas and facilities. For secondary schools this minimum is 125 square feet. It is noted that this is a minimum standard; the statewide average is roughly estimated to be 140 square feet per student. For the purposes of this analysis, the minimum standard will be applied.

For the creation of additional space to an existing school building, a different set of assumptions needs to be employed, as the space attributable to new growth will be lessened. This is due to the fact that common areas, such as cafeterias and assembly space will not have to be built. In order for such an impact fee to be assessed, specific design details of the additional school space needs to be considered. Specific estimates of the number of new students that will be accommodated at the school as a result of the addition must be made.

Lacking a specific design, the Town is advised to be as conservative as possible with the fee. For the purposes of this analysis, we will assume that the space additions will be used for the purpose of constructing classrooms that will utilize existing common meeting areas. The New Hampshire Department of Education requires each classroom to maintain minimum classroom sizes of 30 square feet per student. Approximately 25% of school space consists of "dead space", or areas for hallways, bathrooms and storage. An assumption is also made that an addition 25% should be factored in to account for the new demands that additional students will place on common facilities, such as libraries, auditoriums and cafeterias, and that any proposal for additional space will account for such needs. Therefore, this analysis will assume that for classroom space additions will need to provide 45 square feet for each new student. The analysis assumes that classroom space will be added to each of the Town's three schools.

#255C-3



*CHAPTER FOUR*

*NEW ELEMENTARY SCHOOL*

**CHAPTER FOUR**  
**NEW ELEMENTARY SCHOOL**

This scenario examines a proposal for a new elementary school that had appeared before voters. Some of the numbers differ slightly from the original proposal to accommodate the Town's existing interest rate for borrowing, which currently is 4.6%. There is currently a school building committee that is re-exploring a new elementary school proposal. When a more detailed proposal has been generated, specific numbers should be utilized in place of those used in this analysis. The purpose of this analysis is to demonstrate the impact of that original school proposal, and how impact fees could have been used to contribute to its financing.

This analysis assumes that the new school will accommodate grades 1-4, which is the same grade structure accommodated by the Sherburne School.

This following table demonstrates the scope of the project, the amount of State building aid that would be available to the Town, and the total amount to be financed by the Town based on a current interest rate of 4.6%. As the table demonstrates, the Town will be responsible for \$10,632,433, assuming a twenty-year bond.

**TABLE 4-1**  
**FINANCING FOR ELEMENTARY SCHOOL**

	<i>Project Cost</i>	<i>Interest (20 years @ 4.6%)</i>	<i>State Aid (30% of Project Cost)</i>	<i>Total Financed By Town</i>
Elementary School	\$8,500,000	\$13,182,433	\$2,550,000	\$10,632,433

Source: NRPC, derived from data in this report.

**Cost Per Square Foot**

At a construction cost of \$100 per square foot, the new school would likely be 85,000 square feet. Given State of New Hampshire elementary school standards of 120 square feet per student, a school of this size is likely to accommodate 708 students.

**TABLE 4-2**  
**FINANCING: NEW ELEMENTARY SCHOOL**

<i>Total Project Cost</i>	<i>Cost Per Square Foot</i>	<i>Total Project Space</i>	<i>Space Per Student</i>	<i>Number of Students</i>
\$8,500,000	\$100	85,000 s.f.	120 s.f.	708

Source: NRPC, derived from data in this report.

**Current Capacity**

Impact fees cannot be used to fund space accommodated by current students. The amount that can be funded through impact fees must be the difference between the new school's capacity, and the projected number of students from current homes that are expected when the school opens. According to data provided by S.A.U. 24, there will be 635 students in grades 1-4 in the 2000 school year. Since the new school is likely to accommodate 708 units, there is space for only 73 new students.

**TABLE 4-3**  
**COST PER STUDENT/UNIT**

	<i>Total Financed by Town</i>	<i>Total Capacity</i>	<i>Cost per Student</i>	<i>Future Students</i>	<i>Total Cost of Students Financed Through Impact Fee</i>
Elementary School (Previous Proposal)	\$10,632,433	708 students	\$15,018	73	\$1,096,282

Source: NRPC, derived from data in this report.

The previous table demonstrates the total project costs that are attributable to students generated from future housing units. This is based upon the estimated costs per square foot and the number of future students expected to occupy the project. The impact associated with students in future housing will be \$1,096,282.

**TABLE 4-4**  
**CALCULATION OF BASE FEE**

	<i>Cost Per Student</i>	<i>Students Per Unit Town-wide, Grades 1-4</i>	<i>Total Amount of Impact Per Unit</i>
ELEMENTARY SCHOOL	\$15,018	0.17	\$2,553

Source: NRPC, derived from data in this report.

The previous table demonstrates the amount of impact each new dwelling unit will have on the school system. The cost per student for the new construction is \$15,018, which includes financing and State Building Aid. According to SAU24 data, there were 630 students enrolled in grades 1-4 during the 1997-8 school year. Since there were a total of 3,605 dwelling units in Pelham as of 1997, it can be assumed that on average, each dwelling unit will generate 0.17 students in grades 1-4. Therefore, the fiscal impact that a dwelling unit will contribute to the project will be \$2,553.

#### ***Calculation of Credits***

As stated previously in this report, credits must be calculated to account for future tax payments a particular housing unit will pay for the new school. The credit is calculated by dividing the total project cost to be financed through impact fees by the average assessment of property. This method accounts for the total impact of the project on the overall municipal budget and the impact of that budget on various housing types.

The following demonstrates the calculation of the credit for the new elementary school, and then for the addition of middle and secondary classroom space. The credit is the theoretical amount, over time, a new housing unit will pay through taxes on the portion of the school that is to be financed by impact fees.

**TABLE 4-5**  
**CALCULATION OF CREDITS, NEW ELEMENTARY SCHOOL**

New Elementary School, Grades 1-4		
1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost, Including Interest, to be financed through Impact Fees	\$1,096,282
3.	Average Assessed Cost per Unit, Residential Properties	\$123,289
4.	Total Project Cost (2)/Total Assessed Valuation (1)	0.0020862
5.	Credit Per Unit (4 multiplied by 3)	\$257

*Source: NRPC, derived from data in this report..*

Number 5 in the previous table establishes the total credit amount that is to be deducted from the analysis of impact for residential units. This fee is essentially the level of impact associated with the new unit that will be paid for through future property tax assessments.

**Calculation of Fee**

**TABLE 4-6**  
**CALCULATION OF IMPACT FEE: NEW ELEMENTARY SCHOOL**

Total Impact Per Unit	\$2,553
Credit	\$257
Average Fee Per Unit	\$2,296
Average Gross Living Area	1,700 s.f.
<b>Fee Per Square Foot Living Area</b>	<b>\$1.35</b>
Fee for 2,500 s.f. home	\$3,375

*Source: NRPC, derived from data in this report.*

The total fee is calculated by subtracting the total impact per new housing units by the credit. As the table demonstrates, the average impact fee per dwelling unit is \$2,296. For a home with 2,500 square feet of gross living area, the fee would be \$3,375. To account for variations in housing size, the fee was translated to a square foot of living area basis, by dividing the average square feet of living area in Pelham by the average fee per unit. This yields an impact fee of \$1.35 per square foot.

**Number of Permits to be Issued**

Since this impact fee will only be used to accommodate 73 students due to new growth, it is imperative that the fee expires when 429 residential building permits are issued.

**TABLE 4-7**  
**NUMBER OF PERMITS TO BE ISSUED PRIOR TO THE EXPIRATION OF THE IMPACT FEE**

<i>Total Students</i>	<i>Students Per Unit</i>	<i>Total Unit</i>	<i>Average Units Per Year</i>	<i>Expected Expiration Time</i>
73	0.17	429	66.8	6.4 years

*Source: NRPC, derived from data in this report.*

Since each dwelling unit generates 0.17 students, an impact fee should be collected only for 429 dwelling units. Since the Town of Pelham averages 66.8 units per year, this impact fee should expire in approximately six years. This means that the impact associated with new dwelling units will have been paid for by the time the 429<sup>th</sup> impact fee is issued. This will severely restrict the amount of fees that could be collected for this project.

**TABLE 4-8  
FISCAL IMPACT OF FEE**

<i>Elementary School</i>	
Total Financed by Town	\$10,632,433
Number of Units Assessed Impact Fee	429
Impact Fee (Average sized home)	\$2,296
Fee Per Square Foot Livable Area	\$1.35
Total Amount Collected by Impact Fee	\$984,984
Percent Financed by Impact Fee	9.3%

*Source: NRPC, derived from data in this report.*

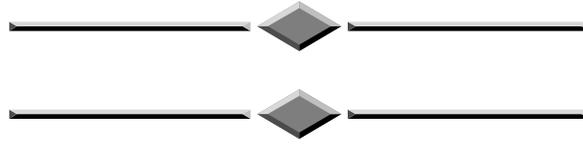
As the previous table indicates, 429 building permits (based on an average of 1,700 square feet of livable area per unit) will result in the collection of \$984,984, within 6 years. The total amount collected through impact fees will amount to 9.3% of the total project costs.

### ***Conclusions***

The following are conclusions from this analysis:

- An 85,000 square foot elementary school is not likely to solve school system space needs beyond six years. This suggests that after six years, a new school space alternative will need to be explored.
- Since we are dealing with such a low number of students for which an impact will result (73) it is critically important that if this impact fee is to be implemented, all assumptions are reviewed carefully. This is particularly true for the estimated number of students to be enrolled when the impact fee is established.
- If this impact fee is to be implemented, all estimates should be based upon a revised assessment of the project, new cost estimates and a detailed analysis of space and capacity.
- The Town should question whether the elementary school proposal is one that will satisfy long-term needs. It would appear that if a larger school is envisioned, or if this project is utilized in conjunction with classroom space additions at higher grades, a longer-term solution will result.
- The impact fee will be most effective if it can resolve space needs throughout the life of a twenty-year bond.

#255C-4



*CHAPTER FIVE*

*TWENTY YEAR GROWTH*

*SCHOOL IMPACT FEE/NEW ELEMENTARY SCHOOL  
WITH MIDDLE AND HIGH SCHOOL SPACE ADDITIONS*

**CHAPTER FIVE**

**TWENTY-YEAR GROWTH  
SCHOOL IMPACT FEE/  
NEW ELEMENTARY SCHOOL WITH MIDDLE AND HIGH SCHOOL SPACE ADDITIONS**

The following scenario is a hypothetical example that could be used by the Town to develop a school construction program that will accommodate growth for the next twenty years. The analysis will demonstrate the extent to which an impact fee could contribute to such a program, and the impact that the program will have on the overall tax rate.

It must be stressed that the Nashua Regional Planning Commission was not commissioned to conduct a needs analysis for the Pelham school system. This impact fee should not be implemented until a more detailed school space analysis is agreed upon by the school system.

These twenty year growth scenarios assume that a new elementary school will be constructed and that the current elementary school will be utilized for municipal government. Under this scenario, the grade structure of the Town, (1-4, 5-8, 9-12) will remain unchanged. An impact fee such as this one could be implemented in phases, or could be treated as stand alone projects.

**TWENTY YEAR NEEDS ANALYSIS**

The analysis assumes a starting year of 2000. In order to determine the space needs for the school system over the next twenty years, the number of students generated by grade level, and the estimated number of housing units to be issued during the next twenty years needs to be analyzed.

**TABLE 5-1  
STUDENT ENROLLMENT PER UNIT, 1998**

	<i>Enrollment: 1-4</i>	<i>Enrollment: 5-8</i>	<i>Enrollment: 9-12</i>
Total Students, 1997-8 School Year	630	658	547
Total Dwelling Units, Town of Pelham	3,605	3,605	3,605
Ratio: Students Per Unit, By Grade Level	0.17	0.18	0.15

*Source: Pelham Town Reports, SAU 28.*

The previous table is based upon actual school system and town data. It shows, for example, that each dwelling unit generates 0.17 students in grades 1-4, 0.18 in grades 5-8, and 0.15 in grades 9-12. This same data is used to weigh the relative impacts associated with new dwelling units when calculating the impact fee. These multipliers are multiplied by the 1,336 projected dwelling units over the next twenty years, identified in Chapter 3.

**TABLE 5-2  
TOTAL NEW STUDENTS GENERATED, TWENTY YEAR TREND, BY GRADE AND HOUSING TYPE**

<i>Students Generated Grades 1-4</i>	<i>Students Generated Grades 5-8</i>	<i>Students Generated Grades 9-12</i>	<i>Students Generated All Grades</i>
227	240	200	667

*Source: NRPC, derived from data in this report.*



The table demonstrates that over the course of the next twenty years, based on current levels, school capacity will increase by 227 in grades 1-4, 240 in grades 5-8, 200 in grades 9-12 and by 667 for the entire school system. In order to determine the total school capacity needed in twenty years, these figures need to be added to projected school enrollments for the year 2000.

**TABLE 5-3**  
**TOTAL STUDENTS, TWENTY YEAR TREND, BY GRADE AND HOUSING TYPE**

	<i>Projected Enrollment 2000 School Year</i>	<i>New Students to be Added 2000-2020</i>	<i>Total Students 2020</i>
Elementary School (1-4)	631	227	858
Middle School (5-8)	696	240	936
High School (9-12)	605	200	805
Entire System (1-12)	1, 932	667	2,599

*Source: Year 2000 enrollment projections by SAU 28; other data extrapolated from SAU 24 enrollment data  
and Town of Pelham Building Permit data.*

The table demonstrates that in twenty years, there will be 858 elementary school, 936 middle school, and 805 high school students in the Town of Pelham. Since a new elementary school is to be built under this scenario, this analysis indicates that the school should be large enough to accommodate 858 students. Since the middle and high school expansions will involve space additions, classroom space for 240 and 200 students, respectively, will be needed.

**NEW ELEMENTARY SCHOOL**

The following table evaluates cost, space and impact associated with a proposed middle school addition. Since this is a twenty-year needs analysis, we need to demonstrate the total amount of space needed to accommodate new students who will reside in housing units yet to be built.

**TABLE 5-4A**  
**ESTABLISHING COSTS, SPACE AND IMPACT, NEW ELEMENTARY SCHOOL**

<i>Total Students, Grades 1-4 Year 2020</i>	858
Total Space @ 120 s.f. per student	102,960
Total Project Cost @ \$100 s.f.	\$10,296,000
Total Financing @ 4.6%, 20 years	\$15,967,804
State Aid (30% of project cost)	\$3,088,800
Town Cost, Twenty Years (Total Financing - State Aid)	\$12,879,004
Total Cost Per Student (Town Cost, 20 years/Total Students, Year 2020)	\$15,010
Total Cost Attributable To New Development (227 students *Total Cost Per Student)	\$3,407,270

*Source: NRPC, derived from data in this report.*

Assuming a need for 120 square feet per student and 858 students in the year 2020, an elementary school that is 102,960 square feet in size will be needed. At \$100 per square foot, this structure will cost \$10,296,000. This amount, financed over 20 years at the Town's current rate of 4.6%, yields a total cost of \$15,967,804. New Hampshire school building aid will pay for 30% of the total project cost, or \$3,088,000. This amount, subtracted from the total amount to be financed means that the total cost to the Town will be \$12,879,004. Since this project will accommodate 858 students, the cost to the Town per student will be \$15,010. Since 227 students will be from homes yet to be built, \$3,407,270 of the project cost can be attributed to the impacts placed on the Town by new development.

**TABLE 5-4B**  
**CALCULATION OF BASE FEE, NEW ELEMENTARY SCHOOL**

	<i>Cost Per Student</i>	<i>Students Per Unit Grades 1-4</i>	<i>Total Impact Per Unit</i>
Elementary School	\$15,010	0.17	\$2,552

*Source: NRPC, derived from Pelham tax assessment and SAU 24 data.*

Table 5-4B demonstrates the fiscal impact associated with each new dwelling unit. This figure is based upon the total cost per student multiplied by the average number of elementary students generated per housing unit in the Town of Pelham.

**TABLE 5-4C**  
**CALCULATION OF CREDIT, NEW ELEMENTARY SCHOOL**

1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost Attributable To New Development, Including Interest	\$3,407,270
3.	Average Assessed Value Per Unit, Residential Properties	\$123,289
4.	Total Project Cost (2)/Total Assessed Valuation (1)	\$0.006484
5.	Total Credit (4 multiplied by 3)	\$799 per unit

Source: NRPC, derived from data in this report.

The previous table shows that the amount per new unit that is likely to be paid in taxes on the proposed elementary school. This amount must be deducted from the full impact associated with the new dwelling unit when calculating the impact fee.

**TABLE 5-4D**  
**CALCULATION OF FEE, NEW ELEMENTARY SCHOOL**

	<i>Project Impact by Dwelling Unit</i>
Total Impact Per Unit	\$2,552
Credit	\$799
Average Fee Per Unit	\$1,753
Average Gross Living Area	1,700 s.f.
<i>Fee Per Square Foot of Living Area</i>	\$1.03
<i>Fee For 2,500 s.f. home</i>	\$2,575

Source: NRPC, derived from data in this report.

Table 5-4D demonstrates the impact fee generated per dwelling unit. On average, the impact fee for a dwelling unit would be \$1,753. On a square-foot basis, the fee will be \$1.03. For a three bedroom, 950 square foot condominium, for example, the fee would be \$978.50. For a home with 2,500 s.f. of gross living area, the fee would be \$2,575.

**TABLE 5-4E**  
**FISCAL IMPACT OF FEE, NEW ELEMENTARY SCHOOL**

<b>NEW ELEMENTARY SCHOOL</b>	<b>All Units</b>
Average Number of Units Per Year	66.8
Average Fee Per Unit	\$1,753
Total Revenue Generated, Annually	\$117,100
Total Revenue Generated, 20 years	\$2,342,008
Maximum Building Permits to be Issued	1,336

Source: NRPC, derived from data in this report.

The table demonstrates that over the course of a single year, \$117,100 could be generated through impact fees. Over the course of twenty years, a total of \$2,342,008 could be generated and applied toward bond payments. Assuming the average impact fee, a total of 1,336 building permits for housing units will need to be issued prior to the expiration of the fee.

**MIDDLE SCHOOL ADDITION**

Table 5-5A demonstrates the size of a middle school addition that could accommodate growth through the next twenty years. Classroom space in a school addition is assumed to be 45 square feet per student. This is derived by the state standard of 30 square feet per student per classroom. In addition to this, 25% of all space constructed should be set aside for "dead space", such as hallways and bathrooms. It is assumed that the new students added would place some demands upon already existing common facilities, such as cafeterias and gymnasiums, so an additional 7.5% was added.

**TABLE 5-5A**  
*ESTABLISHING COSTS, SPACE AND IMPACT, MIDDLE SCHOOL ADDITION*

<i>Total New Students Grades 5-8 Through Year 2020</i>	240
<i>Total Space @ 45 s.f. per student</i>	10,800 s.f.
<i>Total Project Cost @ \$100 s.f.</i>	\$1,080,000
<i>Total Financing @4.6%, 20 years</i>	\$1,674,944
<i>State Aid (30% of project cost)</i>	\$324,000
<i>Town Cost, Twenty Years (Total Financing - State Aid)</i>	\$1,350,944
<i>Total Cost Per Student (Town Cost, 20 years/ Total Students, Year 2020)</i>	\$5,629

*Source: NRPC, derived from data in this report.*

The number of new students through 2020 is based upon the current ratio of middle school students per housing unit, multiplied by expected building permit activity over the next twenty years. The result is 240 middle school students expected to be generated by new housing over the next twenty years. At 45 square feet per student, the total amount of classroom additions would need to be 10,800 square feet. At a cost of \$100 per square foot, the total project cost would be \$1,080,000. This amount, financed over 20 years at 4.6% is a total of \$1,674,944 to be financed. State Aid at 30% of total project cost would generate \$324,000 in revenues, resulting in a total cost to the Town of \$1,350,944. Since 240 new students are projected, the total cost per new student is \$5,629.

**TABLE 5-5B**  
*CALCULATION OF BASE FEE, MIDDLE SCHOOL ADDITION*

	<i>Cost Per Student</i>	<i>Students Per Unit Grades 5-8</i>	<i>Total Impact Per Unit</i>
MIDDLE SCHOOL ADDITION	\$5,629	0.18	\$1,013

*Source: NRPC, Pelham Town Reports, SAU 24 data.*

Table 5-5B demonstrates the fiscal impact associated with each new dwelling unit by. This figure is based upon the total cost per student multiplied by the average number of students generated by residential dwelling units. Therefore, each dwelling unit will generate \$1,013 of demand on the middle school additions.

**TABLE 5-5C**  
**CALCULATION OF CREDIT, MIDDLE SCHOOL ADDITION**

1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost, Attributable to New Development Including Interest	\$1,350,944
3.	Average Assessed Cost Per Unit, Residential Properties	\$123,289
4.	Total Project Cost (2)/Total Assessed Valuation (1)	.0025708
5.	Total Credit Per Unit (4 multiplied by 3)	\$317

*Source: NRPC, derived from data in this report.*

The previous table denotes that the amount each new unit is likely to pay in taxes for the proposed middle school additions. This amount must be deducted from the full impact associated with the new dwelling unit when calculating the impact fee.

**TABLE 5-5D**  
**CALCULATION OF FEE, MIDDLE SCHOOL ADDITION**

	<i>Project Impact by Dwelling Unit</i>
<b>Total Impact Per Unit</b>	\$1,013
Credit	\$317
Average Fee Per Unit	\$696
Average Gross Living Area	1,700 s.f.
<b>Fee Per Square Feet of Living Area</b>	<b>\$0.41</b>
<i>Fee for 2,500 s.f. home</i>	<b>\$1,025</b>

*Source: NRPC, derived from data in this report.*

Table 5-5D demonstrates the impact fee generated per dwelling unit. On average, a single family home would require \$696. The fee per square foot of gross living area is 41 cents. For a three-bed, 950 square foot condominium unit, the fee would be \$390. For a home with 2,500 square feet of gross living area, the fee would be \$1,025.

**TABLE 5-5E**  
**FISCAL IMPACT OF FEE, MIDDLE SCHOOL ADDITION**

<b>MIDDLE SCHOOL ADDITION</b>	
Average Number of Units Per Year	66.8
Average Impact Fee Per Unit	\$696
Total Revenue Generated, Annually	\$46,493
Total Revenue Generated, 20 years	\$929,856
Maximum Building Permits To Be Issued	1,336

*Source: NRPC, derived from data in this report.*

The table shows that this impact fee could generate \$46,493 per year. Over the course of twenty years, a total of \$929,856 could be generated. Assuming the average impact fee, a total of 1,336 building permits for housing units will need to be issued prior to the expiration of the fee.

**HIGH SCHOOL ADDITION**

Table 5-6A calculates the size of a high school addition required to accommodate growth through the next twenty years. Classroom space in a school addition is assumed to be 45 square feet per student. This is derived by the state standard of 30 square feet per student per classroom. In addition to this, 25% of all space constructed should be set aside for "dead space", such as hallways and bathrooms. It is assumed that the new students added would place some demands upon existing common facilities, such as cafeterias and gymnasiums, so an additional 7.5% was added.

**TABLE 5-6A**  
*ESTABLISHING COSTS, SPACE AND IMPACT, HIGH SCHOOL ADDITION*

<i>Total New Students, Grades 9-12 Through Year 2020</i>	<b>200</b>
<i>Total Space @ 45 s.f. per student</i>	9,000 s.f.
<i>Total Project Cost @ \$100 s.f.</i>	\$900,000
<i>Total Financing @4.6%, 20 years</i>	\$1,395,780
<i>State Aid (30% of project cost)</i>	\$270,000
<i>Total Cost, Twenty Years (Town Cost, 20 years/ Total Students, Year 2020)</i>	\$1,125,780
<i>Total Cost Per Student (Total Cost, 20 years/Total New Students, Year 2020)</i>	\$5,629

*Source: NRPC, derived from data in this report.*

The number of new students through 2020 is based upon the current ratio of high-school students per housing unit, multiplied by expected building permit activity. The result is 200 high school students expected through new housing over the next twenty years. At 45 square feet per student, the total amount of additional classroom space needed at the high school is 9,000 square feet. At a cost of \$100 per square foot, the total project cost would be \$900,000. Financed over 20 years at 4.6%, the total amount to be financed is \$1,395,780. State Aid at 30% of total project cost would generate \$270,000 in revenues, resulting in a total cost of \$1,125,780 over 20 years to the Town. Since 200 new students are projected, the total cost per new student is \$5,629.

**TABLE 5-6B**  
*CALCULATION OF BASE FEE, HIGH SCHOOL ADDITION*

	<i>Cost Per Student</i>	<i>Students Per Unit Grades 9-12</i>	<i>Total Impact Per Unit</i>
<b>MIDDLE SCHOOL ADDITION</b>	\$5,629	0.15	\$844

*Source: Town Reports, SAU 24 data.*

Table 5-6B demonstrates the fiscal impact associated with each new dwelling unit by housing type. This figure is based upon the total cost per student multiplied by the average number of students generated by dwelling unit. Therefore, each unit will generate \$844 of demand on the high school additions.

**TABLE 5-6C**  
**CALCULATION OF CREDIT, HIGH SCHOOL ADDITION**

1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost, Attributable to New Development, Including Interest	\$1,125,780
3.	Average Assessed Cost, Residential Properties	\$123,289
4.	Project Cost (2)/Total Assessed Valuation (1)	0.0021424
5.	Total Credit (4 multiplied by 3)	\$264

*Source: NRPC, derived from data in this report.*

The previous table shows the amount per unit that the unit is likely to pay in taxes for the proposed high school addition. This amount must be deducted from the full impact associated with the new dwelling unit when calculating the impact fee.

**TABLE 5-6D**  
**CALCULATION OF FEE, HIGH SCHOOL ADDITION**

	<i>Project Impact by Dwelling Unit</i>
<b>Total Impact Per Unit</b>	\$844
Credit	(\$264)
Average Fee Per Unit	\$580
Average Gross Living Area	1,700 s.f.
<b>Fee Per Square Feet of Living Area</b>	<b>\$0.34</b>
Fee for 2,500 s.f. home	\$850

*Source: NRPC, derived from data in this report.*

Table 5-6D displays the impact fee generated per new dwelling unit. On average, a single family home would require \$580. The fee per square foot of living area is 34 cents. For a three-bedroom, 950 square foot condominium unit, the fee would be \$323. For a home with 2,500 square feet of gross living area, the fee would be \$850.

**TABLE 5-6E**  
**FISCAL IMPACT OF FEE, HIGH SCHOOL ADDITION**

<b>HIGH SCHOOL ADDITION</b>	
Average Number of Units Per Year	66.8
Average Impact Fee Per Unit	\$580
Total Revenue Generated, Annually	\$38,744
Total Revenue Generated, 20 years	\$774,880
Maximum Building Permits To Be Issued	1,336

*Source: NRPC, derived from data in this report.*

This impact fee could generate \$38,744 per year. Over the course of twenty years, a total of \$774,880 could be generated. Assuming the average impact fee, a total of 1,336 building permits for housing units will need to be issued prior to the expiration of the fee.

## PROJECT SUMMARIES

The following tables show the relative impacts of the various projects expressed in this analysis. An impact fee could be designed to account for any one of these projects, or for all three together. All of these projects, undertaken simultaneously, would result in the resolution of space needs throughout the life of the impact fee.

### Impact Fee

The following table shows the various impact fees that could be assessed depending upon the scenarios selected.

**TABLE 5-7**  
**SUMMARY OF IMPACT FEES**

	<i>Fee per sq. ft. of living area</i>	<i>Fee, on average (dwelling unit with 1,700 sq. ft. of living area)</i>	<i>Fee for home with 2,500 sq. ft. of gross living area</i>
New Elementary School (102,960 square feet)	\$1.03	\$1,753	\$2,575
Middle School Addition (10,800 square feet)	\$0.41	\$696	\$1,025
High School Addition (9,000 square feet)	\$0.34	\$580	\$850
All Projects Simultaneously	\$1.78	\$3,029	\$4,450

*Source: NRPC, derived from data in this report.*

If all three projects were undertaken, an impact fee of \$1.78 per square foot of living area (\$3,610 for the average sized home) would be assessed. The fee would need to expire within 20 years or by the issuance of the 1,336<sup>th</sup> residential building permit from the date of when the first fee is to be collected.

**TABLE 5-8**  
**AMOUNT OF IMPACT FEES COLLECTED**

	<i>1 Year</i>	<i>6 Years</i>	<i>20 years</i>
New Elementary School	\$117,100	\$702,600	\$2,342,008
Middle School Addition	\$46,493	\$278,958	\$929,856
High School Addition	\$38,744	\$232,464	\$774,880
All Projects Simultaneously	\$202,337	\$1,214,022	\$4,046,740

*Source: NRPC, derived from data in this report.*

The previous table indicates that if all three scenarios are funded simultaneously, a total of \$202,337 could be collected annually, assuming a steady rate of building permit activity. Over the course of six years, a total of \$1.2 million could be collected. Over the course of twenty years, approximately \$4.0 million dollars could be collected through the impact fee program.

**TABLE 5-9**  
**SUMMARY OF FINANCING**

	<i>Total Project Cost</i>	<i>Total Cost To Town (includes Financing &amp; State Aid)</i>	<i>Total Collected Through Impact Fees</i>	<i>% of Town Share Financed Through Impact Fees</i>
New Elementary School	\$10,296,000	\$12,879,004	\$2,342,008	18%
Middle School Addition	\$1,080,000	\$1,350,944	\$929,856	69%
High School Addition	\$900,000	\$1,125,780	\$774,880	69%
All Projects Simultaneously	\$12,276,000	\$14,342,526	\$4,046,744	28%

*Source: NRPC, derived from data in this report.*

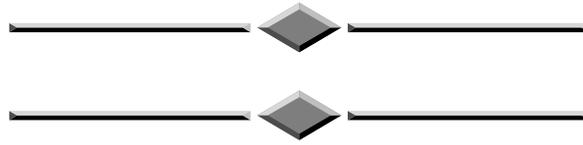
The table demonstrates that if all three projects are launched simultaneously, impact fees could finance 28% of the total costs owed by the Town. Impact fees will contribute 18.8% of the costs of the new elementary school due to the fact that that project will have shared benefits among existing and future residents. Impact fees could finance approximately 69% of the building space additions, due to the fact that the additions are being provided solely for the purpose of accommodating new town growth.

#### **RECOMMENDATIONS**

The following are recommendations of this chapter.

1. When using impact fees to fund school projects, the project should not be projected to exceed capacity prior to the expiration of the bond.
2. While a detailed school facilities analysis is strongly recommended prior to the implementation of an impact fee, this analysis provides conservative estimates both in the cost per square foot and for the likely space per square foot. Therefore, one approach could be to implement this fee prior to the initiation of more detailed estimates. When project plans are firmed, the impact fee could be adjusted to reflect actual conditions.
3. An impact fee should not be initiated for a specific project that does not have the probability to be funded by the Town within six years of implementation of the fee.
4. While it is recommended that all projects be launched simultaneously, the Town could proceed with individual projects that could be implemented at various points in time.

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## *CHAPTER SIX*

### *GENERAL GOVERNMENT ALTERNATIVES*

**CHAPTER SIX**  
**GENERAL GOVERNMENT ALTERNATIVES**

The Town of Pelham has many critical needs associated with the general functioning of Town Government. The Town has been placing funds into a capital reserve account for a new municipal facility. So far, a total of \$558,875 has been saved in anticipation of a project. The most likely candidate would be to renovate the Sherburne School to accommodate municipal offices, the library and recreation functions; however, no specific plans have been developed. Obviously, to move forward with this proposal would depend upon the successful completion of a new elementary school.

Three different alternatives have been proposed for the purpose of assisting the Town with planning for the conversion of the existing school into a municipal facility. The first assumes a total project cost of \$1 million, with ten year financing; the second assumes a total project cost of \$1 million with twenty year financing; and the third assumes a total project cost of \$1.5 million with twenty year financing.

Appendix 3 includes standards for various types of general government functions. Typically impact fees are calculated based upon the various functions being stand alone projects. In this case, however, the most likely alternative seems to be one in which additional town functions will be grouped together. As such, impact is determined by the projected number of new residents who are likely to use the facility.

**ALTERNATIVE ONE: \$1,000,000, TEN-YEAR FINANCING**

The following multipliers are used to estimate the number of persons per unit:

**TABLE 6-1A**  
**POPULATION PROJECTION AND DEMAND ESTIMATION**

<i>Persons Per Household</i>	<i>Total New Units Over 10 Years</i>	<i>Total New Residents Over 10 Years</i>
2.71	668	1,810

*Source: NRPC, derived from data in this report.*

Over the course of the next ten years, a total of 1,810 new persons are expected to reside in Pelham, based on current building permit trends. Since the Town's current (1996) population is 10,400, the Town's population will increase by 18% during this time period. Thus, an assumption can be made that by the time ten years has elapsed, approximately 18% of all users of the new facility will be people who are residing in a dwelling unit constructed after the implementation of an impact fee. Therefore, for the purposes of this analysis, it will be assumed that 18% of the project could be financed by a 10 year impact fee.

**TABLE 6-1B**  
**FUNDING SCENARIO, GENERAL GOVERNMENT ALTERNATIVE**

Total Project Cost	\$1,000,000
Reserve Funding	\$558,875
Amount to be Financed Over 10 Years	\$441,125
Total Amount to be Financed by Town @ 4.6% interest	\$560,023
Amount Attributable To New Development (18% of Total Project Cost, Financed Over 10 years @ 4.6% interest)	\$228,602
Amount Per New Resident	\$126

*Source: NRPC, derived from data in this report.*

The table shows that after reserve funding is subtracted from \$1,000,000 in project costs, a total of \$441,125 would need to be financed over a ten year period. At an interest rate of 4.6%, the total amount to be financed by the Town is \$560,023. Since 18% of all users of the facility within ten years will be persons residing in a unit that was assessed an impact fee, the total project cost that could be attributable to new development would be \$180,000. This amount financed over a ten year period at 4.6% interest results in \$228,602 of the total project cost attributable to new housing units. Since 1,810 new residents are expected, each new person will generate the demand for \$126 in municipal space.

**TABLE 6-1C**  
**MUNICIPAL FACILITY, ALTERNATIVE A: \$1,000,000 AT 10 YEARS**

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1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost Attributable to New Development, Including Interest	\$228,602
3.	Average Assessment Per Unit	\$123,289
4.	Total Project Cost (2)/Total Assessed Valuation (1)	\$0.000435
5.	Total Credit (4 multiplied by 3)	\$54

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*Source: NRPC, derived from data in this report.*

Number 5 in the previous table establishes that the total credit amount to be deducted from the analysis of impact for residential units. This fee is essentially the level of impact associated with the new unit that will be paid for through future property tax assessments.

**TABLE 6-1D**  
**CALCULATION OF IMPACT FEE**

<i>Project Impact Per Resident</i>	<b>\$126</b>
Number of Persons Per Unit	2.71
Base Fee	\$341
Credit	(54)
Fee Per Unit	\$287
Average Livable Space Per Unit	1,700 s.f
<i>Fee Per Square Foot</i>	<b>\$0.17</b>
Fee for 2,500 s.f. home	\$425

*Source: NRPC, derived from data in this report.*

The table demonstrates that during a ten year period, the Town could assess an impact fee of \$287 per dwelling unit, on average. The actual assessment would be 17 cents per square foot. For a home with 2,500 square feet of gross living area, the fee would be \$425.

**TABLE 6-1E**  
**AMOUNT OF REVENUE GENERATED, 1, 6 AND 10 YEARS**

<i>MUNICIPAL FACILITY (\$1M; 10 yrs)</i>	
Average Number of Units Per Year	66.8
Impact Fee, Median Unit	\$287
Total Revenue, Annually	\$19,172
Total Revenue, 6 Years	\$115,030
Total Revenue, 10 years	\$191,720
Maximum Building Permits to be Issued	668

*Source: NRPC, derived from data in this report.*

The table shows that the impact fee program could be used to finance \$191,720 of the \$560,023 to be financed by the Town over a ten year period. All impacts associated with new development will be exhausted within 10 years, or when the 668<sup>th</sup> building permit is issued.

**ALTERNATIVE TWO: \$1,000,000, TWENTY YEAR FINANCING**

As stated previously in this report, the following multipliers are used to estimate the number of persons per unit:

**TABLE 6-2A**  
**POPULATION PROJECTION AND DEMAND ESTIMATION**

<i>Persons Per Household</i>	<i>Total New Units Over 20 Years</i>	<i>Total New Residents Over 20 Years</i>
2.71	1,336	3,621

*Source: NRPC, derived from data in this report.*

Over the course of the next twenty years, a total of 3,621 new persons are expected to reside in Pelham, based on current building permit trends. Since the Town's current (1996) population is 10,400, the Town's

population will increase by 36.8% during this time period. Thus, an assumption can be made that by the time twenty years has elapsed, approximately 36.8% of all users of the new facility will be people who are residing in a dwelling unit constructed after the implementation of an impact fee. Therefore, for the purposes of this analysis, it will be assumed that 36.8% of the project could be financed by a 20 year impact fee.

**TABLE 6-2B**  
**POPULATION PROJECTION AND DEMAND ESTIMATION BY HOUSING TYPE**

Total Project Cost	\$1,000,000
Reserve Funding	\$558,875
Amount To Be Financed Over 20 Years	\$441,125
Total Amount To Be Financed By Town @ 4.6% interest	\$684,120
Amount Attributable To New Development (36.8% of Total Project Cost, Financed Over 20 years @ 4.5% interest)	\$570,720
Amount Per New Resident	\$158

*Source: NRPC, derived from data in this report.*

The table indicates that after reserve funding is subtracted from \$1,000,000 in project costs, a total of \$441,125 would need to be financed over a twenty-year period. At an interest rate of 4.6%, the total amount to be financed by the Town is \$684,120. Since 36.8% of all users of the facility within twenty years will be persons residing in a unit that was assessed an impact fee, the total project cost that could be attributable to new development would be \$570,720. This amount financed over a twenty-year period at 4.6% interest results in \$570,720 of the total project cost attributable to new housing units. Since 3,621 new residents are expected, each new person will generate the demand for \$158 in municipal space.

**TABLE 6-2C**  
**MUNICIPAL FACILITY, ALTERNATIVE A: \$1,000,000 AT 20 YEARS**

---

1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost Attributable To New Development, Including Interest	\$570,720
3.	Average Assessment Per Unit, Residential Properties	\$123,298
4.	Total Project Cost 2)/Total Assessed Valuation (1)	\$0.0010861
5.	Total Credit (4 multiplied by 3)	\$133

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*Source: NRPC, derived from data in this report.*

Number 5 in the previous table establishes that the total credit amount to be deducted from the analysis of impact for residential units is \$133 per unit.

**TABLE 6-2D**  
**CALCULATION OF IMPACT FEE**

<i>Project Impact Per Resident</i>	\$158
Number of Persons Per Unit	2.71
Base Fee	\$427
Credit	\$(133)
Fee Per Unit	\$294
Average Livable Space Per Unit	1,700 s.f.
<b>Total Fee (Per Square Foot)</b>	<b>\$0.17</b>
Fee for 2,500 s.f. home	\$425

*Source: NRPC, derived from data in this report.*

The table demonstrates that during a twenty-year period, the Town could assess an impact fee on average of \$294 per unit. On a per room basis, the fee is 17 cents per square foot. For a home with 2,500 square feet of gross living area, the fee would be \$425.

**TABLE 6-2E**  
**AMOUNT OF REVENUE GENERATED, 1, 6 AND 20 YEARS**

<b>MUNICIPAL FACILITY (\$1M; 20 yrs)</b>	
Average Number of Units Per Year	66.8
Impact Fee (Median Unit)	\$294
Total Revenue, Annually	\$19,639
Total Revenue, 6 Years	\$117,835
Total Revenue, 20 years	\$392,784
Maximum Number of Permits to be Issued	1,336

*Source: NRPC, derived from data in this report.*

The table shows that the impact fee program could be used to finance \$392,784 of the Town's \$684,120 obligation over 20 years. All impacts associated with new development will be exhausted within twenty years, or when the 1,336<sup>th</sup> building permit is issued.

**ALTERNATIVE THREE: \$1,500,000, TWENTY YEAR FINANCING**

As stated previously in this report, the following multipliers are used to estimate the number of persons per unit:

**TABLE 6-3A**  
**POPULATION PROJECTION AND DEMAND ESTIMATION**

<i>Persons Per Household</i>	<i>Total New Units Over 20 Years</i>	<i>Total New Residents Over 20 Years</i>
2.71	1,336	3,621

*Source: NRPC, derived from data in this report.*

Over the course of the next twenty years, a total of 3,621 new persons are expected to reside in Pelham, based on current building permit trends. Since the Town's current (1996) population is 10,400, the Town's population will increase by 36.8% during this time period. Thus, an assumption can be made that by the

time twenty years has elapsed, approximately 36.8% of all users of the new facility will be people who are residing in a dwelling unit constructed after the implementation of an impact fee. Therefore, for the purposes of this analysis, it will be assumed that 36.8% of the project could be financed by a 20 year impact fee.

**TABLE 6-3B**  
**FUNDING SCENARIO, GENERAL GOVERNMENT ALTERNATIVE**

Total Project Cost	\$1,500,000
Reserve Funding	\$558,875
Amount To Be Financed Over 20 Years	\$941,125
Total Amount To Be Financed By Town @ 4.6% interest	\$1,459,560
Amount Attributable To New Development (36.8% of Total Project Cost, Financed Over 20 years @ 4.6% interest)	\$856,080
Amount Per New Resident	\$236

*Source: NRPC, derived from data in this report.*

The table demonstrates that after reserve funding is subtracted from \$1,500,000 in project costs, a total of \$941,125 would need to be financed over a twenty-year period. At an interest rate of 4.6%, the total amount to be financed by the Town is \$1,459,560. Since 36.8% of all users of the facility within twenty years will be persons residing in a unit that was assessed an impact fee, the total project cost that could be attributable to new development would be \$856,080. This amount financed over a twenty year period at 4.6% interest results in \$856,080 of the total project cost attributable to new housing units. Since 3,621 new residents are expected, each new person will generate the demand for \$236 in municipal space.

**TABLE 6-3C**  
**MUNICIPAL FACILITY, ALTERNATIVE B: \$1,500,000 AT 20 YEARS**

1.	Town of Pelham, Total Assessed Valuation	\$525,487,745
2.	Total Project Cost Attributable To New Development, Including Interest	\$956,080
3.	Average Assessment Per Unit, Residential Properties	\$123,289
4.	Total Project Cost (2)/Total Assessed Valuation (1)	\$0.001629
5.	Total Credit (4 multiplied by 3)	\$201

*Source: NRPC, derived from data in this report.*

Under this analysis, a total of \$201 per unit must be subtracted from the base impact fee as a credit for future taxes to be paid on the portion of the project that is to be funded through the fee.

**TABLE 6-3D**  
**CALCULATION OF IMPACT FEE**

<b>Project Impact Per Resident</b>	<b>\$236</b>
Number of Persons Per Unit	2.71
Base Fee	\$640
Credit	\$(201)
Fee Per Unit	\$439
Average Livable Space Per Unit	1,700 s.f
<b>Total Fee (Per Square Foot)</b>	<b>\$0.25</b>
Fee for 2,500 s.f. home	\$625

Source: NRPC, derived from data in this report.

The table demonstrates that during a twenty-year period, the Town could assess an impact fee of \$439 for an average sized unit. The actual fee would be 25 cents per square foot. For a home with 2,500 square feet of gross living area, the fee would be \$625.

**TABLE 6-3E**  
**AMOUNT OF REVENUE GENERATED, 1, 6 AND 20 YEARS**

<b>MUNICIPAL FACILITY (\$1.5M; 20 yrs)</b>	
Average Number of Units Per Year	66.8
Impact Fee (Median Unit)	\$439
Total Revenue, Annually	\$29,325
Total Revenue, 6 Years	\$171,951
Total Revenue, 20 years	\$586,504
Maximum Building Permits to be Issued	1,336

Source: NRPC, derived from data in this report.

The table shows that the impact fee program could be used to finance \$586,504 of the Town's total bond obligation \$1,459,560 over a twenty-year period. All impacts associated with new development will be exhausted within 20 years, or when the 1,336<sup>th</sup> building permit is issued.

## **PROJECT SUMMARIES**

The following tables show the relative impacts of the various projects expressed in this analysis. An impact fee could be designed to account for any one of these alternatives. It is recommended that before selecting an alternative, a municipal facilities space needs committee be established to determine the actual characteristics of the new facility, and to project the total capacity of the facility.

### **Impact Fee**

The following table depicts the various impact fees that could be assessed depending upon the scenarios selected.

**TABLE 6-4**  
**SUMMARY OF IMPACT FEES**

	<i>Fee Per Square Foot</i>	<i>Fee, on Average (Dwelling Unit with 1,700 s.f.)</i>	<i>Fee for home with 2,500 s.f. of gross living area</i>
\$1,000,000, Ten-Year Financing	\$0.17	\$289	\$425
\$1,000,000 Twenty-Year Financing	\$0.17	\$289	\$425
\$1,500,000 Twenty Year Financing	\$0.25	\$425	\$625

*Source: NRPC, derived from data in this report.*

The impact fee should be expired when the financing is completed, or by the issuance of the 1,336<sup>th</sup> building permit (668<sup>th</sup> permit if the 10 year financing alternative is selected).

**TABLE 6-5**  
**AMOUNT OF IMPACT FEES COLLECTED**

	<i>1 Year</i>	<i>6 Years</i>	<i>Life of Financing</i>
\$1,000,000, Ten-Year Financing	\$19,172	\$115,030	\$191,720
\$1,000,000 Twenty-Year Financing	\$19,639	\$117,8353	\$392,784
\$1,500,000 Twenty Year Financing	\$29,325	\$171,951	\$586,504

*Source: NRPC, derived from data in this report.*

The table shows, for example, that for the ten year financing alternative, a total of \$191,720 could potentially be collected through impact fees.

**TABLE 6-6**  
**SUMMARY OF FINANCING**

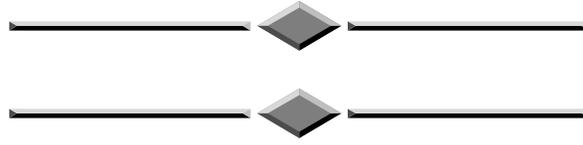
	<i>Total Financed by Town (includes interest and excludes Reserve Funds)</i>	<i>Total Collected Through Impact Fees</i>	<i>Total Paid By Town, Over Life of Financing</i>
\$1,000,000, Ten-Year Financing	\$560,023	\$191,720	\$368,303
\$1,000,000 Twenty-Year Financing	\$684,120	\$392,784	\$291,336
\$1,500,000 Twenty Year Financing	\$1,459,560	\$586,504	\$873,056

*Source: NRPC, derived from data in this report.*

## RECOMMENDATIONS

The following are recommendations based on the analysis of these three alternatives:

- Prior to implementing an impact fee system, it is strongly recommended that a complete facilities analysis be conducted to generate actual cost estimates. The figures in this chapter can be used to gauge alternatives. Since there are no specific requirements for general governmental facilities, the methodology employed in this analysis will work provided that accurate cost estimates are provided.
- With the implementation of an impact fee program, there will be no significant difference in overall cost to the Town between the one-million dollar alternatives. Therefore, the ten year financing would be most beneficial, as it would reduce the duration of the impact fee.



## *CHAPTER SEVEN*

### *CONCLUSIONS AND RECOMMENDATIONS*

## CHAPTER SEVEN CONCLUSIONS AND RECCOMENDATIONS

The following are a summary of conclusions and recommendations made in this analysis:

### *General*

The rate of growth in Pelham is relatively high. Over the past twenty years, about 66 new dwelling units have been constructed per year. Since space is increasingly becoming an issue for the Town and school system, residential impact fees are a feasible financing option. Since commercial activity has been relatively stable, it is unlikely that a commercial impact fee would be feasible. The Planning Board should continue to utilize exactions for off-site improvements for commercial development.

Prior to establishing an impact fee schedule, the Town should undertake a comprehensive space needs analysis for all school and municipal functions. It is critical that the Town has an understanding of the actual costs and needs prior to initiating fees.

An impact fee ordinance could be adopted at this time. The ordinance should enable the Capital Improvements Committee and the Planning Board to initiate Impact Fee Schedules based upon specific projects when they are proposed. The establishment of an impact fee schedule should be based upon a comprehensive public hearing process.

### *\$8.5 Million New Elementary School*

An 85,000 square foot elementary school is not likely to solve school system space needs beyond six years. This suggests that after six years, a new school space alternative will need to be explored. The impact fee will be most effective if it can resolve space needs throughout the life of a twenty-year bond. Since we are dealing with such a low number of students for which an impact will result (73) it is critically important that if this impact fee is to be implemented, all assumptions are reviewed carefully. This is particularly true for the estimated number of students to be enrolled when the impact fee is established. If this impact fee is to be implemented, all estimates should be based upon a revised assessment of the project, new cost estimates and a detailed analysis of space and capacity. The Town should question whether the elementary school proposal is one that will satisfy long-term needs. It would appear that if a larger school is envisioned, or if this project is utilized in conjunction with classroom space additions at higher grades, a longer-term solution will result.

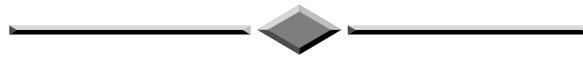
### *Twenty Year Growth School Impact Fee Scenarios*

When using impact fees to fund school projects, the project should not be projected to exceed capacity prior to the expiration of the bond. While a detailed school facilities analysis is strongly recommended prior to the implementation of an impact fee, this analysis provides conservative estimates both in the cost per square foot and for the likely space per square foot. Therefore, one approach could be to implement this fee prior to the initiation of more detailed estimates. When project plans are firmed, the impact fee could be adjusted to reflect actual conditions. An impact fee should not be initiated for a specific project that does not have the probability to be funded by the Town within six years of implementation of the fee. While it is recommended that all projects be launched simultaneously, the Town could proceed with individual projects that could be implemented at various points in time.

*General Government Alternatives*

Prior to implementing an impact fee system, it is strongly recommended that a complete facilities analysis be conducted to generate actual cost estimates. The figures in this chapter can be used to gauge alternatives. Since there are no specific requirements for general governmental facilities, the methodology employed in this analysis will work provided that accurate cost estimates are provided. With the implementation of an impact fee program, there will be no significant difference in overall cost to the Town between the one-million dollar alternatives. Therefore, the ten year financing would be most beneficial, as it would reduce the duration of the impact fee.

#255C-7



*APPENDIX ONE*

*TOWN OF PELHAM, NEW HAMPSHIRE  
RESIDENTIAL DEVELOPMENT  
IMPACT FEE ORDINANCE*

**APPENDIX ONE**

**TOWN OF PELHAM, NEW HAMPSHIRE  
RESIDENTIAL DEVELOPMENT  
IMPACT FEE ORDINANCE**

**IMPACT FEES FOR NEW RESIDENTIAL DEVELOPMENT**

1000.01 Authority. This ordinance is established pursuant to New Hampshire RSA 674:21 (V).

1000.02 Intent and Purpose. This ordinance is intended to:

- a. Implement and be consistent with the Town of Pelham's Master Plan.
- b. Allocate a fair and equitable share of the cost of public facilities (including school construction) to new development; and
- c. Require new development to contribute its proportionate share of funds necessary to accommodate its impact on public facilities, which is reasonably related to the capital needs created by residential development and to the benefits accruing to the development.

1000.03 Findings.

- a. The Town of Pelham is responsible for and committed to the provision of public facilities and services at levels necessary to support residential and non-residential growth and development.
- b. Such facilities and services have been and will be provided by the Town utilizing funds allocated via the Capital Improvements Program is regularly updated pursuant to New Hampshire RSA 674:5.
- c. The rate of growth experienced by the Town in recent years, as well as projected growth rates, would necessitate an excessive expenditure of public funds in order to maintain adequate facility standards.
- d. Residential development enabled through this zoning ordinance will create a need for the construction, equipping or expanding of public capital facilities.
- e. The imposition of impact fees is one of the preferred methods of ensuring that public expenditures are not excessive, and that residential development bears a proportionate share of the cost of public capital facilities necessary to accommodate such development. This must be done in order to promote the public health, safety and welfare.
- f. The fees established by the Impact Fee Schedules for the categories identified in Section 1001.01 are derived from, based upon, and do not exceed the costs of:
  - 1) Providing additional public capital facilities necessitated by the new residential development for which the fees are levied; or
  - 2) Compensating the Town of Pelham for expenditures made for existing public facilities that were constructed in anticipation of new residential growth and development.

1000.04 Definitions. The following definitions shall apply to the Impact Fees for Residential Development section, and shall not be affected by the provisions of any other ordinance of the Town of Pelham.

1000.04.01     Applicant. A person applying for the issuance of a building permit, permit for manufactured home installation, subdivision, site plan or other local land use decision, permit or approval.

1000.04.02     Dwelling Unit. A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

1000.04.03     Gross Living Area. The effective area of a residential unit as indicated in the assessment files. It includes finished space that is heated, but excludes heated garages and outbuildings which do not include living quarters.

1000.04.04     New Development. Any building activity which results in:

- a. The creation of a new dwelling unit or dwelling units;
- b. The conversion of a non-residential use to a dwelling unit or dwelling units.

New Development does not include:

- a. the reconstruction of a structure that has been destroyed by fire or natural disaster, provided that there is no change in the size and density of the structure;
- b. the replacement of a manufactured home;
- c. the construction of any accessory structure which would not increase the demand for facilities by the principal structure.
- d. the creation of an accessory apartment located within a dwelling unit.

1000.04.05     Public Capital Facilities. Assets, facilities, and equipment which are owned and operated by the Town of Pelham, the Pelham School System, or cooperatively with other municipalities and which have a useful life of no less than five years. Public capital facilities do not include the costs associated with the operation, maintenance, repair of such facilities, or with facility replacements which do not increase the capacity or level of service, but does include reasonable costs for planning, engineering, design, land acquisition, and other reasonable costs associated with such facilities.

1001.00         Imposition of Impact Fees for Residential Development.

- a. Any person, who after (effective date of ordinance), seeks to undertake new residential development within the Town of Pelham, New Hampshire, by applying for a building permit or permit for manufactured home installation and who is not vested under RSA 674:39, is hereby required to pay an impact fee in the manner set forth in section 1001.01 of this Ordinance, in accordance with any Impact Fee Schedule adopted by the Board of Selectmen.
- b. No new building permit or new permit for manufactured home installation or activity requiring payment of an impact fee pursuant to Section 1001.01 of this Ordinance shall be issued unless and until the impact fees hereby required have been determined.

1001.01 Computation of Impact Fees for Residential Development.

- a. The amounts of the impact fees shall be determined using the values contained in the Impact Fee Schedules for the following types of facilities:

- 1) School Facilities
- 2) Municipal Facilities
- 3) Public Libraries
- 4) Public Recreation

Impact Fees Schedules shall be established and reviewed as set forth in Section 1006.01 Establishment of Fees.

- b. In the case of change of use, redevelopment, or expansion or modification of an existing use which constitutes new development, the impact fees shall be based upon the net positive increase in the impact fee for the new use as compared to the previous use.

1001.02 Payment of Fees. The applicant shall pay the impact fees required of this Ordinance to the Town of Pelham when a building permit is issued.

1001.03 Appeals.

- a. If an applicant elects to dispute the amount of the impact fee, the applicant may prepare and submit to the Planning Board an independent fee calculation study for the new development activity which is proposed. The Planning Board shall review such study and render a decision. All cost incurred by the Town for the review of such study shall be paid by the applicant.
- b. The decision of the Planning Board may be appealed to the Superior Court as provided by RSA 667.15.

1001.04 Administration and Custody of Funds Collected.

- a. All funds collected shall be properly identified by and promptly transferred for deposit in the appropriate Impact Fee accounts, and used solely for the purposes for which it was collected. Impact fee accounts shall be special revenue fund accounts and under no circumstances will impact fee revenues accrue to the General Fund. Each fee collected under a specific Impact Fee Schedule shall not be commingled with other impact fee accounts or any other funds.
- b. The Town Treasurer shall have custody of all accounts, and shall pay out the same only upon written orders of the Board of Selectmen.
- c. At the end of each fiscal year, the Town Treasurer shall make a report, giving a particular account of all impact fee transactions during the year.

1002.00 Refund of Fees Paid.

- a. The current owner of property on which impact fees have been paid may apply for a full or partial refund of such fees, together with any accrued interest.

The refund shall be owed when the Town has failed, within the period of six (6) years from either the payment of such fee or the last installment payment, to expend or encumber such fees on public capital facilities intended to benefit the development which

paid the fees. In event that a refund is due, the Board of Selectmen shall notify the owner of record by certified mail return receipt requested.

- b. In the event that the owner elects to apply for a refund, such application shall be submitted in writing to the Board of Selectmen within one (1) year from the date of receiving notice from the Board of Selectmen.

1003.00 Credits in Exchange for Public Capital Facilities.

- a. Public capital facility improvements may be offered by the applicant as total or partial payment of the required impact fee. The offer must be determined to represent an identifiable dollar value computed in a manner acceptable to the Planning Board. The Planning Board may authorize the applicant an impact fee credit in the amount of the value of the contribution.
- b. Any claim for credit must be made prior to the Planning Board vote on subdivision/site plan approval. The applicant shall indicate that such credit will be requested at the conceptual subdivision application stage of the development review process.
- c. Credits shall not be transferable, and run only with a specific subdivision or site plan approval.
- d. Credits shall not be transferable from one type of impact fee to any other impact fee.
- e. Determination by the Planning Board pursuant to the credit provision of this section may be appealed to the Superior Court in accordance with RSA 677:15.
- f. Under no circumstances shall this section imply that the Planning Board has an obligation to accept any credit offer that is proposed.

1004.00 Additional Assessments.

Payment of an impact fee does not restrict the Town or the Planning Board from requiring other payments from the applicant, including such payments relating to the cost of the extensions of water and sewer mains or the construction or improvement of roads or streets or other infrastructure and facilities specifically benefiting the development which are required by the subdivision or site plan review regulations or as otherwise permitted by law.

1005.00 Premature and Scattered Development.

Nothing in this Ordinance shall be construed so as to limit the exiting authority of the Pelham Planning Board to provide against development which is scattered or premature, requires an excessive expenditure of public funds, or otherwise violates the Town of Pelham's Site Pan Review Regulations, Subdivision Regulations, or Zoning Ordinance.

1006.00 Establishment and Review of Fees.

1006.01 Establishment. In order to establish an impact fee, the Capital Improvements Plan Committee shall identify and recommend projects eligible for impact fee funding to the Planning Board. The Planing Board may then prepare an Impact Fee Schedule, in accordance with RSA 674:21, and Section 1006.01.01 of this Ordinance. If the Planning Board prepares an Impact Fee Schedule, the Planning Board shall conduct a public hearing on the proposed schedule, and shall consider all comments received prior to finalizing the Schedule. The Planning Board shall then submit the Schedule to the Board of Selectmen. The Board of Selectmen shall conduct a public hearing on the proposed schedule. The Impact Fee Schedule shall be in effect when a majority of the Board of

Selectmen approves the schedule. Should the Board of Selectmen fail to approve the schedule, it shall state its reason for doing so in writing and shall forward these comments to the Planning Board.

- 1006.01.01 Impact Fee Schedule. The Impact Fee Schedule shall be prepared in accordance with RSA 674:21, and shall be calculated using the following factors, based upon the most recent data available or a conservative estimate:
- a. A determination of the size of the capital facility.
  - b. An estimate of the proportion of users from future Pelham households subject to the impact fee that will use the facility when it has reached its capacity.
  - c. Projections of future users based upon residential building permit projections.
  - d. Estimates of the cost of the facility to the Town of Pelham, including financing and excluding non-municipal funding sources;
  - e. Credits subtracted from a base fee accounting for property taxes paid by the proportion of the project to be financed by impact fees.
  - f. A fee assessed per housing unit based upon the gross livable area of the dwelling unit.
  - g. A determination of the number of building permits that will need to be issued in order to finance the impact fee.
  - h. An accounting of the number of permits issued, with a maximum number of permits to be assessed an impact fee prior to the fee's termination.
  - i. Exemptions, if any.

In developing the impact fee schedule, the Planning Board shall use the most recent data available in order to calculate the fee.

- 1006.02 Review of Impact Fees.
- The Planning Board shall review an established Impact Fee Schedule on an annual basis, based upon a recommendation of the Capital Improvements Plan Committee. The Planning Board shall modify the Impact Fee Schedule if it finds that new data is available that will refine the schedule. This may include the replacement of figures used in the Impact Fee Schedule with more accurate or recent projections, data and figures. The Planning Board shall submit the Impact Fee Schedule to the Board of Selectmen if modifications are recommended. The Board of Selectmen shall vote to affirm the modifications within sixty (60) days. If the Board of Selectmen fail to affirm the modifications, the impact fee schedule in effect shall remain in place.

- 1006.03 Termination of Impact Fees.
- a. Impact fees shall terminate in accordance with the Impact Fee Schedule, which shall set forth the number of building permits to be issued prior to its obsolescence.
  - b. The Board of Selectmen may also by majority vote terminate an impact fee schedule in effect. This may be done only after soliciting recommendations from the Planning Board, and after conducting a public hearing. The Planning Board shall be given sixty (60) days to produce written recommendations to the Board of Selectmen.

- 1007.00 Severability.
- If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed

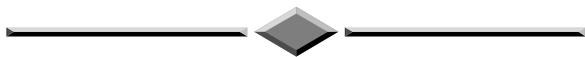
a separate, distinct an independent provision, and such holding shall not affect the validity of the remaining portions thereof.

1008.00

*Effective Date.*

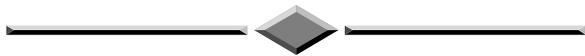
This Ordinance shall become effective on March 9, 1999.

#255C-12



*APPENDIX TWO*

*SAMPLE IMPACT FEE SCHEDULE*



**APPENDIX TWO  
SAMPLE IMPACT FEE SCHEDULE**

The following is a sample impact fee schedule. This schedule is based upon the scenario explored in Chapter 4, which is a new \$8.5 million dollar elementary school.

**IMPACT FEE SCHEDULE – NEW ELEMENTARY SCHOOL**

**I. VARIABLES.** Variables may be re-assessed by the Planning Board on an annual basis, based upon the evaluation of new information pertaining to the project, subject to the review of the Board of Selectmen.

1.	Total Project Cost	\$8,500,000
2.	Interest Rate	4.5%
3.	Length of Bond	20 years
4.	Total Financed Over 20 Years By Town	\$13,182,433
5.	Total State Aid	\$2,550,000
6.	Cost Per Square Foot	\$100
7.	Space Per Student	120 square feet
8.	Total Project Space	85,000 square feet
9.	Total Number of Students Accommodated Through Project	708
10.	Cost Per Student (4/9)	\$15,018
11.	Elementary School Capacity When Fee Is Established	635
12.	Total New Students Accommodated (9-11)	73
13.	Total Cost of Spaces To Be Financed by Impact Fee (12*10)	\$1,096,282
14.	Average Number of Units Per Year based upon average of previous 20 years	66.8
15.	Number of Students Grade 1-4 Per Unit	0.17
16.	Total Assessed Valuation of the Town	\$525,487,745
17.	Average Assessed Cost Per Unit, Residential Properties	\$123,289
18.	Average Square Feet, Gross Living Area, sample of all Pelham dwelling units	1,700

**II. CREDITS.** Credits are estimated in order to factor out the amount in taxes a unit subject to an impact fee is likely to pay for the portion of project cost that is likely to be financed through impact fees. The Planning Board may adjust the calculation of credits on an annual basis if changes are made to the variables located above in Section I.

1.	Total Assessed Valuation of the Town when impact fee established	\$525,487,745
2.	Total Project Cost, Including Interest to be Financed Through Impact Fees	\$1,096,282
3.	Average Assessed Cost Per Unit, Residential Properties	\$123,289
4.	Total Project Cost (2) / Total Assessed Valuation (1)	0.0020862
5.	Credit Per Unit, Average (4 * 3)	\$257

III. **CALCULATION OF FEE.** The Planning Board may adjust the calculation of credits on an annual basis if changes are made to the variables located above in Section I and resulting changes to Section II.

1.	<b>Impact Per Unit</b> (based on variables in Section I) [(13)/(12)*18]	<b>\$2,553</b>
2.	<b>Average Fee Per Unit</b> (#1 above - Credit established in Section 2)	<b>\$2,296</b>
3.	<b>Fee Per Square Foot of Gross Living Area</b> (#2 above)/Average Gross Living Area (#17 in Section I)	<b>\$1.35</b>

IV. **NUMBER OF PERMITS TO BE ISSUED.** When the impact fee is established, a tally of the number of impact fees that have been paid shall be recorded. The impact fee will automatically be terminated when the total number of permits issued, as described herein, has been reached. The Planning Board may adjust the total number of permits to be issued on an annual basis if changes are made to the variables located above in Section I.

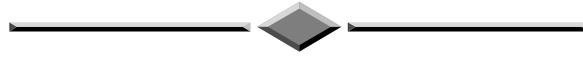
1.	<b>Total New Students Accommodated</b> (#12 in Table in Section I)	<b>73</b>
2.	<b>Students Per Unit</b> (#15 in Table in Section I)	<b>0.17</b>
3.	<b>Number of Permits To Be Issued</b> (#1 above/#2 above)	<b>429</b>

V. **OTHER EXEMPTIONS.** In addition to the types of development excluded from a residential impact fee in the zoning ordinance, the following conditions/circumstances shall be precluded from the payment of an impact fee and shall not be included in the number of permits to be issued.

- Dwelling units with legally binding covenants and restrictions that guarantee that the unit shall be occupied solely by persons over the age of 55 and/or the disabled.

THIS IMPACT FEE SHALL BECOME EFFECTIVE ON \_\_\_\_\_.

#255C-14



*APPENDIX THREE*

*CAPACITY OF LOCAL PUBLIC FACILITIES FOR  
CURRENT AND PROJECTED POPULATION GROWTH*

**APPENDIX THREE**  
**CAPACITY OF LOCAL PUBLIC FACILITIES FOR**  
**CURRENT AND PROJECTED POPULATION GROWTH**

The following appendix details the space needs for municipal facilities in the Town of Pelham. Much of this appendix was based upon conversations with applicable town staff, and covers the following areas of general government: Town Hall, fire station, police station, recreational space, and library. All construction costs noted were obtained from an informal survey of actual municipal projects in Southern New Hampshire, and nearby communities in Massachusetts. Wherever possible, municipalities of a comparable population to Pelham were considered. For a listing of projects and associated costs, please see Table A3-8 at the end of this document.

***Town Hall***

Usable space for Town administration is provided for in two buildings, the Pelham Town Hall and the Town Hall Annex (formerly the police/fire station). Both are located in close proximity to each other on Main Street and provide a total of 4,784 square feet of floor space. The Town Hall building consists of two floors, the first holding the offices of planning, assessing, and town clerk personnel, and the second is occupied by the Hillsborough District Court. This top floor space is made available for town use during public meetings and hearings and has seating for 180 persons. The selectmen's and other administrative offices as well as most town records are located in the Annex building. The Annex building, originally constructed as a police/fire station consists of 4,000 square feet. Records from the town officials including police, fire, cable, recreation and general government services are stored here due to lack of space in each separate building. Space considerations in the Town Hall are considered adequate although some changes including improvements to the heating and septic systems as well as a re-grouping of town personnel would be welcome. Many of the services that take place in the Town Hall and annex facility work at peak efficiency when the departments are located close together as many maps, files, or office resources are shared.

Standards for Town Hall space are difficult to measure since most town facilities are situated in historic buildings that have been adapted to meet current needs. As such, new construction has rarely taken place and a survey of similar sized towns would reveal a very broad range of space issues. One standard that is available has been used widely in planning documents including the 1992 Town Master Plan. The standard is set at .52 square feet per capita for general government functions. As Table A3-1 indicates, Pelham currently has adequate space to meet the needs of twenty years of growth. This figure is somewhat misleading due to the fact that approximately 2,300 square feet of the Town Hall (aforementioned meeting room space) is shared with the district court and much of the annex space is used to house fire and police related materials. Given present conditions, however, the space may be considered adequate for the projected 20 year population and needed improvements should be made in other buildings to lessen the impact on Town Hall facilities. Should new space be desired, the Town of Pelham may find costs approximately in the range of \$100.00 per square foot for Town Hall space according to recent construction projects in New England.

**Table A3-1**  
**Town Hall: Projected Town Hall Facility Space Needs**

Standard	Existing Facilities	Present	10 Years	20 Years
.52 per capita	8,784	5,408	6,403	7,398

*Source: 1992 Master Plan.*

### ***Fire Station***

All Fire Station equipment and personnel are currently housed at the Town Safety Center on Old Bridge Road that includes both fire and police services. The building contains a joint dispatch service for both departments as well as shared gasoline pumps. Presently, there are no immediate plans for expansion of either building space or equipment for the Fire Department. New purchases of equipment detailed in the Town Capital Improvement Program are described by the Chief as a replacement of vehicles that are generally used for thirty years before being retired and replaced. The local service is volunteer run, with only the Chief, a secretary, and four firefighters as full-time employees. The station office space consists of 290 square feet which is divided into two rooms for the Chief and secretary. Remaining space in use by the fire department consists of an 800 square foot training room and six apparatus bays. Because the service is provided by volunteers, space needs are limited primarily to training space and equipment bays. According to the Fire Chief, this current space is considered adequate.

A key issue in determining the capacity of Pelham to serve municipal needs is the fire service response time. The Fire Department strives for a maximum response time of six minutes for any call. The central location of the fire station makes it possible to include most homes within that service radius. According to the Fire Chief, however, increasing development in the outskirts of town, along the Windham and Salem borders, is beginning to stretch the ability of the fire service to quickly respond to calls. For this reason, continued development pressure may warrant the addition of a fire substation at another location. Few standards are available pertaining to municipal fire service facilities. Architects specializing in municipal construction have stated that most new fire stations tend to be designed to suit the present and anticipated vehicle needs following. The Pelham Fire Chief has estimated that a substation would not necessarily require new vehicle purchases, but rather may be equipped by relocating of existing equipment or by housing vehicles that would otherwise be retired.

No standard was available for a minimum bay size by population due to the vastly differing needs of fire equipment and service. Construction costs for fire department space tends to run less than for other municipal facilities and is currently between \$70.00 and \$80.00 per square foot. It is estimated by local architects that construction costs are presently rising approximately 10% per year due to a tight labor market and robust economic conditions.

### ***Police Station***

The Pelham Police Department presently consists of a staff of 22 full and part time employees working out of the safety center on Old Bridge Road. This center houses equipment and personnel for both the Police and Fire Departments and is considered to be in adequate physical shape. In 1992, an addition was provided to the Police portion of the building and currently provides office space for the Chief, two detectives, administrative personnel, as well as for records storage. This addition of approximately 312 square feet added to a previous area of 573 square feet to provide the current 885 square feet of total floor space. While in sound physical shape, the actual size of the building falls short of present needs. Conditions are considered unfit for the present size of the Police Department, with a shortage of space for some facilities that are central to its operation including rooms for meetings, interrogation, cells, evidence, and for personal office space. No private space is available for conversations or meetings, or for preparing reports and paperwork. Due to this lack of space, most Officers admit to using their police cruisers as personal space for completing essential tasks. In addition, insufficient storage space requires that most records are kept in the Town Hall Annex rather than the Police facility.

In terms of overall space, a rule of thumb is provided by the International Association of Chiefs of Police and is applied by local architects in planning for police construction. Projections based on this methodology are presented in Table A3-2. This standard of approximately 300 to 350 square feet per sworn officer was used as a base for beginning police construction including new buildings in Windham,

Hudson, and Lebanon, New Hampshire and Fall River, Milford, and South Ridge Massachusetts. The standard must be taken with a grain of salt as most buildings include an additional space factor to incorporate anticipated growth. Based on a national standard of 2.0 officers per 1,000 persons, Pelham will need 28.5 officers within twenty years. The force presently consists of 14 sworn officers, falling short by 6 of the national standard. This indicates that within 20 years, the station will need to be at least 8,535.6 square feet. Based on the present area of 885 square feet, Pelham will need to expand the station by nearly ten times over twenty years.

**Table A3-2**  
**Pelham Police Department: Projected Officer and Space Needs**

	Present	10 years	20 years
Population	10,400	12,313	14,226
Officers Needed	20.8	24.6	28.5
Space Needs (low range)	6,240	7,388	8,536
Space Needs (high range)	7,280	8,619	9,958

*Source : (Officer needs) Ammons, David N. 1996 Municipal Benchmarks Thousand Oaks, CA: Sage Publications, Inc.  
(Space needs) Standards provided by Jeff McElravy, Senior Associate, Kasetle Boos, New Britain, CT.*

Current construction costs are falling in the range of \$135.00 per square foot for police facilities. It is estimated that because of a tight labor market in New England and a robust regional economy, construction costs are rising approximately 10% per year. Table A3-3 describes potential building costs according to the space needs described in Table A3-2 previously. According to the standards, the Pelham Police station will need to add 5,355 square feet to meet the current needs. At current construction costs (1998), this will be approximately \$722,925.00. To meet the additional demand from 10 years of growth, or the need for 6,502 square feet, a cost may be estimated at \$877,878.00. To prepare for 20 years of growth, or to add 7,680 square feet, new construction will cost approximately \$1,032,831.00 in 1998 dollars. It is important to note that these figures reflect only building costs and exclude expenses associated with site preparation.

**Table A3-3**  
**Pelham Police Department: Projected Construction Costs to Meet Building Space Needs**

		Present		10 years		20 years	
Existing Space (sq. ft.)	Const. Cost per sq. ft.	Space needs (sq. ft.)	Total cost for needed space	Space needs (sq. ft.)	Total cost for needed space	Space needs (sq. ft.)	Total cost for needed space
885	\$135	5,355	\$722,925	6,503	\$877,878	7,651	\$1,032,831

*Source: NRPC Estimate, 1998.*

### **Recreational Space**

Currently, Pelham has approximately 900 acres of public and privately owned lands available for recreational use within the Town. This area includes approximately 235 acres of land that has been improved for recreation, including 95 acres in use by the three schools. The largest public recreation areas in Pelham include Pelham Veterans Memorial Park, George H. Muldoon Park, Golden Brook Park, Elmer G. Raymond Park, the Pelham Fish and Game Club Land, Jeremy Hill Natural Area, and the three school grounds. Table A3-4 presents a summary of the opportunities in each area.

**Table A3-4**  
**Pelham Recreation Department: Existing Recreational Areas and Facilities**

<i>Site</i>	<i>Acres</i>	<i>Type</i>	<i>Primary Use</i>	<i>Secondary Uses</i>
Pelham Veterans Memorial Park	56	Mun.	Park	Basketball, Baseball, Softball, Beach Swimming, Car-top Boat access, fishing, Day Camp
George H. Muldoon Park	50	Mun.	Field Sports	Football, Baseball, Softball, Picnicking, Nature Trails, Gen. Playground
Golden Brook Park	5	Mun.	Field Sports	Baseball, Softball
Elmer G. Raymond Park	225	Mun.	Campground	Football, X-Country Ski Trails, Hiking
Pelham High School	75	School	Field Sports	Baseball, Softball, Soccer, Tennis, Football, Gymnasium
Pelham Memorial School	66	School	Field Sports	Baseball, Softball, Soccer, Tennis, Football, Gymnasium, Basketball
E.G. Sherburne School	22	School	Field Sports	Baseball, Softball, Basketball, Gymnasium, Gen. Playground, Picnicking
Jeremy Hill Natural Area	63	State	Natural Area	Natural Area, Hunting Area
Pelham Fish and Game Club	324	Priv. NP	Shooting Preserve	X-Country Skiing, Hiking, Dirt Bike Trail, Picnicking, Snowmobile, Shooting Range

*Source: NH OSP. 1997 Recreation Inventory, Town of Pelham, NH.*

The Town of Pelham offers an extensive recreation program for residents that includes organized field sports, swim lessons, day camp, and activities for senior citizens. These programs are managed by the Town Recreation Director and largely carried out by volunteers. The Director works out of space in the Town Hall Annex during the winter but moves into the Pelham Veterans Memorial Park during the summer where seasonal activities are overseen.

The acquisition and development of public lands has barely kept pace with growth in Pelham. According to the Recreation Director, present facilities are adequate for the current population, though current demands are stretching the sites beyond their optimal use. Increasing use of many facilities including the local soccer and baseball/softball fields is considered detrimental to maintaining quality conditions. The Town is beginning to face difficulties in maintaining the fields to optimal conditions and may begin to see declining quality if overuse continues. Table A3-5 describes recreational facility standards for New Hampshire. As the table illustrates, Pelham is currently meeting many of the standards, but needs to keep expanding recreational offerings in order to keep up with population growth. Over the next twenty years, Pelham may need to begin planning for the acquisition of beach areas, tennis courts, athletic fields, and playground areas. Cost estimates for construction of such facilities are not readily available without site specific considerations and would not be considered valid unless specific proposals were available.

**Table A3-5**  
**Pelham Recreation Department: Projected Recreation Needs**

<i>Sports Area</i>	<i>Standard per 1,000 persons</i>	<i>Existing Public Facilities</i>	<i>Present Needs</i>	<i>10 Years</i>	<i>20 Years</i>
Archery Range	0.10	0	1.0	1.2	1.4
Baseball Diamond	1.10	12	11.4	13.5	15.6
Basketball Courts	0.80	3	8.3	9.9	11.4
Boating Access	1.80	0	18.7	22.2	25.6
Campsites	13.00	0	134.9	160.1	184.9
Football Fields	0.10	1	1.0	1.2	1.4
Golf Courses	0.04	1	0.4	0.5	0.6
Gymnasiums	0.25	2	2.6	3.1	3.6
Ice Hockey Rinks	0.05	0	0.5	0.6	0.7
Ice Skating Rinks	0.14	1	1.5	1.7	2.0
Picnic Tables	8.00		83.0	98.5	113.8
Community Parks	6.00	329	62.2	73.9	85.4
Playgrounds	0.50	2	5.2	6.2	7.1
Playgrounds (acres)	2.00	50	20.7	24.6	28.5
Shooting Ranges	0.08	0	0.8	1.0	1.1
Skiing (X-Ctry)	0.10	2	1.0	1.2	1.4
Soccer Fields	0.16	3	1.7	2.0	2.3
Swimming (Beach)	0.50	1	5.2	6.2	7.1
Swimming (Outdoor Pools)	0.14	0	1.5	1.7	2.0
Tennis Courts	0.95	4	9.9	11.7	13.5
Track	0.04	0	0.4	0.5	0.6
Hiking Trails (miles)	2.20	N/A	22.8	27.1	31.3
Snowmobile Trails (miles)	3.90	N/A	40.5	48.0	55.5

*Source: NH OSP, 1997 NH Outdoors, Concord, NH: NH OSP.*

### ***Town Library***

The Pelham Town Library is currently located in its original building space as construction in 1896. The last few years have seen many improvements to the buildings infrastructure to bring conditions closer to current standards, though usable floor space has not increased along with population. Extensive improvements in information technology have taken place including the addition of on-line databases, services, and equipment. The building currently has 2,504 square feet of usable space, with approximately half of that, or 1,304 square feet described as shelf space. Reader, staff, and additional storage space is 250, 350, and 600 square feet respectively. Conditions in the library are considered extremely cramped. The Pelham Public Library retains the same space as originally constructed 100 years ago when the number of volumes was approximately 9,000. The building currently holds more than 34,500 volumes of material.

Very detailed standards are available for library construction including space requirements for nearly all uses of the facility. A capacity model may be simplified by using only four criteria including the number of volumes, shelf space per volume, reader space, and staff workspace. For towns close to 10,000 populations, the standard for volumes is approximately 3.5 volumes per capita, with approximately 1 square foot of shelf space for every 10 volumes. Reader space is estimated at 7 seats, with 30 square feet each, or 210 square feet, per every 1,000 persons. Staff work space is estimated at 150 square feet per substation that may include one station each for checking in/out books, sorting, cataloguing, data entry,

processing/mending books, children/reference desk, and a directors office. Each of these figures is presented in Table A3-6 which projects future needs through twenty years of growth. To simplify space needs, only the elements of reader, staff, shelf and special use space (card catalogs, atlas stands, computer desks, copiers, book racks, etc.) have been included in these projections. The total floor space is the sum of each of these assignable quantities. As the table indicates, library space is presently deficient in all areas. To meet space standards for the present population, Pelham would need to expand floor space by 4,606 square feet or by 283 percent. This means adding 4,560 square feet of staff work space, 2,076 square feet of shelf space, 1,934 square feet of reader space, and 46 square feet of special use space. In order to meet the needs of twenty years of growth, Pelham should be planning to expand current library space to 9,753 square feet. This would involve an addition of 7,249 square feet of new space or approximately four times the current space.

**Table A3-6**  
**Pelham Public Library: Projected Library Space Needs**

<i>Type of Activity</i>	<i>Library Standard</i>	<i>Existing Space</i>	<i>Present</i>	<i>10 Years</i>	<i>20 Years</i>
Volumes	3.5 per capita	35,400	36,400	43,096	49,791
Shelf Space	.1 square feet per volume	1,304	3,380	4,310	4,979
Reader Space	210 sq. ft. per 1,000 pop. (7 seats, 30 sq. ft. each)	250	2,814	2,586	2,987
Staff Work Space	150 square feet per station (6 in Pelham)	350	900	900	900
SubTotal		1,904	6,464	7,795	8,867
Special Use Space	Expand subtotal of space by .1 times	600	646	780	887
Total Assignable Space		2,504	7,110	8,575	9,753

*Source: Dahlgren, Anders C. 1998 Public Library Space Needs:  
A Planning Outline. Madison, WI: WI Dept. of Public Instruction.*

Table A3-7 projects potential building costs to meet these space needs. The cost estimates describe the projected cost (in 1998 dollars) to meet categories of growth and to bring the facility up to standard for the present population. Based on an estimate of \$110.00 per square foot for new building construction, an expansion of existing space to meet current demands may cost \$506,660. In order to meet 10 years of growth, an expansion may cost \$667,810 in 1998 dollars, and \$797,300 to meet 20 years of growth. It must be kept in mind that these estimates are for a greatly simplified model of library uses. It is important to note that these figures reflect only building costs and exclude expenses associated with site preparation. A more extensive estimate has been prepared by the Town Librarian as part of the local Capital Improvements Process.

**Table A3-7**  
**Pelham Town Library: Projected Construction Costs to Meet Facility Needs**

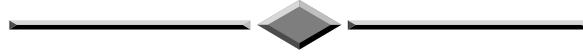
		<i>Present</i>		<i>10 years</i>		<i>20 years</i>	
<i>Existing Space</i> (sq. ft.)	<i>Const. Cost per</i> <i>sq. ft.</i>	<i>Space needs</i> (sq. ft.)	<i>total cost for</i> <i>needed space</i>	<i>Space needs</i> (sq. ft.)	<i>total cost for</i> <i>needed space</i>	<i>Space needs</i> (sq. ft.)	<i>total cost for</i> <i>needed space</i>
2,504	\$110	7,110	\$506,660	8,575	\$667,810	9,753	\$797,390

*Source: NRPC Estimate, 1998*

*Table A3-8  
Cost Summary for Municipal Building Construction*

<i>Town</i>	<i>Type of Structure</i>	<i>Year Completed</i>	<i>App. Cost per Sq. Ft.</i>	<i>Source</i>
Chesterfield, NH	Library	1997	\$100.00	Town
Windham, NH	Library	1997	\$142.00	Town
Merrimack, NH	Library	Not completed	\$160.00	Town
Plainfield, NH	Library Addition	1997	\$112.00	Town
Dracut, MA	Fire Substation	Not completed	\$77.00	Town
Freemont, NH	Rescue (fire and police)	1998	\$83.00	Fire
Bedford, NH	Rescue renovation	1994	\$65-70.00	Town
Hudson, NH	Police	1997	\$147.00	Police
Litchfield, NH	Police	1998	\$104.00	Town
Fall River, MA	Rescue	1997	\$135.00	Architect
South Ridge, MA	Police	1997	\$135.00	Architect
Middleton, NH	Town Hall	1997	\$90.00	Town
Litchfield, NH	Town Hall	1998	\$71.00	Town
Milton, VT	Town Hall	1995	\$65.00	Architect

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*APPENDIX FOUR*

*CONSTRUCTION COST ESTIMATES*

**APPENDIX FOUR**  
**CONSTRUCTION COST ESTIMATES**

The following documentation was used to make assumptions regarding construction cost estimates for the impact fee analysis. It is noted that prior to implementing an impact fee schedule, the Capital Improvements Planning Committee and the Planning Board should base assumptions on estimates based upon a specific design proposal.

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