



TOWN OF MILFORD IMPACT FEE STUDY

INTRODUCTION AND SUMMARY

Milford has experienced an extraordinary amount of growth since 1960. At that time, its population was 4,159; in 2000 its population was 13,535. Over the past twenty years, Milford has averaged about 86 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 1,720 new dwelling units will be constructed.

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 of the costs of capital improvements on a per-unit basis, 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 Department, it was determined that an impact fee was desired to mitigate the impacts associated with both residential and commercial 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 study. To successfully implement an impact fee program, 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.

PUBLIC HEARING AND ADOPTION

The Town is seeking various impact fee scenarios for school, fire, rescue, police, library and recreational purposes. The Town currently assesses an exaction fee for access to the Town's water and sewer system, and therefore, its analysis was excluded from this study. "Impact fees" assessed through off-site improvements associated with the development review process are also excluded from this study. The Town should work with the Town's attorney to ensure that the zoning ordinance complies with the findings of the recent "Simonsen v. Derry" case and recent case law.

IMPACT FEE SCHEDULES

A draft zoning ordinance is included for the review of the Town's attorney. The ordinance simply provides enabling legislation for the development of impact fee "schedules". The schedules, which describe the terms of an impact fee assessment are proposed by the Planning Board and adopted by the Board of Selectmen. Both bodies shall have public hearings and shall consider comments received when establishing an impact fee schedule.



ASSESSMENT OF FEES

The assumptions in this study imply that a fee would be assessed for every building permit that results in a new residential unit. Impact fees are collected as a condition of the Certificate of Occupancy. This would exclude building additions and accessory apartments. If the Town chooses to assess additions and accessory units, it should check with the Town's attorney. Under the scenarios provided, the impact fee would be terminated after a specific number of building permits is issued.

In addition, the Town should work with its attorney to establish mutually acceptable provisions for assessing the fees through the development review process. For example, the Planning Board should require that a note be placed on any subdivision plan to be recorded indicating that future building permits drawn may be subject to the impact fees that are in effect at the time of building permit application, and shall be collected as a condition of approval of the Certificate of Occupancy.

EXEMPTION OF COMMERCIAL AND INDUSTRIAL FEES

Based upon a review of the types of calls made for police and fire services, it became apparent that very little come from industrial uses. Therefore, industrial uses should be excluded from an impact fee program. In addition, the amount of revenue generated from commercial uses for fire and safety services is not significant would could result in more administrative burden to the Town than monetary benefit. Therefore, only residential impact fees are recommended at this time.



SUMMARY OF FEES ANALYZED

Middle School Addition

A \$2.5 million addition to the Middle School that would serve an additional 200 students would accommodate 41 future students, as the current facility is over-capacity by 159. A fee can be calculated that would expire after 256 permits for new residential units have been granted, which would occur within 3 years. That fee would be \$1.17 per square foot, or \$1,989 for the average sized unit (1,700 s.f.) and \$2,925 for 2,500 s.f. house. The entire fee can be expected to generate \$507,904 in revenue. The fee accounts for a 30% school building aid grant from the State.

New Kindergarten/Elementary School Scenarios

Two scenarios suggested by the School Board were analyzed for this impact fee study. The first involves a \$10.5 million Kindergarten/Elementary School building that would accommodate grades readiness, preschool, kindergarten, 1 and 2. The school would accommodate a total of 500 students, and the current capacity is 440, which suggests that the new school would accommodate 60 future students. A 75% construction grant for the kindergarten portion of the school (pre-financing) and a 30% state aid construction grant program were factored into the draft schedule. This scenario would result in a fee of \$1.04 per square foot, which would be applied to a total of 750 permits over 8.7 years. The average fee for a 1,700 s.f. home would be \$1,768 per s.f. A total of \$1.3 million would be collected.

Under the second scenario, a \$42.12 million new elementary school would be constructed which would accommodate 600 new students. This would be for pre-school programs, kindergarten and grades one and two. This impact fee assumes a 75% construction grant for the kindergarten portion of the school, and a 30% school building aid grant for the remainder.

Since the current enrollment of preschool through grades 2 is 440, the school would accommodate 160 users from dwelling units yet to be constructed. A fee can be calculated that would expire after 2,000 permits for new residential dwelling unit permits have been issued, which would take 23.3 years. That fee would be \$0.83 per square foot, which would be \$1,411 for a 1,700 s.f. dwelling unit, and \$2,075 for a 2,500 s.f. dwelling unit. The fee would generate a total of \$2,830,000 in revenue for the project.

New Police Station

The Milford Police Department is proposing a \$2.3 million, 11,000 s.f. facility that would replace the current Police Station. The total amount that the Town would have to finance is \$3,289,000 assuming 4.97% interest over a 20-year bond. A standard of 0.65 square feet per capita for police stations was employed, which demonstrated that the current population of the Town would support a police station that is 9,059 s.f. in size. Therefore, future demand would account for 1,941 square feet of the building. Since 44% of all calls for police services are to residential uses, 44% of the impact fee would be assessed to permits for new dwelling units. Since 19% of all calls are to commercial uses, 19% of the impact fee would be assessed to permits for commercial uses.

The residential impact fee would be \$0.11 per square foot, which would cost the average sized home (1,700 s.f.) \$187 per building permit. A 2,500 s.f. house would be assessed a fee of \$275. The fee would be sunset after 1,157 building permits for new residential uses have been assessed, which would occur in approximately 13.5 years. In total, \$222,144 would be collected.



The commercial impact fee would also be \$0.11 per square foot, which would be \$3,520 for a 32,000 s.f. business, and \$345 for a 49,325 s.f. business. The fee would be sunset after 108 permits have been issued, which is likely to occur in 13.5 years. The total collected from the commercial fee would be \$100,980.

Library

It is assumed that impacts associated for additional capacity for the library would be caused by request from cards and services coming from new households. Under this scenario, a 10,000 s.f. addition costing \$2,821,000 and financed at 4.9% over twenty years, would generate an impact fee of \$0.55 per square foot, and would collect \$1.07 million over 1,134 permits and 13 years.

The standard for calculating the needed space in square feet per capita was based upon discussions with the Milford Library (see letter in Appendix). The library expects that a 10,000 s.f. addition to an existing 13,500 s.f. facility would accommodate the population estimated for the year 2020. In 2020, based upon the population projections used in this report, Milford will have 18,153 people. Therefore, the standard of 1.3 s.f. per capita (23,500 s.f. of library space per 18,153 people) has been employed. (Note, this figure should be reinforced in the Town's Master Plan, prior to the implementation of an impact fee scheduled).

Recreation

A recreation example is described to illustrate that an impact fee for this type of project is feasible. Under this scenario, a \$3 million 2-mile bicycle path, using a \$350,000 grant with 15 year financing would generate a \$0.28 per square foot fee, and could raise \$608,880 over 1,290 permits.



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.
- In a recent court case, *Simonsen vs. the Town of Derry*, the NH Supreme Court ruled that an off-site improvement, or an "exaction" is technically an impact fee. Therefore, the impact fee for an off-site improvement, such as a traffic light for a new supermarket, must be enabled in the zoning ordinance. The types of impact fees to be evaluated through this study are for town-wide projects rather than site specific issues. To account for this, the impact fee ordinance should acknowledge both types of fees.
- Since impact fees need to have a relationship with the Capital Improvement Program, it is important that any impact fee that is approved be reflected in the document. This should be considered an administrative procedure of adding the project to the CIP. This would include off-site improvements.
- 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.*



Milford 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.



PROJECTIONS AND DEMAND INDICATORS

The data presented in this chapter represent the assumptions used to calculate the impact fees. Detailed information and raw data is presented in Appendix B.

BUILDING AND ASSESSING DATA

Residential

Between 1981 and 2000, a total of 1,718 building permits for new residential dwelling units were granted in Milford. This averages to 86 dwelling units per year. Of these, some were found in duplexes, multi-family structures and mobile homes. Since residential impact fees shall be assessed on a square foot of livable floor area basis, there is no need to distinguish residential fees by type of unit.

According to the 2000 U.S. Census, Milford had a total of 5,316 dwelling units during this year.

According to the Milford Tax Assessor's office, the average residential unit is approximately 1,700. Average is used to calculate the fee per square foot, and is reasonable to use as it represents the average size of all units, including apartments, mobile homes, duplexes and single family homes.

Commercial

For the purposes of calculating an impact fee, "commercial" uses include the following classifications: Bank/Savings and Loan, Bar/Night Club, Commercial/Office Building, Convenience Store, Department/Discount Store, Drug Store/Doctor's Office/Hospital, Grocery/Supermarket, Rental Storage Facility, Restaurant/Cafeteria, Service/Gas Station, Specialty Store. These uses were selected based upon the classification of land uses provided by the Milford Police Department and were used to determine the proportion of police, fire and rescue calls placed to general land use classifications.

Based upon estimates provided by the Milford Assessing Department, there are approximately 285 commercial properties in Milford, with an average size of 8,703 s.f. of floor space. According to the Milford Building Inspector's office, a total of 8 permits for commercial uses were granted in the year 2000. For the purposes of this analysis, it will be assumed that 8 permits of the town-wide average size (8,703 s.f.) are granted each year. Based on that assumption, the projections of commercial permits are as follows:



Year	S.F. of New Commercial Development Permitted (cumulative)	Number of New Commercial Permits (cumulative)
2000	69,624	8
2001	139,248	16
2005	417,744	48
2010	765,864	88
2015	1,113,984	128
2020	1,462,104	168

Based upon research conducted by NRPC last year, the total assessed valuation of all commercial properties as defined here was \$104,152,600. With 231 businesses in the NRPC, the average commercial assessment was \$450,877.

Industrial

Based upon reports from the Fire and Police Departments, an insignificant amount of their activity comes from calls from industrial properties. Given this, an impact fee for industrial properties is not recommended for fire and police services. Further, since school impacts are assessed to residential building permits, the only possible impact fee that could be assessed for industrial uses would be for town halls. It is therefore recommended that industrial uses be excluded completely from this type of impact fee assessment. Commercial and industrial projects should be assessed a different type of impact fee for needed site-specific improvements.

DEMAND INDICATORS

Population Projections/Housing Units

According to the U.S. Census, Milford had a total population of 13,535, and an average household size of 2.58. The following table shows population projections based upon this data:

Year	Time	Housing Units	Population
2000	--	5,316	13,535
2001	1 year	5,402	13,937
2005	5 year	5,746	14,825
2010	10 year	6,176	15,932
2015	15 year	6,606	17,043
2020	20 year	7,036	18,153

Source: Year 2000 from U.S. Census, other dates derived Building Permit Data.

EMERGENCY SERVICES

Police

Police records from July 1, 2000 to May 8, 2001 (see appendix, section xx) were analyzed to determine the extent to which police services can be attributable to both residential, commercial and industrial uses. The police report indicated a total of 2,615 incidents and their location. The following table breaks these locations down by general land use and their proportionate demand.



Generalized Land Use	Total Incidents	Percent of Total
Commercial	489	19%
Industrial	0	0%
Residential	1,155	44%
Other	971	37%
Total	2,615	

Source: Milford Police Department Reports, 7/1/2000 – 5/1/2001, compiled by NRPC.

See Appendix for detailed report and use classifications.

Therefore, based upon this data, one could assume that 19% of the demand for police services can be attributable to commercial uses, and 44% can be attributable to residential uses. According to this activity, there is little or no activity at industrial locations. Therefore, any impact fee for police services should be assessed only to commercial and residential uses. Nineteen percent of the total amount of any police project eligible for impact fee funding should be assessed to commercial uses, while 44% should be assessed to residential.

Fire and Ambulance

Based upon data provided by the Fire and Ambulance Department, the following shows the distribution of calls based upon land use for the FY1999 and FY2000:

Land Use	FY 2000	FY 1999	TOTAL
Residential	690 (75%)	691 (76%)	75%
Commercial	157 (17%)	127 (14%)	15%
Industrial	Unknown	Unknown	N/A
Other (motor vehicle accidents)	78 (8%)	92 (10%)	9%
Total	925 (100%)	910 (100%)	

Based upon these proportions, 75% all calls come from residential uses, with an additional 15% from commercial uses. The "Other" category came primarily from incidents occurring on public roads. No significant activity was reported at industrial uses. Therefore, when an Impact Fee is calculated for Fire/Ambulance services, 75% of that fee should come from residential impact fees, and 15% should come from commercial uses.

NRPC conducted a survey of New Hampshire communities that found that 0.65 square feet per capita is a reasonable figure to determining the size of police, fire and ambulance stations. Based on that figure, the following table shows the total square footage needed in Milford based on its present and projected population sizes.

Year	Population	Sq. Ft. Police, Fire & Ambulance Space
2000	13,535	8,798
2001	13,937	9,059
2005	14,825	9,636
2010	15,932	10,356
2015	17,043	11,078
2020	18,153	11,799



School

According to data provided by the Milford School Department for the 2000-2001 school year, there were a total of 2,500 students enrolled in the public school system as of November of that year. The following table shows the distribution of these students by grade classification:

Grade Level	Total Students	Percent of Total
Elementary (P-4)	835	33%
Middle (5-8)	865	35%
High (9-12)	806	32%
Total	2,615	

Source: Milford School Department. See Appendix for detailed report.

The table shows that as of November of 2000, 33% of the student body is enrolled in elementary school (which includes pre-school, kindergarten and readiness). Thirty-five percent (35%) is enrolled in middle school, while 32% attend high school.

Grade Level	Total Students	Students/ Dwelling Unit (5,316 units total)
Elementary (P-4)	835	0.16
Grades P-2 (a subset of Elementary)	440	0.08
Middle (5-8)	865	0.16
High (9-12)	806	0.15
Total	2,615	0.47

Source: Previous tables; derived by NRPC.

Since there are a total of 5,316 dwelling units in Milford, each dwelling unit can be expected to statistically generate a total of 0.47 student. When broken down by grade level, each dwelling unit generates 0.16 elementary school and middle school student, and 0.15 high school student. Grades P-2, which is used for one of the scenarios examined, generates a total of 0.08 student per dwelling unit.



**IMPACT FEE SCENARIO #1.
MIDDLE SCHOOL ADDITION**

The School Board is proposing a \$2.4 million addition to the Middle School. The addition will add capacity for an additional 200 students. However, the current Middle School is deficient in its total capacity by 159 students. Nevertheless, a three-year impact fee at \$1.17 per square foot could be implemented, which would raise a total of \$507,000. The average impact fee would be \$1,984 per unit and would be sunset once 256 permits for new dwelling units are permitted.

IMPACT PER UNIT

1.	Current Enrollment (11/00)-----	859
2.	Current Capacity of School-----	700
3.	Excess Capacity -----	159
4.	Capacity of Addition-----	200
5.	Future Students Served by Addition-----	41
6.	Total Cost of Project (including all interest or "Net Debt")-----	\$2,562,891
7.	Cost Per Student -----	\$12,814
8.	Total Impact Future Demand (cost per student * 41 new students) -----	\$525,393
9.	Middle School Student Per DU-----	0.16
10.	Impact Per Unit -----	\$2,050

CREDITS

1.	Total Assessed Valuation, 2000-----	\$710,108,130
2.	Total Residential, Bldg. & Land, 2000-----	\$475,464,400
3.	Average Residential Assessment-----	\$89,440
4.	Total Demand/Total Assessed Valuation -----	0.00074
5.	Credit Per Unit (#4*#3)-----	\$66

CALCULATION OF FEE

1.	Impact Per Unit -----	\$2,050
2.	Credit Per Unit -----	\$66
3.	Fee Per Unit -----	\$1,984
4.	Average Gross Living Area -----	1,700 s.f.
5.	Fee Per Square Foot -----	\$1.17

FISCAL IMPACT

1.	Average #Units Per Year-----	86
2.	Average Fee Per Unit -----	\$1,984
3.	Total Annual Revenue (est.)-----	\$170,624
4.	Maximum Building Permits-----	256 (41/.16)
5.	Years Expires (est). -----	3
6.	Total Collected -----	\$507,904

FEE FOR:

1.	850 s.f. Condominium Unit-----	\$995
2.	1,700 s.f. House-----	\$1,989
3.	2,500 s.f. House-----	\$2,925



\$10,482,000 KINDERGARTEN-ELEMENTARY SCHOOL

The School Board, as one of several scenarios they are examining for future space within the system, is considering a new \$10,482,000 facility for readiness/preschool, kindergarten, and grades 1 and 2. According to information provided by the School Board, the Kindergarten grant program would cover 75% of the costs of the kindergarten portion of the school, which in this case is \$1,415,070; this amount can be taken directly from the total amount to be financed. For the remainder, 30% of the construction costs can be covered through the State building aid grant, however, that 30% is applied after financing.

IMPACT PER UNIT

1.	Current enrollment grades R-2 -----	440
2.	Total capacity new school -----	500
3.	Future students served by new school -----	60
4.	Total project cost -----	10,482,000
5.	Amount eligible for kindergarten grant -----	\$1,415,070
6.	Kindergarten grant -----	\$1,061,302
7.	Amount bonded -----	\$9,420,698
8.	Total financed (20 years at 4.91%) -----	\$14,883,840
9.	School Building Aid on non-kindergarten portion -----	\$2,720,079
10.	Net Debt (8-9) -----	\$12,163,761
11.	Cost Per Student -----	\$24,328
12.	Total Impact Future Demand (11*3) -----	\$1,459,651
13.	R-2 Students Per Dwelling Unit -----	0.08
14.	Impact Per Unit (11*13) -----	\$1,946

CREDITS

1.	Total Assessed Valuation, 2000 -----	\$710,108,130
2.	Total Residential, Bldg. & Land, 2000 -----	\$475,464,400
3.	Average Residential Assessment -----	\$89,440
4.	Total Future Demand/Total Assessed Valuation -----	0.00206
5.	Credit Per Unit (4*3) -----	\$184

CALCULATION OF FEE

1.	Impact Per Unit -----	1,946
2.	Credit Per Unit -----	\$184
3.	Fee Per Unit -----	\$1,762
4.	Average Gross Living Area -----	1,700 s.f.
5.	Fee Per s.f. -----	\$1.04

FISCAL IMPACT

1.	Average Units Per Year -----	86
2.	Average Fee Per Unit -----	\$1,762
3.	Total Annual Revenue -----	\$151,532
4.	Maximum Building Permits -----	750
5.	Years Expires -----	8.7
6.	Total Collected -----	\$1,321,500

FEE FOR:

1.	850 s.f. Condominium -----	\$884
2.	1,700 s.f. House -----	\$1,768
3.	2,500 s.f. House -----	\$2,600



KINDERGARTEN/ELEMENTARY SCHOOL SCENARIOS

Under this scenario, a \$12.12 million new elementary school would be constructed which would accommodate 600 new students. This would be for pre-school programs, kindergarten and grades one and two. This impact fee assumes a 75% construction grant for the kindergarten portion of the school, and a 30% school building aid grant for the remainder.

Since the current enrollment of preschool through grades 2 is 440, the school would accommodate 160 users from dwelling units yet to be constructed. A fee can be calculated that would expire after 2,000 permits for new residential dwelling unit permits have been issued, which would take 23.3 years. That fee would be \$0.65 per square foot, which would be \$1,106 for a 1,700 s.f. dwelling unit, and \$1,626 for a 2,500 s.f. dwelling unit. The fee would generate a total of \$2,212,000 in revenue for the project.

IMPACT PER UNIT

1.	Current Enrollment Grades R- 2 -----	440
2.	Total Capacity New School-----	600
3.	Future Students Served by New School-----	160
4.	Total Project Cost -----	\$12,120,000
5.	Amount eligible for kindergarten grant-----	\$1,490,000
6.	Kindergarten grant amount -----	\$1,118,070
7.	Amount Bonded -----	\$11,001,930
8.	Total Financed (20 years at 4.91%) -----	\$17,382,158
9.	School Building Aid on non-kindergarten portion -----	\$3,189,000
10.	Net Debt (8-9)-----	\$14,193,158
11.	Cost Per Student -----	\$23,655
12.	Total Impact Future Demand (11*3)-----	\$3,784,842
13.	R-2 Students Per Dwelling Unit-----	0.08
14.	Impact Per Unit -----	(11*13) \$1,892

CREDITS

1.	Total Assessed Valuation, 2000-----	\$710,108,130
2.	Total Residential, Bldg. & Land, 2000-----	\$475,464,400
3.	Average Residential Assessment-----	\$89,440
4.	Total Demand/Total Assessed Valuation -----	0.00533
5.	Credit Per Unit -----	\$477

CALCULATION OF FEE

1.	Impact Per Unit -----	\$1,892
2.	Credit Per Unit -----	\$477
3.	Fee Per Unit -----	\$1,415
4.	Average Gross Living Area -----	1,700
5.	Fee Per Square Foot -----	\$0.83

FISCAL IMPACT

1.	Average Units Per Year -----	86
2.	Average Fee Per Unit -----	\$1,415
3.	Total Annual Revenue (est.)-----	\$121,690
4.	Maximum Building Permits-----	2,000
5.	Years Expires (est.) -----	23.3
6.	Total Collected -----	\$2,830,000



FEE FOR:

1.	850 s.f. condominium unit -----	\$706
2.	1,700 s.f. house-----	\$1,411
3.	2,500 s.f. House-----	\$2,075



NEW POLICE STATION

This analysis assumes that a new 11,000 square foot police facility will replace the existing facility, and the existing facility will not be used for Police Department Use. Two fees are presented. One for residential permits and the other for commercial. The residential impact fee would be \$0.11 per square foot, which would cost the average size home \$192. The commercial fee would be one-seventh of a cent per square foot, which would average about \$345 per commercial building permit. Overall, the fee would generate \$222,144 in 13.5 years for residential units, and \$93,150 for commercial units.

Analysis

- Based upon .65 s.f. of police facility space per person, Current population (13,937) supports a demand for a 9,059 s.f. police station.
- The new police station is to be 11,000 s.f. which means that future demand will account for 1,941 s.f.
- The new facility will accommodate 2, 986 future residents, which will be achieved when 1,157 building permits for new residential units are issued.
- Since 86 permits are issued each year, the facility should reach capacity in 13.5 years.
- Impact fees can be assessed for 18% of the cost of the new facility's "net debt".
- Total project cost \$2,332,149.
- For this analysis, assuming 20-year bonding at 4.97% interest. This would result in total net debt of \$3,289,000.
- New development can account for \$592,000 of total project costs.

Residential Impact Fee/Police

According to police statistics, 44% of all police calls are to residential uses. This means that of the \$592,000 attributable to future development, \$260,000 may be assessed to residential uses.

- Impact Per Unit----- \$225

CREDITS

1.	Total Assessed Valuation, 2000-----	\$710,108,130
2.	Total Residential, Bldg./Land, 2000-----	\$457,464,400
3.	Average Residential Assessment, 2000-----	\$89,4000
4.	Total Demand/ Assessed Val.-----	0.00037
5.	Credit Per Unit -----	\$33

CALCULATION OF FEE

1.	Impact Per Unit -----	\$225
2.	Credit Per Unit -----	\$33
3.	Fee Per Unit -----	\$192
4.	Average Gross Living Area -----	1,700
5.	Fee Per Square Foot -----	\$0.11
6.	Fee For 2,500 s.f. House -----	\$282

FISCAL IMPACT

1.	Average #Units Per Year-----	86
2.	Average Fee Per Unit -----	\$192
3.	Total Annual Revenue (est) -----	\$16,512
4.	Maximum Building Permits-----	1,157
5.	Years Expired -----	13.5



6. Total Collected ----- \$222,144

FEE FOR:

1. 850 s.f Condominium Unit ----- \$94
 2. 1,700 s.f House----- \$187
 3. 2,500 s.f. House----- \$275

Commercial Fee/Police

According to police statistics, 19% of all police calls are to commercial uses. This means that of the \$592,000 attributable to future development, \$112,480 may be assessed to commercial uses. An assumption is made that 8 commercial units are permitted each year, with an average size of 8,703 s.f. Since the impact fee is based upon population size, the fee should expire in 13.5 years, or when 108 commercial uses have been assessed a fee. Therefore, the average impact per business is \$1,041.

• Impact Per Unit----- \$1,041

CREDITS

1. Total Assessed Valuation, 2000----- \$710,108,130
 2. Total Commercial Assessed Val.----- \$104,152,600
 3. Average Commercial Assessment, 2000----- \$450,871
 4. Total Demand/ Assessed Val.----- 0.00016
 5. Credit Per Unit ----- \$71

CALCULATION OF FEE

1. Impact Per Unit ----- \$1,041
 2. Credit Per Unit ----- \$71
 3. Fee Per Unit ----- \$970
 4. Average Commercial Unit Size----- 8,703
 5. Fee Per Square Foot ----- \$0.11

FISCAL IMPACT

1. Average #Units Per Year----- 8
 2. Average Fee Per Unit ----- \$935
 3. Total Annual Revenue (EST)----- \$7,480
 4. Maximum Building Permits----- 108
 5. Years Expired ----- 13.5
 6. Total Collected ----- \$100,980

FEE FOR:

1. Fee for 2,000 s.f. Business ----- \$220
 2. Fee for 8,500 s.f. Business ----- \$935
 3. Fee for 32,000 s.f. Business----- \$3,520



NEW SAFETY/FIRE STATION

The Town, based upon a review of emergency facilities, is proposing to construct a joint fire and ambulance facility. The total cost of this facility is estimated at \$5,565,000, which includes land acquisition costs, according to the Fire Department's submission to the CIP Committee.

Analysis:

- The current space for the Fire Department is 6,190 square feet. Under the proposal, the total amount of space for the Fire Department would increase to 14,378.
- The current space for the Ambulance Service is 2,463 s.f. Under the proposal, the total amount of space for the Ambulance Service would increase to 8,294.
- Combined the total space for both Fire and Ambulance services would be 22,672 s.f.
- It is assumed that this increase in the size of these facilities will accommodate the Town's population for the next 20 years. Since the Town's population in 20 years will be 18,153, and since the total square footage of combined Fire and Ambulance services is 22,672, it can be assumed that the required amount of space per person should be 1.25.
- Since the Town's current population is 13,937, the total amount of space necessary to accommodate that population would be 17,421.
- Since the Town's current population would accommodate a facility of 17,421 out of a total project size of 22,672, 23% of the project will accommodate growth that will occur within the next twenty years.
- The net total project, including financing at 4.9% interest and a 20 period is \$8,740,800.
- 23% of this figure is \$2,010,384.
- Approximately 76% of all calls come from residences. Therefore, \$1,527,892 of the total future impact can be attributable to residential development.
- Approximately 14% of all calls come from commercial uses. Therefore, \$281,454 of the total future impact can be attributable to commercial development.

Residential Impact Fee

- Approximately 76% of all calls come from residences. Therefore, \$1,527,892 of the total future impact can be attributable to residential development.
- Since there are 86 building permits for new residential units approved each year, a total of 1,120 will be approved within the next 20 years.
- The total impact per unit is \$1,364.

CREDITS

1.	Total Assessed Valuation, 2000 -----	\$710,108,130
2.	Total Residential, Bldg./Land, 2000-----	\$457,464,400
3.	Average Residential Assessment, 2000-----	\$89,400
4.	Total Demand/ Assessed Valuation-----	0.00215
5.	Credit Per Unit -----	\$192

CALCULATION OF FEE

1.	Impact Per Unit -----	\$1,364
2.	Credit Per Unit -----	\$193
3.	Fee Per Unit -----	\$1,172
4.	Average Gross Living Area -----	1,700
5.	Fee Per Square Foot -----	\$0.69



FEE FOR:

1.	Fee for 850 s.f. Condominium-----	\$587
2.	Fee for 1,700 s.f. House-----	\$1,173
3.	Fee for 2,500 s.f. House-----	\$1,723

FISCAL IMPACT

Average Number of Units Per Year-----	86
Average Fee Per Unit-----	\$1,172
Total Annual Revenue (estimated)-----	\$100,761
Maximum Building Permits-----	1,720
Years Expired-----	20
Total Collected-----	\$1,312,640

COMMERCIAL FEE/FIRE STATION

Approximately 14% of all calls come from commercial uses. Therefore, \$281,454 of the total future impact can be attributable to commercial development. An assumption is made that 8 commercial units are permitted year, with an average size of 8,500 s.f. Since the impact fee is based upon population size, the fee should expire in 20 years, or when 160 commercial uses are assessed a fee. Therefore, the average impact per commercial use is \$1,759.

- Impact Per Unit \$1,759

CREDITS

Total Assessed Valuation, 2000-----	\$710,108,130
Total Commercial Assessed Val.-----	\$104,152,600
Average Commercial Assessment-----	\$450,877
Total Demand/Assessed Val.-----	0.00040
Credit Per Unit-----	\$179

CALCULATION OF FEE

1.	Impact Per Unit-----	\$1,759
2.	Credit Per Unit-----	\$179
3.	Fee Per Unit-----	\$1,580
4.	Average Commercial Unit Size-----	8,500 s.f.
5.	Fee Per Square Foot-----	\$0.19

FISCAL IMPACT

1.	Average #Units Per Year-----	8
2.	Average Fee Per Unit-----	\$1,759
3.	Total Annual Revenue (est)-----	\$14,072
4.	Maximum Building Permits-----	160
5.	Years Expired-----	20
6.	Total Collected-----	\$35,180



LIBRARY

The Library is seeking a 10,000 square foot addition to their facility, which currently has 13,500 s.f., and the standard to be employed is 1.3 s.f. of library facility space per capita. The Library is programmed to be built in the year 2006, when the Town's population is expected to be 15,227. Current space deficiencies cannot be funded through an impact fee. Therefore, the number of future persons to be served by the Library will be 2,926, or the difference between the 2006 and 2020 estimated population. Therefore, a total of 3,804 square feet can be funded by the impact fee, or 38% of the total cost of the addition. Based on the number of persons per household in Milford, the impact fee can be assessed to 1,134 permits for new residential units.

IMPACT PER UNIT

- Total Project Cost is \$2,821,000
- Total Financed \$4,494,000 (assuming 20 year bond at 4.9%)
- Total Financed through Impact Fees \$1,707,720 can be funded through the fees.
- Impact Per Dwelling Unit \$1,506

CREDITS

1.	Total Assessed Valuation, 2000-----	\$710,108,130
2.	Total Residential, 2000-----	\$475,464,400
3.	Average Residential -----	\$89,440
4.	Ratio-----	0.0063
5.	Credit Per Unit -----	\$563

CALCULATION OF IMPACT FEE

1.	Impact Per Unit-----	\$1,506
2.	Credit Per Unit -----	\$563
3.	Fee Per Unit -----	\$943
4.	Average Gross Living Area, 2000-----	1,700 s.f.
5.	Fee Per Square Foot -----	\$0.55

FISCAL IMPACT

1.	Average # Units Per Year -----	86
2.	Average Fee Per Unit -----	\$943
3.	Total Annual Revenue (est.)-----	\$81,098
4.	Number of Building Permits-----	1,134
5.	Years Expires-----	13
6.	Total Collected-----	\$1,069,362

FEE FOR:

1.	850 s.f. Condominium Unit-----	\$468
2.	1,700 s.f. House-----	\$943
3.	2,500 s.f. House-----	\$1,375



RECREATION EXAMPLE

(Note: for illustrative purposes only as no recreation item is identified in the CIP).

The following hypothetical example assumes that the Town would like to finance a \$3 million, 2-mile bicycle/pedestrian corridor. \$350,000 of the project costs is to be funded through the Transportation Enhancements (TE) program. Assuming a 15-year bond at 4.97% the total to be financed by the Town is \$2,650,000. An assumption is made that the project will satisfy part of the Town's recreational needs for the life of the bond, or 15 years. There will be 5,400 housing units in Milford when the fee is implemented in 2001 and 6,692 in 2016, when bond payments are to be completed. Therefore, the project will accommodate 1,290 future housing units, 19% of the total Town population in 15 years. Therefore, the fee may be assessed to 1,290 dwelling units.

IMPACT PER UNIT

- Total cost to Town ----- \$2,650,000
- Financed by Town ----- \$3,764,000
- Total Impact Future Demand ----- \$725,700
- Total Impact Per Dwelling Unit ----- \$563

CREDITS

1. Total Assessed Valuation, 2000 ----- \$710,108,130
2. Total Residential, Bld & Land ----- \$475,464,400
3. Average Residential Assessment ----- \$89,440
4. Total Demand/Total Assessed Val. ----- 0.0010
5. Credit Per Unit ----- \$91

CALCULATION OF FEE

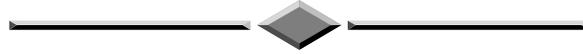
1. Impact Per Unit ----- \$563
2. Credit Per Unit ----- \$91
3. Fee Per Unit ----- \$472
4. Average Gross Living Area ----- 1,700 s.f.
5. Fee Per Square Foot ----- \$0.28

FISCAL IMPACT

1. Average # Units Per Year ----- 86
2. Average Fee Per Unit ----- \$472
3. Total Annual Revenue ----- \$40,592
4. Maximum Building Permits ----- 1,290
5. Years Expires ----- 15
6. Total Collected ----- \$608,880

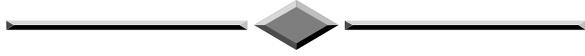
FEE FOR:

- 850 s.f. Condominium Unit ----- \$238
- 1,700 s.f. House ----- \$472
- 2,500 s.f. House ----- \$700



APPENDIX A

TOWN OF MILFORD, NEW HAMPSHIRE IMPACT FEE ORDINANCE



APPENDIX A
TOWN OF MILFORD, NEW HAMPSHIRE
IMPACT FEE ORDINANCE

IMPACT FEES

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 Milford'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 Milford 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 Milford 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 Milford.

- 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.
 - c. Construction of new non-residential facilities.
- 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 Milford, the Milford 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 or service, but does include reasonable costs for planning, engineering, design, land acquisition, and other reasonable costs associated with such facilities.
- 1001.00 Off Site Improvement/Exaction. An improvement that is required of the Planning Board for either a site plan or subdivision that is necessary for the project to operate properly on the day that it opens shall be considered to be an Off-Site Improvement or Exaction. Off site improvements for site specific applications shall be assessed on a case by case basis. The applicant shall be assessed their proportionate share for the need for the project. In cases where it is determined that an improvement is necessary for the proper functioning of a site plan or subdivision, but that the improvement will accommodate future development, the Town, at the request of the applicant, may establish an impact fee that assesses future site plans or subdivisions for their proportionate share of the improvement. Such impact fees shall be provided to the original applicant with any interest.

1002.00 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 Milford, 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.

1002.01 Computation of Impact Fees.

- 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.

1002.02 Payment of Fees. The applicant shall pay the impact fees required of this Ordinance to the Town of Milford when a building permit is issued.

1002.03 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.

1002.04 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 Milford Planning Board to provide against development which is scattered or premature, requires an excessive expenditure of public funds, or otherwise violates the Town of Milford'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 Planning 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 Milford 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 Milford, 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.

1006.04 Relationship to the Capital Improvements Program.

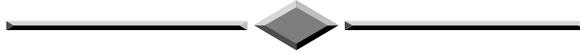
Whenever an impact fee or off-site improvement/exactions is assessed in accordance to this Impact Fee chapter, the project shall become part of the Capital Improvements Program (CIP) as an administrative adjustment. The CIP, when modified by the Town, shall include all projects that are funded through impact fees, and all off-site improvements/exactions.

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.

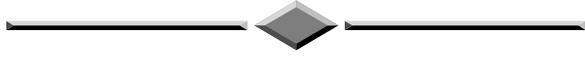
1008.00 Effective Date.

This Ordinance shall become effective on _____.



APPENDIX B

TOWN OF MILFORD, NEW HAMPSHIRE SAMPLE IMPACT FEE SCHEDULE



APPENDIX B

SAMPLE IMPACT FEE SCHEDULE

The following is a sample impact fee schedule. This schedule is based upon the scenario explored in which is a new \$2.8 million dollar library addition.

IMPACT FEE SCHEDULE – NEW LIBRARY ADDITION

- 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. The following is a residential impact fee.

1.	Total Project Cost	\$2,821,000
2.	Interest Rate	4.9%
3.	Length of Bond	20 years
4.	Total Financed Over 20 Years By Town	\$4,494,000
5.	Percentage eligible for impact fee funding	38%
6.	Total Funded through Impact Fee (including financing)	\$1,707,720
7.	Total New Units Accommodated Through Project	1,375
8.	Cost Per Student (4/9)	\$1,506
9.	Average Number of Units Per Year based upon average of previous 20 years	86
10.	Total Assessed Valuation of the Town	\$710,108,130
11.	Average Assessed Cost Per Unit, Residential Properties	\$475,464,400
12.	Average Square Feet, Gross Living Area, sample of all Milford 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	\$710,108,130
2.	Total Project Cost, Including Interest to be Financed Through Impact Fees	\$1,707,720
3.	Average Assessed Cost Per Unit, Residential Properties	\$89,440
4.	Total Project Cost (2)/Total Assessed Valuation (1)	0.0063
5.	Credit Per Unit, Average (4 * 3)	\$563

- 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.	Impact Per Unit	\$1,506
2.	Average Fee Per Unit (#1 above - Credit established in Section 2)	\$563
3.	Fee Per Square Foot of Gross Living Area (#2 above)/Average Gross Living Area (#12 in Section I)	\$0.55

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.

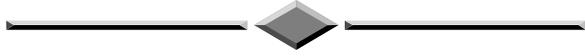
1.	Number of Permits To Be Issued (#1 above/#2 above)	1,134
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V. OTHER EXEMPTIONS. In addition to the types of development excluded from a residential impact fee in the zoning ordinance, the following conditions/circumstances shall be precluded from the payment of an impact fee and shall not be included in the number of permits to be issued.

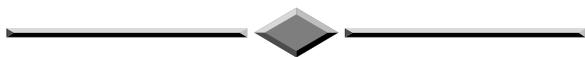
None.

This impact fee shall become effective on _____.

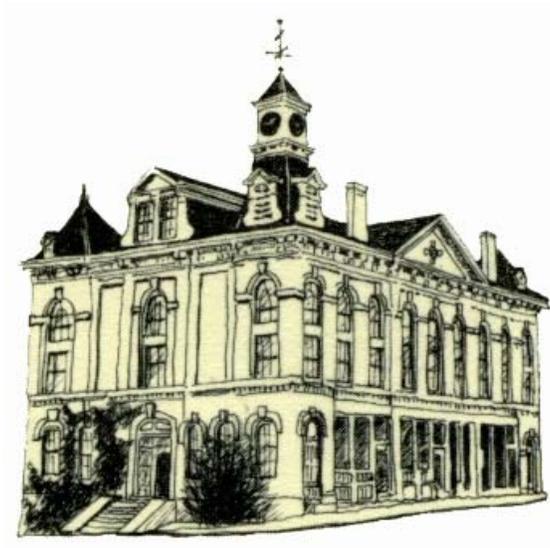
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TECHNICAL APPENDIX



TOWN OF MILFORD, NH



IMPACT FEE STUDY

December 2001

Prepared by the

 **NASHUA REGIONAL PLANNING COMMISSION**

