



CITY OF CONCORD
New Hampshire's Main Street™
Community Development Department

REPORT TO THE MAYOR AND CITY COUNCIL

FROM: Carlos P. Baía, Deputy City Manager for Development
DATE: March 29, 2021
SUBJECT: Ordinance Amending the Code of Ordinances, Article 9-4 Water and Sewer Investment Fee, Section 9-4-4 Special Water Investment Fee Calculation and Section 9-4-5 Special Sewer Investment Fee Calculation

Recommendation:

Accept this report and set the attached ordinance for public hearing to authorize the City to allow applicants to pay the Special Water/Sewer Investment Fees over a 10 year period in instances where the applicant is required to extend the public water/sewer system more than 50 feet, as well as to make housekeeping changes to Article 9-4.

Background:

Per Article 9-4-4 and 9-4-5, the City is authorized to assess a “special” water and sewer investment fee in certain designated districts where the City historically made a public investment to build water and sewer infrastructure. The most prevalent area where these districts are located is on the Heights near the mall and big box stores. In the late 1980’s, the City speculatively extended water and sewer infrastructure in this area to stimulate development. This “special” fee is in addition to the standard connection fees.

Discussion:

The fee burden on development in districts where the “special” water and sewer investment districts are located can be significant. A recent development proposal for a 120 unit senior housing development would have had to pay nearly \$150,000 in standard connection fees PLUS up to \$125,000 in special sewer investment fees. While this is already a fairly substantive burden, this particular development was also facing the need build an additional extension of public sewer to bring the sewer main from its nearest location to the applicant’s property. This extension of the public main would benefit the City by providing for greater capacity for subsequent development in the area, however, it comes at a significant added cost to the development project (estimated construction cost is \$300 per linear foot).

Expecting a developer to assume all of these costs upfront is a significant financial demand and has proven to be a disincentive to development and tax base growth.

To more equitably address this issue, staff is recommending that the existing ordinance be amended to allow the Developer—in instances where he/she is building 50' or more of public water or sewer main to connect to his/her property—to pay the special investment fee over 10 years as a surcharge on the regular water/sewer bills of the property once it is developed. This provides the applicant with financial flexibility and allows the costs to be more easily absorbed over the long-term by the project.

The proposed ordinance also includes housekeeping amendments to clarify that the administration of the Special Water/Sewer Investment Fees is within the Department of General Services.

w/att:

- 1) Ordinance amendment