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

**MEMORANDUM**

**TO:** Planning Board

**FROM:** AnneMarie Skinner, AICP, City Planner

**DATE:** March 24, 2025

**RE:** Review of the Public Capital Facilities Impact Fees Ordinance for 2024

**Recommendation**

Complete periodic review of the Impact Fee Ordinance as set forth in Section 29.2-1-2(b)(10) of the Code of Ordinances. Upon completion of review, if the Planning Board is of the opinion that impact fee schedules or other ordinance provisions should be modified, the Board should vote to recommend any such changes to the City Council.

**Background**

Impact fees are used to help support the cost of Capital Improvement Projects (CIP) which expand the capacity of municipal or school district infrastructure/facilities to support new development.

The authority to assess impact fees is established by New Hampshire Revised Statutes Annotated (RSA) 674:21. In accordance therewith, the City's Public Capital Facilities Impact Fees Ordinance was adopted in June 2001. It is codified in Chapter 29.2 of the Code of Ordinances.

Section 29.2-1-2(b)(10) of the City's Code of Ordinances states:

*The impact fee tables have been established in accordance with NH RSA 674:21, V(a), and shall be reviewed periodically by the Planning Board and shall be revised by the City Council whenever appropriate. On or before January 1 of each year, the Clerk shall submit a report to the City Council with respect to increases in the estimated costs to construct public capital facilities and the Clerk's recommendations for appropriate adjustments to the impact fee tables. The Clerk shall review the following sources and include such information in the report to the council:*

- a. Recreational Facilities Impact Fee: Increases in the applicable park facility index as published in the "Means CostWorks Site Work and Landscape Cost Data" (R.S. Means Company, Inc.);*

- b. School Facilities Impact Fee: Increases in the applicable school cost index as published in the “Means CostWorks Facilities Construction Cost Data” (R.S. Means Company, Inc.); and*
- c. Traffic Facilities Impact Fee: Increases in the Construction Price index as published in the Engineering News Record all with respect to the most recent twelve (12) months for which data is available. The City Council shall review such report and, in its sole discretion, amend the impact fee tables as it deems reasonable and necessary.*

As such, the Planning Board, with support of staff, is required to periodically review the Impact Fee Ordinance and recommend potential changes thereto (if any) to the City Council. The impact fee schedules have not been revised since 2014, which means impact fees have not been adjusted for inflation for more than a decade.

In October 2017, the City Council amended the impact fee ordinance to reduce the school facilities impact fee to \$0. Said change was spurred by sunseting of debt service for certain previously completed capital improvement projects in the Concord Union and Merrimack Valley School District.

Additionally, in October 2017, the City Council further amended the impact fee ordinance and established a waiver of the transportation facilities impact fees for the development of permitted nonresidential uses that states an applicant “shall qualify for a waiver of the transportation facilities impact fees.” The request of the waiver must be made prior to the date of the determination of the impact fee by the Clerk of the Planning Board. This waiver was established to foster commercial and industrial economic development, while still maintaining the fee amount in the ordinance. Maintaining the fee amount allows City Council to eliminate the waiver provision and reimplement the fee if and when desired.

Staff notes that the transportation facilities impact fee for all residential development remains in effect. However, in accordance with Section 29.2-1-2(e)(3) the adaptive reuse or renovation of existing buildings located in the Central Business Performance District, which result in the creation of new residential housing units qualify for waiver of school and transportation impact fees.

A copy of the existing ordinance is attached.

## **Discussion**

1. Suggested amendment to Section 29.2-1-3(g)(1): This section of the ordinance pertains to impact fee incentives for projects which have been designated as “City Priority Redevelopment Projects.” The concept of “City Priority Redevelopment Projects” dates back to 2005, and was introduced to help facilitate redevelopment of blighted priority sites (which were typically owned by the City) within the Opportunity Corridor, such as the former Sears Block located at 11 South Main Street (now Hotel Concord).

Staff recommends striking the “Former NH Employment Security Site” from Table 4, as redevelopment of the property into a 64-unit market rate apartment building was completed in August 2024; therefore, it is no longer necessary to keep this project in the ordinance. Table 4

shall be preserved in the event other “City Priority Redevelopment Projects” might be identified in the future.

2. Adjustment of Impact Fees for Inflation: As previously noted, impact fee rates have not been changed since 2014. If the City wants impact fees to keep pace with the increased cost of construction, the Recreational Facilities Impact Fees denoted in Table 2 of the attached ordinance would need to be increased by 33.72% to reflect inflation from July 2014 to January 2025. Similarly, the Transportation Facilities Impact Fees denoted in Table 3 of the attached ordinance would need to be increased by 26.11%, to reflect the rate of inflation for highway construction costs from July 2015 to March 2025. (Note that the time frames for the two fee updates vary because different indexes are used, as specified by the ordinance.) Please see Tables 2 and 3 below which denote current fees, as well as potential fees as adjusted for inflation (shown in the gray highlighted column).

Table 2 Recreational Facilities Impact Fees

Type of New Development	Recreational Facilities Impac Fee Variable Unit (Current)	<b><i>Recreational Facilities Impac Fee Variable Unit (Adjusted for Inflation 2014-2025 by 33.72%)</i></b>	Variable Unit
Single-family residence	\$1,093.56	<b>\$1,462.31</b>	Dwelling unit
Townhouse/duplex	\$1,063.50	<b>\$1,422.11</b>	Dwelling unit
Multi-unit/apartment (other than townhouses or duplexes)	\$664.46	<b>\$888.52</b>	Dwelling unit
Mobile home	\$998.55	<b>\$1,335.26</b>	Dwelling unit

Table 3 Transportation Facilities Impact Fees

Type of New Development	Transportation Facilities Impact Fee Variable Unit (Current)	<b>Transportation Facilities Impact Fee Variable Unit (Adjusted for Inflation 2014-2025 by 26.11%)</b>	Variable Unit
<b>Residential Uses</b>			
Single-family	\$2,110.48	<b>\$2,661.53</b>	Dwelling unit
Townhouse/duplex	\$1,408.99	<b>\$1,776.88</b>	Dwelling unit
Multi-unit dwelling/apartment (other than townhouses or duplexes)	\$1,449.88	<b>\$1,828.44</b>	Dwelling unit
Mobile home	\$1,035.63	<b>\$1,306.03</b>	Dwelling unit
Senior housing	\$844.44	<b>\$1,064.92</b>	Dwelling unit
<b>Nonresidential Uses</b>			
General office	\$1.70	<b>\$2.14</b>	Square foot of floor area
Single-tenant office	\$1.88	<b>\$2.37</b>	Square foot of floor area
General light industrial	\$1.09	<b>\$1.37</b>	Square foot of floor area
Manufacturing	\$0.63	<b>\$0.79</b>	Square foot of floor area
Warehousing	\$0.78	<b>\$0.98</b>	Square foot of floor area
Quality restaurant	\$5.59	<b>\$7.05</b>	Square foot of floor area
High-turnover restaurant	\$6.73	<b>\$8.49</b>	Square foot of floor area
Fast food restaurant with drive-thru	\$20.59	<b>\$25.97</b>	Square foot of floor area
Small retail (less than 5,000 SF)	\$2.56	<b>\$3.23</b>	Square foot of floor area
Retail (5,001 SF to 100,000 SF)	\$4.51	<b>\$5.69</b>	Square foot of floor area
Retail (100,001 to 300,000 SF)	\$3.65	<b>\$4.60</b>	Square foot of floor area
Retail (greater than 300,000 SF)	\$3.33	<b>\$4.20</b>	Square foot of floor area
Bank with drive-up	\$12.05	<b>\$15.20</b>	Square foot of floor area
Daycare center	\$4.09	<b>\$5.16</b>	Square foot of floor area
Hotel/motel	\$1,817.16	<b>\$2,291.62</b>	Room
Gas station/convenience store	\$3,374.07	<b>\$4,255.04</b>	Pump
New car sales	\$6.52	<b>\$8.22</b>	Square foot of floor area
Automobile Service	\$3.96	<b>\$4.99</b>	Square foot of floor area
Automated car wash	\$5,280.90	<b>\$6,659.74</b>	Wash stall
<b>Residential &amp; Nonresidential Uses</b>			
All other uses	\$205.90	<b>\$259.66</b>	New trip

Based on the recommendation of the Planning Board, staff will provide a draft ordinance to City Council, as needed.