



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

REPORT TO THE MAYOR AND CITY COUNCIL

FROM: Heather Shank, City Planner
DATE: February 27, 2018
SUBJECT: Annual Review of the Public Capital Facilities Impact Fee Ordinance - 2018

Recommendation

Accept this report recommending that Council maintain the current variable unit rates for the impact fee tables as noted in Chapter 29.2, Public Capital Facilities Impact Fee Ordinance.

Background

The Public Capital Facilities Impact Fee Ordinance was adopted in June 2001 and contains a requirement that the impact fee tables be reviewed annually and revised as deemed appropriate by City Council. The City Council last amended the ordinance in October 2017, to reduce the School Facility Impact Fee to \$0 and create an automatic waiver for the non-residential Transportation Facility Impact Fee. The automatic waiver was introduced to minimize development costs and encourage commercial development.

In accordance with the ordinance, Staff is required to present increases in recreation and transportation indices for construction costs annually to Council. The last time Council approved an increase in the variable unit rates based on inflation was November 2014. Based on Staff's current review, the Recreation Facility Impact Fee Tables would be increased by 4.25% to keep pace with the rate of inflation for recreation construction costs from July 2014 to July 2017, and the Transportation Facility Impact Fee Table would be increased by 8.38% to keep pace with the rate of inflation for highway construction costs from July 2015 to December 2017 (see table of potential fee changes at conclusion of report).

Discussion

The Planning Board held a public hearing on January 17, 2018 to review the inflationary adjustment rates. The Board initially recommended approval of an increase to the rates by a 4-3 margin. As a result of a request by a member of the Board who voted in the majority, this item

was placed on the February 21, 2018 agenda for reconsideration. At the February 21, 2018 meeting, several members stated that in light of the automatic waiver for non-residential fees, and the desire to encourage development, the existing impact fee rates should be sufficient. Other members indicated that they were uncomfortable reducing the funds available for needed transportation and recreation projects. They also requested information to demonstrate how impact fees contribute to the overall funding of City projects, so they could better evaluate the need for the fees.

The Board ultimately voted 4-3 to recommend that Council maintain the current variable unit rates for the impact fee tables.

Consistent with years past, Planning staff had originally recommended adjusting the fees to keep pace with inflation. However, staff understands the Board’s rationale particularly in light of recent efforts by the City to incentivize tax base growth through the easing of onerous fees or regulations. As such, staff concurs with the Board’s ultimate recommendation to not increase the fees at this time.

Table of Potential Fee Changes

The original proposed fee changes are outlined below for your reference but are not being recommended.

**[TABLE 2
RECREATIONAL FACILITIES
IMPACT FEE PER VARIABLE UNIT**

<i>Type of New Development</i>	<i>Recreational Facilities Impact Fee Per Variable Unit</i>	<i>Variable Unit</i>
Single-family residence	\$ 1,093.56	Dwelling unit
Townhouse/duplex	\$ 1,063.50	Dwelling unit
Multi-unit/apartment (other than townhouses or duplexes)	\$ 664.46	Dwelling unit
Mobile home	\$ 998.55	Dwelling unit

**TABLE 2
RECREATIONAL FACILITIES
IMPACT FEE PER VARIABLE UNIT
(FOR REFERENCE—NOT RECOMMENDED FOR IMPLEMENTATION)**

<i>Type of New Development</i>	<i>Recreational Facilities Impact Fee Per Variable Unit</i>	<i>Variable Unit</i>
Single-family residence	\$ 1,140.04	Dwelling unit
Townhouse/duplex	\$ 1,108.70	Dwelling unit
Multi-unit/apartment (other than townhouses or duplexes)	\$ 692.70	Dwelling unit
Mobile home	\$ 1,040.99	Dwelling unit

**[TABLE 3
TRANSPORTATION FACILITIES
IMPACT FEE PER VARIABLE UNIT**

<i>Transportation Facilities Impact</i>		
<i>Type of New Development</i>	<i>Fee Per Variable Unit</i>	<i>Variable Unit</i>
Residential Uses		
Single family	\$2,110.48	Dwelling unit
Townhouse/duplex	\$1,408.99	Dwelling unit
Multi-unit dwelling/apartment (other than townhouses or duplexes)	\$1,449.88	Dwelling unit
Mobile home	\$1,035.63	Dwelling unit
Senior housing	\$ 844.44	Dwelling unit
Nonresidential Uses		
General office	\$ 1.70	Square foot of floor area
Single tenant office	\$ 1.88	Square foot of floor area
General light industrial	\$ 1.09	Square foot of floor area
Manufacturing	\$ 0.63	Square foot of floor area
Warehousing	\$ 0.78	Square foot of floor area
Quality restaurant	\$ 5.59	Square foot of floor area
High turnover restaurant	\$ 6.73	Square foot of floor area
Fast food restaurant with drive thru	\$ 20.59	Square foot of floor area
Small retail (less than 5,000 SF)	\$ 2.56	Square foot of floor area
Retail (5,001 SF to 100,000 SF)	\$ 4.51	Square foot of floor area
Retail (100,001 to 300,000 SF)	\$ 3.65	Square foot of floor area
Retail (greater than 300,000 SF)	\$ 3.33	Square foot of floor area
Bank with drive up	\$ 12.05	Square foot of floor area
Daycare center	\$ 4.09	Square foot of floor area
Hotel/motel	\$ 1,817.16	Room
Gas station/convenience store	\$ 3,374.07	Pump
New car sales	\$ 6.52	Square foot of floor area
Automobile Service	\$ 3.96	Square foot of floor area
Automated car wash	\$ 5,280.90	Wash stall
All other uses	\$ 205.90	New trip}

**TABLE 3
TRANSPORTATION FACILITIES
IMPACT FEE PER VARIABLE UNIT
(FOR REFERENCE—NOT RECOMMENDED FOR IMPLEMENTATION)**

<i>Transportation Facilities Impact</i>		
<i>Type of New Development</i>	<i>Fee Per Variable Unit</i>	<i>Variable Unit</i>
Residential Uses		
Single-family	\$ 2,287.34	Dwelling unit
Townhouse/duplex	\$ 1,527.06	Dwelling unit
Multi-unit dwelling/apartment (other than townhouses or duplexes)	\$ 1,571.38	Dwelling unit
Mobile home	\$ 1,122.42	Dwelling unit
Senior housing	\$ 915.20	Dwelling unit

Nonresidential Uses

General office	\$ 1.85	Square foot of floor area
Single-tenant office	\$ 2.03	Square foot of floor area
General light industrial	\$ 1.18	Square foot of floor area
Manufacturing	\$ 0.68	Square foot of floor area
Warehousing	\$ 0.85	Square foot of floor area
Quality restaurant	\$ 6.06	Square foot of floor area
High-turnover restaurant	\$ 7.29	Square foot of floor area
Fast food restaurant with drive-thru	\$ 22.32	Square foot of floor area
Small retail (less than 5,000 SF)	\$ 2.78	Square foot of floor area
Retail (5,001 SF to 100,000 SF)	\$ 4.89	Square foot of floor area
Retail (100,001 to 300,000 SF)	\$ 3.96	Square foot of floor area
Retail (greater than 300,000 SF)	\$ 3.61	Square foot of floor area
Bank with drive-up	\$ 13.06	Square foot of floor area
Daycare center	\$ 4.44	Square foot of floor area
Hotel/motel	\$ 1,969.44	Room
Gas station/convenience store	\$ 3,656.82	Pump
New car sales	\$ 7.07	Square foot of floor area
Automobile Service	\$ 4.29	Square foot of floor area
Automated car wash	\$ 5,723.21	Wash stall
All other uses	\$ 223.15	New trip

Explanation: Matter added to the current ordinance appears in ***bold italics***.
Matter removed from the current ordinance appears in [brackets and ~~struck through~~].