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

**REPORT TO CITY COUNCIL**

**TO:** Mayor and City Council

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

**DATE:** May 23, 2025

**RE:** Annual (2024) Review of the Public Capital Facilities Impact Fees Ordinance

**Recommendation**

Accept this report and the following recommendations from the Planning Board regarding updates to the current variable unit rates for the impact fee tables as noted in Chapter 29.2 *Public Capital Facilities Impact Fees Ordinance*, and provide direction to staff regarding preparation of potential ordinance amendments for public hearing (if any) associated therewith.

**Recommendation #1:**

Option 1 – increase annually the residential recreational facilities impact fee and the residential transportation facilities impact fee, using the measurement metric for that specific year as the amount of the increase, and reinstate the nonresidential transportation facilities impact fee with an annual increase using the measurement metric for that specific year as the amount of the increase. For 2025, the residential recreation facilities impact fee would increase by 4.97%. For 2025, both the residential and nonresidential transportation facilities impact fee would increase by 1.90%.

Option 2 – increase the residential recreational facilities impact fee the full amount of 33.72% and increase the residential transportation impact fee the full amount of 26.11%, but such increase shall take place incrementally over a three-year period, and reinstate the nonresidential transportation facilities impact with the increase of 26.11%, but with such increase taking place incrementally over a three-year period.

**AND**

Recommendation #2: Consider hiring a consultant to review the entire impact fee ordinance and all possible categories of impact fees, including but not limited to police, fire, transportation, recreation, schools, etc., and prepare a report of findings and conclusions for presentation to City

Council. (Staff notes that Capital Improvement Program Project #600 “Impact Fee Ordinance Update” in the City Manager’s proposed FY2026-2035 CIP is recommended for funding in FY2030 in the amount of \$200,000 to undertake a comprehensive update to the impact fee ordinance. A copy of the CIP Project Detail is attached.)

## **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, Concord’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 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.

The transportation facilities and recreational impact fees 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.

Staff notes that Capital Improvement Program (CIP) Project #600 “Impact Fee Ordinance Update” as included in the City Manager’s proposed FY2026-2035 CIP is recommended for funding in FY2030 in the amount of \$200,000 to undertake a comprehensive update to the impact fee ordinance. A copy of the CIP Project Detail is attached. The schedule for this project is timed to coincide after the forthcoming Master Plan update.

## **Discussion**

1. In summary, the City currently charges transportation and recreational impact fees for new residential development; however, transportation impact fees are waived for new dwelling units created via the conversion of existing buildings within the Central Business Performance District. No impact fees are assessed to new commercial or industrial development as said fees are waived per a 2017 ordinance amendment. Also, no school impact fees are assessed to new residential development in either the Concord or Merrimack Valley school districts as debt service which expanded education capacity to serve new growth has been extinguished. Funding in the amount of \$200,000 is currently proposed in FY2030 of the Capital Improvement Program for a comprehensive update to the impact fee ordinance.
2. The Planning Board discussed impact fees at the meeting on April 16, 2025, and continued the discussion to May 21, 2025, with the directive to staff to obtain fee information for other New Hampshire jurisdictions.
3. Subsequently, staff obtained said information from Dover, Keene, Manchester, and Nashua, noting that Keene does not have impact fees. The information is attached.
4. 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 1 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 2 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 1 and 2 below which denote current fees, as well as potential fees as adjusted for inflation (shown in the gray highlighted column). Any potential changes to the impact fee ordinance as

might be requested by City Council will require preparation of ordinance amendments by staff, which, in turn, would be provided to City Council and set for public hearing.

**Table 1 Recreational Facilities Impact Fees**

Type of New Development	Recreational Facilities Impact Fee Variable Unit (Current)	<b><i>Recreational Facilities Impact 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 2 Transportation Facilities Impact Fees**

Type of New Development	Transportation Facilities Impact Fee Variable Unit (Current)	<b><i>Transportation Facilities Impact Fee Variable Unit (Adjusted for Inflation 2014-2025 by 26.11%)</i></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