



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

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MEMORANDUM

To: Planning Board
From: Sam Durfee, Senior Planner
Date: January 20, 2021
Subject: Annual Review of the Public Capital Facilities Impact Fee Ordinance - 2021

Recommendation

Determine whether to recommend an inflationary adjustment to the City Council to amend the impact fee tables for Chapter 29.2, Public Capital Facilities Impact Fee Ordinance, to reflect an adjusted schedule of fees.

Background

The Public Capital Facilities Impact Fee Ordinance was adopted in June 2001 and contains a requirement in Section 29.2-1-2(b)(10) that the impact fee tables “shall be reviewed periodically by the Planning Board and shall be revised by the City Council whenever appropriate.” It requires a report by the Clerk of the Board each year to the City Council “with respect to increases in the estimated costs to construct public capital facilities,” including recommendations “for appropriate adjustments to the impact fee tables.” Specific sources of cost data and information for updating the fees are cited in the ordinance.

The City Council last amended the ordinance in October 2017 where the School Facility Impact fees were reduced to \$0. Additionally, the City Council created an “automatic” waiver for non-residential transportation facility impact fees while maintaining the fee amount in the ordinance. Maintaining the non-residential transportation facility impact fees would allow the City Council to modify only the waiver provision of the ordinance to implement the fees again in the future if they ever decided to do so.

Discussion

Impact fees are used towards the cost of Capital Improvement Projects (CIP) related to expanding the capacity of City managed transportation or recreation facilities. Fees collected are allocated to different projects based on the location of the subject property and the location of the

City project. For instance, transportation impact fees collected for property in quadrant 4, can only be used for CIP projects that expand the capacity of transportation facilities located in quadrant 4.

If the City would like to see impact fees keep pace with the increased cost of construction, the Transportation Facility Impact Fee should be increased by 14.13%, to reflect the rate of inflation for highway construction costs from July 2015 to August 2020, and the Recreation Facility Impact Fee should be increased by 16.69% to reflect inflation from July 2014 to July 2020. (Please note that the time frames for the fee updates vary because two different indexes are used, as specified by the ordinance.) Alternatively, the Board may choose to recommend an increase of a lesser amount, or maintain the current rate.

The Transportation Facility Impact Fee Table and the Recreation Facility Impact Fee Table were last updated in July 2015 and July 2014 respectively. The Board and Council have chosen not to increase the fees over the past five years to encourage greater residential development. In light of current demand for residential housing in the City, and the economic stresses resulting from the COVID pandemic, Staff recommends no increase at this time.

Should the Board recommend the inflationary adjustment, a draft ordinance proposing the full inflationary adjustment to the fee schedules is attached. If the Board chooses a different alternative, Staff will update the attached accordingly.