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Impact Fee Update 2018 Dover, New Hampshire

Basis of Assessment For:

Public Schools
Public Safety (Police and Fire)
Recreation Facilities

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Prepared for:

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Executive Summary

This report updates the basis of assessment for impact fees assessed to new development in Dover for public schools, public safety, and public recreation facilities. The first supporting documentation for Dover school impact fees was developed in 2002. An analysis completed in 2008 updated the school impact fee, and introduced new impact fees for public safety and recreation facilities. The City's code provisions governing impact fee assessment are authorized under New Hampshire RSA 674:21, V. Under this statute, impact fees may be assessed to new development for its proportionate share of anticipated capital projects, or to recoup past capital investments made in anticipation of the needs to be generated by new development. This update of Dover impact fees has been based on the structure of the 2008 methods, but with some updates and adjustments to the capital basis of the fees and how they are allocated by land use. The revisions included:

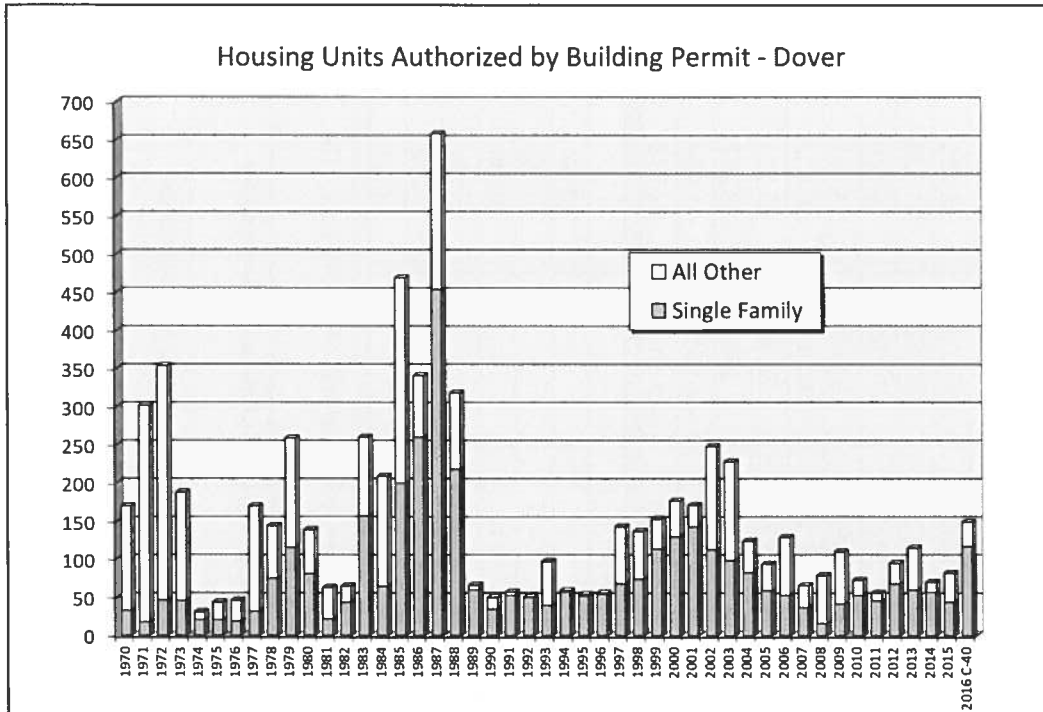
- An update socio-economic data, demographics, and new growth projections of population, employment and non-residential floor area in Dover.
- A full recalculation of public school enrollment ratios per housing unit was conducted. This process involved matching resident enrollment counts by grade level by street address to the characteristics of the property indicated by property tax assessment data for the location. This is the first full update of address-matched enrollment ratios since the original school impact fee was developed in 2002.
- New and revised indicators of proportionate demand on public safety facilities were prepared based on several sources. This analysis included matching of public safety calls by address (where available) to property tax assessment data for that parcel. This data enabled new calculations of average Police and Fire Department call rates per housing unit and per 1000 square feet of building area.
- The replacement cost of Dover capital facilities that comprise the basis of the impact fee assessments have been updated to 2017 values; and credit allowances for certain debt service costs have been updated and revised.
- In the case of the public school impact fee, a significant increase in the fee resulted from applying a new facility floor area standard (square feet of building area per pupil capacity) for the new high school, and from the absence of traditional State Building Aid to offset a portion of its construction cost (historically 30% of principal costs had been reimbursed by the State).

Since 10 years have elapsed since the last impact fee update, the capital values assigned may have increased significantly as a result of time adjustments; the changes in the fees should be considered in that context.

The purpose of this report is to provide a rational, proportionate basis for impact fee calculations. The process of adopting revised fee schedules, and other administrative provisions relating to the assessment and collection of fees is governed by the impact fee provisions of the Dover Code.

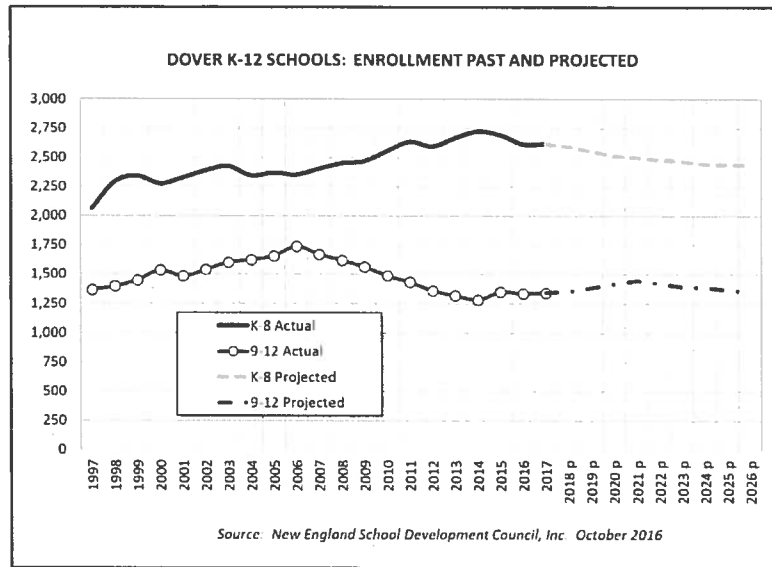
DOVER IMPACT FEE SCHEDULE 2018 UPDATE

DOVER NEW HAMPSHIRE IMPACT FEES - 2018 FEE SCHEDULE						
Use Category	Police	Fire	Total Public Safety	Recreation	Public Schools	Total City and School
Residential Uses - Fee Per Dwelling Unit by Structure Type						
Single Detached	\$325	\$615	\$940	\$1,326	\$6,629	\$8,895
Townhouse	\$309	\$548	\$857	\$1,138	\$2,125	\$4,120
Two to Three Family	\$357	\$583	\$940	\$1,154	\$4,346	\$6,440
Apartments 4+ Units	\$279	\$447	\$726	\$872	\$3,003	\$4,601
Manufactured Housing	\$402	\$635	\$1,037	\$1,227	\$4,338	\$6,602
Accessory Dwelling Unit	\$179	\$286	\$465	\$558	\$1,989	\$3,012
Apartment over 1st Floor Non-Residential (1)	\$279	\$447	\$726	\$872	\$649	\$2,247
Age Restricted Unit 55+	\$152	\$1,163	\$1,315	\$349	see note (2)	\$1,664
Age Restricted Unit 62+ or Congregate	\$181	\$1,609	\$1,790	\$183	see note (3)	\$1,973
Commercial, Industrial & Institutional Uses Per Square Foot Finished Area						
Retail, Including Restaurants, Clubs	\$0.71	\$0.87	\$1.58	--	--	\$1.58
Offices and Commercial Services	\$0.33	\$0.59	\$0.92	--	--	\$0.92
Industrial, Transp, Whse, Communications	\$0.04	\$0.04	\$0.08	--	--	\$0.08
Nursing Homes & Assisted Living	\$0.13	\$2.37	\$2.50	--	--	\$2.50
Other Institutional Uses	\$0.23	\$0.25	\$0.48	--	--	\$0.48
Average Fee (All Other)	\$0.24	\$0.39	\$0.63	--	--	\$0.63
(1) This provides for reduced school impact fees in apartments located on the upper floors of buildings with non-residential uses on the first floor. The basis for a reduced school impact fee reflects the data on enrollment per unit in older downtown buildings of this type.						
(2) In the case of an age-restricted development for age 55 or older, where the age restriction pertains to less than 100% of the units, the school fee shall be assessed at the standard rate for the portion of units that are not subject to an age restriction.						
(3) Housing units in age-restricted developments for age 62 or older governed by deed restrictions that limit occupancy to seniors, and congregate housing units, are found to have negligible enrollment impacts and are not subject to the school impact fee.						



New Housing Units Authorized by Building Permits				
Total Housing Units Authorized				
Period	Single Family	2+ Family	Manuf. Housing	All Types
1970-79	428	1,191	89	1,708
1980-89	1,561	941	86	2,588
1990-99	597	212	48	857
2000-09	775	617	34	1,426
2010-16	445	189	6	640
Average Annual Units Authorized				
Period	Single Family	2+ Family	Manuf. Housing	All Types
1970-79	43	119	9	171
1980-89	156	94	9	259
1990-99	60	21	5	86
2000-09	78	62	3	143
2010-16	64	27	1	91

The history and projection of public school enrollment in the Dover school system indicates that



high school enrollment peaked in the 2006-07 academic year, and K-8 public enrollment peaked in 2014-15.

The most recent school enrollment projections for the Dover schools forecast a decline in K-8 enrollment and a fairly level number of students in the high school grades. Since the number of housing units will continue to grow, enrollment per housing unit should decline during the projection period.

K-12 Enrollment in Dover Public Schools - Past and Projected					
Actual October Enrollment Excluding Pre-School	Year	K-4	5-8	9-12	Total
	1997	1,044	1,018	1,367	3,429
	1998	1,274	1,016	1,396	3,686
	1999	1,308	1,032	1,450	3,790
	2000	1,241	1,034	1,535	3,810
	2001	1,240	1,086	1,483	3,809
	2002	1,250	1,137	1,539	3,926
	2003	1,282	1,142	1,602	4,026
	2004	1,233	1,112	1,624	3,969
	2005	1,271	1,097	1,658	4,026
	2006	1,270	1,082	1,737	4,089
	2007	1,294	1,109	1,671	4,074
	2008	1,356	1,094	1,619	4,069
	2009	1,391	1,077	1,562	4,030
	2010	1,472	1,084	1,488	4,044
	2011	1,502	1,131	1,432	4,065
	2012	1,506	1,089	1,360	3,955
	2013	1,550	1,115	1,318	3,983
	2014	1,554	1,169	1,283	4,006
	2015	1,537	1,156	1,349	4,042
	2016	1,436	1,178	1,336	3,950
	2017	1,408	1,209	1,344	3,961
2016 Enrollment Projection	2017	1,425	1,203	1,330	3,958
	2018	1,410	1,181	1,354	3,945
	2019	1,399	1,156	1,386	3,941
	2020	1,364	1,153	1,419	3,936
	2021	1,365	1,137	1,447	3,949
	2022	1,360	1,124	1,422	3,906
	2023	1,356	1,111	1,393	3,860
	2024	1,350	1,094	1,390	3,834
	2025	1,363	1,078	1,368	3,809
	2026	1,360	1,076	1,350	3,786

Source: New England School Development Council, Inc.; October 2016 projections provided by Dover School District

Enrollment projections are based on the historical shift in student counts based on a progression ratio from one grade to the next grade, and the number of births projected for the period.

The projections indirectly reflect the influence of the pace of new housing development during the historical period used to make the projections.

If the actual pace of housing development were to be significantly higher than that of the historical period used to measure the grade progressions, the forecast enrollment could be too low.

However, due to the aging of the population, the volume of housing growth would need to be quite high in order to offset that demographic trend and generate net growth in enrollment.

B. School Impact Fee Update

This section provides an update of the public school impact fee assessment originally adopted by the City of Dover Planning Board in 2002, and updated in 2007-2008. The original methodology anticipated the need for period adjustments to the principal elements of the assessment formula. The update reviews and modifies the key elements of the basis for school impact fee assessment:

- Resident public school enrollment per housing unit
- School floor area per pupil capacity
- Cost of school facilities per square foot
- Local share of cost adjusted for State Building Aid
- Credit allowances for pre-existing needs

1. Enrollment Per Housing Unit Assumptions

The original school impact fee assessment from 2002 relied on a series of enrollment multipliers calculated by the City of Dover based on actual enrollment by address, linked to property tax assessment data. Similar information was not available to the 2008 update, which used a statistical estimate to adjust the 2002 data to 2008.

For this update, BCM Planning, LLC matched resident pupil enrollment counts by grade level and address to property tax data. Tabulations of enrollment per housing unit were made, excluding developments with age restrictions on occupancy (62 or older, or age 55+). Enrollment counts were negligible within the properties that were classified as age-restricted or retirement housing.

Dover Resident Enrollment by Housing Type Excluding Age-Restricted Developments and Mixed Use Property										
Structure Type	Enrollment by Structure Type				Living Units	Average Enrollent Per Unit				Avg Living Area (Square Feet)
	Elementary	Middle	High	Total		Total	Elementary	Middle	High	
Single Family	831	733	656	2,220	6,198	0.3582	0.1341	0.1183	0.1058	1,815
Townhouse	74	47	51	172	1,232	0.1396	0.0601	0.0381	0.0414	1,402
Two to Three Family	155	93	96	344	1,570	0.2191	0.0987	0.0592	0.0611	1,147
Four or More Family	390	263	198	851	4,693	0.1813	0.0831	0.0560	0.0422	944
Subtotal Public Housing (DHA)	73	62	32	167	221	0.7557	0.3303	0.2805	0.1448	1,029
Subtotal Private Ownership	317	201	166	684	4,472	0.1530	0.0709	0.0449	0.0371	939
Manufactured Housing	6	10	11	27	180	0.1500	0.0333	0.0556	0.0611	815
Total	1,456	1,146	1,012	3,614	13,873	0.2605	0.1050	0.0826	0.0729	1,395

Source: Based on BCM Planning, LLC matching of student counts by grade level and address to housing characteristics from tax assessment data.

In addition to the enrollment count shown here for residential structures, a number of pupils were associated with addresses of mixed use properties that also contain commercial floor area. Those pupils are not shown in the above table.

For a certain class of properties, described in assessing data as “Retail/Office First Floor, Apartments Upper”, enrollment ratios were tabulated based on the number of apartments within the upper floors of the buildings. Most of these are older buildings located on Central Avenue. The results showed a total of 6 pupils living in 181 upper floor apartments or an average of 0.033 pupils per unit. This ratio is 21.6% of the enrollment assigned to privately-owned multifamily properties (four or more unit buildings) at 0.1529 pupils per unit.

The enrolment ratios used for this update are shown in the next chart. Enrolment ratios are applied to two facility categories: (1) elementary and middle school level; and (2) high school level.

2017 Public School Enrollment Ratios Per Housing Unit - Dover, NH (1) (Averages Exclude Units in Age-Restricted Developments)						
Grade Level	Type of Structure					
	Single Family Detached	Two and Three Family Structures	Apartments - Four or More Family (2)	Townhouse	Manufactured Housing (3)	Average All Housing Units
Elementary	0.1341	0.0987	0.0709	0.0601	0.0426	0.1050
Middle	0.1183	0.0592	0.0449	0.0381	0.0710	0.0826
PK to Grade 8 Total	0.2524	0.1579	0.1158	0.0982	0.1136	0.1876
High School	0.1058	0.0612	0.0371	0.0414	0.0781	0.0729
Total	0.3582	0.2191	0.1529	0.1396	0.1917	0.2605
<i>(1) Averages computed based on total housing stock, not adjusted for occupancy rate</i>						
<i>(2) Ratio for apartments (4+ family structures) excludes public housing and other subsidized units owned by Dover Housing Authority</i>						
<i>(3) Due to relatively small sample of units outside of age restricted developments, the ratio for manufactured housing units has been estimated based on adjusted ratios derived from American Community Survey (ACS) data (see text)</i>						

Because of the relatively small sample of manufactured housing units that are not within age restricted developments, BCM Planning computed a ration based on historical data from the American Community Survey (ACS) public use sample from 2005-2009 data (as tabulated by the NH Housing Finance Authority). The public use sample data was adjusted relative to Dover enrollment characteristics for single family homes to derive a 2017 estimate for manufactured housing.

2. Facility Standards: School Floor Area per Pupil Capacity

Updated estimates of school facility floor areas per pupil capacity, and enrollment as a percent of school capacity are summarized below.

INVENTORY OF DOVER PUBLIC SCHOOLS, FLOOR AREA AND PUPIL CAPACITY - 2017						
School Facilities	Year Built and Expansion Dates	Facility Floor Area	Estimated Capacity	Gross Sq. Ft./Pupil Capacity	October 2017 Enrollment	Enrollment as % of Capacity
ELEMENTARY SCHOOLS						
Garrison Elementary	1962, 1967, 1969, 1999, 2005, 2006	65,938	672	98	440	65%
Horne Street Elementary	1957, 1993, 1999, 2002, 2008	58,233	620	94	491	79%
Woodman Elementary	1950, 1999, 2007	105,178	594	177	477	80%
Total Elementary		229,349	1,886	122	1,408	75%
MIDDLE SCHOOL						
Dover Middle School	1998, 2003	175,020	1,380	127	1,209	88%
Total Elementary and Middle		404,369	3,266	124	2,617	80%
HIGH SCHOOL <i>Estimate of Sq. Ft. Excludes Career Tech Ctr</i>						
Dover High School	New High School 2017	237,248	1,500	158	1,344	90%
Total School System		641,617	4,766	135	3,961	83%

Capacities for the elementary and middle schools are based on the City's Comprehensive Annual Financial Report (CAFR) for 2016.

The capacity of the new high school reflects the estimated design capacity of the new facility (1,500 pupils) according to an on-line report from the Dover School District project archive (website) for the high school project entitled Dover High School Space Summary, describing the planned space allocation for the new high school.

Based on October 2017 enrollment counts, elementary and middle school enrollment represents 80% of school capacity, and current high school enrollment represents 90% of the capacity assigned to the new high school.

The enrollment projections reviewed in Section A of this report indicate that sufficient capacity should be available at all levels over the projection period through 2026.