

**FIRE DEPARTMENT
IMPACT FEE
BASIS OF ASSESSMENT**

TOWN OF NOTTINGHAM
NEW HAMPSHIRE

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Prepared for:
Town of Nottingham
Planning Board

Prepared by:



49 Pineland Drive – Suite 202B
New Gloucester, Maine 04260
(207) 688-8433

EXECUTIVE SUMMARY

New Hampshire RSA 674:21,V authorizes municipalities to assess impact fees to new development for the construction or improvement of capital facilities owned or operated by the municipality, including public safety facilities. Impact fees may be used to recoup the cost of facilities developed in anticipation of demand, or to fund facility expansion to accommodate new development. The impact fee assessment must be proportionate to the capital cost impacts that are reasonably associated with new development. The purpose of this report is to provide a method for the proportionate assessment of impact fees for Fire Department capital facilities in the Town of Nottingham. The basic structure of the Fire Department impact fee calculation centers on the following steps:

- Assign a replacement cost capital value to the Fire Department buildings and major apparatus required to serve the anticipated long-term facility needs of the Town through the year 2030.
- Define a facility standard based on the floor area (square feet) of the Fire Station per dwelling unit based using the year 2030 service base to apportion base year vs. future demands on Fire Department facilities.
- Apportion total capital investment needed for a 2030 service base between (1) existing demand in 2008 vs. the projected service base in 2030; and (2) between residential and non-residential development sectors.
- Allocate the cost of new development (2008 to 2030) to growth in both residential and non residential sectors; compute the average capital cost per new residential unit and capital cost per square foot of new non-residential development.
- Deduct from that capital cost a credit allowance that represents the amount needed from property taxes to fund the portion of bonded debt on the new (2007) fire station that was needed to serve pre-existing needs at the time of its construction. (This quantity is based on the difference between the actual space provided in the former fire station and floor area needed at that time indicated by the facility standard).

The results of this cost allocation and the assumptions in the study generate a supportable impact fee assessment schedule for Fire Department facilities at the following rates:

Residential Impact Fees Per Dwelling Unit	Per Unit
Single Family Detached	\$679
Attached and Two or More Family	\$667
Manufactured Housing	\$714
Residential Fee Option Based on Living Area	Per Sq. Ft.
All Residential Development	\$0.31
Fees Per Square Foot - Non-Residential	Per Sq. Ft.
Non-Residential Development	\$0.30

The non-residential impact fee derived from the model would be \$0.30 per square foot of floor area. While non-residential impact fees per square foot could vary according to differences in expected call demand per thousand square feet of floor area, this level of detail could not be developed for Nottingham due to lack of specific call for service data by location and the limited amount of non-residential property in the Town. Because the residential and non-residential fees per square foot are nearly the same, a uniform rate of \$0.30 per square foot could be assessed to residential and non-residential development.

A. Fire Department Capital Investment

1. Fire Station

The new Nottingham Fire Station (8,800 square feet) was constructed in 2007. The original construction plans and site selection allowed for the potential for an additional 80 x 80 foot (6,400 square feet) addition at the site should it become necessary in the future. This facility replaces an older fire station that contained 2,700 square feet.¹ Original planning for the Fire Station was intended to provide a facility that would serve the Town's needs for a 20-year period.

The total development cost of the Fire Station (2007) was \$1,090,000 or about \$124 per square foot. The total development cost of the facility, adjusted to current year construction costs, is estimated \$1,179,200 or \$134 per square foot as of 2010. The 3.14 acre site was purchased by the Town for one dollar, minimizing the cost of land for the facility. Therefore, no land acquisition cost has been incorporated into the capital basis of the fee.

2. Apparatus and Major Capital Equipment

The capital investment of fire departments in major apparatus often represents a capital investment that is equal to or greater than the development cost of the buildings housing that equipment. Using a combination of time-adjusted acquisition costs for major apparatus and/or scheduled replacement costs for major apparatus of the Fire Department, as shown in Table 1 below, the estimated replacement cost of major capital equipment is just under \$ 1.3 million in 2010.

In order to maintain adequate fire fighting capability, this apparatus must be replaced periodically. This capital equipment provides significant benefit to existing as well as new development. Therefore, it is appropriate that a portion of the capital investment in this capacity be allocated to new development as part of the impact fee.

Table 1: Apparatus and Major Capital Equipment

FD #	Existing Apparatus	Model Year	Original Cost	Year Acquired	Estimated Replacement Cost 2010
Engine 2	2009 HME Fire Truck 37-E2	2009	\$354,860	2009	\$372,603
	Skid Unit	2009	\$12,100	2009	\$12,705
Ambulance	Ambulance Ford E450 (37-A1)	2008	\$152,568	2008	\$168,206
	Ford F550 Truck	2005	\$31,000	2005	\$39,565
	John Deere Gator HPX (37-G1)	2004	\$8,000	2004	\$10,721
Tank 1	Fire Truck Tanker 37-T1	2002	\$204,901	2003	\$288,316
Car	Crown Victoria	2001	\$20,993	2001	\$32,567
Engine 3	Fire Truck 37-E3	1995	\$175,000	1995	\$363,812
Subtotal Existing Inventory					\$1,288,495

While additional apparatus may be added to the Fire Department inventory in the future, only the inventory in Table 1 has been assumed as the overall capital investment in major apparatus that will be available to serve long term needs (projected to 2030). The total capital investment

¹ The floor area of the former Fire Station of 2,700 square feet housed the trucks and apparatus of the Fire Department. The Department also used an estimated 4,479 square feet in an adjacent Town building for meetings.

serving the year 2030 service base is the total for the fire station and for the value of major apparatus or a total of about \$ 2.47 million.

The facility investments of the Fire Department represent significant capital costs that will serve the needs of both existing and future development. While increased personnel and operating expenses will likely accompany the expansion of facilities impact fees are limited to proportionate assessments of capital cost. Because public safety services provide coverage for all persons and property, proportionate impact fees must reflect the relative demand on facilities from both residential and non-residential development.

Certain public capital facilities are generally considered to serve *residential* demands, including public schools, recreation facilities, and libraries. However, public safety services must respond to needs generated by *both residential and commercial-industrial development*. Therefore, reasonable assumptions about the proportionate demand on services and facilities are necessary to allocate costs between these demand sectors.

B. Proportionate Demand by Sector

There are several means of measuring proportionate demand on capital facilities where the facilities serve both residential and non-residential demand. These include the following:

Calls for Service. The average residential share of Nottingham Fire and Rescue calls for service over the period 2006-2009 is estimated at about 93% residential and 7% non-residential based on the address of the call response. Non-residential sources include commercial uses, manufacturing, public and institutional uses.

Table 2: Nottingham Fire-Rescue Responses

Year	Total Responses	Responses to Non-Residential Sites	All Other Responses	Estimated Non-Residential Share
2006	529	32	497	6%
2007	477	17	460	4%
2008	458	29	429	7%
2009	435	50	385	13%
Total 2006-2009	1,899	128	1,771	7%

Source: Compiled from call log records by Heidi Carlson, Deputy Chief

Assessed Valuation of Developed Property. Public safety provides for the protection of “persons and property”. Therefore, assessed valuation and building area are appropriate measures of the proportion demand on protective services. Using 2009 property assessment data (including values assigned to non-taxable property) 97 % of the assessed valuation of developed property (excluding utilities and railroads) is residential categories and 3 % is non-residential uses. These ratios also exclude utility and railroad values, and vacant land.

Building Floor Area. Proportionate service demands may also be measured by the amount of building floor area subject to Fire Department protection. Using the Nottingham property tax assessment database, BCM Planning estimates that the floor

area of residential and non-residential floor area that about 96% of the effective area of all buildings in Nottingham is in residential uses and 4% is in non-residential development.

Population and Employment. The relationship between the resident population and total persons working in Nottingham provides a measure of the relative potential demand on services from the residential and non-residential sectors. As of 2008, total employment in the Nottingham (including government) was 291. If 2008 estimated population (4,498) and employment (291) are summed (4,789 total) the resulting ratio is 94 % population (residential) and 6 % employment (non-residential).

Demand on the Fire Department is generated by both residential and non-residential property. Public safety services provide for emergency preparedness as well as response functions in the protection of persons and property. Therefore, an average of the above factors has been used to estimate the overall proportion of service demand of the residential vs. non-residential sectors. For the base year (2008) overall demand on the department is estimated at 95 % residential demand and 5 % non-residential.

Table 3 – Proportionate Demand Measures – Fire Department

Proportionate Measure	2008 Base Year Estimate	
	Residential	Non-Residential
Department Calls for Service	93%	7%
Valuation of Developed Property	97%	3%
Building Floor Area	96%	4%
Population/Employment	94%	6%
Average of Factors	95%	5%

The allocation of capital costs across too small a service base would result in impact fees that may be higher than warranted by the demands of growth. In such case, an impact fee might represent a disproportionate assessment that is much greater than the per-unit capital costs that the community has supported historically. Based on the anticipated long-term capital needs of the Fire Department, a year 2030 horizon was assigned as the service population capacity of existing facilities. The year 2030 service base was assigned using a higher projection of population than indicated by the NH Office of Energy and Planning projections issued in 2006. However, the higher future population and housing assumptions result in a more conservative (lower) fee schedule than would result from the NHOEP forecast. A reasonable allocation of capital costs is then made based on projected development which can be computed on a per-unit, per capita, or per square foot basis.

C. Fire Department Impact Fee Model

Table 4 (next page) summarizes the current estimated capital value of existing and anticipated fire-rescue facilities and capital equipment. The computation of impact fees in this report based on the assumption that the addition of a new fire station the inventory of apparatus represent adequate Fire Department capital facilities to provide adequate levels of service through the year 2030.

The use of growth assumptions that are too low will create an impact fee assessment that is too high due to underestimation of the future service base. The result may be that new

development is assessed for a disproportionate share of anticipated capital costs. To avoid this potential, the growth projections in the model have been driven primarily by NHOEP population projections, and associated relationships between projected household size, housing supply, and proportionate growth in employment and non-residential development.

1. Service Base Assumptions

a. Residential Development

The most recent year for which population and employment data are available is calendar year 2008, which is used as the base year to assign existing conditions in the model. The future service population in Nottingham is based on NH Office of Energy and Planning projections (2006) to the year 2030. Average household size has been estimated for 2008 and 2030.² Vacant housing units for seasonal use are not assumed to grow in proportion to overall housing growth. The number of vacant seasonal units did not change significantly from 1980 to 2000.

The projected population, households and housing units shown below in Table 4 and Figure 1 reflect assumed population growth shown in the NHOEP projections from 2006. An alternative set of projections is shown in Table 5 and Figure 2. This series assumes that population growth follows the linear trend of 1980-2000, projected through 2030.

**Table 4: Residential Demand Base – Nottingham
Basis for Projection: NHOEP Population**

Year	Population	Households	Seasonal and Vacant Units	% of Total Units Seasonal or Vacant	Total Housing Units	Persons Per Household	Housing Occupancy Ratio
1980	1,952	644	248	27.8%	892	3.03	72.2%
1990	2,939	1,037	277	21.1%	1,314	2.83	78.9%
2000	3,701	1,331	261	16.4%	1,592	2.78	83.6%
2008 Estimate	4,498	1,694	342	16.8%	2,035	2.65	83.3%
2010	4,560	1,734	342	16.5%	2,076	2.63	83.5%
2020	5,010	2,037	342	14.4%	2,378	2.46	85.6%
2030	5,420	2,258	342	13.1%	2,600	2.40	86.9%

**Table 5: Residential Demand Base – Nottingham
Basis for Projection: Linear Population Trend 1980-2000 Projected to 2030**

Year	Population	Households	Seasonal and Vacant Units	% of Total Units Seasonal or Vacant	Total Housing Units	Persons Per Household	Housing Occupancy Ratio
1980	1,952	644	248	27.8%	892	3.03	72.2%
1990	2,939	1,037	277	21.1%	1,314	2.83	78.9%
2000	3,701	1,331	261	16.4%	1,592	2.78	83.6%
2008 EST	4,498	1,694	342	16.8%	2,035	2.65	83.3%
2010	4,613	1,756	342	16.3%	2,098	2.63	83.7%
2020	5,488	2,228	342	13.3%	2,570	2.46	86.7%
2030	6,362	2,652	342	11.4%	2,994	2.40	88.6%

² New Hampshire Housing Production Model Update – County and State – April 2009 prepared for the NHHFA by BCM Planning, LLC. This model uses county-level headship rates and NHOEP population projections by age to project average household size based on the age of the population. Average household size is projected to decline principally due to the increasing proportion of senior households.

Figure 1 – Growth Based on NHOEP 2006 Forecast

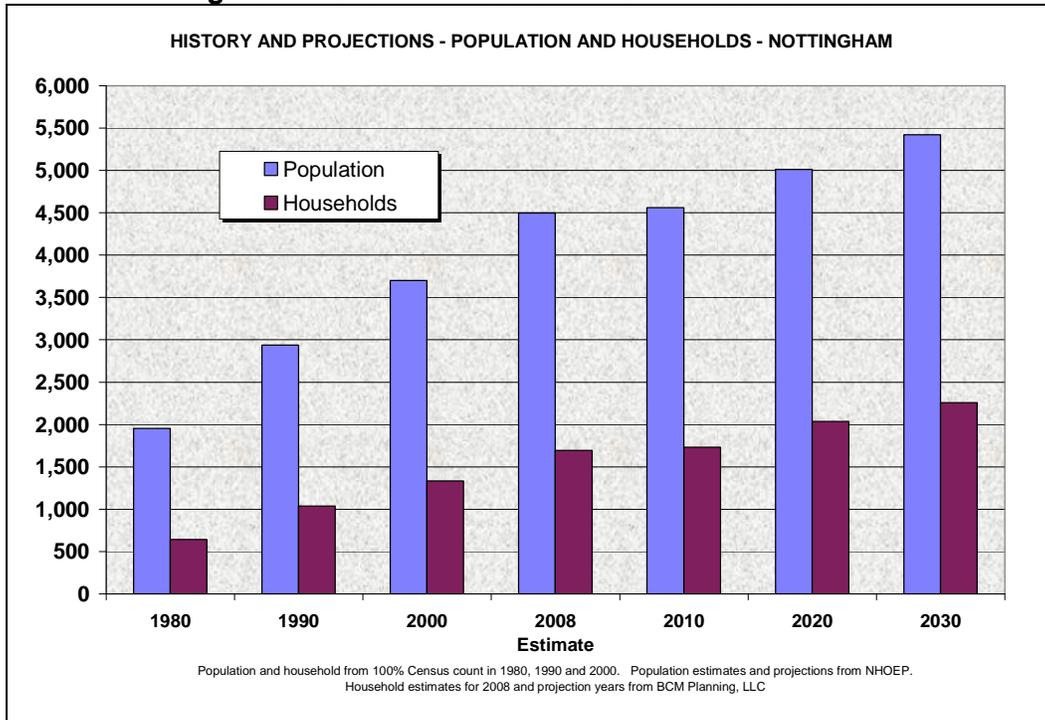
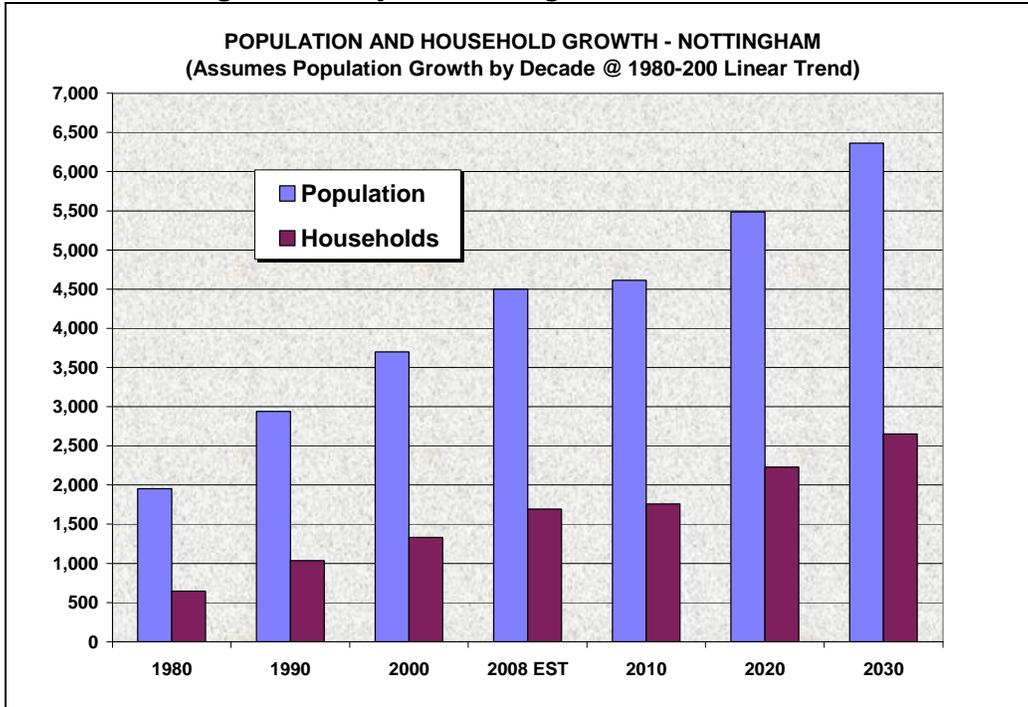


Figure 2: Projection Using Linear Growth Trend



The Fire Department impact fee is based on the recoupment of capital investments made by the Town to service the existing and future service base of the Town for a period of 20 years (or more). For the purpose of impact fee assessment, the model assumes that the higher population and housing growth trend will occur in the long term. Assuming a larger future service base will yield a more conservative (lower) fee than one which assumes that the Town's facilities have capacity to serve a smaller service base.

b. Non-Residential Development

While Nottingham's service base is predominantly residential, fire protection is provided for the benefit of all properties including public and private non-residential development. The non-residential components of demand on public safety services may be measured by employment and/or by the floor area of non-residential buildings in Nottingham.

1. Employment. Figure 3 illustrates the history of employment within Nottingham from 1980 to 2008, with linear projections shown based on past years. As of 2008, private sector employment in Nottingham was less than 150, and total government and private sector employment was 291. The linear projections show a potential for year 2030 private sector employment at about 300 based on long term trends. The projection for total public and private employment, based on growth during the 1990-2008 period, indicates a year 2030 potential for local employment of about 525.

Figure 3

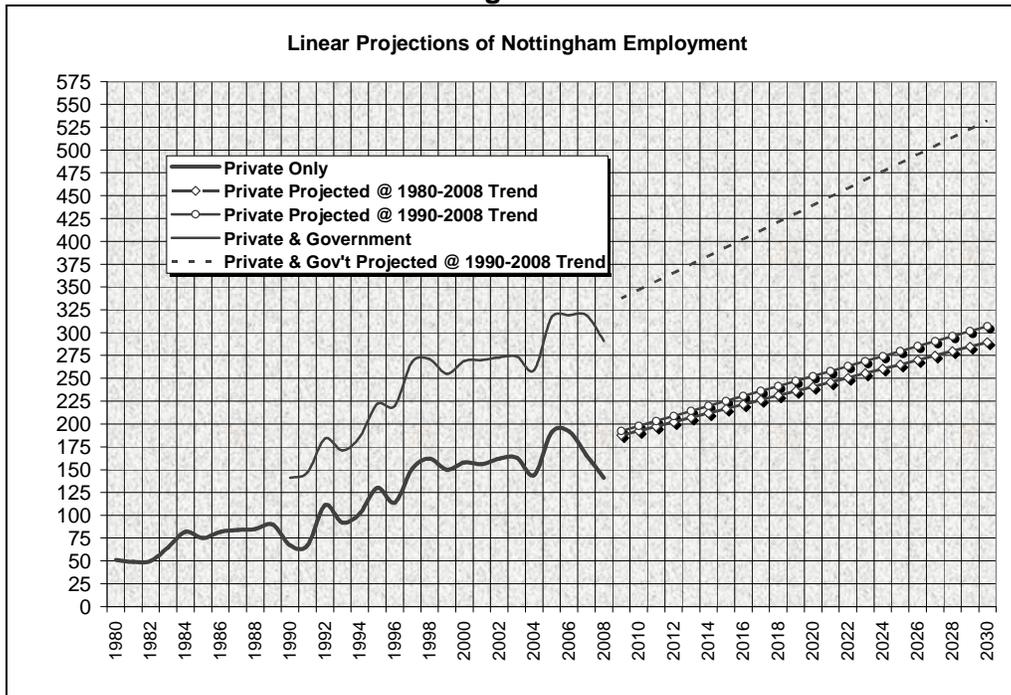
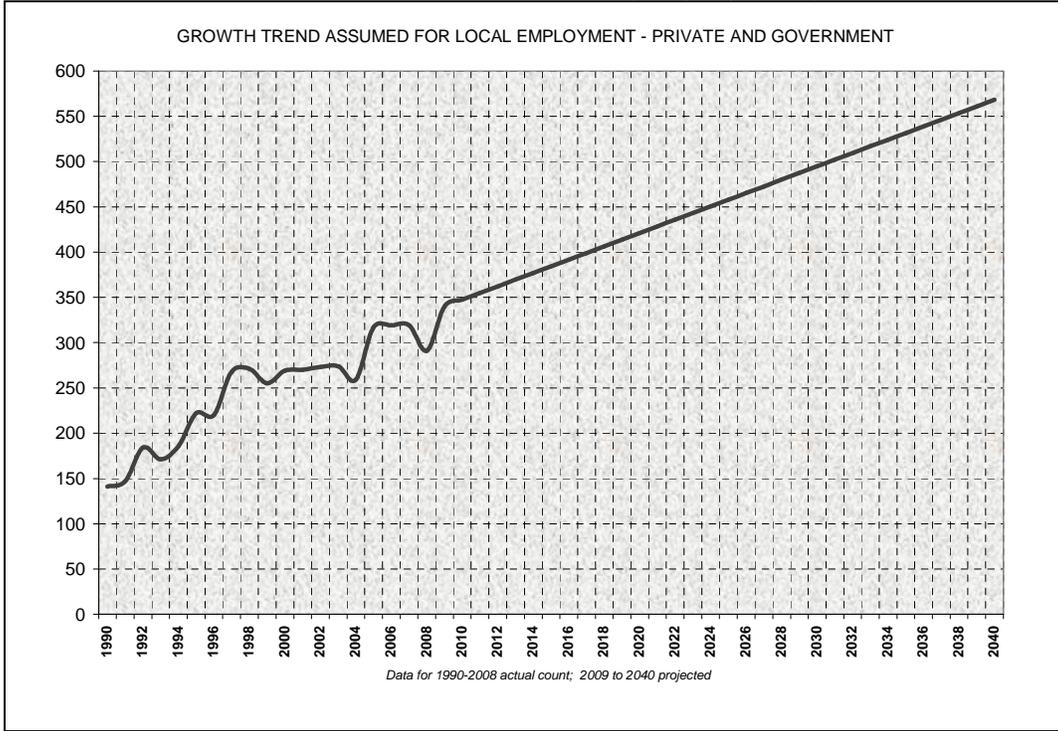


Figure 4 illustrates another projection of future employment in Nottingham. In this scenario, private sector employment grows at the average of future projections based on historic trends from 1980-2008 and the period 1990-2008. The government component of employment is assumed to remain constant at the 2008 level. In this projection, total employment would reach about 500 in 2030 and 570 by the year 2040.

Figure 4: Selected Growth Assumption for Non-Residential Sector (Employment)



2. Non-Residential Floor Area. As shown in Table 6 below, the growth in floor area after 1990 was influenced by the construction of the Nottingham Community School in 1995. This chart excludes the footprint area (167,000 square feet) at the incomplete USA Springs plant shown in the assessment files as 2007 construction. Projecting a trend from a baseline that included the USA Springs development would probably exaggerate the size of the existing and future non-residential component of demand on Fire Department services.

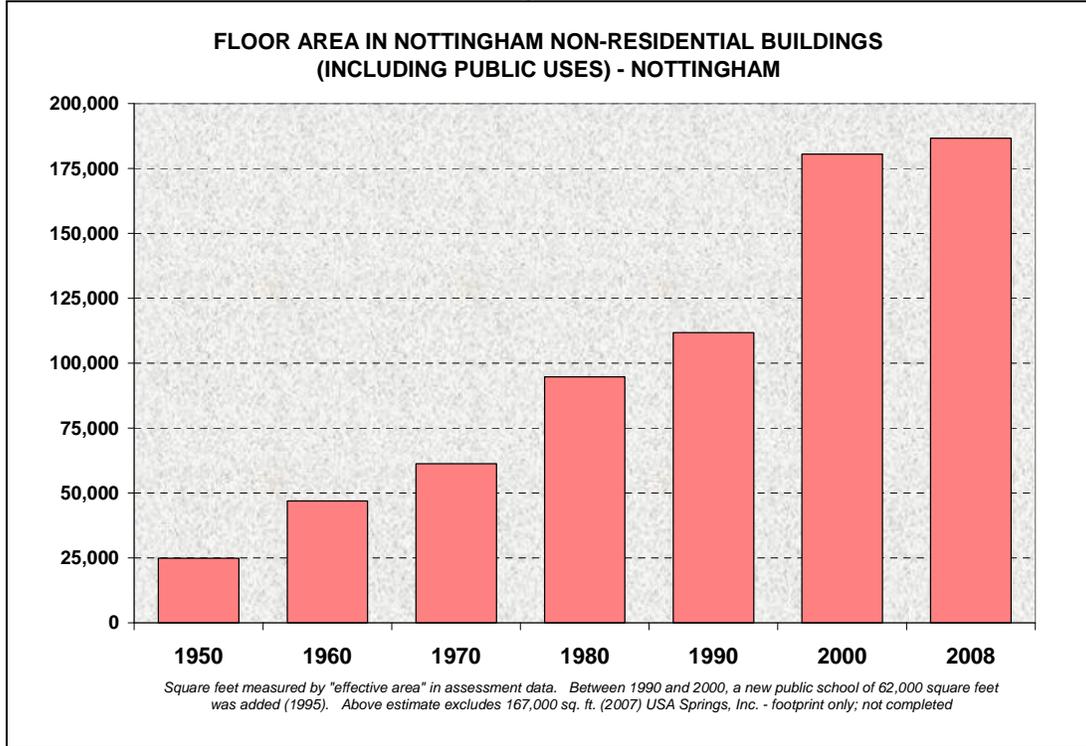
Table 6 – Non-Residential Growth by Period

Period	Square Feet Added	Avg Per Year	Notes on Period
1950s	22,072	2,207	
1960s	14,299	1,430	
1970s	33,512	3,351	
1980s	17,033	1,703	
1990s	68,742	6,874	New school built - 61,727sq. ft.
2000-08	6,080	760	Excludes USA Springs (footprint of 167,138 sq.ft. - building not completed)
1970-2008	125,367	3,299	Long Term Avg Including School
1970-2008	63,640	1,675	Long Term Avg Excluding School

Figure 5 below shows the cumulative amount of non-residential building floor area (square feet of effective area per the tax assessment files) in Nottingham. The total floor area in non-

residential uses (excluding the incomplete USA Springs plant) averages 641 square feet per employee.

Figure 5



For the purpose of impact fee modeling, the year 2030 assumption for non-residential demand is based on projected employment growth of to a total of 500 by the year 2030 (public and private). It is assumed that new non-residential floor area added during the projection period would have a ratio of 641 square feet per additional employee.

2. Fire Department Impact Fee Model

The components of the Fire Department impact fee include: (1) a facility standard for Fire Station space per capita; (2) the Town’s capital investment in facilities serving the projected 2030 service base; (3) credit allowances that reflect property tax payments by new development for pre-existing building space needs.

a. Facility Standard

It is assumed that total fire station space is adequate through the year 2030 residential and non-residential service base of the Town. At 8,800 square feet, the facility standard relative to projected year 2030 residential development is an average of is 2.94 square feet per dwelling unit. The projection of housing units for this model reflects the linear trends shown earlier in Table 5 and Figure 2.

b. Capital Facility Investment Allocation

The total capital facility investment in Fire Department buildings and major apparatus, is estimated at about \$ 2.47 million. Based on the relationship between the existing and projected service base of the Town, about 66% of that capital value is attributable to serving

Nottingham Fire Department Impact Fee 2010

existing (base year) needs, and 34% is the proportion reasonably attributable to new development.

The portion of capital costs attributable to new development is then estimated by subtracting the base year capital value from the projection year value. The capital cost attributable to new development is estimated at \$841,336. The amount allocated to new development is about \$799,270 to new residential uses and \$42,067 to new non-residential development.

Table 7: Cost Allocation Basis

FIRE DEPARTMENT IMPACT FEE - NOTTINGHAM NH			
Service Demand Factor	Base Year (2008 Est)	Maximum Service Base Assumed - 2030 Horizon - Linear Trend	Change from Base Year
RESIDENTIAL SECTOR			
Population (Residential Demand)			
Total Persons	4,498	6,360	1,862
Group Quarters Population	0	0	0
Household Population	4,498	6,360	1,862
Households (Occupied Units)	1,693	2,650	957
Average Household Size	2.66	2.40	-0.26
Seasonal & Other Vacant Units	342	342	0
Total Housing Units	2,035	2,992	957
Seasonal/Vacant % of Total Housing	16.8%	11.4%	
NON-RESIDENTIAL SECTOR			
Employment (Total Including Government)	291	500	209
Non-Residential Floor Area (Effective)	186,596	311,996	125,400
Non-Residential Uses: Floor Area Per Employee	641	641	600
Floor Area of Facilities	Existing Station	Long Term Fire Station Space Potential	Change from Base Year
Floor Area of Fire Station (Built 2007)	8,800	8,800	0
Station Space Required Per Dwelling Unit (Implied Standard For Projected Housing Units)	2.94	2.94	
2007 Station Space Needed at Indicated Standard	5,983		
Indicated Space Deficiency at Time of Construction	(3,283)		
Building Area Needs and Cost of Fire Stations	Demand on Capital Facilities		
	Existing Service Base	Total Facility Costs Serving Projection Year	Portion Allocated to New Development
Estimated Development Cost Per Square Foot - 2010		\$134	
Attributed Building Costs - Fire Department	\$801,722	\$1,179,200	\$377,478
Capital Investment Major Apparatus	\$824,637	\$1,288,495	\$463,858
Total Capital Facility Investment - Fire Dept.	\$1,626,359	\$2,467,695	\$841,336
Residential Share of Demand	95%	95%	95%
Non-Residential Share of Demand	5%	5%	5%
Capital Cost Attributed to Residential Sector	\$1,545,041	\$2,344,311	\$799,270
Capital Cost Attributed to Non-Residential Sector	\$81,318	\$123,385	\$42,067
Average Cost Per New Residential Unit			\$835
Average Cost Per Square Foot - Residential			\$0.38
Average Cost Per Square Foot - New Non-Residential Development			\$0.34

c. Capital Cost Per Unit of Development

The residential portion of cost attributable to new development is divided by projected growth in residential units to arrive at an average capital investment per unit of new development equal to \$835 per dwelling unit (or \$0.38 per square foot of living area), and \$0.34 per square foot of new non-residential development. Residential capital costs per unit are assigned to various structure types based on their relative household size. These raw capital costs per unit are further adjusted by a credit allowance to arrive at the net impact fee to be assessed.

d. Credit Allowance.

Although credit allowances are not required by New Hampshire RSA 674:21, V impact fee assessments often incorporate an adjustment for other payments by new development for the funding of pre-existing deficiencies funded by debt service. The credit allowance is computed based on expressing the dollar amount of the deficiency as a cost per thousand assessed valuation.

The 2007 Fire Station was funded in part by \$800,000 bonded debt with a repayment period from 2008 to 2027. Property taxes paid toward this bond by new development may in part be related to rectifying a pre-existing deficiency in Fire Station space that existed at the time the building was constructed. If station space needs average 3.38 square feet housing unit, the Town's base year requirement for fire station space was 6,837 square feet as of 2007. The old fire station had only 2,700 square feet of floor area, indicating a base year deficiency of 3,242 square feet. That deficiency represents about 37% of the floor area constructed in the new station. On this basis, 37% of the present value of debt service costs is attributable to a pre-existing need for space. (See Table 8.)

Using the assumptions in Table 9, a portion of the tax payments required to support bonded debt on the new station has been computed as a credit allowance, and assigned to new development in the form of past and future payments toward pre-existing needs. The credit allowance is summarized in Table 10.

Credit allowances have been computed for residential development as a credit per unit and per square foot to allow either method of assessment to be used by the Town.

**Table 8:
2007 Space Cost Share Attributed to Base Year Need**

New Fire Station Size in Sq. Ft. - Built 2007	8,800
Service Standard - Sq. Ft. Per Housing Unit in 2030	2.94
Housing Units in Base Year 2007	2,021
Size of Facility Needed in Base Year - Sq. Ft.	5,942
Actual Size of Old Fire Station - Sq. Ft.	2,700
Expansion Needed for Base Year Demand	3,242
Percent of Space Constructed for Existing Needs	37%

**Table 9
Fire Station Debt Service**

FIRE STATION FINANCING - 2007 CONSTRUCTION				
Total Development Cost:	\$1,090,000			
Amount Bonded:	\$800,000			
Past Payments				
	Principal	Interest	Total	Portion Credited
				37%
2008	\$20,513	\$32,986	\$53,499	\$19,708
2009	\$41,026	\$34,154	\$75,179	\$27,695
2010	\$41,026	\$33,243	\$74,269	\$27,359
Present Worth of Past Payments @ 5%				\$78,167
Net Local Assessed Valuation 2009				\$639,448,552
Past Payment Credit Per \$1000 Valuation Vacant Land				\$0.12
Future Payments				
	Principal	Interest	Total	Portion Credited @
				37%
2011	\$41,026	\$32,332	\$73,358	\$27,024
2012	\$41,026	\$31,422	\$72,447	\$26,688
2013	\$41,026	\$30,511	\$71,536	\$26,353
2014	\$41,026	\$29,600	\$70,626	\$26,017
2015	\$41,026	\$28,689	\$69,715	\$25,682
2016	\$41,026	\$27,778	\$68,804	\$25,346
2017	\$41,026	\$26,868	\$67,893	\$25,011
2018	\$41,026	\$25,957	\$66,983	\$24,675
2019	\$41,026	\$25,046	\$66,072	\$24,339
2020	\$41,026	\$24,135	\$65,161	\$24,004
2021	\$41,026	\$23,225	\$64,250	\$23,668
2022	\$41,026	\$22,314	\$63,339	\$23,333
2023	\$41,026	\$21,403	\$62,429	\$22,997
2024	\$41,026	\$20,492	\$61,518	\$22,662
2025	\$41,026	\$19,582	\$60,607	\$22,326
2026	\$41,026	\$18,671	\$59,696	\$21,991
2027	\$41,026	\$17,760	\$58,786	\$21,655
Present Value of Future Payments @ 5%				\$278,784
Net Local Assessed Valuation 2009				\$639,448,552
Future Payment Credit Per \$1000 Valuation Completed Home				\$0.44

Table 10 – Credit Allowances

Structure Type	Avg Assessed Value Per Unit	Raw Land Value @ 10%	Past Pymt Credit	Future Payment Credit	Total Credit Allowance
Single Family Det.	\$345,000	\$34,500	\$4	\$152	\$156
Attached and 2+ Family	\$135,000	\$13,500	\$2	\$59	\$61
Manufactured Housing	\$168,000	\$16,800	\$2	\$74	\$76
Based on Value Per Sq. Ft.	Avg Assessed Value Per Sq. Ft.	Raw Land Value @ 10%	Past Pymt Credit	Future Payment Credit	Total Credit Allowance (Rounded)
All Residential	\$152	\$15	\$0.002	\$0.067	\$0.070
Non-Residential	\$85	\$9	\$0.001	\$0.037	\$0.040

For the Nottingham Fire Station, a past payment credit allowance is computed at \$0.12 per thousand valuation of raw land (pre-development). A future payment credit allowance is computed at \$0.44 per thousand valuation, applied to the average assessed value of the completed housing unit.

Average taxable values per housing unit and per square foot have been assigned to the various use categories to assign the credit values. The credit allowance is then deducted from the assigned capital cost per unit or per square foot. The result is the net impact fee to be assessed (see Table 11).

e. Impact Fee Assessment

The adjusted impact fee assessment for Fire Department facilities is summarized in Table 10 below. Using the assumptions outlined above, the net impact fee on residential development would be \$679 per single family housing unit, \$667 for an attached, duplex or multifamily unit, and \$714 per manufactured housing unit.

If the square foot method is used, residential uses would be assessed at the rate of \$0.31 per square foot of living area. Non-residential development would be assessed at \$0.30 per square foot. Given the parity of these rates, a uniform fee of \$0.30 per square foot could be assessed under the square foot alternative.

Table 11: Net Impact Fee Assessment

PUBLIC SAFETY FACILITY COSTS PER UNIT OF NEW DEVELOPMENT - FIRE DEPARTMENT			
Residential Capital Cost Per Dwelling Unit		Avg Household Size 2000	Capital Cost Impact Per Unit
Single Family Detached		2.80	\$835
Attached and 2 or More Family		2.44	\$728
Manufactured Housing		2.65	\$790
Avg. Residential Cost Per Square Foot (Based on Single Family Home)			\$0.38
Non-Residential Capital Cost Per Square Foot		All Categories	Capital Cost Per Sq. Ft.
Average Non-Residential			\$0.34
Credit Allowances for Costs of Base Year Deficiency and Net Impact Fee Assessment	Avg Assessed Value	Credit Allowance Per Unit (See Credit Tables)	Impact Fee Schedule
Residential Uses	Assessment Per Dwelling Unit	Credit Per Unit	Per Unit
Single Family Detached	\$ 335,000	(\$156)	\$679
Attached and 2 or More Family	\$ 135,000	(\$61)	\$667
Manufactured Housing	\$ 168,000	(\$76)	\$714
Avg. Residential Cost Per Square Foot (Based on Single Family Home)		(\$0.07)	\$0.31
Non-Residential Uses	Assessment Per Sq. Foot	Credit Per Sq. Foot	Fee Per Square Foot
Average Non-Residential	\$ 85	(\$0.04)	\$0.30

In future years, as the impact fee is updated, more of the debt on the fire station will be amortized, the assessed valuation of the Town will increase, and the credit allowances will decline. The capital value of Fire Department facilities, adjusted to reflect replacement costs, is likely to increase. Overall, these trends should allow the Fire Department impact fee to rise over time, and for more of the Town's capital investment to be recovered in the impact fee assessment.

Table 12 below shows the above impact fee calculations with and without the credit allowance deduction.

Table 12 – Fee Range Per Unit and Per Square Foot

Per Unit Fees - Residential	No Credit Allowance	With Credit Allowance
Single Family Detached	\$835	\$679
Attached and 2 or More Family	\$728	\$667
Manufactured Housing	\$790	\$714
Fees Per Square Foot	No Credit Allowance	With Credit Allowance
Residential	\$0.38	\$0.31
Non-Residential	\$0.34	\$0.30
Square Feet Residential Living Area		
	Higher Fee	Lower Fee
500	\$190	\$155
750	\$285	\$233
1,000	\$380	\$310
1,250	\$475	\$388
1,500	\$570	\$465
1,750	\$665	\$543
2,000	\$760	\$620
2,250	\$855	\$698
2,500	\$950	\$775
2,750	\$1,045	\$853
3,000	\$1,140	\$930

3. Updating and Adjusting the Model and Fee Schedule

The Fire Department impact fee model can be updated and adjusted to reflect alternative growth assumptions or to update values assigned for capital costs, assessed valuation, debt service payments and other variables.

In future years, as the impact fee is updated, more of the debt on the fire station will be amortized, the assessed valuation of the Town will increase, and the credit allowances will decline. The capital value of Fire Department facilities, adjusted to reflect replacement costs, is likely to increase. Overall, these trends should allow the Fire Department impact fee to rise over time, and for more of the Town's capital investment to be recovered in the impact fee assessment.

The model should be updated or adjusted periodically so that it reasonably represents the estimated replacement cost of the capital facilities included in the fee basis. This helps maintain parity in assessments made at different times so that the fees are commensurate with capital costs at the time of the assessment.