

Recreation Facilities Impact Fee

Town of Nottingham, New Hampshire

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Prepared for:

Town of Nottingham Planning Board

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Nottingham Recreation Facilities Impact Fee

Executive Summary

This impact fee analysis sets forth options for recreation impact fee assessments based on the facility components and related cost estimates contained in two sources. The first approach is based on the content of the 2011 Ten Year Recreation Plan prepared for the Town of Nottingham by Hoyle, Tanner Associates, Inc. and Ken Costello Design, LLC. (This document is referred to in this report as “the Plan” or “Ten Year Plan”.)

The second approach is based on a more limited series of shorter-term improvements that have been set forth for improvements to the 45-acre Marston Property as outlined by the Marston Property Evaluation Committee and by the design and facility cost estimates for Phase 1 improvements prepared for the Town by Ironwood Design Group, LLC.

Impact fees are subject to refunding if sufficient investments fail to be made periodically to support the related capital projects on which they are based. Consequently, it is important that the fee be based a cost level or set of capital improvements that will be supported by the community.

Because of the variables of the time required to implement the Plan and the difficulty in anticipating actual facility development costs, the impact fee schedules computed in this report are presented as a series of options that include: (1) fee schedules for all facilities based on the extended scope of the 2011 Ten Year Plan, and (2) fees that reflect capital costs limited to existing public recreation facilities and the proposed Phase 1 improvements to the Marston Property.

The most appropriate fee is the one that best reflects the probable pace of implementation of the Plan and the costs that the community is likely to support. Discussion with the Planning Board indicates that the implementation of the Ten Year Plan, at a cost of about \$7 million would overstate the scale of likely future improvements. The more probable scope of foreseeable improvements centers on the Phase 1 recreation facilities proposed for the Marston Property.

Based on review of estimated existing and proposed facility investments, initial recreation impact fees are recommended at the following rates per dwelling unit:

<u>Structure Type</u>	<u>Fee Per Unit</u>
Single Family Detached	\$ 500
Attached and 2+ Family Structures	\$ 436
Manufactured Housing	\$ 474

Other options for recreation impact fee assessments under alternative assumptions are reviewed and computed in the report.

A. Authority and Limitations

Impact fees may be used to recoup the costs of capital improvements made in anticipation of the demands of new development, or used to fund future improvements that provide the capacity sufficient to accommodate it.

New Hampshire RSA 674:21, V authorizes municipalities to assess impact fees to new development for the cost of "...public recreational facilities not including public open space". The level of active recreational or sports usage, as well as the degree of improvements to the land to provide facilities on a site are a reasonable means of distinguishing between "recreational facilities" and "public open space" cited in RSA 674:21, V.

If the primary purpose of a site or its improvement is for water and wetland conservation, natural habitat and wildlife preservation, aesthetics or view preservation, the retention of undeveloped land for public enjoyment, or for creating development buffers or unimproved paths, the related costs should be viewed as investments in "public open space". With the exception of supportive improvements to such open space parcels, including parking lots and improved trail systems within such parcels, costs related to such sites should not be included within a recreation impact fee assessment.

The impact fees computed within this report reflect facility development costs only. It does not include costs associated with sites serving solely as "public open space", for which impact fees cannot be assessed under New Hampshire RSA 674:21, V.

B. Recreation Impact Fee Basis Using 2011 Ten Year Plan

Table 1 provides a brief summary of the inventory of public recreation facilities in Nottingham at the present time and the number that would be in place upon completion of the Ten Year Plan. Under the Plan, available public recreation facilities would increase in number, and would be improved with respect to quality and hours of availability. The Plan incorporates the development of indoor facilities in a new Community Center, proposes an outdoor synthetic turf field, and suggests the lighting of outdoor fields and courts as part of the overall recreation facility development program. Adding lighting to outdoor facilities would expand the number of hours that courts and fields are available to existing and future residents, thus expanding the capacity local recreation facilities.¹

Table 1 – Existing and Future Recreation Facilities in Nottingham

Recreation Facility	Existing	With Ten Year Plan Implementation	Notes on Existing and Planned Facilities
Baseball/softball fields	3	5	One needed for current demand, second for future. Two existing fields (prone to flooding) to be replaced by new fields on a different site
Multi-use fields outdoor	3	4-5	One new multipurpose field proposed as artificial turf; natural multipurpose field(s) within baseball infield areas.
Mutli-use fields indoor	0	1	Indoor field with synthetic playing surface proposed as part of new Community Center.
Tennis courts	0	2	Two added; none currently available.
Playgrounds	2	2	Community Playground at Town Complex to be redeveloped as part of site improvements.
Outdoor basketball courts	1	2	Second outdoor court to be constructed.
Indoor basketball courts	1.5	2.5	A full indoor court will be added as part of the new Recreation Center.
Volleyball courts	1	1	Indoor use at Nottingham School.
Outdoor volleyball area	1	1	Beach volleyball area currently part of Town Complex recreation site.
Outdoor ice skating rinks	0	1	None currently available; identified as existing deficiency.
Skate parks	0	1	New skate park area of 7,000 to 8,000 square feet planned.
Public beaches	1	1	Improvement to include expansion of parking and potential Town operated canoe/kayak launch.
Boat launch (trailered)	1	1	The existing boat launch is within the Pawtuckaway State Park. Not a Town owned facility.
Canoe/kayak launch	1	2	The existing canoe launch is within the Pawtuckaway State Park. Not a Town owned facility. Town launch area possible with Town Beach improvements.
Gym or Community Center Space (Sq. Ft.) *	2,700	30,200	Existing space within existing Town Hall Complex estimated 2,700 square foot gym. New Community Center could add approximately 27,500 square feet per draft schematic floor plan.

* Gym floor area within Town Complex as estimated based on 2011 Ten Year Recreation Plan.

Based on interpretation of the 2011 inventory of projects and proposed improvements in the Ten Year Recreation Plan, August 2011, prepared by Hoyle, Tanner Associates, Inc. & Ken Costello Design, LLC. For the Town of Nottingham.

¹ The Ten Year Recreation Plan recommends the inclusion of outdoor field and court lighting, but the cost estimates in the Plan did not include allowances for these costs.

1. Facility Development and Cost of Ten Year Plan

The impact fee analysis in this report relies heavily on the Ten Year Recreation Plan prepared by Hoyle, Tanner Associates, Inc. & Ken Costello Design, LLC. This is a comprehensive and detailed study that included an opinion of probable costs for each of the facility recommendations.

The Plan, completed in 2011, lays out a 10-year time sequence for improvements. The comprehensive cost of the total strategy was estimated at \$7.2 million. Unless the Town uses bonded debt to fund these improvements, it seems likely that the improvements are more likely to take place over period of time that exceeds ten years. As noted earlier, the Plan recommends the inclusion of outdoor lighting of fields and courts, but its cost estimates do not include allowances for lighting.

Within the Plan are two higher cost items: a new community center of about 27,500 square feet (estimated to cost \$3.13 million, and an outdoor artificial turf field estimated to cost \$2.06 million.) Together these two projects represent over 70% of the total cost to implement the overall Plan.

Table 2: Ten Year Plan Projects and Costs

Sequence or Priority	Facility or Improvement	Cost Estimate	Outdoor Facilities	Indoor Facilities	Cost of Projects Of Benefit to Seniors
Year 1	New Baseball Field (School site)	\$321,364	\$321,364		n.a.
	Repair Town Hall Facilities	\$82,237		\$82,237	\$82,237
Year 2	Town Beach Improvements	\$32,147	\$32,147		\$32,147
Year 3	New Softball/T-Ball Field (1)	\$244,115	\$244,115		n.a.
Year 4	New Baseball Fields (2)	\$681,509	\$681,509		n.a.
Year 5	New Community Center	\$3,127,307		\$3,127,307	\$3,127,307
Year 6	New Outdoor Basketball Court	\$57,300	\$57,300		n.a.
Year 7	Redevelopment of Town Complex	\$240,226	\$240,226		\$240,226
	Outdoor Skating Area	\$49,194	\$49,194		n.a.
Year 8	New Skate/Bike Park	\$160,599	\$160,599		n.a.
Year 9	New Outdoor Tennis Courts (2)	\$150,446	\$150,446		\$150,446
Year 10	New Synthetic Athletic Field	\$2,056,655	\$2,056,655		n.a.
	Total Project Costs	\$7,203,099	\$3,993,555	\$3,209,544	\$3,632,363
	Percent of Total Project Costs	100%	55%	45%	50%

Source of Project List and Costs: Ten Year Recreation Plan, prepared by Hoyle, Tanner Associates, Inc. & Ken Costello Design, LLC. For the Town of Nottingham. Column estimating "projects of benefit to seniors" added by BCM Planning, LLC.

About 55% of the total project costs are for outdoor facilities, and 45% for indoor facilities (new and improvements). Of total project costs, BCM Planning estimates that about 50% of the capital investment required to implement the Plan would provide benefits that could be

enjoyed by the oldest residents of Nottingham. This ratio is used later in the report to provide a fee option for age-restricted housing units.

2. Nottingham Capital Improvements Program (CIP)

A review of the schedule of projects included in the Town's recent CIPs showed an average proposed expenditure of about \$1 million for the 6-year period of each of the CIPs included in Town Reports for 2011 through 2014, and about \$500,000 for the CIP in the 2015 Town Report.

The total estimated project costs within the Ten Year Plan total \$7.2 million. If the Plan were to involve recreation capital spending of \$1 million every six years, the implementation period of the Plan could be over 40 years. If some of the larger scale projects were funded through bonded debt, the implementation could take place in a much shorter period of time.

The pace of improvement becomes important to the impact fee computation because a given amount of recreation capital costs must be assigned to specific beneficiary target population or number of housing units.

While the schedule of the Plan is shown in a 10-year sequence, the total population to benefit from these improvements will include existing residents as well as many new residents that will locate in Nottingham over future years.

For the purpose of assigning impact fees based on the capital costs in the Plan, BCM Planning has used a projected residential service base for the year 2050.

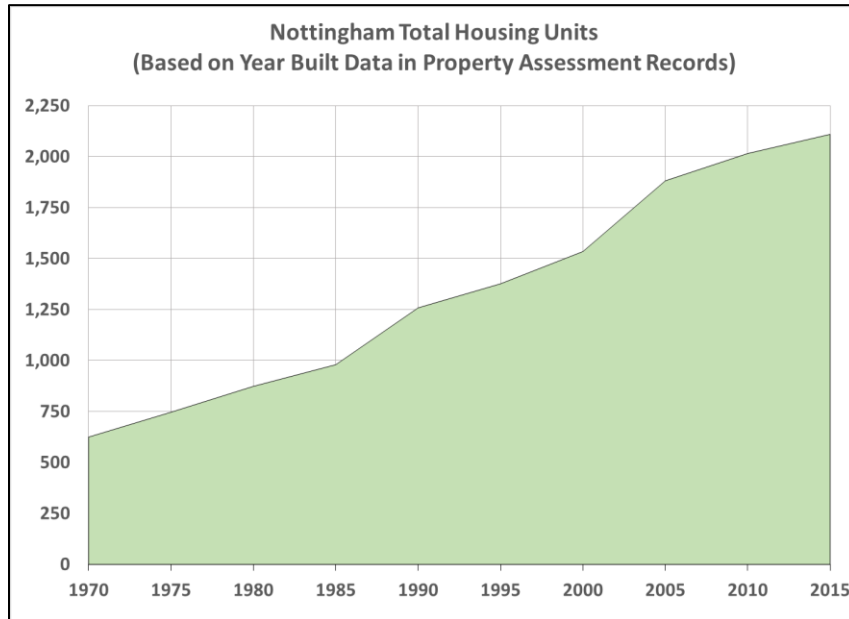
3. Residential Demand

In order to develop a proportionate allocation of capital costs to new development, it is necessary to estimate the residential service base that will benefit from proposed recreation facility improvements. Since all residential development (existing and future) will derive benefits from the implementation of the Ten-Year Plan, long-term projections are required.

a. Existing Residential Demand

As of 2015, the estimated population of Nottingham was 4,904 according to the NH Office of Energy and Planning (NHOEP). The NHOEP estimate of total housing units in Nottingham as of 2015 is 2,093. BCM Planning tabulation of the Nottingham assessment data base indicates a total of 2,107 total housing units built through the year 2015 (including camps and mobile homes).

Figure 1



b. Projected Population and Housing Units

The future service population in Nottingham is based on a linear trend projection of total housing units through the year 2050. Historical data based on “year built” information in the assessment data base provided cumulative estimates of total housing units in Nottingham by year.

Figure 2

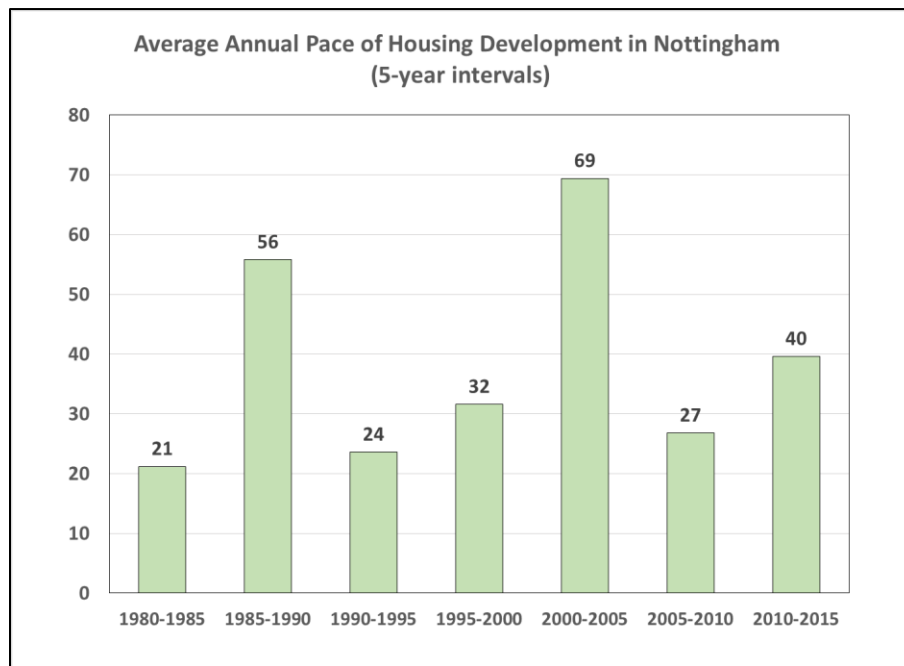


Figure 2 shows the history of *average annual change* in total housing units for the five-year periods since 1980.

This data represents the estimated annual additions of new housing units based on “year built” information from the Town assessment data file.

Linear projections were made from this data using cumulative annual estimates of the housing stock. Historic trends for the 1980 to 2015 period, and for the 2000 to 2015 period were applied to the projections, which indicated future development potential at an average annual long term rate of 38 housing units per year. Using this average annual pace of housing growth, BCM Planning estimated the cumulative growth in the housing stock, households (occupied units) and associated resident population from 2015 to 2050. (See Table 4 and Figure 3.)

The future proportion of units that are seasonal or vacant was held constant in the projections at 10%. (The percentage of Nottingham housing units that are either seasonal or vacant has been declining since 1980). The balance of the housing units (90% of the total stock) are assumed to be occupied. Estimates of average household size for the projection years is then applied to the estimated number of households to derive a resident population estimate.

Average household size has been projected through 2050.² The future population projections for 2020 to 2040 are the result of multiplying the projected number of occupied housing units by the average household size (declining) in each of the projection years. Total housing units for 2050 is projected at just over 3,400, with an associated population projection of 7,260.

Table 4

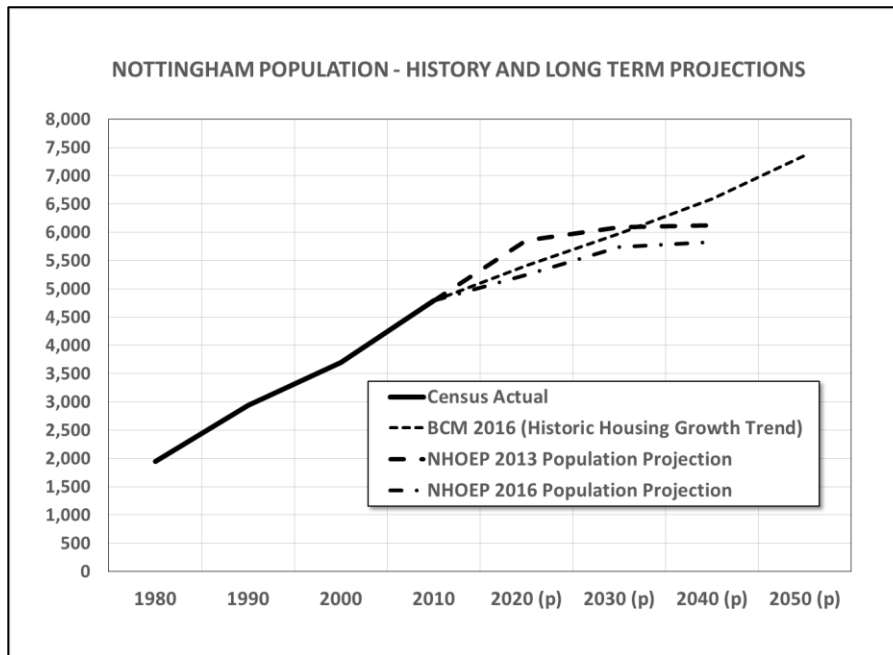
NOTTINGHAM POPULATION AND HOUSING UNITS: HISTORY AND PROJECTION							
FUTURE CONDITIONS BASED ON PROJECTION OF HOUSING UNITS AND DECLINING HOUSEHOLD SIZE							
Year	Population	Households	Seasonal and Vacant Units	% of Total Units Seasonal or Vacant	Total Housing Units	Persons Per Household	Housing 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%
2010	4,785	1,734	252	12.7%	1,986	2.76	87.3%
2015 (est)	4,904	1,884	209	10.0%	2,093	2.60	90.0%
2020 (p)	5,413	2,102	234	10.0%	2,278	2.57	90.0%
2025 (p)	5,599	2,221	247	10.0%	2,468	2.52	90.0%
2030 (p)	5,900	2,392	266	10.0%	2,658	2.47	90.0%
2035 (p)	6,238	2,563	285	10.0%	2,848	2.43	90.0%
2040 (p)	6,565	2,734	304	10.0%	3,038	2.40	90.0%
2045 (p)	6,914	2,905	323	10.0%	3,228	2.38	90.0%
2050 (p)	7,260	3,076	342	10.0%	3,418	2.36	90.0%
Buildout Potential Based on 8,400 Units	17,842	7,560	840	10.0%	8,400	2.36	90.0%
<i>Housing growth assumption for years after 2015: total housing stock growth averaging 38 units per year.</i>							

² Future average household size was based on the projected rate of change in average household size within the Rockingham Planning Commission region, than applied to Nottingham average household size. Estimates of changes in household size through 2040 were developed as part of updated household projections prepared for the NH Housing Finance Authority by the NH Center for Public Policy Studies (2014, [Housing Needs in New Hampshire](#)). BCM Planning has added a 2050 estimate to this series.

All population data for years following the 2010 decennial Census are estimates only. In Figure 3, the projected population based on assumed development potential at 38 units per year is compared to the NHOEP population projections issued in 2013 and 2016.

The NHOEP projections of population are based on a top-down estimate that relies projections at the County level, with shares of that change allocated to the various municipalities based on historical data. The outer years of the projections are the least reliable due to the potential for economic conditions to change significantly over longer periods of time.

Figure 3



The assumption of too small a future service will result in an impact fee that is too high. Projecting a larger (or longer term) estimate of the number of beneficiaries of the recreation improvement program will tend to provide a more defensible impact fee, as it will generate a lower average capital cost assignment per unit of development.

4. Capital Cost Allocation and Impact Fee Using Ten Year Plan

In this recreation impact fee analysis, BCM Planning has allocated the total capital cost of planned recreation facilities to the year 2050 projection of total housing units. Using this approach, each unit of housing (both existing dwellings and future residences) is an equal recreation facility investment cost per housing unit.

Capital cost estimates from the Ten Year Plan were prepared in 2011, and include 3% per year allowances for cost escalation. The total costs also included allowances for design costs, owner (Town) contingency, and soft cost estimates. In this 2016 study, BCM Planning has not inflated these original costs to 2016 dollars. There has not yet been enough progress with the actual implementation of elements of the Plan from which to derive actual as-built costs for the Plan components. As more progress occurs in the future on recreation improvements, there will be opportunities to adjust the cost basis of the fee to current year values based on actual expenditures.

Public open space has been excluded from the facility cost assumptions for impact fee calculations so that the resulting assessment excludes unimproved public open space, in order to observe the limitations of New Hampshire RSA 674:21, V.

Some communities offer reduced fees for senior housing units that are age-restricted based on deed covenants to senior occupancy (either to persons age 55+ or age 62+). These reduced fees or partial waivers are provided only to developments that have these deeded restrictions. (The reductions would not be available to individual homeowners who happen to meet these age standards.) Earlier we determined that about 50% of the cost of the total Recreation Plan would pay for facilities likely to be accessed by seniors. This ratio assumes that a new Community Center will be constructed as part of the facility development program.

a. Credit Allowance for Base Year Deficiencies

After reviewing the results of a local recreation survey and a range of recommended facility standards that pertain to outdoor facility needs, the Ten Year Plan set forth a series of long term improvements. Among these were improvements deemed to represent outstanding facility shortages needed to meet current demand, including:

- An additional baseball field
- Providing an outdoor ice skating area
- Town Beach improvements including parking, access, and possible canoe/kayak launch

Costs for all of the above projects were included in the \$7.2 million comprehensive plan for recreation facilities. Other costs for redevelopment of existing sites are assumed to be qualitative improvements of benefit to existing and new development.

The total cost to address these listed deficiency items (See costs in Table 1 presented earlier) was estimated in the Plan at \$647,919. If this amount were to be funded using a property tax assessment the cost (based on a lump sum rather than as bonded debt) would be \$1.07 per thousand valuation. That amount, applied to the average valuation of housing units in Nottingham is used to compute a credit allowance to the payer of the impact fee to offset the value of existing deficiencies in the recreation inventory. See Table 5 for the credit values.

Table 5

Structure Type	Estimated Pre-Existing Deficiencies	\$647,919
	Nottingham Assessed Valuation 2016	\$605,934,041
	Credit Per \$1,000 Assessed Value	\$1.07
	Avg Assessed Value Per Unit	Credit Allowance
Single Family Detached	\$278,000	(\$297)
Attached and 2+ Family	\$157,000	(\$168)
Manufactured Housing	\$143,000	(\$153)

These credit values will be deducted from the average capital investment per housing unit required to implement the Ten Year Plan improvements.

b. Impact Fee Options

(1) Fee Computed at Cost of All Facilities vs. Outdoor Facilities Only

The first set of impact fee options is based on a calculation of average capital costs of facilities in the Plan, with a split between outdoor and indoor projects and related costs. The development of a new community center is a relatively high cost project, and its inclusion has a significant effect on the fee basis.

If the new Community Center fails to materialize, an impact fee based on both indoor and outdoor facilities could represent an over-assessment of costs to new development. If the Town is confident that the incremental outdoor improvements are more certain, but the Community Center is uncertain, then the lower fee basis reflecting outdoor facilities may be more appropriate.

Under Model A shown in Table 6, the fee for a single family detached unit would be \$1,821 for all improvements, or \$909 per unit if the fee is limited to outdoor facilities only (excludes new Community Center). The cost per housing unit varies with the estimated average household size, indexed to a single family detached home as “the average unit”.

Table 6

RECREATION IMPACT FEE MODEL A: FEE BASED ON ALL PLANNED IMPROVEMENTS VS. OUTDOOR FACILITIES ONLY						
Component	Rec Plan Cost Estimate	Service Population Year	Projected Housing Units	Total Investment Per Housing Unit	Average Annual Cost 2016-2050	
All Recreation Plan Improvements	\$7,200,000	2050	3,400	\$2,118	\$211,765	
Without New Community Center	\$4,100,000	2050	3,400	\$1,206	\$120,588	
Type of Structure	Persons Per Household 2015 Est.	Index to Average (Single Family) Unit	Cost Per Housing Unit		Impact Fee After Credits	
			All Improvements	Outdoor Improvements Only	All Improvements	Outdoor Improvements Only
Single Family Detached	2.66	1.00	\$2,118	\$1,206	\$1,821	\$909
Attached and 2+ Family Structures	2.32	0.87	\$1,843	\$1,049	\$1,675	\$881
Manufactured / Mobile Home	2.52	0.95	\$2,012	\$1,146	\$1,859	\$993
			Discounted Fee At 80% of Calculation (Example Only)		Discounted Fee Per Unit	
					All Improvements	Outdoor Improvements Only
			Single Family Detached		\$1,457	\$727
			Attached and 2+ Family Structures		\$1,340	\$705
			Manufactured / Mobile Home		\$1,487	\$794

Model A in Table 6 is based on the anticipated completion of all elements of the Plan by the year 2050, or by the time the Town has 3,400 housing units.

The original cost estimates for the Ten Year Plan contingency included allowances for design (15%), soft costs (15%), owner's (Town's) contingency (8%) and a 3% annual cost escalation factor. The owner contingency and soft cost contingency allowances represent 23% of total project costs. It would be reasonable to consider an alternative fee basis that reduces the capital cost basis by 20% to generate a more conservative impact fee. Therefore Table 6 contains an alternative fee schedule computed at 80% of the values derived from using the full cost estimates contained in The Ten Year Plan.

In the case of housing units that are age-restricted to occupancy by residents who are 55+ or 62+, it is recommended that the fee for "all improvements" be set at 50% of the standard fee to reflect the portion of capital investment likely to be used by seniors.

If the fee were limited to outdoor improvements only, then the Town should consider a waiver of recreation impact fees for age-restricted units. (The anticipated cost for the outdoor facilities is heavily weighted toward youth-oriented facilities). Such waivers should be available only to that number of units within a development that are affected by deed restrictions limiting occupancy to occupants 55 and older or 62 and older.

(2) Fee Amount Based on Anticipated Expenditure Level

Computing an impact fee for recreation facilities is challenging in several ways: (1) public support for the full range of improvements and related costs is difficult to predict; (2) the fee is based on a series of planned improvements rather than a single facility; and (3) the recreation projects that are undertaken may differ from those initially planned.

With these variables in mind, another approach to setting a reasonable recreation impact fee could be based the level of investment that the Town believes to be reasonably commensurate its probable pace of expenditures. Projects supported by the impact fee should be those which are reasonably consistent with the Ten Year Plan, and none should include expenditures that are solely for "public open space". Tables 7 through 9 provide a cost allocation and impact fee basis that varies with the expected level of capital expenditure by Town.

Table 7 – Average Cost Per Unit at Assumed Pace of Investment

RECREATION FACILITY EXPENDITURE PER HOUSING UNIT AT VARIOUS LEVELS OF INVESTMENT					
Recreation Expenditure Level	Avg Annual Capital Expenditure for Recreation Improvements	Total Expenditures 2016-2050 Toward Recreation Master Plan	Horizon Year for Completion	Housing Units in Horizon Year	Average Capital Investment Per Housing Unit (Prior to Credit Allowance)
A	\$211,765	\$7,200,000	2050	3,400	\$2,118
B	\$182,353	\$6,200,000	2050	3,400	\$1,824
C	\$152,941	\$5,200,000	2050	3,400	\$1,529
D	\$123,529	\$4,200,000	2050	3,400	\$1,235
E	\$94,118	\$3,200,000	2050	3,400	\$941
Average Spending Anticipated by 2011-2014 CIPS	\$169,168	\$5,751,712	2050	3,400	\$1,692
Average Spending 2015 CIP	\$83,500	\$2,839,000	2050	3,400	\$835

Table 8 – Average Capital Cost Per Unit by Housing Type

RECREATION IMPACT FEE MODEL B - AVERAGE CAPITAL COST PER UNIT BY EXPENDITURE LEVEL							
Type of Structure	Persons Per Household	Index to Avg Single Family Home	Capital Investment Per Housing Unit in Horizon Year				
			A	B	C	D	E
Single Family Detached	2.66	1.00	\$2,118	\$1,824	\$1,529	\$1,235	\$941
Attached and 2+ Family Structures	2.32	0.87	\$1,843	\$1,587	\$1,330	\$1,074	\$819
Manufactured / Mobile Home	2.52	0.95	\$2,012	\$1,733	\$1,453	\$1,173	\$894
Age Restricted Housing Units *	computed at 50% of SF Cost		\$1,059	\$912	\$765	\$618	\$471
* A reduced fee should be applied to lawfully age restricted (deed covenant) housing units if future improvements include the new Community Center. If facility development includes outdoor facilities only, the Town may wish to waive recreation fees for age restricted units.							

Table 9 – Impact Fee Per Unit by Pace of Investment in Recreation Facilities

RECREATION MODEL B - OPTIONS FOR IMPACT FEE SCHEDULE					
Type of Structure	Impact Fee Per Unit After Credit Allowance				
	A	B	C	D	E
Single Family Detached	\$1,821	\$1,527	\$1,232	\$938	\$644
Attached and 2+ Family Structures	\$1,675	\$1,419	\$1,162	\$906	\$651
Manufactured / Mobile Home	\$1,859	\$1,580	\$1,300	\$1,020	\$741
Age Restricted Senior Housing	\$762	\$615	\$468	\$321	\$174
Type of Structure	Impact Fee Per Unit Discounted at 80%				
	A	B	C	D	E
Single Family Detached	\$1,548	\$1,298	\$1,047	\$797	\$547
Attached and 2+ Family Structures	\$1,424	\$1,206	\$988	\$770	\$553
Manufactured / Mobile Home	\$1,580	\$1,343	\$1,105	\$867	\$630
Age Restricted Senior Housing	\$648	\$523	\$398	\$273	\$148

C. Fee Based on Completion of Phase 1 of Marston Property Improvements

The current focus of recreation facility development efforts centers on the re-use of the Marston Property, a parcel of about 45 acres, acquired by the Town of Nottingham in 2009. Under a 2013 agreement with the New Hampshire Department of Environmental Services (related to its cleanup as a former hazardous waste site) the property can be used only for public purposes. In 2014 the Board of Selectmen appointed a Marston Property Exploratory Committee (MPEC) to develop a recommendation for the best public uses of the site.

1. Long Term Facilities Plan for Marston Site

The MPEC recommended a plan for the site that would center on public recreation uses, and has developed initial concept plans and preliminary cost estimates for site development. Proposed projects within the site include facilities for which recreation fees may be assessed, and which would provide significant facility expansion include:

- Ball fields
- Community gardens
- Pavilion
- Community center
- Outdoor recreation complex
- Running track / 2K and 5K running course
- Exercise path
- Hiking trails

Town warrant articles for the appropriation of \$100,000 for improvements to the site, and for the use of \$100,000 from the recreation revolving fund for related improvements, were both approved by the voters at the 2016 Town Meeting.

2. Marston Property Improvement Plan and Budget

The cost to implement Phase 1 of the planned improvements to the Marston Property has been estimated at \$720,505 by Ironwood Design Group. The improvements funded within this budget are expected to include elements that will support future plans for the site, while creating three new fields at the site. Planned phase 1 improvements include:

- Final design and permitting
- Well
- Electricity to site
- Utility structure
- Paved parking area with security lighting
- Gravel parking lot for 60 cars
- Softball and Little League Field

- Multipurpose Field (within outfield area of above ballfields)
- Field irrigation system
- Community gardens
- One mile of hiking trails with ½ mile ADA accessible stone dust path

Subsequent facility development at the Marston property in future phases may include:

- Playground
- Splash park
- Tennis courts (2)
- Basketball court
- Multipurpose fields with surrounding running track
- Dugouts, bleachers for ball fields

For the purpose of computing an impact fee, only the scope of Phase 1 improvements will be assumed in estimating total recreation facility investments by the Town for several target horizon years and the projected population for those years.

3. Impact Fee Basis: Existing Facilities and Phase 1 Marston Property Improvements

This approach to an impact fee relies on a more modest total capital cost basis for Town recreation improvements, with capital costs apportioned across a shorter term (2025 to 2040) to estimate the population benefiting from the improvements.

In addition to the proposed Phase 1 Marston Property improvements, costs have been assigned to existing locally funded recreation facilities (which serve both existing and future residents).

Table 10

Estimated Value of Existing Local Public Recreation Facility Investment	
Municipal Complex Rec. Land Est. for 2 fields (1)	\$100,000
Ballfield at Nottingham School (1)	\$50,000
Gym Space Within Municipal Complex (2)	\$238,000
Community Playground (Equipment)	Donated
Town Beach Parcel	From State of NH
Total Value Attributed to Existing Facilities	\$388,000
<i>(1) Muncpal complex site's land valuation per acre x 6 acres for field space x 70% (former use as a public school site, for which 30% State Building Aid was likely applicable to original land and building cots). Single ballfield at Nottingham School assigned at same value per field.</i>	
<i>(2) Estimated @ \$126/sq. ft. for 2,700 square feet within existing building @70% adjustment ratio (originally a school). Building cost per square foot based on R.S. Means Square Foot Costs 2016 from NH adjusted baseline cost for of a concrete block building of similar size to the Municipal Complex.</i>	

In Table 11, the anticipated cost of the Marston Phase 1 improvements are added to the estimate replacement costs of existing facilities to arrive at a total recreation investment. The service population benefiting from these improvements has been projected for three horizon years: 2025, 2030, and 2035. The recreation impact fee is then computed based on total recreation investment divided by the horizon population(s). Fees are then assigned to housing units by structure type according to their estimated average household size. These fees would need to be supported by the completing the Phase 1 Marston improvements by the time the Town reaches the horizon population use to compute average per capita costs.

Table 11

RECREATION IMPACT FEE BASED ON EXISTING AND PLANNED IMPROVEMENTS				
Existing Recreation Facilities Replacement Cost	\$388,000			
New Facilities (Marston Phase 1 Costs)	\$720,000			
Total Recreation Facility Investment	\$1,108,000			
Projection Year for Facility Benefits (Range)	8 to 18 year horizon	2025	2030	2035
Projected Service Population	Population benefiting	5,599	5,900	6,238
Total Recreation Facilities Investment	Per Capita in Service Year:	\$198	\$188	\$178
Structure Type	Avg Household Size 2015 Est.	Impact Fee Per Dwelling Unit		
Single Family Detached	2.66	\$527	\$500	\$473
Attached and Two or More Family	2.32	\$459	\$436	\$413
Manufactured Housing	2.52	\$499	\$474	\$449

If the Phase 1 Marston property improvements are likely to be implemented within the next 8 years (2025), then the average fee for a single family home should be \$527. If the probable horizon year for completion of improvements is 2030 (13 years) the single family fee would be \$500. If the Town estimates that the Phase 1 improvements would require 18 years for completion (2035) then the supportable fee for a single family home would be \$473.

Should the Town prefer an impact fee that is based solely on future investments in improvements to the Marston property, then the anticipated cost of Phase 1 improvements could be allocated to the projected service population as in Table 12.

Table 12

Projection Year for Facility Benefits (Range)	8 to 18 year horizon	2025	2030	2035
Projected Service Population	Population benefiting	5,599	5,900	6,238
Cost of Marston Property Phase 1 Only	Per Capita in Service Year:	\$129	\$122	\$115
Structure Type	Avg Household Size 2015 Est.	Impact Fee Per Dwelling Unit		
Single Family Detached	2.66	\$343	\$325	\$306
Attached and Two or More Family	2.32	\$299	\$283	\$267
Manufactured Housing	2.52	\$325	\$307	\$290

This more modest fee, however, would not recognize the value of any past investments in public existing recreation facilities, which will also serve new housing units.

4. Recommended Recreation Impact Fee

Based on the above alternatives, BCM Planning recommends that a reasonable recreation impact fee, based on existing and anticipated recreation facility investment through the year 2030, would support an initial assessment at the following rates per dwelling unit:

<u>Type of Structure</u>	<u>Fee Per Housing Unit</u>
Single Family Detached	\$500
Attached and Two or More Family Units	\$436
Manufactured Housing Unit	\$474

Progress in implementing improvements to the Marston property and related costs, as well as new capital expenditures for other public recreation facilities should be reviewed periodically so that the fee can be adjusted accordingly.

5. Sustainability of Recreation Impact Fee

The Town's past investment in public recreation facilities has been modest. In order to sustain the assessment of any of the recreation impact fee options, the Town will need to show reasonable progress in recreation capital facility investment. Without sufficient progress in recreation facility construction and improvement, new development will not realize proportionate benefits, resulting in a potential need to issue impact fee refunds.

Impact fees will not generally work well unless the community advances the funds necessary to create adequate facilities to support of new development. With the facilities in place, new development will pay impact fees that over time will reimburse the Town for its proportionate share of demand on those facilities.

Therefore it is important that the Town adopt a recreation fee basis that is matched by tangible public investment in new recreation facilities at a level of spending that the Town can reasonably support.

The Town should track both its progress in implementing components of the Marston Plan, as well as the sources and amount of funds (including donations and in-kind contributions) used to develop facilities, whether or not impact fees are part of the funding. A detailed history of the progress of improvements and expenditures will be important to future updates of the recreation impact fee.