

1 **LONDONDERRY, NH PLANNING BOARD**
2 **MINUTES OF THE MEETING OF JUNE 26, 2013 AT THE MOOSE HILL**
3 **COUNCIL CHAMBERS**
4

5 Members Present: Art Rugg; Mary Soares; Lynn Wiles; Chris Davies; Tom Freda,
6 Ex-Officio; Rick Brideau, CNHA, Ex-Officio; John Laferriere, Ex-Officio; Maria
7 Newman, alternate member
8

9 Also Present: Cynthia May, ASLA, Town Planner and Planning and Economic
10 Development Department Manager; John Trottier, P.E., Assistant Director of Public
11 Works and Engineering; Jeffrey Belanger, Planning and Economic Development
12 Department Intern; and Jaye Trottier, Associate Planner
13

14 A. Rugg called the meeting to order at 7:00 PM. He appointed M. Newman to vote
15 for Scott Benson.
16

17 **Administrative Board Work**
18

19 A. Plans to Sign – Orchard Christian Fellowship Minor Site Plan Amendment, 136
20 Pillsbury Road, Map 6 Lot 18-2
21

22 J. Trottier stated that this site plan was conditionally approved by the
23 Administrative Review Committee (ARC) on June 20, 2013. The applicant had
24 requested amending the site plan approved in 2012 in order to add a dumpster
25 pad and shed and to make revisions to the landscaping plan. J. Trottier
26 reported that all precedent conditions for approval have been met and Staff
27 recommends signing the plans.
28

29 **M. Soares made a motion to authorize the Chair and Secretary to sign**
30 **the plans. L. Wiles seconded the motion.** No discussion. **Vote on the**
31 **motion: 7-0-0.** A. Rugg said the plans would be signed at the conclusion of
32 the meeting.
33

34 B. Discussions with Town Staff
35

- 36 • Litchfield Road improvements
37

38 When asked by A. Rugg about impending road work on Litchfield Road, J.
39 Trottier stated that the work from Misty Lane westward to High Range
40 Road will begin in July and advised motorists plan accordingly.
41

- 42 • SNHPC Traffic Counts
43

44 L. Wiles inquired about the reason for the traffic measuring devices on
45 Bartley Hill, Noyes, and Stonehenge Roads. J. Trottier replied that it is
46 most likely the annual traffic counting performed by Southern New
47 Hampshire Planning Commission.
48

49 **Continued Plans**

- 1
2 A. Pillsbury Realty Development, LLC, Map 10, Lots 15, 23, 29C-2A, 29C-2B, 41,
3 41-1, 41-2, 42, 45, 46, 47, 48, 50, 52, 54-1, 57, 58, 59, and 62 – Public
4 hearing for formal review of the Woodmont Commons Planned Unit Development
5 (PUD) Master Plan ***[Continued on June 12, 2013 to June 26, 2013]***.
6

7 Ari Pollack of Gallagher, Callahan & Gartrell re-introduced developer Mike
8 Kettenbach and the Woodmont Commons Development Team members. He
9 requested that at the end of this evening's discussion, the Board continue the
10 public hearing to the July 10, 2013 meeting at which time Development
11 Agreement and Development Standards will be addressed. Because the most
12 recent extension of the 65-day approval period per RSA 676:4 will expire on July
13 10, 2013, A. Pollack stated that a written request for an extension will be
14 delivered to Staff prior to that meeting so that the Board may consider it on July
15 10.
16

17 Lucy Gallo of Development Planning and Finance Group (DPFG) reviewed a
18 PowerPoint summary presentation (see Attachment #1) of the Fiscal Impact
19 Analysis submissions dated May 17 and May 20, 2012 (see Attachments #2 and
20 #3 respectively).
21

22 **FISCAL IMPACT ANALYSIS:**

23

24 (L. Gallo) "[DPFG is] a regional real estate consulting firm (see page two of
25 attachment #1). We have ten offices coast to coast. Many of our partners, like
26 myself, are CPAs have been consultants to the real estate communities and to
27 State and local governments through both of our careers. Part of our service
28 offering and what many of us are involved in is public infrastructure finance.
29 Like I said, I have been serving State and local governments, governmental
30 agencies, and the real estate community for over 25 years. In addition, being in
31 Chapel Hill [North Carolina], I am a collaborative partner and a lecturer at the
32 UNC School of Government as well as the UNC School of City Regional Planning
33 Department. I do have a number of published author publications and am a
34 visiting scholar at Winthrop University. Although my office is based in Chapel
35 Hill, I prepare fiscal impact analysis as well as economic impact analysis for
36 large scale projects all over the country, whether they are a master plan
37 community at a conceptual stage like what we have with Woodmont Commons
38 or major urban redevelopment projects. The whole gamut of large scale, fairly
39 complicated real estate development projects.
40

41 "The scope of work for DPFG for this project was to look at the planned land
42 uses for Woodmont Commons at buildout that I know that you all have been
43 looking at over the last few months (p.3), and to determine their impacts on the
44 Town of Londonderry's General Fund. It's typical for most fiscal impact analysis,
45 we do look at the General Fund because most elected officials and Planning
46 Boards are interested in what impact that particular land use change would have
47 on property tax rates. So that is why we have aimed our focus on the General
48 Fund.
49

1 "Some basics of the fiscal impact methodology (p. 4) that were used on the
2 project, which is very typical in fiscal impact methodology, we used 2013
3 dollars, constant dollars, assuming no inflation or deflation throughout the
4 buildout period of the project. It can get to be a very complicated and confusing
5 project analysis if we start developing inflation rates and discount rates in terms
6 of what the costs of services change over a 20 year time period, so to make the
7 analysis most comparable, we used constant dollars. We also used the current
8 property tax rate. We all know for the next 20 years, things might not look
9 exactly the way they do now, but for the ease of comparability, we had assumed
10 the Town's current property tax rates. For the baseline financial analysis, we've
11 used the Town's 2013 budget. The market analysis for the commercial
12 components was based on 2013 market data with an additional 15% discount
13 for conservatism and as a sensitivity adjustment. An in-depth analysis was
14 provided by Town Staff and the School District for Police, Fire, Building,
15 Community Development, Recreation, Library, and School operating capital
16 costs. For other departmental impacts, a traditional approach or typical
17 approach of using a variation on a per capita methodology was used. And the
18 reason I went one step further on this particular project and used a functional
19 equivalent population methodology was because it more heavily weighs retail
20 uses for other office uses because of the number of visitors that retail attracts
21 and that enables us to, with a bit more precision, try to assign a higher level of
22 cost to the different types of the commercial components. But for the most
23 part, a case study approach, which was the analysis prepared by the Town Staff,
24 was used to estimate the capital and operating costs."

25
26 **L. Wiles asked if the capital costs are viewed in proportion to the**
27 **population increase.**
28

29 (L. Gallo) "I would say yes. Different types of population have different types of
30 demands on capital needs. We know that new population, in whether it be an
31 employment population or residential population, is going to increase Fire
32 Department costs, it's going to increase the Police Department. It's going to
33 have additional impacts on roads and recreation and Library. The reason we
34 chose to look at the Town departments that are most sensitive to growth, and
35 that's Recreation, Library, Schools, Police, Public Works, Fire; we looked at
36 those not a one for one per capita, which is kind of just a really straight line,
37 fairly simple approach. We really had worked closely with Town Staff on
38 developing what would be this Town's level of service. The Town's knows its
39 budget best, it knows its area, many of these costs are very geographic specific,
40 where the project is located, how convenient it is to, for example, the Police
41 Station, so the Town Staff were actively involved in putting together these
42 projections.
43

44 L. Gallo verified with L. Wiles that she had answered his question to his
45 satisfaction.
46

47 (L. Gallo) "One of the first steps, I think, in stepping back and looking at the
48 project are really, in terms of the tax impacts, the benefits to the Town's tax
49 base (p. 5). We know Londonderry, at this moment in time, like many
50 communities across the country, is heavily dependent on a residential tax base

1 and the mix of commercial to residential uses in Woodmont Commons will serve
2 to help have a balancing approach as the Town looks to fiscal sustainability and
3 hopefully lessening the burden on the residential tax payer base as Woodmont
4 Commons becomes a vibrant part of the community. And with the tax value of
5 homes at \$371 million, the commercial component will really put a significant
6 dent for one single project on helping provide more balance to the tax base.

7
8 "And just as an aside (p. 6), I know that in reviewing the Town's Comprehensive
9 Master Plan, this is part of what the Town has been thinking in terms of the
10 projections within that plan that look towards attracting a larger employment
11 base, and that the number of employees is going to grow at a much more rapid
12 pace than what the population base has been projected to grow. So a project
13 like a Woodmont Commons, I think, is really being designed to meet the market
14 forces that are out there in terms of a 'live, work and play' community and I
15 think that's also essential on a significant project like this in being to attract
16 anchor tenants to be able to get the long term leases that would need to be in
17 place for the construction financing.

18
19 "I'm starting at the conclusion first (p. 7), so you will notice in the report that I
20 issued, the at-buildout in which we are assuming over a 20-year period, the
21 Woodmont Commons project will produce a General Fund annual net fiscal
22 surplus. I don't think that's probably a big surprise to anyone. A project of this
23 scale with this significant type of commercial components, particularly I think
24 the high quality, the live/work components, are going to be very attractive to
25 the market and that type of balance would be likely to yield a net surplus. And
26 based on the analysis that we prepared, we are anticipating, based on this stage
27 of the conceptual plan, that surplus would be \$1.4 million at buildout. And if we
28 wanted to look at the cumulative effects of the net surplus over the 20-year
29 buildout, at the end of the 20 years, there would be a \$12.3 million net surplus.
30 Woodmont Commons is expected to bring 3,600 new residents and almost 3,800
31 new employees to the town based on these land uses.

32
33 **L. Wiles asked if any margin of error is factored into the resulting**
34 **figures.**

35
36 (L. Gallo) "We build conservatism, in my opinion, in the analysis from the get-
37 go. I am a CPA by training. That's my natural inclination. We avoid any sort of
38 multiplier and direct impacts. We limit, for example, revenue impacts. Those
39 are limited to property taxes and motor vehicle permit fees. There is some
40 fiscal impact analysis that will look at...direct impacts on what the project brings
41 on site, but they are going to be spinoff jobs, there are going to be ripple effects
42 that [jobs will be created] here, but there are going to be also other
43 revitalization of the other areas in town. We are not going to take, and projects
44 I don't think should take credit for that other type of auxiliary buildout that
45 occurs, but this our analysis was limited strictly to what is going to occur on site.
46 I have tried, throughout all of the analysis, to be very transparent. And the
47 source of the assumptions, we know this is at the conceptual stage, there is a
48 level of specificity no one has. But we have put together the best information
49 that we have and have shared those assumptions with you, including the
50 sources. I think probably where an area that I had already mentioned earlier,

1 that I build in the sensitivity analysis, is on the commercial component. I put
2 together what I felt like would work; a conservative approach to the commercial
3 valuation. We know there really are not any active comparables in this area to
4 be able to say, 'Yeah, I think it's going to look like that project, so I can look at
5 those assessed values.' So what I did was put together a reasonable set of
6 assumptions and then discounted those 15%, so we would have that extra layer
7 of conservatism built in."
8

9 **L. Wiles asked if the revenue figures include from income from the State**
10 **rooms and meals tax.**

11
12 (L. Gallo) "It's my understanding at this point in time, the allocation of the
13 rooms and meals tax is frozen from the State distributing to local communities.
14 So until that distribution method changes, I think it would have been overstating
15 the results to assume that at some point time it would go back to a per capita
16 distribution approach when that's not happening at the current point in time."
17

18 **M. Soares asked whether it is possible to determine whether individual**
19 **years would be tax positive or negative since it would be based mainly**
20 **on what type of construction would occur in each year.**

21
22 (L. Gallo) "You will see in the analysis, we tried to make some reasonable
23 assumptions about the momentum of commercial activity that would take place
24 in order for the commercial activity itself to create momentum for it to come
25 onboard. For example, commercial would not come onboard at 100,000 square
26 feet a year for 20 years. That's just not the way a large scale development like
27 this would likely occur. We know that we have some triggers in there, for
28 example, a hospital and potential other uses that would generate synergies that
29 would create that activity. So what we tried to do in a 20-year buildout
30 analysis, which was included in the appendix, was put together a set of
31 assumptions on 'this is what commercial buildout could look like' and in pairing
32 that with the way the population projections, your comprehensive plan had a bit
33 slower residential population growth, that was our thinking in putting together
34 that buildout plan. We don't know exactly at this point in time how it will be
35 built out. But I would say it would, based on what the developer's plans are, we
36 would expect the commercial to come on sooner rather than later and come on
37 with gusto and with momentum for it to be successful. But to answer your
38 question, no it is premature at this point in time to predict in any one particular
39 year what the results will be. But I guess I should back up; for our charge, that
40 was really presented more for additional information to see how in the world we
41 got to this point and to really have a glimpse of what this project will look like.
42 It's a 20-year buildout period, but that was really for purposes of additional
43 information.
44

45 "Again, as I mentioned earlier, we limited the revenue approach to property
46 taxes, commercial and residential, and motor vehicle permit fees (p. 8). I know
47 the Town is used to seeing the tax rate of \$4.85. I know for the public, when
48 they go to their property tax bills, it's a much higher number because it includes
49 other components. It includes the county, it includes schools, but our analysis
50 was limited strictly to the Town's portion of the tax revenue end because that is

1 what flows through to the Town's budget. And at buildout, the Woodmont
2 Commons we're projecting would generate annual revenues of \$5.1 million. And
3 we did assume a net collection percentage based on the current collection rate,
4 which is very high.
5

6 "I have included a couple of slides just to talk a bit about market value
7 assumptions (p. 9). We consulted, and we needed to because again, there are
8 not any comparables in this area for the type of project that we know that the
9 developer intends to bring to Londonderry, so in addition to our firm's own
10 capital markets group, we also worked with data from a number of very well
11 qualified and credible national sources as well as one-on-one consultations with
12 iStar Financial and Cushman & Wakefield. But on top of making sure that I felt
13 like that we had a good solid baseline, we included the 15% sensitivity
14 adjustment, which, from a cap rate standpoint, in essence, converts what we
15 can consider to be a reasonable cap rate to one with more cushion. If we had
16 not included the 15% adjustment, the bottom line would have been \$315,000
17 higher, as would the annual tax revenue.
18

19 "These are just some examples (p. 10) of the supporting data that we look to
20 that we are able to get the greater Boston suburban area, eastern region,
21 various types of retail uses and all of those types of data went into putting
22 together what we thought was the most reasonable set of assumptions for this
23 project.
24

25 "As I mentioned earlier, I was able to visit Londonderry in January and had
26 started a series of meetings and conversations with Town Staff and was very
27 impressed with analysis that Staff prepared to assist in this process (p. 11). I
28 supplied samples of other reports and samples of different types of spreadsheets
29 and approaches and each different department chose what they felt like was
30 best to summarize their particular impacts. And I was really impressed with the
31 thoughtfulness and diligence that was put into trying to anticipate those
32 impacts. The School District prepared all of the operating capital cost impacts
33 for the schools and for the departments where we didn't have staff involvement
34 or just because of the stage, this conceptual stage, we had insufficient
35 information to really dig down for 'What are the exact costs going to be?' Then
36 it was my job to employ the best practice fiscal impact methodologies to come
37 up with my best way of estimating those results.
38

39 "At buildout (p. 12), I am anticipating the General Fund expenditures to increase
40 annually by \$3.7 million. As you might imagine, Police, Fire, and Public Works
41 are going to be the departments most impacted, so I think that's all falling out
42 as one might expect.
43

44 "And as far as the Londonderry School District (p. 13), as you all know, the
45 School District does have available capacity, so unlike other communities that
46 might be facing this type of residential growth, the School District does have
47 availability within its operating costs and within the school buildings themselves
48 to house a number of additional school children. So fortunately, this project is
49 expected to generate an annual net surplus of \$7.3 million for the Londonderry
50 School District. As I mentioned earlier, our analysis used the Fiscal Year '13

1 budget, which is for June 30, 2013. At this particular time, the School District is
2 not yet accepting students from the Hooksett community and charging tuition
3 for allowing those students to come into the school district. They are
4 anticipating doing that this fall and one of my responses, I think, to the peer
5 review addressed that I believe that would be an additional revenue to the
6 School District of \$600,000 this fall when they begin accepting those school
7 children. But for purposes of our analysis, it wasn't part of the revenue stream
8 and wasn't part of the expenditures, so that did not fall out in my particular part
9 of the report, although it is a special mention item."

10
11 A. Rugg asked for input from Staff.

12
13 J. Trottier commented on behalf of Public Works Department. While the buildout
14 expenditures were based on an average per capita cost estimate, he stated that
15 basis is difficult to apply to the department's budget. In his opinion, the
16 analysis does not accurately reflect anticipated departmental impacts. For
17 example, the denser, urban-like design of the Woodmont Commons
18 development would require equipment for summer and winter operations that
19 the department is presently lacking. Impacts associated with sanitary waste
20 collection and disposal, he continued, are not adequately addressed in the
21 analysis. It is also not clear at this point what portion of the proposed road
22 network is public versus private, how those streets will be designed with regard
23 to items like medians, sidewalks, and lighting, what level of service is expected,
24 whether on-street parking will be allowed, etc. Therefore the department was
25 unable to estimate fiscal impacts.

26
27 (L. Gallo) "At this stage of the game, there are a couple of ways to look at
28 impacts on Public Works because we do not know a lot yet about the exact on-
29 the-street designs, necessarily exactly what the street widths are going to be. It
30 would not be unusual in a fiscal impact analysis to take the number of linear
31 road miles in a project and estimate annual costs and equipment needs based
32 on the number of linear road miles. And that was my first pass at looking at
33 what those costs would be compared to the number of linear road miles in the
34 town today. As an alternative approach, I then compared those results to
35 saying let's take all of the Public Works expenditures that flow through the
36 General Fund today, which sanitation does not, I believe. But there are impacts
37 that just were not within my scope of work. But to take all of the existing
38 expenditures on Public Works and how much is the town currently spending per
39 employee working in the town and per person, and because those costs
40 generated a much higher amount than just simply using a per linear road mile
41 approach, that's why I went with more of a per capita approach because the
42 results are more conservative than if we just went through linear mile. In my
43 mind, I would hope with that additional \$900,000 there is a cushion built in
44 because I know we are not exactly at an apples and apples point, but we're just
45 at the stage of the design [indistinct] part to get a more specific number. But in
46 that particular area, at least in my mind, the expenditure costs are based on
47 what is the current level of service that is being supplied to residents and
48 employees in the town."

49

1 **C. Davies and L. Wiles verified with L. Gallo that the General Fund**
2 **Expenditures of \$3.7 million (p. 12) is an annual impact using present**
3 **day dollars.** A. Pollack clarified, however, that the figure was not a net number
4 when compared to revenues.
5

6 A. Rugg explained that he would entertain comments and questions from the
7 Board, then from Town employees and Public Officials in attendance, and finally
8 from the public.
9

10 C. May suggested that he first entertain comments from RKG Associates, a
11 national firm of economists and real estate market specialists and part of the
12 Howard/Stein-Hudson Town consultant team for the Woodmont Commons
13 project. A. Rugg asked for input from RKG.
14

15 Craig Seymour, President and Managing Principle of RKG Associates,
16 acknowledged that the fiscal impact analysis submitted by DPFPG was well done,
17 considering the complexity involved and the long term nature of the project.
18 Differences of opinions exist regarding methodologies used and assumptions
19 made, but there is agreement from RKG that once the development is fully built,
20 in part because it is a relatively new style of development being sought within
21 the marketplace, it will be positive for the Town on a net fiscal impact basis.
22 More revenue will be generated at full buildout (chiefly from new residential
23 property taxes) than it will cost the Town to provide services to the
24 development.
25

26 C. Seymour explained that the Board should, however, understand two of the
27 assumptions used. One presumption employed by DPFPG is that the anticipated
28 pattern of the development will follow the approved PUD Master Plan over the
29 20-year buildout period. That pattern for expected commercial and retail
30 growth, according to RKG, appears to be on a level not seen in southern New
31 Hampshire since the late 1990's/early 2000's. Whether that kind of growth
32 would be possible is simply unknown at this time. Planned Unit Developments
33 by their nature allow for flexibility within a project to withstand fluctuations of
34 needs in the marketplace, but with that comes a difficulty in regulating overall
35 growth over the span of the development. In this case, the rates of residential
36 and commercial growth, i.e. the number of residents and/or employees and the
37 square footage amounts respectively, may develop at paces dissimilar to the
38 approved Master Plan. The increase or decrease of those components will both
39 positively and negatively affect the costs the Town will incur and investments to
40 be made. A second assumption to be aware of concerns population projections.
41 The wide variety of residential housing, from studio apartments to large single
42 family dwellings, will bring in new residents and new children in an unpredictable
43 manner, which required DPFPG to use an average to estimate population
44 changes. C. Seymour recommended that the most appropriate way to address
45 any concerns related to these assumptions is through the Development
46 Agreement and the mechanisms included therein. Such mechanisms could
47 include the ability to monitor the balance between those project portions
48 expected to be tax positive and negative as they are being built and/or the
49 means of mitigation for adverse fiscal impacts.
50

1 A. Rugg asked for questions and comments from the Board, which he said would
2 be followed by an opportunity for input from Town employees and Public
3 Officials in the audience. Questions and comments from the Board were as
4 follows:
5

6 **1. C. Davies noted the most significant issue for him, that being**
7 **market conditions dictating the progression of the development that**
8 **vary from the Master Plan in a way that could produce substantial**
9 **outlays sooner than expected.** One example would be for the residential
10 component to commence before the commercial aspect (which could be
11 delayed even longer if demand is slow to materialize), so that the tax base is
12 not shifted away from residents at a time when service demands rise. **He**
13 **asked that an analysis of numbers be provided that would**
14 **demonstrate the total lack of commercial development and the**
15 **resulting impact on the tax base.** It would be educational to the public,
16 he said, to show the level of negative tax impact if the 600+ acres associated
17 with the project were developed residentially under the current one-acre
18 zoning ordinance. **Similarly, if the area east of I-93 is not developed,**
19 **he (and L. Wiles) asked for the effect on the forecasted revenues and**
20 **expenditures. C. Davies also asked that DPFG provide an explanation**
21 **of the assumptions used in deciding how the commercial component**
22 **would develop over the 20 years compared to the residential**
23 **element.**
24

25 **2. C. Davies confirmed with L. Gallo that the impacts listed in Table**
26 **12 of p. 14 of the fiscal impact analysis (Attachment #2) were**
27 **related to aspects of general government and not to emergency**
28 **services or Public Works.**
29

30 **3. C. Davies asked if figures were available for the School**
31 **Department related to general fund revenues, expenditures, and net**
32 **surpluses over the 20-year period like those in Table A-1 of the**
33 **appendix on p. 33 (Attachment #2).** L. Gallo explained that the School
34 District did not submit numbers for the overall expanse of the development,
35 perhaps because the current capacity is assumed by them to be adequate for
36 the development. For the Board to obtain those numbers, a request would
37 need to be directed to the School Department.
38

39 [T. Freda arrived at 8:00 PM].
40

41 **4. J. Laferriere asked if the total square footage of the developable**
42 **area around Pettengill Road was factored into the fiscal impact**
43 **analysis from a competitive economic standpoint.** L. Gallo said it was
44 not and C. May added that the areas would not be competing because the
45 industrial zoning around Pettengill would preclude residential development
46 there and most likely result in very little commercial development. **J.**
47 **Laferriere questioned whether both areas could be sustained if they**
48 **began developing at the same time.** It was thought it could be possible,
49 although with Woodmont Commons still at a conceptual level and the lack of
50 any specific plan for the Pettengill Road area, it is impossible to verify. L.

1 Gallo noted later on that the substantial level of commercial development
2 planned for Woodmont Commons would make unsustainability highly
3 unlikely.
4

5 **5. J. Laferriere asked if any fiscal impact analysis existed for a**
6 **comparable development, particularly one in the midst of its growth,**
7 **so that its original estimates could be compared to actual numbers.**
8 **This could also be helpful in learning about any unexpected**
9 **situations experienced by the town or city involved.** L. Gallo answered
10 that while there are numerous successful Master Plan communities across the
11 country, it is uncommon to find a “look-back” analysis that outlines such
12 disparities. It would be possible, however, to provide examples of Master
13 Plan communities being built or that have been completed.
14

15 **6. J. Laferriere asked how the projected numbers compare for**
16 **‘live/work’ residents, versus those who only work in town.** L. Gallo
17 replied that a percentage would have to be based on knowledge of
18 commercial anchor tenant types, something that is unknown at this time. C.
19 Seymour noted that the wide variety of housing types proposed would tend
20 to bring in more of those who both work and live in the community.
21

22 **7. M. Soares thanked both consultants for their thorough**
23 **submissions and their readability.**
24

25 **8. L. Wiles stated that he did not find in the analysis the road**
26 **infrastructure improvements outside of Woodmont Commons which**
27 **the applicant is expecting the Town to finance. The document did**
28 **also not appear to reflect substantial capital improvements for**
29 **emergency services that could be needed early on if commercial**
30 **development does not occur in the initial phases.** L. Gallo noted that in
31 Table 23 on page 21 (Attachment #2), Fire Department capital costs of
32 almost \$3.4 million (excluding financing costs) were factored into the
33 analysis. Determination of capital costs was derived by a combination of
34 current capital inventory costs of the department along with the anticipated
35 number of calls to be generated based on current totals and the proposed
36 land uses in Woodmont Commons. Operating costs were calculated in the
37 same manner (without current capital inventory data).
38

39 **9. L. Wiles asked for an explanation of how the *specific* home value**
40 **and square footage numbers in the analysis relate to the more**
41 ***conceptual* discussions to date about housing types and the flexibility**
42 **thereof in Woodmont Commons.**
43

44 **10. L. Wiles asked if the numbers in the fiscal impact analysis would**
45 **be revisited during the development of Woodmont Commons.** A.
46 Pollack replied that the analysis has specifically been done in relation to the
47 approval of the PUD Master Plan and is therefore designed to establish
48 whether the development as a whole would be tax positive over a 20-year
49 buildout. A look-back analysis, however, is a possibility for either the
50 Development Agreement or some other part of the site and subdivision

1 approval process. A. Rugg suggested revisiting the fiscal impact analysis as
2 individual site and subdivision plans are reviewed. C. May informed the
3 Board that current regulations allow the Board to request fiscal impact
4 analyses for individual site plans and that ability could be made part of the
5 Development Agreement as well. (Whether the Board can legally require
6 that such plans be shown to be tax positive was questioned). **L. Wiles noted**
7 **that a look-back analysis would be useful, although not in terms of a**
8 **scenario where an entire portion of the development, namely the**
9 **land east of I-93, is not developed.** A. Pollack stated that such scenarios
10 have been discussed for inclusion in the Development Agreement as well. C.
11 Davies said it would be difficult to thoroughly assess the impacts of the
12 development without information related to a worst-case scenario. He and
13 L. Wiles asked if that additional analysis could be provided (see page 15).
14

15 **11. M. Newman expressed concern for adding fiscal impacts to**
16 **services provided by Fire, Police, and Public Works, considering their**
17 **current capital needs.** She postulated that an effective method of
18 balancing positive and negative tax impacts should be incorporated into the
19 Development Agreement.
20

21 **13. T. Freda asked how the figures in Table 23 (Attachment #2) can**
22 **be applicable when a capital expense that cannot be financed such as**
23 **a new dispatch system is suddenly required at a certain point in the**
24 **development.** L. Gallo explained that since timing is unknown, cash flows
25 such as front end reserve funds and interest rates were built into every year
26 of the analysis based on current inventory in the event of sudden significant
27 outlays. Revisiting the fiscal impact analysis through the progression of the
28 development would also help to avoid such scenarios. Predictability will grow
29 along with the project when market conditions are more apparent at each
30 stage. **T. Freda said it would be helpful for current residents to be**
31 **able to understand that individual years may not be tax positive**
32 **since the conclusion of tax positivity is asserted after full buildout.** If
33 existing residents do not plan on living in town for that length of time, they
34 should understand that the positive fiscal impacts may not be realized to
35 some or any degree while they live in Londonderry. A. Pollack pointed to the
36 yearly breakdown on p. 33 (Attachment #2), but added that as with many
37 aspects of planning, educated projections based on reasonable assumptions
38 are typically the only forecast available.
39

40 **14. T. Freda asked about the lack of projected expenditure increases**
41 **in the School Department analysis.** L. Gallo directed the Board to Table 5
42 of the May 20, 2013 School District fiscal impact analysis (Attachment #3),
43 which reflects projected property tax collections, annual operating costs, and
44 annual capital costs based on the School Department's expectations of
45 absorption into the system of children residing in Woodmont Commons,
46 given the substantial existing capacity. She believed this was independent of
47 an anticipated rate of enrollment, which in recent years has declined.
48

49 **15. T. Freda asked why motor vehicle permit fees (p. 10, Attachment**
50 **#2) were calculated on a per capita basis.** Because the breakdown of

1 housing types is currently unknown, L. Gallo stated that per vehicle permit
2 fee cannot be calculated. The method used should still be accurate, she said,
3 because current permit fee revenues were divided by current town population
4 and then multiplied by the 3,604 persons expected to reside within
5 Woodmont Commons. This would assume that the same proportionate
6 number of residents in Woodmont Commons would have the same number of
7 vehicles and at the values that exists today. Another reasonable method,
8 she explained, would be to divide the current total vehicle permit revenue by
9 the number of vehicles currently registered Londonderry. **M. Soares asked**
10 **how the method used could be considered reasonable when the kinds**
11 **of residents that may be attracted to the variety housing types**
12 **available in Woodmont Commons could have different vehicle needs**
13 **compared to current residents.** L. Gallo explained that while the mixture
14 of housing units would be different, housing values are linked to household
15 income, which is not expected to change so significantly that it would alter
16 those figures in a meaningful way. She offered to perform an alternative
17 analysis, but felt the results would be similar. **C. Davies noted that the**
18 **numbers are skewed because current registration totals include the**
19 **car rental companies located in town.** He also confirmed with L. Gallo
20 that the additional revenue total of \$943,000 would be a per year total at full
21 buildout.

22
23 **16. T. Freda verified with L. Gallo that the cost increases to the**
24 **General Government budget were based on the same expenditure**
25 **assumptions described on page 10 (i.e. a modified per capita**
26 **approach), with the exception of Community Development which was**
27 **based on a case study approach.**

28
29 **17. T. Freda asked how a per capita method of calculation can be**
30 **relevant to real world needs when not all people make use of the**
31 **same services at the same time.** L. Gallo said that by using long term
32 trend information and local government budgets, it takes a significant change
33 in population to affect individual line items within that budget. While a one-
34 to-one level of change cannot be expected, the approach is still typical to
35 predict demands on those General Government services.

36
37 **18. T. Freda asked how a per capita basis can be used when existing**
38 **impending deficiencies in Town services would be impacted by the**
39 **expected additional 3,604 new residents within Woodmont**
40 **Commons.** L. Gallo replied that existing deficiencies cannot be considered in
41 a fiscal impact analysis which must be equitable and proportionate. A higher
42 level of service was therefore applied in comparison to increases (or lack
43 thereof) associated with previous developments, based on information from
44 Town departments.

45
46 **19. J. Laferriere asked if one could assume that additional**
47 **infrastructure requirements and services will tend to occur towards**
48 **the beginning of the project.** A. Pollack answered that adequate capacity
49 would need to be developed to support the expected density of the
50 development. **J. Laferriere asked if that was factored into the**

1 **analysis.** L. Gallo said the conceptual nature of the discussion makes it
2 difficult to predict points when development will create demand for significant
3 outlays. A. Pollack suggested that other means of offsetting initial costs
4 could include impact fees, off-site improvement fees, fees applied to
5 individual site plans that would pay a pro rata share of the capital costs
6 associated with Woodmont Commons, and building cost components of items
7 like roadways into the Development Agreement. Trying to predict beyond
8 what this analysis offers, he said, would involve so many potential alternate
9 scenarios as to make an overall analysis impossible. M. Kettenbach
10 compared his situation as a developer to that of potential developers in the
11 Pettengill Road area where grant money is being sought by the Town to build
12 the road in the hopes of inviting industrial development; whereas he is
13 currently moving forward with a project that is demonstrated as being tax
14 positive for the town, he is doing so without any financial incentive from the
15 Town. He asked that the Board look upon his project equitably with other
16 projects and simply determine whether his project has met the Town's
17 conditions and has been shown to be tax positive. In his opinion, the project
18 would be so tax positive in its early stages that the Town will have no
19 concerns paying for associated infrastructure. T. Freda stated the Board's
20 responsibility to fully examine the fiscal impact analysis report.

21
22 A. Rugg entertained comments and questions from the public. They were as
23 follows:

24
25 1. **John Farrell**, 4 Hancock Drive and Town Council member, **cautioned**
26 **the Board in only considering the last 5 +/- years of School District**
27 **enrollment with regard to the system being able to absorb students**
28 **introduced via Woodmont Commons.** While the Town's population has
29 been aging in recent years, he stated his opinion that Woodmont Commons
30 would bring a younger age group back into town, making the current
31 capacity eventually inadequate for the project at full buildout. The project
32 could still be a tax positive one, but he assumed the School Board would
33 request that the Superintendent reexamine the data provided to the
34 applicant's consultant. J. Laferriere agreed with the potential for a reversal
35 in enrollment figures.

36
37 2. **Mike Speltz**, 18 Sugarplum Lane, **noted the dependence of the**
38 **assumptions in the analysis on the Town's current budget, which is**
39 **arguably atypical. Along with the "best guess" presented in this**
40 **evening's report, he suggested a worst case estimate could be**
41 **prepared by RKG.** While the latter may show the project to be tax
42 negative, it need not discount the project entirely but rather provide a risk
43 assessment to address some of the concerns expressed by the Board.

44
45 3. **Ann Chiampa**, 28 Wedgewood Drive, **inquired whether the \$976,000**
46 **figure for Police Department expenditures in year 20 was sufficient**
47 **when a recently approved School Resource Officer position was**
48 **budgeted at \$100,000.** L. Gallo said her understanding was that the Police
49 Department analysis did consider the types of staff that would be needed as
50 well as the escalating costs associated with them.

1
2 **4. When A. Chiampa inquired about verification of departmental**
3 **data, it was explained that the information came from the individual**
4 **departments themselves and the annual financial reports of the**
5 **Town.**

6
7 **5. A. Chiampa asked if infrastructure costs (water system, sewer**
8 **system, roads, etc.) associated with Woodmont Commons but**
9 **outside of its physical boundaries were considered or should be**
10 **considered in the fiscal impact analysis.** L. Gallo said that her scope of
11 work was limited to the General Fund, whereas infrastructure costs for water
12 and sewer are not a part of the General Fund. A. Rugg said that sewer and
13 water improvements do not impact the tax rate because those costs are paid
14 by user and hookup fees.

15
16 **6. John Wilson, Tranquil Drive, gave his opinion that no fiscal impact**
17 **analysis could provide the Board with the assurances members**
18 **appear to be seeking concerning financial risks associated with a 20-**
19 **year project.** The number of potential variables over such a time span, he
20 said, makes it impossible to truly discern the impact of the project. Instead,
21 the focus should be mitigating risks, e.g. through impact fees, growth control
22 ordinances, the Development Agreement, etc. He offered that the fiscal
23 impact analysis discussion is not as relevant as is the discussion of impacts
24 on the quality of life of residents.

25
26 **7. M. Speltz asked if the study was constrained by the Town's**
27 **Growth Management and/or Phasing ordinances.** A. Pollack and A.
28 Rugg said it was not. **M. Speltz then asked if imposing those would**
29 **make a difference in the outcome of the analysis since it could**
30 **potentially control which land use could be focused on during specific**
31 **time frames.** A. Rugg said it would need to be considered by the Board
32 since growth control management limits residential construction, which is
33 typically tax negative. If the developer wishes to be exempt from such
34 ordinances, M. Speltz stated, he should request a waiver from them. L. Wiles
35 noted that the PUD Master Plan includes a statement from the applicant that
36 the project should not be constrained by the Growth Management Ordinance.
37 A. Pollack stated that the applicant feels those constraints are not needed
38 since the fiscal projection for the project is positive.

39
40 There was no further public input, nor input from other Public Officials or
41 Town employees.

42
43 Questions and comments from Board members then continued:

44
45 **1. T. Freda asked what was incorporated in the "Annual Capital**
46 **Costs" figure for the Fire Department as noted in Table 23** (p. 21 of
47 Attachment #2. L. Gallo replied that the figure was created by using the
48 complete inventory of Fire Department capital costs that exist in the Town
49 today as a numerator, which was then divided by the Department's 2012
50 response call data. Over the 20-year buildout, the changing response calls

1 are associated with both a capital cost as well as operating cost
2 requirements. The same approach, she noted, was used in the Fire
3 Department's own fiscal impact analysis. **T. Freda questioned using**
4 **averages when the report also acknowledges that impacts will**
5 **increase as square footage and the number of residents increases**
6 **over 20 years.**

7
8 **2. M. Soares asked why the cumulative costs within Table 23 are not**
9 **simply equal to the annual costs multiplied by 20 years.** L. Gallo
10 answered that each year over the 20 year buildout represents a growing
11 number of response calls. While the overall report looks to year 20 of the
12 project, the appendices examine how that amount is growing incrementally
13 as the separate land uses are developed. M. Soares noted that while a
14 capital cost such as a new fire truck may come in any single year, the cost to
15 the taxpayers is spread out over the course of a bond or some other method
16 typically used for capital improvements in Town. She likened the outlook of
17 the fiscal impact analysis to one that could accompany the Town's Master
18 Plan. Rather than knowing exactly what will happen, the PUD Master Plan
19 and its fiscal impact analysis can only offer what could happen. As individual
20 site plans come before the Planning Board, fiscal impacts can be more clearly
21 reviewed. C. Davies countered that the difference between the Town's
22 Master Plan and the PUD Master Plan is that the Town is not obligated by its
23 own Master Plan. Both agreed that the Development Agreement would be
24 the appropriate tool when dealing with the issues raised at this meeting. **C.**
25 **Davies asked if the detailed assumptions regarding those land uses**
26 **over each year could be outlined, something along the lines of a**
27 **Capital Improvements Plan for Woodmont Commons.**

28
29 **3. J. Laferriere asked for a five year fiscal impact analysis, including**
30 **infrastructure costs to the Town, since most of those costs would**
31 **probably occur in the initial years of the project.** While the overall
32 project may be tax positive at full buildout, he expressed concern that initial
33 costs will impose significant negative tax impacts on residents. It is not the
34 responsibility of existing residents, he added, to absorb the costs related with
35 this or any other project.

36
37 **4. M. Soares, J. Laferriere, and L. Wiles asked if RKG could develop a**
38 **worst case scenario analysis as mentioned earlier.** C. Seymour noted
39 that he would have to consult with Staff since DPF's analysis was done with
40 the company's own internal modeling, something RKG would need access to
41 in order to do an analysis in a timely fashion. A. Pollack asked that the
42 Woodmont Commons Development Team (WCDDT) be made a part of that
43 discussion with Staff and RKG. He reiterated that the Development
44 Agreement will most likely be the appropriate place to deal with the concerns
45 raised at this public hearing. Consensus from the Board was to have Staff
46 make a recommendation to the Board after meeting with RKG and WCDDT.

47
48 **M. Soares made a motion to continue the Woodmont Commons PUD**
49 **Public Hearing to the July 10, 2013 Planning Board meeting. L. Wiles**
50 **seconded the motion. No discussion. Vote on the motion, 8-0-0.**

1
2 A. Rugg stated that the public hearing was continued to July 10, 2013 at 7PM.
3

4 **Other Business**

5
6 There was no other business.

7
8 **Adjournment:**

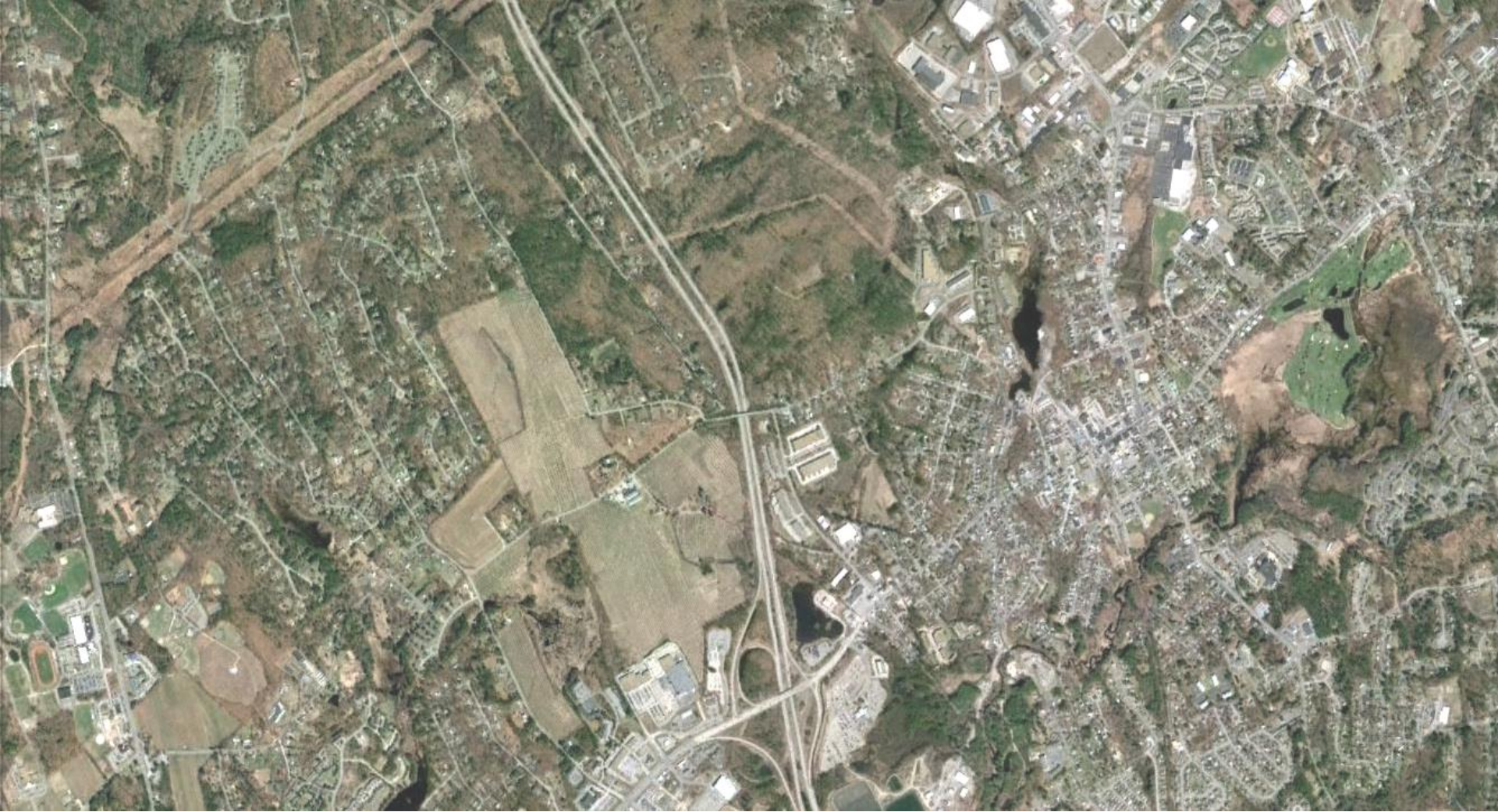
9
10 **M. Soares made a motion to adjourn the meeting. L. Wiles seconded the**
11 **motion. Vote on the motion: 8-0-0.**

12
13 The meeting adjourned at 9:54 PM.

14
15 These minutes prepared by Jaye Trottier, Associate Planner

16
17 Respectfully Submitted,

18
19
20 Lynn Wiles, Secretary



Master Fiscal Impact Analysis

Planning Board Meeting Minutes - June 26, 2013 - Attachment #1



- National real estate and public finance consulting firm
- 10 offices, Coast-to-Coast
- Lucy Gallo, Principal
 - Fiscal and economic impact analysis, real estate market analysis, benefit/cost modeling and public infrastructure finance (impact fees, tax increment financing, and special assessment districts) advisory services for urban development, redevelopment and comprehensive planning projects.
 - CPA serving state and local governments, governmental agencies and the real estate community for 25+ years
 - Collaborative Partner and Lecturer: UNC Chapel Hill - City and Regional Planning Department and UNC School of Government
 - Published Author: Government Finance Officers Association (GFOA), National Association of Home Builders (NAHB), New Partners for Smart Growth, UNC SOG, UNC CRPP
 - Visiting Scholar: Winthrop University

THE INFORMATION PLAN

General. See the Subarea Information Plans for an overview of each area.



DPFG Scope of Work:

- Fiscal impact analysis of Woodmont Commons, at buildout, on the Town's General Fund assuming the following land uses:

Land Use	Square Feet/Units
Commercial	Square Feet
New Office	725,000
New Retail	897,500
Commercial Square Feet	<u>1,622,500</u>
Lodging - Maximum Keys	550
Tax-Exempt Hospital	<u>250,000</u>
Residential	Units
New Accessory Units	130
New Primary Residences	1,300
Residential Units	<u>1,430</u>

Fiscal Impact Methodology

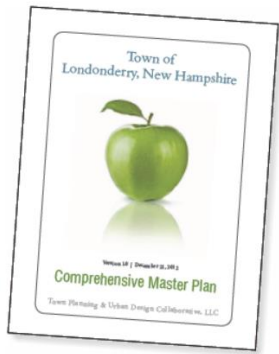
- Constant (2013) dollars
- Current property tax rates
- Baseline assumptions based on the Town's FY2013 budget
- Market values for commercial components based on current data with additional discount of 15% for conservatism and as a sensitivity adjustment
- In-depth analysis provided by Town Staff and the School District for Police, Fire, Building, Community Development, Recreation, Library, and School operating and capital costs.
- Full-time functional equivalent methodology weighting variations of commercial, medical, and retail uses.

Benefits to Londonderry's Tax Base

REAL PROPERTY TAX BASE	Tow n of Londonderry FY12	%	Woodmont Commons	%	Total	%
Residential	\$2,486,520,000	73%	\$495,300,000	57%	\$2,981,820,000	70%
Commercial	912,288,000	27%	371,342,000	43%	1,283,630,000	30%
Total Tax Base	\$3,398,808,000	100%	\$866,642,000	100%	\$4,265,450,000	100%

Source: Tow n of Londonderry; Pillsbury Development, Shook Kelley, DPGF, 2013.

- Woodmont Commons' commercial component, with a tax value of \$371.3 million, will help lessen Town's current dependence on residential taxpayers and relieve increasing burden on them.



2013 Comprehensive Master Plan

- The commercial component of Woodmont Commons is essential to the objectives of the Town's Master Plan.
- The residential component of Woodmont Commons is essential to meet market demand for live/work/play and essential to attracting anchor tenants.

Villages & Corridors Scenario



Current Population:	24,129
Build-Out Population:	37,850
Current Employment:	13,474
Build-Out Employment:	55,380

	1990	2000	2001*	2010	2011*	2015	2020	2025
Pop. (10-yr)	19,781	23,236		24,129		24,589	25,057	25,534
Pop. (20-yr)	19,781	23,236		24,129		25,357	26,648	28,005
# Jobs (10-yr)	6,605		12,052		13,346	13,900	14,627	15,391
# Jobs (20-yr)	6,605		12,052		13,346	15,362	18,316	21,838

*The latest available employment information for Londonderry jobs is current as of 2001 and 2011.

General Fund Annual Net Fiscal Surplus

TOWN OF LONDONDERRY	
NET FISCAL IMPACT	
Year Ending June 30	Year
	20
GENERAL FUND	
Property Taxes	
Real - Commercial	\$1,802,000
Real - Residential	2,402,000
Total Property Taxes	<u>\$4,204,000</u>
Total Property Taxes, Net of Collection %	99.1% \$4,166,000
Motor Vehicle Permit Fees	\$943,000
GENERAL FUND REVENUES	<u>\$5,109,000</u>
GENERAL FUND EXPENDITURES	
General Government	\$304,000
Police	976,000
Fire	1,295,000
Cable	(19,000)
Public Works	992,000
Cultural and Recreation	162,000
GENERAL FUND EXPENDITURES	<u>\$3,710,000</u>
GENERAL FUND ANNUAL NET SURPLUS	<u>\$1,399,000</u>
CUMULATIVE GENERAL FUND NET SURPLUS	<u>\$12,337,000</u>



- At full buildout, Woodmont Commons is projected to generate a net annual general fund fiscal surplus of \$1.4 million for the Town.
- Over the 20-year buildout period, the cumulative net surplus is projected to exceed \$12.3 million.
- Woodmont Commons is projected to bring 3,600 new residents to the Town and 3,776 new employees.

General Fund Revenue Impacts

- Revenues were conservatively limited to direct impacts
 - Property Taxes- commercial and residential at the current rate of \$4.85 per \$1,000 assessed value
 - Motor vehicle Permit Fees
- At full buildout, Woodmont Commons is projected to generate annual revenues of \$5.1 million for the Town.

TOWN OF LONDONDERRY	
NET FISCAL IMPACT	
Year Ending June 30	Year
	20
GENERAL FUND	
Property Taxes	
Real - Commercial	\$1,802,000
Real - Residential	2,402,000
Total Property Taxes	<u>\$4,204,000</u>
Total Property Taxes, Net of Collection %	99.1% \$4,166,000
Motor Vehicle Permit Fees	\$943,000
GENERAL FUND REVENUES	<u><u>\$5,109,000</u></u>



Market Value Assumptions

- Commercial Properties – rents and cap rates were based on extensive research and published 2013 statistics from CBRE England, Integra Realty Resources, and Cassidy Turley New England and direct input from real estate market specialists from DPFG’s Capital Markets Group, iStar Financial, and Cushman & Wakefield.
- The 15% sensitivity adjustment converts the market cap rate of 8.0% to 9.50% thereby providing additional conservatism to the valuation. Without this adjustment, annual revenues (and the net fiscal impact) would increase by \$315,000.

	Square Feet	Rent Per Square Foot	Vacancy	Reserve %	Cap Rate	Indicated Value	Indicated Value	Sensitivity Adjustment	Tax Value Per Square Foot	Estimated Tax Value
Non-Retail										
Office	725,000	\$20	10%	3.5%	8.00%	\$217	\$157,416,000	85%	\$185	\$133,803,000
Retail										
New Retail	897,500	\$21	10%	3.5%	8.00%	\$228	\$204,613,000	85%	\$194	\$173,921,000
Lodging										
Limited Service Hotels	250,000					\$186	\$46,448,000	85%	\$158	\$39,481,000
Full-Service Hotel	120,000					\$237	28,397,000	85%	\$201	24,137,000
Total Lodging	<u>370,000</u>	Maximum keys		Avg per square foot		\$202	\$74,845,000		\$172	\$63,618,000
Total Commercial Value						\$219	\$436,874,000		\$186	\$371,342,000

Supporting Market Value Data

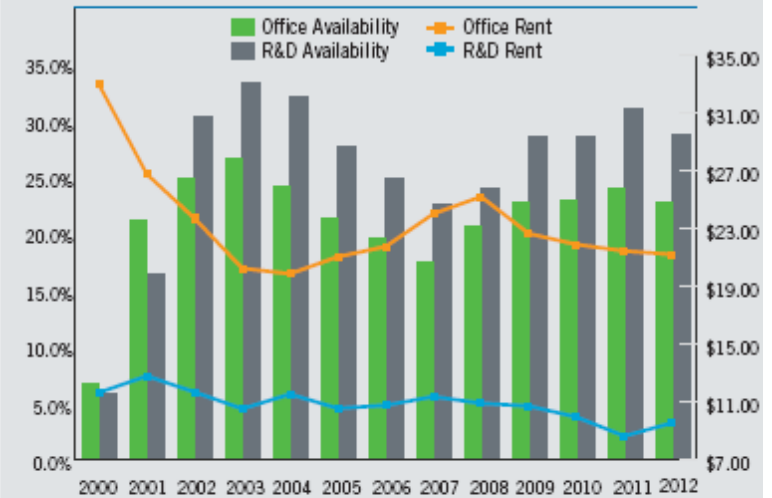
Office Suburban | Eastern Region

	Class A				Class B			
	Stabilized	Trend*	Value-Add	Trend*	Stabilized	Trend*	Value-Add	Trend*
Atlanta	6.50% - 7.50%	↔	7.50% - 8.25%	↔	7.50% - 8.75%	↔	8.50% - 9.00%	↔
Baltimore	7.00% - 7.25%	↔	9.00%	↑	8.50% - 9.25%	↑	10.00%	↑
Boston	5.75% - 6.25%	↓	6.75% - 7.25%	↓	6.50% - 7.00%	↓	8.00% - 8.50%	↓
Charlotte	7.00% - 7.50%	↓	7.50% - 8.00%	↓	7.75% - 8.25%	↓	9.00% - 10.00%	↑
Jacksonville	7.25% - 8.00%	↓	8.50% - 9.00%	↓	9.00% - 10.00%	↓	9.50% - 10.50%	↓
Memphis	7.75% - 8.25%	↔	8.50% - 9.00%	↔	8.75% - 9.25%	↔	9.00% - 10.00%	↔
Miami	6.00% - 7.00%	↓	7.00% - 8.00%	↓	7.25% - 8.50%	↓	8.25% - 9.50%	↓
Nashville	6.75% - 7.50%	↓	7.50% - 7.75%	↓	8.25% - 8.75%	↓	9.00% - 9.50%	↓
Orlando	7.50% - 8.50%	↑	8.00% - 8.50%	↓	8.50% - 9.50%	↑	9.00% - 10.00%	↑
Pittsburgh	7.50% - 7.75%	↔	8.00% - 9.00%	↔	8.50% - 9.00%	↔	9.50% - 10.00%	↑
Philadelphia	7.50% - 8.00%	↔	8.00% - 8.50%	↔	8.50% - 9.00%	↔	9.00% - 10.00%	↔
Raleigh	6.50% - 7.50%	↓	8.00% - 8.50%	↔	8.50% - 9.00%	↑	9.00% - 9.50%	↔
Tampa								
Washington								

Retail Power Center | Eastern Region

	Class A		Class B		Class C	
	Stabilized	Trend*	Stabilized	Trend*	Stabilized	Trend*
Atlanta	7.25% - 7.75%	↓	8.00% - 9.00%	↔	10.00% - 12.00%	↑
Baltimore	6.75% - 8.00%	↑	7.50% - 8.50%	↔	8.00% - 10.00%	↓
Boston	6.50% - 7.00%	↔	7.25% - 8.00%	↑	8.00% - 9.50%	↔
Charlotte	7.00% - 7.50%	↓	8.00% - 8.75%	↑	9.00% - 10.00%	↑
Jacksonville						
Memphis						
Miami						
Nashville						
Orlando						
Philadelphia						

Suburban Overall Availability vs. Average Asking Rent



Retail Neighborhood/Community Center (Grocery Anchored)

	Class A		Class B		Class C	
	Stabilized	Trend*	Stabilized	Trend*	Stabilized	Trend*
Atlanta	5.20% - 7.00%	↓	7.00% - 8.25%	↓	8.25% - 9.50%	↓
Baltimore	5.50% - 6.50%	↔	6.00% - 7.50%	↓	7.00% - 9.50%	↓
Boston	5.50% - 6.25%	↔	7.00% - 7.50%	↔	8.00% - 9.00%	↓
Charlotte	6.75% - 7.25%	↔	7.75% - 8.75%	↑	8.50% - 9.50%	↓
Jacksonville	6.50% - 7.00%	↔	7.25% - 7.75%	↔	8.00% - 11.00%	↔
Memphis	7.75% - 8.25%	↔	8.50% - 9.00%	↔	10.00% - 11.00%	↔
Miami	5.50% - 6.25%	↔	6.50% - 7.25%	↔	8.00% - 9.00%	↔
Nashville	7.00% - 7.50%	↔	8.00% - 8.50%	↓	9.00% - 9.50%	↓
Orlando	6.50% - 7.00%	↔	7.25% - 7.75%	↔	8.00% - 11.00%	↔
Philadelphia	7.00% - 7.25%	↔	8.00% - 8.50%	↔	9.00% - 10.50%	↔
Pittsburgh	6.50% - 7.25%	↓	8.25% - 9.25%	↔	9.50% - 10.50%	↔
Raleigh	6.00% - 7.25%	↑	7.00% - 8.75%	↑	8.00% - 9.50%	↓
Tampa	6.50% - 7.00%	↓	7.25% - 7.75%	↓	8.00% - 11.00%	↓
Washington, DC	5.50% - 6.50%	↔	6.00% - 7.50%	↓	7.00% - 9.50%	↓

General Fund Capital & Operating Expenditure Impacts

- Town Staff determined that the Police, Fire, Building Recreation, Library, and Community Development Departments as well as the Londonderry School District were most sensitive to growth.
- Town Staff projected the impacts for Police, Building, Recreation, Library, and Community Development departments, and the School District prepared the impact on Londonderry public schools.
- Best practice fiscal impact methodologies were used to project the remaining impacts.

General Fund Expenditures

- At buildout, Woodmont Commons is expected to generate annual expenditures of \$3.7 million, with the majority of the service demand affecting the Police, Fire, and Public Works Departments.

GENERAL FUND EXPENDITURES

General Government	\$304,000
Police	976,000
Fire	1,295,000
Cable	(19,000)
Public Works	992,000
Cultural and Recreation	162,000

GENERAL FUND EXPENDITURES

\$3,710,000

Londonderry School District

- The School District estimates Woodmont Commons will generate annual revenues of \$10.7 million, at buildout.
- Based on the available capacity within the School District, the 834 new public school students are expected to generate annual capital and operating costs of \$3.4 million.
- At buildout, the project is expected to generate an annual net surplus of \$7.3 million for the Londonderry School District.

L O N D O N D E R R Y



S C H O O L D I S T R I C T

LONDONDERRY SCHOOL DISTRICT	
NET FISCAL IMPACT	
Year Ending June 30	Year 20
Tax Rate	
Property Taxes Collected on Behalf of :	
Londonderry School District	\$12.44
DISTRIBUTION OF TAXES COLLECTED	
Londonderry School District	\$10,684,000
EXPENDITURES	
ANNUAL OPERATING COSTS	\$3,060,000
CAPITAL COSTS	
Term, in years	10
Interest Rate	5%
Total Annual Capital Costs	352,000
Total Annual Costs	3,412,000
ANNUAL NET SURPLUS	\$7,272,000

Questions?



**Woodmont Commons
Fiscal Impact Analysis**

Town of Londonderry, New Hampshire

Submitted to
Pillsbury Realty Development, LLC.

Submitted by
Development Planning & Financing Group, Inc.

May 17, 2013

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GENERAL LIMITING CONDITIONS

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Development Planning & Financing Group, Inc. (DPFG) and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by DPFG from its independent research effort, general knowledge of the industry, and information provided by and consultations with the Town of Londonderry and its staff and representatives and with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of May 2013 and DPFG has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by DPFG that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of DPFG in any manner without first obtaining the prior written consent of DPFG. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of DPFG. Further, DPFG has served solely in the capacity of consultant and has not rendered any expert opinions. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of DPFG. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from DPFG. Any changes made to the study, or any use of the study not specifically prescribed under agreement between the parties or otherwise expressly approved by DPFG, shall be at the sole risk of the party making such changes or adopting such use.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Executive Summary

Woodmont Commons, a sustainable, multi-phased, mixed use commercial, industrial and residential planned unit development, is projected to bring significant economic and fiscal benefits to the Town of Londonderry (Town), New Hampshire.

The project's commercial tax base of \$371.3 million will help lessen the Town's dependence on residential taxpayers and relieve increasing burden on them. The project is expected to generate over 3,700 new jobs in the Town which will provide employment opportunities for the Town's citizens as well as those of neighboring communities.

At buildout, the total tax base of \$866.6 million will generate an annual positive fiscal impact of \$1.4 million as shown in Table 1. Over the 20-year buildout, the cumulative positive fiscal impact is anticipated to be over \$12.3 million.

Table 1: Net Annual Fiscal Impact of Woodmont Commons at Buildout

TOWN OF LONDONDERRY	
NET FISCAL IMPACT	Year
Year Ending June 30	20
GENERAL FUND	
Property Taxes	
Real - Commercial	\$1,802,000
Real - Residential	2,402,000
Total Property Taxes	\$4,204,000
Total Property Taxes, Net of Collection %	99.1% \$4,166,000
Motor Vehicle Permit Fees	\$943,000
GENERAL FUND REVENUES	\$5,109,000
GENERAL FUND EXPENDITURES	
General Government	\$304,000
Police	976,000
Fire	1,295,000
Cable	(19,000)
Public Works	992,000
Cultural and Recreation	162,000
GENERAL FUND EXPENDITURES	\$3,710,000
GENERAL FUND ANNUAL NET SURPLUS	\$1,399,000
CUMULATIVE GENERAL FUND NET SURPLUS	\$12,337,000

Source: DPF, 2013.

The Town assesses and collects property taxes on behalf of the Londonderry School District, the State of New Hampshire for Education Equalization, and Rockingham County. At buildout, Woodmont will generate annual property taxes of \$10.2 million for the Londonderry School District. Over the 20-year buildout period, Woodmont will generate cumulative property taxes of \$122.4 million for the Londonderry School District. Annual and cumulative property tax collections for the three jurisdictions for which the Town collects and distributes property taxes are reflected in Table 2.

Table 2: Annual and Cumulative Property Tax Collections and Distributions for Other Jurisdictions

TOWN OF LONDONDERRY			
NET FISCAL IMPACT			
Year Ending June 30	Tax Rate	Year 20	20-YEAR CUMULATIVE
Property Taxes Collected on Behalf of :			
Londonderry School District	\$12.44		
State of New Hampshire Schools	\$2.30		
Rockingham County	\$0.91		
Real - Commercial		\$5,732,000	\$75,087,000
Real - Residential		7,161,000	80,286,000
Total Property Taxes	\$15.65	\$12,893,000	\$155,373,000
Total Property Taxes, Net of Collection %	99.1%	\$12,777,000	\$153,975,000
LONDONDERRY SCHOOL DISTRICT, STATE OF NEW HAMPSHIRE SCHOOLS AND ROCKINGHAM COUNTY		\$12,777,000	\$153,975,000
DISTRIBUTION OF TAXES COLLECTED			
Londonderry School District		\$10,156,000	\$122,394,000
State of New Hampshire Schools		1,878,000	22,628,000
Rockingham County		743,000	8,953,000
TOTAL DISTRIBUTION OF PROPERTY TAXES COLLECTED		\$12,777,000	\$153,975,000

Source: DPF, 2013.

Certain Woodmont parcels are subject to the Land Use Change Tax, so additional one-time revenues will be generated for the Town as the current use changes during the early years of development. Although not within the scope of this analysis, the one-time revenues that will be generated by the conversion of the approximately 375 acres enrolled in the program will create substantial revenues for the Town.

Furthermore, the developer of Woodmont plans to donate up to three acres of land to expand and buffer the existing cemetery. The value of this donation is also excluded from this analysis.

Project Description

Pillsbury Realty Development, LLC. (Developer) is petitioning the Town of Londonderry (Town), New Hampshire to rezone approximately 600 acres within the Town's jurisdiction for a sustainable, multi-phased, mixed use commercial, industrial and residential planned unit development to be known as Woodmont Commons (Woodmont). The property generally straddles Interstate 93 between existing exits 4 and 5 in the location of Pillsbury Road and its intersection with Gilcreast Road. The development of Woodmont presents a unique opportunity for the Town to secure exemplary planning and development, to protect the environment, to strengthen and enhance the tax base, and to achieve growth in a managed, positive and beneficial manner.

The Developer and the Town plan to enter into a Master Plan and Development Agreement for the purpose of: 1) confirming the amount of, and the different types of, uses and design standards for Woodmont; 2) coordinating the construction and design of infrastructure that will serve the Woodmont and the community at large; 3) confirming the regulations relating to the dedication and/or provision of public facilities by the Developer as described herein; and 4) providing assurances to the Developer that it may proceed with the Development, in good faith reliance upon and compliance with the process set forth in the Woodmont planned unit development master plan as an approved rezoning and without encountering future changes in ordinances, regulations, technical standards or policies that would materially impair its ability to develop Woodmont as contemplated in the approved planned-unit development zoning and under the terms of this Agreement.

The purpose of this analysis is to demonstrate the net fiscal impact on the Town's General Fund at full buildout of the project. Although the Appendix contains supporting schedules for the 20-year study period, the Town and the Developer have elected, at this point, to evaluate the net fiscal impacts at full buildout. During the development of Woodmont, updated fiscal impact analysis may be required during the site plan review process to identify potential operating cost mitigation, capital cost mitigation, or both as the actual development design and land uses become known and approach reality.

At buildout, the residential and nonresidential land uses are expected to comprise the land uses reflected in Table 3.

Table 3: Woodmont Development Program

Land Use	Square Feet/Units
Commercial	Square Feet
New Office	725,000
New Retail	897,500
Commercial Square Feet	<u>1,622,500</u>
Lodging - Maximum Keys	550
Tax-Exempt Hospital	<u>250,000</u>
Residential	Units
New Accessory Units	130
New Primary Residences	1,300
Residential Units	<u>1,430</u>

Source: Pillsbury Development, Shook Kelley, DPF&G, 2013.

Revenue Impacts

Real Property Taxes

Like many towns across the country, Londonderry is heavily dependent on its residential tax base. With a projected tax base of \$866.6 million, Woodmont offers an alternative to the Town's current fiscal profile.

Table 4: Real Property Tax Base of Woodmont

Land Use	Real Property Tax Base
Commercial	
Office	\$133,803,000
New Retail	173,921,000
Lodging	63,618,000
Total Commercial	<u>\$371,342,000</u>
Residential	
New Accessory Units	\$20,800,000
New Primary Residences	474,500,000
Total Residential	<u>\$495,300,000</u>
Total Real Property Value	<u>\$866,642,000</u>

Source: Pillsbury Development, Shook Kelley, DPF&G, 2013.

Table 5 compares the composition of the Town's existing tax base before and after the inclusion of Woodmont. Assuming the project was in service today, the Town's tax base would increase by \$866.6 million and shift the burden on residential uses from 73 percent to 70 percent, thereby improving the revenue-generating balance of the tax base for the Town.

Table 5: Projected Real Property Tax Base With Woodmont Commons

REAL PROPERTY TAX BASE	Town of Londonderry		Woodmont Commons		Total	
	FY12	%		%		%
Residential	\$2,486,520,000	73%	\$495,300,000	57%	\$2,981,820,000	70%
Commercial	912,288,000	27%	371,342,000	43%	1,283,630,000	30%
	<u>\$3,398,808,000</u>	100%	<u>\$866,642,000</u>	100%	<u>\$4,265,450,000</u>	100%

Source: Town of Londonderry; Pillsbury Development, Shook Kelley, DPF&G, 2013.

A number of regional and local resources were consulted to determine the appropriate tax values for the residential units proposed for Woodmont. Ms. Judy Tinkham, GRI, CRB (Tinkham Realty, Inc.) concluded that the estimates shown in Table 6 are reasonable and conservative for the new accessory units and primary residences.

Table 6: Residential Tax Base of Woodmont

Residential	Market Value Per Square		Unit Size	Unit Value	Value
	Units	Foot			
New Accessory Units	130	\$133	1,200	\$160,000	\$20,800,000
New Primary Residence:	1,300	\$162	2,250	\$365,000	474,500,000
Total Residential	<u>1,430</u>				<u>\$495,300,000</u>

Source: Developers, Tinkham Realty, Town of Londonderry, DPF&G, 2013

The non-residential development planned for Woodmont is denser than exists in the Town today, and there has been limited new nonresidential construction in recent years. Consequently, resources from national, regional, and local real estate brokers were consulted to assign appropriate values. An income approach was used for the initial valuation. The results were then compared to the cost of new construction for the various land uses as a reasonableness test. Ms. Judy Tinkham, a qualified and experienced local broker, also concluded the results were reasonable and conservative. To insert an extra layer of conservative, the values in Table 7 were discounted 15 percent into arrive at the estimated tax value per square foot.

Table 7: Nonresidential Tax Base of Woodmont

	Square Feet	Annual Rent Per Square Foot	Vacancy	Reserve %	Cap Rate	Indicated Value	Indicated Value	Sensitivity Adjustment	Tax Value Per Square Foot	Estimated Tax Value
Non-Retail Office	725,000	\$20	10%	3.5%	8.00%	\$217	\$157,416,000	85%	\$185	\$133,803,000
Retail New Retail	897,500	\$21	10%	3.5%	8.00%	\$228	\$204,613,000	85%	\$194	\$173,921,000
Lodging										
Limited Service Hotels	250,000					\$186	\$46,448,000	85%	\$158	\$39,481,000
Full-Service Hotel	120,000					\$237	28,397,000	85%	\$201	24,137,000
Total Lodging	<u>370,000</u>	Maximum keys 550			Avg per square foot	\$202	\$74,845,000		\$172	\$63,618,000
Tax-Exempt Hospital	<u>250,000</u>						N/A			N/A
Total Commercial Value						\$219	\$436,874,000		\$186	\$371,342,000
Total Residential Value							495,300,000			495,300,000
TOTAL VALUE							<u>\$932,174,000</u>			<u>\$866,642,000</u>

Source: CBRE New England, Cassidy Turley New England, Tinkham Realty, DPF, 2013

Motor Vehicle Permit Fees

A per capita approach was used to estimate motor vehicle permit fee revenue. The FY2013 budgeted revenue of \$6.3 million was divided by the current Town population of 24,163 to arrive at a fee of \$261.76 per person. At buildout, Woodmont is expected to generate additional revenues of \$943,000 for the Town, calculated as \$261.76 times 3,604 persons (see Table 9 for the new Woodmont population).

Expenditure Assumptions

Because certain fiscal expenditure impacts use a modified per capita (full-time functional equivalent population) approach, population and employment projections for Woodmont were developed as follows.

Employment Assumptions

To project the number of employees anticipated in the new businesses, square footage per employee estimates were generally provided by Shook Kelley, Inc. and the *Planner's Estimating Guide: Projecting Land-Use and Facility Needs*.¹ Facility planning frequently considers the building space consumed by workers in major employment categories. National surveys of commercial and public buildings provide data about space consumption per worker for a wide range of specific activities.

As shown in Table 10, at buildout Woodmont commercial facilities are expected to employ 3,776 employees. Today, ESRI estimates there are 13,420 persons employed in businesses located in the Town, so Woodmont is expected to increase the Town's employment by 28 percent.

¹ Arthur C. Nelson, *Planners Estimating Guide: Projecting Land-Use and Facility Needs*. American Planning Association, 2004.

Table 8: Projected New Employment in Woodmont Commercial Facilities

	Square Feet Per Land Use	10% Occupancy Office/Retail	Square Feet per Employee	New Employees
COMMERCIAL				
Office	725,000	653,000	300	2,177
New Retail	897,500	808,000	800	1,010
Hotels	370,000	370,000	2,000	185
Tax-Exempt Hospital - Day Shift	250,000	250,000	619	162
Tax-Exempt Hospital - Other Shifts	250,000	250,000		242
TOTALS	2,492,500	2,331,000		3,776

Source: Shook Kelley, Inc., *The Planner's Estimating Guide*, energystar.gov, DPGF, 2013.

Population Assumptions

The projected population of Woodmont is calculated by applying number of persons per housing unit by the housing unit type. As reflected in Table 9, at buildout, 3,604 new residents are expected, which is 15 percent of the Town's current population.

Table 9: Projected Woodmont Residential Population

Population At Buildout	Units	PPH	Population
New Accessory Units	130	1.98	258
New Primary Residences	1,300	2.57	3,346
Total	1,430	2.52	3,604
Town of Londonderry - Current			24,163
Projected Town of Londonderry Population			27,767

Source: US Census Bureau 2011 American Community Survey; DPGF. 2013

The full-time equivalent population calculations for Woodmont and the Town are presented in Table 10. The corresponding coefficients are included in Appendix Table A-6.

Table 10: Full-Time Equivalent Functional Population

	Tow n of Londonderry	24/7 Functional Population Coefficient	24/7 Functional Population	
Working $\{[(24*7)-(9*5)]/(24*7)\}$	14,540	0.7321	10,645	
Non-Working [24/24]	9,623	1.0000	9,623	
Permanent Population	24,163	0.8388	20,268	
Functional Residential Population Coefficient Adjustment:				
Contra Working Population 1 - 24/7 Coefficient: $[(9*5)/(24*7)]$		0.2679		
Employment Population - Weighted Average 24/7 Coefficient		(0.3302)		
Functional Consumer Coefficient Adjustment:		(0.0624)		
Functional Consumer Coefficient Adjustment Times Lesser of Employment or Permanent Population	14,540		(907)	
Tow n of Londonderry Functional Residential Population	24,163	0.8013	19,361	
Tow n of Londonderry Existing Employment Population By Sector:				
Agriculture	2	0.3002	1	
Manufacturing	3,389	0.2904	984	
Health Services and Social Assistance	708	0.4747	336	
Construction	981	0.3002	295	
Financial, Insurance, Real Estate	418	0.3064	128	
Retail	1,814	0.9968	1,808	
Educational	102	0.2679	27	
Government	189	0.4066	77	
Wholesale Trade	1,556	0.3095	482	
Transportation, Communications, Utilities	1,014	0.3002	304	
Other	3,247	0.3002	975	
Total	13,420	0.3302	4,432	
Functional Population Full-Time Equivalents			23,793	
Woodmont Commons				
	Employees Or Residents	24/7 Functional Population Coefficient	24/7 Functional Population	
Projected Residents:				
New Accessory Units	258	0.8013	207	
New Primary Residences	3,346	0.8013	2,681	
Total Residential	3,604	0.8013	2,888	61%
Projected Employees:				
Office	2,177	0.3064	667	
New Retail	1,010	0.9968	1,007	
Hotels	185	0.3714	69	
Tax-Exempt Hospital - Day Shift	162	0.3879	63	
Tax-Exempt Hospital - Other Shifts	242	0.2979	72	
Total Employees	3,776		1,878	39%
Functional Population Full-Time Equivalents			4,765	

Source: NHES, SNHPC, ESRI, Shook Kelley, Inc., *The Planner's Estimating Guide*, DPGF, 2013.

General Government

The General Government Operating summary in Table 11 was derived from the Town's FY2013 budget and the Town's 2012 (most recent) Comprehensive Annual Financial Report (CAFR). This data forms the basis for the methodology to estimate the impacts of the various services provided by the General Government departments.

Table 11: General Government Operating Summary

TOWN OF LONDONDERRY GENERAL GOVERNMENT ANNUAL EXPENDITURE IMPACTS Year Ending June 30						Town of Londonderry		Woodmont Commons at Buildout	
						N/A	0	N/A	0
						R	24,163	R	3,604
						FP-R	19,361	FP-R	2,888
						FP-E	4,432	FP-E	1,878
						FP-T	23,793	FP-T	4,766
						Other	CALC	Other	CALC
						Departmental function is not growth sensitive.			
						Permanent Residential Population			
						Functional FTE Population - Residential			
						Functional FTE Population - Employment			
						Functional FTE Population - Total			
						Separate calculation			

FY13 BUDGET																		
Personnel	Operating	Capital	Other					Cost Allocation	Applicable	Cost Per	Current	Town	Woodmont	New Town				
4110-4260	4330-4690	4740-4760	4866-4905	Total	#		Base	Population	Factor	FTE	Town	Per FTE	Commons	Employees	at	Buildout	at	Buildout
								Population		Population	Employees	Population	FTE Pop at	at	Buildout	Buildout	Buildout	Buildout
\$11,319	\$777	\$0	\$0	\$12,096	1	Town Council	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
315,122	69,044	0	0	384,166	2	Town Manager	N/A	0		\$0.00	3.0	0.000	0	0.0	0.0	0.0	0.0	0.0
300	0	0	0	300	3	Moderator	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
0	1	0	0	1	4	Budget Committee	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
370,681	66,721	0	0	437,402	5	Town Clerk/Tax Collector	FP-T	23,793		\$18.38	4.0	0.000	4,766	0.8	0.0	0.0	0.0	0.0
6,435	10,972	0	0	17,407	5	Voter Registration	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
14,304	400	0	0	14,704	6	Checklist	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
478,375	97,750	0	0	576,125	8	Finance	FP-T	23,793		\$24.21	5.0	0.000	4,766	1.0	0.0	0.0	0.0	0.0
20,600	0	0	0	20,600	8	Personnel Administration	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
345,576	17,125	0	0	362,701	9	Assessing	FP-T	23,793		\$15.24	3.0	0.000	4,766	0.6	0.0	0.0	0.0	0.0
0	301,595	23,000	0	324,595	10	Information Technology	FP-T	23,793		\$13.64	0.0	0.000	4,766	0.0	0.0	0.0	0.0	0.0
0	104,500	0	0	104,500	12	Legal	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
36,247	4,086	0	0	40,333	14	Zoning	FP-T	23,793		\$1.70	0.0	0.000	4,766	0.0	0.0	0.0	0.0	0.0
0	460,325	0	26,397	486,722	15	General Government	Other	CALC		CALC	0.0	CALC	CALC	0.0	0.0	0.0	0.0	0.0
0	0	0	15,927	15,927	42	Cultural Activities	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
0	32,974	0	0	32,974	16	Cemetery	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
16,240	207,782	0	0	224,022	17	Insurance	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
0	3,300	0	0	3,300	18	Conservation	N/A	0		\$0.00	0.0	0.000	0	0.0	0.0	0.0	0.0	0.0
373,674	34,100	0	0	407,774	33	Community Development	N/A	0		\$0.00	4.0	0.000	0	0.0	0.0	0.0	0.0	0.0
\$1,988,873	\$1,411,452	\$23,000	\$42,324	\$3,465,649			Total				19.0			2.4				

Source: Town of Londonderry, 2013.

At buildout, Woodmont is expected to generate incremental impacts of \$304,000 on the General Government departments, as seen in Table 12. Based on interviews with Town staff, no capital impacts are expected.

Table 12: Woodmont General Government Annual Impacts at Buildout

		Year	
GENERAL GOVERNMENT DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH	Cost per Assigned Functional	20	
WOODMONT COMMONS			
Projected Residential Population	R	3,604	
Functional Population FTEs - Residential	FP-R	2,888	
Functional Population FTEs - Employment	FP-E	1,877	
Functional Population FTEs - Total	FP-T	4,765	
Finance	FP-T	\$24.21	\$115,379
Assessing	FP-T	\$15.24	72,637
Information Technology	FP-T	\$13.64	65,006
Legal	N/A	\$0.00	0
Zoning	FP-T	\$1.70	8,077
Community Development	N/A	\$0.00	0
Total			\$261,099
Allocation General Government Costs	16%		42,661
GENERAL GOVERNMENT DEPARTMENT			<u>\$303,760</u>
GENERAL GOVERNMENT DEPARTMENT - ROUNDED			<u>\$ 304,000</u>

Source: Town of Londonderry, DPFG, 2013.

According to interviews with Planning & Economic Development staff, the demands of Woodmont will occur at a pace that can be initially absorbed with current staffing levels. As the Town continues to grow and Woodmont development proceeds, it is likely that the department will need clerical staffing for meeting attendance and recording. This position would serve the entire community and not be directly attributable to Woodmont and would be the result of increasing departmental demands to meet an increasing population and employment base. The buildout scenario tables in the Appendix reflect the demands for the position identified in Table 13. Because the commercial uses are expected to be completed by Year 13, the demand for the position is anticipated to affect Years 10 to 13. An allocation percentage was not provided by the Planning & Economic Development staff; therefore, DPFG assumed 50 percent as a conservative estimate.

Table 13: Planning & Economic Development Impacts Years 10-13

Impacts Estimated by Planning & Economic Development Department:

Year 10	Clerical Staff Annual Salary	\$48,000
This position will serve the entire community and will not be directly attributable to Woodmont.		
DPFG estimate of allocation to Woodmont Commons		50%
		\$24,000

Police Department

The Police Department summary in Table 14 was derived from the Town's FY2013 budget and the Town's 2012 (most recent) Comprehensive Annual Financial Report CAFR.

Table 14: Police Department Operating Summary

TOWN OF LONDONDERRY		Town of Londonderry		Woodmont Commons at Buildout	
POLICE DEPARTMENT		N/A	0	N/A	0
ANNUAL EXPENDITURE IMPACTS		R	24,163	R	3,604
Year Ending June 30		FP-R	19,361	FP-R	2,888
		FP-E	4,432	FP-E	1,878
		FP-T	23,793	FP-T	4,766
		Other	CALC	Other	CALC
		Departmental function is not growth sensitive.		Departmental function is not growth sensitive.	
		Permanent Residential Population		Permanent Residential Population	
		Functional FTE Population - Residential		Functional FTE Population - Residential	
		Functional FTE Population - Employment		Functional FTE Population - Employment	
		Functional FTE Population - Total		Functional FTE Population - Total	
		Separate calculation		Separate calculation	

FY13 BUDGET					
Personnel	Operating	Capital	Other	Total	#
4110-4260	4330-4690	4740-4760	4866-4905		
\$1,226,900	\$97,650	\$0	\$0	\$1,324,550	20
79,846	157,100	0	0	236,946	20
4,777,881	93,300	154,000	0	5,025,181	20
675,633	0	0	0	675,633	20
23,257	1,400	0	0	24,657	20
\$6,783,517	\$349,450	\$154,000	\$0	\$7,286,967	

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
N/A	0	\$0.00	10.0	0.000	0	0.0
FP-T	23,793	\$9.96	1.0	0.000	4,766	0.2
FP-T	23,793	\$211.20	40.0	0.002	4,766	8.0
FP-T	23,793	\$28.40	9.0	0.000	4,766	1.8
R	24,163	\$1.02	0.0	0.000	3,604	0.0
Total			60.0			10.0

Police Administration				
Police Station				
Police Uniformed Officers				
Police Support				
Police Animal Control				
Police Uniformed Officers Per 1,000 Population			1.66	2.22

Statistics 2005 to 2012:
 Number of Stations: 1
 Number of Patrol Units: 27

Source: Town of Londonderry, 2013.

Table 15 reflects the application of the functional population per capita approach to estimate impacts on the Police Department. Using this approach, Woodmont is expected to generate impacts on the Police Department of \$1.2 million at buildout.

Table 15: Woodmont Police Department Annual Impacts – Functional Population Approach

	Cost per Assigned Functional	Year
POLICE DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH		20
WOODMONT COMMONS		
Projected Residential Population	R	3,604
Functional Population FTEs - Residential	FP-R	2,888
Functional Population FTEs - Employment	FP-E	1,877
Functional Population FTEs - Total	FP-T	4,765
Police Administration	N/A	\$0
Police Station	FP-T	47,453
Police Uniformed Officers	FP-T	1,006,382
Police Support	FP-T	135,308
Police Animal Control	R	3,678
POLICE DEPARTMENT		\$1,192,821
POLICE DEPARTMENT - ROUNDED		\$1,193,000

Source: Town of Londonderry, DPF, 2013.

The case study approach was also applied to the Police Department. Following a detailed analysis provided by that department, the assumptions and results in Tables 16, 17, and the Appendix were provided to estimate the impacts of Woodmont on the Town.

Table 16: Police Department Case Study Assumptions

Impacts Estimated by Police Department:					
		TCO Records Clerk Salary Schedule:			
Cost per Officer:		Start		\$68,971	
Hiring & Training	\$30,491	Year 1	\$70,184	Year 6	\$76,720
PO-Start Salary	\$85,380	Year 2	\$71,427	Year 7	\$78,626
PO-1 Salary	\$97,869	Year 3	\$72,702	Year 8	\$78,626
PO-2 Salary	\$99,719	Year 4	\$74,008	Year 9	\$78,626
PO-3 Salary	\$101,615	Year 5	\$75,347	Year 10	\$80,953

Annual Capital Costs per Uniformed Officer		Total Police Officer Personnel Costs	
Equipped Vehicle Cost	\$48,556	Year 1	\$0
Useful life, in years	5	Year 2	\$85,380
Annual Vehicle Cost	\$9,711	Year 3	\$183,249
		Year 4	\$282,968
Police Officer Training Cost per Officer	\$30,491	Year 5	\$469,963
		Year 6	\$498,687
		Year 7	\$589,663
		Year 8	\$605,944
		Year 9	\$693,174
		Year 10	\$879,319

Source: Town of Londonderry, 2013.

According to the Police Department, 9 police officers, 2 telecommunications personnel, 2 Records personnel, and 4 new patrol vehicles will be needed to serve Woodmont at buildout. The annual cost at buildout is estimated to be \$976,000. For purposes of this analysis, it is assumed that these personnel will be housed at the Town's current Police facility, although continued background growth may require that a larger facility or a small substation may be needed.

Table 17: Woodmont Police Department Annual Impacts – Case Study Approach

	Year
POLICE DEPARTMENT - DEPARTMENTAL CASE STUDY	20
New Personnel and Vehicles:	
Telecommunications Officer (TO)	
Cumulative New TO's	2
Records Personnel (RP)	
Cumulative new RP	2
Patrol Officers (PO)	
Cumulative new PO's	9
New Vehicles	1
Total Vehicles	4
New Personnel and Vehicles Costs:	
Telecommunications Officer (TO)	
Annual Cost New TO's	\$23,964
Records Personnel (RP)	
Annual Cost New RP	\$23,964
Patrol Officers (PO)	
Annual Cost New PO's	\$879,319
Current Year New Officer Training	\$0
Total New Officer Training	\$274,419
Annual Cost New Vehicles	\$48,556
Total Cost New Vehicles	\$194,224
POLICE DEPARTMENT	<u>\$975,803</u>
POLICE DEPARTMENT - ROUNDED	<u>\$976,000</u>

Source: Town of Londonderry, DPF, 2013.

Fire Department

Because of the many design elements of the project that have yet to be determined in addition to the uncertainties of the end users of the commercial space, a response call based approach was used to estimate the impacts on the Fire Department for purposes of this analysis. This methodology was also applied in the Town's 2007 Fire Impact Fee Study. Table 18 reflects the projected residential units, projected non-residential square footage, and the new response calls associated with those uses as reported in the 2007 study. The 2007 study assumed 2,016 new residential units would generate 271 annual new response calls, and 15.2 million square feet of new non-residential uses would generate 1,499 new annual response calls. Over the Town's buildout, the percentage of residential response calls is expected to decrease from 55.4 percent residential in 2006 to 37 percent at buildout, and the percentage of non-residential response calls is

expected to correspondingly increase from 44.6 percent to 63.0 percent at buildout. The development profile of Woodmont is consistent with the Town's expectation that new non-residential land uses will increase substantially in future years.

Table 18: Projected Response Calls in the Town's 2007 Impact Fee Study

Future Responses At Town Buildout	Town Total
New Residential Units	2,016
Response Call Ratio	0.134
New Residential Response Calls	<u>271</u>
New Non-Residential Sq. Ft.	15,197,821
Divided by 1,000	15,198
Response Call Ratio	0.099
New Non-Residential Response Calls	<u>1,499</u>
2006 Responses	2,074
New Residential Responses	271
New Non-Residential Responses	<u>1,499</u>
Projected Responses at Buildout	<u>3,844</u>
Residential Responses:	Response %
2006	55.4%
At Town Buildout	<u>37.0%</u>
Non-Residential Responses:	
2006	44.6%
At Town Buildout	<u>63.0%</u>

Source: Town of Londonderry, 2013.

A comparative analysis of the Fire Department's statistics is summarized in Table 20 as follows:

- The majority of the increase in response calls from 2003 to 2012 pertain to non fire responses.
- The number of Fire Department equipment and apparatus has been stable from 2003 to 2012, with the exception of a third ambulance added in 2012. However over this same time period, response calls increased from 2,530 in 2003 to 3,290 in 2012 (a 21 percent increase).
- Although response calls increased 21 percent from 2003 to 2012, the number of Fire Department employees remained the same.

Table 19: Londonderry Fire Department Operating Statistics

Reponse Calls	2003	2006	2012
Fires Extinguished	70	95	59
Non fire responses	969	1,062	1,492
Rescue EMS Responses	1,491	1,598	1,739
Total	2,530	2,755	3,290

Increase in Response Calls	2003 to 2006	2006 to 2012
Fires Extinguished	25	(36)
Non fire responses	93	430
Rescue EMS Responses	107	141
Total Increase in Response Calls	225	535

Increase in Response Calls	2003 to 2006	2006 to 2012
Fires Extinguished	11%	-7%
Non fire responses	41%	80%
Rescue EMS Responses	48%	26%
Total Increase in Response Calls	100%	100%

Inspections and plan/permit review calls	740	1,142	1,010
Fire Department Employees	48	48	47
Fire Department Facilities and Equipment			
Stations	3	3	3
Pumpers	4	4	4
Ladder Trucks	1	1	1
Ambulances	2	2	3
Command Vehicles	1	1	1
Rescue Trucks	1	1	1
Staff Vehicles	3	3	3

Source: Town of Londonderry, 2013.

The Fire Department summary in Table 20 was derived from the Town's FY2013 budget and the Town's 2012 (most recent) CAFR.

Table 20: Fire Department Operating Summary

APPENDIX TABLE A-10

TOWN OF LONDONDERRY
FIRE DEPARTMENT
ANNUAL EXPENDITURE IMPACTS
Year Ending June 30

Town of Londonderry		
N/A	0	Departmental function is not growth sensitive.
R	24,163	Permanent Residential Population
FP-R	19,361	Functional FTE Population - Residential
FP-E	4,432	Functional FTE Population - Employment
FP-T	23,793	Functional FTE Population - Total
Other	CALC	Separate calculation

Woodmont Commons at Buildout		
N/A	0	Departmental function is not growth sensitive.
R	3,604	Permanent Residential Population
FP-R	2,888	Functional FTE Population - Residential
FP-E	1,878	Functional FTE Population - Employment
FP-T	4,766	Functional FTE Population - Total
Other	CALC	Separate calculation

FY13 BUDGET

Personnel 4110-4260	Operating 4330-4690	Capital Outlay 4740-4760	Other 4866-4905	Total	#	
\$832,949	\$179,674	\$0	\$0	\$1,012,623	23	Fire Administration
0	82,500	1,000	0	83,500	23	Fire Station
341,658	84,500	0	0	426,158	23	Fire Ambulance
(480,000)				(480,000)		Ambulance Revenue
3,876,563	39,500	0	0	3,916,063	23	Fire Fighting
114,916	0	0	0	114,916	23	Fire Prevention
361,955	15,000	11,000	0	387,955	23	Fire Communications
0	1,000	0	0	1,000	23	Fire Emergency Mgt
				120,000		Maintenance Trust Fund
\$5,048,041	\$402,174	\$12,000	\$0	\$5,582,215		(per John Vogl)

FY2012 Personnel	
Administration	2
Captain	4
Lieutenants	12
Firefighters	24
Communications	4
Prevention	1
Total	47

Estimated Response Rates Per Dwelling Unit or Non-Res Sq. Ft.		% of Calls
Single Family	0.141 per Unit	39.5%
Multifamily	0.113 per 1000 GFA	12.7%
Retail, Lodging, Offices, Services	0.155 per 1000 GFA	17.1%
Industrial	0.076 per 1000 GFA	7.4%
Other	Various	23.3%
Total		100.0%

Source: Town of Londonderry, DPF, 2013.

Using the response rates per land use type documented in the Town's 2007 Fire Impact Fee Study (Table 21), annual responses for the various land uses in Woodmont were projected. At buildout, Woodmont is anticipated to generate 546 response calls annually.

Future response call volume will be influenced by many factors, none of which can be determined with any certainty at this time. The actual operating and capital cost demands on the Fire Department will be more predictable at the site plan review phase than at this conceptual phase of the project. During site plan review, the Developer may choose to mitigate the impacts or modify the project's design to avoid mitigation.

Table 21: Projected Fire Department Annual Response Calls for Woodmont

	Year
FIRE DEPARTMENT - RESPONSE CALLS	20
Residential Units:	
New Accessory Units	130
New Primary Residences	1,300
Non-Residential Square Footage:	
Office	725,000
New Retail	897,500
Lodging	370,000
Tax-Exempt Hospital	250,000
Projected Responses:	
New Accessory Units	15
New Primary Residences	183
Office	112
New Retail	139
Lodging	57
Tax-Exempt Hospital	39
Total Responses	546

Sources: Town of Londonderry, DPF, 2013.

To estimate the annual capital cost per response call, the total cost (in 2013 dollars) of the Town's existing capital facilities and equipment was estimated as shown in Table 22. By applying the financing terms assumed below, the annual capital cost was determined. The results were then divided by the Town's annual response calls. The results yield an annual capital cost of \$649 per response call. This capital cost per response call was then applied to the projected response calls for Woodmont. At buildout, the annual capital impact is expected to be \$354,000 (546 response calls times \$649 annual capital cost = \$354,000).

Table 22: Londonderry Fire Department Capital Cost per Call Response

Existing Inventory 2012:	#	Per Unit Cost	Total Cost	Interest Rate	Term	Annual Cost - Financed	Annual Cost - Excluding Financing
Number of Stations	3	\$3,300,000	\$9,900,000	5%	15	\$939,463	\$660,000
Number of Pumps	4	\$710,000	\$2,840,000	5%	5	\$643,132	568,000
Number of Ladder Trucks	1	\$990,000	\$990,000	5%	5	\$224,190	198,000
Number of Ambulances	3	\$300,000	\$900,000	5%	5	\$203,809	180,000
Number of Command Vehicles	1	\$130,000	\$130,000	5%	5	\$29,439	26,000
Number of Rescue Trucks	1	\$270,000	\$270,000	5%	5	\$61,143	54,000
Number of Staff Vehicles	3	\$50,000	\$150,000	5%	5	\$33,968	30,000
			\$15,180,000		Total	\$2,135,144	\$1,716,000
					Annual Responses	3,290	3,290
					Annual Capital Cost per Response	\$649	\$522

Source: Town of Londonderry, DPF, 2013.

As shown in Table 22 above, the annual capital cost per response call, excluding financing costs, is estimated to be \$522. This amount is applied to the annual projected response calls over the study period to arrive at \$3.4 million (Table 23), which represents the cumulative cash flow expenditures provided in this analysis for Fire Department capital costs. The specific capital needs of the Fire Department will be more determinable during the site plan application and review process. For example, applicants may select more conventional streets types/blocks/structures to avoid the added cost of more customized choices. In other words, it is premature at this point to assume that the more expensive and least familiar choices will be ultimately selected.

Table 23: Fire Department Capital Costs Included in Woodmont Fiscal Analysis

CAPITAL COSTS, EXCLUDING FINANCING COSTS	20
Capital Cost per Response, excluding financing costs	\$522 546
Annual Capital Costs, excluding financing costs	\$285,000
Cumulative Capital Costs, excluding financing costs	\$3,393,000

Source: Town of Londonderry, DPF, 2013.

The operating impacts of Woodmont are calculated in Table 24. The Town's FY2013 entire Fire Department budget of \$5.5 million (net of annual ambulance revenue) was divided by the annual response call volume of 3,290 to yield a net operating cost per response call of \$1,662. At buildout, the annual operating impact is expected to be \$906,000 which is calculated by multiplying \$1,662 by the 546 projected response calls.

Table 24: Londonderry Fire Department Net Operating Cost per Call Response

FY2012 Statistics	Responses		Net Cost Per Response	
Fires Extinguished	59			
Non fire responses	1,492			
Rescue EMS Responses	1,739			
Total	3,290	\$5,467,299		\$1,662
			Employment	Cost Per Employee
Inspections and plan/permit review	1,010	\$114,916	13,420	\$8.56
Total		\$5,582,215		

Source: Town of Londonderry, DPF, 2013.

Woodmont will impact the Inspections role of the Fire Department although it is difficult to project the impacts with any certainty as the number and types of businesses are yet unknown. The nonresidential land uses will be sprinkled according to building code. Because the Woodmont employment estimates are a derivation of building square footage and because the existing Town employment is known, the employment population approach was deemed a reasonable proxy for estimating the annual cost of inspections. At buildout, the Inspection cost is estimated to be \$35,000 annually. The current Fire Prevention budget is \$115,000 so the estimate for Woodmont's impact is 30 percent of the Town's existing budget.

As shown in Table 25, the capital and operating impacts of the residential and nonresidential land uses in Woodmont are expected to generate annual demands of \$1.3 million on the Fire Department by applying this methodology. The impacts identified at the site plan review phase will be more representative of the actual impacts as the development design and end users will be more certain.

Table 25: Woodmont Fire Department Annual Capital and Operating Impacts

	Year
FIRE DEPARTMENT - RESPONSE	20
CALL/FUNCTIONAL POPULATION APPROACH	
WOODMONT COMMONS	
Woodmont Commons New Employees	3,776
Accessory Unit Population	258
Total Allocation Base for Inspections	<u>4,034</u>
Residential Units:	
New Accessory Units	130
New Primary Residences	1,300
Non-Residential Square Footage:	
Office	725,000
New Retail	897,500
Lodging	370,000
Tax-Exempt Hospital	250,000
Projected Responses:	
New Accessory Units	15
New Primary Residences	183
Office	112
New Retail	139
Lodging	57
Tax-Exempt Hospital	39
Total Responses	<u>546</u>

Sources: Town of Londonderry, DPF, 2013.

Operating Cost per Response - Net of		
Ambulance Revenue	\$1,662	\$906,637
Capital Cost per Response	\$649	354,069
Inspections and plan/permit review	\$8.56	34,540
FIRE DEPARTMENT		<u>\$1,295,246</u>
FIRE DEPARTMENT - ROUNDED		<u>\$1,295,000</u>

Source: Town of Londonderry, DPF, 2013.

Cable Department

The Cable Department summary in Table 26 was derived from the Town's FY2013 budget and the Town's 2012 (most recent) CAFR.

Table 26: Cable Department Operating Summary

TOWN OF LONDONDERRY		Town of Londonderry		Woodmont Commons at Buildout	
CABLE	N/A	0	Departmental function is not growth sensitive.	N/A	0
ANNUAL EXPENDITURE IMPACTS	R	24,163	Permanent Residential Population	R	3,604
Year Ending June 30	FP-R	19,361	Functional FTE Population - Residential	FP-R	2,888
	FP-E	4,432	Functional FTE Population - Employment	FP-E	1,878
	FP-T	23,793	Functional FTE Population - Total	FP-T	4,766
	Other	CALC	Separate calculation	Other	CALC

FY13 BUDGET					
Personnel	Operating	Capital Outlay	Other	Total	#
4110-4260	4330-4690	4740-4760	4866-4905		
45,638	38,350	0	54,200	138,188	29
373,674	34,100	0	0	(265,132)	
\$419,312	\$72,450	\$0	\$54,200	(\$126,944)	

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
R	24,163	\$5.72	3	0.000	3,604	0.4
R	24,163	(\$10.97)		0.000	3,604	0.0
Total			3.0			0.4

Source: Town of Londonderry, DPF, 2013.

No capital impacts are anticipated, and the annual operating impacts on the Cable Department are estimated in Table 27. At buildout, Woodmont will generate \$19,000 in additional Town revenue from Cable Department operations.

Table 27: Woodmont Cable Department Annual Operating Impacts

	Year
CABLE DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH	Cost per Assigned Functional FTE: 20
WOODMONT COMMONS	
Projected Residential Population	R: 3,604
Functional Population FTEs - Residential	FP-R: 2,888
Functional Population FTEs - Employment	FP-E: 1,877
Functional Population FTEs - Total	FP-T: 4,765
Cable	R: \$5.72 (20,611)
Cable	R: (\$10.97) (39,545)
CABLE	(\$18,934)
CABLE DEPARTMENT - ROUNDED	\$ (19,000)

Source: Town of Londonderry, DPF, 2013.

Building Department

According to information provided by the Building Department, Woodmont will generate cumulative net costs of \$78,000 over buildout as shown in Table 28. However, the Building Department anticipates fees can be adjusted such that Woodmont will have a neutral operating impact on the department. No capital impacts are anticipated.

Table 28: Woodmont Building Department Cumulative Net Impact

IMPACTS ESTIMATED BY BUILDING DEPARTMENT

Total Projected Revenue Attributable to Woodmont Commons	\$479,443
Total Projected Expenses Attributable to Woodmont Commons	557,240
Net	<u>(\$77,797)</u>

According to the Building Department, the projected development revenue (based on current estimate construction costs/fees) represents a sufficient offset to provide adequate level of service. It is likely that fees can be adjusted accordingly to offset those fluctuations.

Source: Town of Londonderry, DPFPG, 2013.

Public Works

The Public Works Department summary in Table 29 was derived from the Town's FY2013 budget and the Town's 2012 (most recent) CAFR.

Table 29: Public Works Department Operating Summary

TOWN OF LONDONDERRY		Town of Londonderry		Woodmont Commons at Buildout		
PUBLIC WORKS		N/A	0	N/A	0	% of Existing
ANNUAL EXPENDITURE IMPACTS		R	24,163	R	3,604	15%
Year Ending June 30		FP-R	19,361	FP-R	2,888	15%
		FP-E	4,432	FP-E	1,878	42%
		FP-T	23,793	FP-T	4,766	20%
		Other	CALC	Other	CALC	

FY13 BUDGET												
Personnel	Operating	Capital Outlay	Other	Total	#							
1,575,013	271,040	0	0	1,846,053	26	Public Works Administration						
0	1,267,882	0	0	1,267,882	26	Highways and Streets						
25,337	1,886,470	0	0	1,911,807	27	Solid Waste Administration						
				(70,000)		Drop Off Center Revenue						
\$1,600,350	\$3,425,392	\$0	\$0	\$4,955,742								

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
FP-T	23,793	\$77.59	3.0	0.000	4,766	0.6
FP-T	23,793	\$53.29	11.0	0.000	4,766	2.2
FP-T	23,793	\$80.35	0.0	0.000	4,766	0.0
FP-T	23,793	(\$2.94)		0.000	4,766	0.0
Total			14.0			2.8

Source: Town of Londonderry, DPFPG, 2013.

At this conceptual stage of the project, estimating the impacts on the Public Works Department is a challenge. Although Woodmont is expected to include 10 miles of new streets, it is unknown as to the extent and location of private versus public streets. Furthermore, the number of traffic signals and street lights is also unknown. The Developer has been and will continue to work with the Town in identifying the impacts and planning for their resolution as the development design, site plan review and applications and such site plans approach reality.

A functional population approach was used, for purposes of this analysis, because the Woodmont total functional population of 4,309 at buildout represents 18 percent of the Town's existing functional population whereas Woodmont's 10 new street miles represent only 6 percent of the Town's existing 180 street miles.

As reflected in Table 30, the annual Public Works operating impacts are estimated to be \$992,000. Capital needs will be identified at the site plan review phase and will be mitigated as necessary.

Table 30: Woodmont Public Works Annual Impacts at Buildout

		Year	
PUBLIC WORKS DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH WOODMONT COMMONS	Cost per Assigned Functional FTE		20
Projected Residential Population	R		3,604
Functional Population FTEs - Residential	FP-R		2,888
Functional Population FTEs - Employment	FP-E		1,877
Functional Population FTEs - Total	FP-T		4,765
Public Works Administration	FP-T	\$77.59	369,705
Highways and Streets	FP-T	\$53.29	253,916
Solid Waste Administration	FP-T	\$80.35	382,874
Drop Off Center Revenue	FP-T	(\$2.94)	(14,019)
PUBLIC WORKS DEPARTMENT			<u>\$992,476</u>
PUBLIC WORKS DEPARTMENT - ROUNDED			<u>\$ 992,000</u>

Source: Town of Londonderry, DPFG, 2013.

Cultural and Recreation Department

The Cultural and Recreation Department summary in Table 31 was derived from the Town's FY2013 budget and the Town's 2012 (most recent) CAFR.

Table 31: Cultural and Recreation Department Operating Summary

TOWN OF LONDONDERRY		Town of Londonderry		Woodmont Commons at Buildout		
CULTURAL AND RECREATION ANNUAL EXPENDITURE IMPACTS Year Ending June 30	N/A	0	Departmental function is not growth sensitive.	N/A	0	
	R	24,163	Permanent Residential Population	R	3,604	
	FP-R	19,361	Functional FTE Population - Residential	FP-R	2,888	
	FP-E	4,432	Functional FTE Population - Employment	FP-E	1,878	
	FP-T	23,793	Functional FTE Population - Total	FP-T	4,766	
Other	CALC	Separate calculation	Other	CALC		
FY13 BUDGET						
Personnel 4110-4260	Operating 4330-4690	Capital Outlay 4740-4760	Other 4866-4905	Total	#	
\$77,996	\$69,465	\$0	\$0	\$147,461	30	
945,939	254,370	0	0	1,200,309	31	
40,634	8,889	0	0	49,523	32	
\$1,064,569	\$332,724	\$0	\$0	\$1,397,293		
Recreation	Library Fund	Senior Affairs				
Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
R	24,163	\$6.10	1	0.000	3,604	0.1
R	24,163	\$49.68	14	0.001	3,604	2.1
N/A	0	\$0.00	0	0.000	0	0.0
Total			15.0			2.2

Source: Town of Londonderry, DPFG, 2013.

Applying a functional population methodology based on these statistics yields an annual Cultural and Recreation cost at buildout of \$201,000 as shown in Table 32.

Table 32: Woodmont Cultural and Recreation Annual Impacts – Functional Population Approach

	Cost per Assigned Functional FTE	Year
CULTURAL AND RECREATION - FUNCTIONAL POPULATION METHODOLOGY APPROACH WOODMONT COMMONS		20
Projected Residential Population	R	3,604
Functional Population FTEs - Residential	FP-R	2,888
Functional Population FTEs - Employment	FP-E	1,877
Functional Population FTEs - Total	FP-T	4,765
Recreation	R	\$6.10
Library Fund	R	\$49.68
		\$21,994
		179,029
CULTURAL AND RECREATION DEPARTMENT		<u>\$201,023</u>
CULTURAL AND RECREATION DEPARTMENT - ROUNDED		<u>\$ 201,000</u>

Source: Town of Londonderry, DPF, 2013.

The Recreation and Library Departments prepared detailed operating and capital assessments of the impact of Woodmont during and at buildout. The results at buildout are summarized in Table 33. Based on the Town's analysis, Woodmont is anticipated to generate annual operating impacts on the Library of \$120,000 at buildout. No capital costs are anticipated. Woodmont is expected to generate annual Recreation Department costs of \$42,000 and an allocable capital cost of \$25,000.

Table 33: Woodmont Cultural and Recreation Annual Impacts – Case Study Approach

IMPACTS ESTIMATED BY LIBRARY DEPARTMENT				
Library	FTE	Operating Annual Cost	Woodmont Commons Population	Per Resident
Full-time Librarian	1.0	\$79,820		
Library Technician	PT	26,316		
Library Page	PT	8,195		
Programming and services		5,202		
Total		\$119,533	3,398	\$35.18
IMPACTS ESTIMATED BY RECREATION DEPARTMENT				
Recreation Dept	FTE	Operating Annual Cost	Capital Needs	Softball Field
Summer Programs	1.0		Facility Cost	\$150,000
Summer Programs	1.0		Land Cost	15,000
Softball Programs	0.5		Total	\$165,000
Annual Cost All Positions		\$30,000	Allocable to	15.4%
Operating Costs -1 Field		\$10,000	Woodmont	
Annual Equipment		\$2,000	Commons	\$25,000
Annual Cost		\$42,000		

Source: Town of Londonderry, DPF, 2013.

Fiscal Impact Methodology and Significant Assumptions

The objective of fiscal impact analysis is to estimate the financial impacts of a development or land use change on the revenues and expenditures of the governmental units affected by the development. The analysis evaluates the fiscal characteristics of the proposed development and is designed to help local governments measure the estimated difference between anticipated revenues and the related costs of the new development.

The Government Finance Officers Association (GFOA) outlines the most common methods for estimating service costs in fiscal impact analysis as: average cost, marginal cost, comparisons to other governments and econometric modeling. In many cases, fiscal impact analysis uses a combination of these methods to generate a projection.

- Average Cost is the easiest and most common method and assumes the current cost of serving residents and businesses will equal the cost of serving the new development. The average cost method provides a rough estimate of both direct and indirect costs associated with development. However, this method does not account for demographic change, existing excess capacity or potential economies of scale in service delivery. Methods of calculating average cost include per capita costs, service standard costs and proportional valuation costs.
- Marginal Cost uses site-specific information to determine services costs for a new development. A case study approach is typically necessary to gather detailed information about the existing capacity within public services and infrastructure to accommodate growth from a development project. This method assumes that information about local service levels and capacity is more accurate than standards based on average data
- Comparable Governments incorporate the experience by similar governments with comparable development projects. Studying other governments before and after specific projects can provide useful information in determining additional costs and the increase in costs over a long period of time.
- Econometric Modeling uses complex econometric models and is best used for estimating impacts from large projects that create many indirect effects on the existing community such as a utility plant or an entertainment center.

The fiscal impact analysis of Woodmont uses use a marginal/average cost hybrid methodology to determine the project's impact on capital and operating costs on the Town's tax-supported General Fund. Personnel and operating costs are projected on a variable, or incremental basis, for expenditures and capital improvements. Revenues, such as property taxes, will be projected on a marginal basis whereas revenues attributable to growth will be reflected on an average basis. A

case study approach was used for revenue and cost assumptions developed on the marginal basis.

The FY2013 budget forms the basis for the Town's service level, revenue and cost assumptions. An evaluation of each department, and line items within, was performed to determine which costs are variable (likely to fluctuate with growth) or fixed (not likely to be impacted by growth). Furthermore, the analysis assumes that no impact fees are assessed or collected.

Due to the densities of the project, the Developers have assumed a 20-year buildout. This fiscal impact analysis does not represent a market analysis, market feasibility analysis, or valuation analysis nor have market-assessment type procedures been performed in the course of the engagement. As such, the buildout tables presented in the Appendix represent a possible scenario.

Results of the accompanying have been generally rounded to the nearest thousand dollars.

Constant Dollar Approach

All revenues and expenditures are based on constant 2013 dollars, and the analysis assumes no inflation over the study period. A constant dollar approach is commonly used in fiscal impact analysis to avoid the difficulty of forecasting and interpreting results expressed in inflated dollars. Consideration of inflation in fiscal impact analysis requires local governments to perform sophisticated financial modeling in order to produce credible assumptions, and most local governments do not have the resources to conduct such modeling.

Property Tax Rates

The Town's property tax rate of \$4.85 per \$1,000 assessed value (\$0.00485) was assumed to be constant in this analysis. Furthermore, the Londonderry School District, State of New Hampshire for Education Equalization, and Rockingham County property tax rates are held constant at the current rates of \$12.44, \$2.30, and \$0.91, respectively, per \$1,000 assessed value.

Full-Time Equivalent Functional Population

Incorporating full-time equivalent functional population methodology into per capita calculations provides a framework for more reasonable and equitable projections. According to the Fiscal Impact Analysis Model Training Manual (FIAM), "Local city/county governments receive revenues from land, development and the activities of their populations of residents, workers, and visitors. Local city/county governments also render services to all residents, to all who are working in the city/county and to all visitors to the city/county. Therefore, on the cost side of the equation, counties incur costs to provide services to residents, those employed in the city/county, and to visitors. At various times during a 24-hour period, a resident may become a person employed in the city/county, and then later in the day may be a resident again. To such an individual, the city/county has rendered services for a full 24 hours. Other residents may leave the city/county to

work in another city/county. In this case, the city/county only provides services to that person when they are physically in the city/county. Some who work in the city/county may not live in the city/county. City/county services are only provided to those workers when they are in the city/county. Finally, visitors receive service during the whole period of their visit, but obviously not when they leave the city/county.

To properly measure the services provided to each of these groups, a weighting procedure is needed that reflects the duration of time each group is resident in the city/county. This calculation provides us with the full-time equivalent (FTE) population, employees and visitors. For residents and workers, the model assumes a working period of 2,000 hours per year. In this way, the fiscal impact of the FTE residents, employees and visitors can be properly identified.”

However, simply assigning the employment population a factor of 0.2679 $[(9*5)/(7*24) = 0.2679]$ does not take into consideration the significant variation in demand for public services by type of land use. To address this limitation in the FIAM model, guidance contained in the Planner’s Estimating Guide: Projecting Land-Use and Facility Needs (the Guide) was applied to the development of the FTE functional population estimates. As the Guide explains, trip generation data provided by the Institute of Transportation Engineers (ITE) can be used to estimate the functional population for land uses with employees. Also, the 2000 Nationwide Household Transportation Survey (Federal Highway Administration 2001) provides vehicle trip statistics for the type of trip. These data sources can be used to produce information on total trips, total people including visitors, and total workers by major nonresidential employment-based land-use category.

The Guide estimates functional populations in three tables. The first set of calculations establishes the baseline parameters for computing the two functional population variations described above. The table combines data from the ITE’s Trip Generation (1997) handbook with the Federal Highway Administration’s 2000 Nationwide Household Transportation Survey (2001). The second table uses these baseline assumptions to establish functional population coefficients. The third table multiplies the current or projected population by the coefficients for both of the functional population variations to estimate total functional population.

The coefficients are calculated as follows:

$$\{[(\text{in-place occupant ratio}) \times (\text{hours in place})] + [(\text{visitors per employee}) \times (\text{visitor hours per trip})] \times (\text{days per week})\} / (\text{hours per week})$$

For the permanent population, the Guide suggests a functional coefficient of 0.670. In this study, an additional calculation was performed to arrive at a more precise estimate of the permanent population coefficient. The lesser of the Town’s employment population or permanent population was multiplied by the difference between the standard employment coefficient of 0.2679 and the computed employment coefficient. This difference balances the model to ensure the permanent

and employment populations are properly accounted for and appropriately weighted in the application of the functional population approach to assigning allocable shares of certain operating and capital costs.

**Woodmont Commons
Fiscal Impact Analysis**

APPENDIX

APPENDIX TABLE A-1

TOWN OF LONDONDERRY

NET FISCAL IMPACT

Year Ending June 30

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
GENERAL FUND																				
Property Taxes																				
Real - Commercial	\$0	\$47,000	\$199,000	\$282,000	\$416,000	\$558,000	\$864,000	\$1,039,000	\$1,274,000	\$1,389,000	\$1,504,000	\$1,667,000	\$1,756,000	\$1,802,000	\$1,802,000	\$1,802,000	\$1,802,000	\$1,802,000	\$1,802,000	\$1,802,000
Real - Residential	123,000	246,000	368,000	491,000	614,000	737,000	860,000	983,000	1,105,000	1,228,000	1,351,000	1,474,000	1,597,000	1,712,000	1,827,000	1,942,000	2,057,000	2,172,000	2,287,000	2,402,000
Total Property Taxes	\$123,000	\$293,000	\$567,000	\$773,000	\$1,030,000	\$1,295,000	\$1,724,000	\$2,022,000	\$2,379,000	\$2,617,000	\$2,855,000	\$3,141,000	\$3,353,000	\$3,514,000	\$3,629,000	\$3,744,000	\$3,859,000	\$3,974,000	\$4,089,000	\$4,204,000
Total Property Taxes, Net of Collection % 99.1%	\$122,000	\$290,000	\$562,000	\$766,000	\$1,021,000	\$1,283,000	\$1,708,000	\$2,004,000	\$2,358,000	\$2,593,000	\$2,829,000	\$3,113,000	\$3,323,000	\$3,482,000	\$3,596,000	\$3,710,000	\$3,824,000	\$3,938,000	\$4,052,000	\$4,166,000
Motor Vehicle Permit Fees	\$49,000	\$98,000	\$147,000	\$196,000	\$245,000	\$294,000	\$343,000	\$392,000	\$441,000	\$490,000	\$539,000	\$588,000	\$637,000	\$681,000	\$724,000	\$768,000	\$812,000	\$856,000	\$900,000	\$943,000
GENERAL FUND REVENUES	\$171,000	\$388,000	\$709,000	\$962,000	\$1,266,000	\$1,577,000	\$2,051,000	\$2,396,000	\$2,799,000	\$3,083,000	\$3,368,000	\$3,701,000	\$3,960,000	\$4,163,000	\$4,320,000	\$4,478,000	\$4,636,000	\$4,794,000	\$4,952,000	\$5,109,000
GENERAL FUND EXPENDITURES																				
General Government	\$10,000	\$23,000	\$38,000	\$55,000	\$76,000	\$97,000	\$124,000	\$142,000	\$160,000	\$215,000	\$235,000	\$256,000	\$272,000	\$252,000	\$261,000	\$270,000	\$278,000	\$287,000	\$295,000	\$304,000
Police	0	116,000	216,000	318,000	589,000	514,000	640,000	632,000	756,000	1,024,000	918,000	923,000	923,000	927,000	976,000	927,000	927,000	927,000	927,000	976,000
Fire	24,000	48,000	136,000	201,000	286,000	380,000	523,000	589,000	704,000	787,000	967,000	1,057,000	1,147,000	1,168,000	1,189,000	1,211,000	1,232,000	1,253,000	1,274,000	1,295,000
Cable	(1,000)	(2,000)	(3,000)	(4,000)	(5,000)	(6,000)	(7,000)	(8,000)	(9,000)	(10,000)	(11,000)	(12,000)	(13,000)	(14,000)	(15,000)	(15,000)	(16,000)	(17,000)	(18,000)	(19,000)
Public Works	31,000	74,000	124,000	179,000	249,000	317,000	404,000	464,000	524,000	610,000	678,000	746,000	797,000	825,000	853,000	881,000	909,000	937,000	965,000	992,000
Cultural and Recreation	6,000	12,000	19,000	40,000	46,000	52,000	58,000	117,000	98,000	104,000	110,000	116,000	123,000	128,000	134,000	139,000	145,000	150,000	156,000	162,000
GENERAL FUND EXPENDITURES	\$70,000	\$271,000	\$530,000	\$789,000	\$1,241,000	\$1,354,000	\$1,742,000	\$1,936,000	\$2,233,000	\$2,730,000	\$2,897,000	\$3,086,000	\$3,249,000	\$3,286,000	\$3,398,000	\$3,413,000	\$3,475,000	\$3,537,000	\$3,599,000	\$3,710,000
GENERAL FUND ANNUAL NET SURPLUS	\$101,000	\$117,000	\$179,000	\$173,000	\$25,000	\$223,000	\$309,000	\$460,000	\$566,000	\$353,000	\$471,000	\$615,000	\$711,000	\$877,000	\$922,000	\$1,065,000	\$1,161,000	\$1,257,000	\$1,353,000	\$1,399,000
CUMULATIVE GENERAL FUND NET SURPLUS	\$101,000	\$218,000	\$397,000	\$570,000	\$595,000	\$818,000	\$1,127,000	\$1,587,000	\$2,153,000	\$2,506,000	\$2,977,000	\$3,592,000	\$4,303,000	\$5,180,000	\$6,102,000	\$7,167,000	\$8,328,000	\$9,585,000	\$10,938,000	\$12,337,000

Source: DPF, 2013.

APPENDIX A-2

COMMERCIAL BUILDOUT SCHEDULE

COMMERCIAL LAND USE/SF
YEAR ENDING JUNE 30

YEAR	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
NON-RETAIL																						
<i>General Office</i>																						
Completed Square Feet	0	0	0	0	50,000	100,000	100,000	125,000	0	0	50,000	100,000	100,000	100,000	0	0	0	0	0	0	0	
Cumulative	0	0	0	0	50,000	150,000	250,000	375,000	375,000	375,000	425,000	525,000	625,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	
Square Foot Tax Value	\$185																					
Tax Value	\$0	\$0	\$0	\$0	\$5,537,000	\$16,610,000	\$31,375,000	\$47,985,000	\$59,981,000	\$69,209,000	\$78,437,000	\$87,665,000	\$106,121,000	\$124,577,000	\$133,803,000	\$133,803,000	\$133,803,000	\$133,803,000	\$133,803,000	\$133,803,000	\$133,803,000	
NEW RETAIL																						
Completed Square Feet	0	0	50,000	60,000	60,000	85,000	75,000	115,000	125,000	100,000	75,000	75,000	77,500	0	0	0	0	0	0	0	0	
Cumulative	0	0	50,000	110,000	170,000	255,000	330,000	445,000	570,000	670,000	745,000	820,000	897,500	897,500	897,500	897,500	897,500	897,500	897,500	897,500	897,500	
Square Foot Tax Value	\$194																					
Tax Value	\$0	\$0	\$9,689,000	\$21,316,000	\$32,943,000	\$49,415,000	\$63,949,000	\$86,234,000	\$110,457,000	\$129,835,000	\$144,369,000	\$158,903,000	\$173,919,000	\$173,919,000	\$173,919,000	\$173,919,000	\$173,919,000	\$173,919,000	\$173,919,000	\$173,919,000	\$173,919,000	
LODGING																						
Completed Square Feet	0	0	0	125,000	0	0	0	120,000	0	125,000	0	0	0	0	0	0	0	0	0	0	0	
Cumulative	0	0	0	125,000	125,000	125,000	125,000	245,000	245,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	
Square Foot Tax Value	\$172																					
Tax Value	\$0	\$0	\$0	\$19,740,000	\$19,740,000	\$19,740,000	\$19,740,000	\$43,877,000	\$43,877,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	\$63,618,000	
TAX-EXEMPT HOSPITAL																						
Completed Square Feet	0	0	0	0	0	0	0	0	0	0	250,000	0	0	0	0	0	0	0	0	0	0	
Cumulative	0	0	0	0	0	0	0	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
Square Foot Tax Value	\$0																					
Tax Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
Rounding													\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total Commercial Square Feet	0	0	50,000	235,000	345,000	530,000	705,000	1,065,000	1,190,000	1,415,000	1,790,000	1,965,000	2,142,500	2,242,500	2,242,500	2,242,500	2,242,500	2,242,500	2,242,500	2,242,500	2,242,500	
Total Tax Value	\$0	\$0	\$9,689,000	\$41,056,000	\$58,220,000	\$85,765,000	\$115,064,000	\$178,096,000	\$214,315,000	\$262,662,000	\$286,424,000	\$310,186,000	\$343,658,000	\$362,116,000	\$371,342,000	\$371,342,000	\$371,342,000	\$371,342,000	\$371,342,000	\$371,342,000	\$371,342,000	

Source: Pillsbury Development, Shook Kelley, DPF, 2013.

APPENDIX TABLE A-3

RESIDENTIAL YEAR ENDING JUNE 30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ACCESSORY UNITS																				
Absorption	10	10	10	10	10	10	10	10	10	10	10	10	10	0	0	0	0	0	0	0
Cumulative	10	20	30	40	50	60	70	80	90	100	110	120	130	130	130	130	130	130	130	130
Unit Value	\$160,000																			
Tax Value	1,600,000	\$3,200,000	\$4,800,000	\$6,400,000	\$8,000,000	\$9,600,000	\$11,200,000	\$12,800,000	\$14,400,000	\$16,000,000	\$17,600,000	\$19,200,000	\$20,800,000	\$20,800,000	\$20,800,000	\$20,800,000	\$20,800,000	\$20,800,000	\$20,800,000	\$20,800,000
SINGLE FAMILY																				
Absorption	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Cumulative	65	130	195	260	325	390	455	520	585	650	715	780	845	910	975	1,040	1,105	1,170	1,235	1,300
Unit Value	\$365,000																			
Tax Value	\$23,725,000	\$47,450,000	\$71,175,000	\$94,900,000	\$118,625,000	\$142,350,000	\$166,075,000	\$189,800,000	\$213,525,000	\$237,250,000	\$260,975,000	\$284,700,000	\$308,425,000	\$332,150,000	\$355,875,000	\$379,600,000	\$403,325,000	\$427,050,000	\$450,775,000	\$474,500,000
TOTAL RESIDENTIAL																				
Cumulative Units	75	150	225	300	375	450	525	600	675	750	825	900	975	1,040	1,105	1,170	1,235	1,300	1,365	1,430
Cumulative Tax Value	\$25,325,000	\$50,650,000	\$75,975,000	\$101,300,000	\$126,625,000	\$151,950,000	\$177,275,000	\$202,600,000	\$227,925,000	\$253,250,000	\$278,575,000	\$303,900,000	\$329,225,000	\$352,950,000	\$376,675,000	\$400,400,000	\$424,125,000	\$447,850,000	\$471,575,000	\$495,300,000

Source: Pillsbury Development,
Shook Kelley, DPF, 2013.

APPENDIX TABLE A-4

WOODMONT POPULATION

Land Use/Units	PPH	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total	
New Accessory Units	1.98	10	20	30	40	50	60	70	80	90	100	110	120	130	130	130	130	130	130	130	130	130	
New Primary Residences	2.57	65	130	195	260	325	390	455	520	585	650	715	780	845	910	975	1,040	1,105	1,170	1,235	1,300	1,300	
Total Units		75	150	225	300	375	450	525	600	675	750	825	900	975	1,040	1,105	1,170	1,235	1,300	1,365	1,430	1,430	
Projected Residential Population																							
New Accessory Units		20	40	60	79	99	119	139	159	179	198	218	238	258	258	258	258	258	258	258	258	258	
New Primary Residences		167	335	502	669	837	1,004	1,171	1,338	1,506	1,673	1,840	2,008	2,175	2,342	2,510	2,677	2,844	3,011	3,179	3,346	3,346	
Projected Residential Population		187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604	3,604	
Annual Woodmont Commons																							
Population Growth		187	187	187	187	187	187	187	187	187	187	187	187	187	167	167	167	167	167	167	167	167	0

Source: Town of Londonderry, Pillsbury Development, Shook Kelley, DPFPG, 2013.

APPENDIX TABLE A-5

NEW EMPLOYMENT	SF Per Employee Vacancy Adjusted	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
		NON-RETAIL																			
Office																					
Completed Square Feet	300	0	0	0	50,000	100,000	100,000	125,000	0	0	50,000	100,000	100,000	100,000	0	0	0	0	0	0	0
Cumulative	333	0	0	0	50,000	150,000	250,000	375,000	375,000	375,000	425,000	525,000	625,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000
Annual New Employees		0	0	0	150	300	300	375	0	0	150	300	300	300	0	0	0	0	0	0	0
Rounding		0	0	0	0	0	0	0	0	0	0	0	0	2							
Cumulative New Employees		0	0	0	150	450	750	1,125	1,125	1,125	1,275	1,575	1,875	2,177	2,177	2,177	2,177	2,177	2,177	2,177	2,177
NEW RETAIL																					
Completed Square Feet	800	0	50,000	60,000	60,000	85,000	75,000	115,000	125,000	100,000	75,000	75,000	77,500	0	0	0	0	0	0	0	0
Cumulative	889	0	50,000	110,000	170,000	255,000	330,000	445,000	570,000	670,000	745,000	820,000	897,500	897,500	897,500	897,500	897,500	897,500	897,500	897,500	897,500
Annual New Employees		0	56	68	68	96	84	129	141	113	84	84	87	0	0	0	0	0	0	0	0
Cumulative New Employees		0	56	124	191	287	371	501	641	754	838	923	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010
LODGING																					
Completed Square Feet	2,000	0	0	125,000	0	0	0	120,000	0	125,000	0	0	0	0	0	0	0	0	0	0	0
Cumulative	2,000	0	0	125,000	125,000	125,000	125,000	245,000	245,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000
Annual New Employees		0	0	63	0	0	0	60	0	63	0	0	0	0	0	0	0	0	0	0	0
Cumulative New Employees		0	0	63	63	63	63	123	123	185	185	185	185	185	185	185	185	185	185	185	185
TAX-EXEMPT HOSPITAL																					
Completed Square Feet	619	0	0	0	0	0	0	0	0	0	250,000	0	0	0	0	0	0	0	0	0	0
Cumulative	619	0	0	0	0	0	0	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Annual New Employees		0	0	0	0	0	0	0	0	0	404	0	0	0	0	0	0	0	0	0	0
Cumulative New Employees		0	0	0	0	0	0	0	0	0	404	404	404	404	404	404	404	404	404	404	404
Woodmont Commons Annual New Employees		0	56	130	218	396	384	564	141	175	638	384	387	302	0	0	0	0	0	0	0
Woodmont Commons New Employees		0	56	186	404	799	1,184	1,748	1,889	2,064	2,702	3,087	3,474	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776

Note 1: Employment estimates are calculated on net occupied square footage.

Source: Pillsbury Development, Shook Kelley, DPF, 2013.

APPENDIX TABLE A-6

Source: Planner's Estimating Guide: Projecting Land-Use and Facility Needs
24/7 FUNCTIONAL POPULATION COEFFICIENTS

Land Use Category	ITE Code	24/7 Week	In-Place Occupant Ratio	Hours In Place	Trips Per Employee*	One Way Trips Per Employee	Journey-To-Work Occupants Per Trip**	Daily Occupants Per Trip**	Visitors Per Employee	Visitor Hours Per Trip	24/7 Coefficient
Permanent Population											
Group Care Population											
Hotel/Motel Population											
Construction	110	5	1.00	9.00	3.020	1.510	1.300	2.020	1.0872	1.00	0.3002
Manufacturing	140	5	1.00	9.00	2.100	1.050	1.300	2.020	0.7560	1.00	0.2904
Transportation, Commun. & Utilities	110	5	1.00	9.00	3.020	1.510	1.300	2.020	1.0872	1.00	0.3002
Wholesale Trade	150	5	1.00	9.00	3.890	1.945	1.300	2.020	1.4004	1.00	0.3095
Retail	820	7	1.00	9.00	40.332	20.166	1.190	1.930	14.9229	1.00	0.9968
Finance, Insurance and Real Estate	710	5	1.00	9.00	3.320	1.660	1.135	1.915	1.2948	1.00	0.3064
Office and Services	710	5	1.00	9.00	3.320	1.660	1.135	1.915	1.2948	1.00	0.3064
Group Care Employees	252				2.610						
Group Care Employees	253	7	1.00	9.00	3.480	1.740	1.135	1.915	1.3572	2.00	0.4881
Hotel/Motel Employees	310	5	1.00	9.00	8.920	4.460	1.135	1.915	3.4788	1.00	0.3714
Government	730	5	1.00	9.00	11.950	5.975	1.135	1.915	4.6605	1.00	0.4066
Medical Offices/Clinics	720	5	1.00	9.00	8.910	4.455	1.135	1.915	3.4749	2.00	0.4747
Hospital - Day Shift	610	5	1.00	9.00	5.170	2.585	1.135	1.915	2.0163	2.00	0.3879
Hospital - Evening/Night Shift	610	5	1.00	9.00	2.585	1.293	1.135	1.915	1.0082	1.00	0.2979
Nursing Home	620	5	1.00	9.00	0.200	0.100	1.135	1.915	0.0780	1.00	0.2702
Church		5	1.00	9.00	3.320	1.660	1.135	1.915	1.2948	1.00	0.3064
Civic/Art		5	1.00	9.00	3.320	1.660	1.135	1.915	1.2948	1.00	0.3064
Ag-Other		5	1.00	9.00	3.020	1.510	1.300	2.020	1.0872	1.00	0.3002
Education		5	1.00	9.00	2.000	1.000	1.000	1.000	0.0000	0.00	0.2679
Students - included in permanent pop.	na		1.00	9.00	na	na	na	na	na	na	

Trips per Retail Employee:

Retail Scale:	Neighborhood Retail Employees	Trip Rate	Share	Weighted Trips	Existing Retail 24/7 Coefficient
Neighborhood < 50k Sq Ft	0	87.31	0%	0.00	
Community 50k Sq Ft- 250k Sq Ft	1,094	49.15	100%	49.15	1.00
Regional 250k Sq Ft - 500k Sq Ft		38.37	0%	0.00	x
Super Regional 500k - 1000k Sq Ft		29.96	0%	0.00	9.00
Sum of Weighted Trips Per 1k Sq Ft	1,094		100%	49.15	x
Estimated Retail Space				897,500	7.00
Retail Employees				1,094	63.00
Employees Per 1,000 sf				1.22	+
Trips Per Employee				40.3323	14.92
1-Way Trips Per Employee				20.17	x
Visitors Per Employee				14.92	1.00
					x
					7.00
					104.46
					167.46
					divided by
				24/7 Hours	168.00
				24/7 Coefficient	0.9968

*Trip Generation Manual (Institute of Transportation Engineers)
 **2000 Nationwide Household Transportation Survey (Federal Highway Administration 2001)
 *** Formula adjusted to accommodate actual employment totals

Source: Planners Estimating Guide, ESRI, DPGF, 2013.

APPENDIX TABLE A-7

WOODMONT COMMONS FUNCTIONAL POPULATION

FUNCTIONAL POPULATION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
FUNCTIONAL POPULATION - RESIDENTIAL																				
Projected Residential Population	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604
Functional Population Coefficient	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013	0.8013
Functional Population FTEs - Residential	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888
FUNCTIONAL POPULATION - EMPLOYMENT																				
OFFICE																				
Office Employment	0	0	0	150	450	750	1,125	1,125	1,125	1,275	1,575	1,875	2,177	2,177	2,177	2,177	2,177	2,177	2,177	2,177
Functional Population Coefficient	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064	0.3064
Functional Population - Office	0	0	0	46	138	230	345	345	345	391	483	574	667	667	667	667	667	667	667	667
NEW RETAIL																				
New Retail Employment	0	56	124	191	287	371	501	641	754	838	923	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010
Functional Population Coefficient	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968	0.9968
Functional Population - Walkable Retail	0	56	123	191	286	370	499	639	751	835	920	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
LODGING																				
Lodging Employment	0	0	63	63	63	63	123	123	185	185	185	185	185	185	185	185	185	185	185	185
Functional Population Coefficient	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714	0.3714
Functional Population - Lodging	0	0	23	23	23	23	45	45	69	69	69	69	69	69	69	69	69	69	69	69
TAX-EXEMPT HOSPITAL																				
Tax-Exempt Hospital Employment	0	0	0	0	0	0	0	0	0	404	404	404	404	404	404	404	404	404	404	404
Functional Population Coefficient	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342	0.3342
Functional Population - Tax-Exempt Hospita	0	0	0	0	0	0	0	0	0	135	135	135	135	135	135	135	135	135	135	135
Functional Population FTEs - Employment	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877
Functional Population FTEs - Total	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765

Source: Town of Londonderry, Pillsbury Development, Shook Kelley, The *Planners Estimating Guide*, DPGF, 2013.

APPENDIX TABLE A-8

TOWN OF LONDONDERRY
GENERAL GOVERNMENT
ANNUAL EXPENDITURE IMPACTS
Year Ending June 30

Town of Londonderry		Woodmont Commons at Buildout		
N/A	0	Departmental function is not growth sensitive.	N/A	0
R	24,163	Permanent Residential Population	R	3,604
FP-R	19,361	Functional FTE Population - Residential	FP-R	2,888
FP-E	4,432	Functional FTE Population - Employment	FP-E	1,878
FP-T	23,793	Functional FTE Population - Total	FP-T	4,765
Other	CALC	Separate calculation	Other	CALC

FY13 BUDGET

Personnel 4110-4260	Operating 4330-4690	Capital Outlay 4740-4760	Other 4866-4905	Total	#		Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
\$11,319	\$777	\$0	\$0	\$12,096	1	Town Council	N/A	0	\$0.00	0.0	0.000	0	0.0
315,122	69,044	0	0	384,166	2	Town Manager	N/A	0	\$0.00	3.0	0.000	0	0.0
300	0	0	0	300	3	Moderator	N/A	0	\$0.00	0.0	0.000	0	0.0
0	1	0	0	1	4	Budget Committee	N/A	0	\$0.00	0.0	0.000	0	0.0
370,681	66,721	0	0	437,402	5	Town Clerk/Tax Collector	FP-T	23,793	\$18.38	4.0	0.000	4,765	0.8
6,435	10,972	0	0	17,407	5	Voter Registration	N/A	0	\$0.00	0.0	0.000	0	0.0
14,304	400	0	0	14,704	6	Checklist	N/A	0	\$0.00	0.0	0.000	0	0.0
478,375	97,750	0	0	576,125	8	Finance	FP-T	23,793	\$24.21	5.0	0.000	4,765	1.0
20,600	0	0	0	20,600	8	Personnel Administration	N/A	0	\$0.00	0.0	0.000	0	0.0
345,576	17,125	0	0	362,701	9	Assessing	FP-T	23,793	\$15.24	3.0	0.000	4,765	0.6
0	301,595	23,000	0	324,595	10	Information Technology	FP-T	23,793	\$13.64	0.0	0.000	4,765	0.0
0	104,500	0	0	104,500	12	Legal	N/A	0	\$0.00	0.0	0.000	0	0.0
36,247	4,086	0	0	40,333	14	Zoning	FP-T	23,793	\$1.70	0.0	0.000	4,765	0.0
0	460,325	0	26,397	486,722	15	General Government	Other	CALC	CALC	0.0	CALC	CALC	0.0
0	0	0	15,927	15,927	42	Cultural Activities	N/A	0	\$0.00	0.0	0.000	0	0.0
0	32,974	0	0	32,974	16	Cemetery	N/A	0	\$0.00	0.0	0.000	0	0.0
16,240	207,782	0	0	224,022	17	Insurance	N/A	0	\$0.00	0.0	0.000	0	0.0
0	3,300	0	0	3,300	18	Conservation	N/A	0	\$0.00	0.0	0.000	0	0.0
373,674	34,100	0	0	407,774	33	Community Development	N/A	0	\$0.00	4.0	0.000	0	0.0
										19.0			2.4
\$1,988,873	\$1,411,452	\$23,000	\$42,324	\$3,465,649									

Source: Town of Londonderry, 2013.

GENERAL GOVERNMENT DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY WOODMONT COMMONS	Assigned Functional FTE	Year																				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Projected Residential Population	R	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604	
Functional Population FTEs - Residential	FP-R	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888	
Functional Population FTEs - Employment	FP-E	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	
Functional Population FTEs - Total	FP-T	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765	
Finance	FP-T	\$24.21	\$3,632	\$8,620	\$14,431	\$20,824	\$28,984	\$36,878	\$46,951	\$53,973	\$60,898	\$70,947	\$78,841	\$86,758	\$92,642	\$95,887	\$99,132	\$102,401	\$105,645	\$108,890	\$112,135	\$115,379
Assessing	FP-T	\$15.24	2,287	5,427	9,085	13,110	18,247	23,217	29,558	33,979	38,339	44,665	49,634	54,619	58,323	60,366	62,409	64,467	66,509	68,552	70,595	72,637
Information Technology	FP-T	\$13.64	2,046	4,857	8,131	11,732	16,330	20,777	26,453	30,409	34,311	39,972	44,420	48,881	52,196	54,024	55,852	57,694	59,522	61,350	63,178	65,006
Legal	N/A	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zoning	FP-T	\$1.70	254	603	1,010	1,458	2,029	2,582	3,287	3,778	4,263	4,967	5,519	6,074	6,486	6,713	6,940	7,169	7,396	7,623	7,850	8,077
Community Development	N/A	\$0.00	0	0	0	0	0	0	0	0	0	24,000	24,000	24,000	24,000	0	0	0	0	0	0	0
Total			\$8,219	\$19,507	\$32,657	\$47,124	\$65,590	\$83,454	\$106,249	\$122,139	\$137,811	\$184,551	\$202,414	\$220,332	\$233,647	\$216,990	\$224,333	\$231,731	\$239,072	\$246,415	\$253,758	\$261,099
Allocation General Government Costs	16%		1,343	3,187	5,336	7,700	10,717	13,635	17,360	19,956	22,517	30,153	33,072	36,000	38,175	35,454	36,653	37,862	39,062	40,261	41,461	42,661
GENERAL GOVERNMENT DEPARTMENT			\$9,562	\$22,694	\$37,993	\$54,824	\$76,307	\$97,089	\$123,609	\$142,095	\$160,328	\$214,704	\$235,486	\$256,332	\$271,822	\$252,444	\$260,986	\$269,593	\$278,134	\$286,676	\$295,219	\$303,760
GENERAL GOVERNMENT DEPARTMENT - ROUND			\$ 10,000	\$ 23,000	\$ 38,000	\$ 55,000	\$ 76,000	\$ 97,000	\$ 124,000	\$ 142,000	\$ 160,000	\$ 215,000	\$ 235,000	\$ 256,000	\$ 272,000	\$ 252,000	\$ 261,000	\$ 270,000	\$ 278,000	\$ 287,000	\$ 295,000	\$ 304,000

Source: Town of Londonderry, DPGF, 2013.

APPENDIX TABLE A-9

TOWN OF LONDONDERRY

POLICE DEPARTMENT

ANNUAL EXPENDITURE IMPACTS

Year Ending June 30

N/A	0	Departmental function is not growth sensitive.
R	24,163	Permanent Residential Population
FP-R	19,361	Functional FTE Population - Residential
FP-E	4,432	Functional FTE Population - Employment
FP-T	23,793	Functional FTE Population - Total
Other	CALC	Separate calculation

Woodmont Commons at Buildout

N/A	0	Departmental function is not growth sensitive.
R	3,604	Permanent Residential Population
FP-R	2,888	Functional FTE Population - Residential
FP-E	1,878	Functional FTE Population - Employment
FP-T	4,765	Functional FTE Population - Total
Other	CALC	Separate calculation

Impacts Estimated by Police Department:

		TCO Records Clerk Salary Schedule:			
Cost per Officer:	Start	\$68,971			
Hiring & Training	\$30,491	Year 1	\$70,184	Year 6	\$76,720
PO-Start Salary	\$85,380	Year 2	\$71,427	Year 7	\$78,626
PO-1 Salary	\$97,869	Year 3	\$72,702	Year 8	\$78,626
PO-2 Salary	\$99,719	Year 4	\$74,008	Year 9	\$78,626
PO-3 Salary	\$101,615	Year 5	\$75,347	Year 10	\$80,953

FY13 BUDGET

Personnel	Operating	Capital	Other	Total	#
4110-4260	4330-4690	4740-4760	4866-4905		
\$1,226,900	\$97,650	\$0	\$0	\$1,324,550	20
79,846	157,100	0	0	236,946	20
4,777,881	93,300	154,000	0	5,025,181	20
675,633	0	0	0	675,633	20
23,257	1,400	0	0	24,657	20
\$6,783,517	\$349,450	\$154,000	\$0	\$7,286,967	

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
N/A	0	\$0.00	10.0	0.000	0	0.0
FP-T	23,793	\$9.96	1.0	0.000	4,765	0.2
FP-T	23,793	\$211.20	40.0	0.002	4,765	8.0
FP-T	23,793	\$28.40	9.0	0.000	4,765	1.8
R	24,163	\$1.02	0.0	0.000	3,604	0.0
Total			60.0			10.0

Annual Capital Costs per Uniformed Officer		Total Police Officer Personnel Costs	
Equipped Vehicle Cost	\$48,556	Year 1	\$0
Useful life, in years	5	Year 2	\$85,380
Annual Vehicle Cost	\$9,711	Year 3	\$183,249
		Year 4	\$282,968
		Year 5	\$469,963
Police Officer Training Cost per Officer	\$30,491	Year 6	\$498,687
		Year 7	\$589,663
		Year 8	\$605,944
		Year 9	\$693,174
		Year 10	\$879,319

Statistics 2005 to 2012:

Number of Stations	1
Number of Patrol Units	27

Police Uniformed Officers Per 1,000 Population

1.66	2.22
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Source: Town of Londonderry, 2013.

Source: Town of Londonderry, 2013.

POLICE DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH WOODMONT COMMONS	Cost per Assigned Functional	Year																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Projected Residential Population	R	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604
Functional Population FTEs - Residential	FP-R	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888
Functional Population FTEs - Employment	FP-E	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877
Functional Population FTEs - Total	FP-T	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765
Police Administration	N/A	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police Station	FP-T	\$9.96	1,494	3,545	5,935	8,564	11,920	15,167	19,310	22,198	25,046	29,179	32,425	35,682	38,102	39,436	40,770	42,115	43,449	44,784	46,118
Police Uniformed Officers	FP-T	\$211.20	31,680	75,188	125,877	181,635	252,910	321,662	409,523	470,772	531,176	618,825	687,877	756,740	808,063	836,364	864,665	893,178	921,479	949,780	978,081
Police Support	FP-T	\$28.40	4,259	10,109	16,924	24,421	33,990	43,247	55,060	63,295	71,416	83,201	92,458	101,743	108,644	112,449	116,254	120,087	123,892	127,697	131,503
Police Animal Control	R	\$1.02	191	382	573	764	955	1,146	1,337	1,528	1,719	1,910	2,101	2,292	2,483	2,653	2,824	2,995	3,165	3,336	3,507
POLICE DEPARTMENT			\$37,624	\$89,224	\$149,309	\$215,384	\$299,675	\$381,222	\$485,230	\$557,793	\$629,357	\$733,115	\$814,661	\$896,457	\$957,292	\$990,902	\$1,024,513	\$1,058,375	\$1,091,985	\$1,125,597	\$1,159,209
POLICE DEPARTMENT - ROUNDED			\$38,000	\$89,000	\$149,000	\$215,000	\$300,000	\$381,000	\$485,000	\$558,000	\$629,000	\$733,000	\$815,000	\$896,000	\$957,000	\$991,000	\$1,025,000	\$1,058,000	\$1,092,000	\$1,126,000	\$1,159,000

Source: Town of Londonderry, DPF, 2013.

POLICE DEPARTMENT - DEPARTMENTAL CASE STUDY	Year																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
New Personnel and Vehicles:																				
Telecommunications Officer (TO)	0	0	0	0	0	1	0	1												
Cumulative New TO's	0	0	0	0	0	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2
Records Personnel (RP)	0	0	0	0	0	1	0	1												
Cumulative new RP	0	0	0	0	0	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2
Patrol Officers (PO)	0	1	1	1	2	0	1	0	1	2										
Cumulative new PO's	0	1	2	3	5	5	6	6	7	9	9	9	9	9	9	9	9	9	9	9
New Vehicles					1															
Total Vehicles					1															
New Personnel and Vehicles Costs:																				
Telecommunications Officer (TO)	\$0	\$0	\$1,213	\$1,243	\$2,488	\$2,549	\$2,614	\$2,679	\$3,245	\$1,373	\$1,906	\$2,327	\$0	\$2,327						
Annual Cost New TO's	\$0	\$0	\$1,213	\$2,456	\$4,944	\$7,493	\$10,107	\$12,786	\$16,031	\$17,404	\$19,310	\$21,637	\$21,637	\$23,964	\$23,964	\$23,964	\$23,964	\$23,964	\$23,964	\$23,964
Records Personnel (RP)	\$0	\$0	\$1,213	\$1,243	\$2,488	\$2,549	\$2,614	\$2,679	\$3,245	\$1,373	\$1,906	\$2,327	\$0	\$2,327						
Annual Cost New RP	\$0	\$0	\$1,213	\$2,456	\$4,944	\$7,493	\$10,107	\$12,786	\$16,031	\$17,404	\$19,310	\$21,637	\$21,637	\$23,964	\$23,964	\$23,964	\$23,964	\$23,964	\$23,964	\$23,964
Patrol Officers (PO)	\$0	\$85,380	\$97,869	\$99,719	\$186,995	\$28,724	\$90,976	\$16,281	\$87,230	\$186,145										
Annual Cost New PO's	\$0	\$85,380	\$183,249	\$282,968	\$469,963	\$498,687	\$589,663	\$605,944	\$693,174	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319	\$879,319
Current Year New Officer Training	\$0	\$30,491	\$30,491	\$30,491	\$60,982	\$0	\$30,491	\$0	\$30,491	\$60,982	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total New Officer Training	\$30,491	\$60,982	\$91,473	\$152,455	\$152,455	\$182,946	\$182,946	\$182,946	\$213,437	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419	\$274,419
Annual Cost New Vehicles					\$48,556					\$48,556					\$48,556					\$48,556
Total Cost New Vehicles					\$48,556					\$97,112					\$145,668					\$194,224
POLICE DEPARTMENT	\$0	\$115,871	\$216,166	\$318,371	\$589,389	\$513,673	\$640,368	\$631,516	\$755,727	#####	\$917,939	\$922,593	\$922,593	\$927,247	\$975,803	\$927,247	\$927,247	\$927,247	\$927,247	\$975,803
POLICE DEPARTMENT - ROUNDED	\$0	\$116,000	\$216,000	\$318,000	\$589,000	\$514,000	\$640,000	\$632,000	\$756,000	#####	\$918,000	\$923,000	\$923,000	\$927,000	\$976,000	\$927,000	\$927,000	\$927,000	\$927,000	\$976,000

Source: Town of Londonderry, DPF, 2013.

APPENDIX TABLE A-10

TOWN OF LONDONDERRY
FIRE DEPARTMENT
ANNUAL EXPENDITURE IMPACTS
Year Ending June 30

Town of Londonderry		Departmental function is not growth sensitive.	
N/A	0	N/A	0
R	24,163	R	3,604
FP-R	19,361	FP-R	2,888
FP-E	4,432	FP-E	1,878
FP-T	23,793	FP-T	4,765
Other	CALC	Other	CALC

Woodmont Commons at Buildout		Departmental function is not growth sensitive.	
N/A	0	N/A	0
R	3,604	R	3,604
FP-R	2,888	FP-R	2,888
FP-E	1,878	FP-E	1,878
FP-T	4,765	FP-T	4,765
Other	CALC	Other	CALC

Existing Inventory 2012:
Number of Stations
Number of Pumpers
Number of Ladder Trucks
Number of Ambulances
Number of Command Vehicles
Number of Rescue Trucks
Number of Staff Vehicles

#	Per Unit Cost	Total Cost	Interest Rate	Term
3	\$3,300,000	\$9,900,000	5%	15
4	\$710,000	\$2,840,000	5%	5
1	\$990,000	\$990,000	5%	5
3	\$300,000	\$900,000	5%	5
1	\$130,000	\$130,000	5%	5
1	\$270,000	\$270,000	5%	5
3	\$50,000	\$150,000	5%	5
		\$15,180,000		Total

FY13 BUDGET

Personnel	Operating	Capital	Other	Total	#	
4110-4260	4330-4690	4740-4760	4866-4905			
\$832,949	\$179,674	\$0	\$0	\$1,012,623	23	Fire Administration
0	82,500	1,000	0	83,500	23	Fire Station
341,658	84,500	0	0	426,158	23	Fire Ambulance
(480,000)				(480,000)		Ambulance Revenue
3,876,563	39,500	0	0	3,916,063	23	Fire Fighting
114,916	0	0	0	114,916	23	Fire Prevention
361,955	15,000	11,000	0	387,955	23	Fire Communications
0	1,000	0	0	1,000	23	Fire Emergency Mgt
				120,000		Maintenance Trust Fund
\$5,048,041	\$402,174	\$12,000	\$0	\$5,582,215		(per John Vogl)

FY2012 Personnel	
Administration	2
Captain	4
Lieutenants	12
Firefighters	24
Communications	4
Prevention	1
Total	47

Estimated Response Rates Per Dwelling Unit or Non-Res Sq. Ft.		% of Calls
Single Family	0.141 per Unit	39.5%
Multifamily	0.113 per 1000 GFA	12.7%
Retail, Lodging, Offices, Services	0.155 per 1000 GFA	17.1%
Industrial	0.076 per 1000 GFA	7.4%
Other	Various	23.3%
Total		100.0%

FY2012 Statistics		Responses	Net Cost Per Response	Employment	Cost Per Employee
Fires Extinguished	59				
Non fire responses	1,492				
Rescue EMS Responses	1,739				
Total	3,290	\$5,467,299	\$1,662		
Inspections and plan/permit review	1,010	\$114,916		13,420	\$8.56
Total		\$5,582,215			

Source: Town of Londonderry, DPFPG, 2013.

Source: Town of Londonderry, DPFPG, 2013.

FIRE DEPARTMENT - RESPONSE CALL/FUNCTIONAL POPULATION APPROACH WOODMONT COMMONS	Year																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Woodmont Commons New Employees	0	56	186	404	799	1,184	1,748	1,889	2,064	2,702	3,087	3,474	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776
Accessory Unit Population	20	40	60	79	99	119	139	159	179	198	218	238	258	258	258	258	258	258	258	258
Total Allocation Base for Inspections	20	96	246	483	899	1,303	1,887	2,047	2,242	2,901	3,305	3,712	4,034	4,034	4,034	4,034	4,034	4,034	4,034	4,034
Residential Units:																				
New Accessory Units	10	20	30	40	50	60	70	80	90	100	110	120	130	130	130	130	130	130	130	130
New Primary Residences	65	130	195	260	325	390	455	520	585	650	715	780	845	910	975	1,040	1,105	1,170	1,235	1,300
Non-Residential Square Footage:																				
Office	0	0	0	50,000	150,000	250,000	375,000	375,000	375,000	425,000	525,000	625,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000
New Retail	0	0	50,000	110,000	170,000	255,000	330,000	445,000	570,000	670,000	745,000	820,000	897,500	897,500	897,500	897,500	897,500	897,500	897,500	897,500
Lodging	0	0	125,000	125,000	125,000	125,000	245,000	245,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000
Tax-Exempt Hospital	0	0	0	0	0	0	0	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Projected Responses:																				
New Accessory Units	1	2	3	5	6	7	8	9	10	11	12	14	15	15	15	15	15	15	15	15
New Primary Residences	9	18	27	37	46	55	64	73	82	92	101	110	119	128	137	147	156	165	174	183
Office	0	0	0	8	23	39	58	58	66	81	97	112	112	112	112	112	112	112	112	112
New Retail	0	0	8	17	26	40	51	69	88	104	115	127	139	139	139	139	139	139	139	139
Lodging	0	0	19	19	19	19	38	38	57	57	57	57	57	57	57	57	57	57	57	57
Tax-Exempt Hospital	0	0	0	0	0	0	0	0	0	0	39	39	39	39	39	39	39	39	39	39
Total Responses	10	21	58	85	120	159	219	247	296	330	406	444	481	491	500	509	518	527	536	546

Sources: Town of Londonderry, DPFPG, 2013.

Operating Cost per Response - Net of Ambulance Revenue	\$1,662	\$17,108	\$32,216	\$96,401	\$141,842	\$200,163	\$264,923	\$364,456	\$411,186	\$492,688	\$548,433	\$675,012	\$737,196	\$800,025	\$815,255	\$830,485	\$845,716	\$860,946	\$876,176	\$891,407	\$906,637
Capital Cost per Response	\$649	6,681	13,362	37,647	55,394	78,170	103,460	142,331	160,580	192,410	214,180	263,612	287,897	312,434	318,381	324,329	330,277	336,225	342,173	348,121	354,069
Inspections and plan/permit review	\$8.56	170	821	2,105	4,137	7,694	11,156	16,158	17,532	19,201	24,837	28,299	31,784	34,540	34,540	34,540	34,540	34,540	34,540	34,540	34,540
FIRE DEPARTMENT	\$23,959	\$48,400	\$136,152	\$201,373	\$286,027	\$379,539	\$522,946	\$589,299	\$704,299	\$787,450	\$966,923	\$1,056,877	\$1,146,998	\$1,168,176	\$1,189,354	\$1,210,533	\$1,231,711	\$1,252,889	\$1,274,067	\$1,295,246	
FIRE DEPARTMENT - ROUNDED	\$24,000	\$48,000	\$136,000	\$201,000	\$286,000	\$380,000	\$523,000	\$589,000	\$704,000	\$787,000	\$967,000	\$1,057,000	\$1,147,000	\$1,168,000	\$1,189,000	\$1,211,000	\$1,232,000	\$1,253,000	\$1,274,000	\$1,295,000	

Source: Town of Londonderry, DPFPG, 2013.

APPENDIX TABLE A-11

TOWN OF LONDONDERRY

CABLE
ANNUAL EXPENDITURE IMPACTS
Year Ending June 30

		Town of Londonderry	Woodmont Commons at Buildout
N/A	0	Departmental function is not growth sensitive.	N/A
R	24,163	Permanent Residential Population	R
FP-R	19,361	Functional FTE Population - Residential	FP-R
FP-E	4,432	Functional FTE Population - Employment	FP-E
FP-T	23,793	Functional FTE Population - Total	FP-T
Other	CALC	Separate calculation	Other

FY13 BUDGET

Personnel	Operating	Capital Outlay	Other	Total	#	Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
45,638	38,350	0	54,200	138,188	29	R	24,163	\$5.72	3	0.000	3,604	0.4
373,674	34,100	0	0	(265,132)		R	24,163	(\$10.97)		0.000	3,604	0.0
\$419,312	\$72,450	\$0	\$54,200	(\$126,944)		Total			3.0			0.4

Source: Town of Londonderry, DPGF, 2013.

CABLE DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH	Cost per Assigned Functional FTE	Year																				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
WOODMONT COMMONS																						
Projected Residential Population	R	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604	
Functional Population FTEs - Residential	FP-R	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888	
Functional Population FTEs - Employment	FP-E	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	
Functional Population FTEs - Total	FP-T	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765	
Cable	R	\$5.72	1,070	2,141	3,211	4,281	5,351	6,422	7,492	8,562	9,632	10,703	11,773	12,843	13,913	14,870	15,827	16,784	17,741	18,697	19,654	20,611
Cable	R	(\$10.97)	(2,053)	(4,107)	(6,160)	(8,214)	(10,267)	(12,321)	(14,374)	(16,428)	(18,481)	(20,534)	(22,588)	(24,641)	(26,695)	(28,530)	(30,366)	(32,202)	(34,038)	(35,874)	(37,709)	(39,545)
CABLE			(\$983)	(\$1,966)	(\$2,949)	(\$3,933)	(\$4,916)	(\$5,899)	(\$6,882)	(\$7,866)	(\$8,849)	(\$9,831)	(\$10,815)	(\$11,798)	(\$12,782)	(\$13,660)	(\$14,539)	(\$15,418)	(\$16,297)	(\$17,177)	(\$18,055)	(\$18,934)
CABLE DEPARTMENT - ROUNDED			\$ (1,000)	\$ (2,000)	\$ (3,000)	\$ (4,000)	\$ (5,000)	\$ (6,000)	\$ (7,000)	\$ (8,000)	\$ (9,000)	\$ (10,000)	\$ (11,000)	\$ (12,000)	\$ (13,000)	\$ (14,000)	\$ (15,000)	\$ (15,000)	\$ (16,000)	\$ (17,000)	\$ (18,000)	\$ (19,000)

Source: Town of Londonderry, DPGF, 2013.

APPENDIX TABLE A-12

TOWN OF LONDONDERRY

BUILDING
ANNUAL EXPENDITURE IMPACTS
Year Ending June 30

N/A	0
R	24,163
FP-R	19,361
FP-E	4,432
FP-T	23,793
Other	CALC

Town of Londonderry
 Departmental function is not growth sensitive.
 Permanent Residential Population
 Functional FTE Population - Residential
 Functional FTE Population - Employment
 Functional FTE Population - Total
 Separate calculation

Woodmont Commons at Buildout

N/A	0
R	3,604
FP-R	2,888
FP-E	1,878
FP-T	4,765
Other	CALC

IMPACTS ESTIMATED BY BUILDING DEPARTMENT

Total Projected Revenue Attributable to Woodmont Commons \$479,443
 Total Projected Expenses Attributable to Woodmont Commons 557,240
 Net (\$77,797)

According to the Building Department, the projected development revenue (based on current estimate construction costs/fees) represents a sufficient offset to provide adequate level of service. It is likely that fees can be adjusted accordingly to offset those fluctuations.
 Source: Town of Londonderry, DPGF, 2013.

FY13 BUDGET

Personnel 4110-4260	Operating 4330-4690	Capital Outlay 4740-4760	Other 4866-4905	Total	#
\$267,591	\$19,195	\$0	\$0	\$286,786	24
(175,000)				(175,000)	
<u>\$92,591</u>	<u>\$19,195</u>	<u>\$0</u>	<u>\$0</u>	<u>\$111,786</u>	

Building
 Building Permits

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
FP-T	23,793	\$12.05	3.0	0.000	4,765	0.6
Total			3.0			0.6

BUILDING DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH WOODMONT COMMONS	Cost per Assigned Functional FTE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
		Projected Residential Population	R	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269
Functional Population FTEs - Residential	FP-R	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888
Functional Population FTEs - Employment	FP-E	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877
Functional Population FTEs - Total	FP-T	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765
Building	N/A	\$12.05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BUILDING			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BUILDING DEPARTMENT - ROUNDED			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Town of Londonderry, DPGF, 2013.

APPENDIX TABLE A-13

TOWN OF LONDONDERRY

PUBLIC WORKS

ANNUAL EXPENDITURE IMPACTS

Year Ending June 30

N/A	0
R	24,163
FP-R	19,361
FP-E	4,432
FP-T	23,793
Other	CALC

Town of Londonderry
 Departmental function is not growth sensitive.
 Permanent Residential Population
 Functional FTE Population - Residential
 Functional FTE Population - Employment
 Functional FTE Population - Total
 Separate calculation

Woodmont Commons at Buildout

N/A	0	% of Existing
R	3,604	15%
FP-R	2,888	15%
FP-E	1,878	42%
FP-T	4,765	20%
Other	CALC	

Public Works 2012 Statistics:

Miles of Streets 180
 Number of Street Lights 142
 Number of Traffic Lights 1

Woodmont Commons Rough Estimates:

Miles of Streets 10
 % of existing street miles 6%

FY13 BUDGET

Personnel 4110-4260	Operating 4330-4690	Capital Outlay 4740-4760	Other 4866-4905	Total	#
1,575,013	271,040	0	0	1,846,053	26
0	1,267,882	0	0	1,267,882	26
25,337	1,886,470	0	0	1,911,807	27
				(70,000)	
\$1,600,350	\$3,425,392	\$0	\$0	\$4,955,742	

Public Works Administration
 Highways and Streets
 Solid Waste Administration
 Drop Off Center Revenue

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
FP-T	23,793	\$77.59	3.0	0.000	4,765	0.6
FP-T	23,793	\$53.29	11.0	0.000	4,765	2.2
FP-T	23,793	\$80.35	0.0	0.000	4,765	0.0
FP-T	23,793	(\$2.94)	0.0	0.000	4,765	0.0
Total			14.0			2.8

Source: Town of Londonderry, DPF, 2013.

PUBLIC WORKS DEPARTMENT - FUNCTIONAL POPULATION METHODOLOGY APPROACH WOODMONT COMMONS	Cost per Assigned Functional FTE	Year																				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Projected Residential Population	R	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604	
Functional Population FTEs - Residential	FP-R	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888	
Functional Population FTEs - Employment	FP-E	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	
Functional Population FTEs - Total	FP-T	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765	
Public Works Administration	FP-T	\$77.59	11,638	27,621	46,242	66,725	92,872	118,166	150,442	172,943	195,133	227,332	252,625	277,997	296,850	307,247	317,644	328,118	338,515	348,912	359,308	369,705
Highways and Streets	FP-T	\$53.29	7,993	18,970	31,759	45,827	63,785	81,157	103,325	118,778	134,019	156,133	173,505	190,930	203,879	211,019	218,160	225,354	232,494	239,635	246,776	253,916
Solid Waste Administration	FP-T	\$80.35	12,053	28,605	47,889	69,102	96,180	122,375	155,801	179,103	202,083	235,429	261,624	287,898	307,424	318,191	328,958	339,805	350,572	361,339	372,107	382,874
Drop Off Center Revenue	FP-T	(\$2.94)	(441)	(1,047)	(1,753)	(2,530)	(3,522)	(4,481)	(5,705)	(6,558)	(7,399)	(8,620)	(9,579)	(10,541)	(11,256)	(11,650)	(12,045)	(12,442)	(12,836)	(13,230)	(13,625)	(14,019)
PUBLIC WORKS DEPARTMENT			\$31,243	\$74,149	\$124,137	\$179,124	\$249,315	\$317,217	\$403,863	\$464,266	\$523,836	\$610,274	\$678,175	\$746,284	\$796,897	\$824,807	\$852,717	\$880,835	\$908,745	\$936,656	\$964,566	\$992,476
PUBLIC WORKS DEPARTMENT - ROUNDED			\$ 31,000	\$ 74,000	\$ 124,000	\$ 179,000	\$ 249,000	\$ 317,000	\$ 404,000	\$ 464,000	\$ 524,000	\$ 610,000	\$ 678,000	\$ 746,000	\$ 797,000	\$ 825,000	\$ 853,000	\$ 881,000	\$ 909,000	\$ 937,000	\$ 965,000	\$ 992,000

Source: Town of Londonderry, DPF, 2013.

APPENDIX TABLE A-14

TOWN OF LONDONDERRY

CULTURAL AND RECREATION ANNUAL EXPENDITURE IMPACTS Year Ending June 30

N/A	0	Departmental function is not growth sensitive.
R	24,163	Permanent Residential Population
FP-R	19,361	Functional FTE Population - Residential
FP-E	4,432	Functional FTE Population - Employment
FP-T	23,793	Functional FTE Population - Total
Other	CALC	Separate calculation

Woodmont Commons at Buildout

N/A	0
R	3,604
FP-R	2,888
FP-E	1,878
FP-T	4,765
Other	CALC

IMPACTS ESTIMATED BY LIBRARY DEPARTMENT

Library	FTE	Operating Annual Cost	Woodmont Commons Population	Per Resident
Full-time Librarian	1.0	\$79,820		
Library Technician	PT	26,316		
Library Page	PT	8,195		
Programming and services		5,202		
Total		\$119,533	3,604	\$33.17

FY13 BUDGET

Personnel	Operating	Capital Outlay	Other	Total	#	
4110-4260	4330-4690	4740-4760	4866-4905			
\$77,996	\$69,465	\$0	\$0	\$147,461	30	Recreation
945,939	254,370	0	0	1,200,309	31	Library Fund
40,634	8,889	0	0	49,523	32	Senior Affairs
\$1,064,569	\$332,724	\$0	\$0	\$1,397,293		

Cost Allocation Base	Applicable Population Factor	Cost Per FTE Population	Current Town Employees	Town Employees Per FTE Population	Woodmont Commons FTE Pop at Buildout	New Town Employees at Buildout
R	24,163	\$6.10	1	0.000	3,604	0.1
R	24,163	\$49.68	14	0.001	3,604	2.1
N/A	0	\$0.00	0	0.000	0	0.0
Total			15.0			2.2

IMPACTS ESTIMATED BY RECREATION DEPARTMENT

Recreation Dept	FTE	Operating Annual Cost	Capital Needs	Softball Field
Summer Programs	1.0		Facility Cost	\$150,000
Summer Programs	1.0		Land Cost	15,000
Softball Programs	0.5		Total	\$165,000
Annual Cost All Positions		\$30,000	Allocable to	15.4%
Operating Costs -1 Field		\$10,000	Woodmont	
Annual Equipment		\$2,000	Commons	\$25,000
Annual Cost		\$42,000		

Source: Town of Londonderry, DPGF, 2013.

Source: Town of Londonderry, DPGF, 2013.

CULTURAL AND RECREATION - FUNCTIONAL POPULATION METHODOLOGY APPROACH WOODMONT COMMONS	Cost per Assigned Functional FTE	Year																				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Projected Residential Population	R	187	374	561	749	936	1,123	1,310	1,497	1,684	1,871	2,059	2,246	2,433	2,600	2,767	2,935	3,102	3,269	3,437	3,604	
Functional Population FTEs - Residential	FP-R	150	300	450	600	750	900	1,050	1,200	1,350	1,500	1,649	1,799	1,949	2,083	2,217	2,352	2,486	2,620	2,754	2,888	
Functional Population FTEs - Employment	FP-E	0	56	146	260	447	623	889	1,029	1,165	1,430	1,607	1,784	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	
Functional Population FTEs - Total	FP-T	150	356	596	860	1,197	1,523	1,939	2,229	2,515	2,930	3,256	3,583	3,826	3,960	4,094	4,229	4,363	4,497	4,631	4,765	
Recreation	R	\$6.10																				
Library Fund	R	\$49.68	\$1,142	\$2,284	\$3,426	\$4,568	\$5,710	\$6,852	\$7,995	\$9,137	\$10,279	\$11,421	\$12,563	\$13,705	\$14,847	\$15,989	\$17,131	\$18,273	\$19,415	\$20,557	\$21,700	
			9,296	18,593	27,889	37,185	46,482	55,778	65,075	74,371	83,667	92,964	102,260	111,556	120,853	129,149	138,445	147,741	157,037	166,333	175,629	
CULTURAL AND RECREATION DEPARTMENT			\$10,438	\$20,877	\$31,315	\$41,753	\$52,192	\$62,630	\$73,070	\$83,508	\$93,946	\$104,385	\$114,823	\$125,261	\$135,700	\$145,032	\$154,363	\$163,695	\$173,027	\$182,359	\$191,691	\$201,023
CULTURAL AND RECREATION DEPARTMENT - ROUI			\$ 10,000	\$ 21,000	\$ 31,000	\$ 42,000	\$ 52,000	\$ 63,000	\$ 73,000	\$ 84,000	\$ 94,000	\$ 104,000	\$ 115,000	\$ 125,000	\$ 136,000	\$ 145,000	\$ 154,000	\$ 164,000	\$ 173,000	\$ 182,000	\$ 192,000	\$ 201,000

Source: Town of Londonderry, DPGF, 2013.

CULTURAL AND RECREATION - DEPARTMENTAL CASE STUDY APPROACH

Recreation																						
Operating Costs		\$0	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Capital Cost		0	0	0	0	0	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recreation		\$0	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$67,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Library	R	\$33.17	\$6,000	\$12,000	\$19,000	\$25,000	\$31,000	\$37,000	\$43,000	\$50,000	\$56,000	\$62,000	\$68,000	\$74,000	\$81,000	\$86,000	\$92,000	\$97,000	\$103,000	\$108,000	\$114,000	\$120,000
CULTURAL AND RECREATION DEPARTMENT - ROUI			\$6,000	\$12,000	\$19,000	\$40,000	\$46,000	\$52,000	\$58,000	\$117,000	\$98,000	\$104,000	\$110,000	\$116,000	\$123,000	\$128,000	\$134,000	\$139,000	\$145,000	\$150,000	\$156,000	\$162,000

Source: Town of Londonderry, DPGF, 2013.

**TECHNICAL MEMORANDUM
WOODMONT COMMONS FISCAL IMPACT
LONDONDERRY SCHOOL DISTRICT
May 20, 2013**

This technical memorandum is supplemental to the Woodmont Commons Fiscal Impact Analysis – Town of Londonderry (FIA) prepared by Development Planning & Financing Group (DPFG) dated May 17, 2013. Refer to that report for additional information about the project and including the relevant FIA assumptions.

Tax Base

As reflected in Table 1, commercial properties are projected to represent 43 percent of Woodmont’s tax base. Property taxes generated by the commercial base are a valuable source of revenue for the Londonderry School District (School District). Although commercial properties generate additional property tax revenues, they do not generate additional public school costs.

Table 1: Woodmont Commons Tax Base Compared to the Existing Londonderry Tax Base

REAL PROPERTY TAX BASE	Town of Londonderry FY12	%	Woodmont Commons	%	Total	%
Residential	\$2,486,520,000	73%	\$495,300,000	57%	\$2,981,820,000	70%
Commercial	912,288,000	27%	371,342,000	43%	1,283,630,000	30%
Total Tax Base	\$3,398,808,000	100%	\$866,642,000	100%	\$4,265,450,000	100%

Source: Town of Londonderry; Pillsbury Development, Shook Kelley, DPFG, 2013.

Revenue Impacts

Based on the assumptions documented in the FIA, Woodmont Commons (Woodmont) is expected to generate annual property taxes of \$10.7 million for the School District at buildout. Over the 20-year study period of the FIA wherein the School District property tax rate is held constant, Woodmont is expected to generate cumulative revenues of \$125.0 million for the School District.

Table 2: School District Property Tax Revenue Impacts

LONDONDERRY SCHOOL DISTRICT			
NET FISCAL IMPACT		Year	20-YEAR
Year Ending June 30	Tax Rate	20	CUMULATIVE
Property Taxes Collected on Behalf of :			
Londonderry School District	\$12.44		
DISTRIBUTION OF TAXES COLLECTED			
Londonderry School District		\$10,684,000	\$125,012,000

Source: DPF, 2013.

Projected Public School Students

The enrollment rates in the Londonderry 2012 School Impact Fee Update were applied to the two Woodmont housing unit types to project the number of new public school students. An enrollment rate of 0.614 was applied to the 1,300 new primary residences, and an enrollment rate of 0.277 was applied to the new 130 accessory units.

The results in Table 3 indicate Woodmont could generate 834 public school students. However, the actual impact may be lower if the School District's enrollment rates continue to decline. For example, the School District's single family enrollment rate declined from 0.824 in 2002 to 0.746 in 2006 and to 0.614 in 2012. National demographic projections continue to reflect a shrinking family size and an aging population; both indicators of downward pressure on enrollment rates.

Table 3: Projected Public School Students

WOODMONT COMMONS		Year
Land Use/Units		20
New Accessory Units		130
New Primary Residences		1,300
Public School Students	Enrollment Rate	
New Accessory Units	0.277	36
New Primary Residences	0.614	798
Total Public School Students		834

Operating and Capital Cost Impacts

DPFG requested that the School District prepare a case study fiscal analysis to determine the incremental impacts of Woodmont on the School District's operating and capital costs. Because there is currently adequate capacity within the school system for additional students, the School District was the most qualified to quantify these impacts.

The estimates in Table 4 indicate Woodmont will generate annual operating costs of \$3,669 and total capital costs of \$ 3,255 per public school student. In total, Woodmont will generate annual incremental

operating costs of \$3.1 million (calculated as 834 students times \$3,669) and total capital costs of \$2.7 million (calculated as 834 students times \$3,255).

Table 4: Woodmont Operating and Capital Costs

	Salary	Elementary	Middle	High School	SAU	Total	Total New Employees
New Operating Costs							
New Teachers	\$66,000	7.0	5.0	3.0	0.0	15.0	
Teachers		\$462,000	\$330,000	\$198,000	\$0	\$990,000	
New Aides	\$0	TBD	0.0	0.0	0.0	0.0	
Aides		\$150,000				150,000	
New Administration	\$100,000	2.0	0.0	0.0	0.5	2.5	
Administration		\$200,000	\$0	\$0	\$50,000	250,000	
New Nurses	\$66,000	1.50	0.00	0.00	0.00	1.50	
Nurses		\$99,000	\$0	\$0	\$0	99,000	
New SPED Teach	\$66,000	1.50	0.00	0.00	0.00	1.50	
SPED Teach		\$99,000	\$0	\$0	\$0	99,000	
New Transportation	\$46,000		0.0	0.0	5.0	5.0	
Transportation		\$0	\$0	\$0	\$230,000	230,000	
SPED	40%				615,200	615,200	
New General Administration	25%				384,500	384,500	
Total		\$1,010,000	\$330,000	\$198,000	\$1,279,700	\$2,817,700	25.5
Initial School District Enrollment Projections						768	
Incremental Operating Cost Per Student						\$3,669	
Estimated Capital Costs						\$2,500,000	
Incremental Capital Costs Per Student						\$3,255	

New Students		
LEEP	5%	42
Kindergarten	5%	42
Elementary	50%	417
Middle School	35%	292
High School	5%	42
		834

Annual Incremental Operating Costs	\$3,669	\$3,060,000
Incremental Capital Costs	\$3,255	\$2,715,000

Source: Londonderry School District, DPF, 2013.

Net Fiscal Impact

As shown in Table 5, at buildout Woodmont will generate an annual net fiscal surplus of \$7.3 million for the School District, primarily as a result of the project's significant commercial properties.

Table 5: Woodmont Annual Net Surplus

LONDONDERRY SCHOOL DISTRICT			
NET FISCAL IMPACT			
Year Ending June 30	Tax Rate	Year 20	20-YEAR CUMULATIVE
Property Taxes Collected on Behalf of :			
Londonderry School District	\$12.44		
DISTRIBUTION OF TAXES COLLECTED			
Londonderry School District		\$10,684,000	\$125,012,000
EXPENDITURES			
ANNUAL OPERATING COSTS			
		\$3,060,000	
CAPITAL COSTS			
	\$2,715,000		
Term, in years	10		
Interest Rate	5%		
Total Annual Capital Costs		352,000	
Total Annual Costs		3,412,000	
ANNUAL NET SURPLUS		<u>\$7,272,000</u>	

Note: SGR = Public School Student
 Generation Rate
 Source: Town of Londonderry, DPF, 2013.

MEMORANDUM

TO: Cynthia May, Town of Londonderry

FROM: RKG Associates, Inc.

DATE: June 5, 2013

SUBJECT: **Preliminary Review of Woodmont Commons Fiscal Impact Analysis**

RKG reviewed a fiscal impact analysis (FIA) of Woodmont Commons prepared by the Development Planning & Financing Group, Inc. (DPFG), and also memoranda/reports prepared by various Town of Londonderry departments with their estimates of potential impacts associated with the project. The following highlights comments from the review

Project Understanding: The Woodmont Commons project is a major mixed-use development proposed on 600 acres having a total of 5.2 million square feet (SF) of building area. The residential component consists of 1,300 single-family homes having an average size of 2,250 SF and 130 'accessory' units with an average size of 1,200 SF.¹ The commercial component is split between office (725,000 SF), retail (897,500 SF) and lodging (370,000 SF or 550 rooms). A tax-exempt hospital (250,000 SF) is also proposed.

FIA Methodology: The FIA indicates that the project would be developed in its entirety over a 20-year period and the fiscal impact was estimated in Year 20 utilizing a constant dollar approach (no inflation and/or appreciation) for assessment, municipal expenses and tax rate (FY-2012). Municipal expenses were reported to be derived from the Town's 2012 Comprehensive Annual Financial Report (CAFR) and the Town's 2013 budget. The methodology used to identify the fiscal impact varied depending on department as outlined below:

- A "full-time functional equivalent" per capita approach was used to determine impacts associated with general government, the police department, the cable

¹ An accessory unit was not defined by DPFG, and it is not clear if it is a rental or owner unit, with or without age and/or income restrictions. Based on estimates of household size presented in the analysis, it appears that these may be a mix of one or two bedroom (or possibly larger) rental apartments, versus 'accessory apartments' in the conventional sense – i.e. units within single-family homes.

department, public works department, and the cultural & recreation department.²

- A “response call approach” was used in estimating impacts to the fire department
- A “case-study” approach was used in estimating impacts for the building and school departments.³

Positive Fiscal Impact: DPFG indicates that the Woodmont Commons project would yield a positive impact to the Town of nearly \$1.4 million and to the School District of \$7.27 million at full build-out in Year 20. However, RKG identified several possible errors/omissions in the analysis; and noted that the use of some factors possibly understated results, and in one case the choice of data. Also, market data was not provided to rationalize the 20-year build-out period, or the reasonableness of the assessed value conclusions. Despite these issues, RKG believes the project would still yield a positive fiscal impact, but perhaps not to the extent identified by DPFG.

Issues to be Revised: The following identifies a few errors and specific questions regarding the variables used in the analysis.

- The fiscal impact analysis did not account for the existing real estate taxes or the assessment of the property to be developed.
- In Table 10, a summation error was seen in the “24/7 Functional Population” column under the “Town of Londonderry Existing Employment Population by Sector” that should total 5,417 and not the 4,432 identified.⁴
- In Table 10, RKG also wonders why DPFG did not use local data for employment instead of ESRI, although it is sourced. If NH Employment Security (NHES) data for 2011 (last complete year) was used the total employment for Londonderry would be 13,346 as compared to 13,240, but the distribution by industry would be different in a few cases, and it would result in a total functional population of 5,511, based on DPFG coefficient calculations.

Also the 2011 working population in Londonderry according to NHES totaled 13,360 persons and not the 14,540 shown in Table 10. In turn the number of non-working population would increase to 10,813, assuming a population of 24,173 as reported in 2011 by American Community Survey, and not the 24,163 persons as shown in Table 10. These changes would increase the functional population in the Town, and effectively lower the per capita cost when applied.

- The assumptions in Table 8 may understate potential employment, which is likely due to the lack of specifics regarding the types of office and retail usage.

² The use of this methodology and its coefficient calculations appear to provide a higher level of specificity that may not be necessary, especially at this planning stage, in comparison to more traditional approaches.

³ The rationale for using a “mix and match” of “hybrid” average and marginal cost approaches should be explained.

⁴ The difference (985) is believed to be the omission of agriculture (1) and manufacturing (984) in the summation.



Based on Urban Land Institute data shown in Table 1, DPGF used an office factor (300 SF per employee) that was toward the high-end of the range, while the retail (800 SF per employee) was greater than the high-end of the range. The hospital (619) also appears toward the higher end of the range for medical use. Recent trends indicate office users are employing more persons in less building area, while specialty retailers and/or restaurants may require a higher number of employees per building area than used. DPGF provided little explanation and/or rationale for the factors they used. A lower factor in each case would increase the functional employment population upon build-out.

Table 1 – Range in Employment Density Factors

Use	Range in SF/Employee		
	Low	Medium	High
Office	200	250	400
Administrative	200	300	500
Medical	300	500	750
Ind/Bus Park	250	300	450
Retail/Restaurant	250	450	650

Source: Urban Land Institute & RKG Associates, Inc.

- DPGF used an average household size of effectively 2.52 persons (blended), which was lower than the average household size (2.84 persons) for Londonderry by the indicated source (American Community Survey 2011). No explanation was provided for using factors smaller than indicated for Londonderry.⁵
- For estimating the public student population, DPGF used the single-family enrollment rate of 0.614 in 2012, which is assumed to be correct, since it was derived from school department information. For the accessory units a factor of 0.277 was used which was 54.9% less than for single-family units, without any explanation or identification of source.
- The use of an average household size statistic that isn't sensitive to the age of the housing or how long the occupants have resided in the unit raises a concern. Households moving into new homes tend to be larger – or they become larger pretty fast – than the average household for a town as a whole. The projected service cost assumptions do not account for this.
- It is not clear if the approach used by DPGF fully accounts for municipal expenditures and potential impacts resulting from the project, since in some cases only select line-item operating expenses were impacted instead of the department's total expenses. Also, the 24/7 concept may not be practical for all departments, since most only operate on an 8 hour basis, five days per week.

⁵ ACS 2011 also identified owner households had an average size of 2.89 persons; and renter households of 2.4. No specific citation within the ACS was provided, making it difficult to follow the reasoning and results.



- The building SF value factors used by DPFPG in estimating market values appear high, and no local comparables were shown to justify these variables. Nor did DPFPG make any adjustment to market values to account for the equalization ratio in Londonderry, which was 114.8% for 2012, which in turn would be the assessed values.⁶ Therefore the assessments used in the analysis would be overstated as shown in Table 2. Without further documentation to support DPFPG values in light of the proposed absorption, RKG believes even the equalized values may overstate tax revenue at build-out.⁷

Table 2 – Woodmont Commons: Proposed Values & Equalized Values

Type	DPFG Values	Equalized [1]
Accessory Unit	\$20,800,000	\$18,118,000
Single-Family	\$474,500,000	\$413,328,000
Residential	\$495,300,000	\$431,446,000
Office	\$133,803,000	\$116,553,000
Retail	\$173,921,000	\$151,499,000
Lodging	\$63,618,000	\$55,416,000
Commercial	\$371,342,000	\$323,468,000
Total Ass'd Value	\$866,642,000	\$754,914,000
Taxes (Town) [2]	\$4,165,000	\$3,661,000
Taxes (School) [3]	\$10,684,000	\$9,391,000
[1] Factored on 2012 Equalization Ratio of 114.8%		
[2] 2012 Town rate of \$4.85/1000 less 0.9% for collection per DPFPG		
[3] 2012 School rate of \$12.44/ less 0.9% for collection per DPFPG		
Source: DPFPG, Town of Londonderry, & RKG Associates, Inc.		

- Use of a 8% cap rate for the office and retail space, especially in a suburban market with currently weak fundamentals and over a 20 year development horizon, appears to be quite optimistic in our opinion. Use of a higher cap rate (higher risk) would lower valuation, perhaps significantly.⁸
- DPFPG analysis lacked a market analysis to support the proposed absorption and timing of the build-out, especially in light of its pricing. It is uncertain in RKG's opinion without supporting documentation:
 - If 1,300 single-family units could be absorbed on a straight-line basis of 65 units per year, starting in Year 1, plus another 13 units (or 78 units per year) when including accessory units (130) for the first 13 years?
 - If the office component (725,000) could be built-out in two 4-year phases, with absorption ranging from 50,000 SF to 125,000 SF per year?. Wouldn't part of this component also include "flex" space?

⁶ A 15% "sensitivity" adjustment (discount) was applied to non-residential values, but no mention was made of the equalization ratio.

⁷ Interestingly, DPFPG estimated the lodging value between different types (full-service and limited-service), but does not differentiate the retail or office uses by different types. No explanation was provided for either.

⁸ For example, if a 12% cap rate is utilized (which assumes a higher degree of uncertainty and risk, the valuation would be 33% lower.

- If the retail component (875,000 SF) is projected to be developed over a 11-year period ranging from 50,000 SF to 125,000 SF, starting in Year 3?
- If the lodging component (3 hotels) could be developed in three phases over seven years between Year 3 and Year 9?
- If the hospital component timed for Year 10 is reasonable?

A longer absorption period would prolong the project, and delay the benefits/impacts estimated by DPFG. Similarly, slower absorption in the early phases would delay tax revenues, creating a potential “fiscal gap”.

The following summarizes estimated costs for key departments and the impacts associated with the build out of Woodmont Commons.

- **General Government:** Twelve out of the 19 line-item categories had expenditures of \$20,000 or more, but only 6 categories would be partially impacted by Woodmont Commons, according to DPFG. It is not clear why some major departments are not included such as Town Manager; Voter Registration/Checklist; Personnel Administration; Legal; Cultural Activities; Cemetery; Insurance; Community Development.

This department had total expenditure of \$3.47 million, and Woodmont Commons at full build-out (or in Year 20) would cause \$304,000 in additional expenses, an increase of 8.8%. Had the fiscal impact been factored on total expenditures the result would be \$694,200, almost 2.3 times more than DPFG estimated, or an increase of 20%.

- **Police Department:** Four of the five line-item categories would be impacted by the build-out of Woodmont Commons, according to DPFG. It is not clear why Police Administration was not included. The fiscal cost in Year 20 for Woodmont Commons would be nearly \$1.2 million or 16.4% of the \$7.29 million expenses incurred by this department.⁹ Had total department expenses were used, the fiscal impact would increase by \$265,320 to \$1.46 million, or a 20% increase in Police Department expenses.
- **Cable Department:** The expenses used for this department seems misleading as the second line item shows revenue of \$265,132 despite expenses totaling \$407,774, indicating a difference of \$672,900 in undefined revenue. Therefore, this department generated \$126,940 in revenue and Woodmont Commons is estimated to add another \$19,000 or another 15% in revenue in Year 20.¹⁰
- **Building Department:** DPFG assumed a net cost of nearly \$78,000 based on a Building Department report. Also, fees would reportedly be raised in the future to offset any associated expenses, effectively eliminating any impact.

⁹ DPFG also presented a case study approach based on information obtained from the Police Department, which indicated costs to be \$0.98 million.

¹⁰ DPFG factored this cost on total residential population and not the FTE Population-Residential without explanation.

- **Public Works:** Total expenses for this department were \$4.96 million, and Woodmont Commons would cause expenses to rise by \$992,000 for an increase of 20%. Although a potential lower cost may result according to DPFG if expenses were factored on a per road mile basis.¹¹
- **Cultural and Recreation Department:** This department had total expenses of \$1.4 million, but DPFG excludes \$50,000 in Senior Affairs costs without any explanation. Perhaps the project would not have any seniors in residence? At any rate, the project would cause an increase of \$201,000 in Year 20, for a 14.4% increase. Had the senior center expense been included the project would have another \$7,400 or 0.5% of the budget. DPFG estimate of \$201,000 is assumed to cover the case-study cost estimated for the Library (\$120,000) and Recreation Department (\$42,000) plus another in capital expenses (\$25,000).
- **Fire Department:** For the Fire Department, DPFG used a response call approach to determine operational and capital costs impacts associated with the project as compared to the functional population approach. However, an employment anticipation method was used for estimating costs associated with site plan review. DPFG also noted that “the actual operating and capital cost demand on the fire department will be more predicable at the site plan review than at this conceptual phase.” DPFG estimates that the project would cost the Fire Department nearly \$1.3 million in Year 20, which would reflect a 23.2% increase in operating expenses (\$5.58 million). Approximately 70% would be increased operating costs, while 27.3% would be for increased capital expense, and the remaining 2.7% would be for site-plan review.
- **School Department:** A case study approach was used to estimate impacts based on data obtained from the school department. Reportedly, the school had adequate capacity for additional students, but it is unknown if DPFG accounted for any potential loss in revenue from tuition-paying-out-of-town students that would likely be displaced by school children at Woodmont Commons.

Woodmont Commons is estimated to have 834 students at build-out, and based on an incremental operating cost of \$3,669 per student it would result in an impact of \$3.06 million. This assumes a gain of 25.5 new employees at the school. However, the incremental costs appear to be based on salaries only, and did not include any benefits or other costs incurred by the school department with these new employees. As such, the impact may be understated (particularly as it relates to long-term pension and medical costs for public employees). The incremental costs for capital expenses associated with the project were estimated to total \$2.72 million, which DPFG amortized over at 10-year period at 5%, and the resulting annual costs would be another \$352,000, for a total of \$3.4 million in impacts. The resulting impact (surplus) was nearly \$7.3

¹¹ DPFG apparently mistyped the total functional population (4,309) in the text on page 25 versus 4,766 in Table 29



million, or 68% of estimated revenue, indicating sufficient leeway should exist if revenues decrease and expenses increase.

In summary, DPFG prepared a fairly detailed fiscal impact analysis, although the methodology utilized gives the analysis a level of specificity that may not be required at this conceptual phase of the project. In any event, RKG identified some errors in the analysis that should be corrected, as well as certain variables that may understate the population/employment levels at build-out. RKG also questions the pricing used, and the fact that it was not adjusted to reflect the current equalization ratio. The timing of the project may take much longer than anticipated since a market analysis was not provided to support the assumptions, and very little breakdown of the specific types of commercial uses was provided. The end result when modified would likely remain positive but not to the degree estimated by DPFG.



MEMORANDUM

To: Pillsbury Realty Development, LLC

From: Development Planning & Financing Group, Inc.

Date: June 11, 2013

Subject: Preliminary Review of Woodmont Commons Fiscal Impact by RKG Associates, Inc.

This memorandum addresses the review points and the resolution thereof of the preliminary review of the Woodmont Commons fiscal impact analysis (FIA) prepared by RKG Associates, Inc. (RKG) dated June 5, 2013.

RKG Comment #1: An accessory unit was not defined by DPF, and it is not clear if it is a rental or owner unit, with or without age and/or income restrictions. Based on estimates of household size presented in the analysis, it appears that these may be a mix of one or two bedroom (or possibly larger) rental apartments, versus ‘accessory apartments’ in the conventional sense – i.e. units within single-family homes.

DPFG Response #1: The accessory unit subcategory is defined in the Woodmont Commons application and briefing materials available on the Town of Londonderry’s (Town) website at www.londonderrynh.org/Pages/LondonderryNH_BComm/Planning/commons. For purposes of this fiscal impact analysis, it is irrelevant whether the units are rental or owner or with or without age or income restrictions.

DPFG Resolution #1: No action needed.

RKG Comment #2: A “full time functional equivalent” per capita approach was used to determine the impacts associated with general government, the police department, the cable department, public works department, and the cultural and recreation department. A “case study” approach was used in estimating impacts for the building and school departments. Footnote 3 – The rationale for using a “mix and match” of “hybrid” average and marginal cost approaches should be explained.

DPFG Response #2: RKG incorrectly states that the “case study” approach was limited to the Town’s Building and School departments. According to DPF’s report, a “case study” approach was used to estimate the cost of services for the departments of the Town that are most sensitive



to growth which include the Police, Building, Community Development, and Cultural and Recreation Departments (Library and Recreation) as well as the Londonderry School District.

As explained in the report and as agreed upon by RKG in DPFG's scope of work for the engagement:

“The Government Finance Officers Association (GFOA) outlines the most common methods for estimating service costs in fiscal impact analysis as: average cost, marginal cost, comparisons to other governments and econometric modeling. In many cases, fiscal impact analysis uses a combination of these methods to generate a projection.”

- Average Cost is the easiest and most common method and assumes the current cost of serving residents and businesses will equal the cost of serving the new development. The average cost method provides a rough estimate of both direct and indirect costs associated with development. However, this method does not account for demographic change, existing excess capacity or potential economies of scale in service delivery. Methods of calculating average cost include per capita costs, service standard costs and proportional valuation costs.
- Marginal Cost uses site-specific information to determine services costs for a new development. A case study approach is typically necessary to gather detailed information about the existing capacity within public services and infrastructure to accommodate growth from a development project. This method assumes that information about local service levels and capacity is more accurate than standards based on average data “

DPFG Resolution #2: No action needed.

RKG Comment #3: The FIA did not account for the existing real estate taxes or the assessment of the property to be developed.

DPFG Response #3: The purpose of the FIA was to demonstrate whether Woodmont Commons, at buildout, will generate a positive fiscal impact for the Town.

DPFG Resolution #3: No action needed.

RKG Comment #4: In Table 10, a summation error was seen in the “24/7 Functional Population” column under the “Town of Londonderry Existing Employment Population by Sector” that should total 5,417 and not the 4,432 identified.

DPFG Response #4: RKG is correct in stating the agricultural and manufacturing categories were omitted from the summation total. DPFG ran the model after the formula adjustment, and the annual net fiscal impact in Year 20 increased by \$38,000.

DPFG Resolution #4: Correction noted. No action needed.

RKG Comment #5: In Table 10, RKG also wonders why DPFG did not use local data for employment instead of ESRI, although it is sourced. If NH Employment Security (NHES) data for 2011 (last complete year) was used the total employment for Londonderry would be 13,346 as compared to 13,240, but the distribution by industry would be different in a few cases, and it would result in a total functional population of 5,511, based on DPFG coefficient calculations.

Also the 2011 working population in Londonderry according to NHES totaled 13,360 persons and not the 14,540 shown in Table 10. In turn the number of non-working population would increase to 10,813, assuming a population of 24,173 as reported in 2011 by American Community Survey, and not the 24,163 persons as shown in Table 10. These changes would increase the functional population in the Town, and effectively lower the per capita cost when applied.

DPFG Response #5: DPFG used 2012 ESRI reports for employment and working population estimates as they were more current than the 2011 NHES data. The results and the categories were compared to NHES data for reasonableness. As noted by RKG, “These changes would increase the functional population in the Town, and effectively lower the per capita cost when applied.” RKG’s conclusion means the net fiscal impact would increase if RKG’s approach was applied; therefore, the results in the DPFG report are more conservative.

DPFG Resolution #5: No action needed.

RKG Comment #6: Based on Urban Land Institute data shown in Table 1, DPFG used an office factor (300 SF per employee) that was toward the high-end of the range, while the retail (800 SF per employee) was greater than the high-end of the range.

DPFG Response #6: RKG relied on one source for developing its comment that the square feet per employee estimates in the report may be on the higher end. However, DPFG relied upon multiple credible sources, such as those included in the *Planner’s Estimating Guide – Projecting Land-Use and Facility Needs*, to estimate the square feet per employee because a “one size fits all” approach is not the best means of preparing these types of estimates. For example, downtown hi-rise office configurations differ from suburban multi-level office parks. Retail square feet per employee estimates vary considerably depending on type of use (i.e. restaurants, or neighborhood, community, or regional).

Professional judgment and experience must be employed to develop the most appropriate and narrowly-tailored estimates considering a project’s specific attributes and location. DPFG prepares FIAs for large-scale development projects across the country and is satisfied with the reasonableness of the estimates used.

DPFG Resolution #6: No action needed.

RKG Comment #7: The hospital (619) also appears toward the higher end of the range for medical use.

DPFG Response #7: As noted above, RKG relied on a single source for their comment. DPFG consulted multiple sources to determine the most appropriate estimate (619 employees) for the 250,000 square foot hospital included in the FIA, including our experience with health care and medical facility projects across the country. For example, DPFG considered anecdotal information on comparable 250,000 square feet hospitals such as the Stafford Hospital in Stafford, Virginia and a number of hospitals in the Novant Health System to corroborate the factor used. DPFG is satisfied with the reasonableness of the estimate.

Because the majority of the cost of service estimates were based on a “case study” approach, revisions to the square feet per employee estimates would have a minimal effect on the net fiscal impact.

DPFG Resolution #7: No action needed.

RKG Comment #8: DPFG used an average household size of effectively 2.52 persons (blended), which was lower than the average household size (2.84 persons) for Londonderry by the indicated source (American Community Survey 2011). No explanation was provided for using factors smaller than indicated for Londonderry.

DPFG Response #8: The “new primary residences,” defined in the Woodmont Commons application and briefing materials, will consist of a number of product types, and DPFG considered the blended rate of 2.57 to be most appropriate for the FIA.

Town of Londonderry 2011 ACS (Statistics 2009-2011)

Units	Persons	PPU	Londonderry
6,122	18,573	3.03	1 Detached
1,293	3,278	2.53	1, Attached
155	231	1.49	2 Apts
147	231	1.57	3 or 4
138	274	1.98	5 to 9
345	684	1.98	10 or more
423	893	2.11	Mobile Home
0	0	-	Boat, RV, Van, etc.
8,623	24,163	2.80	Total

Source: US Census Bureau 2011 American Community Survey (ACS); DPFG.

If the number of persons in primary residences increased from 2.57 to 2.80, the annual net fiscal impact in Year 20 would increase by \$18,000. Because the majority of the cost of services estimates were based on the “case study” approach, the change in persons per housing unit has a minimal effect on expenditures. However, the change in statistical sources would positively impact projected motor vehicle fee revenue.

DPFG Resolution #8: No action needed.

RKG Comment #9: For estimating the public student population, DPFG used the single-family enrollment rate of 0.614 in 2012, which is assumed to be correct, since it was derived from

school department information. For the accessory units a factor of 0.277 was used which was 54.9% less than for single-family units, without any explanation or identification of source.

DPFG Response #9: As stated in the DPFG report, “The enrollment rates in the Londonderry 2012 School Impact Fee Update were applied to the two Woodmont housing unit types to project the number of new public school students.” The School District applied the single family factor of 0.614 to the primary residences, and the multi-family factor of 0.277 to the accessory units. The “case study” approach was used in the School District analysis, and the assumptions and calculations in computing the net fiscal impact were supplied by the School District. Furthermore, the School District reviewed and concurred with the results prior to issuance of the DPFG report.

DPFG Resolution #9: No action needed.

RKG Comment #10: The use of an average household size statistic that isn’t sensitive to the age of the housing or how long the occupants have resided in the unit raises a concern. Households moving into new homes tend to be larger – or they become larger pretty fast – than the average household for a town as a whole. The projected service cost assumptions do not account for this.

DPFG Response #10: The approach suggested by RKG is not appropriate for fiscal impact analysis or for legally defensible impact fees. As stated in *Impact Fees & Housing Affordability – A Guidebook for Practitioners* published by the U.S. Department of Housing and Urban Development, “Measuring impact based on the occupancy of the original tenants will mask overall occupancy over the life of the structure. This will have the effect of over- or under-charging. For example, the authors are aware of homes constructed in resort coastal areas that are used principally as second homes so the apparent occupancy level is small when averaged over the year – and school impacts are negligible since the school children, if any, attend elsewhere. Yet, over a generation, that same home may become part of the regular stock of homes occupied by permanent residents and their children. Impact fees assessed based on the original occupancy characteristics in this case would be under-charged based on the long-term impacts of the home on the community. At the other end of the spectrum, a new subdivision in a metropolitan area may be occupied initially by families with children and the public school student generation rate can appear quite large. Yet, over time, as the children move out of the house, the parents remain often becoming “empty nesters” before they sell perhaps to a new family with children. Impact fees based on the original occupancy in this case would be over-charged relative to long-term impacts of the home. It is for these reasons that long-term occupancy characteristics are the normally recommended basis for calculating impact fees.”

DPFG Resolution #10: No action needed.

RKG Comment #11: It is not clear if the approach used by DPFG fully accounts for municipal expenditures and potential impacts resulting from the project, since in some cases only select line-item operating expenses were impacted instead of the department’s total expenses. Also, the

24/7 concept may not be practical for all departments, since most only operate on an 8 hour basis, five days per week.

DPFG Response #11: The “case study” approach was applied in the developing cost of service estimates for the Town’s Police, Building, Community Development, and Cultural and Recreation Departments (Library and Recreation) as well as the Londonderry School District. Therefore, 100 percent of the operating and capital costs were considered for these departments which are deemed most sensitive to growth. The “response call” approach was used in the Fire Department estimates accounted for 100 percent of the operating expenses and 100 percent of the inventory of capital assets.

The full-time equivalent functional population was applied to the other Town departments. The methodology considered these remaining departments operate on an 8 hour basis, five days per week.

DPFG Resolution #11: No action needed.

RKG Comment #12: The building SF value factors used by DPF in estimating market values appear high, and no local comparables were shown to justify these variables. Nor did DPF make any adjustment to market values to account for the equalization ratio in Londonderry, which was 114.8% for 2012, which in turn would be the assessed values. Therefore the assessments used in the analysis would be overstated as shown in Table 2. Without further documentation to support DPF values in light of the proposed absorption, RKG believes even the equalized values may overstate tax revenue at build-out.

DPFG Response #12: RKG incorrectly characterizes how the equalization ratio is applied by the New Hampshire Department of Revenue Administration (DRA) in the Town’s assessment and property tax collection process. The Municipal Services Division of the DRA establishes and approves tax rates for over 500 political subdivisions of the state. The DRA provides the following definitions in the annual reports published at www.revenue.nh.gov/publications/reports/documents/2012annualreportfinal.pdf.

LOCAL TAX RATE: The actual tax rate as calculated by the DRA Municipal Services Division. This tax includes the municipal, county, local school and state education property tax rates.

EQUALIZATION RATIO: The equalization ratio as determined by a ratio study conducted by the DRA’s equalization staff.

FULL VALUE TAX RATE: The gross local property taxes to be raised as reported by the DRA, Municipal Services Division, divided by the total equalized valuation including utility values and equalized railroad taxes. This figure represents the estimated tax rate for a municipality if all the taxable property was assessed at 100% and includes the equalized value of properties for which a payment in lieu of property taxes is made.

After the annual equalization ratio studies are completed, and equalization ratios have been calculated and certified to each municipality, the DRA utilizes those ratios to compute the total equalized valuation for each municipality. This figure is of great importance, as it is used in calculating the apportionment of county taxes, the statewide enhanced education tax, and, to varying degrees, cooperative school district taxes.

Each municipality in the State must establish a budget for their upcoming fiscal year. The tax rate for that portion of the total overall tax rate needed to fund the local municipality's budget is determined by dividing the total dollar amount needed by the total locally assessed valuations, including utilities, then dividing by 1,000. This process results in a tax rate expressed in dollars (or fractions thereof) per \$1,000.00 of assessed valuation.

The local and full value tax rates established for the Town are reflected below for the tax years 2012 and 2011.

Town of Londonderry	Local Tax Rate	Equalization Ratio	Full Tax Rate
2012	\$20.50	114.8	\$23.53
2011	\$20.34	112.7	\$22.96

The 2012 local tax rate of the Town was published on October 26, 2012 in the following press release.

TOWN TAX RATE SET

The 2012 tax rate for the Town of Londonderry has been set and confirmed by the Department of Revenue Administration. The breakdown is as follows. The 2011 tax rate comparison is also provided in brackets.

Town	\$ 4.85	(\$ 4.74)
School	\$12.44	(\$12.45)
State School	\$ 2.30	(\$ 2.20)
County	\$.91	(\$.95)
Total	\$20.50	(\$20.34)

DPFG properly applied the 2012 local tax rate of \$20.50 (\$4.85 for the Town's portion) in the FIA. RGK incorrectly suggests adjusting the market values by the equalization ratio in addition to applying the local tax rate which has been adjusted by the DRA for the equalization ratio. In essence, RGK implies the equalization ratio should be applied twice in the FIA.

Furthermore, note the assessment history from the following property card for a parcel located in the Town. According to Ms. Karen Marchant, Tax Assessor, the Town updates property values every five years, as required by the State Constitution. The last update was in 2009. Until the next update, the Town uses the same tables for setting any new values. For instance, if someone buys or builds a new home, that assessment is set on 2009 tables. Ms. Marchant estimates at this time, the tables are approximately 14.8 percent over market value. For the FIA, DPFPG used 2013 market values which are obviously more conservative than the 2009 tables.

Previous Assessments

Year	Code	Building	Yard Items	Land Value	Acres	Special Land	Total
2012	101 - ONE FAM	260,600	0	111,100	2.58	0.00	371,700
2011	101 - ONE FAM	260,600	0	111,100	2.58	0.00	371,700
2010	101 - ONE FAM	260,600	0	111,100	2.58	0.00	371,700
2009	101 - ONE FAM	260,600	0	111,100	2.58	0.00	371,700
2008	101 - ONE FAM	298,000	0	111,100	2.58	0.00	409,100

DPFG Resolution #12: No action needed.

RKG Comment #13: Use of a 8% cap rate for the office and retail space, especially in a suburban market with currently weak fundamentals and over a 20 year development horizon, appears to be quite optimistic in our opinion. Use of a higher cap rate (higher risk) would lower valuation, perhaps significantly.

DPFG Response #13: The non-residential development planned for Woodmont Commons is more dense than exists in the developed areas of the Town today, and there has been limited new nonresidential construction in recent years. Consequently, resources from national, regional, and local real estate brokers were consulted to assign appropriate values. An income approach was used for the initial valuation. The results were then compared to the cost of new construction for the various land uses as a reasonableness test. Ms. Judy Tinkham, a qualified and experienced local broker, also concluded the results were reasonable and conservative. As noted by RKG, DPFG then applied a 15 percent “sensitivity adjustment (discount) to the non-residential values as a measure of conservatism. This adjustment effectively adjusts the cap rate to 9.50 percent.

DPFG Resolution #13: No action needed.

RKG Comment # 14: A longer absorption period would prolong the project, and delay the benefits/ impacts estimated by DPFG. Similarly, slower absorption in the early phases would delay tax revenues, creating a potential “fiscal gap.”

DPFG Response #14: The purpose of the FIA was to demonstrate the net fiscal impact of Woodmont Commons at buildout, using a reasonable but albeit assumed rate of development.

DPFG Resolution #14: No action needed.

RKG Comment #15: General Government: It is not clear why some major departments are not included such as Town Manager; Voter Registration/Checklist; Personnel Administration; Legal; Cultural Activities; Cemetery; Insurance; Community Development.

DPFG Response #15: RGK’s comment is incorrect. A case study approach was applied to estimate the cost of services for Cultural and Recreation Departments and Community Development (included in General Government); therefore, those costs were considered in full.

The other departments mentioned by RKG were deemed not to be growth sensitive on a per capita basis after analyzing historical trends of the Town and DPFG’s professional judgment and experience.

DPFG Resolution #15: No action needed.

RKG Comment #16: Police Department: It is not clear why Police Administration was not included.

DPFG Response #16: RKG’s comment is incorrect. A “case study” approach was used for the Police Department, and as reflected in Table 10 of the FIA, their analysis indicates 4 new administrative personnel will be needed at the buildout of Woodmont Commons. The administrative personnel include 2 telecommunications officers and 2 records personnel. In comparison, the Town currently has 10 administrative personnel in the Police Department.

DPFG Resolution #16: No action needed.

RKG Comment #17: Cable Department: The expenses used for this department seems misleading as the second line item shows revenue of \$265,132 despite expenses totaling \$407,774, indicting a difference of \$672,900 in undefined revenue.

DPFG Response #17: The net cost approach was used in calculating the impacts on the Cable Department. The \$265,132 Cable Department revenue is a line item in the Town’s 2013 budget. DPFG corrected the presentation in Appendix A-11 as shown below. The adjustment had no effect on the net fiscal impact.

FY13 BUDGET

Personnel	Operating	Capital Outlay	Other	Total	#
4110-4260	4330-4690	4740-4760	4866-4905		
45,638	38,350	0	54,200	138,188	29
				(265,132)	
<u>\$45,638</u>	<u>\$38,350</u>	<u>\$0</u>	<u>\$54,200</u>	<u>(\$126,944)</u>	

Cable
Cable

DPFG Resolution #17: Correction noted. No action needed.

RKG Comment #18: A case study approach was used to estimate impacts based on data obtained from the school department. Reportedly, the school had adequate capacity for additional students, but it is unknown if DPFG accounted for any potential loss in revenue from tuition-paying-out-of-town students that would likely be displaced by school children at Woodmont Commons.

DPFG Response #18: The Londonderry High School has the capacity to receive 60 students from Hooksett with tuition revenue of \$10,000 per student; however, no Hooksett students are

currently enrolled at the high school and the School District's 2013 operating budget is not affected. The School District plans to enroll Hooksett students in the high school beginning in September 2013. If \$600,000 tuition revenue is received in the upcoming school year, the annual net fiscal impact of the School District would decrease from \$7.3 million to \$6.7 million which is still a substantial boon for the School District's annual budget.

DPLG Resolution #18: No action needed.

MEMORANDUM

To: Pillsbury Realty Development, LLC

From: Development Planning & Financing Group, Inc.

Date: June 13, 2013

Subject: Preliminary Review of Woodmont Commons Fiscal Impact by RKG Associates, Inc.

RKG Comment #19: Woodmont Commons is estimated to have 834 students at build-out, and based on an incremental operating cost of \$3,669 per student it would result in an impact of \$3.06 million. This assumes a gain of 25.5 new employees at the school. However, the incremental costs appear to be based on salaries only, and did not include any benefits or other costs incurred by the school department with these new employees. As such, the impact may be understated (particularly as it relates to long-term pension and medical costs for public employees).

DPFG Response #19: According to Mr. Peter Curro, Business Administrator, the estimates provided by the School District include “fully loaded” personnel costs, so benefits have been considered.

DPFG Resolution #19: No action needed.



MEMORANDUM

TO: Londonderry Planning Board
c/o Cynthia May, Planning Director

FROM: Craig Seymour, Managing Principal

DATE: June 20, 2013

SUBJECT: Woodmont Commons Fiscal Impact Analysis – Peer Review

This memorandum serves to summarize RKG’s overall findings regarding the potential fiscal impact of Woodmont Commons on the Town, and provides recommendations in regards to the Development Agreement being negotiated with the Applicant.

RKG Associates, Inc. (RKG), under subcontract to Howard Stein/Hudson, has been asked by the Town to review the Applicant’s submission regarding the potential fiscal impacts of the Project, as proposed.¹ The Applicant’s consultant, Development Planning & Finance Group, Inc. (DPFG), submitted a detailed Fiscal Impact Analysis (FIA) report dated May 17, 2013 and a Technical Memorandum regarding the impact on the Londonderry School District dated May 20, 2013, which RKG subsequently reviewed and submitted a preliminary response memorandum dated June 5. DPFG then submitted a memorandum dated June 11, 2013 responding to the questions and issues raised in the RKG memo. A follow-up telephone call with Lucy Gallo of DPFG was conducted on June 15. These documents are incorporated herein by reference and should be reviewed in their totality as background for this summary report.

Project

The Woodmont Commons PUD project is a major mixed-use development proposed on 600 acres having a total of 5.2 million square feet (SF) of building area. The residential component consists of 1,300 dwellings consisting of an unknown mix of single family and multi-family units in a variety of possible configurations, along with 130 ‘accessory’ units. No distinctions are made between owner-occupied and rental units. The non-residential components evaluated in the FIA included a split between office (725,000 SF), retail (897,500 SF) and lodging (370,000 SF or 550 rooms). A tax-exempt hospital (250,000 SF) is also proposed. The PUD Master Plan also includes the potential for wide range of uses that also include light industrial, warehouses and public facilities.

¹ Woodmont Commons Master Plan: PUD Application, October 3, 2012



Fiscal Impact Analysis

The FIA prepared by DPFPG relied on various methodologies, data sources and assumptions to arrive at the conclusion that in Year 20 (at full build out) the project will be fiscally positive. That is, the Town's general fund revenues from the project, derived from property taxes and motor vehicle fees, will be greater than general fund expenditures attributable to the project by approximately \$1.4 million annually, and that the *cumulative* fiscal impact (summation of all 20 years) would be approximately \$12.3 million. DPFPG also estimated that educational impacts to the School District would also be positive, generating an annual net surplus (property taxes based on the current school tax rate less operating and capital costs for educating 834 children) of approximately \$7.3 million in the 20th year.

The FIA assumes that the entire project will be built out and occupied within 20 years and that the development will take place on a regular, constant basis for all uses. No market analysis was presented to confirm this assumption.

Peer Review Results

RKG's June 5 memo listed several areas where we believed the FIA was incomplete or has erred in presenting the data and conclusions. Several of these issues were resolved in the subsequent correspondence; however, there remain areas of disagreement regarding the methodologies utilized and/or the assumptions used to reach the report's conclusions. I have summarized these into three major topical areas, as follows:

1. **Methodology** - the FIA analyzes the impacts of the project at a single point in time – 20 years from now when it is (presumably) fully built out and occupied. While this is an acceptable approach in some cases, it does not provide insight or guidance on what may occur in the interim. The results of this methodology, that in Year 20 fiscal revenues will exceed municipal service costs, rely on several key assumptions that may or may not invalidate these findings if conditions differ from what is assumed.

The FIA assumes that the project will indeed be 100% built-out (according to the Master Plan) in 20 years. The detailed absorption estimates found in the Appendix to the FIA report indicated that the commercial components will be completed and fully taxable in the 13th year while the residential units will be 75% completed by that year. No market analysis was provided to support these assumptions. The municipal service costs are generally proportional to the population or the amount of development in place in any given year. *If the absorption of various uses changes, this could result in negative fiscal impacts in some years.* For example, if the office and retail development lags due to a continued or extended slowdown in general economic conditions, or if other regional development comes along that competes for market share, tax revenues may lag behind municipal services outlays that are required to address development throughout the project.



2. **Demographic Projections** - The FIA utilizes broad averages from various sources to estimate the population, employment and the number of school-age children who will live and work in the project. Broad averages may be appropriate for a task such as setting development impact fees or estimating what a development might look like under “build-out” conditions. However, they are not sensitive to the conditions that affect annual municipal (and school) operating costs. By definition, a fiscal impact analysis must look at the relationship between recurring revenues and recurring expenditures and the factors that are likely to affect that relationship. For example, the overall average household size in Londonderry is 2.84 people (2011 ACS 5-Year Estimates), but among homeowner households that have occupied their current home for 5-10 years, the multipliers increase to 3.09 and 3.12 people per household, respectively. *This is very common.* By using a single broad average and applying it to all 1,300 “primary” housing units (2.52 persons per household overall, 2.57 for primary residential units), the FIA masks the probability that housing units at Woodmont Commons will impose more service demands on the Town and School District in Years 8-12 than, say, Year 20. The FIA should acknowledge and account for these kinds of fluctuations because they will undeniably affect how the Town has to respond to the project as it builds out over time. Likewise, household size also varies by tenure, with rental units in Londonderry being somewhat smaller at an average of 2.4 people. Like owner-occupied homes, newer rental units (where occupants moved in in 2005 or later) are larger at 2.53 persons per household.

3. **Municipal Expenditures** - DPFG used a variety of approaches to estimate the potential costs to the Town’s departments to service the project’s residents, employees and businesses. Many of these used per capita or per incident average costs which were then applied to the estimated “functional” population (a weighted combination of projected residential population and employment within the PUD district). Although this is an appropriate methodology, there are several areas where RKG believes that the analysis may understate the potential costs. Some examples include:
 - a. General Government – the FIA presumed that additional staffing would be required in only certain Town Hall functions (finance, assessing and town clerk). We believe other departments, either singularly or cumulative across multiple functions, will experience staffing shortfalls by the time the project is built out. In particular, Community Development and other social services provided by various departments, including Recreation, will be impacted by the projected 28% increase in employment and 15% increase in population (over current levels). However, even if more robust estimates of costs are utilized, this by itself would not necessarily result in a negative fiscal impact.
 - b. Public Works – e-mail correspondence received from the Assistant Director of Public Works indicated that there are still several unknowns regarding the project that make it very difficult to accurately estimate the true impacts of the department, and that the actual impacts may differ significantly from the average per capita cost estimates derived in the FIA.



Because potential DPW costs for road and sidewalk maintenance in particular as well as sanitary sewers, street lights, stormwater and pavement markings will depend on the final design, the resulting impacts need to be incorporated into the Development Agreement so that they can be mitigated at that time. A major concern is that the type of development contemplated is very different from what Londonderry now supports, and that additional and extraordinary costs may be incurred in providing services in a much denser urban-like environment.

- 4. Basis for Revenue Projections** – The FIA estimated the assessed values of the various land uses within the project based on an income approach for commercial property and on market value for the residential units, using current dollar values at the build-out year. RKG believes the assessed values for the office and retail are somewhat high, due to the fact that, based on absorption forecast utilized in the FIA, the commercial components will have been constructed and occupied by Year 13 and will be between 7 and 18 years old in Year 20. The valuation for assessment purposes does not take into account depreciation of these properties. The Town's Assessor should be consulted on the reasonableness of these estimates. The analysis also assumes that the commercial space is built, occupied and taxed immediately, in large blocks of up to 125,000 square feet each of office and retail space per year. Without a definitive market analysis supporting this level of absorption, there is a risk that if these projections are not met, the resulting tax revenues will not be realized, therefore jeopardizing the potential for a net positive fiscal impact in any given year or over several years.²

The valuation of the residential units for tax assessment purposes does not segregate rental units from owner-occupied homes. Because of the wide variety of housing types that will be allowed under the PUD zoning and with no defined breakdown of unit counts, it is not possible to accurately estimate values for assessment purposes. While the estimates used in the FIA (at \$162 per square foot for primary residences) appear reasonable for owner occupied units (recognizing that on average the units will be 10 years old in Year 20), this value is likely overstated for rental units. At an average market value of \$365,000, a rental unit would need to receive a monthly rent of at least \$2,500 and \$3,500 in today's dollars (depending on an investor's required returns and maintenance costs), somewhat above current market rates in Londonderry. If, for example, the residential components of the PUD are ultimately assessed for, say, 20% less than forecast in the FIA, the total assessed value of the project is reduced by nearly \$100 million, reducing net tax revenues by nearly \$500,000 annually, thereby significantly reducing the estimated general fund net fiscal surplus from \$1.4 million to approximately \$900,000. *While the net fiscal impact may still be positive, a combination of factors affecting the assessed (market) value of the properties (such as a recession) may result in a negative fiscal impact in one or more years.*

² The success of the office and retail components of Woodmont Commons is highly dependent on completion of Exit 4A off of I-93. The timing of this is uncertain, and if delayed will push the absorption estimates forward in time.



In conclusion, it is RKG’s opinion that the FIA developed by DPFG for the Applicant provides a reasonable approach and conclusion that the Woodmont Commons project will be fiscally positive in the 20th year, *based on specific assumptions stated or implied in the analysis*. What is not included is an analysis or discussion of the *sensitivity* of the outcome to changes in these assumptions. As discussed above, while changes in any one element of the revenues and expenditures included in the fiscal analysis may not alter the overall “bottom line” of positive fiscal impact, a combination of changes, such as lower revenues and higher municipal service costs, may result in negative impact on the Town in one or more years of the development cycle.

The “flexibility” in site design and density of uses will also impact the fiscal impact equation. The FIA describes one possible development scenario. What actually occurs at the site, and the net fiscal impact, will differ.

The Development Agreement needs to address this issue by including opportunities for regularly updating the fiscal impact of the development and providing for acceptable means to mitigate negative impacts as they arise.



MEMORANDUM

To: Pillsbury Realty Development, LLC

From: Development Planning & Financing Group, Inc.

Date: June 25, 2013

Subject: Preliminary Review of Woodmont Commons Fiscal Impact by RKG Associates, Inc. dated June 20, 2013

RKG Comment #20: Demographic projections. The FIA utilizes broad averages from various sources to estimate the population, employment and the number of school-age children who will live and work in the project. Broad averages may be appropriate for a task such as setting development impact fees or estimating what a development might look like under “build-out” conditions. However, they are not sensitive to the conditions that affect annual municipal (and school) operating costs. By definition, a fiscal impact analysis must look at the relationship between recurring revenues and recurring expenditures and the factors that are likely to affect that relationship. For example, the overall average household size in Londonderry is 2.84 people (2011 ACS 5-Year Estimates), but among homeowner households that have occupied their current home for 5-10 years, the multipliers increase to 3.09 and 3.12 people per household, respectively. *This is very common.* By using a single broad average and applying it to all 1,300 “primary” housing units (2.52 persons per household overall, 2.57 for primary residential units), the FIA masks the probability that housing units at Woodmont Commons will impose more service demands on the Town and School District in Years 8-12 than, say, Year 20. The FIA should acknowledge and account for these kinds of fluctuations because they will undeniably affect how the Town has to respond to the project as it builds out over time. Likewise, household size also varies by tenure, with rental units in Londonderry being somewhat smaller at an average of 2.4 people. Like owner-occupied homes, newer rental units (where occupants moved in in 2005 or later) are larger at 2.53 persons per household.

DPFG Response # 20: The approach suggested by RKG is rarely used in fiscal impact analysis. The household size of a new home varies over its life cycle as does the household size of homes that currently exist in a community. As existing homes age and relative household sizes decrease, then their demands on municipal services also decrease creating capacity for demand generated by new homes. To properly perform the approach suggested by RKG, rigorous projections of changing household sizes for existing homes in a community would be required. If public facility planners used this approach (that is, projecting new home demand for public services while ignoring declines in demand from existing homes), then new facilities such as schools and libraries would be over-sized and operating impacts would be overstated.



The following table from the “Londonderry 2012 School Impact Fee Update” (2012 Update) reflects these dynamics. The average household size in the Londonderry School District has declined from 3.11 in 1980 to 2.86 in 2010, and the number of public school children per household has declined from 0.797 in 1980 to 0.633 in 2010.

Table 1

LONDONDERRY, NH - POPULATION AND HOUSEHOLDS					Change by Decade		
Demographic Factor	1980	1990	2000	2010	1980-1990	1990-2000	2000-2010
Population	13,598	19,781	23,236	24,129	6,183	3,455	893
In Group Quarters	0	4	10	0	4	6	-10
In Households	13,598	19,777	23,226	24,129	6,179	3,449	903
Households	4,374	6,386	7,623	8,438	2,012	1,237	815
Average Household Size	3.11	3.10	3.05	2.86	(0.01)	(0.05)	(0.19)
Pre-School Age Population (<5)	1,238	1,771	1,726	1,161	533	(45)	(565)
Per Household	0.283	0.277	0.226	0.138	(0.006)	(0.051)	(0.089)
School Age Population (5-17)	3,484	4,573	5,917	5,338	1,089	1,344	(579)
Per Household	0.797	0.716	0.776	0.633	(0.080)	0.060	(0.144)
Total Housing Units	4,584	6,739	7,718	8,711	2,155	979	993

Source: Londonderry 2012 School Impact Fee Update

Furthermore, RKG’s comment does not consider the average primary dwelling unit in Woodmont Commons is estimated to be 2,250 square feet, or approximately 3 bedrooms.¹ According to the 2011 ACS 5-Year Estimates, over 30 percent of occupied (owner and renter) housing units in Londonderry include 4 or more bedrooms. If the household size of a Woodmont Commons primary residential unit was to be projected over its life cycle based on historical trends in Londonderry, then those projections would need to properly weight 4 bedroom households to avoid skewing the results.

The variation in 3 and 4 bedroom households in the Londonderry School District is illustrated in the table below taken from the 2012 Update. As shown, there are 27 percent more public school-aged children per household in 4 bedroom homes (0.683) compared to 3 bedroom homes (0.491).

¹ According to the National Association of Home Builders special study “The New Home in 2015,” published March 2, 2011, respondents expect the average new home constructed in 2015 will be 2,000–2,499 square feet and include 3 bedrooms.

Type of Structure	Public School Enrollment Per Household		
	Elementary and Middle	High School	Total Public Schools
Single Family Detached - 2 BR	0.186	0.094	0.280
Single Family Detached - 3 BR	0.315	0.176	0.491
Single Family Detached - 4 BR+	0.421	0.262	0.683
Single Family Att. (Townhouse) - 2 BR	0.202	0.090	0.292
Single Family Att. (Townhouse) - 3 BR	0.220	0.145	0.365
Duplex or Condo - 2 BR	0.249	0.090	0.339
Duplex or Condo - 3 BR	0.306	0.174	0.480
Multifamily 3+ Units - All	0.170	0.068	0.238
Manufactured Housing - All	0.141	0.070	0.211

Source: Londonderry 2012 School Impact Fee Update

DPFG Resolution #20: No action required.

RKG Comment #21: Municipal Expenditures - DPFGE used a variety of approaches to estimate the potential costs to the Town's departments to service the project's residents, employees and businesses. Many of these used per capita or per incident average costs which were then applied to the estimated "functional" population (a weighted combination of projected residential population and employment within the PUD district). Although this is an appropriate methodology, there are several areas where RKG believes that the analysis may understate the potential costs.

DPFG Response #21: Town Staff determined that the Police, Fire, Building Recreation, Library, and Community Development Departments as well as the Londonderry School District were most sensitive to growth and required a custom fiscal modeling approach instead of a functional population approach. These "select" departments account for the majority of the Town's General Fund budget. A functional population approach was limited to the General Government and Cable Departments. The functional population approach was applied in the Public Works analysis as the results were significantly more conservative than using other metrics, such as linear road miles.

Page 5, "General Government," of RKG's memorandum incorrectly indicates a functional population approach was applied to the Community Development and Recreation Departments when, in fact, Town Staff conducted a case study analysis. The results of the case study analysis were included in DPFGE's fiscal model.

DPFG Resolution #21: No action needed.

RKG Comment #22: The valuation of the residential units for tax assessment purposes does not segregate rental units from owner-occupied homes. Because of the wide variety of housing types that will be allowed under the PUD zoning and with no defined breakdown of unit counts, it is not possible to accurately estimate values for assessment purposes. While the estimates used in the FIA (at \$162 per square foot for primary residences) appear reasonable for owner occupied

units (recognizing that on average the units will be 10 years old in Year 20), this value is likely overstated for rental units. At an average market value of \$365,000, a rental unit would need to receive a monthly rent of at least \$2,500 and \$3,500 in today's dollars (depending on an investor's required returns and maintenance costs), somewhat above current market rates in Londonderry. If, for example, the residential components of the PUD are ultimately assessed for, say, 20% less than forecast in the FIA, the total assessed value of the project is reduced by nearly \$100 million, reducing net tax revenues by nearly \$500,000 annually, thereby significantly reducing the estimated general fund net fiscal surplus from \$1.4 million to approximately \$900,000.

DPFG Response #22: Woodmont Commons will offer a range of housing products and price points with the average assumed to be 2,250 square feet and valued at \$365,000. This estimate is based on DPFG's independent research and is confirmed by the assessed values of new homes in the Town according to the 2012 Update as shown below.

Type Unit	Avg Assessed Value/New Unit
Single Family Detached - 2 BR	\$326,000
Single Family Detached - 3 BR	\$372,000
Single Family Detached - 4 BR+	\$451,000
Single Family Att. (Townhouse) - 2 BR	\$268,000
Single Family Att. (Townhouse) - 3 BR	\$294,000
Duplex or Condex - 2 BR	\$222,000
Duplex or Condex - 3 BR	\$225,000
Multifamily 3+ Units - All	\$150,000
Manufactured Housing - All	\$237,000

Source: Londonderry 2012 School Impact Fee Update

RKG's suggestion that a portion of the homes valued at \$365,000 could be rental units and thereby deflate the projected assessed value of the project is unlikely. Woodmont Commons may contain rental units, but those units will be sized to support market rents. Instead of the homogenous product price assumed by RKG, the product and price mix in Woodmont Commons will vary. To illustrate this point, the table below reflects a hypothetical product mix which yields an average market value of \$365,000 and square footage of 2,250 for the 1,300 new primary residences.

Square Feet	Value per Square Foot	Market Value per Unit	Unit Count	Total Value	Total Square Feet
1,000	\$162	\$162,000	50	8,100,000	50,000
1,500	\$162	\$243,000	50	12,150,000	75,000
2,000	\$162	\$324,000	50	16,200,000	100,000
2,200	\$162	\$357,000	225	80,325,000	495,000
2,300	\$162	\$373,000	350	130,550,000	805,000
2,400	\$162	\$389,000	375	145,875,000	900,000
2,500	\$162	\$406,000	200	81,200,000	500,000
			1,300	\$474,400,000	2,925,000
			Average	\$365,000	2,250

Source: DPFPG, 2013.

The fiscal impact analysis of Woodmont Commons was performed at a conceptual point in time, when the specific end-users, housing makeup and mixture of uses can be reasonably predicted but not known with certainty. As stated in the full DPFPG report, “impacts identified at the site plan review phase will be more representative of the actual impacts as the development design and end users will be more certain.”

DPFG Resolution #22: No action needed.



TECHNICAL MEMORANDUM
WOODMONT COMMONS FISCAL IMPACT
LONDONDERRY SCHOOL DISTRICT
May 20, 2013

This technical memorandum is supplemental to the Woodmont Commons Fiscal Impact Analysis – Town of Londonderry (FIA) prepared by Development Planning & Financing Group (DPFG) dated May 17, 2013. Refer to that report for additional information about the project and including the relevant FIA assumptions.

Tax Base

As reflected in Table 1, commercial properties are projected to represent 43 percent of Woodmont’s tax base. Property taxes generated by the commercial base are a valuable source of revenue for the Londonderry School District (School District). Although commercial properties generate additional property tax revenues, they do not generate additional public school costs.

Table 1: Woodmont Commons Tax Base Compared to the Existing Londonderry Tax Base

REAL PROPERTY TAX BASE	Town of Londonderry FY12	%	Woodmont Commons	%	Total	%
Residential	\$2,486,520,000	73%	\$495,300,000	57%	\$2,981,820,000	70%
Commercial	912,288,000	27%	371,342,000	43%	1,283,630,000	30%
Total Tax Base	<u>\$3,398,808,000</u>	100%	<u>\$866,642,000</u>	100%	<u>\$4,265,450,000</u>	100%

Source: Town of Londonderry; Pillsbury Development, Shook Kelley, DPFG, 2013.

Revenue Impacts

Based on the assumptions documented in the FIA, Woodmont Commons (Woodmont) is expected to generate annual property taxes of \$10.7 million for the School District at buildout. Over the 20-year study period of the FIA wherein the School District property tax rate is held constant, Woodmont is expected to generate cumulative revenues of \$125.0 million for the School District.

Table 2: School District Property Tax Revenue Impacts

LONDONDERRY SCHOOL DISTRICT			
NET FISCAL IMPACT		Year	20-YEAR
Year Ending June 30	Tax Rate	20	CUMULATIVE
Property Taxes Collected on Behalf of :			
Londonderry School District	\$12.44		
DISTRIBUTION OF TAXES COLLECTED			
Londonderry School District		\$10,684,000	\$125,012,000

Source: DPF, 2013.

Projected Public School Students

The enrollment rates in the Londonderry 2012 School Impact Fee Update were applied to the two Woodmont housing unit types to project the number of new public school students. An enrollment rate of 0.614 was applied to the 1,300 new primary residences, and an enrollment rate of 0.277 was applied to the new 130 accessory units.

The results in Table 3 indicate Woodmont could generate 834 public school students. However, the actual impact may be lower if the School District’s enrollment rates continue to decline. For example, the School District’s single family enrollment rate declined from 0.824 in 2002 to 0.746 in 2006 and to 0.614 in 2012. National demographic projections continue to reflect a shrinking family size and an aging population; both indicators of downward pressure on enrollment rates.

Table 3: Projected Public School Students

WOODMONT COMMONS		Year
Land Use/Units		20
New Accessory Units		130
New Primary Residences		1,300
	Enrollment Rate	
Public School Students		
New Accessory Units	0.277	36
New Primary Residences	0.614	798
Total Public School Students		834

Operating and Capital Cost Impacts

DPFG requested that the School District prepare a case study fiscal analysis to determine the incremental impacts of Woodmont on the School District’s operating and capital costs. Because there is currently adequate capacity within the school system for additional students, the School District was the most qualified to quantify these impacts.

The estimates in Table 4 indicate Woodmont will generate annual operating costs of \$3,669 and total capital costs of \$ 3,255 per public school student. In total, Woodmont will generate annual incremental

operating costs of \$3.1 million (calculated as 834 students times \$3,669) and total capital costs of \$2.7 million (calculated as 834 students times \$3,255).

Table 4: Woodmont Operating and Capital Costs

	Salary	Elementary	Middle	High School	SAU	Total	Total New Employees
New Operating Costs							
New Teachers	\$66,000	7.0	5.0	3.0	0.0	15.0	
Teachers		\$462,000	\$330,000	\$198,000	\$0	\$990,000	
New Aides	\$0	TBD	0.0	0.0	0.0	0.0	
Aides		\$150,000				150,000	
New Administration	\$100,000	2.0	0.0	0.0	0.5	2.5	
Administration		\$200,000	\$0	\$0	\$50,000	250,000	
New Nurses	\$66,000	1.50	0.00	0.00	0.00	1.50	
Nurses		\$99,000	\$0	\$0	\$0	99,000	
New SPED Teach	\$66,000	1.50	0.00	0.00	0.00	1.50	
SPED Teach		\$99,000	\$0	\$0	\$0	99,000	
New Transportation	\$46,000		0.0	0.0	5.0	5.0	
Transportation		\$0	\$0	\$0	\$230,000	230,000	
SPED	40%				615,200	615,200	
New General Administration	25%				384,500	384,500	
Total		\$1,010,000	\$330,000	\$198,000	\$1,279,700	\$2,817,700	25.5
Initial School District Enrollment Projections						768	
Incremental Operating Cost Per Student						\$3,669	
Estimated Capital Costs						\$2,500,000	
Incremental Capital Costs Per Student						\$3,255	

New Students		
LEEP	5%	42
Kindergarten	5%	42
Elementary	50%	417
Middle School	35%	292
High School	5%	42
		<u>834</u>

Annual Incremental Operating Costs	\$3,669	\$3,060,000
Incremental Capital Costs	\$3,255	\$2,715,000

Source: Londonderry School District, DPF, 2013.

Net Fiscal Impact

As shown in Table 5, at buildout Woodmont will generate an annual net fiscal surplus of \$7.3 million for the School District, primarily as a result of the project's significant commercial properties.

Table 5: Woodmont Annual Net Surplus

LONDONDERRY SCHOOL DISTRICT			
NET FISCAL IMPACT			
Year Ending June 30	Tax Rate	Year 20	20-YEAR CUMULATIVE
Property Taxes Collected on Behalf of :			
Londonderry School District	\$12.44		
DISTRIBUTION OF TAXES COLLECTED			
Londonderry School District		\$10,684,000	\$125,012,000
EXPENDITURES			
ANNUAL OPERATING COSTS			
		\$3,060,000	
CAPITAL COSTS			
	\$2,715,000		
Term, in years	10		
Interest Rate	5%		
Total Annual Capital Costs		352,000	
Total Annual Costs		3,412,000	
ANNUAL NET SURPLUS		<u>\$7,272,000</u>	

Note: SGR = Public School Student
 Generation Rate
 Source: Town of Londonderry, DPF, 2013.