

**MINUTES
NEW DURHAM PLANNING BOARD
18 NOVEMBER 2014**

Acting Chair Drummey called the meeting to order at 7:07 pm.

Roll Call: Bob Craycraft (Chair), Scott Drummey (Vice Chair), Paul Raslavicus, Dot Veisel, David Swenson (Selectmen's Representative), Terry Chabot (Alternate), Recording Secretary Amy Smith.

Others Present: Videographer Corky Mork, Greg Anthes, Rudy Rosiello, Code Enforcement Officer Mark Arenberg

Public Input: Mr. Anthes informed Board members Officer Mike Joy was in a motor vehicle accident while responding to a call and suffered a broken arm.

PUBLIC HEARING - Impact Fee Regulations- proposal to decrease the rate of the Impact Fee to \$2.34/square foot from the current \$2.49/square foot

Acting Chair Drummey opened the public hearing on the proposal to decrease the rate of the Impact Fee to \$2.34/square foot from the current \$2.49/square foot. Mr. Swenson passed out a handout entitled 'Impact Fees - General Information' dated 18 November 2014. Mr. Swenson referred to study done in 2002 by Economics Professor Ihlanfeldt and Assistant Economics Professor Shaughessy which found that impact fees are found to reduce land values and tend to add uncertainty to the development process.

Mr. Swenson's handout highlighted issues he had with New Durham's impact fee specifically. Mr. Swenson noted he believed the original 'Basis for Assessment for Public School Impact Fee' done in 2009 and the update done in 2014 (both prepared by Bruce Mayberry) were improperly done as the Merrymeeting Lake properties were not included in either study. Mr. Swenson also stated he believes the impact fees place a disproportionate burden on lower income families. Mr. Swenson stated he believes the \$2.34/square foot figure is an arbitrary number and therefore challengeable in Court. Mr. Swenson also reiterated his statement made at a previous meeting that impact fees are regressive, double taxation, and a disincentive to economic development.

Acting Chair Drummey referred to the Basis for Assessment for Public School Impact Fee Update prepared by Mr. Mayberry and read the range of \$2.77 - \$3.09 supported by Mr. Mayberry's study. Mr. Swenson stated he did not state the range was an arbitrary number but using \$2.34 - 80% of the average of \$2.77 - \$3.09 (\$2.93) is arbitrary.

Mr. Rosiello stated he can see where impact fees may be a good idea for a major subdivision that would have significant impact on Town services. Mr. Rosiello continued to state he does not understand the rationale or agree with 3 (b) of the Impact Fee Regulations which states "The expansion of any existing year round dwelling that results in a cumulative increase in living area greater than 150 square feet".

Ms. Veisel stated she is not opposed to impact fees but suggested looking into using impact fee funds for other Town infrastructure and not just the school. Acting Chair Drummey stated the

State RSA's give Towns the authority to do this but studies would need to be done first, similar to Mr. Mayberry's study, prior to implementing this. Acting Chair Drummey also noted impact fees already collected can only be used for the school.

Ms. Chabot stated she agrees with Mr. Swenson that impact fees should be eliminated. She also questioned the handout entitled 'Impact Fees Analysis' prepared by the Finance Officer. Ms. Chabot stated the handout lists a figure for 'Impact Fees Collected 2012-2014'. Ms. Chabot questioned what the figures are for 2010 and 2011. Ms. Chabot also stated the Town has a responsibility to the citizens to be transparent. Board members reviewed the handout and were unable to determine whether the '2012' was a typo and should have read '2010' or if in fact 2010 and 2011 figures were missing from the handout. Board members asked Ms. Smith to contact the Finance Officer for clarification.

Ms. Veisel asked for clarification on the hearing tonight. Acting Chair Drummey stated tonight's hearing is regarding the decrease in the rate from \$2.49/ square foot to \$2.34/ square foot. Acting Chair Drummey noted the Board does have the ability to revisit impact fees again in the future. Ms. Veisel suggested the Board do that. Acting Chair Drummey stated they can but he is not sure if they can get to it in 2015. Mr. Rosiello questioned why the Board may not get to it in 2015. Mr. Raslavicus stated the Board has not yet prioritized its 2015 goals but the Master Plan needs to be updated.

Mr. Swenson asked that his handout be added to the minutes. Ms. Smith asked for a modified copy clearly identifying that the handout was his opinion. Mr. Swenson signed a clean copy of his handout.

Acting Chair Drummey closed the public input portion of the hearing.

Mr. Raslavicus stated he and Mr. Swenson both voted against the 21 October 2014 motion to decrease the rate of the school impact fee from \$2.49/square foot to \$2.34/square foot but for different reasons. Mr. Raslavicus stated he was fine with the \$2.49/square foot figure and felt the new figure was arbitrary whereas Mr. Swenson wants to eliminate the impact fee altogether.

Ms. Veisel stated she doesn't oppose the impact fee but believes it is currently too narrow and it should be looked into so other aspects of Town infrastructure are taken into consideration.

Mr. Swenson noted he is opposed to the collection of an impact fee for the reasons noted at previous meetings when the topic was discussed as well as noted in his handout (attached). Mr. Swenson also questioned why a vote on the reduction of the impact fee needed to be taken again as this was already done at the 21 October 2014 meeting. Mr. Craycraft noted the Board needs to vote on the Impact Fee Regulations document as revised.

Mr. Craycraft made a motion to accept the revised Impact Fee Regulations document reducing the rate of the impact fee from \$2.49/square foot to \$2.34/square foot. Ms. Veisel seconded the motion. The motion was approved with four affirmative votes (Veisel, Craycraft, Drummey, Raslavicus) and one negative vote (Swenson). Board members signed the document. Ms. Smith stated she would have the Town Clerk certify the document on 20 November 2014.

Capital Improvement Program

Board members reviewed the Capital Improvement Program 2015-2024 document. Ms. Veisel noted the Fire Station furnace is 40 years old and needs to be replaced. Ms. Veisel stated this information is contained in the Fire Chief's report but the report was omitted from the CIP document. Board members asked Ms. Smith to have Town Administrator Bourgeois submit the Fire Chief's report. Acting Chair Drummey questioned the rationale behind the proposed sale of the 2001 ladder truck. Mr. Swenson stated the narrative indicates it is due to limited use. Acting Chair Drummey noted an incident in Alton where the ladder truck was vital. Mr. Swenson noted the ladder truck has limited use in New Durham. Acting Chair Drummey questioned the recommendation to no longer consider a satellite fire station on Kings Highway. Acting Chair Drummey stated it is not fair to expect other Towns to continually provide services to New Durham. A brief discussion on mutual aid followed.

Ms. Veisel noted a police cruiser will need to be replaced sooner than anticipated due to an accident.

Ms. Veisel stated the CIP committee recommended not replacing the 2004 International 7400 and is in support of looking into contracting out trucks and plowing services. Ms. Veisel noted there will be a small amount of contract plowing in a test run.

Ms. Veisel noted based on a CMA Engineering report the Town is not required to cover the recycled metals containers at the Solid Waste Facility and the CIP Committee voted not to. Ms. Veisel stated she voted against this as she does not feel it is ethical not to cover the containers. Code Enforcement Officer Arenberg asked for a copy of the Engineer's report. Mr. Swenson suggested Mr. Arenberg contact Town Administrator Bourgeois for the report.

Acting Chair Drummey suggested the Board hold off on approving the CIP document until they receive the Fire Chief's report. Mr. Swenson noted the Selectmen are meeting on 24 November 2014 and 1 December 2014 and intend on finalizing the budget numbers. Mr. Swenson noted both of these meetings occur before the Planning Board's next meeting of 2 December 2014. Mr. Swenson noted there is no difference between this year's CIP and last year's CIP as far as the satellite fire station is concerned and the ladder truck is being dropped because New Durham doesn't use it. Mr. Swenson asked Ms. Veisel if there was anything in the Fire Chief's report that was different than what is shown in the CIP document. Ms. Veisel stated no, the Fire Chief's report was a rationalization. Acting Chair Drummey stated he wished the Board had the Fire Chief's report and official word from the Towns of Wolfeboro and Farmington that they are willing to continually offer mutual aid. Mr. Raslavicus agreed the report would be helpful but stated the Board is under time constraints.

Mr. Raslavicus made a motion the Planning Board accept the Capital Improvement Program 2015-2024 document as presented. Ms. Veisel seconded the motion. The motion was unanimously approved. Board members signed the document.

Zoning Ordinance Edit

Mr. Raslavicus suggested Board members review the document with 'Reviewed by SD/Pr' on the top for homework. Mr. Raslavicus also suggested leaving the newer revisions to the ordinance: Articles X, XIII, XV, XVI, XVIII, and XIX (as listed in the Planchet September 2014

version) alone this time around. Mr. Raslavicus suggested having an additional meeting designated just to the Zoning Ordinance edit. Board members agreed with this approach.

Board members reviewed the draft zoning ordinance document prepared by professional editor Elaine Planchet. Mr. Raslavicus suggested under VIII.B.2. changing 'accessory apartment' to 'accessory dwelling'. Under VIII.D.3 add "The Planning Board has the authority to restrict or deny such development whenever road access, distance from fire station, terrain and other environmental factors may be detrimental to public welfare and safety."

Board members agreed to hold a work session on 24 November 2014 at 6 pm at the Town Hall. Board members also agreed on 29 November 2014 Acting Chair Drummey and Mr. Raslavicus would work on the zoning ordinance edit and bring back their recommendations for the entire Board's review 2 December 2014.

Review of Minutes

Board members reviewed the minutes of 4 November 2014. Acting Chair Drummey designated Ms. Chabot to sit in on the vote for the minutes as Ms. Veisel was not present for the 4 November 2014 meeting. **Mr. Raslavicus made a motion to approve the minutes of 4 November 2014 as printed. Ms. Chabot seconded the motion. The motion was approved with four affirmative votes (Chabot, Craycraft, Drummey, Raslavicus) and one abstention (Swenson).**

Review of Mail

Board members reviewed the mail including two surveys submitted to the Planning Board for informational purposes only pursuant to RSA 676:18 (IV). A survey for Charles and Doris Healey on South Shore Road and a survey for Jeffrey and Karen Kratovil on Old Bay Road. Ms. Smith noted an abutter to the Kratovils is questioning a boundary line. Ms. Smith stated she informed him lot line disputes are civil issues and suggested he contact a surveyor. Acting Chair Drummey asked what happens to the informational only boundary plans after the Planning Board reviews them. Ms. Smith stated she gives them to the Assessing Clerk.

At 10:11 pm Mr. Swenson made a motion to adjourn. Mr. Raslavicus seconded the motion. The motion was unanimously approved.

Respectfully submitted,



Amy Smith
Recording Secretary

Impact Fees – General Information

November 18, 2014

- I. Even the main referenced study for impact fees done by Ihlantfeldt (Prof. Econ. Florida State U.), Shaughessy (Ass't Prof Econ. LSU) in July 2002 found that:
 - a. **Impact fees are found to reduce land values; Impact fees add additional uncertainty to the development process causing developers to reduce the amount they are willing to pay for land**
- II. **Key Factors to Consider Regarding Impact Fees for New Durham:**
 - a. **Hidden charges placed on discrete segment of general public**
 - b. **Impact fees are a form of market intervention**
 - c. **With impact fees – key issue is setting fair and legal impact fee amount; must be proportional to actual cost of providing capital facilities**
 - d. **Cyclical nature of housing construction make impact fees an unreliable revenue source**
 - e. **Stifled and limited economic growth; limits 1) increased employment opportunities, 2) decreases disposable income from those required to pay impact fee; 3) limits larger tax base as many do not improve their structures due to added cost**
 - f. **Impact fees place a disproportionate burden on lower income households**
 - g. **Discriminatory as schools benefit from both existing and new resident (school tax rate) but impact fees only imposed on new homeowners or expanding homeowners**
 - h. **Illustration of discriminatory effect of impact fees:**

Home Price	Mortgage	Interest Rate	Household Income	Sq. Ft.	Impact Fee / Sq.Ft.	Impact Fee
\$100K	\$90K	4 %	\$ 30 K	2,000	\$2.49	\$4,606.50
Impact fee increases home cost by 4.6%; increases the down payment of \$10K to \$14.61K if impact fees cannot be rolled into mortgage (46%); or increases 25 year mortgage payments from \$475.05 / month to \$499.37 / month or \$291.84 / year, i.e. ~ 1% less available household income for food, clothing, etc.						
\$200K	\$180K	4 %	\$ 60 K	3,000	\$2.49	\$7,096.50
Impact fee increases home cost by 3.5%; increases the down payment of \$20K to \$27.1 K if impact fees cannot be rolled into mortgage (35%); or increases 25 year mortgage payments from \$950.11/ month to \$987.56/month or \$449.40/year or almost 0.75% less available household income for food, clothing, etc.						

- i. **Impact fees appear to be used for exclusionary purposes in New Durham**
- j. **The initial and updated information done for New Durham was improperly done as not all of the properties in New Durham were considered. As an example, none of the Merrymeeting Lake factors were considered.**
- k. **Repeat of earlier position stated to the Planning Board – Impact Fees are 1) regressive, 2) double taxation, 3) a disincentive to economic development, and 4) appear to be discriminatory against lower income households**
- l. **Which surrounding communities have impact fees?**
- m. **Often first time buyers or move-up home buyers are negatively hit by impact fees**
- n. **Community pays for higher administration costs, consultant fees, and legal fees when methodology challenged**
- o. **59% of communities with populations >25,000 impose some type of impact fees**

