

**BASIS OF ASSESSMENT FOR
PUBLIC SCHOOL IMPACT FEE**

**TOWN OF NEW DURHAM
NEW HAMPSHIRE**

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Prepared for:

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New Durham School Impact Fee Basis of Assessment

A. Introduction and Purpose

1. Purpose of Report

This report documents alternative methods for calculating public school impact fee assessments for the Town of New Durham. Under the Town's impact fee ordinance, the Planning Board must adopt a basis of assessment prior to assessing impact fees for capital facilities. The intent of this report is to document the basis for school impact fee assessment schedules applicable to new development in New Durham.

2. Authority for Impact Fee Assessment

New Hampshire RSA 674:21, V authorizes municipalities to adopt impact fee ordinances and related impact fee assessments to meet the need for construction or improvement of specific public capital facilities in proportion to the demand placed on those facilities by development. Among the facilities for which impact fees may be assessed are public school facilities, including the municipality's proportionate share of capital facilities of a cooperative or regional school district of which the municipality is a member. The Town of New Durham adopted an impact fee ordinance on March 11, 2008 and incorporated it into its Land Use and Zoning Ordinance as Article XIII. That ordinance authorizes the Town to assess impact for public capital facilities of the Town and the School District. The ordinance delegates to the Planning Board the authority to prepare, adopt or amend studies, reports or cost allocation procedures that define the Town's basis for impact fees that the Town will assess to new development.

3. Proportionate Impact on District Facilities

All of the public schools serving New Durham students are operated by the Governor Wentworth Regional School District (GWRSD), a cooperative district comprising the towns of Brookfield, Effingham, New Durham, Ossipee, Tuftonboro and Wolfeboro. Elementary school students from New Durham (grades K-6) are served by three of the District's schools: the Carpenter School, the Crescent Lake School, and the New Durham Elementary School. All of the District's middle school pupils (grades 7-8) and high school students (grades 9-12) attend the Kingswood Middle School and High School located on a campus in Wolfeboro. The capital costs of the entire District, net of state building aid or other applicable income, are apportioned among all of the member towns.

The task of this analysis is to establish a reasonable basis for the assessment of impact fees to new residential development for its proportionate impact on school facility capacity. Impact fees (one of the innovative land use controls enabled under New Hampshire statutes) may be assessed to new development only under the authority of impact fee ordinances adopted by individual City and Town governments. Land development regulations administered by a local government are applicable only to development that occurs within its boundaries.

For the purpose of local school impact fee assessment, New Durham's proportionate share of the capital facilities of the District will be defined by the Town's enrollment impact on the capacity of District schools, and the associated capital costs borne by the District to provide

those facilities. The proportionate impact of new development in New Durham on public school facilities is represented in this study by average public school enrollment per occupied dwelling unit within the Town. A detailed analysis has been conducted to determine reasonable ratios of enrollment per unit and per square foot of living area within New Durham using actual resident enrollment data paired with property tax assessment data.

B. Components of Impact Fee Calculation

The principal components of the impact fee calculation center on four variables: (1) expected average enrollment per housing unit; (2) school facility floor area required per pupil; (3) a reasonable assignment of the average cost of school facility development per square foot; and (4) adjustments for the cost that new development will bear for funding school capacity needs or space deficiencies attributable to pre-existing development.

1. Enrollment Per Housing Unit in New Durham

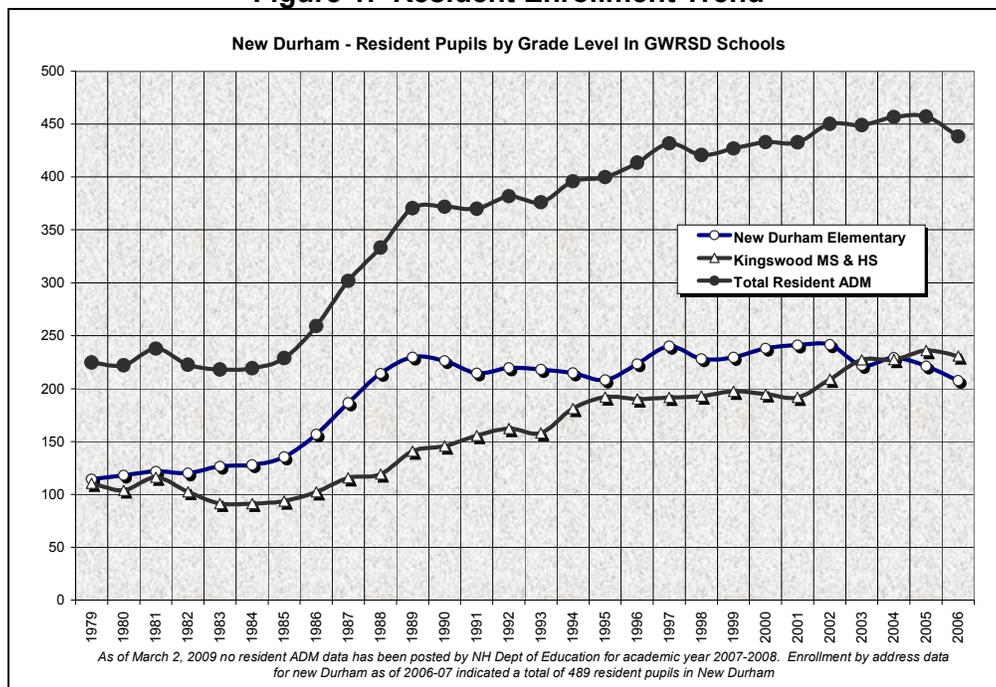
The school impact fee models recognize that changes in total school enrollment will be influenced not only by new housing development, but also by turnover and change in the occupancy within the existing housing stock, including the conversion of seasonal housing to year-round occupancy. The data in Table 1 indicate that from 1980 through 2000, the number of school age children (age 5-17) per household in New Durham household was fairly constant, but declined from 0.60 in 1980 to 0.56 in 2000. Actual public school enrollment per occupied unit is somewhat lower. Resident public school enrollment per household was fairly constant from 1980 to 2000, ranging from 0.52 to 0.54 pupils per household. The Consultant's estimate for 2007 is that the ratio is about 0.49 public school pupils per resident household in New Durham.

Table 1: Demographic Change

New Durham Population, Housing, and School Age Population				
Demographic Factor	1980	1990	2000	2007 Consultant Estimate
Population	1,183	1,974	2,220	2,571
Group Quarters In Households	0 1,183	0 1,974	1 2,219	1 2,570
Average Household Size	2.77	2.87	2.71	2.58
Households	427	688	819	994
Homeowners	378	603	740	898
Renters	49	85	70	96
Ownership Rate	88.5%	87.6%	90.4%	90.3%
Total Housing Units	984	1,231	1,309	1,589
Vacant for Sale or Rent	n.a.	54	30	36
Vacant Seasonal/Rec	n.a.	489	460	460
Total Vacant or Seasonal	557	543	490	496
% Vacant or Seasonal	56.6%	44.1%	37.4%	31.2%
Population age 5-17	256	439	460	unknown
Avg Per Household	0.60	0.64	0.56	---
Year/Source	1979-80 ADM	1989-90 ADM	1999- 2000ADM	Summer 2006 Enrollment by Address
Resident Enrollment Estimate	225	370	427	489
Avg Per Household	0.53	0.54	0.52	0.49
Ratio ADM to 5-17 Pop	88%	84%	93%	unknown

The trend in resident enrollment in New Durham is illustrated in Figure 1 based on resident NH Department of Education reports of average daily membership (ADM) by community. As of the date of this report, the latest published ADM data were for the academic year 2006-2007.

Figure 1: Resident Enrollment Trend



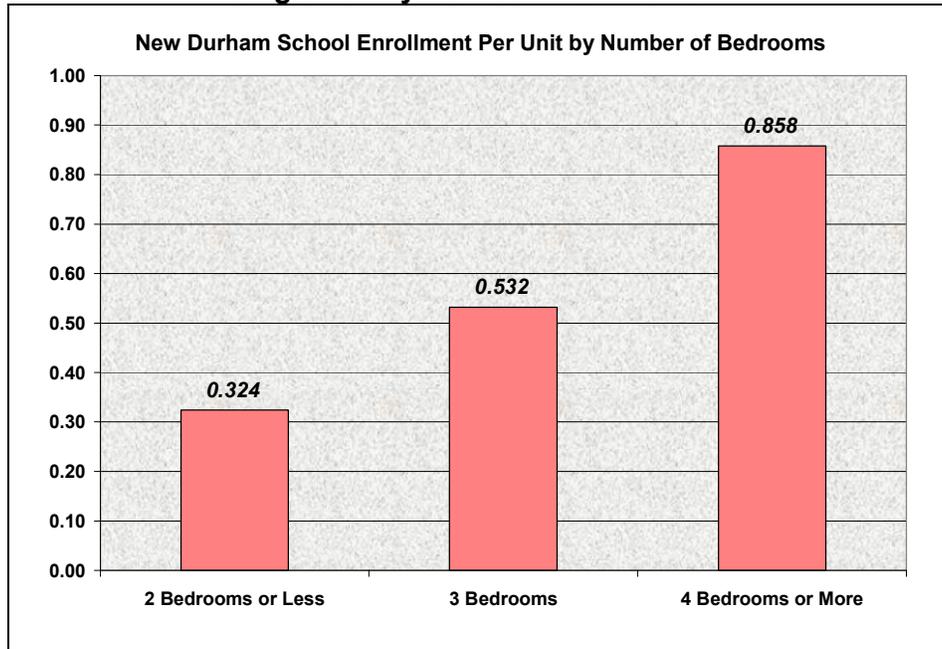
To estimate enrollment ratios in detail, the Consultant used property tax assessment data by parcel provided by the Town of New Durham and a list of resident pupils by address generated by the Governor Wentworth Regional School District during the summer of 2006. The enrollment data effectively represents a valid estimate for enrollment for the academic year beginning September 2007. The assessment data provided represent values as of April 2008, which probably represents a slightly higher number of occupied housing units than would have existed in the Fall of 2007. The Consultant matched the number of pupils by grade level to property addresses to generate detailed crosstabulation of enrollment by housing characteristics such as bedrooms in the unit, living area, year built and assessed value.

The assessment data does not indicate which units are occupied during the academic year, and which are used only seasonally. For the purpose of tabulating typical enrollment per unit, the enrollment ratios were based on single family and manufactured housing structure types (except those listed as camps) on properties owned by persons with a local mailing address.

a. Enrollment in Single Family Homes

Based on the data tabulations, the average public school enrollment within locally-owned single family residences is 0.493 pupils per unit. When tabulated by number of bedrooms, the ratio of enrollment per unit for homes with four bedrooms or more is significantly greater (see Figure 2), and the average for two bedroom homes is lower. Tabulation by living area showed that average enrollment in single family homes is 0.30 pupils per 1000 square feet of living area. Tables 2 and 3 summarize the detailed crosstabulations of the sample of New Durham single family homes.

**Figure 2: Average Enrollment by Bedrooms
Single Family Homes – New Durham**



Note: the above averages are estimates are based on New Durham single family dwellings owned by a party with a local mailing address

Table 2: New Durham Single Family Enrollment and Housing Characteristics

Year Built and Bedrooms in Unit	Public School Enrollment By Grade				Assessed Value	Housing Units	Living Area
	Grade K-6	Grade 7-8	Grade 9-12	Total Enrolled			
Built Prior to 1980							
2 Bedrooms or Less	29	2	16	47	\$ 29,835,180	138	174,074
3 Bedrooms	33	17	23	73	\$ 35,074,960	152	248,274
4 or More Bedrooms	9	5	10	24	\$ 10,742,120	42	99,049
Total	71	24	49	144	\$ 75,652,260	332	521,397
Built 1980 to 1989							
2 Bedrooms or Less	27	6	13	46	\$ 25,826,040	113	137,378
3 Bedrooms	56	24	45	125	\$ 45,834,740	190	311,611
4 or More Bedrooms	16	5	13	34	\$ 6,817,870	25	52,693
Total	99	35	71	205	\$ 78,478,650	328	501,682
Built 1990 or Later							
2 Bedrooms or Less	5	1	6	12	\$ 16,914,540	73	104,414
3 Bedrooms	39	6	20	65	\$ 41,548,610	153	298,582
4 or More Bedrooms	13	3	11	27	\$ 10,840,960	32	83,856
Total	57	10	37	104	\$ 69,304,110	258	486,852
Total Sample							
2 Bedrooms or Less	61	9	35	105	\$ 72,575,760	324	415,866
3 Bedrooms	128	47	88	263	\$ 122,458,310	495	858,467
4 or More Bedrooms	38	13	34	85	\$ 28,400,950	99	235,598
Total	227	69	157	453	\$ 223,435,020	918	1,509,931

Table 3: Enrollment and Housing Characteristics for New Durham Single Family Units By Year Built and Number of Bedrooms

Enrollment Per Unit, Unit Size, Bedrooms, and Assessed Value Per Unit by Year Built							
Bedrooms and Year Built	Grade K-6	Grade 7-8	Grade 9-12	Total Enrolled	Average Assessed Value	Housing Units	Average Living Area
Built Prior to 1980							
2 Bedrooms or Less	0.210	0.014	0.116	0.340	\$ 216,197	138	1,261
3 Bedrooms	0.217	0.112	0.151	0.480	\$ 230,756	152	1,633
4 or More Bedrooms	0.214	0.119	0.238	0.571	\$ 255,765	42	2,358
Total	0.214	0.072	0.148	0.434	\$ 227,868	332	1,570
Built 1980 to 1989							
2 Bedrooms or Less	0.239	0.053	0.115	0.407	\$ 228,549	113	1,216
3 Bedrooms	0.295	0.126	0.237	0.658	\$ 241,235	190	1,640
4 or More Bedrooms	0.640	0.200	0.520	1.360	\$ 272,715	25	2,108
Total	0.302	0.107	0.216	0.625	\$ 239,264	328	1,530
Built 1990 or Later							
2 Bedrooms or Less	0.068	0.014	0.082	0.164	\$ 231,706	73	1,430
3 Bedrooms	0.255	0.039	0.131	0.425	\$ 271,560	153	1,952
4 or More Bedrooms	0.406	0.094	0.344	0.844	\$ 338,780	32	2,621
Total	0.221	0.039	0.143	0.403	\$ 268,621	258	1,887
Total Sample							
2 Bedrooms or Less	0.188	0.028	0.108	0.324	\$ 223,999	324	1,284
3 Bedrooms	0.259	0.095	0.178	0.532	\$ 247,391	495	1,734
4 or More Bedrooms	0.384	0.131	0.343	0.858	\$ 286,878	99	2,380
Total	0.247	0.075	0.171	0.493	\$ 243,393	918	1,645

Enrollment Per 1000 Square Feet of Living Area					Average Home Size (Living Area)	Home Assessed Value Per Square Foot
Bedrooms and Year Built	Grade K-6	Grade 7-8	Grade 9-12	Total Enrolled		
Built Prior to 1980						
2 Bedrooms or Less	0.167	0.011	0.092	0.270	1,261	\$ 171
3 Bedrooms	0.133	0.068	0.093	0.294	1,633	\$ 141
4 or More Bedrooms	0.091	0.050	0.101	0.242	2,358	\$ 108
Total	0.136	0.046	0.094	0.276	1,570	\$ 145
Built 1980 to 1989						
2 Bedrooms or Less	0.197	0.044	0.095	0.336	1,216	\$ 188
3 Bedrooms	0.180	0.077	0.144	0.401	1,640	\$ 147
4 or More Bedrooms	0.304	0.095	0.247	0.645	2,108	\$ 129
Total	0.197	0.070	0.142	0.409	1,530	\$ 156
Built 1990 or Later						
2 Bedrooms or Less	0.048	0.010	0.057	0.115	1,430	\$ 162
3 Bedrooms	0.131	0.020	0.067	0.218	1,952	\$ 139
4 or More Bedrooms	0.155	0.036	0.131	0.322	2,621	\$ 129
Total	0.117	0.021	0.076	0.214	1,887	\$ 142
Total Sample						
2 Bedrooms or Less	0.147	0.022	0.084	0.253	1,284	\$ 175
3 Bedrooms	0.149	0.055	0.103	0.306	1,734	\$ 143
4 or More Bedrooms	0.161	0.055	0.144	0.361	2,380	\$ 121
Total	0.150	0.046	0.104	0.300	1,645	\$ 148

b. Attached, Duplex and Multifamily Structures

In New Durham, there were an insufficient number of housing units in attached, duplex, or multifamily structures from which to derive reliable expected enrollment ratios. Nevertheless, the Town should be prepared with a basis of assessment for such units should they be developed in the future. An average enrollment ratio was computed based on New Hampshire averages for occupied dwelling units in attached, two and three or more family structures in 2000 (Census sample data). This enrollment average was then adjusted by comparing the

New Durham average for single family, locally owned homes (0.493) for 2007-08 to the State 2000 Census average for single family occupied units (0.60 per unit). The proportionate adjustment of (0.493 / 0.60) was applied to the 2000 Census estimate of enrollment per unit among attached, duplex and multifamily units to produce an expected average enrollment for New Durham for these structure types. The resulting estimate for attached, duplex and multifamily structures for New Durham was 0.285 per occupied unit, with the following grade distribution:

**Table 4:
Estimated Enrollment Per Unit
for Attached & 2+ Family Units in New Durham**

K-6	7-8	9-12	K-12
0.146	0.041	0.098	0.285

c. Manufactured Housing Units

Enrollment ratios for manufactured housing units were computed based on New Durham data for manufactured housing (mobile homes) owned by persons with a local address. Public school enrollment in these homes averaged 0.32 per unit, with the distribution by grade level shown in Table 5 below.

**Table 5:
Enrollment Per Unit – Manufactured Housing
(New Durham Sample of Locally Owned Units)**

K-6	7-8	9-12	Total
0.151	0.075	0.097	0.323

Enrollment in selected manufactured housing units, when computed relative to living area, resulted in a ratio just under 0.30 pupils per 1000 square feet of living area (nearly identical to that of single family detached homes in New Durham).

d. Options for Proportionate Enrollment Estimates

The available data allowed for three options for estimating the proportionate enrollment impacts of average housing units in New Durham:

- (1) Average Unit Method
- (2) Bedroom Method
- (3) Square Foot Method

For the computations in the average unit method, the values in Tables 2, 4 and 5 were used to represent the average enrollment impacts of the three structural categories of single family detached, attached and 2+ family structures, and manufactured housing.

The bedroom method relies on the average enrollment impacts indicated by New Durham single family homes (see Tables 2 and 3 above). Analysis of larger data bases from the Census shows that relative enrollment by number of bedrooms is similar for other structural categories. Therefore, the bedroom based method used in this report does not differentiate by structure type. An impact fee assessment computed in New Durham using this method would be based on number of bedrooms regardless of structure type.

In the square foot method the fee basis applies a constant ratio of 0.30 pupils (grades K-12) per 1000 square feet of living area. That ratio represents the long-term average derived for locally owned single family and manufactured housing in the analysis of enrollment in New Durham housing units. The expected breakdown of this ratio by grade level is shown in Table 6 below:

**Table 6: Enrollment Per 1000 Square Feet of Living Area
(New Durham Sample – Locally Owned Units)**

Enrollment Per 1000 Square Feet of Living Area			
Grade K-6	Grade 7-8	Grade 9-12	Total K-12
0.150	0.046	0.104	0.300

The square foot method represents the preferred approach to assessment expressed within the New Durham impact fee ordinance, which calls for impact fees to be computed based on floor area when such calculations are feasible.

2. School Facility Space Per Pupil Capacity

The second major variable in the impact fee assessment is the amount of school space consumed per pupil by grade level based on District standards. Table 7 illustrates the derivation of these standards for the fee calculations. The school floor area standards are based on the amount of space provided per pupil capacity in each of the schools attended by New Durham students. The current averages (2009) reflect the gross floor area of those schools divided by District estimates of their capacity for enrollment.

Elementary schools: 121 square feet per pupil capacity
 Middle school: 140 square feet per pupil capacity
 High School: 160 square feet per pupil capacity

Table 7

PUBLIC SCHOOL FACILITIES SERVING NEW DURHAM PUPILS								
School Facilities	Original Yr. Built & Expansion Dates	Grades Served	Building Area Gross Sq. Ft.	Classroom Capacity	Core Capacity	Square Feet Per Pupil Capacity (1)	October 2008 Enrollment	2008 Enrollment as % of Capacity (1)
ELEMENTARY SCHOOLS								
New Durham	Built 1964; additions in 1976, 1994 & 2003	K-6	32,960	250	300	120	217	79%
Carpenter	Built 1928; additions in 1954 & 1984; Renovated 1998	K-3	41,300	325	325	127	276	85%
Crescent Lake	Built 1997	4-6	34,360	275	325	115	234	78%
Total Elementary		K-6	108,620	850	950	121	727	81%
MIDDLE SCHOOL								
Kingswood Regional MS (2)	Built 1986; Modular classrooms (4) added 1997	7-8	55,840	400	400	140	406	102%
Total for K-8 Facilities		K-8	164,460	1,250	1,350	127	1,133	87%
HIGH SCHOOL								
Kingswood Regional HS (2)	Built 1964	9-12	128,000	800	800	160	848	106%
Region 9 Vocational (2)	Built 1983	10-12	37,470	100	shared	-----	-----	-----
Total With Region 9 Vocational		9-12	165,470	900	800	195	894	105%
Total For Schools Serving New Durham (excluding Vocational space)		K-12	292,460	2,050	2,150	139	1,981	94%

Source: Governor Wentworth Regional School District

(1) Where core and classroom capacity differ, the average of the two capacity figures was used to estimate floor area per pupil capacity. Core facilities include space other than classrooms such as the gymnasium, library, cafeteria, and administrative offices.

(2) New construction, additions, and renovations planned for the Kingswood campus will improve and expand facility capacity. With the proposed additions, and capacity expansion, the campus will provide about 155 square feet per pupil capacity at KRMS and 175 square feet per pupil capacity at KRHS.

Based on the data in Table 7, there is remaining available capacity in the elementary schools used by New Durham students. However, the Kingswood Middle School and High School are considered to be over-capacity and the middle school relies on modular classrooms for space. A comprehensive plan proposed for the expansion and renovation of the Kingswood campus would result in a significant increase in capacity at the Kingswood Middle School (planned capacity of 580) and at the Kingswood High School (capacity of up to 1200). The expanded floor area of core space and classrooms will provide ample capacity for existing enrollment and enrollment growth.

Total project costs for the 2009 proposal have been estimated at \$67.24 million (includes substantial renovation as well as new construction). With anticipated State Building Aid (SBA) of \$40.87 million, the net cost to the District is estimated to be \$26.75 million. The Kingswood campus improvements would include a net addition of 140,000 square feet in the combined floor area of the middle school, high school, and vocational center. Based on the anticipated capacity supported by the expansion, the middle school and high school space provided will increase the average floor area per pupil capacity for grade 7-12 facilities. However, for the initial impact fee assessment, the current floor area ratios are used as the spatial standard. Once the Kingswood plan is implemented, the fee basis may be adjusted so that it reflects the new spatial standards represented by the actual expanded floor area and its estimated capacity.

3. School Development Cost Per Square Foot

The third element of the impact fee calculation is the assignment of a facility development cost per square foot. This assumption should reasonably reflect a present-day cost for the development of both classroom and core facility space.

Table 8 contains national and regional medians for school development costs in projects anticipated to be underway in 2009. Based on this source and other surveys, the cost of new schools in New England is consistently higher than the national median.

Table 8

Facility Level	Median Cost of New Schools Underway in the U. S. - February 2009					
	National Medians			New England Medians		
	Cost Per Sq. Ft.	Sq. Ft. Per Pupil	Cost Per Pupil	Cost Per Sq. Ft.	Sq. Ft. Per Pupil	Cost Per Pupil
Elementary Schools	\$179	115	\$21,477	\$224	149	\$33,187
Middle Schools	\$178	136	\$24,667	\$230	166	\$37,697
High Schools	\$187	155	\$29,167	\$347	200	\$65,833

Source: School Planning & Management Magazine 2009 Annual School Construction Report

The GWRSD cost estimates for the 2009 plan for improvements at the Kingswood campus include a mix of new construction and renovation. Baseline building construction cost estimates for the project indicate estimates used in the facility planning process indicate values of \$150 per square foot for classroom additions and \$200 per square foot for new core facility space at the high school. (These values represent the cost of building construction only, not including additional allowances for site development, A&E, contingencies or other fees that are part of the overall development cost.)

The State of New Hampshire Department of Education publishes annual limits for the cost per square foot used in combination with floor area standards to determining maximum costs eligible for State Building Aid. These State's cost standards are intended to represent only the

cost of construction of buildings and internal systems, and do not necessarily reflect other development costs such as site development costs, land, furnishings, and equipment. Table 9 below shows the current State limits applicable to Carroll and Strafford County schools.

Table 9

Maximum Allowable Construction Costs for State Building Aid - NH Dept of Education -2009 *					
Facility Level	Carroll County	Strafford County	Max. Sq. Ft. Per Pupil	Implied Max. SBA Reimbursable Basis Per Pupil - Carroll County	Implied Max. Reimbursable Basis Per Pupil - Strafford County
Elementary Schools	\$175	\$175	120	\$21,000	\$21,000
Middle Schools	\$180	\$180	140	\$25,200	\$25,200
High Schools	\$191	\$185	160	\$30,560	\$29,600

* For construction beginning 01-01-09 to 03-31-10

The cost guideline issued by the NH Department of Education is used in this study because it represents an objective standard that is coupled with limitations imposed by the State on the cost basis of facility development that is reimbursable from State Building Aid. It also provides a figure that represents the cost of constructing new school space, separate from considerations relating to renovation costs for existing floor area. The State’s published “maximum allowable cost” per square foot is a variable that can be readily updated for future adjustments to the fee basis.

State building aid to the Governor Wentworth Regional School District provides for 55% of the principal payments due on bonded debt, reimbursed by the State of New Hampshire as a portion of annual debt service.¹ The impact fee calculations are based on a school capital cost impact per dwelling unit that is computed by multiplying the enrollment ratios per unit (or per square foot) times the floor area standard per pupil times the cost per square foot. With 55% of principal costs funded by state building aid, the remaining 45% of total cost is assigned as the net district capital cost per unit of new development occurring in New Durham.

Using the amount of floor area per pupil capacity for the schools used by New Durham resident pupils, the school facility developments costs per pupil are estimated as:

Table 10 – Per Pupil School Construction Costs for New Durham Students

Square Feet Per Pupil Capacity		State Guideline for School Construction Cost Per Sq. Ft. for the Period April 2009 to March 2010	School Construction Cost Per Pupil			
Existing Average for Facilities in March 2009	After Kingswood Expansion and Renovation		@ Existing Avg Space Per Pupil Capacity	@ Anticipated Space Per Pupil after Improvements	Range of District Cost Per Pupil Net of 55% State Building Aid	
121	121	\$175	\$21,175	\$21,175	\$9,529	\$9,529
140	155	\$180	\$25,200	\$27,900	\$11,340	\$12,555
160	175	\$191	\$30,560	\$33,425	\$13,752	\$15,041

¹ Facilities at the District 9 vocational center at Kingswood High School are eligible for 75% state aid, plus 55% of the local district share of the remainder (effectively 88.75%).

4. Credit Allowances

While credit allowances are not required under New Hampshire RSA 674:21, V as part of the determination of an impact fee, these adjustments have been incorporated into the New Durham impact fee calculations. This allowance helps to account for the local cost of District debt service paid by new development in New Durham for school capacity that is already utilized, or that is currently needed to rectify existing space deficiencies. Since new development will be required to pay an impact fee for its full demand on school capacity, a reduction may be appropriate to account for the property taxes it has paid (from taxes on land) or will pay (after the homes are built) toward pre-existing space needs.

The allowance represents an adjustment to the fee to account for property tax costs paid by new development to fund pre-existing capacity needs. These costs include debt service for school space built in the past which is already consumed by existing enrollment. The credited costs also include projected debt service that is related to rectifying existing space deficiencies for the existing student population.

The amounts credited are based on the present worth of past debt service payments made by vacant land (pre-development) to fund existing school capacity that is already consumed by current enrollment. Credits are also computed based on the present value of future tax payments to support debt service on that capacity, or for additional capacity needed to rectify base year deficiencies in permanent facility space. Future payments are computed based on the average assessed value of completed homes.

Debt service schedules for Crescent Lake elementary school and the New Durham elementary school were used to compute credit allowances for existing elementary facilities (see Appendix).

A credit allowance has also been computed based on an anticipated bond to fund the renovation and expansion of the Kingswood Middle and High School facilities. The existing facilities on the campus have inadequate capacity within their permanent facilities for existing enrollment as of 2008. Therefore a portion of the anticipated debt service costs for the project are related to rectifying pre-existing deficiencies in floor area, including the elimination of modular classrooms. As part of the project, the District will increase the amount of permanent facility floor area per pupil capacity. This upgrade in space per pupil for existing enrollment is a correction of a pre-existing deficiency that is not attributable to new (future) development.

Based on the cost projections and planned capacity for the expanded middle school and high school, the Consultant has estimated that about 30% of project costs are reasonably attributable to the cost of rectifying existing deficiencies in space for existing enrollment. A slightly higher ratio of 35% of the net local debt service costs of the overall improvement plan has been used to assign a portion of net local debt service as a credit allowance for existing space deficiencies.

The New Durham share of District debt service is allocated at 15.26% of District cost net of State Building Aid. To account for the time value of money over the term of particular bonds, a discount rate of 5% has been used in the credit allowances model for the purpose of present value calculations of past and future debt service costs. The present value of these debt service costs is then expressed as if it were a tax rate by assigning the credit as a cost per \$1000 valuation.

Credit allowances are based on a portion of estimated net local debt service costs adjusted to a present value. "Past payments" are those due in calendar years prior to 2009. Payments scheduled for 2009 or later are shown as "future payments" in the credit allowance sheets. Details of the credit allowance computations are provided in the Appendix.

Table 11 below illustrates the basic components of the "average unit" approach to the school impact fee, using the enrollment impact of an average single family home, and the State building construction cost standards, to illustrate the components of the school impact fee computation for a single family home in New Durham.

Table 11: Basic Fee Structure (Example Only)		
Single Family School Impact Fee (Simplified)		
<u>Capital Cost Impact Per Durham Single Family Unit (Example Only)</u>		
Elementary (K-6)	121 Sq. Ft. x \$175 = \$21,175 per pupil x 0.247 / unit =	\$ 5,230
Middle School (7-8)	140 Sq. Ft. x \$180 = \$25,200 per pupil x 0.075 / unit =	\$ 1,890
High School (9-12)	160 Sq. Ft. x \$191 = \$30,560 per pupil x $\frac{0.171}{0.493}$ / unit =	\$ 5,226
	Total District Capital Cost per New Durham Home	\$ 12,346
<u>Net Facility Cost after 55% State Building Aid</u>		
Elementary	\$ 5,533 x 0.45 =	\$ 2,354
Middle School	\$ 1,890 x 0.45 =	\$ 851
High School	\$ 5,226 x 0.45 =	\$ 2,352
Total		\$ 5,557
Less Credit Allowance	(\$ 1,463) estimated tax cost to a New Durham home for pre-existing capacity needs	
Impact Fee Assessment		\$ 4,094

C. Alternative Impact Fee Schedules

1. Fee Based on 2009 Space Standard

Impact fee schedules have been prepared for three alternative methods means of assessment: (1) a fee per unit by structure type, (2) fee per unit based on number of bedrooms, and (3) a fee per square foot of living area. The fee schedules computed in this section are based on school floor area per pupil capacity as of March 2009 for the schools used by New Durham pupils (presented earlier in Table 7).

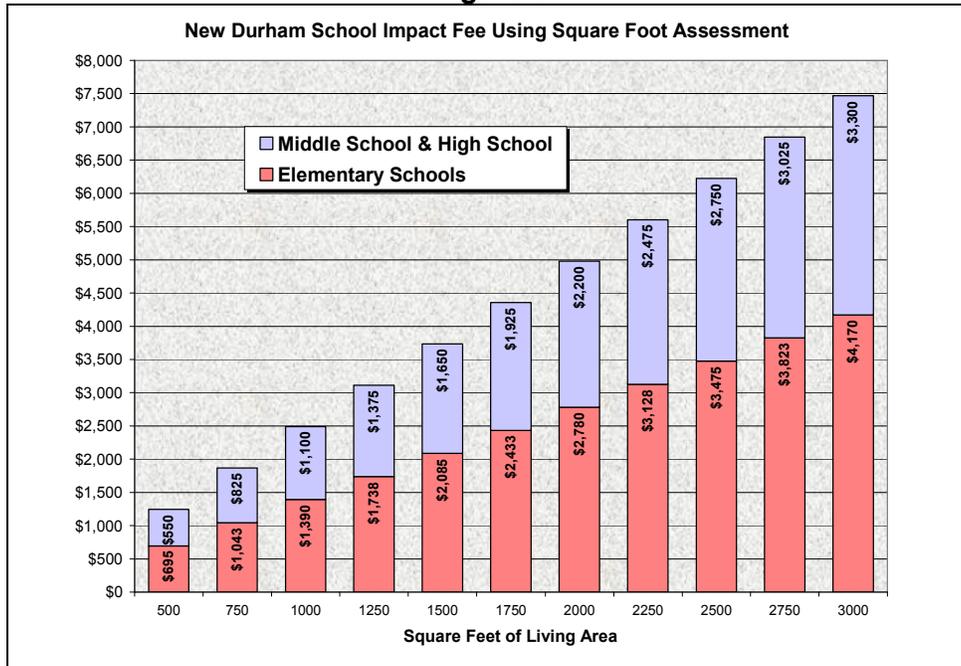
Alternative methods of assessment using this facility standard and related fee schedules are summarized in Table 12 below. The fee schedules shown in Table 12 reflect school development cost estimates that are limited the State's estimate of reasonable costs for construction of building and integrated systems as reflected in the NH Department of Education "maximum allowable costs" published for the construction period of April 1, 2009 to March 31, 2010. Tables 13-15 show the full calculation sheets for the three alternatives.

The preferred method of assessment expressed by the New Durham impact fee ordinance is the assessment per square foot. The fee schedule based on living area supports a uniform assessment of \$2.49 per square foot of living area. Figure 3 shows the impact fee amounts that would be applicable at that rate for various dwelling unit sizes.

Table 12

Impact Fee Options with Single Family Enrollment Ratios and Home Valuation at Town Averages			
Fee Calculation Method	Development Cost Computed @ State Maximum Allowable Cost/Sq. Ft. For SBA (for construction between April 1, 2009 and March 31, 2010)		
Unit of Assessment	School Impact Fee Per Dwelling Unit		
1. Average Housing Unit Basis	Elementary	Middle & HS	Total
Single Family Detached	\$2,279	\$1,815	\$4,094
Attached, 2-Family or Multifamily	\$1,345	\$956	\$2,301
Manufactured Housing	\$1,400	\$1,471	\$2,871
2. Bedroom Basis (All Structure Types)	School Impact Fee Per Dwelling Unit		
2 Bedrooms or Less	\$1,718	\$524	\$2,242
3 Bedrooms	\$2,356	\$2,115	\$4,471
4 Bedrooms or More	\$3,537	\$4,563	\$8,100
3. Square Foot Basis **	School Impact Fee Per Square Foot of Living Area		
All Structure Types:	\$1.39	\$1.10	\$2.49
Up to a maximum living area of:	(To be set by Planning Board)		
* The New Durham Impact Fee Ordinance indicates that a square foot basis for fee calculations is the preferred method where feasible.			

Figure 3



It is recommended that, if the Planning Board adopts the square foot method, that it also specify a maximum floor area to be assessed by this method. Our analysis of locally-owned single family detached housing units indicates that the relationship between unit size (living area) and enrollment is not supported by New Durham data for units with a living area greater than 2,750 to 3,000 square feet. In addition, the maximum fee applied should probably not exceed the amount that would be applicable to a four bedroom unit under the bedroom-based method.

Table 13: School Impact Fee Model – Fee Per Unit by Structure Type

**COMPUTED BASED ON AVERAGE DWELLING UNIT
TOWN OF NEW DURHAM**

Type of Construction:	New Durham Enrollment Per Dwelling Unit				Floor Area Standard Per Pupil Capacity				Cost Per Dwelling Unit Based on School Development Cost Per Sq. Ft. @:			Total School Development Cost Per Dwelling Unit
	Grade K-6 Enrollment	Grade 7-8 Enrollment	Grade 9-12 Enrollment	Total K-12 Enrollment	Elementary Schools	Middle School	High School	Weighted Avg Per Pupil	\$175	\$180	\$191	
									Elementary School	Middle School	High School	
Single Detached	0.247	0.075	0.171	0.493	121	140	160	137	\$5,230	\$1,890	\$5,226	\$12,346
Attached & 2+ Family	0.146	0.041	0.098	0.285	121	140	160	137	\$3,092	\$1,033	\$2,995	\$7,120
Manufactured Housing	0.151	0.075	0.097	0.323	121	140	160	137	\$3,197	\$1,890	\$2,964	\$8,051

Type of Construction:	District Cost Net of State Building Aid @ 55%				Credit Allowances for Existing Needs			Net Impact Fee Per Dwelling Unit Assessment Schedule (Capital Cost Impact Less Credits)
	Elementary School	Middle School	High School	District Cost Per Pupil	Elementary Schools	Middle School and High School	Total Credit Allowances	New Durham Impact Fee Per Unit:
Single Detached	\$2,354	\$851	\$2,352	\$5,557	(\$75)	(\$1,388)	(\$1,463)	\$4,094
Attached & 2+ Family	\$1,391	\$465	\$1,348	\$3,204	(\$46)	(\$857)	(\$903)	\$2,301
Manufactured Housing	\$1,439	\$851	\$1,334	\$3,624	(\$39)	(\$714)	(\$753)	\$2,871

Table 14: School Impact Fee Model - Fee Per Unit Based on Number of Bedrooms

**MODEL B - SCHOOL IMPACT FEE COMPUTATION BASED ON BEDROOMS (ALL UNIT TYPES)
TOWN OF NEW DURHAM**

Type of Construction:	New Durham Enrollment Per Dwelling Unit				Floor Area Standard Per Pupil Capacity				Cost Per Dwelling Unit Based on School Development Cost Per Sq. Ft. @:			Total School Development Cost Per Dwelling Unit
	Grade K-6 Enrollment	Grade 7-8 Enrollment	Grade 9-12 Enrollment	Total K-12 Enrollment	Elementary Schools	Middle School	High School	Weighted Avg Per Pupil	\$175	\$180	\$191	
									Elementary School	Middle School	High School	
2 Bedrooms or Less	0.188	0.028	0.108	0.324	121	140	160	136	\$3,981	\$706	\$3,300	\$7,987
3 Bedrooms	0.259	0.095	0.178	0.532	121	140	160	137	\$5,484	\$2,394	\$5,440	\$13,318
4 Bedrooms or More	0.384	0.131	0.343	0.858	121	140	160	139	\$8,131	\$3,301	\$10,482	\$21,914

Type of Construction:	District Cost Net of State Building Aid @ 55%				Credit Allowances for Existing Needs			Net Impact Fee Per Dwelling Unit Assessment Schedule (Capital Cost Impact Less Credits)
	Elementary School	Middle School	High School	District Cost Per Pupil	Elementary Schools	Middle School and High School	Total Credit Allowances	New Durham Impact Fee Per Unit:
2 Bedrooms or Less	\$1,791	\$318	\$1,485	\$3,594	(\$73)	(\$1,279)	(\$1,352)	\$2,242
3 Bedrooms	\$2,468	\$1,077	\$2,448	\$5,993	(\$112)	(\$1,410)	(\$1,522)	\$4,471
4 Bedrooms or More	\$3,659	\$1,485	\$4,717	\$9,861	(\$122)	(\$1,639)	(\$1,761)	\$8,100

Table 15: School Impact Fee Model - Fee Per Square Foot of Living Area

**MODEL C - SCHOOL IMPACT FEE COMPUTATION PER SQUARE FOOT (ALL UNIT TYPES)
TOWN OF NEW DURHAM**

Type of Construction:	New Durham Enrollment Per 1000 Square Feet of Living Area				Floor Area Standard Per Pupil Capacity				Cost Per Sq. Ft. of Living Area Based on School Development Cost Per Sq. Ft. @:			Total School Development Cost Per Dwelling Unit
	Grade K-6 Enrollment	Grade 7-8 Enrollment	Grade 9-12 Enrollment	Total K-12 Enrollment	Elementary Schools	Middle School	High School	Weighted Avg Per Pupil	\$175 Elementary School	\$180 Middle School	\$191 High School	
All Structure Types	0.150	0.046	0.104	0.300	121	140	160	137	\$3.18	\$1.16	\$3.18	\$7.52

Type of Construction:	District Cost Net of State Building Aid @ 55%				Credit Allowances for Existing Needs			Net Impact Fee Per Dwelling Unit Assessment Schedule (Capital Cost Impact Less Credits)
	Elementary School	Middle School	High School	District Cost Per Pupil	Elementary Schools	Middle School and High School	Total Credit Allowances	New Durham School Impact Fee Per Sq. Ft. Living Area
All Structure Types	\$1.43	\$0.52	\$1.43	\$3.38	(\$0.04)	(\$0.85)	(\$0.89)	\$2.49

All of the impact fee alternatives may be updated by modifying the four key variables of the calculations. It is recommended that the fee basis be updated periodically with respect to school development costs per square foot, average resident enrollment per household, and amortization of debt service costs. In addition, the spatial standards applied to middle and high school facilities should be updated upon completion of those improvements so that the standards reflect averages appropriate to District facilities as built.

2. Fee Based on Anticipated Floor Area Standard

The fee basis might also be based on the anticipated average floor area per pupil capacity that will be created upon completion of the expanded grade 7-12 facilities at the Kingswood complex. The District's estimates of expanded floor area and capacity indicate a middle school floor area ratio of 155 square feet per pupil capacity and a high school providing about 175 square feet per pupil capacity. Substituting these floor area standards in the impact fee model generates the following fee schedules:

Table 16

Impact Fee Options with Single Family Enrollment Ratios and Home Valuation at Town Averages & New Floor Area Standards			
Fee Calculation Method	Development Cost Computed @ State Maximum Allowable Cost/Sq. Ft. For SBA (for construction between April 1, 2009 and March 31, 2010)		
Unit of Assessment	School Impact Fee Per Dwelling Unit		
1. Average Housing Unit Basis	Elementary	Middle & HS	Total
Single Family Detached	\$2,279	\$2,126	\$4,405
Attached, 2-Family or Multifamily	\$1,345	\$1,132	\$2,477
Manufactured Housing	\$1,400	\$1,687	\$3,087
2. Bedroom Basis (All Structure Types)	School Impact Fee Per Dwelling Unit		
2 Bedrooms or Less	\$1,718	\$697	\$2,415
3 Bedrooms	\$2,408	\$2,461	\$4,869
4 Bedrooms or More	\$3,597	\$5,165	\$8,762
3. Square Foot Basis **	School Impact Fee Per Square Foot of Living Area		
All Structure Types:	\$1.39	\$1.30	\$2.69
Up to a maximum living area of:	(To be set by Planning Board)		
<i>* The New Durham Impact Fee Ordinance indicates that a square foot basis for fee calculations is the preferred method where feasible.</i>			

Under these floor area assumptions, the impact fee assessment using the square foot basis would be \$2.69 per square foot of living area, or about 8% higher than the fee calculation using the existing (2008-09) capacity and floor area of the schools.

The Town could reasonably use the fee schedule in Table 16 as its basis for school impact fee assessment in anticipation of the Kingswood campus. Tables 17-19 on the next pages show the components of the alternative fee schedule computed based on the anticipated floor area standard reflected in the plan for the Kingswood facilities.

Alternatively, the Town could use the Table 12 fee schedule as its initial school impact fee, then adjust and update the model to reflect higher facility standards once the expanded and renovated Kingswood complex is placed in service.

Table 17

**MODEL A - 2 - SCHOOL IMPACT FEE COMPUTATION BY DWELLING UNIT TYPE
COMPUTED BASED ON AVERAGE DWELLING UNIT
TOWN OF NEW DURHAM**

Type of Construction:	New Durham Enrollment Per Dwelling Unit				Floor Area Standard Per Pupil Capacity				Cost Per Dwelling Unit Based on School Development Cost Per Sq. Ft. @:			Total School Development Cost Per Dwelling Unit
	Grade K-6 Enrollment	Grade 7-8 Enrollment	Grade 9-12 Enrollment	Total K-12 Enrollment	Elementary Schools	Middle School	High School	Average Per Pupil	\$175	\$180	\$191	
									Elementary School	Middle School	High School	
Single Detached	0.247	0.075	0.171	0.493	121	155	175	145	\$5,230	\$2,093	\$5,716	\$13,039
Attached & 2+ Family	0.146	0.041	0.098	0.285	121	155	175	144	\$3,092	\$1,144	\$3,276	\$7,512
Manufactured Housing	0.151	0.075	0.097	0.323	121	155	175	145	\$3,197	\$2,093	\$3,242	\$8,532

Type of Construction:	District Cost Net of State Building Aid @ 55%				Credit Allowances for Existing Needs			Net Impact Fee Per Dwelling Unit Assessment Schedule (Capital Cost Impact Less Credits)
	Elementary School	Middle School	High School	District Cost Per Pupil	Elementary Schools	Middle School and High School	Total Credit Allowances	New Durham Impact Fee Per Unit:
Single Detached	\$2,354	\$942	\$2,572	\$5,868	(\$75)	(\$1,388)	(\$1,463)	\$4,405
Attached & 2+ Family	\$1,391	\$515	\$1,474	\$3,380	(\$46)	(\$857)	(\$903)	\$2,477
Manufactured Housing	\$1,439	\$942	\$1,459	\$3,840	(\$39)	(\$714)	(\$753)	\$3,087

Table 18

**MODEL B-2: SCHOOL IMPACT FEE COMPUTATION BASED ON BEDROOMS (ALL UNIT TYPES)
TOWN OF NEW DURHAM**

Type of Construction:	New Durham Enrollment Per Dwelling Unit				Floor Area Standard Per Pupil Capacity				Cost Per Dwelling Unit Based on School Development Cost Per Sq. Ft. @:			Total School Development Cost Per Dwelling Unit
	Grade K-6 Enrollment	Grade 7-8 Enrollment	Grade 9-12 Enrollment	Total K-12 Enrollment	Elementary Schools	Middle School	High School	Average Per Pupil	\$175	\$180	\$191	
									Elementary School	Middle School	High School	
2 Bedrooms or Less	0.188	0.028	0.108	0.324	121	155	175	142	\$3,981	\$781	\$3,610	\$8,372
3 Bedrooms	0.259	0.095	0.178	0.532	121	155	175	145	\$5,484	\$2,651	\$5,950	\$14,085
4 Bedrooms or More	0.384	0.131	0.343	0.858	121	155	175	148	\$8,131	\$3,655	\$11,465	\$23,251

Type of Construction:	District Cost Net of State Building Aid @ 55%				Credit Allowances for Existing Needs			Net Impact Fee Per Dwelling Unit Assessment Schedule (Capital Cost Impact Less Credits)
	Elementary School	Middle School	High School	District Cost Per Pupil	Elementary Schools	Middle School and High School	Total Credit Allowances	New Durham Impact Fee Per Unit:
2 Bedrooms or Less	\$1,791	\$351	\$1,625	\$3,767	(\$73)	(\$1,279)	(\$1,352)	\$2,415
3 Bedrooms	\$2,468	\$1,193	\$2,678	\$6,339	(\$60)	(\$1,410)	(\$1,470)	\$4,869
4 Bedrooms or More	\$3,659	\$1,645	\$5,159	\$10,463	(\$62)	(\$1,639)	(\$1,701)	\$8,762

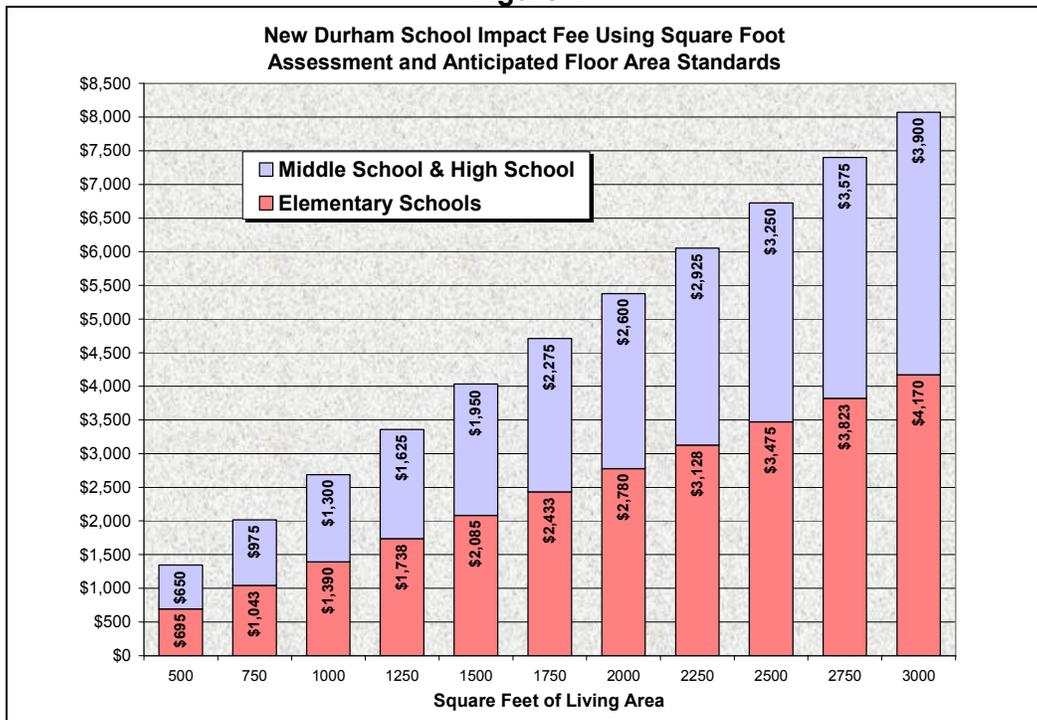
Table 19

**MODEL C-2: SCHOOL IMPACT FEE COMPUTATION PER SQUARE FOOT (ALL UNIT TYPES)
TOWN OF NEW DURHAM**

Type of Construction:	New Durham Enrollment Per 1000 Square Feet of Living Area				Floor Area Standard Per Pupil Capacity				Cost Per Sq. Ft. of Living Area Based on School Development Cost Per Sq. Ft. @:			Total School Development Cost Per Dwelling Unit
	Grade K-6 Enrollment	Grade 7-8 Enrollment	Grade 9-12 Enrollment	Total K-12 Enrollment	Elementary Schools	Middle School	High School	Average Per Pupil	\$175	\$180	\$191	
All Structure Types	0.150	0.046	0.104	0.300	121	155	175	145	\$3.18	\$1.28	\$3.48	\$7.94

Type of Construction:	District Cost Net of State Building Aid @ 55%				Credit Allowances for Existing Needs			Net Impact Fee Per Dwelling Unit Assessment Schedule (Capital Cost Impact Less Credits)
	Elementary School	Middle School	High School	District Cost Per Pupil	Elementary Schools	Middle School and High School	Total Credit Allowances	New Durham School Impact Fee Per Sq. Ft. Living Area
All Structure Types	\$1.43	\$0.58	\$1.57	\$3.58	(\$0.04)	(\$0.85)	(\$0.89)	\$2.69

Figure 4



3. Assessment for Additions, Changes in Use

The impact fee is designed to be assessed to each dwelling unit according to its structure type, number of bedrooms, or living area depending on the method adopted. In cases where a change in structure type, number of bedrooms, or living area is involved, a fee can be calculated based on the net increase (if any) in impact resulting from the change.

This process would involve a determination of the fee for the new use (and number of units or living area) in its *proposed* configuration, then subtracting the fee that would have pertained to the *prior* configuration. The net positive difference is the impact fee that may be assessed for the conversion, expansion or addition. If the result is zero or less, no fee should be assessed.

The New Durham impact fee ordinance includes in its definition of “new development” the conversion of an existing seasonal dwelling unit to a year round home through winterization or other improvements that enable the structure to be occupied on a year-round basis, and where the conversion could result in a measurable increase in the demand on capital facilities subject to impact fee assessment. Conversion to year round occupancy would have such an impact potential with respect to school enrollment and demand on capacity. Therefore, it is likely that the school impact fee would be applicable to the total living area of a home if converted from a seasonal unit to one that can support year-round occupancy.

D. Fee Accounts and Use of Funds

The fee calculations in this report are shown as total fees for K-12 facilities, with elementary vs. middle school/high school components. There is existing available capacity for additional enrollment within the elementary schools (K-6) that New Durham pupils attend. The Town's ability to assess the full impact fee for facilities serving grades 7-12 presumes that the pre-existing spatial limitations at the Kingswood campus will be rectified and that additional space will be made available that is sufficient to provide space to accommodate demand from new development. (This would be accomplished by the 2009 GWRSD plan for the site, for which bonding authority was approved by vote of the District on March 10, 2009).

To manage its school impact fee, the Town should set up a special account for the school impact fee. Under RSA 674:21, V (c) impact fees must be segregated from the general fund, and shall be used solely for the capital improvements for which it was collected. In the case of impact fees for schools, the fees and accrued interest should be periodically transferred to the school district and credited toward the Town's apportionment of the capital costs of the District. In other cooperative districts this is accomplished by anticipating a certain amount of impact fee revenue from the Town or Towns collecting the fee. After computing each Town's apportionment based on the District's cost-sharing formula for capital costs, anticipated impact fee income is shown as a Town-specific revenue. The amount normally raised by school district property taxes in New Durham would essentially be reduced by the pledged amount of impact fees to be transferred to the District.

The Town will also need to keep track of impact fee income and allowances for accrued interest by property to allow for the possibility that a refund might be required in the future. The Town's impact fee ordinance provides that where a refund is issued, that it be paid to the owner of record at the time of the refund. Therefore, it is more appropriate to view the impact fee as an assessment applied to a *property*, rather than to a *person*, in order to track impact fee income and the use of impact fee funds. Refunds are required if appropriations of non-impact fee funds required to provide needed facility capacity are not made within six years of the collection of the fee. Given the long-term debt service recently approved by the District to fund major improvements and expansion of the Kingswood campus, it seems unlikely that a refund of school impact fees will be required in the foreseeable future provided that adequate capacity for enrollment is maintained at reasonable spatial standards.

There may be several administrative stages leading to the collection of an impact fee. The first is assessment, which constitutes a notice that a certain fee will be collected at the time a certificate of occupancy is issued. Normally this assessment will take place at the time of planning board approval of a subdivision or site plan. If no planning board action is required, and the property is subject to an impact fee then the assessment may take place at the time a building permit is issued. (It is recommended that all building permits for property subject to an impact fee assessment indicate the fee that will be collected at the time the certificate of occupancy is issued to assure that all parties remain informed and reminded of the assessment obligation).²

² Although a property is assessed an impact fee as a condition of subdivision approval, it is possible that subsequent purchasers of individual lots who build on them could involve parties other than the original subdivider who may be unaware that a fee is due upon issuance of a certificate of occupancy. Therefore, a process that essentially "invoicing" the owner or builder at the building permit stage will assure that all parties are aware of the amount due upon issuance of the certificate of occupancy.

E. Updating the School Impact Fee

Impact fees are intended to be adjusted periodically to assure that the variables used in the fee assessment reflect values appropriate at the time new development is approved or constructed. With respect to the school impact fee, it is expected that demographic changes will affect the average enrollment per occupied dwelling unit in New Durham. This variable is central to proportional assessment that reflects average consumption of school facility space per housing unit. Spatial needs per pupil may also change with respect to educational program goals (square feet per pupil capacity). Facility development cost assumptions can also be made so that the fee is assessed based on costs that are indexed to the year of assessment. In addition, the fee basis in this report includes a credit allowance that is affected by debt service schedules. As existing debt is amortized, and the Town's assessed valuation grows, the credit allowances can be adjusted. In general these credit allowances will become smaller over time, allowing more of the capital cost of new development to be recovered in the impact fee. The impact fee ordinance contains provisions for the periodic update of the basis for the impact fee assessment.

APPENDIX:

IMPACT FEE CREDIT ALLOWANCES

NEW DURHAM SCHOOL IMPACT FEE

Note: These allowances have been incorporated into the impact fee calculations and fee schedules contained in the main report. The data in the Appendix document the basis for the credit amounts. The credit allowances should be updated whenever the impact fee system is updated or modified.

New Durham, NH School Impact Fee - 2009

Credit Allowance Table A

Crescent Lake School - Grade 4-6

Original Debt: \$2,992,190
Interest Rate(s) 5.625%

ASSUMPTIONS

State Building Aid To District: 55.0%
New Durham Share 15.26%
Discount Rate: 5.0%

PAST PAYMENTS

Calendar Year	Annual Principal Payment	Interest Payment	Less State Building Aid	Net Debt Service Cost To District	Net Debt Service Cost Paid by New Durham
1997	\$292,190	\$184,207	(\$160,705)	\$315,692	\$48,175
1998	\$300,000	\$151,875	(\$165,000)	\$286,875	\$43,777
1999	\$300,000	\$135,000	(\$165,000)	\$270,000	\$41,202
2000	\$300,000	\$118,125	(\$165,000)	\$253,125	\$38,627
2001	\$300,000	\$101,250	(\$165,000)	\$236,250	\$36,052
2002	\$300,000	\$84,375	(\$165,000)	\$219,375	\$33,477
2003	\$300,000	\$67,500	(\$165,000)	\$202,500	\$30,902
2004	\$300,000	\$50,625	(\$165,000)	\$185,625	\$28,326
2005	\$300,000	\$33,750	(\$165,000)	\$168,750	\$25,751
2006	\$300,000	\$16,875	(\$165,000)	\$151,875	\$23,176

Present Worth of Past Payments @ 5% \$456,727
2008 Enrollment as % of Capacity 78%
Credited Amount \$356,247
New Durham Net Local Assessed Valuation 2008 \$434,865,120
Past Payment Credit Per \$1000 Valuation of Raw Land \$0.82

Structure Type	Avg Assessed Value Per Unit	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
Single Family Det.	\$243,000	\$36,450	\$30	\$0
Attached and 2+ Family	\$150,000	\$22,500	\$18	\$0
Manufactured Housing	\$125,000	\$18,750	\$15	\$0

By Bedrooms	Avg Assessed Value Per Unit	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
2 Bedrooms or Less	\$224,000	\$33,600	\$28	\$0
3 Bedrooms	\$247,000	\$37,050	\$30	\$0
4 Bedrooms or More	\$287,000	\$43,050	\$35	\$0

Based on Value Per Sq. Ft.	Avg Assessed Value Per Sq. Ft.	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
All Structure Types	\$148	\$22	\$0.02	\$0

New Durham, NH School Impact Fee - 2009

Credit Allowance Table B

NEW DURHAM SCHOOL - 1993, 2002

Original Debt: Bond Schedules Combined

Interest Rate(s) Varied by Bond

ASSUMPTIONS

State Building Aid To District: 55.0%

New Durham Share 15.26%

Discount Rate: 5.0%

Calendar Year	Annual Principal Payment	Interest Payment	Less State Building Aid	Net Debt Service Cost To District	Net Debt Service Cost Paid by New Durham
PAST PAYMENTS					
1994	\$146,200	\$185,454	(\$80,410)	\$251,244	\$38,340
1995	\$150,000	\$177,955	(\$82,500)	\$245,455	\$37,456
1996	\$150,000	\$173,115	(\$82,500)	\$240,615	\$36,718
1997	\$150,000	\$162,275	(\$82,500)	\$229,775	\$35,064
1998	\$145,000	\$154,415	(\$79,750)	\$219,665	\$33,521
1999	\$145,000	\$146,860	(\$79,750)	\$212,110	\$32,368
2000	\$145,000	\$139,285	(\$79,750)	\$204,535	\$31,212
2001	\$145,000	\$131,710	(\$79,750)	\$196,960	\$30,056
2002	\$145,000	\$124,715	(\$79,750)	\$189,965	\$28,989
2003	\$194,118	\$135,677	(\$106,765)	\$223,030	\$34,034
2004	\$50,000	\$15,500	(\$27,500)	\$38,000	\$5,799
2005	\$50,000	\$14,000	(\$27,500)	\$36,500	\$5,570
2006	\$50,000	\$12,500	(\$27,500)	\$35,000	\$5,341
2007	\$50,000	\$10,750	(\$27,500)	\$33,250	\$5,074
2008	\$45,000	\$9,000	(\$24,750)	\$29,250	\$4,464

FUTURE PAYMENTS

2009	\$45,000	\$7,200	(\$24,750)	\$27,450	\$4,189
2010	\$45,000	\$5,400	(\$24,750)	\$25,650	\$3,914
2011	\$45,000	\$3,600	(\$24,750)	\$23,850	\$3,640
2012	\$45,000	\$1,800	(\$24,750)	\$22,050	\$3,365

Present Worth of Past Payments @ 5% \$605,991
 Enrollment as % of Capacity 79%
 Credited Amount \$478,733
 New Durham Net Local Assessed Valuation 2008 \$434,865,120
 Past Payment Credit Per \$1000 Valuation of Raw Land \$1.10

Present Value Future Payments @ 5% \$13,452
 Enrollment as % of Capacity 79%
 Credited Amount \$10,627
 New Durham Net Local Assessed Valuation 2008 \$434,865,120
 Future Payment Credit Per \$1000 Valuation Home Value \$0.02

Structure Type	Avg Assessed Value Per Unit	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
Single Family Det.	\$243,000	\$36,450	\$40	\$5
Attached and 2+ Family	\$150,000	\$22,500	\$25	\$3
Manufactured Housing	\$125,000	\$18,750	\$21	\$3

By Bedrooms	Avg Assessed Value Per Unit	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
2 Bedrooms or Less	\$224,000	\$33,600	\$37	\$4
3 Bedrooms	\$247,000	\$37,050	\$41	\$5
4 Bedrooms or More	\$287,000	\$43,050	\$47	\$6

Based on Value Per Sq. Ft.	Avg Assessed Value Per Sq. Ft.	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
All Structure Types	\$148	\$22	\$0.02	\$0.00

New Durham, NH School Impact Fee - 2009

Credit Allowance Table C

(Kingswood Complex – Estimated from 2009 Plan Costs – Not an Actual Amortization Schedule)

Credit Allowance For Portion of Planned Expansion and Improvements at Kingswood Middle School and High School

(Assumptions: interest rate @ 5.0%, term of 30 years, 88.75% State Aid for Region 9 Center; 55% for Other; Equal Annual Principal Payments Beginning 2010)

Year	Facility Improvements at Kingswood Campus (2009 Proposed)				Portion of Debt Service Cost Related to Existing Space Deficiency Est. @ 35%
	Estimated District Cost Net of State Building Aid				
	Region 9 Building Plan	KRMS and KRHS Campus	Total District Cost	New Durham Share @ 15.26%	
2010	\$ 558,036	\$3,695,935	\$ 4,253,972	\$ 649,156	\$227,205
2011	\$ 540,733	\$3,601,168	\$ 4,141,901	\$ 632,054	\$221,219
2012	\$ 523,429	\$3,506,400	\$ 4,029,830	\$ 614,952	\$215,233
2013	\$ 506,126	\$3,411,633	\$ 3,917,759	\$ 597,850	\$209,247
2014	\$ 488,822	\$3,316,865	\$ 3,805,688	\$ 580,748	\$203,262
2015	\$ 471,519	\$3,222,098	\$ 3,693,617	\$ 563,646	\$197,276
2016	\$ 454,216	\$3,127,330	\$ 3,581,545	\$ 546,544	\$191,290
2017	\$ 436,912	\$3,032,562	\$ 3,469,474	\$ 529,442	\$185,305
2018	\$ 419,609	\$2,937,795	\$ 3,357,403	\$ 512,340	\$179,319
2019	\$ 402,305	\$2,843,027	\$ 3,245,332	\$ 495,238	\$173,333
2020	\$ 385,002	\$2,748,260	\$ 3,133,261	\$ 478,136	\$167,347
2021	\$ 367,698	\$2,653,492	\$ 3,021,190	\$ 461,034	\$161,362
2022	\$ 350,395	\$2,558,725	\$ 2,909,119	\$ 443,932	\$155,376
2023	\$ 333,091	\$2,463,957	\$ 2,797,048	\$ 426,830	\$149,390
2024	\$ 315,788	\$2,369,189	\$ 2,684,977	\$ 409,728	\$143,405
2025	\$ 298,484	\$2,274,422	\$ 2,572,906	\$ 392,625	\$137,419
2026	\$ 281,181	\$2,179,654	\$ 2,460,835	\$ 375,523	\$131,433
2027	\$ 263,878	\$2,084,887	\$ 2,348,764	\$ 358,421	\$125,447
2028	\$ 246,574	\$1,990,119	\$ 2,236,693	\$ 341,319	\$119,462
2029	\$ 229,271	\$1,895,352	\$ 2,124,622	\$ 324,217	\$113,476
2030	\$ 211,967	\$1,800,584	\$ 2,012,551	\$ 307,115	\$107,490
2031	\$ 194,664	\$1,705,816	\$ 1,900,480	\$ 290,013	\$101,505
2032	\$ 177,360	\$1,611,049	\$ 1,788,409	\$ 272,911	\$95,519
2033	\$ 160,057	\$1,516,281	\$ 1,676,338	\$ 255,809	\$89,533
2034	\$ 142,753	\$1,421,514	\$ 1,564,267	\$ 238,707	\$83,548
2035	\$ 125,450	\$1,326,746	\$ 1,452,196	\$ 221,605	\$77,562
2036	\$ 108,147	\$1,231,978	\$ 1,340,125	\$ 204,503	\$71,576
2037	\$ 90,843	\$1,137,211	\$ 1,228,054	\$ 187,401	\$65,590
2038	\$ 73,540	\$1,042,443	\$ 1,115,983	\$ 170,299	\$59,605
2039	\$ 56,236	\$947,676	\$ 1,003,912	\$ 153,197	\$53,619
Total	\$ 9,214,086	\$ 69,654,168	\$ 78,868,254	\$ 12,035,296	\$ 4,212,353

Present Value Future Payments @ 5% \$2,483,366
 New Durham Net Local Assessed Valuation 2008 \$434,865,120
 Future Payment Credit Per \$1000 Valuation Home Value \$5.71

**IMPACT FEE CREDIT ALLOWANCES
 FUTURE PAYMENTS TO RECTIFY EXISTING SPACE DEFICIENCY PORTION OF PROJECT COSTS
 AT MIDDLE SCHOOL AND HIGH SCHOOL LEVELS**

Structure Type	Avg Assessed Value Per Unit	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
Single Family Det.	\$275,000	\$41,250	\$0	\$1,570
Attached and 2+ Family	\$150,000	\$22,500	\$0	\$857
Manufactured Housing	\$125,000	\$18,750	\$0	\$714

By Bedrooms	Avg Assessed Value Per Unit	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
2 Bedrooms or Less	\$232,000	\$34,800	\$0	\$1,325
3 Bedrooms	\$272,000	\$40,800	\$0	\$1,553
4 Bedrooms or More	\$340,000	\$51,000	\$0	\$1,941

Based on Value Per Sq. Ft.	Avg Assessed Value Per Sq. Ft.	Raw Land Value @ 15%	Past Pymt Credit	Future Payment Credit
All Structure Types	\$150	\$23	\$0	\$0.86

Note: The debt service schedule shown above for Credit Allowance C is an estimate of costs net of State Building Aid. Actual amortization schedules were not available from GWRSD for this study. Final costs and debt service schedules may differ. The Consultant has estimated that not more than 35% of the cost of the project is attributable to rectifying existing space deficiencies, based on planned capacity of the schools and the amount of additional space needed to provide adequate permanent space for existing students.

Credit Allowance Table D – Summary

SUMMARY OF CREDIT ALLOWANCES - AVERAGE UNIT METHOD			
(INCORPORATED AS PART OF IMPACT FEE MODEL)			
ELEMENTARY SCHOOLS			
Structure Type	PAST	FUTURE	TOTAL CREDITS
Single Family Det.	\$70	\$5	\$75
Attached and 2+ Family	\$43	\$3	\$46
Manufactured Housing	\$36	\$3	\$39
MIDDLE SCHOOL & HIGH SCHOOL			
Structure Type	PAST	FUTURE	TOTAL CREDITS
Single Family Det.	\$0	\$1,388	\$1,388
Attached and 2+ Family	\$0	\$857	\$857
Manufactured Housing	\$0	\$714	\$714
ALL K-12 FACILITIES			
Structure Type	PAST	FUTURE	TOTAL CREDITS
Single Family Det.	\$70	\$1,393	\$1,463
Attached and 2+ Family	\$43	\$860	\$903
Manufactured Housing	\$36	\$717	\$753
SUMMARY OF CREDIT ALLOWANCES - BEDROOM METHOD			
(INCORPORATED AS PART OF IMPACT FEE MODEL)			
ELEMENTARY SCHOOLS			
By Bedrooms	PAST	FUTURE	TOTAL CREDITS
2 Bedrooms or Less	\$68	\$5	\$73
3 Bedrooms	\$55	\$5	\$60
4 Bedrooms or More	\$56	\$6	\$62
MIDDLE SCHOOL & HIGH SCHOOL			
By Bedrooms	PAST	FUTURE	TOTAL CREDITS
2 Bedrooms or Less	\$0	\$1,279	\$1,279
3 Bedrooms	\$0	\$1,410	\$1,410
4 Bedrooms or More	\$0	\$1,639	\$1,639
ALL K-12 FACILITIES			
By Bedrooms	PAST	FUTURE	TOTAL CREDITS
2 Bedrooms or Less	\$68	\$1,284	\$1,352
3 Bedrooms	\$55	\$1,415	\$1,470
4 Bedrooms or More	\$56	\$1,645	\$1,701
SUMMARY OF CREDIT ALLOWANCES - SQUARE FOOT METHOD			
(INCORPORATED AS PART OF IMPACT FEE MODEL)			
ELEMENTARY SCHOOLS			
Based on Value Per Sq. Ft.	PAST	FUTURE	TOTAL CREDITS
All Structure Types	\$0.04	\$0.00	\$0.04
MIDDLE SCHOOL & HIGH SCHOOL			
Based on Value Per Sq. Ft.	PAST	FUTURE	TOTAL CREDITS
All Structure Types	\$0.00	\$0.85	\$0.85
ALL K-12 FACILITIES			
Based on Value Per Sq. Ft.	PAST	FUTURE	TOTAL CREDITS
All Structure Types	\$0.04	\$0.85	\$0.89