

# **FOUGERE PLANNING & DEVELOPMENT Inc.**

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### **Fiscal Impact Analysis**

**November 21, 2023**

**1 & 3 Railroad Street**

CC Railroad Street Newmarket, LLC is proposing a mixed use 41 unit apartment community including 2,404 square feet of commercial space, replacing the existing buildings on the site. The proposed building will be two and three stories, with all units being one bedroom. One bedroom units generate limited school related impacts. This site encompasses 1.12 acres. The project will privately maintained including the disposal of all refuse. This fiscal report will estimate municipal revenues as well as evaluate increase demands on services related to these new uses.

#### **Local Trends**

The NH Office of Planning and Development reports that from 2010 to 2020 Newmarket's population increased from 8,936 to 9,430, showing a 5.5% growth rate over the 10 year Census period. The 2022 population estimate is 9,459.

#### **Budgets**

Town Department budgets categories are detailed in Table One. In reviewing all municipal departments, the police and fire departments most often see measurable impacts as the result of changes to land uses and along with schools. These departments are the most sensitive as growth occurs in a community, as a result, particular attention to these departments will be addressed.

Table One  
2023 Budget

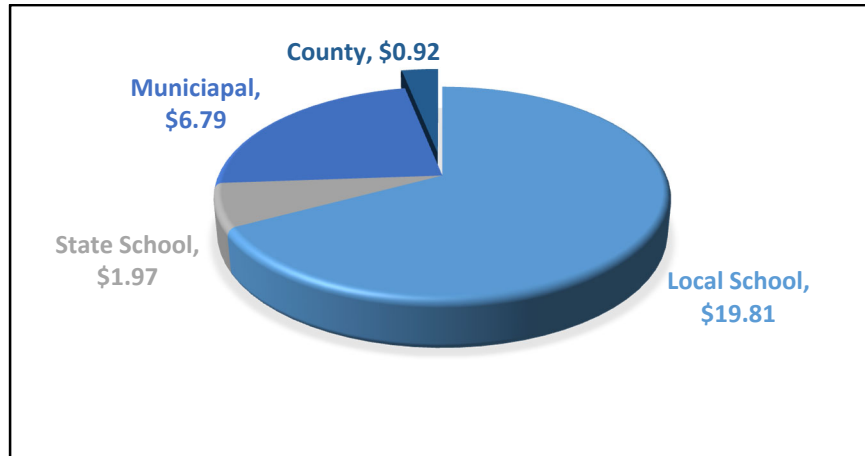
Departments	
General	\$4,549,343
Police	\$2,004,995
Fire	\$587,962
Public Safety	\$122,707
Highway & Streets	\$1,487,113
Sanitation	\$871,941
Welfare	\$90,351
Culture/Recreation/Cons.	\$1,334,530
Capital Outlay & Debt	\$146,879
Oper. Transfers Out	\$5,044,196
Schools	\$26,652,112

## Local Revenues from Development

### A) Property Taxes

Local property taxes provide the bulk of municipal revenues for New Hampshire communities. The 2023 Tax Rate for Newmarket is \$29.49 as outlined in Figure One. For this analysis a local tax rate of **\$28.57** will be used, removing the County tax rate.

Figure One  
2023 Tax Rate Breakdown



Based upon a review of local assessments for apartment units and commercial space, as well local market conditions, we estimate that the proposed apartment complex will

have an assessed value of \$120,000 a unit, for a value of \$4,920,000; the planned 2,404 square foot commercial space<sup>1</sup> is estimated to have an assessed value of \$288,000. Total assessed value is estimated to be \$5,208,000. This estimated value will generate **\$148,792** annual in property tax revenues.

The subject sites are presently assessed for \$206,500, generating \$5,899 in annual property tax payments. The proposed site improvements will increase tax payments to the community **by 2,442%**.

**B) Miscellaneous Yearly Revenues**

Another major revenue source for the community is from motor vehicle permit fees. In fiscal year 2022 the Town of Newmarket received a total of \$1,684,303<sup>2</sup> from this revenue source. Based on an average registration cost of \$153 and assuming 45 new registrations<sup>3</sup>, **\$6,885** in revenue can be anticipated.

**C) Total Project Revenues**

The proposed new development is expected to generate **\$155,677** in gross revenue to the community as outlined in Table Two.

Table Two  
Projected Gross Revenues

	Est. Revenue
Estimated Tax Revenue	\$148,792
Estimated Automotive Permit Fees	\$6,885
Estimated Project Tax Revenue	<b>\$155,677</b>

<sup>1</sup> Estimated assessment of \$120 per square foot.

<sup>2</sup> 2022 Town Report.

<sup>3</sup> 1.1 vehicles per unit

## **Municipal Costs**

Given the nature of the proposed development project, few impacts will be felt by Town Departments. Solid waste generated by the project will be removed by a private hauler and the site will be privately maintained. Any sewer and water expenses will be offset through user fees. This is not to infer that no costs will occur as a result of this project. There is a potential for a small degree of measurable impact that may be felt by a few Town departments.

In addition, impact fees will be collected for each new unit: school \$743, recreation \$279, wastewater \$791 and water supply \$475 (\$2,287 per unit); offsetting municipal capital costs that have been expended for these facilities. Residential Impacts fee for the project are estimated will total **\$93,767**; the commercial impact fee will be based upon the specific use of the property and estimated water usage & sewer flow.

## **Police & Fire Departments**

For the most part, increased demands on public safety departments can be measured by reviewing call data. To gain a firm understanding of degree of impact this proposed project could have on these services, Fougere Planning's 2,400 apartment<sup>4</sup> unit data base of emergency calls was reviewed. This call data is reflected in ratios of calls per housing unit for all emergency services. For the Police Department the ratio is .360 calls per unit and the Fire Department (fire/ambulance) the ratio is .097. Applying these calls ratios to the proposed 41 apartments generates an estimated 15 annual calls a year to the Police Department and 4 calls to the Fire Department. Calculating a cost per call for both the Police and Fire Departments and applying that cost to the 41 apartments, as well as accounting for the commercial use emergency calls, generates an estimated cost of \$4,655 as outlined in Table Three. To be conservative, we will increase estimated costs by 50% to **\$7,000** for emergency services.

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<sup>4</sup> Calls from the Mead Hill Road apartment complex are included in this database.

Table Three  
Emergency Service Costs

Dept.	2023 Budget	2022 Calls	Cost/call	Est. Calls	Est. Cost
Police <sup>5</sup>	\$2,004,995	14,850	\$135	16	\$2,160
Fire	\$587,962	1,181	\$499	5	\$2,495
<b>Total</b>					<b>\$4,655</b>

### Other Departments and Schools

Limited impacts to other departments are anticipated. To account for potential other town costs related to these new units, we will carry **\$4,900** in estimated expenses<sup>6</sup>.

### Schools

As previously noted, the complex will have 41 one bedroom units. To gain an understanding of the projects potential fiscal impact, anticipated school children that may be generated by the proposed project was analyzed.

#### School Enrollment

Over the past seven years, enrollments had declined in the elementary and middle school grades and remained steady in the high school as detailed in Table Four and Figure Two

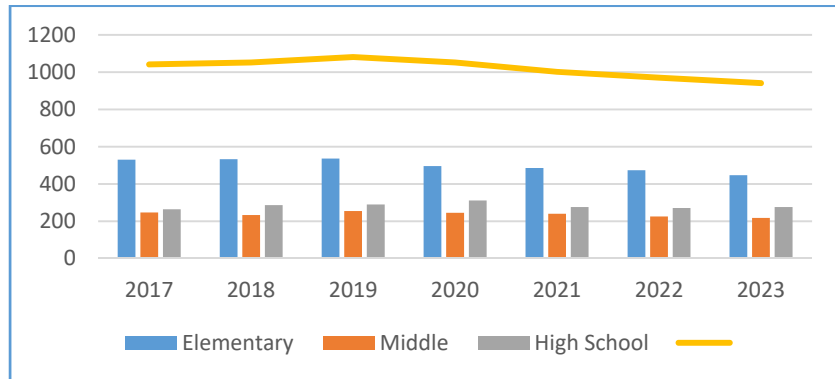
Table Four  
Enrollment History 2017 - 2023

	2017	2018	2019	2020	2021	2022	2023
Elementary	530	533	536	496	486	474	447
Middle	247	233	255	245	240	225	218
High School	264	286	290	311	276	271	276
	1,041	1,052	1,081	1,052	1,002	970	941

<sup>5</sup> 2022 total police calls 21,215 discounted by 30% to remove minor calls to department.

<sup>6</sup> \$120 per unit.

Figure Two  
Enrollment Trends 2017 – 2023



One bedroom apartment housing units generate few school age children. Based upon the Consultants database of over 1,000 units, where the number of school age children (SAC) is known based bedroom type, the per unit SAC ratio for one bedroom units is 0.009 per unit. Applying this ratio to the proposed complex may generate 1 (.369) school age child.

As outlined above in Table Four, both elementary and middle school enrollments have decreased over the last seven years, indicating that the addition of one new school age children should have minimal cost implications. To be conservative, we will carry a cost of \$5,000 to cover potential school related impacts<sup>7</sup>.

It should also be noted the Town receives Adequacy Aid from the State, which totaled \$18,971,135 during the 2023/24 school year. At this time Base Adequacy<sup>8</sup> per student aid equals \$4,100. Other qualified State Aid that may be generated includes: Free and Reduced Lunch payments of \$2,300 per student, Special Education \$2,100, and English learners \$800.

<sup>7</sup> Yearly teacher salary cost, \$90,000; 18 school children per class - \$5,000 per student. The previous development for the site was an 8 unit building with 2 bedroom units.

<sup>8</sup> NH Dept. of Education, FY2023 Estimate Municipal Summary of Adequacy Aid

## Conclusion

The proposed addition of 41 apartment units and commercial space is estimated to increase the property's value by over \$5,000,000 and along with automotive permit fees, increases annual municipal revenues from \$5,899 to \$155,677. Municipal expenses are anticipated to be minimal totaling \$16,900 annually, resulting in an annual positive fiscal impact of **\$138,777** as outlined in Table Six.

Table Six  
Fiscal Summary

Estimated Annual Revenues	+\$155,677
Police Cost	-\$3,500
Fire Cost	-\$3,500
Other Costs	-\$4,900
School Costs	-\$5,000
Total Estimated Costs	-\$16,900
<b>Positive Fiscal Impact</b>	<b>+\$138,777</b>

Impact fees are estimated to generate **\$93,767**, along with building permit fees. In addition, the addition of these apartments will increase the population in the downtown area creating economic opportunities for area businesses.