

Article 16
Impact Fee Ordinance and Methodology Reports

ZONING ORDINANCE

TOWN of BOW, NEW HAMPSHIRE

ADOPTED AND REVISED THROUGH MARCH, 2004

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Town of Bow Planning Board Policy Guide for Appeals for Waivers of Impact Fees

METHODOLOGY FOR THE CALCULATION OF SCHOOL IMPACT FEES IN THE TOWN OF BOW, NH

ARTICLE 16. IMPACT FEES

16.01 Impact Fee Ordinance

A. Applicability of Article

The Town of Bow (the Town) has developed a methodology for the assessment of impact fees for capital facilities of the Town and Bow School District (the District). On the basis of this methodology, new development in Bow shall be assessed an impact fee that represents its proportional share of demand on the capacity of the capital facilities of the Town or District. The following regulations shall govern the assessment of impact fees for public facilities in order to accommodate increased demand on the capacity of these facilities due to new development . These regulations are authorized by RSA 674:21, V, and other pertinent state law, as an innovative land use control. The administration of these regulations shall be the responsibility of the Board of Selectmen.

B. Findings

In view of its school enrollment growth, the public school capacity available to Bow from the District, and its anticipated growth in population and economic activity, the Town of Bow hereby finds that:

1. Each type of new residential development in Bow, with the exception of those having lawfully restricted occupancy that will exclude school age children, will create a need for the construction, equipping, or expansion of the public capital facilities of the District to provide adequate public education for Bow pupils.
2. Recent and anticipated growth rates in the Town of Bow and associated improvement and renovation costs would necessitate an excessive expenditure of public funds in order to maintain adequate facility standards and to promote and protect the public health, safety, and welfare.
3. Recent and anticipated growth rates in public school enrollment and associated improvement and renovation costs would necessitate an excessive expenditure of public funds in order to maintain adequate school facility standards and to promote and protect the public health, safety, and welfare.
4. The assessment of impact fees is one of the methods available to ensure that public expenditures are not excessive and that new development will bear a proportionate share of the cost of public capital facility costs necessary to accommodate such development .

5. The impact fee methodology entitled Methodology for the Calculation of School Impact Fees in the Town of Bow, NH (dated September 27, 2000, and as amended) prepared for the Town of Bow, represents a reasonable, rational and proportional method for the assessment of growth-related school facility costs to new residential development that will provide for partial funding of the capital costs of the District. Based on this methodology, school impact fees will not exceed the costs of:
 - a. Providing additional, improved, or expanded public capital facilities necessitated by new residential development in Bow; and/or
 - b. Compensating the District for school facility capacity that it provided in anticipation of new residential growth and development in Bow.

6. An impact fee methodology for the calculation of other impact fees in the Town of Bow, NH, to be prepared for the Town of Bow under the supervision of the Planning Board, may establish a reasonable, rational, and proportional method for the assessment of growth-related facility costs to new development that will provide for partial funding of the capital costs of the Town. Based on such future methodology, other public facility impact fees will not exceed the costs of:
 - a. Providing additional public capital facilities necessitated by new development in Bow; and/or
 - b. Compensating the Town for public facility capacity that it provided in anticipation of new growth and development in Bow.

7. An impact fee ordinance for capital facilities is consistent with the goals and objectives of the Master Plan and the Capital Improvements Program of the Town of Bow.

C. Definitions

District: The Bow School District.

Feepayer: The applicant for the issuance of a building permit which could create new development.

New Development: An activity which results in:

- a. The creation of a new dwelling unit or units; or
- b. The conversion of a legally existing use, or additions thereto, which would result in a net increase in the number of dwelling units.

- c. The construction of new non-residential facilities, additions to existing non-residential facilities, or changes to existing facilities which affect capital facilities for which an impact fee methodology has been prepared and adopted by the Planning Board.
- d. Subdivisions and site plans.

Capital Facilities. Any equipment, structures, and related durable items used to deliver or support public services including water treatment and distribution; wastewater collection, treatment, and disposal; storm water, drainage, and flood control; public road systems, rights of way; municipal administrative or maintenance services; public schools; public safety services; solid waste collection, transfer, recycling, processing, and disposal; public libraries; public recreation; and a proportionate share of cooperative or regional services. Initial training of personnel may be included in capital facilities, but public open space may not be included.

D. Assessment of Impact Fees

1. Impact fees shall be assessed to new development to compensate the Town of Bow for the proportional share of the capital facility costs of the District or Town generated by new development in Bow, including public school or other capital facilities to be constructed, or which were constructed in anticipation of new development.
2. Any person who seeks a building permit for new development is hereby required to pay a public school capital facility impact fee upon adoption of this article in the manner set forth herein.
3. Any person who seeks a building permit for other new development is hereby required to pay a public capital facility impact fee upon adoption of this article in the manner set forth herein.
4. Any person who pays an impact fee based on a school exaction fee imposed prior to the adoption of this Ordinance pursuant to a condition of approval that appears on the plat of record for a subdivision or site plan shall be entitled to request and receive an exemption from the impact fee imposed by this Ordinance upon payment of said fee. Such requests for exemption shall be made to the building inspector.
5. A person may request a full or partial waiver of school facility impact fees for the number of residential units that are lawfully restricted to occupancy by senior citizens age 62 or over, or to households with at least one person age 55 and over, as applicable, where such units are maintained in compliance with the provisions of RSA 354-A:15, Housing For Older Persons. School impact fees may, in the discretion of the Board of Selectmen, be partially or fully waived for such units within a complying development where the units are restricted by age for a period of at

least 20 years.

A person may request a full or partial waiver of school facility impact fees for the number of subsidized, affordable residential units that are lawfully restricted to occupancy by persons of limited income and qualify as affordable housing. School impact fees may, in the discretion of the Board of Selectmen, be partially or fully waived for such units within a complying development where the units are so restricted for a period of at least 20 years.

Upon request and presentation of documentation approved by the Planning Director, the Building Inspector shall grant a full waiver of school facility impact fees for subsidized, affordable residential units that are lawfully restricted to occupancy by senior citizens of limited income, age 62 or over, where occupancy of such units are restricted to qualified persons for a period of at least 20 years.

If after 20 years, such units are occupied by non-qualified persons, school facility impact fees shall be immediately due and payable in accordance with the regulations then in effect.

For purposes of this section, subsidy or subsidized shall refer to grants, low income loans, or other financial assistance provided by the Town of Bow, New Hampshire state agencies, or US Government agencies. "Affordable residential units" shall mean housing which meets standards of affordability for persons or families at or below 80% of the county median income as recognized by the US Department of Housing and Urban Development.

6. Prior to acting on a request for waiver of impact fees under the provisions of paragraphs 4 or 5 of this section, the Board of Selectmen shall submit a copy of the waiver request to the Planning Board for its review and comment.

Prior to granting a waiver of school impact fees for Housing for Older Persons, the Board of Selectmen shall find that the amount of the reduction of impact fees is proportionate to the projected reduction of school age children. Prior to granting a waiver of school impact fees for affordable residential units, the Board of Selectmen shall find that the waiver is a financial necessity and that the housing proposed is in the public interest.

E. Computation of Impact Fee

1. The amount of each school facility impact fee shall be assessed in accordance with the report, in effect at the time the building permit is requested, entitled Methodology for the Calculation of School Impact Fees in the Town of Bow, NH (dated September 27, 2000, and as amended), prepared for the Town of Bow and as adopted for the purposes of impact fee assessment by the Planning Board.
2. In case of new development created by conversion or modification of an existing use, the impact fee shall be based upon the net increase in the impact fee

assessment for the new use as compared to the highest impact fee that was, or would have been, assessed for the previous use in existence on or after the effective date of this Ordinance.

3. The amount of other public facility impact fees shall be assessed in accordance with the report, in effect at the time the building permit is requested, for the calculation of other impact fees in the Town of Bow, NH, to be prepared for the Town of Bow under the supervision of the Planning Board, to establish a reasonable, rational, and proportional method for the assessment of growth-related facility costs to new development. Such report shall be adopted for the purposes of impact fee assessment by the Planning Board after a public hearing, noticed in accordance with RSA 675:7.

F. Payment of Impact Fee

No building permit shall be issued for new development until the impact fee has been assessed and the applicant has acknowledged his or her obligation to pay the impact fee. No certificate of occupancy shall be issued for new construction, nor shall such new construction be occupied, until the impact fee has been paid in full.

G. Appeals

1. If a feepayer elects to appeal the amount of the impact fee, the appeal shall be made to the Zoning Board of Adjustment. In support of such appeal, the feepayer shall prepare and submit to the Zoning Board of Adjustment an independent fee calculation or other relevant study for the new development activity which is proposed. The independent study by the feepayer shall set forth the specific reasons for departing from the adopted schedules and methodologies of the Town. The Zoning Board of Adjustment shall review such study and render its decision. All costs incurred by the Town for the review of such study, including consultant and counsel fees, shall be paid by the feepayer. The Planning Board shall prepare a policy to guide the Zoning Board of Adjustment in considering such appeals.
2. Prior to acting on an appeal of the assessment of an impact fee, the Zoning Board of Adjustment shall submit a copy of the appeal to the Planning Board for its review and comment.
3. The decision of the Zoning Board of Adjustment may be appealed to the Superior Court as provided by RSA 677:2-14.

H. Administration of Funds Collected

1. All funds collected shall be properly identified and promptly transferred for deposit into a separate impact fee account for public school facilities or other public facility capital improvements for which they were collected. This impact fee account shall be a non-lapsing special revenue fund account and under no circumstances shall such revenues accrue to the General Fund.

2. The Town Treasurer shall record all fees paid, by date of payment and the name of the person making payment, and shall maintain an updated record of the current ownership, tax map and lot reference number of properties for which fees have been paid under this Article for each building permit so affected for a period of at least nine (9) years from the date of receipt of the impact fee payment associated with the issuance of each permit.
3. Impact fees collected may be spent from time to time by order of the Board of Selectmen and shall be used solely for the reimbursement of the District or the Town for the cost of public school or other public facility capital improvements for which they were collected, or to recoup the cost of capital improvements made by the District or the Town in anticipation of the needs for which the impact fee was collected.
4. In the event that bonds or similar debt instruments have been or will be issued by the District or the Town for the funding of capacity-related improvements to public schools or other public capital facilities, impact fees may be used to pay debt service on such bonds or similar debt instruments.
5. At the end of each fiscal year, the Town Treasurer shall make a report to the Board of Selectmen, School Board, and Planning Board giving a particular account of all impact fee transactions during the year.

I. Refund of Fees Paid

1. The current owner of record of property for which an impact fee has been paid shall be entitled to a refund of that fee, plus accrued interest where:
 - a. The impact fee has not been encumbered or legally bound to be spent for the purpose for which it was collected within a period of six (6) years from the date of the full and final payment of the fee; or
 - b. The District and / or the Town has failed, within the period of six (6) years from the date of the full and final payment of such fee, to appropriate any of the non-impact fee share of related capital improvement costs thereby permitting the capital improvement or capital improvement program for which the impact fee was collected to be commenced. If any capital improvement or capital improvement program for which an impact fee is collected has been commenced either prior to, or within six years from the date of final collection of an impact fee, that impact fee payment shall be deemed to be encumbered and legally bound to be spent for said capital improvement or capital improvement program and shall not be refunded, even if it is not fully expended within the six year period.

2. The Board of Selectmen shall annually determine which owners of record are due a refund. The Board of Selectmen shall provide written notice of the amount due to all owners who are due a refund. The notice shall include accrued interest, if any. The Board of Selectmen shall promptly cause said refund to be made.

J. Impact Fees on Subdivisions and Site Plans

The Town of Bow finds that in addition to the impact of new development on capital facilities as set forth above, subdivisions and site plans may place an extraordinary burden on capital facilities owned or operated by the municipality that are necessary to specifically benefit the particular subdivision or site plan. In such cases the Planning Board shall impose an impact fee on the subdivision or site plan as a condition of approval to pay the proportional share of municipal capital improvement costs which are reasonably related to the capital needs created by the development and to the benefits accruing to the development from the capital improvements financed by the fee.

Impact fees under this section of the Ordinance shall be assessed by the Planning Board in accordance with RSA 674:21. The impact fees collected shall be administered in accordance with Section H. The decision of the Planning Board to impose an impact fee under this Section, may be appealed to Superior Court in accordance with RSA 677:15.

K. Scattered or Premature Development

Nothing in this article shall be construed so as to limit the existing authority of the Bow Planning Board to deny new proposed development which is scattered or premature, requires an excessive expenditure of public funds, or otherwise violates the Town of Bow Zoning Ordinance, the Bow Site Plan Review Regulations, the Land Subdivision Regulations, or which may otherwise be lawfully denied.

L. Review and Change in Method of Assessment

The Methodology for the Calculation of School Impact Fees in the Town of Bow, NH (dated September 27, 2000, and as amended) and other methodologies adopted in conformance with this article and the associated fee schedule(s) shall be reviewed periodically by the Planning Board. Such review shall take place not more than five years from the initial adoption of this ordinance, nor more frequently than annually. The review by the Planning Board may result in recommended adjustments to the methodology and related fees based on the most recent data as may be available. Such report shall be adopted for the purposes of impact fee assessment by the Planning Board after a public hearing, noticed in accordance with RSA 675:7.

After a public hearing on December 18, 2003, the Planning Board adopted the update *Public School Impact Fees – Bow, New Hampshire – Basis of Assessment – 2003 Update* dated October 2, 2003 to replace the methodology dated September 27, 2000.

**INFORMATIONAL ATTACHMENT:
DECEMBER 18, 2003 FEE SCHEDULE UPDATE**

**SCHOOL FACILITIES IMPACT FEE SCHEDULE
FOR RESIDENTIAL DEVELOPMENT
IN BOW**

For Single Family Homes, based on Schedule A of the 2003 update, the impact fee is

\$ 4.60 per square foot of living area up to a maximum of \$ 13,000.

For all other residential development (e.g. townhouses, duplexes, multi-family, and manufactured houses), based on Schedule C of the 2003 update, the impact fee is based on the number of bedrooms.

Housing type	Fee based on number of bedrooms		
	1 bedroom	2 bedrooms	3+ bedrooms
Townhouse	\$ 1425	\$ 2357	\$ 6496
Duplex	\$ 1366	\$ 2721	\$ 6002
3-4 unit Multi-Family	\$ 1407	\$ 3219	\$ 8119
5 + units Multi-Family	\$ 687	\$ 2580	\$ 8220
Manufactured Housing	\$ 1098	\$ 1667	\$ 7022

Source: Public School Impact Fees – Bow, New Hampshire – Basis of Assessment – 2003 Update (dated October 2, 2003, and as amended)

TOWN OF BOW

10 Grandview Road
Bow, NH 03304



Planning Board
(603) 225-3008

Town of Bow Planning Board Policy Guide for Appeals for Waivers of Impact Fees Adopted November 15, 2001

Includes comments and advice to the Select Board and ZBA

INTRODUCTION

The impact fee ordinance adopted in 2001 contains various provisions for waivers and exemptions of the fee. In section D.4. the Building Inspector is authorized to grant exemptions from the impact fee where a negotiated exaction is shown on the plat. Section D.5. authorizes the Board of Selectmen to reduce or waive the fees for qualified Housing for Older Persons. In G.1. a fee payer can prepare a substitute methodology to prove to the ZBA that the adopted impact fee is too high. Section G of the ordinance calls for the Planning Board to prepare a policy document to guide the ZBA in its processing of requests for waivers and exemptions and calls for the ZBA to refer requests to the Planning Board for review.

Time Limits.

All requests for waivers of an adopted impact fee must be made prior to the payment of the impact fee. In cases where the impact fee is assessed at the time of building permit issuance and where the ACKNOWLEDGMENT AND AGREEMENT TO PAY IMPACT FEE form is executed, the request for waiver must be submitted no later than 30 days after execution of the form. Waivers granted in conjunction with a required subdivision or site plan approval or with a building permit shall expire when such approval or permit expires.

D. ASSESSMENT OF IMPACT FEES

4. Any person who pays an impact fee based on a school exaction fee imposed prior to the adoption of this Ordinance pursuant to a condition of approval that appears on the plat of record for a subdivision or site plan shall be entitled to request and receive an exemption from the impact fee imposed by this Ordinance upon payment of said fee. Such requests for exemption shall be made to the building inspector.

Requests for waivers under section D. 4. require no additional policy guidance. The Building Inspector has a list of subdivisions which qualify for the waiver.

5. A person may request a full or partial waiver of school facility impact fees for the number of residential units that are lawfully restricted to occupancy by senior citizens age 62 or over, or to households with at least one person age 55 and over, as applicable, where such units are maintained in compliance with the provisions of RSA 354-A:15, Housing For Older Persons. School impact fees may, in the discretion of the Board of Selectmen, be partially or fully waived for such units within a complying development where the units are restricted by age for a period of at least 20 years.

The Planning Board would approve site plans for most such qualifying developments. The Planning Board could recommend a full or partial waiver at the time of site plan review. A development could meet the standards of RSA 354-A:15 (Housing for Older Persons) and qualify for a full or partial waiver, but not require Planning Board approval. In all cases where a Housing for Older Persons waiver is granted, provisions should be made for full compliance with the impact fee ordinance at such time as the development falls out of compliance with RSA 354-A:15.

6. Prior to acting on a request for waiver of impact fees under the provisions of paragraphs 4 or 5 of this section, the Board of Selectmen shall submit a copy of the waiver request to the Planning Board for its review and comment.

G. APPEALS

1. If a feepayer elects to appeal the amount of the impact fee, the appeal shall be made to the Zoning Board of Adjustment. In support of such appeal, the feepayer shall prepare and submit to the Zoning Board of Adjustment an independent fee calculation or other relevant study for the new development activity which is proposed. The independent study by the feepayer shall set forth the specific reasons for departing from the adopted schedules and methodologies of the Town. The Zoning Board of Adjustment shall review such study and render its decision. All costs incurred by the Town for the review of such study, including consultant and counsel fees, shall be paid by the feepayer.

Such independent study must be submitted in the same format as the methodology adopted by the Planning Board for the specific impact fee. The current methodology is based on Town-wide averages for property values, number of school children per unit, and tax credits. The ZBA should not look at individual property values or the current number of children in a family.

2. Prior to acting on an appeal of the assessment of an impact fee, the Zoning Board of Adjustment shall submit a copy of the appeal to the Planning Board for its review and comment.

All other requests for waivers shall be treated as a variance, subject to the established procedures and criteria contained in the Zoning Ordinance.

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**PUBLIC SCHOOL IMPACT FEES
BOW, NEW HAMPSHIRE
BASIS OF ASSESSMENT**

2003 UPDATE

October 2, 2003

Prepared For:

Town of Bow, New Hampshire

Bill Klubben
Director, Planning & Economic Development

Prepared By:

Bruce C. Mayberry, Planning Consultant
Yarmouth, Maine Tel: (207) 846-9152

SCHOOL IMPACT FEES: BASIS OF ASSESSMENT – 2003 UPDATE

A. Summary of Supportable Fee Schedules

The Planning Board's initial review of alternative methods of assessment for single family homes indicated a preference for the fees to be based on the size of the housing unit. This method of assessment is provided in **Schedule A** as an impact fee assessed per square foot of living area for single family detached units, subject to a cumulative limit on total school impact fees assessed to a particular unit or additions, if applicable, not to exceed \$13,000 per unit. This is the approximate maximum impact fee that would be supported by the bedroom-based method for single family detached units of four or more bedrooms. While **Schedule A** also contains a calculation per square foot for other types of housing units, it is based on a very small sample of such units that is probably not indicative of the typical impacts of attached, duplex, multifamily and manufactured housing units.

For units other than single family detached homes, school impact fees may be assessed per dwelling unit basis using the assessments per unit shown in **Schedule B**. Since there are a negligible number of general-occupancy housing units in Bow in structures other than single family detached homes, there is virtually no prior local experience from which to estimate local enrollment impacts from development of townhouses, duplexes, multifamily and manufactured housing units. This schedule should be selected if the Town wants a simplified method of assessment for units other than single family homes, reflecting the enrollment characteristics of average housing units in New England by structure type.

Schedule C provides an alternative assessment schedule for units other than single family homes based on the number of bedrooms (1 bedroom, 2 bedroom and 3 bedroom or more sub-categories are included). This assessment schedule is based on average school enrollment by grade per occupied housing unit by number of bedrooms, based on tabulations prepared by the consultant using the 2000 Census Public Use Microdata Sample data for New England. This schedule should be selected only if the Town wants to assess fees for non-single family units according to the number of bedrooms within the living unit.

Recommended Schedules – School Impact Fees

Single Family Detached Homes: \$4.60 per square foot of living area, up to a maximum cumulative fee per unit not to exceed \$13,000.

Other Structure Types: Adopt either Schedule B or C for these units.

When the anticipated additions to the middle school are completed, the K-8 facilities in Bow will have reached a capacity level that is sufficient to support the number of middle school pupils that were already enrolled at the time the school impact fee was originally initiated. This means that pre-existing deficiencies in capacity will have been remedied at the K-8 level. Capacity to absorb enrollment growth should be maintained in order to support the continuation of impact fee assessments for school facilities at the K-12 grade levels.

B. Summary of Assessment Methods

The general structure of the Bow school impact fee recommended assessment models are reviewed below:

For single family detached housing units:

[Bow enrollment per square foot of living area by grade level (at K-8, and 9-12 levels)]
x [square feet of school facility space required per pupil (by grade level)]
x [gross school facility development cost per square foot of space by grade level]
- [less State building aid @ 30%]
- [less credit allowances for taxes paid toward existing capacity demand]
= School impact fee assessment per square foot of living area

(Subject to a maximum impact fee per dwelling unit)

For units other than single family homes:

[Census-based estimate of enrollment per unit by grade level (at K-8, and 9-12 levels)]
x [square feet of school facility space required per pupil (by grade level)]
x [gross school development cost per square foot of facility space by grade level]
- [less State building aid @ 30%]
- [less property tax credit allowances of 30% of net local costs]
= School impact fee assessment per dwelling unit

(Fee schedules reflecting enrollment per unit for average housing units; and by bedrooms in unit are provided as options for these units.

For information on the original basis of assessment, see Methodology For The Calculation Of School Impact Fees in the Town Of Bow, NH - Final Report - September 27, 2000.

SCHEDULE A
Fee Per Square Foot - Based on Characteristics of Single Family Units Built Since 1980
And All Non-Single Family Dwelling Units
SCHOOL FACILITIES IMPACT FEE SCHEDULE PER SQUARE FOOT OF LIVING AREA

Enrollment Impact Assumption: Housing units built 1980 or later - enrollment per square foot of living area - excluding age-restricted units

Type Structure	Public School Enrollment Per Sq. Ft.			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Overall Average
Single Family Detached	0.000270	0.000144	0.000414	108	196	139	\$4.08	\$4.52	\$8.60
All Other	0.000174	0.000129	0.000303	108	196	145	\$2.63	\$4.05	\$6.68
Local Capital Cost Per Unit				Credits for Taxes Paid for Capacity-Related Projects					
Capital Cost Less 30% State Building Aid				Credit for Past Payments On Capacity Already Utilized		Credit for Future Payment on Capacity Already Utilized		Total of Property Tax Credits	
Type Structure	K-8 Schools	High School	Total Public Schools	Elementary and High School		High School		Total Credit	
Single Family Detached	\$2.86	\$3.16	\$6.02	(\$0.36)		(\$1.06)		(\$1.42)	
All Other	\$1.84	\$2.84	\$4.68	(\$0.73)		(\$0.89)		(\$1.62)	

Net Impact Fee Per Square Foot Assessment Schedule				Recommended Cumulative Fee Per Unit Not To Exceed:
Type Structure	Cost Per Square Foot	Credits Per Sq. Ft.	Fee Per Sq. Ft. Living Area	
Single Family Detached	\$6.02	(\$1.42)	\$4.60	\$13,000
All Other	\$4.68	(\$1.62)	\$3.06	\$6,000

The above schedule is recommended for application to single family detached units only. Other units should be assessed according to either Schedule B or Schedule C, as adopted by the Planning Board.

**SCHEDULE B: ALTERNATIVE FEES
FOR UNITS OTHER THAN SINGLE FAMILY DETACHED HOMES
SCHOOL FACILITIES IMPACT FEE SCHEDULE PER HOUSING UNIT - GENERAL FEE PER UNIT**

Enrollment Impact Assumption: Tabulation of 2000 average enrollment by type of unit for New England. Source: BCM tabulations of school enrollment and occupied housing units by type of structure. Crosstabulated from data in U. S. Census Public Use Microsample - (1% sample) for New England - 2000 Census. Total enrollment based on PUMS is adjusted by a factor of 0.944 to estimate public enrollment ratios for Bow (Ratio of Bow total public school enrollment to population age 5-17 in 2000)

School Construction: Total Capital Cost Per Housing Unit

Structure Type	Public School Enrollment Per Household			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Area Per Pupil	HS Area Per Pupil	Area Per Pupil Total	K-8 Schools	High School	Overall Average
Townhouse/Attached	0.2871	0.1153	0.4023	108	196	133	\$4,341	\$3,615	\$7,955
Duplex - 2 Unit	0.3026	0.1128	0.4154	108	196	132	\$4,575	\$3,538	\$8,112
Multifamily 3-4 Unit	0.2907	0.1312	0.4219	108	196	135	\$4,395	\$4,115	\$8,510
Multifamily 5+ Unit	0.0761	0.0542	0.1303	108	196	145	\$1,150	\$1,699	\$2,850
Manufactured Housing	0.2490	0.1098	0.3588	108	196	135	\$3,765	\$3,443	\$7,208
Local Capital Cost Per Unit				Credits for Taxes Paid for Capacity-Related Projects					
Structure Type	Capital Cost Less 30% State Building Aid			Computed Using Credit Ratio Of:					
	K-8 Schools	High School	Total Public Schools	30.0%					
Townhouse/Attached	\$3,038	\$2,530	\$5,568				Total Public Schools		
Duplex - 2 Unit	\$3,202	\$2,476	\$5,678				(\$1,670)		
Multifamily 3-4 Unit	\$3,076	\$2,880	\$5,956				(\$1,703)		
Multifamily 5+ Unit	\$805	\$1,189	\$1,994				(\$1,787)		
Manufactured Housing	\$2,636	\$2,410	\$5,046				(\$598)		
							(\$1,514)		

Net Impact Fee Per Unit Assessment Schedule			
Structure Type	School Facility Cost Per Unit	Total Credits	Impact Fee Per Unit
Townhouse	\$5,568	(\$1,670)	\$3,898
Duplex - 2 Unit	\$5,678	(\$1,703)	\$3,975
Multifamily 3+ Unit	\$5,956	(\$1,787)	\$4,169
Multifamily 5+ Unit	\$1,994	(\$598)	\$1,396
Manufactured Housing	\$5,046	(\$1,514)	\$3,532

**SCHEDULE C: ALTERNATIVE FEES
FOR UNITS OTHER THAN SINGLE FAMILY DETACHED HOMES
COMPUTED BASED ON NUMBER OF BEDROOMS**

Enrollment Impact Assumptions:

Tabulation of 2000 average enrollment by type of unit for New England. Source: BCM tabulations of school enrollment and occupied housing units by type of structure and bedrooms. Crosstabulated from data in U. S. Census Public Use Microsample - (1% sample) for New England - 2000 Census. Total enrollment based on PUMS is adjusted by a factor of 0.944 to estimate public enrollment ratios for Bow (Ratio of Bow total public school enrollment to population age 5-17 in 2000)

Structure Type	Public School Enrollment Per Household			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Area Per Pupil	HS Area Per Pupil	Facility Area Per Pupil Total	\$140 K-8 Schools	\$160 High School	Overall Average
Townhouse 1 BR	0.1290	0.0312	0.1602	108	196	125	\$1,951	\$977	\$2,928
Townhouse 2 BR	0.1690	0.0719	0.2409	108	196	134	\$2,555	\$2,256	\$4,811
Townhouse 3 BR+	0.5032	0.1953	0.6986	108	196	133	\$7,609	\$6,125	\$13,734
Duplex 1 BR	0.0974	0.0419	0.1393	108	196	134	\$1,473	\$1,314	\$2,787
Duplex 2 BR	0.2228	0.0697	0.2925	108	196	129	\$3,368	\$2,185	\$5,553
Duplex 3 BR+	0.4693	0.1890	0.6583	108	196	133	\$7,095	\$5,927	\$13,022
Multifamily 3-4 Unit - 1 BR	0.0682	0.0587	0.1269	108	196	149	\$1,031	\$1,841	\$2,872
Multifamily 3-4 Unit - 2 BR	0.2166	0.1051	0.3217	108	196	137	\$3,276	\$3,295	\$6,571
Multifamily 3-4 Unit - 3 BR+	0.6107	0.2415	0.8521	108	196	133	\$9,233	\$7,573	\$16,806
Multifamily 5+ Unit - 1 BR	0.0234	0.0246	0.0480	108	196	153	\$354	\$773	\$1,127
Multifamily 5+ Unit - 2 BR	0.1098	0.0683	0.1780	108	196	142	\$1,660	\$2,140	\$3,800
Multifamily 5+ Unit - 3 BR+	0.3296	0.2297	0.5592	108	196	144	\$4,983	\$7,203	\$12,185
Manufactured Housing - 1 BR	0.0441	0.0502	0.0943	108	196	155	\$667	\$1,575	\$2,241
Manufactured Housing - 2 BR	0.1088	0.0560	0.1648	108	196	138	\$1,646	\$1,756	\$3,401
Manufactured Housing - 3 BR+	0.5355	0.2157	0.7512	108	196	133	\$8,097	\$6,764	\$14,862
Local Capital Cost Per Unit				Credits for Taxes Paid for Capacity-Related Projects					
Structure Type	Capital Cost Less 30% State Building Aid			Computed Using Credit Ratio Of: 30.0%					
	K-8 Schools	High School	Total Public Schools				Total Public Schools		
Townhouse 1 BR	\$1,366	\$684	\$2,050				(\$615)		
Townhouse 2 BR	\$1,788	\$1,579	\$3,367				(\$1,010)		
Townhouse 3 BR+	\$5,326	\$4,288	\$9,614				(\$2,884)		
Duplex 1 BR	\$1,031	\$920	\$1,951				(\$585)		
Duplex 2 BR	\$2,358	\$1,529	\$3,887				(\$1,166)		
Duplex 3 BR+	\$4,967	\$4,149	\$9,116				(\$2,735)		
Multifamily 3-4 Unit - 1 BR	\$721	\$1,289	\$2,010				(\$603)		
Multifamily 3-4 Unit - 2 BR	\$2,293	\$2,306	\$4,599				(\$1,380)		
Multifamily 3-4 Unit - 3 BR+	\$6,463	\$5,301	\$11,764				(\$3,529)		
Multifamily 5+ Unit - 1 BR	\$248	\$541	\$789				(\$237)		
Multifamily 5+ Unit - 2 BR	\$1,162	\$1,498	\$2,660				(\$798)		
Multifamily 5+ Unit - 3 BR+	\$3,488	\$5,042	\$8,530				(\$2,559)		
Manufactured Housing - 1 BR	\$467	\$1,102	\$1,569				(\$471)		
Manufactured Housing - 2 BR	\$1,152	\$1,229	\$2,381				(\$714)		
Manufactured Housing - 3 BR+	\$5,668	\$4,735	\$10,403				(\$3,121)		

Net Impact Fee Per Unit			
Structure Type	School Facility Cost Per Unit	Total Credits	Impact Fee Per Unit
Townhouse 1 BR	\$2,050	(\$615)	\$1,435
Townhouse 2 BR	\$3,367	(\$1,010)	\$2,357
Townhouse 3 BR+	\$9,614	(\$2,884)	\$6,730
Duplex 1 BR	\$1,951	(\$585)	\$1,366
Duplex 2 BR	\$3,887	(\$1,166)	\$2,721
Duplex 3 BR+	\$9,116	(\$2,735)	\$6,381
Multifamily 3-4 Unit - 1 BR	\$2,010	(\$603)	\$1,407
Multifamily 3-4 Unit - 2 BR	\$4,599	(\$1,380)	\$3,219
Multifamily 3-4 Unit - 3 BR+	\$11,764	(\$3,529)	\$8,235
Multifamily 5+ Unit - 1 BR	\$789	(\$237)	\$552
Multifamily 5+ Unit - 2 BR	\$2,660	(\$798)	\$1,862
Multifamily 5+ Unit - 3 BR+	\$8,530	(\$2,559)	\$5,971
Manufactured Housing - 1 BR	\$1,569	(\$471)	\$1,098
Manufactured Housing - 2 BR	\$2,381	(\$714)	\$1,667
Manufactured Housing - 3 BR+	\$10,403	(\$3,121)	\$7,282

C. Components of Fee Calculation and Review of Assessment Options

1. Total School Facility Area Per Pupil

Expressed as gross square feet required per pupil capacity, assumptions of the facility area required per pupil by grade level reflect the gross floor area and estimated functional capacity of the Bow public schools. The original methodology was also based on the estimated functional capacity of the three schools. Table 1 illustrates the estimated floor area and capacity of Bow public schools as of 2003. This table incorporates a pending addition to the middle school.

Table 1
BOW SCHOOL DISTRICT: FACILITY INVENTORY AND CAPACITY
Calculation of Facility Standards For Impact Fee Assessment -2003 Update

School Facilities	Yr. Built/Last Expansion	Grades Served	Building Area Gross Sq. Ft.	Functional Capacity Estimate (1)	Total Sq Ft Per Pupil Capacity	Oct-02 Enrollment	Adjusted Enrollment (K-8 @ 50%) as % of Classroom Capacity
Elementary Bow Elementary	1985 1991	K-4	Classroom: 21,848 All Other Area: 30,689 Total: 52,537	Classroom: 553 Core/Other: 600	40 51 <hr/> 91	Total: 588 553 With K @ 50%	Classroom: 92% Core: 92%
Middle School Memorial Middle (Includes pending 3-classroom addition)	1970	5-8	General Classroom: 27,800 All Other Area: 47,972 Total: 75,772	Classroom: 570 Core/Other: 625	49 77 <hr/> 126	603	Classroom: 106% Core: 96%
Total Grades K-8		K-8	General Classroom: 49,648 All Other Area: 78,661 Total: 128,309	Classroom: 1,123 Core/Other: 1,225	44 64 <hr/> 108	Total K-8: 1,191 1,156 (With K @ 50%)	Classroom: 103% Core: 94% Weighted: 98%
High School Bow High School	1997	9-12	General Classroom: 54,200 All Other Area: 86,800 Total: 141,000	Classrooms: 675 Core/Other: 750	80 116 <hr/> 196	615	Classroom: 91% Core: 82% Weighted: 86%
Total School System		K-12	General Classroom: 103,848 All Other Area: 165,461 Total: 269,309	Classrooms: 1,798 Core/Other: 1,975	58 84 <hr/> 142	1,806 1,771 (With K @ 50%)	Classroom: 98% Core: 90%

(1) Classroom functional capacity estimates based on space utilization studies by NH School Administrators Association, Assessment of Educational Facility Needs, February 2000. These estimates reflect Bow School District's policies for instructional program and pupils per classroom. Estimated middle school capacity has been increased by 75 students to reflect pending addition of three classrooms in 2003-2004. Total floor area of schools estimated using capacity utilization studies, insured value schedule, and architect's data for Bow High School. Above data assumes middle school floor area is increased by 4,672 square based on 2003-2004 addition. This additional space has been attributed to "classroom area" in the above chart. High School functional classroom capacity estimates range from 600-675 in the February 2000 needs assessment. High School functional classroom capacity estimates range from 600-675 in the February 2000 needs assessment. Core capacity estimates for K-8 provided by Bow School District; core capacity estimate for High School from the architect (based on data collected for original methodology report).

Based on the above calculations, the floor area requirements per pupil are estimated at 108 square feet per pupil capacity for grade K-8 enrollment and 196 square feet per pupil capacity for high school space. These averages reflect average demands per pupil on classroom and core facility space.

2. Development Cost of School Facilities.

The assumed comprehensive cost per square foot for public school facilities has been updated based on the estimated total development cost for new school facilities, inclusive of core capacity, site development costs and capital equipment. These costs represent typical development costs that could reasonably be anticipated for new school development based on actual total development costs per square foot reported for New England and the U.S. (See Table 2 below.)

Table 2

SCHOOL DEVELOPMENT COSTS PER SQUARE FOOT-NATIONAL AND NEW ENGLAND AVERAGES			
TOTAL DEVELOPMENT COSTS OF NEW SCHOOLS (1)			
Source	Elementary	Middle	High School
American School & University Magazine - (May 2002) - U.S. Average	\$125	\$159	\$159
School Planning & Management Magazine 2002) - U.S. Median	\$113	\$123	\$119
School Planning & Management Magazine 2002) - New England Avg	\$145	\$171	\$173
SCHOOL CONSTRUCTION CONTRACT COSTS (2)			
FW Dodge 2002 Annual - National New Schools Only	\$104	\$107	\$116
Estimated Ratio Construction to Total Cost (3)	74.3%	71.6%	75.2%
Estimated Total Development Cost	\$140	\$149	\$154
<p><i>(1) Includes building construction, site purchase and development, fees, furnishings & equipment</i></p> <p><i>(2) Source reports building construction cost only - may not include site work, furnishings & equipment</i></p> <p><i>(3) Building construction as percent of total development cost based on national averages from American School & University Magazine cost surveys for 2002.</i></p>			

The original (2000) impact fee model for Bow was based on \$135 per square foot total development cost for K-8 facilities and \$150 per square foot for high school space. Indicated averages for total development costs based on above samples suggest that \$140-\$150 per square foot for K-8 facilities and \$150-\$160 per square foot for high school facilities are reasonable estimates of current development costs per square foot. The 2003 update model uses costs of \$140 per square foot for K-8 development costs and \$160 per square foot for high school costs.

3. Public School Enrollment Impact of Housing Development

General demographic trends in Bow, including the school age population per occupied unit and public enrollment per unit, are illustrated in Table 3. During the 1990s, the Town of Bow realized a 58% increase in the school age population and in actual enrollment. Since the number of pupils increased faster than the number of housing units, there was an increase from 1990 to 2000 in the number of pupils per unit. The average enrollment per unit in Bow as of 2000 is comparable to the average number of pupils per unit indicated for 1980.

Table 3
Bow Households, School Age Population and Enrollment Per Unit 1980-2000

BOW NEW HAMPSHIRE	1980	1990	2000	Change 1980-2000		Change 1990-2000	
				Number	Percent	Number	Percent
Population	4,015	5,500	7,138	1,485	37.0%	1,638	29.8%
Households (All Occupied Units)	1,247	1,813	2,304	566	45.4%	491	27.1%
Owner Occupied	1,188	1,739	2,195	551	46.4%	456	26.2%
Renter Occupied	59	74	109	15	25.4%	35	47.3%
% Renter	4.7%	4.1%	4.7%	2.7%		7.1%	
Total Population Per Household	3.22	3.03	3.10	0	-5.8%	0.06	2.1%
Age 5-17 Population	1,073	1,188	1,878	115	10.7%	690	58.1%
Public School Enrollment *	963	1,122	1,772	159	16.5%	650	57.9%
Age 5-17 Per Household	0.860	0.655	0.815	-0.21	-23.8%	0.160	24.4%
Enrollment Per Household	0.772	0.619	0.769	-0.15	-19.9%	0.150	24.3%

Sources: U. S. Census for 1980, 1990, and 2000. Enrollment based on Bow School District data.

*Includes K-12 for 1990 and 2000

One of the primary tasks of this impact fee update was the construction of a database of 2002 information that related the number of public school pupils by address to the characteristics of the housing in which they live (units in structure, age of unit, bedrooms, living area and other features) indicated by the Town's property tax assessment records. This combination of data provided an accurate depiction of the current average enrollment characteristics of single family detached housing units developed in Bow during different periods of time. Using this database, it was possible to compute average enrollment per unit for all units, for units by year built, number of bedrooms, or per square foot of living area. This data enabled several options for proportionate impact fee assessment that were not available at the time of the original school impact fee study (1999-2000).

After reviewing several draft options for school impact fee assessment, the Bow Planning Board indicated the study should further develop a method of assessing impact fees per square foot of living area that reflected the characteristics of recent construction (units built 1980 or later) as the preferred alternative for assessment of single family homes. Based on a draft report on alternatives for school impact fee assessment, homes of more recent construction are larger and have higher ratios of pupils per unit than the Town's older housing units. (See Figure 1 and Table 4 below.)

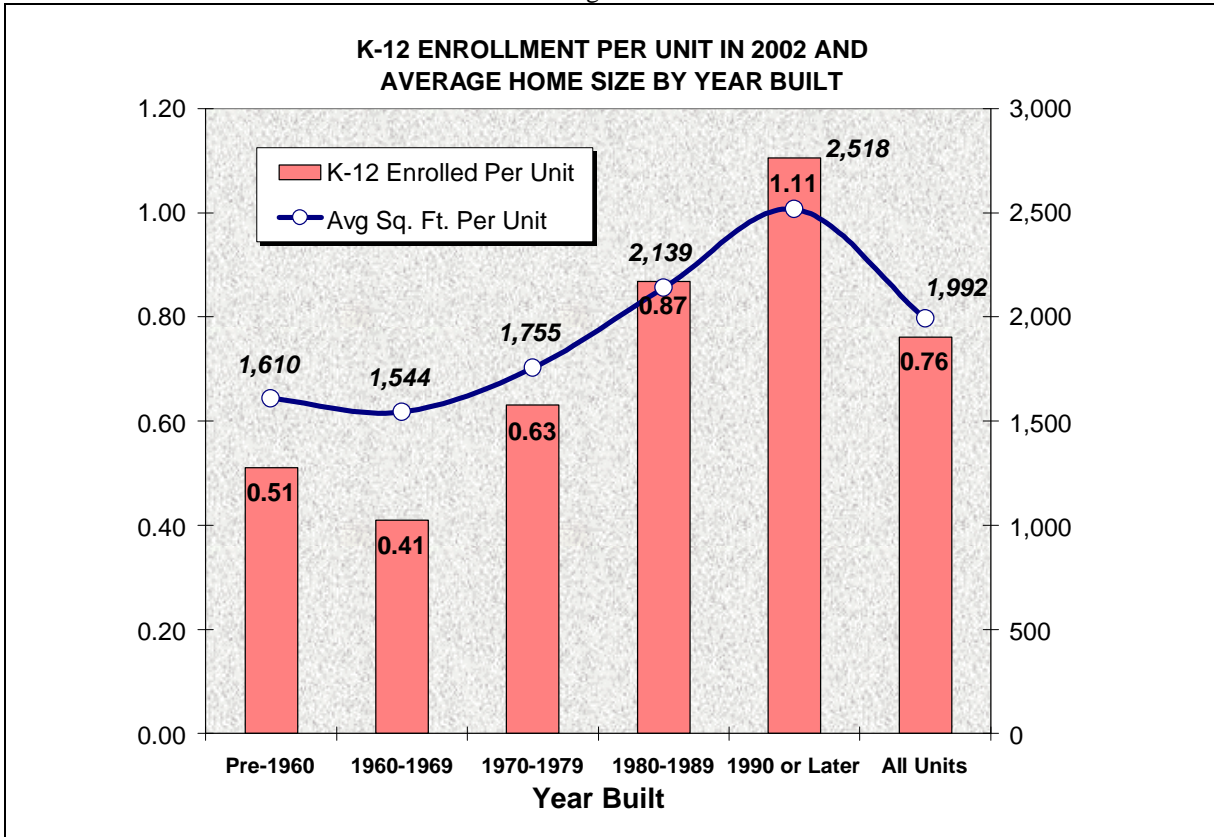
Table 4

**BOW HOUSING UNITS UNITS EXCLUDING AGE-RESTRICTED HOUSING
SAMPLE FOR WHICH LIVING AREA, YEAR BUILT AND NUMBER OF BEDROOMS KNOWN**

Period Built	Bedrooms	Housing Units	Acres	Assessed Valuation	Living Area	K-12 Enrollment in 2002	Enrollment Per Unit	Enrollment Per Sq. Ft.	Living Area Per Unit	Acres Per Unit	Avg Valuation Per Unit	Avg Valuation Per Sq. Ft.
Pre-1960	Two BR or Less	95	446.1	\$12,004,396	116,566	37	0.3895	0.000317	1,227	4.70	\$126,362	\$103
	Three BR	154	752.1	\$23,315,457	239,664	82	0.5325	0.000342	1,556	4.88	\$151,399	\$97
	Four BR or More	66	539.3	\$13,123,275	150,768	42	0.6364	0.000279	2,284	8.17	\$198,838	\$87
	Total	315	1,737.5	\$48,443,128	506,998	161	0.5111	0.000318	1,610	5.52	\$153,788	\$96
1960-1969	Two BR or Less	68	165.2	\$10,041,755	82,533	19	0.2794	0.000230	1,214	2.43	\$147,673	\$122
	Three BR	212	332.2	\$34,578,700	319,463	88	0.4151	0.000275	1,507	1.57	\$163,107	\$108
	Four BR or More	62	128.3	\$12,223,506	125,924	33	0.5323	0.000262	2,031	2.07	\$197,153	\$97
	Total	342	625.8	\$56,843,961	527,920	140	0.4094	0.000265	1,544	1.83	\$166,210	\$108
1970-1979	Two BR or Less	62	186.5	\$9,748,936	81,414	38	0.6129	0.000467	1,313	3.01	\$157,241	\$120
	Three BR	307	641.0	\$54,836,154	496,263	171	0.5570	0.000345	1,616	2.09	\$178,619	\$110
	Four BR or More	143	324.6	\$31,870,495	320,826	114	0.7972	0.000355	2,244	2.27	\$222,871	\$99
	Total	512	1,152.0	\$96,455,585	898,503	323	0.6309	0.000359	1,755	2.25	\$188,390	\$107
1980-1989	Two BR or Less	55	288.8	\$9,730,021	76,519	26	0.4727	0.000340	1,391	5.25	\$176,909	\$127
	Three BR	375	1,111.6	\$88,522,678	767,659	323	0.8613	0.000421	2,047	2.96	\$236,060	\$115
	Four BR or More	224	783.6	\$62,943,267	554,964	219	0.9777	0.000395	2,478	3.50	\$280,997	\$113
	Total	654	2,184.0	\$161,195,966	1,399,142	568	0.8685	0.000406	2,139	3.34	\$246,477	\$115
1990 or Later	Two BR or Less	19	39.3	\$3,366,400	25,901	8	0.4211	0.000309	1,363	2.07	\$177,179	\$130
	Three BR	287	959.5	\$76,647,360	630,535	271	0.9443	0.000430	2,197	3.34	\$267,064	\$122
	Four BR or More	261	1,172.6	\$96,837,847	771,235	348	1.3333	0.000451	2,955	4.49	\$371,026	\$126
	Total	567	2,171.5	\$176,851,607	1,427,671	627	1.1058	0.000439	2,518	3.83	\$311,908	\$124
All Units	Two BR or Less	299	1,126.0	\$44,891,508	382,933	128	0.4281	0.000334	1,281	3.77	\$150,139	\$117
	Three BR	1,335	3,796.4	\$277,900,349	2,453,584	935	0.7004	0.000381	1,838	2.84	\$208,165	\$113
	Four BR or More	756	2,948.4	\$216,998,390	1,923,717	756	1.0000	0.000393	2,545	3.90	\$287,035	\$113
	Total	2,390	7,870.8	\$539,790,247	4,760,234	1819	0.7611	0.000382	1,992	3.29	\$225,854	\$113

Source: Crosstabulation of 2002 housing characteristics (assessment data) and enrollment data by address for Town of Bow

Figure 1



For the purpose of impact fee assessment, average enrollment impacts per square foot of living area were computed for single family detached homes constructed in Bow in 1980 or later. Enrollment per square foot was computed from assessment data for the sample of homes and the number of pupils living in the sample of homes using 2002-2003 address data provided by the Bow School District. Enrollment per square foot was also estimated for units other than single family detached housing in Bow except for age-restricted units. Given the limited experience in Bow with structure types other than single family detached dwellings, an alternative method of impact fee calculations was prepared for attached, duplex, multifamily and manufactured housing units.

The alternative approach reflects anticipated enrollment impacts per unit based on the type of structure, and by structure type and number of bedrooms. Because of the very limited number of housing units in Bow in structure types other than single family housing, year 2000 Census data for New England were utilized to estimate average school enrollment per unit for townhouse, duplex, multifamily, and manufactured housing units. The 2000 data for these units reflects averages computed by the consultant using the U. S. Census PUMS (Public Use Microdata Sample – 1% Sample) for all occupied units in the New England states. Because this data reflects both public and private school enrollment, the PUMS-based averages were adjusted for application to Bow by a factor of 0.944 to estimate the public portion of enrollment. (As of 2000, total public school enrollment in Bow was 94.4% of the age 5-17 [school age] population.)

4. State Building Aid

State building aid reduces the net development costs incurred by the school district by providing state funds that provide reimbursement of school development costs as a percentage of the annual principal payments due on bonds. State aid for school development undertaken by the Bow School District (a single-town school district) is 30% of principal costs. This proportion is deducted from the total anticipated school development cost to estimate net local costs for impact fee assessment purposes.

While state building aid is not guaranteed to the District, and is subject to fund availability, it has generally been available to offset school construction costs during the life of bonds and is therefore included as an adjustment within the impact fee formula. After deducting state building aid, the net local capital cost per square foot for single family detached housing units (based on enrollment impacts of homes constructed since 1980) is \$6.02 per square foot of living area. From this amount, a credit allowance per square foot was computed to arrive at a net impact fee per square foot for single family detached homes.

5. Credit Allowances

The impact fee calculations incorporate credit allowances to recognize the property taxes paid in the past by vacant land, and in the future by newly developed homes, to pay for school capacity that is already utilized or required to serve existing enrollment demands. A discount rate of 5% has been used for the purpose of present value calculations of past and future debt service costs in calculating proportionate credit amounts.

Past payment credits (debt service through calendar year 2003) were assigned based on pre-development land values and estimated acreage per housing unit; credits for future payments (after housing units are constructed) are based on average assessed values by type of dwelling unit. Future payments include remaining debt service on the high school bond scheduled from 2004-2016. Future payment credits are based on average assessed values of homes constructed in 1980 or later (the same sample with which enrollment impacts per unit were estimated).

The impact fee credit assumptions for the square foot model are detailed in Tables 5 and 6. These credit allowances are reflected in the model and fees shown in Schedule A. The total credit allowance per square foot for single family detached units was computed at \$1.42 per square foot, resulting in a net impact fee assessment of \$4.60 per square foot of living area, subject to a maximum impact fee to be established by the Planning Board. Per square foot credit allowances were also computed in these tables for non-single family homes for illustration purposes. As the data are based on a very small number of non-single family units in Bow, the square foot method has not been recommended for these structure types.

In various draft models applied to single family detached units, the ratio of total tax payment credits to net local capital cost (after state building aid) was between 25-35%. Therefore, a ratio of 30% has been applied as a credit allowance for other structure types in the alternative fee schedules B and C for units other than single family homes.

Table 5

ASSUMPTIONS				CREDIT FOR PAST PAYMENTS			
Principal Amount:		\$1,600,000		Elementary-Add Gym, Classrooms			
Term In Years:		5					
Interest Rate On Bonds:		6.5%					
State Aid To District:		30.0%		Of Principal Due on Bonds			
Discount Rate:		5.0%					
Year	Principal Balance	Principal Payment	Interest Payment	Total Payment	Less State Building Aid @ 30%	Net Debt Service Of District	Present Worth Of Past Pymt @ 5% Interest
1992	\$1,600,000	\$320,000	\$111,800	\$431,800	(\$96,000)	\$335,800	\$574,332
1993	\$1,280,000	\$320,000	\$83,200	\$403,200	(\$96,000)	\$307,200	\$500,396
1994	\$960,000	\$320,000	\$62,400	\$382,400	(\$96,000)	\$286,400	\$444,300
1995	\$640,000	\$320,000	\$41,600	\$361,600	(\$96,000)	\$265,600	\$392,412
1996	\$320,000	\$320,000	\$20,800	\$340,800	(\$96,000)	\$244,800	\$344,458
1997	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1998	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1999	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2001	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2003	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total 1992-2003		\$1,600,000	\$319,800	\$1,919,800	(\$480,000)	\$1,439,800	\$2,255,899
Percent of Capacity Utilized:							100%
Amount Credited							\$2,255,899
Bow Net Local Assessed Valuation (2002)							\$838,300,562
PW of Payments @ 5% Per Thousand Assessed Value							\$2.69
Developable Residential Vacant Land Assessed Value Per Acre (Pre-Development)							\$14,778
Credit Per Acre							\$40
Average Acres Per Single Family Unit							4
Credit Per Single Family Unit							\$160
Average Sq. Ft Per Single Family Unit							2,317
Past Payment Credit Per Sq. Ft. - Single Family							\$0.07
(Basis is average size and value of units built 1980 or later)							
Average Acres Per Unit - All Other Housing							4
Credit Per Unit							\$160
Average Sq. Ft Per Other Unit							1,149
Past Payment Credit Per Sq. Ft. - Other Units							\$0.14
(Basis is average size aand value of all other existing units)							

Table 6

ASSUMPTIONS				CREDITS FOR PAST & FUTURE PAYMENTS			
Principal Amount:		\$16,157,528					Bow High School
Term In Years:		20					
Interest Rate On Bonds:		5.625% / 5.75%					
State Aid To District:		30.0%		Of Principal Due on Bonds			
Discount Rate:		5.0%					
Year	Principal Balance	Principal Payment	Interest Payment	Total Payment	Less State Aid	Net Debt Service Of District	PW of Past Payment @ 5%
PAST YEARS							
1997	\$16,157,528	\$807,528	\$1,003,068	\$1,810,596	(\$242,258)	\$1,568,337	\$2,101,722
1998	\$15,350,000	\$810,000	\$871,085	\$1,681,085	(\$243,000)	\$1,438,085	\$1,835,401
1999	\$14,540,000	\$810,000	\$825,523	\$1,635,523	(\$243,000)	\$1,392,523	\$1,692,620
2000	\$13,730,000	\$810,000	\$779,960	\$1,589,960	(\$243,000)	\$1,346,960	\$1,559,275
2001	\$12,920,000	\$810,000	\$734,398	\$1,544,398	(\$243,000)	\$1,301,398	\$1,434,791
2002	\$12,110,000	\$810,000	\$688,835	\$1,498,835	(\$243,000)	\$1,255,835	\$1,318,627
2003	\$11,300,000	\$810,000	\$643,273	\$1,453,273	(\$243,000)	\$1,210,273	\$1,210,273
						Total PV of Past Pymts:	\$11,152,708
						Percent of Capacity Utilized:	86.0%
						Amount Credited:	\$9,591,329
						PAST PAYMENT CREDIT	
						Credited Amount for Past Payments (1997-2003):	\$9,591,329
						2002 Net Local Assessed Valuation:	\$838,300,562
						Gross Valuation Per Acre (Vacant Developable Residential Land):	\$14,778
						PAST PAYMENT CREDIT Per Thousand Valuation	\$11.44
						PAST PAYMENT CREDIT Per Acre:	\$169
						Acres Per Single Family Housing Unit:	4
						Credit Per Single Family Housing Unit	\$676
						Average Sq. Ft Per Single Family Unit	2,317
						Past Payment Credit Per Sq. Ft. - Single Family	\$0.29
						Average Acres Per Unit - All Other Housing	4
						Credit Per Unit	\$676
						Average Sq. Ft Per Other Unit	1,149
						Past Payment Credit Per Sq. Ft. - Other Units	\$0.59
						(Basis is average size aand value of all other existing units)	
FUTURE YEARS							
2004	\$10,490,000	\$810,000	\$597,710	\$1,407,710	(\$243,000)	\$1,164,710	
2005	\$9,680,000	\$810,000	\$552,148	\$1,362,148	(\$243,000)	\$1,119,148	
2006	\$8,870,000	\$810,000	\$506,585	\$1,316,585	(\$243,000)	\$1,073,585	
2007	\$8,060,000	\$810,000	\$461,023	\$1,271,023	(\$243,000)	\$1,028,023	
2008	\$7,250,000	\$810,000	\$415,460	\$1,225,460	(\$243,000)	\$982,460	
2009	\$6,440,000	\$805,000	\$369,898	\$1,174,898	(\$241,500)	\$933,398	
2010	\$5,635,000	\$805,000	\$324,013	\$1,129,013	(\$241,500)	\$887,513	
2011	\$4,830,000	\$805,000	\$277,725	\$1,082,725	(\$241,500)	\$841,225	
2012	\$4,025,000	\$805,000	\$231,438	\$1,036,438	(\$241,500)	\$794,938	
2013	\$3,220,000	\$805,000	\$185,150	\$990,150	(\$241,500)	\$748,650	
2014	\$2,415,000	\$805,000	\$138,863	\$943,863	(\$241,500)	\$702,363	
2015	\$1,610,000	\$805,000	\$92,575	\$897,575	(\$241,500)	\$656,075	
2016	\$805,000	\$805,000	\$46,288	\$851,288	(\$241,500)	\$609,788	
						FUTURE PAYMENT CREDIT @ 5% DISCOUNT RATE	
						Net Present Value of Future Payments (2004-2016):	\$8,635,316
						Percent of Capacity Utilized:	86.0%
						Amount Credited:	\$7,426,372
						2002 Net Local Assessed Valuation:	\$838,300,562
						FUTURE PAYMENT CREDIT Per \$1,000 Valuation	\$8.86
						Single Family	All Other Units
						Average Valuation Per Sq. Ft.	\$120 \$100
						Average Sq. Ft. Per Unit	2,317 1,149
						Credit Per Sq. Ft.	\$1.06 \$0.89

6. Administration

The central purpose of this methodology update is the documentation of a rational basis for a proportionate school impact fee that reflects the anticipated impacts of new residential development in Bow. The anticipated impacts of single family detached homes are based on the actual enrollment characteristics of homes constructed in Bow from 1980 to early 2002. The anticipated impacts of other types of units are based on New England regional averages for all occupied units by structure type based on the U. S. Census Public Use Microdata Sample (1% sample) from the 2000 Census for the New England states.

For single family detached housing units, if the basis of assessment selected is the square foot method, then the unit of assessment is computed per square foot of living area. The enrollment ratios per square foot for single family homes in Bow were based on living area as compiled for the Town's property tax assessments compiled by Vision Appraisal Technology Company. The criteria used by Vision's data collectors were that "living area" constitutes finished space that is heated living area. Similar criteria should be applied when assessing the fees on a per square foot basis. For example, garage bays or unfinished, unheated basement space would not constitute "living area" for impact fee assessment purposes.

This report provides for a basis of assessment that supports standardized school impact fee schedules. It is presumed that the school impact fee schedules will be waived for housing units that are lawfully restricted to occupancy by senior citizens. The general administrative practices of impact fee assessment, waivers, appeals and other matters will be governed by the provisions of the Bow impact fee ordinance.

APPENDIX

**1ST DRAFT IMPACT FEE ESTIMATES
USING ALTERNATE METHODS**

(Drafts Only – July 2003)

Draft Impact Fee Assessment Options Reviewed

In a set of draft discussion materials dated July 2, 2003 presented to the Bow Planning Board, a number of alternative methods of impact fee assessment were reviewed and compared. These initial models used a variety of enrollment and valuation characteristics of residences in Bow as the basis for a range of possible approaches to school impact fee assessment.

The draft alternatives A-F summarized in the Appendix primarily reflect differences in whether the enrollment impact per new home is assumed to be represented by: (1) the long-term average enrollment impact of all existing homes in Bow or by (2) the average impact of housing units constructed more recently (1980 or later) in which there are more pupils per unit, and whether credit allowances are computed based on assessed values of average existing units or the newest homes.

Based on the discussion with the Planning Board, the preferred alternative for single family impact fee assessment would be based on living area, and would reflect the average enrollment impacts typical of the data for more recent construction (homes built 1980 or later). The models shown in the Appendix are drafts only, using different assumptions than have been applied in the final recommendations.

DRAFT ALTERNATIVE – July 2003 Interim Report – NOT ADOPTED

OPTION B

**AVERAGE HOUSING UNITS - NEWER CONSTRUCTION
SCHOOL FACILITIES IMPACT FEE SCHEDULE PER HOUSING UNIT**

Enrollment Impact Assumption: Single Family - Average single family dwellings constructed 1980 or later
All Other - Based on housing units with 2 BR or less built since 1980

School Construction: Total Capital Cost Per Housing Unit

Structure Type	Public School Enrollment Per Household			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Overall Average
Single Family Detached	0.626	0.333	0.959	107	196	138	\$9,376	\$10,446	\$19,822
All Other Units	0.243	0.181	0.424	107	196	145	\$3,642	\$5,664	\$9,305
	Local Capital Cost Per Unit			Credits for Taxes Paid for Capacity-Related Projects					
	Capital Cost Less 30% State Building Aid			Credit for Past Payments On Capacity Already Utilized		Credit for Future Payment on Capacity Already Utilized		Total of Property Tax Credits	
	K-8 Schools	High School	Total Public Schools	Elementary and High School		High School		Total Credit	
Single Family Detached	\$6,563	\$7,312	\$13,875	(\$836)		(\$2,956)		(\$3,792)	
All Other Units	\$2,549	\$3,965	\$6,514	(\$437)		(\$1,543)		(\$1,980)	

**Net Impact Fee Per Unit - Basis: Average Existing Single Family Units
Assessment Schedule**

Structure Type	School Facility Cost Per Unit	Total Credits	Net Impact Fee To Be Assessed
Single Family Detached	\$13,875	(\$3,792)	\$10,083
All Other Units	\$6,514	(\$1,980)	\$4,534

DRAFT ALTERNATIVE – July 2003 Interim Report – NOT ADOPTED

OPTION C
Fee Per Unit By Bedrooms - All Structure Types
SCHOOL FACILITIES IMPACT FEE SCHEDULE BY NUMBER OF BEDROOMS

Enrollment Impact Assumption: Average existing housing units - by number of bedrooms in unit

School Construction: Total Capital Cost Per Unit

All Housing Types Bedrooms in Unit	Public School Enrollment Per Household			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Overall Average
Two Bedroom or Less	0.243	0.150	0.393	107	196	141	\$3,639	\$4,704	\$8,343
Three Bedroom	0.458	0.226	0.684	107	196	136	\$6,861	\$7,081	\$13,942
Four Bedroom or More	0.601	0.381	0.982	107	196	142	\$8,995	\$11,948	\$20,944
	Local Capital Cost Per Unit			Credits for Taxes Paid for Capacity-Related Projects					
All Housing Types Bedrooms in Unit	Capital Cost Less 30% State Building Aid			Credit for Past Payments On Capacity Already Utilized		Credit for Future Payment on Capacity Already Utilized		Total of Property Tax Credits	
	K-8 Schools	High School	Total Public Schools	Elementary and High School		High School		Total Credit	
Two Bedroom or Less	\$2,547	\$3,293	\$5,840	(\$836)		(\$1,543)		(\$2,379)	
Three Bedroom	\$4,803	\$4,957	\$9,760	(\$836)		(\$2,477)		(\$3,313)	
Four Bedroom or More	\$6,297	\$8,364	\$14,661	(\$836)		(\$3,447)		(\$4,283)	

Net Impact Fee Per Unit by Number of Bedrooms			
Assessment Schedule			
Number of Bedrooms In Dwelling Unit	School Facility Cost Per Unit	Total Credits	Net Impact Fee To Be Assessed
Two Bedroom or Less	\$5,840	(\$2,379)	\$3,461
Three Bedroom	\$9,760	(\$3,313)	\$6,447
Four Bedroom or More	\$14,661	(\$4,283)	\$10,378

DRAFT ALTERNATIVE – July 2003 Interim Report – NOT ADOPTED

OPTION D

Fee Per Unit By Bedrooms - All Structure Types - Based on Newer Units

SCHOOL FACILITIES IMPACT FEE SCHEDULE BY NUMBER OF BEDROOMS

Enrollment Impact Assumption: Housing units built 1980 or later - by number of bedrooms in unit

School Construction: Total Capital Cost Per Unit

All Housing Types Bedrooms in Unit	Public School Enrollment Per Household			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Overall Average
Two Bedroom or Less	0.243	0.181	0.424	107	196	145	\$3,642	\$5,664	\$9,305
Three Bedroom	0.611	0.269	0.880	107	196	134	\$9,153	\$8,433	\$17,585
Four Bedroom or More	0.703	0.443	1.146	107	196	141	\$10,532	\$13,902	\$24,434
	Local Capital Cost Per Unit			Credits for Taxes Paid for Capacity-Related Projects					
	Capital Cost Less 30% State Building Aid			Credit for Past Payments On Capacity Already Utilized		Credit for Future Payment on Capacity Already Utilized		Total of Property Tax Credits	
	K-8 Schools	High School	Total Public Schools	Elementary and High School		High School		Total Credit	
Two Bedroom or Less	\$2,549	\$3,965	\$6,514	(\$836)		(\$1,543)		(\$2,379)	
Three Bedroom	\$6,407	\$5,903	\$12,310	(\$836)		(\$2,477)		(\$3,313)	
Four Bedroom or More	\$7,373	\$9,731	\$17,104	(\$836)		(\$3,447)		(\$4,283)	

Net Impact Fee Per Unit by Number of Bedrooms			
Assessment Schedule			
Number of Bedrooms In Dwelling Unit	School Facility Cost Per Unit	Total Credits	Net Impact Fee To Be Assessed
Two Bedroom or Less	\$6,514	(\$2,379)	\$4,135
Three Bedroom	\$12,310	(\$3,313)	\$8,997
Four Bedroom or More	\$17,104	(\$4,283)	\$12,821

OPTION E

**Fee Per Square Foot - Based on Average Existing Units
SCHOOL FACILITIES IMPACT FEE SCHEDULE BY NUMBER OF BEDROOMS**

Enrollment Impact Assumption: Average existing units - enrollment per square foot of living area

School Construction Cost Per Unit

Type Structure	Public School Enrollment Per Sq. Ft.			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Overall Average
Single Family Detached	0.000239	0.000133	0.000372	107	196	139	\$3.58	\$4.17	\$7.75
All Other	0.000188	0.000116	0.000304	107	196	141	\$2.82	\$3.64	\$6.46
Local Capital Cost Per Unit				Credits for Taxes Paid for Capacity-Related Projects					
Type Structure	Capital Cost Less 30% State Building Aid			Credit for Past Payments On Capacity Already Utilized		Credit for Future Payment on Capacity Already Utilized		Total of Property Tax Credits	
	K-8 Schools	High School	Total Public Schools	Elementary and High School		High School		Total Credit	
Single Family Detached	\$2.51	\$2.92	\$5.43	(\$0.32)		(\$1.13)		(\$1.45)	
All Other	\$1.97	\$2.55	\$4.52	(\$0.32)		(\$1.21)		(\$1.53)	

**Net Impact Fee Per Square Foot
Assessment Schedule**

Type Structure	Cost Per Square Foot	Credits Per Sq. Ft.	Fee Per Sq. Ft. Living Area
Single Family Detached	\$5.43	(\$1.45)	\$3.98
All Other	\$4.52	(\$1.53)	\$2.99

OPTION F
Fee Per Square Foot - Based on Newer Units
SCHOOL FACILITIES IMPACT FEE SCHEDULE BY NUMBER OF BEDROOMS

Enrollment Impact Assumption: Housing units built 1980 or later - enrollment per square foot of living area

School Construction: Total Capital Cost Per Bedroom

Type Structure	Public School Enrollment Per Sq. Ft.			Total Capital Cost Per Sq. Ft.:			School Capital Cost Impact		
	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Overall Average
Single Family Detached	0.000270	0.000144	0.000414	107	196	138	\$4.04	\$4.52	\$8.56
All Other	0.000174	0.000129	0.000303	107	196	145	\$2.61	\$4.05	\$6.66
Local Capital Cost Per Unit				Credits for Taxes Paid for Capacity-Related Projects					
Capital Cost Less 30% State Building Aid				Credit for Past Payments On Capacity Already Utilized		Credit for Future Payment on Capacity Already Utilized		Total of Property Tax Credits	
Type Structure	K-8 Schools	High School	Total Public Schools	Elementary and High School		High School		Total Credit	
Single Family Detached	\$2.83	\$3.16	\$5.99	(\$0.32)		(\$1.13)		(\$1.45)	
All Other	\$1.83	\$2.84	\$4.67	(\$0.32)		(\$1.21)		(\$1.53)	

Net Impact Fee Per Square Foot Assessment Schedule			
Type Structure	Cost Per Square Foot	Credits Per Sq. Ft.	Fee Per Sq. Ft. Living Area
Single Family Detached	\$5.99	(\$1.45)	\$4.54
All Other	\$4.67	(\$1.53)	\$3.14