

IMPACT FEES FOR PUBLIC SAFETY FACILITIES

Town of Windham,
New Hampshire

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Prepared for:

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PUBLIC SAFETY IMPACT FEES: EXECUTIVE SUMMARY

This report provides a basis for the assessment of public safety impact fees in Windham, New Hampshire. The process of assessment is governed by the Town's impact fee ordinance; the amount of an impact fee assessment may be determined by methods adopted by the Planning Board that document the proportional basis for the fees. Local impact fee ordinances and related assessment are authorized by New Hampshire RSA 674:21, V.

Impact fees are one-time charges to new development that are designed to offset the proportional impact of new development on the costs borne by local government to provide public capital facilities. A schedule of impact fees for public safety facilities is summarized below. All fees are shown per dwelling unit for general residential uses and per square foot for other uses.

Impact Fee Assessment Schedule for Public Safety Facilities

PUBLIC SAFETY IMPACT FEE ASSESSMENT SCHEDULE			
Use Category	Public Safety Impact Fees Per Dwelling Unit		
General Residential Uses	Police	Fire	Total Public Safety
Single Family Detached	\$514	\$1,107	\$1,621
Single Family Att. (Townhouse)	\$367	\$790	\$1,157
Duplex & 2-Unit	\$417	\$899	\$1,316
Multifamily 3+ Units	\$316	\$681	\$997
Manufactured Housing	\$365	\$786	\$1,151
Public Safety Impact Fees Per Square Foot			
Other Uses Based on Assessment Per Square Foot	Police	Fire	Total Public Safety
Assisted Living Facility	\$0.24	\$2.05	\$2.29
Apartments for the Elderly (Age 62+)	\$0.24	\$0.92	\$1.16
Institutional (non-residential)	\$0.24	\$0.41	\$0.65
Retail & Lodging	\$0.24	\$0.40	\$0.64
Office	\$0.24	\$0.37	\$0.61
Services & General Commercial	\$0.24	\$0.29	\$0.53
Industrial & Warehouse	\$0.24	\$0.06	\$0.30
Others - Unclassified	\$0.24	\$0.41	\$0.65

The above impact fee assessments should be updated periodically by reviewing and modifying the assumptions of the impact fee calculation within this report. Among the variables that may be changed include the estimated capacity, scale and cost of capital facilities to be provided, their projected service population, proportional demand on facilities from various land use sectors. The focus of such adjustments should be to create a fee that is proportional to the cost of providing capital facility capacity at the time that new development takes place. Adjustments should be made periodically to the impact fee schedule so that the capital costs reflect the value of the Town investment in facilities in current dollars.

Impact fees assessed must be segregated in specific capital facility accounts and limited to expenditures for the category of capital facilities for which they were assessed. In cases where a community has already created adequate facilities in anticipation of the impact of new development, impact fees may be used to pay outstanding debt service on such facilities, or to otherwise recoup the value of public investment in capital facilities. Where a community has yet to create such capacity, the impact fee may be retained for up to six years at which point the fees must be used in conjunction with the appropriation of non-impact fee funds to create adequate facilities capable of supporting new development. The conditions for refunding of impact fees are set forth in the impact fee ordinance.

A. INTRODUCTION

1. Purpose of Report

The purpose of this report is to establish a proportional method of calculation for impact fees to be assessed to new development for public safety facilities provided by the Town of Windham.

2. Authority for Assessment

The Windham zoning ordinance contains two sections authorizing the adoption of impact fees. The first (section 715) was established to allow the creation of school impact fees. The second (section 718) authorizes the Planning Board to adopt impact fees for other municipal capital facilities. While the existing ordinance provides adequate authority for the Town to adopt impact fees for public safety facilities, the Consultant has prepared a consolidated and updated impact fee ordinance for consideration by the Town in 2008.

Impact fees may be assessed either in anticipation of capital projects that will serve new development, or to recoup past capital investments made in anticipation of the needs to be generated by new development. There are some important limitations imposed by the relevant authorizing statute (New Hampshire RSA 674:21, V.) These include: (1) the cost of upgrades to existing infrastructure cannot be paid for with impact fees (except as required to serve new development); (2) impact fees must be refunded if the Town does not appropriate necessary non-impact fee funds for related capital facilities within six years of collection of the fee; and (3) impact fees may not accrue to the Town's general fund.

Impact fees are best used where reserve capacity already exists in particular capital facility categories, or where an appropriation of funds to create capacity to serve new development is expected to take place within six years of the collection of the fee.

B. PROPORTIONALITY MEASUREMENTS FOR DEMAND ON FACILITIES

Both the Windham impact fee ordinance and New Hampshire RSA 674:21, V require that impact fees be proportional to the demand on capital facilities reasonably associated with new development. It is not necessary to demonstrate a direct link between actual usage of a particular capital facility by each individual development that is assessed an impact fee. In this report, the proportionality of an impact fee assessment is based on generalized estimates of the relative expected demand of various classes of property on facilities, expressed on a per-dwelling unit basis for residential development and on a per-square-foot basis for non-residential development.

The impacts of new development on public schools, recreation facilities, and libraries are typically associated with the demands of residential development. In the case of other facilities such as water or sewer utilities, roads and public safety facilities, both commercial and residential developments contribute to service demands and therefore to capital facility needs.

In the field of public utilities (water, and sewer systems) direct demand on facility capacity is relatively easy to measure based on actual consumption and metered usage. But for facilities that provide services on “at-large basis”, measures of demand are often indirect. For example, for public safety services, where data are available, call for service volume by sector may be considered in developing a basis for proportional impact assessment. Measures of proportionality of service demand from commercial versus residential sectors may also include gross assessed value by property class, floor area of development, or other measures.

As part of this study the Consultant has tabulated property assessment data provided by the Town for all developed property (land with buildings) in Windham. Using variables such as building floor area and assessed valuation, this data base provides one generic measure of service demand by property class that may be used in the absence of specific demand information for particular services.

Table 1 illustrates summary characteristics of Windham’s developed parcels, and an estimate of the proportional shares of assessed value and building floor area in residential and nonresidential uses. In this table, the nonresidential sector includes institutional and government uses, which also exert demands on public safety services. The assessed value of developed parcels shown in the table includes the property values assigned to nontaxable parcels. Based on this table, both the floor area as well as the assessed value of property in Windham (developed parcels only) indicates that about 89% is residential and 11% nonresidential.

Table 1

SUMMARY CHARACTERISTICS OF WINDHAM PARCELS WITH BUILDINGS					
Type of Development	Residential Units (1)	Floor Area (GLA)	Assessed Value of Parcels	Percent of Total Floor Area	Percent of Total Valuation Including Non-Taxable
Residential Uses					
Single Fam Detached	4,237	9,757,782	\$ 1,800,000,000	79.7%	80.5%
Single Fam with Apt	154	228,215	\$ 36,733,500	1.9%	1.6%
Residential Condo	367	593,438	\$ 99,953,400	4.8%	4.5%
Residential Condo 55+	208	324,870	\$ 51,770,900	2.7%	2.3%
Two or More Family Res.	46	48,998	\$ 7,724,300	0.4%	0.3%
Total Residential	5,012	10,953,303	\$ 1,996,182,100	89.4%	89.2%
Non-Residential Uses					
Retail & Lodging		326,672	\$ 54,603,900	2.7%	2.4%
Office		174,920	\$ 20,935,700	1.4%	0.9%
Services, Other Commercial		103,823	\$ 19,204,500	0.8%	0.9%
Industrial & Warehouse		426,291	\$ 34,892,500	3.5%	1.6%
Institutional & Government		263,719	\$ 110,859,600	2.2%	5.0%
Total Non-Residential		1,295,425	\$ 240,496,200	10.6%	10.8%
Total Including Non-Taxable	5,012	12,248,728	\$ 2,236,678,300	100.0%	100.0%

Source: Consultant tabulation of Windham Assessing data; development groupings assigned by Consultant based on use codes.

(1) Includes dwelling units only - does not include assisted living or nursing home beds.

Another measure of proportionate service demand for public safety services is the number of calls for service based on dispatch records, and the calculation of response rates by land use category. Both the Police and Fire Departments contributed useful information based on research of call volumes from their dispatch records.

In both the police and fire services, there are important functions that are not necessarily reflected in call for service data. Public safety services provide not only responses to emergency situations, but also protective, preventive and deterrent services. Therefore, while call volume measures one important measure of service demand on each department, it is recognized here that the actual call volume constitutes only one measure of the public safety functions carried out by each department. Actual calls for service are analyzed in the respective sections of this report as part of the proportional calculations of impact fees for Police and Fire Department capital facilities.

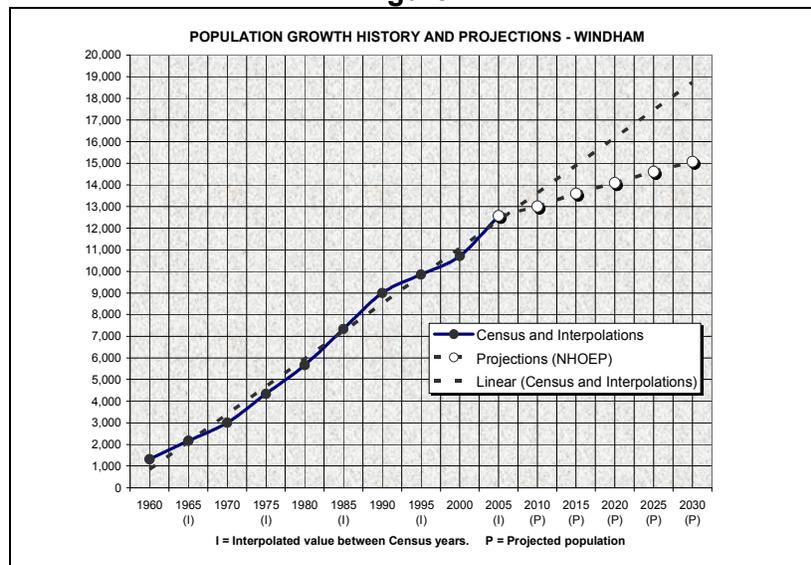
C. RESIDENTIAL VS. NON-RESIDENTIAL DEVELOPMENT TRENDS IN WINDHAM

1. Residential Demand

a. Population Trend and Projections

For residential development, the demands of growth are often measured in terms of population and/or housing units. Residential demands measured by population growth may also be expressed on a per-dwelling-unit basis using U. S. Census data indicating the number of persons per occupied unit. Figure 1 illustrates historic trends and projections in Windham's population. Data from the Census years 1960 through 2000 are actual counts, with interpolated values shown for the intervening years. Population projections for the period 2010 to 2030 are illustrated by two scenarios. The first is a linear projection based on decennial Census trends (with values between Census years interpolated). The other growth curve reflects the most recent projections developed by the New Hampshire Office of Energy and Planning (issued in January 2007). The NHOEP projections indicate a population of about 15,000 by the year 2030, while a straight-line linear projection based on Census trends, and assuming no land use constraints, predicts a population potential of between 18,000 and 19,000. (This would attain the maximum build-out population reflected in the 2005 Master Plan.)

Figure 1



b. Buildout Population Estimates from the Master Plan

The 2005 Master Plan contained an estimate of Windham's build-out population based on land availability and the rate of consumption of developable land by single family development. The lower-end build-out population estimates suggested that between 2003 through build-out an additional 599 single family units could be absorbed on net developable land estimated to be 1,947 acres. At 104 units per year, a build-out by the year 2009 was estimated, with the Town reaching a cumulative population of 16,417 persons. That analysis was based on an estimated total undeveloped land area of 3,216 acres, less Town-owned conservation land and open land preserved in Open Space Subdivisions.

The higher end buildout estimates, which included consideration of “developable and potentially developable residential land” was based on availability of up to 4,253 acres for future residential development. Under the series of assumptions of housing density and persons per housing unit used in the estimate, growth of 1,308 homes was projected, contributing to a cumulative build-out population of 18,686. (This higher end build out population is about the same as the linear projection of the year 2030 population projection based on Census trends shown earlier in Figure 1.)

Buildout estimates that are intended to predict an ultimate future population may prove inaccurate due to the potential for long-term changes in density, future diversity of development (age-restricted, multifamily, condos), changes in average household size, and infill potential from oversized lots. However, buildout estimates are desirable for the development of impact fees that are collected for facilities that serve long-term facility needs.

c. Housing Units Authorized by Permit

Figure 2 and Table 2 illustrate the history of residential development based on building permits issued in the Town of Windham from 1970 through 2006. The long-term average for this entire period is approximately 95 residential units per year. The 1980s was one of the strongest growth periods for housing units, but even stronger was the period 2000 through 2006, during which an annual average of 129 units per year were authorized.

Figure 2

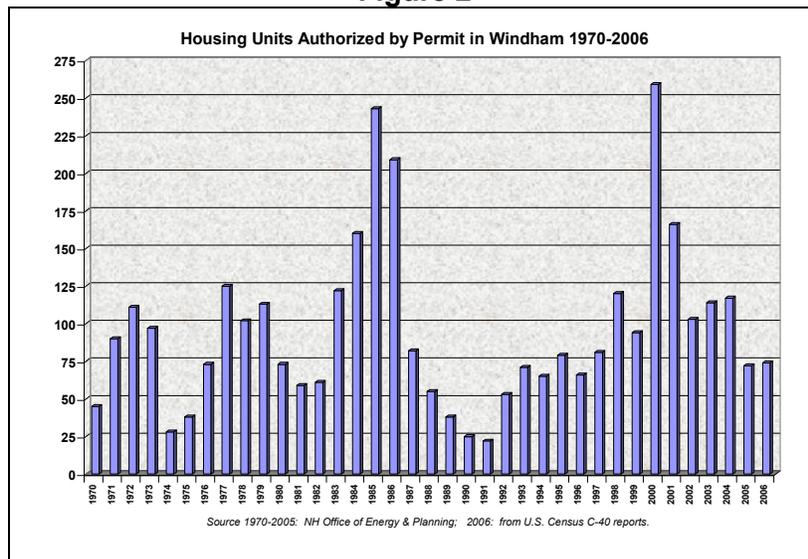


Table 2

Housing Units Authorized By Permit - Windham		
Period	Housing Units Authorized in Period	Annual Average Units Authorized
1970s	822	82
1980s	1,102	110
1990s	676	68
2000-06	905	129
Long Term 1970-2006	3,505	95

Sources: NH Office of Energy & Planning (1970-2005) and U. S. Census C-40 reports (2006)

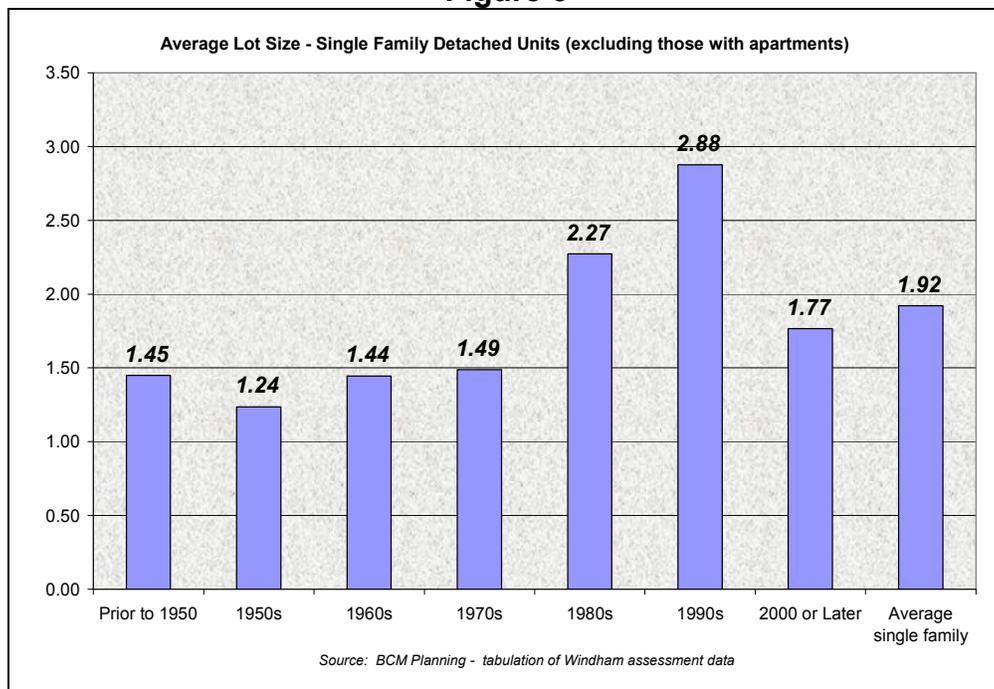
One of the advantages of impact fee assessments is that impact fees once implemented may capture the effects of new development as it occurs. Therefore in a slow development year, impact fee revenues will be low, but if a strong growth cycle returns, the impact fee will be present to capture more significant revenues the next cycle of growth.

d. Assessment Data – Residential Development

Figure 3 and Table 3 illustrate characteristics of Windham’s residential development. Among single family homes, there has been a significant increase in the average size of homes (living area). Single family detached built since 2000 have an average of over 3,200 square feet, or twice the size of homes built in Windham in the 1960s which averaged about 1,600 square feet.

The long term average lot size of parcels developed with single family detached homes (excluding those with apartments) is 1.92 acres. Single family detached homes built since 2000 have an average lot size of 1.77 acres. (This does not include other land consumed by residential development that may be set aside for open space, or used for residential access roads and utility corridors). However, it is substantially less than the average acreage per unit assumed in the buildout projections from the Master Plan of 3.25 acres per unit.

Figure 3



Residential growth in Windham has been dominated by single-family homes followed by residential condominiums. In the most recent period since 2000, age-restricted condominiums limited to occupants 55 or older have contributed to the Windham residential development mix.

Table 3 – Developed Residential Property by Year Built
WINDHAM NH DEVELOPED PROPERTY - BASED ON 2007 ASSESSMENT DATA

Use and Period Built	Living Area	Parcel Acres	Dwelling Units	Avg Sq. Ft. Per Unit	Assessed Value	Assessment Per Dwelling Unit
Single Fam Detached						
Prior to 1950	642,445	704.4	486	1,322	\$ 131,939,200	\$ 271,480
1950s	230,713	238.5	193	1,195	\$ 53,981,200	\$ 279,695
1960s	538,783	484.0	335	1,608	\$ 99,002,300	\$ 295,529
1970s	1,520,022	1225.5	824	1,845	\$ 281,791,100	\$ 341,979
1980s	2,372,505	2217.7	976	2,431	\$ 418,114,800	\$ 428,396
1990s	2,034,253	1955.3	680	2,992	\$ 374,021,300	\$ 550,031
2000 or Later	2,419,061	1312.2	743	3,256	\$ 441,098,200	\$ 593,672
Total	9,757,782	8137.6	4,237	2,303	\$ 1,799,948,100	\$ 424,817
Single Fam with Apartment						
Prior to 1950	10,368	8.9	6	1,728	\$ 1,272,400	\$ 212,067
1950s	3,964	3.3	6	661	\$ 831,900	\$ 138,650
1960s	22,768	8.0	18	1,265	\$ 3,104,900	\$ 172,494
1970s	42,310	21.9	32	1,322	\$ 6,267,700	\$ 195,866
1980s	50,357	46.7	38	1,325	\$ 7,908,600	\$ 208,121
1990s	29,133	21.4	16	1,821	\$ 4,605,300	\$ 287,831
2000 or Later	69,315	41.8	38	1,824	\$ 12,742,700	\$ 335,334
Total	228,215	152.1	154	1,482	\$ 36,733,500	\$ 238,529
Residential Condo Except Age-Restricted						
Prior to 1950	830	n.a.	1	830	\$ 235,700	\$ 235,700
1950s	1,724	n.a.	1	1,724	\$ 351,300	\$ 351,300
1960s	0	n.a.	0			
1970s	15,946	n.a.	20	797	\$ 2,863,300	\$ 143,165
1980s	305,033	n.a.	199	1,533	\$ 55,736,700	\$ 280,084
1990s	13,200	n.a.	8	1,650	\$ 2,539,900	\$ 317,488
2000 or Later	256,705	n.a.	138	1,860	\$ 38,226,500	\$ 277,004
Total	593,438	n.a.	367	1,617	\$ 99,953,400	\$ 272,353
Residential Condo Age Restricted 55+						
2000 or Later	324,870	n.a.	208	1,562	\$ 51,770,900	\$ 248,899
Two or More Family Res						
Prior to 1950	31,534	19.3	25	1,261	\$ 4,051,300	\$ 162,052
1950s	1,796	1.4	3	599	\$ 424,400	\$ 141,467
1960s	12,356	6.6	14	883	\$ 2,520,300	\$ 180,021
1970s	3,312	1.7	4	828	\$ 728,300	\$ 182,075
1980s	0	0.0	0		\$ -	
1990s	0	0.0	0		\$ -	
2000 or Later	0	0.0	0		\$ -	
Total	48,998	28.9	46	1,065	\$ 7,724,300	\$ 167,920
Total Residential						
Prior to 1950	685,177		518	1,323	\$ 137,498,600	\$ 265,441
1950s	238,197		203	1,173	\$ 55,588,800	\$ 273,836
1960s	573,907		367	1,564	\$ 104,627,500	\$ 285,089
1970s	1,581,590		880	1,797	\$ 291,650,400	\$ 331,421
1980s	2,727,895		1,213	2,249	\$ 481,760,100	\$ 397,164
1990s	2,076,586		704	2,950	\$ 381,166,500	\$ 541,430
2000 or Later	3,069,951		1,127	2,724	\$ 543,838,300	\$ 482,554
Total	10,953,303		5,012	2,185	\$ 1,996,130,200	\$ 398,270

4. Nonresidential Demand

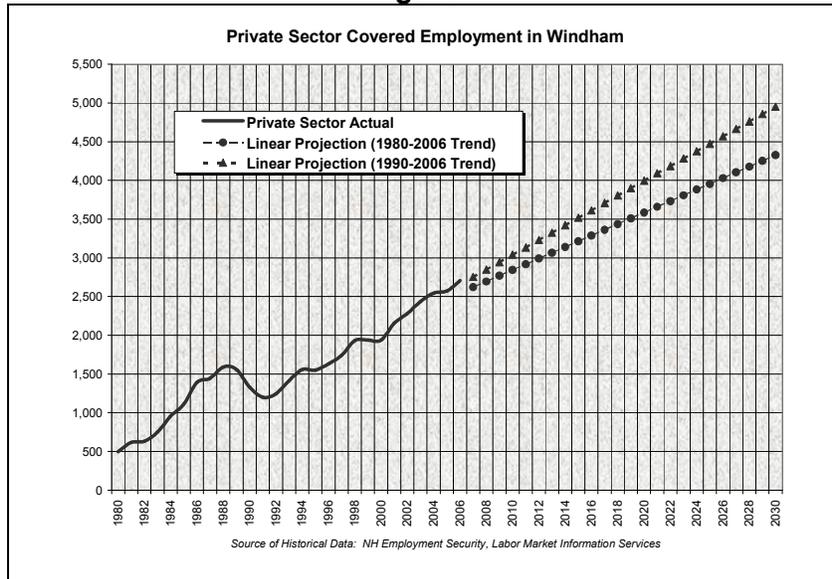
Measurements of the demand on services and capital facilities from the nonresidential sector may rely on indicators such as employment growth or the amount of floor area in nonresidential development in the community.

a. Employment (Jobs in Windham)

Figure 4 illustrates the number of private sector covered employment¹ (jobs located in Windham) and the employment growth trend from 1980 through 2006 based on New Hampshire Employment Security data. Two linear projections are illustrated for the period 2006 to 2030 for private covered employment. The first is based on the long-term linear trend from 1980 to 2006 and the second is based on a shorter term linear trend using base years from 1990 to 2006.

¹ Refers to jobs "covered" by unemployment compensation insurance, as reported by NH Employment Security, Labor Market Information Services. Covered employment excludes fully commissioned sales persons and the self employed.

Figure 4



These two projections suggest that private sector employment in Windham could be between 4,250 and 5,000 in the year 2030 if past growth trends continue. Private sector employment in Windham as of 2006 was approximately 2,700 jobs. The ultimate number of jobs located within the town of Windham is also dependent on factors such as zoning, land availability for commercial development, and other factors.

Figure 5 illustrates the relationship between the resident labor force (the resident adult population of working age) and local employment (the total number of jobs located in Windham) along with historical linear trends. The resident labor force has been growing at a somewhat faster rate than local employment, but there have been proportionate increases in both sectors.

Figure 5

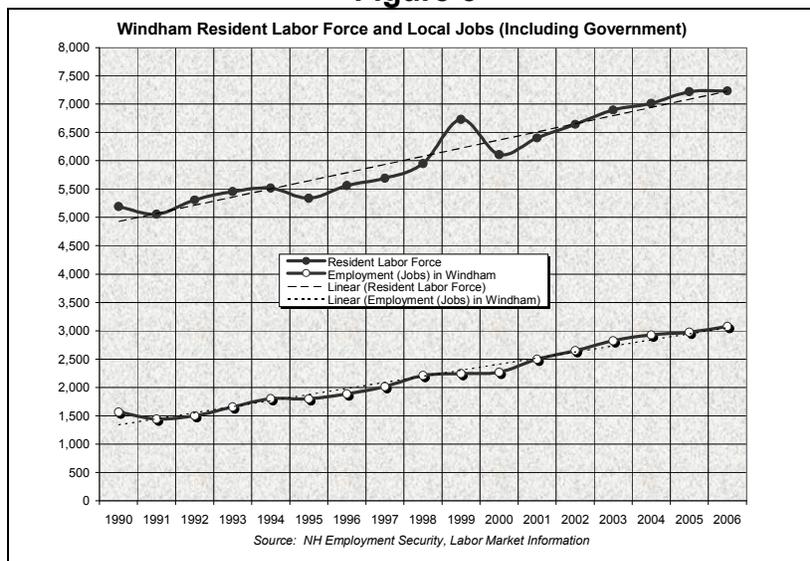


Table 4 below illustrates growth in the number of private sector jobs by category and the trend in total government employment located within Windham from 1990 through 2006. These data suggest that most of the increase in employment from 1990 to 2006 was within retail and office-using categories such as health, professional and technical services.

Table 4

WINDHAM EMPLOYMENT BY SECTOR 1990-2006 (JOBS LOCATED IN WINDHAM)

Year	Retail Food & Lodging	Industrial, Mfg, Transp, Whsg, Whol Trade	Office-Using (Health, Prof & Tech, Admin, RE)	Other Services	Remainder of Private Employment	Government	Total
1990	323	291	307	80	330	234	1,565
1991	318	249	309	53	271	242	1,442
1992	332	242	293	92	286	255	1,500
1993	323	262	462	98	268	241	1,654
1994	450	260	472	101	275	242	1,800
1995	361	319	482	106	281	248	1,797
1996	342	353	560	117	260	255	1,887
1997	374	370	604	135	259	272	2,014
1998	393	396	685	143	314	277	2,208
1999	509	332	650	152	294	306	2,243
2000	502	365	644	144	281	332	2,268
2001	559	470	680	147	299	341	2,496
2002	618	473	705	164	319	369	2,648
2003	674	476	768	156	362	386	2,822
2004	699	460	811	185	389	383	2,927
2005	714	476	835	210	337	402	2,974
2006	793	512	849	236	315	369	3,074

Source: NH Employment Security, Labor Market Information. Employment groupings by Consultant.

Together those three employment categories represented approximately 73% of the net change in private sector jobs in Windham during the period. The balance, or about 27% of the job growth, occurred in industrial, manufacturing and transportation uses. The latter categories generally have lower employment concentrations per square foot of developed floor area than the other categories.

One of the economic development goals expressed in the 2005 Master Plan is to achieve greater economic diversity and an increase in the ratio between local private sector jobs and the resident labor force. At the time of the Master Plan that ratio was about 34%. The objectives in the Master Plan included increasing the number of private sector jobs by 770 over 10 years, and increasing the number of local private sector jobs to 40% of the resident labor force by the year 2015. Other economic development goals include increasing retail floor area to 30 square feet per resident by the year 2015 from an estimated base of 20 square feet per resident in 2005. In addition, the Plan contained a goal of increasing the commercial and industrial tax base to 10% of Windham's taxable valuation by the year 2015. These goals reflect an anticipated increase in commercial development in Windham, suggesting that the nonresidential portion of demand on public safety services and facilities may increase in the future.

b. Floor Area of Buildings

The general mission of public safety services is the protection of persons and property. Therefore, measures such as population and employment as well as the built environment (expressed as square footage) may be used to estimate proportional demand ratios and relative impact fee assessments. Table 5 provides a breakdown of the floor area of developed nonresidential property by sector, including commercial, industrial, and institutional and government uses. In each of the decades of the 1970s, 1980s, and 1990s there was fairly consistent absorption of nonresidential development averaging roughly 23,000 to 24,000 square feet per year. However, from 2000 to early 2007, a shorter period of just over seven years, average annual growth was about 49,000 square feet per year. This indicates acceleration in nonresidential development and the potential for this sector to represent an increasing source of demand on public safety services.

Table 5 – Developed Non-Residential Property

Use and Period Built	Living Area	Parcel Acres	Assessed Value of Parcels
Retail & Lodging			
Prior to 1950	6,785	1.2	\$ 955,600
1950s	13,292	7.7	\$ 1,329,900
1960s	4,032	1.4	\$ 495,400
1970s	80,944	26.4	\$ 8,209,500
1980s	73,630	25.4	\$ 15,571,100
1990s	37,571	23.7	\$ 7,044,200
2000 or Later	110,418	57.1	\$ 20,998,200
Total	326,672	142.9	\$ 54,603,900
Office			
Prior to 1950	6,291	3.3	\$ 1,143,900
1950s	0	0.0	\$ -
1960s	8,474	41.2	\$ 1,420,800
1970s	64,519	22.9	\$ 5,773,800
1980s	23,662	23.7	\$ 4,229,600
1990s	30,745	2.0	\$ 3,368,200
2000 or Later	41,229	10.2	\$ 4,999,400
Total	174,920	103.2	\$ 20,935,700
Services, Oth Commercial			
Prior to 1950	45,879	27.1	\$ 4,398,800
1950s	2,251	37.5	\$ 1,383,400
1960s	1,380	1.0	\$ 313,100
1970s	21,486	18.8	\$ 2,321,600
1980s	8,199	4.9	\$ 1,482,400
1990s	10,408	185.0	\$ 7,208,100
2000 or Later	14,220	4.9	\$ 2,097,100
Total	103,823	279.3	\$ 19,204,500
Industrial & Warehouse			
Prior to 1950	7,181	65.2	\$ 2,051,500
1950s	900	9.3	\$ 952,100
1960s	74,646	8.3	\$ 3,398,400
1970s	35,180	5.9	\$ 2,031,500
1980s	84,996	19.7	\$ 7,809,000
1990s	124,328	33.3	\$ 8,384,700
2000 or Later	99,060	56.9	\$ 10,265,300
Total	426,291	198.6	\$ 34,892,500
Institutional & Government			
Prior to 1950	61,176	95.3	\$ 18,380,500
1950s	0	0.3	\$ 138,000
1960s	6,816	0.7	\$ 767,100
1970s	27,697	86.4	\$ 50,599,600
1980s	47,520	35.1	\$ 21,887,400
1990s	31,550	55.5	\$ 8,951,200
2000 or Later	88,960	34.6	\$ 10,135,800
Total	263,719	307.8	\$ 110,859,600
Total Non-Residential			
Prior to 1950	127,312	192.0	\$ 26,930,300
1950s	16,443	54.8	\$ 3,803,400
1960s	95,348	52.6	\$ 6,394,800
1970s	229,826	160.4	\$ 68,936,000
1980s	238,007	108.8	\$ 50,979,500
1990s	234,602	299.5	\$ 34,956,400
2000 or Later	353,887	163.7	\$ 48,495,800
Total	1,295,425	1,031.7	\$ 240,496,200

Figure 6

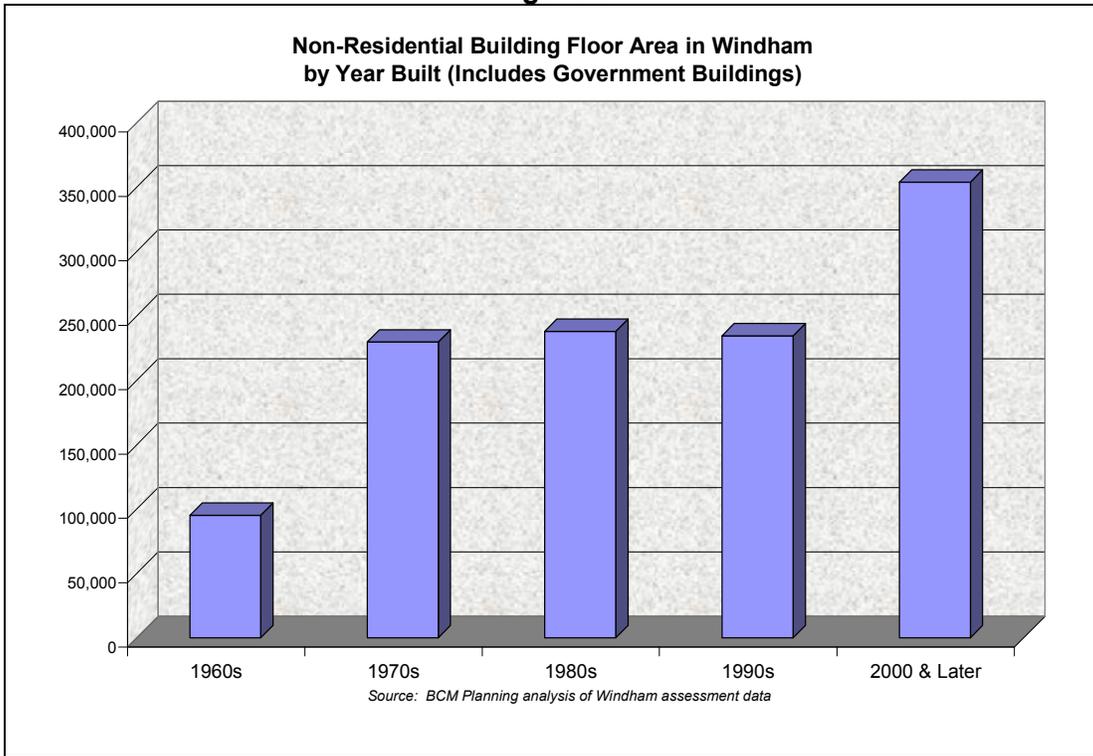
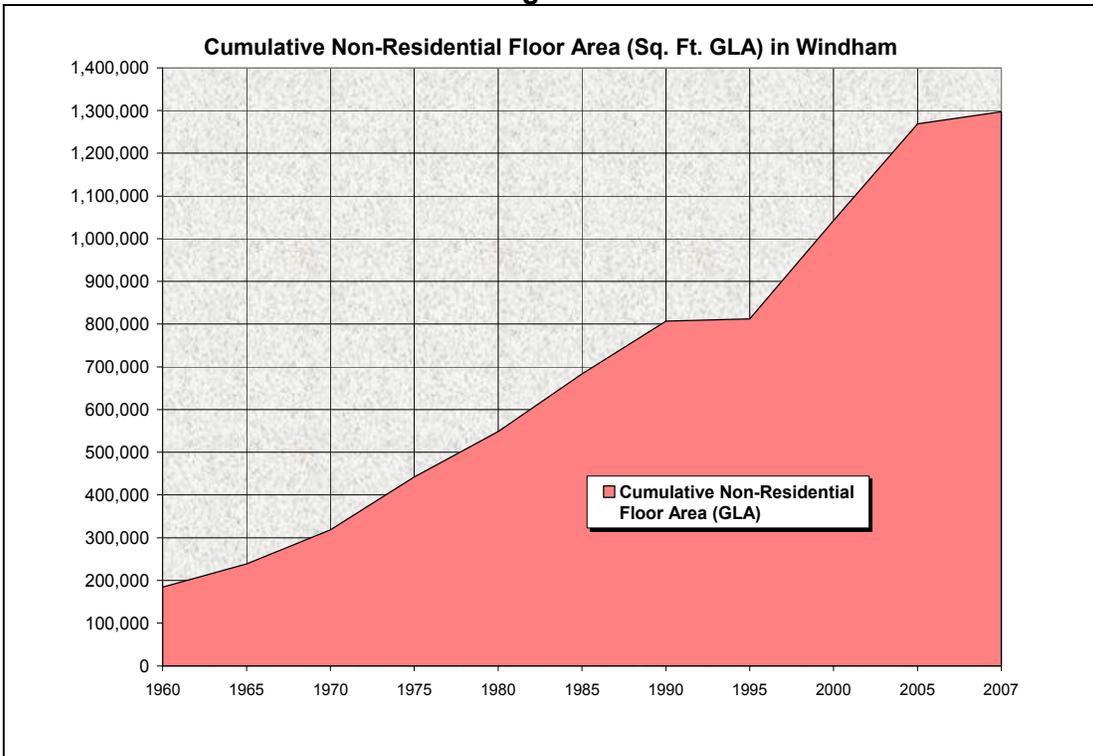


Figure 7



D. POLICE DEPARTMENT IMPACT FEE

1. Police Department Calls For Service

The Windham Police Department researched its dispatch records to compile call for service data for calendar year 2006 and the first nine months of 2007 (a 21-month period). The level of detail available from this source was limited to identification of call origin by street name. The origin of calls for service by specific address (street number) was not available in this data set. While this meant that call volumes could not be associated directly with specific land use codes at each call location, the data were sufficient to establish a reasonable association between the street name and the zoning district in which the street is located.

During the 21-month period there were 29,650 calls for Police Department services. Of this total, 1,758 calls (about 6%) were not tabulated by street because they were either out-of-Town activity, were reported for streets for which no assessment data for developed property was available, or were logged in as located at the Police Department headquarters itself. These calls could not be associated with actual activity generated within a particular zoning district.

The remainder or 27,892 calls were summarized by the zoning districts associated with the streets on which calls were logged in the dispatch records. The summary of calls by residential versus nonresidential zoning districts is shown in Table 6. The call for service data was also associated the total amount of building floor area and assessed valuation found within each zoning district.

Overall, approximately 70% of annualized calls were identified as occurring within the residential zoning districts predominantly within Rural Residential and the Residential A districts. Approximately 30% of total calls were associated with nonresidential zoning districts. The predominant sources of non-residential calls are the Business Commercial A and Business Commercial B districts.

Relative call volume per 1,000 sq. ft. of gross living area located within the zoning districts was also computed. This data must be interpreted as providing only a gross relative measure because the individual calls from the database could not be associated directly with particular land use categories, and only with a generalized zoning district. Nevertheless, the data does provide one possible measure of call volume relative to the number of residential units in residential districts and the amount of floor area in nonresidential districts.

Table 6

WINDHAM, NH POLICE DEPARTMENT CALLS FOR SERVICE ANALYSIS (BASED ON CALL DATA AVAILABLE BY STREET NAME)

Zoning District	2006 Entire Year	2007 Jan-Sept (nine mos)	Total Calls 21 Month Period	Average Annual Calls for Period	Residential Units (1)	Floor Area of Buildings (GLA)	Total Assessed Valuation Including Non-Taxable	% of Annualized Calls	% of Building Floor Area	% of Assessed Valuation	Calls Per 1000 Sq. Ft. GLA
Residential Districts											
Rural	3,979	3,618	7,596	4,341	3,068	7,489,836	\$1,399,000,000	27.2%	61.7%	63.1%	0.6
Residential A	5,237	4,712	9,949	5,685	1,518	2,800,815	\$551,226,000	35.7%	23.1%	24.9%	2.0
Residential B	988	1,025	2,013	1,150	358	556,014	\$103,497,600	7.2%	4.6%	4.7%	2.1
Residential C	10	15	25	14	81	181,217	\$19,618,900	0.1%	1.5%	0.9%	0.1
Subtotal Residential	10,214	9,370	19,583	11,190	5,025	11,027,882	\$2,073,342,500	70.2%	90.8%	93.6%	1.0
Non-Residential Districts											
Business Commercial A & B	3,204	2,973	6,177	3,530	8	435,315	\$60,343,800	22.1%	3.6%	2.7%	8.1
Gateway and Historic	0	0	0	0	8	92,307	\$18,255,100	0.0%	0.8%	0.8%	0.0
Light Industrial	275	471	746	426	4	312,214	\$26,810,800	2.7%	2.6%	1.2%	1.4
Neighborhood Business	655	590	1,245	711	23	125,376	\$18,928,900	4.5%	1.0%	0.9%	5.7
Professional Business & Tech	82	59	141	81	2	146,016	\$18,018,500	0.5%	1.2%	0.8%	0.6
Subtotal Non-Residential	4,216	4,093	8,309	4,748	45	1,111,228	\$ 142,357,100	29.8%	9.2%	6.4%	4.3
Total For Residential/Non-Res Analysis	14,430	13,463	27,892	15,938	5,070	12,139,110	\$ 2,215,699,600	100.0%	100.0%	100.0%	1.3
Percent Estimated Residential	70.8%	69.6%	70.2%	70.2%	99.1%	90.8%	93.6%				
Percent Estimated Non-Residential	29.2%	30.4%	29.8%	29.8%	0.9%	9.2%	6.4%				
Other Calls											
Village Center (Mostly Activity at PD Headquarters - Fellows Rd)	673	555	1,228	702	81	109,618	\$21,247,400	4.4%	0.9%	1.0%	n.a.
Other including I-93 calls, out of Town locations, and streets for which development data not available	279	251	530	303	(1) For the purposes of this analysis, beds in assisted living and nursing home counted as a "residential unit"						
Total Calls in Data Base	15,382	14,269	29,650	16,943							

Table 7

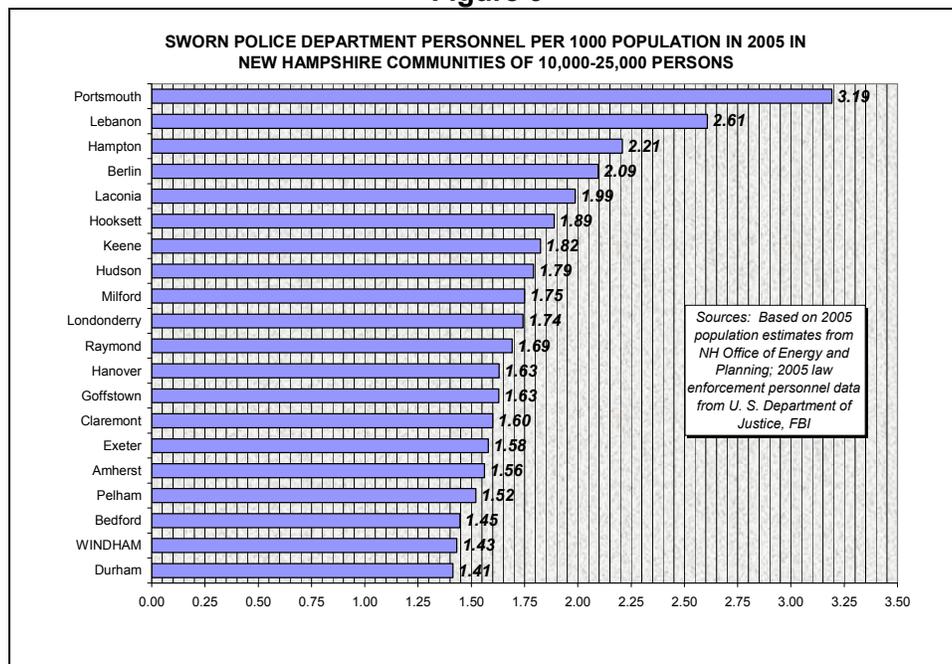
POLICE DEPARTMENT SERVICES: PROPORTIONAL DEMAND FACTORS				
Land Use Sector	PD Calls By Zoning District 2006 and 2007 Through Sept	2006 Household Population vs. Local Employment	Assessed Valuation of Developed Property	Weighted Average of Factors (Calls Weighted x 2)
Residential	70%	80%	89%	77%
Non-Residential	30%	20%	11%	23%

For purposes of impact fee assessment, Table 7 above was used to assign proportional service demand to the Police Department, considering the call for service data developed in Table 6 and two other measures. The second measure is the relationship between total household population and the number of persons employed in Windham (an 80% / 20% ratio) as an indicator of residential vs. nonresidential service demand. The third measure is proportionate assessed valuation (illustrated earlier in Table 1 - an 89% / 11% ratio) of developed property in the residential and non-residential sectors. In Table 7, all three proportionality measures are used to compute a weighted average from the three factors, with call data doubly weighted. The weighted average of calls for service resulting from this method indicates a ratio of 77% residential and 23% non-residential demand on Police Department services.

2. Police Department Personnel

While commercial as well as residential development has an impact on law enforcement, service levels are most often measured by the number of officers or sworn personnel per 1,000 residents. As each community has its own unique demands for police services, there is no established uniform standard for all communities. However, average ratios can be assigned to existing and future development based on expected or actual ratios of personnel to resident population. Figure 9 illustrates the number of sworn police department personnel in localities in New Hampshire as of 2005. This list is limited to a sample of communities having a population of between 10,000 and 25,000 persons.

Figure 9



Some of the above communities are affected by a seasonal population, a very large employment or commercial base, or by a concentration of seasonal or vacation properties, all of which may influence demand on local law enforcement. Within this set of communities, Windham is probably most comparable to the towns of Durham, Bedford, Pelham, Amherst, and Exeter, which had fewer than 1.6 sworn personnel per 1,000 residents as of 2005.

As of 2007, there are 19 sworn officers on the Windham Police Department representing a ratio of approximately 1.51 sworn personnel per 1,000 residents. Somewhat larger or more urban

communities tend to have higher force sizes per 1,000 residents, particularly if there is a significant commercial/industrial base present. For the purpose of this impact fee analysis we have assumed a constant ratio at the current level of 1.51 officers per 1,000 residents in Windham.

3. Police Department Facilities and Capital Equipment

The Windham Police Department headquarters is located on Fellows Road in a facility constructed in 1998 at a cost of approximately \$1.3 million. Based on the Consultant's interpretation of floor plans provided by the Police Department, the total floor area of the facility is approximately 11,300 square feet, which includes about 624 sq. ft. of garage space and a 438-square foot sally port within the building. Total non-garage or office space including corridors and circulation space totals about 10,239 square feet.

In 2007, the Police Department proposed a capital improvement to add a 1,344 square foot garage to the site. While this initial proposal was not accepted for funding by the Town, it remains a need expressed by the department for expanded storage space. Beyond this need, long-term improvements anticipated by the Chief of Police include an expansion of the existing building to add 714 square feet above the existing mechanical room. Another future building addition is envisioned that would comprise a 48' x 40' addition (1,920 square feet) on the south side of the existing facility to accommodate additional storage and office space and a larger training room. If implemented, these future additions would comprise the expansion of the existing facility by 3,978 square feet which would bring total space within the facility to 15,279 square feet. While no specific service base has been estimated by the Police Department for a facility of this size, a future service population estimate has been assigned in this analysis for the purpose of proportional impact fee assessment.

Table 8

Police Department Headquarters	Existing	Storage / Garage	Office Space Expansion	Total For Expanded Facility
Year Built	1998	As Proposed in 2007	Future Additions	With Full Expansion
Floor Area (Sq. Ft.)				
Non-garage space (1)	10,239		2,634	12,873
Garage space	624	1,344		1,968
Sally port	438			438
Total Facility	11,301	1,344	2,634	15,279
Cost Per Sq. Ft. Comparable Facility		1998 Cost PSF	Index to 2008	2008 Cost/S.F. Estimated
		\$115	1.71	\$197
(Estimated Using RS Means 1997 and 2008 Square Foot Costs)				
2008 Estimated Development Cost Excluding Land Acquisition				\$3,004,542
Allowance for Value of Radio Base Stations, Dispatch, Towers, etc. (excludes equipment funded by grant)				\$154,353
Town Cost for Land	Original Town Cost Per Acre in 1994 (2)	2008 Adjusted Per Acre Raw Land	Acres Allocated to PD	Raw Land Cost
Raw Land Acquisition Cost (2)	\$6,692	\$20,076	2	\$40,153
Total Replacement/Development Cost 2008 Dollars				\$3,199,048
Overall facility investment per square foot				\$209

(1) Anticipated additions include 714 s.f. over mechanical room and 48'x40' addition (1,920 s.f.)
(2) The Town acquired the Fellows Road land for multiple purposes in 1994. The Town's cost was \$350,000 for 52.3 gross acres in 1994. It is assumed that comparable value in 2008 is three times the value as of 1994 based on indexed median home prices.

As shown in Table 8 above, the existing facility cost \$115 per square foot in 1998. Indexed to the year 2008 based on RS Means Square Foot Cost data, today's comparable development cost for similar space is estimated at \$197 per square foot. If this cost per square foot is applied to the floor area of a fully expanded Police Department facility of 15,279 square feet, its estimated replacement cost is about \$3 million. A proportionate allowance for land acquisition costs has been included within the capital basis of the fee. This reflects a portion of the Town's original acquisition cost per acre for the Fellows Road land in 1994, updated to 2008 based on estimated appreciation in real estate value.²

Table 9

Capital Equipment at Station	Acquisition Date (1)	Original Cost	Est. Replacement Cost 2008 (2)
Radio base stations (utility-4)	January-84	\$45,000	\$98,951
Radio base stations (tower)	July-94	\$12,000	\$20,084
Radio base stations (tower)	July-94	\$12,000	\$20,084
Tele/radio recorder (dispatch)	January-00	\$10,894	\$15,234
Total excluding grant supported equipment		\$79,894	\$154,353

Source of original acquisition and cost: Windham Finance Director

(1) Month and year known; mid-month purchase assumed

(2) Estimated as of Jan 1, 2008 assuming avg. increase in cost is 5% per year.

Additional capital equipment installed at the site includes radio base stations, dispatch towers, and related communications equipment. Based on the equipment values in Table 9 above (which excludes those provided by grant funds), the estimated 2008 value of installed equipment is added to the capital basis of an expanded facility. Together, the capital investment in the Police Department headquarters as fully expanded is estimated to have a 2008 dollar value of approximately \$3.2 million or an overall capital investment of about \$209 per square foot. This cost basis has been used in the impact fee computation to estimate total capital investment for Police Department facilities.

Table 10 illustrates the basis for an additional capital equipment allowance for Police Department vehicles. As the Police Department expands in the future, it is reasonable to expect that additional equipment and vehicles will be required for an increased force size. The cost of listed equipment and vehicles is based on Police Department estimates of current replacement costs. There are a total of 15 major vehicles with a capital value of just over \$365,000 (an average of \$19,179 per sworn employee). This dollar amount has been used to project future capital investments in major vehicles and equipment for the department as the force grows in the future.

Table 10

POLICE DEPARTMENT MAJOR VEHICLES			
Capital Item	Number	Est. Replacement Cost	
Marked Patrol Vehicles	8	\$247,000	
Unmarked Vehicles	4	\$88,000	
Marked Police Motorcycle	1	\$16,600	Average Vehicle Cost Per Sworn Employee
Unmarked ATV	1	\$4,500	
Speed Enforcement Trailer	1	\$8,299	
Total Major Vehicles	15	\$364,399	\$19,179

Source: Windham Police Department

² According to New Hampshire Housing Finance Authority purchase price data, the median sales price of non-condominium housing units in Windham tripled from 1994 (\$157,000) through the first three quarters of 2007 (\$465,000). A multiplier of three has been used to estimate the comparable 2008 value of the Town's land investment per acre.

4. Impact Fee Calculation for Police Department

Windham's Master Plans for both 2000 and 2005 indicated that the Police Department facility should be adequate for the Town's needs through the year 2017. This assumption seems to have been carried forward from the original planning for the facility which in 1997 assumed it would serve the Town's needs for about 20 years. However, this assumption reflects a measure of time rather than growth or a specific service population. Population projections available at the time of facility planning (1997) indicated a 2015 population of about 13,500 and an interpolated 2017 population of about 14,000. The most recent estimates by the NH Office of Energy and Planning estimate a 2006 population in Windham of 12,591; as of 2008, we estimate that the Town population may be somewhat greater.

According to interviews with the current Chief of Police, the current facility is in imminent need of expansion and improvement. While the building has about 595 gross square feet of space per full time officer, the Chief notes a number of floor plan inefficiencies that reduce the amount of actual usable space per person than might be typical for a new facility of modern design. For the purpose of impact fee assessment, the model assumes that the current facility is adequate only to base year demands (as of 2006 population estimates). In order to define a service capacity and cost allocation basis for an expanded Police Department facility serving estimated long term needs, the following assumptions have been made:

1. The number of sworn personnel per 1,000 residents in the Police Department as of 2006 was 1.51. This ratio is assumed to continue into the future.
2. The floor area needs of the department may reasonably be defined by the ratio of existing facility space to the number of sworn personnel; with an estimated floor area of 11,300 square feet, a gross area of 595 square feet is assigned per sworn employee.
3. Carrying these ratios forward and applying them to an expanded police station of 15,279 square feet (which includes the expansions anticipated by the Chief of Police) indicates that an expanded facility would support at least 26 sworn personnel and a population of just over 17,000. This population is higher than the NH Office of Energy and Planning year 2030 projected population (15,070) but lower than the linear projection based on historic Census data (18,400). This figure is also at the same order of magnitude as the range of potential build out estimates earlier prepared by the Town in its Master Plan process.
4. The future nonresidential demand base is estimated in the model by projecting the portion of the population in the labor force. Private sector employment is projected to represent 40% of the resident labor force (consistent with 2005 Master Plan goals for economic development). Additional employment is estimated in the model for the government sector (Town, School District, State, and Federal jobs). The total amount of gross living area in non-residential uses in Windham as of 2006 was computed at 421 square feet per local job based on tax assessment data and employment estimates from NH Employment Security's Labor Market Information Bureau. For long term projections, a ratio of 500 square feet of nonresidential floor area per local employee is assumed.
5. Using these assumptions and the model in Table 11, Police Department capital costs are then allocated between existing and new development, and between residential and non-residential sectors based on the prior estimates of proportionate service demand at 77% residential and 23% non-residential.

Table 11 – Impact Fee Model - Police Department

POLICE DEPARTMENT IMPACT FEE - WINDHAM, NH - 2007				
Service Demand Factor	Base Year (2006-07 Est)	Supportable Service Base With Building Expansion @ Future Population	Change from Base Year	
RESIDENTIAL SECTOR				
Population (Residential Demand)				
Total Persons	12,591	17,012	4,421	
Group Quarters Population	135	182	47	
Household Population	12,456	16,830	4,374	
Labor Force Population	7,234	9,774	2,540	
Total Housing Units	4,821	6,669	1,848	
Households (Occupied Units)	4,345	6,011	1,666	
Average Household Size	2.87	2.80	-0.07	
NON-RESIDENTIAL SECTOR				
Private Sector Covered Employment	2,705	3,910	1,205	
As percent of local labor force population	37.4%	40.0%		
Employment (Total Including Government)	3,074	4,443	1,369	
Non-Residential Floor Area Total	1,295,425	2,221,485	926,060	
Non-Residential Uses: Floor Area Per Employee	421	500		
Police Department Staffing				
Sworn Personnel	19.0	25.7	<i>Assumes constant ratio of officers per 1000 population</i>	
Sworn Persons per 1000 Population	1.51	1.51		
Floor Area of Facilities		Existing	With Future Expansion	Change from Base Year
Floor Area of PD Buildings (Sq. Ft.)	11,301	15,279	3,978	
Floor Area Per Sworn Personnel (Sq. Ft.)	595	595		
Capacity of Building (Sworn Personnel)	19.0	25.7	6.7	
Supportable Population at Floor Area Ratio	12,591	17,012	4,421	
Demand on Capital Facilities				
Building Costs for Police Department HQ	Existing Demand	Total Supported by Expanded Facilities	Portion Allocated to New Development	
Facility Development Cost Per Sq. Ft. 2008	\$209	\$209		
Attributed Building Costs - Police Department	\$2,361,831	\$3,193,233	\$831,402	
Other Capital Facilities of Department				
Existing Investment Per No. Sworn Personnel	\$19,179			
Total Capital Investment Required in Equipment	\$364,401	\$492,676	\$128,275	
Total Capital Facility Investment - Police Dept.	\$2,726,232	\$3,685,909	\$959,677	
Public Safety Demand By Sector				
Residential Share of Demand (average of selected factors)			77%	
Non-Residential Share of Demand			23%	
Cost Attributable to New Residential Development			\$738,951	
Cost Attributable to New Non-Residential Development			\$220,726	
Residential Cost Per Capita			\$168.95	
Non-Residential Cost Per Sq. Ft.			\$0.238	
PUBLIC SAFETY FACILITY COSTS PER UNIT OF NEW DEVELOPMENT - POLICE DEPARTMENT				
Residential Capital Cost Per Dwelling Unit		Persons Per Dwelling Unit *	Capital Cost Per Unit	
Single Family Detached		3.04	\$514	
Single Family Attached (Townhouse)		2.17	\$367	
Duplex & 2-Unit		2.47	\$417	
Multifamily 3+ Units		1.87	\$316	
Manufactured Housing		2.16	\$365	
Non-Residential Capital Cost Per Sq. Ft.				
Average Cost Per Sq. Ft. - all Non-Residential			\$0.24	

* For single family detached and attached, persons per occupied unit represents actual average in Windham based on 2000 Census sample data. Average for other units based on average for Rockingham County, excluding Portsmouth.

The model in Table 11 incorporates projections of housing units, households, labor force and employment associated with a future service population of about 17,000. Based on these projections, total private sector covered employment would total 3,910 in the projection year, representing an increase of over 1,200 jobs for the period projected. With an allowance for government employment, which includes employment in local, federal, and state government within the Town, total employment in the future year is estimated at 4,443 persons. This employment level is consistent with the range of linear projections of future employment prepared earlier in this report. At 500 square feet per local employee, total nonresidential floor area in the Town is projected at 2.22 million square feet (net gain of over 926,000 square feet from the 2007 base year). At historic rates of growth in Windham (1990s to early 2007), this amount of floor area might require a period of 25 years or more to be absorbed.

The center section of the Table 11 fee model shows how the capital investment estimates developed earlier are distributed between existing and future development and between residential and nonresidential sectors. The portion of capital facility investment in the Police Department assigned to new development is approximately \$960,000. Based on the factors of call volume, assessed valuation, and employment to population ratios, the current demand on Police Department services has been utilized to project future demands on growth at a ratio of 77% residential and 23% nonresidential. The costs attributable to new residential development are then apportioned to future population on a per capita basis and to future nonresidential development on a per square foot basis.

The resulting estimates indicate an average impact fee of \$169 per capita for residential development and about \$0.24 per sq. ft. for nonresidential development. For the residential sector, the per capita cost is multiplied by the estimated number of persons per occupied dwelling unit to arrive at a capital cost or impact fee per dwelling unit. In the nonresidential sector, no differentiation is made by type of nonresidential use, as there was no detailed information to indicate the relative frequency of Police Department service demands by subcategories. Therefore, a uniform fee per square foot has been assigned to all nonresidential uses.

Since the model assumes that the existing facility is sufficient to support existing needs, no credit allowances have been assigned for spatial deficiencies in the floor area of the existing facility. This does not mean that there are not other improvements, upgrades, or repairs that the Police Department may wish to make in the existing facility based on the condition of the facility or inefficiencies in its layout.

5. Recommended Use of Impact Fee Funds

It is recommended that Police Department impact fees be used for building expansion and not applied solely to renovation of existing space. It is likely that a combination of property tax funds and impact fees will be needed to implement all of the improvements and expansions that may be required at the Police Department headquarters. Some impact fee income may also be allocated toward the acquisition of additional vehicles needed to support a larger force size.

Impact fees may be used to offset the cost of debt service or to recoup investments already made in anticipation of growth. Therefore, the impact fees and interest on the account may be used to either reduce the overall cost of building construction at the front end, or to help pay debt service over time and reduce the property tax impact of such an expansion on existing taxpayers.

E. FIRE DEPARTMENT IMPACT FEE

1. Fire Department Personnel

The Windham Fire Department currently employs 19 full-time firefighter/paramedic/EMTs including a Chief, Assistant Chief, Deputy Chief of Fire Prevention, 3 lieutenant/EMTs, one lieutenant/paramedic, 6 firefighter/paramedics, and 10 firefighter/EMTs. The full-time crew is complemented by a call force of nine. The decision to build an anticipated department substation will involve increased staffing costs which cannot be recovered as part of an impact fee. The impact fee must be computed on the basis of the cost of capital facilities reasonably associated with the needs created by new development.

2. Fire Department Calls for Service

One of the first steps in determining allocation factors for Fire Department capital costs was to estimate the number of calls for service by land use. The data in Tables 12 and 13 show the results of the analysis of call for service data. Fire Department response data was researched by the Department for selected addresses provided by the Consultant. These locations represented the principal sites of nearly all significant commercial development in Windham, governmental buildings, assisted living, nursing homes, and age-restricted condominiums. The Fire Department searched its records of calls by individual addresses for these selected locations to determine the number of Fire and EMS calls for the period January 2005 through November 8, 2007 (a 34.2 month period). These calls were specifically associated with a particular land use at a specific address.

Table 12
WINDHAM, NH FIRE DEPARTMENT CALLS - ESTIMATED BREAKDOWN BY LAND USE

Development Sector	Fire Calls Jan 2005 through 11/08/07	EMS Calls Jan 2005 through 11/08/07	Total Calls Jan 2005 through 11/08/07	Total Calls Annual Average for Period	% of Fire Calls by Land Use	% of EMS Calls by Land Use	% of Total Calls by Land Use	Residential Units (1)	Floor Area of Buildings (GLA)
General Residential Uses Except Senior Living (Estimated)	1,210	1,920	3,130	1,097	81.6%	73.4%	76.4%	4,797	10,616,163
Senior Living									
Age-Restricted Condos 55+	13	74	87	31	0.9%	2.8%	2.1%	208	324,870
Apartments for Elderly 62+ (1 site)	10	20	30	11	0.7%	0.8%	0.7%	24	19,668
Assisted Living (2 sites)	8	200	208	73	0.5%	7.6%	5.1%	89	61,060
Nursing Home (1 site)	14	98	112	39	0.9%	3.7%	2.7%	28	19,630
Total Senior Living	45	392	437	153	3.0%	15.0%	10.7%	349	425,228
Commercial and Other Uses									
Retail & Lodging	84	135	219	77	5.7%	5.2%	5.3%		326,672
Office	36	70	106	37	2.4%	2.7%	2.6%		174,920
Services, Gen. Commercial, Rec.	19	31	50	18	1.3%	1.2%	1.2%		103,823
Industrial & Warehouse	27	17	44	15	1.8%	0.6%	1.1%		426,291
Institutional & Government	62	51	113	40	4.2%	1.9%	2.8%		165,129
Total Non-Residential	228	304	532	187	15.4%	11.6%	13.0%		1,196,835
Total All Uses (Estimated)	1,483	2,616	4,099	1,437	100.0%	100.0%	100.0%	5,146	12,238,226
Annual Average Based on 34.2 mos.	520	917	1,437						

Source: BCM Planning and Windham Fire Department

(1) For assisted living and nursing home units a bed is counted as a unit in this table

The remainder of calls not found in the selected properties was assumed by the Consultant to be of general residential origin. Using the tax base data file on developed property, the Consultant was able to associate the number of Fire/EMS responses with the floor area or number of dwelling units for the select sub-categories (with the balance assumed to be related to other general residential uses).

The summary data indicate that for fire-related calls, about 82% were to residential property, 3% to a senior living site, and 15% originated at commercial, institutional, and government uses.

For EMS or ambulance calls by land use, about 73% of activity was estimated to be associated with general residential uses, 15% with senior living, and 12% with commercial, institutional, and government uses.

Of the combined calls for Fire and EMS services about 76% were associated with general residential uses, 11% with senior living sites, and 13% from commercial, institutional, and government uses. Table 13 converts the data shown in Table 12 into an annualized tabulation of call rates per unit and per 1000 square feet to illustrate the relative frequency of responses.

Table 13
WINDHAM NH FIRE DEPARTMENT - ESTIMATED CALL RATE BY LAND USE

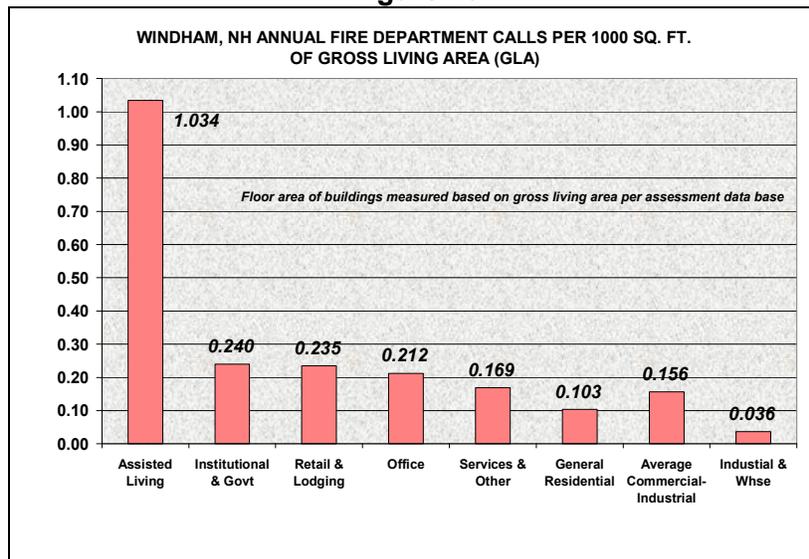
Development Sector	Fire Calls Jan 2005 through 11/08/07	EMS Calls Jan 2005 through 11/08/07	Total Calls Jan 2005 through 11/08/07	Total Calls Annual Average for Period	Total Calls Per Res Unit or Bed Per Year	Total Calls Per 1000 Sq. Ft. GLA Per Year	EMS Calls Per Res Unit Or Bed Per Year	EMS Calls per 1000 Sq. Ft. GLA Per Yr
General Residential Uses Except Senior Living (Estimated)	1,210	1,920	3,130	1,097	0.229	0.103	0.140	0.063
Senior Living								
Age-Restricted Condos 55+	13	74	87	31	0.147	0.094	0.125	0.080
Apartments for Elderly 62+ (1 site)	10	20	30	11	0.438	0.535	0.292	0.357
Assisted Living (2 sites)	8	200	208	73	0.819	1.194	0.788	1.148
Nursing Home (1 site)	14	98	112	39	1.403	2.001	1.227	1.750
Total Senior Living	45	392	437	153	0.439	0.360	0.394	0.323
Non-Residential Uses								
Retail & Lodging	84	135	219	77	n.a.	0.235	n.a.	0.145
Office	36	70	106	37	n.a.	0.212	n.a.	0.140
Services, Gen. Commercial, Rec.	19	31	50	18	n.a.	0.169	n.a.	0.105
Industrial & Warehouse	27	17	44	15	n.a.	0.036	n.a.	0.014
Institutional & Government	62	51	113	40	n.a.	0.240	n.a.	0.108
Total Non-Residential	228	304	532	187	n.a.	0.156	n.a.	0.089
Total All Uses (Estimated)	1,483	2,616	4,099	1,437	n.a.	0.117	n.a.	0.075
Annual Average Based on 34.2 mos.	520	917	1,437					

Source: BCM Planning and Windham Fire Department

(1) For assisted living and nursing home units a bed is counted as a unit in this table

The call rates are shown for residences and for senior living arrangements as a ratio per dwelling unit (or per-bed for the nursing home). Calls for all sectors are also shown per thousand square feet based on the gross living area of developed property. Figure 10 is a comparison of the call rates per 1,000 sq. ft. of major land use sectors. The call rate for assisted living is far higher than other residential and nonresidential uses with the exception of nursing homes (see Figure 11 for senior living arrangements).

Figure 10



The overall rate for commercial and industrial categories (excluding assisted living) was 0.156 calls per 1,000 sq. ft. Somewhat higher call rates per 1,000 square feet are found in institutional, government, retail, lodging and offices uses (0.21 to 0.24 responses per 1,000 sq. ft.) Calls to other service business and commercial uses averaged 0.17 per 1,000 sq. ft. Industrial and warehouse uses (comprising manufacturing, warehouse, and storages facilities) had the lowest ratio at 0.036 responses per 1,000 sq. ft. General residential uses, excluding age-restricted living arrangements, averaged about 0.10 responses per 1,000 sq. ft. All of these are shown on an average annual basis.

Figure 11



A comparison of the calls per 1,000 square feet associated with various senior living arrangements is shown in Figure 11 above. Residential facilities with support services (nursing homes and assisted living) are associated with high call rates because of the demand for EMS from a frail population. The number of calls from an apartment development for the elderly in Windham indicates a call rate that is about half that of assisted living on a per square foot basis. Based on the calls associated with age-restricted condos (age 55+), however, the Town's experience to date indicates a call rate per 1,000 square feet that is not significantly different from the rate estimated for other residential uses in general. These differences suggest that call rates are likely to increase as a function of the average age of residents in various types of housing and facilities serving older residents.

As in the Police Department impact fee calculation, it is recognized here that Fire Department services involve more than direct responses to emergencies and other calls for service. Other functions include fire prevention and education, inspection of buildings, and general emergency preparedness that is required regardless of the anticipated frequency of calls. Therefore, proportionate demand by sector has been assigned using the weighted average of Fire/EMS calls (weighted x 2); proportionate assessed valuation, and household population versus employment. The factors derived by this method result in an allocation of costs at 82% of demand from the residential sector and 18% from commercial and assisted living/nursing home uses. (See Table 14).

Table 14

FIRE DEPARTMENT SERVICES (INCLUDING EMS): PROPORTIONAL DEMAND FACTORS				
Land Use Sector	Fire and EMS Calls By Land Use 2006 and 2007 Through Sept	2006 Household Population vs. Local Employment	Assessed Valuation of Developed Property	Weighted Average of Factors (Calls Weighted x 2)
Residential Uses	79%	80%	89%	82%
Commercial, Institutional and Assisted Living Uses	21%	20%	11%	18%

The relative call rates by land use are used later in the model to assign different impact fee amounts to various types of land use based on their relative call demand on the Fire Department.

3. Fire Department Buildings

The Windham Fire Department operates out of a single central facility on Fellows Road which supports both fire and emergency medical services (ambulance). The Town has undertaken studies using GIS technology to evaluate possible locations for a Fire Department substation that will enable acceptable response times in the increasingly congested eastern part of Town.

In a memo of September 12, 2001 the Windham Fire Department cited the need for a Fire Department substation, possibly including a small space for a Police Department presence, to provide adequate and timely emergency and fire response to all residents and businesses in the community. The memo noted that the current station location on Route 111 was unable to provide adequate response times to certain portions of town in the Goodhue/Longmeadow Road (ten minute response for an ambulance and over twelve minutes for fire engine response from the current Fellows Road location). These timeframes exceed the desired national response goals of four to six minutes for an ambulance and five to eight minutes for an engine. The memo anticipated a significant increase in response needs in all areas of Route 28 for emergency apparatus. At the time, the Fire Department indicated that nearly any station location along the Route 28 corridor would enhance response times.

A memo from Fire Department dated February 2002 to the Town cited an average response time of 4.75 minutes, but indicated that the areas on Route 28 and its side roads had response times of eight to ten minutes. The memo indicates that the areas east of I-93 served by the Route 28 corridor comprises the single largest area for future development in Windham and that significant unrestricted development of the area without the consideration of additional fire and EMS facility there would make it difficult for the Town to support new development.

Because of existing traffic congestion and anticipated future growth, the Fire Department is planning for a substation capable of achieving desired response times townwide, especially to the growing area east of I-93. Based on interviews with the Fire Chief, the current planning for a substation is oriented toward the development of a station similar to that recently constructed by Londonderry as its new (2006) South Station. That facility is approximately 7,000 sq. ft. in size.

A new substation is anticipated to be developed in 2011 to 2012 that would feature a new communication center serving the entire Department. The new building will include sleeping quarters and space for staffing and administration. Some federal funding may be possible if the new station also serves as an emergency management center under FEMA regulations. It is

likely that the new facility would initially contain at least one engine and one ambulance for initial apparatus deployed to this site. These pieces of equipment will probably be re-assigned from their current location at the Fellows Road station. As of November 2007, no specific additional pieces of apparatus were anticipated, although additional equipment could be accommodated once a second fire station is completed.

The central Fire Station off Route 111 (Fellows Road) was built in 2000 and has a floor area of 16,000 square feet inclusive of garage bays. The original development cost in 2000 was \$123 per square foot. Adjusting this cost using R. S. Means prototype costs per square foot for a comparably sized fire station in 2008, indicates that a comparable facility built today would probably cost 50% more than it did in 2000. The adjusted development cost in today's dollars is estimated at \$185 per square foot. A prorated share of the land acquisition cost for the central station site (part of the Fellows Road parcel acquired in 1994) updated to 2008, has been added to the capital basis of the existing facility.

A future substation is still in the planning stages, but if the scale of the facility is similar to the substation constructed in Londonderry, a reasonable anticipated size would be 7,000 sq. ft. This would bring total Fire Department facility space of 23,000 sq. ft. with the anticipated expansion.

Table 15

Fire Department Buildings	Existing	Future Expansion (Substation)	Total For Future Service Base
Year Built	2000	Unknown	
Floor Area (Sq. Ft.)	16,000	7,000	23,000
Original Development Cost	\$1,973,000		
Cost Per Sq. Ft.	\$123.00		
RSM Adjustment 2000-2008	1.50	(Assume same cost/s.f. for substation)	
2008 Equivalent Per Sq. Ft.	\$185	\$185	
Replacement/Development Cost 2008 Estimate	\$2,960,000	\$1,295,000	\$4,255,000
Estimated Land Acquisition Cost (2, 3)	\$46,778	\$300,000	\$346,778
Total 2008 Value of Building Investment	\$3,006,778	\$1,595,000	\$4,601,778
Average 2008 Facility Investment Per Square Ft. For Expanded Facilities			\$200

(1) Anticipated substation comparable to Londonderry's new (2006) South Station

(2) Town acquired existing site as part of purchase of 52.3 acres for \$350,000 in 1994. Est. adjusted cost for raw land in 2008 estimated at three times original cost per gross acre = \$20,076 @ 2.33 acre site = \$46,788.

(3) Assumes 3 acres @ \$100,000 per acre for substation site (estimated commercial land value/acre on small parcel).

In Londonderry, the comprehensive cost of the development of its South Station (7,060 square feet) including architecture and engineering, site work, land acquisition, and construction and furnishings totaled over \$2.8 million or nearly \$400 per square foot overall. Building construction alone (without A & E and without site work) averaged \$263 per square foot (completed in the winter of 2006).

Because of the exact nature of the future substation is unknown, for the purpose of impact fee assessment we will initially assume a conservative average of \$185 per square foot (the same 2008 replacement cost per square foot ascribed to the existing central station). In Windham, a new site will be needed to support the substation facility. In Table 15, a land acquisition cost is assigned assuming a need for at least 3 acres of land at \$100,000 per acre.

The blended average capital investment in existing and anticipated Fire Department buildings, based on the assumptions in Table 15, is estimated at \$200 per square foot in 2008 dollars. These values should be updated periodically so that any impact fee based on the building cost assumptions reflects actual costs (or estimated replacement cost) adjusted to the current year.

4. Capital Investment in Apparatus and Major Capital Equipment

The major capital assets of the Fire Department are listed in Table 16. Fire Department apparatus is essential to services and the function of the buildings is to house and adequately distribute equipment and personnel within the Town to achieve adequate response rates and coverage. To maintain adequate services throughout town, major capital equipment is regularly replaced and improved over time. Therefore, the Town's capital investment in apparatus will serve both existing and new development.

For most of the equipment, Table 16 assumes a 5% annual escalation in acquisition costs from the original acquisition date as the current replacement cost of capital equipment. For two major pieces of equipment, the Fire Chief provided more specific replacement cost estimates. The total current replacement cost of capital equipment is estimated in Table 16 at \$3.4 million. For the impact fee analysis, this cost will be distributed across all development using the estimated long-term growth assumptions of the impact fee model for the Fire Department in Table 17.

Table 16

FIRE DEPARTMENT MAJOR CAPITAL ASSETS			
Asset Description	Original Acquisition Date (1) Existing Equipment	Original Cost of Purchase - Existing Equipment	Estimated 2008 Replacement Cost (2)
1981 Spartan Ladder Truck	Apr-01	\$25,000	\$800,000
1994 E1 Pumper w/generator	Jul-94	\$141,000	\$235,992
1994 Horton Ambulance	Jul-04	\$70,000	\$82,130
1992 Engine/Pumper w/ generator	Jul-92	\$272,400	\$483,156
1997 Horton Ambulance	Jul-97	\$100,000	\$152,356
1998 Ford Expedition	Jul-98	\$28,000	\$41,260
1999 Ford F350 Pickup	Jul-99	\$29,000	\$41,283
2001 Ford Expedition	Jul-01	\$27,665	\$36,666
2002 Horton Ambulance	Jul-02	\$131,063	\$166,899
2001 Ford Crown Victoria	Jul-04	\$17,258	\$20,249
2006 KME Fire Engine/Pumper	Oct-05	\$380,000	\$480,000
2006 KME 3000 Gallon Tanker	Oct-05	\$277,550	\$308,271
2006 Ford F550 Forestry Truck	Oct-05	\$85,500	\$94,964
2006 Horton Ambulance	Dec-06	\$137,570	\$144,769
Watercraft Boat	Jul-90	\$8,000	\$14,991
1998 Sailfish Boat	Jul-96	\$7,500	\$11,802
2001 Hallmark EM Trailer	Jul-01	\$5,100	\$6,749
15,000 lb Vehicle Lift	Jul-04	\$10,390	\$12,190
SCBA Compressor	Jul-01	\$30,065	\$39,789
SCBA Gear (22 sets)	Nov-03	\$119,070	\$143,667
Lifepak 12's (2)	Jul-02	\$29,975	\$38,171
Commercial Clothes Washer	Jan-00	\$11,500	\$16,081
Thermal Imager Camera	Jul-99	\$21,500	\$30,607
2 Thermal Imager Cameras	Jan-04	\$24,000	\$28,757
Rescue Tool	Feb-05	\$7,000	\$8,007
Total Fire Department		\$1,996,106	\$3,438,806

Source of original acquisition data: Windham Finance Director

(1) Assumes mid-month acquisition date.

(2) Specific replacement costs provided by Fire Chief for ladder truck and 2006 KME fire engine/pumper. Others based on 5% average annual increase in cost from original acquisition date.

5. Calculation of Fire Department Impact Fee

Table 17 contains an impact fee model for the Fire Department. The assumed future population reflected in the Fire Department model represents a build-out scenario at a population of 18,100 persons (this is a higher service base than was used for the Police Department assumptions). This population figure is somewhat below the population projected using linear trends from 1990 to 2005, but is reasonably consistent with the long-term build-out scenarios discussed earlier.

The existing fire station and accessory structure total 16,000 square feet, or about 1.27 square feet per capita. With proposed expansions including the addition of a second station of about 7,000 square feet, a total of 23,000 square feet would be available to serve long term needs. Assuming a constant ratio of fire station space per 1000 persons, existing and planned facilities would serve a population of 18,100. This population projection is at the upper end of projected build out scenarios for the Town, but should tend to produce a conservative impact fee relative to the actual investment that may be required to serve long term growth needs.

Costs for the Fire Department are allocated between the residential and nonresidential sectors and to existing versus new development. Thus, impact fees paid by new development would be based on a proportionate share of the overall capital investment needs of the Fire Department in based on the value of capital facilities serving projected build-out conditions. In order to distinguish between existing and future needs, we have attributed a long-term ratio of total Fire Department station space at 1.27 square feet per capita. This is based on the assumption that total facility space of 23,000 square feet in a 2-station configuration will adequately serve a build out scenario with a resident population of 18,100.

At the same ratio of 1.27 square feet per capita, the current fire station floor area should be capable of supporting a population of just over 13,000. This is a somewhat lower population than indicated by the Master Plan assessment that the central fire station (as of 2005) should be capable of supporting the Town's needs through 2020 (with a projected population of 14,090 from NH Office of Energy & Planning forecasts). It is recognized that the department's needs are growing, and that response times are already inadequate in some parts of Town, requiring the creation of another station that can help achieve more uniform response times.

In the prior section, we estimated an overall building investment averaging \$200 per square foot for Fire Department facilities. Building costs have been allocated between existing and future development using the assumptions shown in the spreadsheet model in Table 17. Proportionate costs of capital equipment have also been assigned to existing and future development based on the same development assumptions about future buildout population and floor area of non-residential buildings.

Table 17 – Fire Department Impact Fee Model

FIRE DEPARTMENT IMPACT FEE - WINDHAM, NH - 2007			
Service Demand Factor	Base Year (2006)	Service Population - Expanded Facilities	Change from Base Year
RESIDENTIAL SECTOR			
Population (Residential Demand)			
Total Persons	12,591	18,100	5,509
Group Quarters Population	135	194	59
Household Population	12,456	17,906	5,450
Labor Force Population	7,234	10,399	3,165
Total Housing Units	4,821	7,095	2,274
Households	4,345	6,395	2,050
Average Household Size	2.87	2.80	-0.07
NON-RESIDENTIAL SECTOR			
Private Sector Covered Employment	2,705	4,160	1,455
As percent of local labor force population	37.4%	40.0%	
Employment (Total Including Government)	3,074	4,727	1,653
Non-Residential Floor Area Total	1,295,425	2,363,486	1,068,061
Non-Residential Uses: Floor Area Per Employee	421	500	
Floor Area of Facilities	Existing	With Planned Expansion	Change from Base Year
Floor Area of Fire Stations (Existing) Sq. Ft.	16,000	23,000	7,000
Station Space Required Per Capita	1.27	1.27	
Population Supportable by Facilities	12,591	18,100	5,509
Demand on Capital Facilities			
Building Costs for Fire Stations	Existing Demand	Total Supported by Expanded Facilities	Portion Allocated to New Development
Facility Development Cost Per Sq. Ft. 2008	\$200	\$200	
Attributed Building Costs - Fire Department	\$3,200,000	\$4,600,000	\$1,400,000
Other Capital Facilities of Department			
Capital Investment Major Apparatus	\$2,392,213	\$3,438,806	\$1,046,593
Total Capital Facility Investment - Fire Dept.	\$5,592,213	\$8,038,806	\$2,446,593
Public Safety Demand By Sector - Fire and EMS			
Residential Share of Demand (average of selected factors)			82%
Non-Residential Share of Demand			18%
Cost Attributable to New Residential Development			\$2,006,206
Cost Attributable to New Non-Residential Development			\$440,387
Residential Cost Per Capita			\$364
Non-Residential Cost Per Sq. Ft.			\$0.41
PUBLIC SAFETY FACILITY COSTS PER UNIT OF NEW DEVELOPMENT - FIRE DEPARTMENT			
General Residential Fees Per Dwelling Unit	Persons Per Dwelling Unit *	Capital Cost Impact Per Unit	
Single Family Detached	3.04	\$1,107	
Single Family Attached (Townhouse)	2.17	\$790	
Duplex & 2-Unit	2.47	\$899	
Multifamily 3+ Units	1.87	\$681	
Manufactured Housing	2.16	\$786	
Other Uses, Per Sq. Ft.	Call Rate Multiplier	Base Per Sq. Ft.	
Assisted Living (Housing for Elderly with Support Services)	5.01	\$2.05	
Apartments for the Elderly (Age 62+)	2.24	\$0.92	
Institutional (non-residential)	1.01	\$0.41	
Retail & Lodging	0.99	\$0.40	
Office	0.89	\$0.37	
Services & General Commercial	0.71	\$0.29	
Industrial & Warehouse	0.15	\$0.06	
Others - Unclassified - Average	1.00	\$0.41	

* For single family detached and attached, persons per occupied unit represents actual average in Windham based on 2000 Census sample data. Average for other units based on average for Rockingham County, excluding Portsmouth.

The total capital investment allocated to new development in the model includes about \$1.4 million in Fire Department buildings and about \$1.04 million in major apparatus costs, for a total capital investment apportioned to new development of \$2.4 million. Based on prior estimates of residential versus nonresidential demand, general residential uses have been assumed to comprise 82% of the demand on facilities, and commercial, institutional, and assisted living uses estimated at 18% of total demand. (These ratios were based on weighted estimates reflecting shares of calls for service for Fire and EMS, the relationship between household population and local employment, and relative assessed valuation).

In the model, the portion of costs allocated to new development is divided by future population growth and projected nonresidential floor area, with about \$2.0 million in capital cost is allocated to residential development and just over \$400,000 to nonresidential uses. These allocations average \$364 per capita for residential growth and \$0.41 per square foot for new nonresidential development based on the growth projections.

As with the Police Department impact fee, the residential impact fee (with the exception of assisted living and apartments for the elderly) is calculated per-capita, and then multiplied by household size by type of housing unit to derive an impact fee per dwelling unit. For commercial, industrial, and other uses including assisted living and apartments for the elderly, a relative call rate multiplier is used to generate an impact fee that is proportionate to the relative demands of these uses on Fire/EMS services. For non-residential uses, an overall average of \$0.41 per square foot is computed as the baseline impact fee for non-residential uses, which is then multiplied by the relative call rate factors for various land uses to assign a proportionate impact fee per square foot for various subcategories of development.

Under this approach, an assisted living facility would pay the highest impact fee per square foot based on its relative demand on the Fire Department per unit of living area based on call data. The lowest rates would be paid by industrial and warehouse uses based on their relatively low demand based on calls for service data. The alternatives to these different fee levels per square foot would include assigning a uniform cost per square foot to all nonresidential uses, or to group the uses into a smaller number of categories and their relative overall call rates.

F. PUBLIC SAFETY IMPACT FEE ASSESSMENT SCHEDULE

The dollar amounts shown in the Fire and Police Department impact fee models are summarized in an impact fee schedule in Table 18 below. For Police Department facilities, the general residential fees per unit vary with average household size, but are uniform per square foot for other uses. In the case of the Fire Department fees, where more detail was available based on call volume for commercial uses, assisted living, and apartments for the elderly, the fees are assigned per square foot in proportion to the relative frequency of calls per 1000 square feet associated within this grouping of land uses.

Table 18

PUBLIC SAFETY IMPACT FEE ASSESSMENT SCHEDULE			
Use Category	Public Safety Impact Fees Per Dwelling Unit		
General Residential Uses	Police	Fire	Total Public Safety
Single Family Detached	\$514	\$1,107	\$1,621
Single Family Att. (Townhouse)	\$367	\$790	\$1,157
Duplex & 2-Unit	\$417	\$899	\$1,316
Multifamily 3+ Units	\$316	\$681	\$997
Manufactured Housing	\$365	\$786	\$1,151
	Public Safety Impact Fees Per Square Foot		
Other Uses Based on Assessment Per Square Foot	Police	Fire	Total Public Safety
Assisted Living Facility	\$0.24	\$2.05	\$2.29
Apartments for the Elderly (Age 62+)	\$0.24	\$0.92	\$1.16
Institutional (non-residential)	\$0.24	\$0.41	\$0.65
Retail & Lodging	\$0.24	\$0.40	\$0.64
Office	\$0.24	\$0.37	\$0.61
Services & General Commercial	\$0.24	\$0.29	\$0.53
Industrial & Warehouse	\$0.24	\$0.06	\$0.30
Others - Unclassified	\$0.24	\$0.41	\$0.65

As shown in Table 18, the total public safety impact fee inclusive of police and fire facilities is \$1,621 per single-family detached unit, and the cost allocated to commercial and industrial uses would range from a low of \$0.30 per square foot for warehouse and industrial uses to \$0.64-\$0.65 per square foot for institutional and retail uses. Assisted living would have the highest rate at \$2.29 per square foot principally because of its high proportionate demand on the Fire Department oriented toward EMS services. Residential apartments for the elderly (age 62 and older) are associated with call rate lower than assisted living, and would be assessed at \$1.16 per square foot. In cases where the use does not fall within one of the general non-residential classifications in the fee schedule, the average assessment of \$0.65 per square foot may be applied.

An alternative means of assessing uses other than general residential development would be to apply a uniform impact fee of \$0.24 per square foot for the Police Department and \$0.41 per square foot for the Fire Department (total of \$0.65 per square foot) for all such uses (based on overall average impacts) rather than to assess the fee at different rates per square foot by category of development for Fire Department capital costs.

In practice a single public safety impact fee may be assessed to new development. However, it is recommended that the fees collected be placed in two separate capital facility amounts: one for Police Department and one for Fire Department facilities. In this way, appropriate capital allocations may be made from the respective impact fee funds to pay for the respective facilities for which they were assessed. Impact fee funds may also be used to offset a portion of the cost of new equipment or improved replacement equipment that enhances the response time or capacity of either department to serve new development.

Both the Police Department and Fire Department impact fee calculations presumes the timely expansion of related facilities and the appropriation of funds for related facility development costs should be initiated within the typical span of a CIP or within 6 years of the date of adoption of the collection of a public safety impact fee.

In the event that impact fees are collected, but no appropriations have been made for capital facility expansion within a six-year period, the Town may need to reexamine the basis of the fee system. It is recommended that the Town conduct a review at least every two or three years (or when actual plans become available for additional space or major capital equipment) to assure that the assumptions of the impact fee system remain reasonable relative to demand estimates, projected growth, future service population and planned capital improvements.

The model for impact fee assessment should reflect, rather than define, capital improvement planning for related facilities and services. The impact fee assessment models are intended to reasonably represent anticipate levels of capital investment needed as the Town absorbs new development. The models should not be used to limit the way in which future capital improvement needs are defined for public safety facilities. However, as these needs and plans change over time, the impact fee assessment should be modified accordingly.