

**METHODOLOGY FOR
CALCULATION OF IMPACT FEES
FOR HOOKSETT PUBLIC SCHOOLS**

Final Report - April 11, 2001

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Prepared for:

Town of Hooksett
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**PUBLIC SCHOOL IMPACT FEES
Town of Hooksett**

I. Authority

New Hampshire RSA 674:21,V authorizes municipalities to assess impact fees to new development for the construction or improvement of capital facilities owned by the municipality, including public school facilities, or the municipality’s proportional share of capital facilities of a cooperative or regional school district of which the municipality is a member.

II. Methodology Approach

Impact fees may be used to recoup the cost of school facilities developed in anticipation of enrollment growth, or can be used to fund future school facility expansion to accommodate enrollment that is generated by new development. The costs of simply upgrading school facilities, where such improvements do not contribute to capacity, are not chargeable as impact fee assessments. This means that capital projects such as re-roofing, general renovations and repairs cannot be paid for with impact fee assessments. In this methodology, the school impact fee is computed as a function of: (1) pupils generated per housing unit; (2) school facility space required per pupil; (3) cost of facility space per square foot; and (4) reasonable credits for property tax payments toward school capacity costs.

III. Inventory of Facilities

Table 1 (following page) is a facility inventory for the grade K to 8 facilities of the Hooksett School District. The table illustrates the overall building area of the permanent school facilities, their capacity and the gross floor area per pupil capacity. When the use of portable (modular) classrooms is excluded from capacity estimates, the October 2000 enrollment represents 128% of capacity at the elementary school level and 143% of capacity at the middle school level. Therefore, new permanent capacity is already needed to accommodate existing pupils in the system. The following are the average floor area requirements per pupil for the District under existing conditions.

Existing Conditions – Permanent Facility Area Per Pupil Capacity

Grade Level	Existing Facilities: Gross Square Feet Per Pupil Capacity
Elementary Grades K – 5	122 Sq. Ft.
High School Grades 6 – 8	114 Sq. Ft.
Total Grades K-8	119 Sq. Ft.

The average gross floor area per pupil as shown differs from the floor area per pupil that is likely to be applicable to the construction of new schools in the future. If implemented, the preferred option for future facility improvements recommended by the School Board would modify the current facility areas per pupil capacity.

Hooksett Public School Impact Fees

TABLE 1
HOOKSETT SCHOOL DISTRICT: INVENTORY OF PERMANENT FACILITIES AND CAPACITY
EXISTING CONDITIONS (FALL 2000)

School Facilities	Yr. Built/Last Expansion	Grades Served	Site Area	Building Area Gross Sq. Ft.	Capacity Estimate (1)	Total Sq Ft Per Pupil Capacity	October 2000 Enrollment (2)	% Of Capacity
Elementary								
Fred C. Underhill School	1957, with major additions in 1966 and 1990	Grade K-3	18.35	53,300	495	108	555	112%
					Total with all K students:		629	
Hooksett Village Elementary School	1935 with major additions in 1951, 1956 and 1968	Grade 4-5	15.23	39,672	270	147	300	111%
Subtotal Elementary		Grades K-5	33.58	92,972	765	122	855	112%
					Total with all K students:		929	
Middle School								
Hooksett Memorial Middle School	1962 with major additions in 1978 and 1986	Grades 6-8	31.25	38,834	340	114	486	143%
Total Grades K-8								
	Existing Facilities:	K-8	64.83	131,806	1,105	119	1,341	121%
					Total with all K students:		1,415	
High School								
Tuitioned to Manchester		9-12	n.a.	No District-Owned Facility	No District-Owned Facility	n.a.	534	n.a.
Total Enrolled in School System		K-12					1,949	

(1) Recommended capacity as provided by Superintendent of Schools. Estimates reflect characteristics of permanent facilities excluding modular classrooms. Recommended capacity is computed at 90% utilization of absolute capacity.

(2) Kindergarten enrollment for 2000 was 149 at the Underhill School; capacity estimates assume students in split A.M. and P.M. sessions. Students present at a given time at Underhill is 555; total with all Kindergarten students is 629

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For the purpose of impact fee assessment in Hooksett, the desired standards for new construction are used in this analysis to estimate both the spatial needs of existing enrollment, and the demands of new housing development and related enrollment growth on school facilities. The cost to replace or construct new facility space for the existing student population cannot be recovered in an impact fee assessment. The impact fee is limited to the cost reasonably attributable to new development based on its enrollment impact on facilities owned and operated by the Hooksett School District.

IV. School Facility Expansion and Construction Plans

A number of options for new facilities or school expansion projects that would include substantial increases in the capacity of permanent facilities have been reviewed by the Hooksett School District. While a specific plan has not yet been approved, the total cost of the options proposed ranges from \$19 million to \$26 million. Tables 2 and 3 are based on the most recent program of proposed improvements and new construction recommended by the School Board (as of March 2001).

TABLE 2: AVERAGE FACILITY AREA PER PUPIL CAPACITY FOLLOWING EXPANSION/IMPROVEMENT PROGRAM

Hooksett School District Facility	Grades Served	Gross Floor Area	Enrollment Capacity	Floor Area Per Pupil Capacity (1)		
Fred C. Underhill School	K-2	53,300	495	108		
Hooksett Village Elementary	Retire	0	n.a.	n.a.		
Memorial Middle School (add about 29,000 sq. ft. and convert to elementary)	3-5	67,760	675	100	Existing Enrollment	Capacity for New Enrollment
Total Elementary	K-5	121,060	1,170	103	929	241
New Middle School	6-8	121,700				
Classrooms		36,000	675	53	486	189
Core/Circulation		85,700	900	95	486	414
Total Middle School	Gross Floor Area Per Pupil Capacity			148		

(1) Core and classroom capacity estimated to be equal for elementary facilities upon completion of renovations and expansion; new middle school will provide core facility area capable of serving 900 pupils; initial classroom capacity estimated at 675. Improvements will allow modulars to be discontinued, and for 430 new pupils in classroom capacity. Core capacity of middle school will establish capacity to accommodate more classroom additions in the future.

With respect to increased capacity, the result of implementing this option would be to increase total K-8 classroom capacity from a current level of 1,105 to 1,845. The total net change in permanent facility space represents an increase in classroom capacity for 740 additional students. In addition, the construction of the new middle school would provide for core facilities for up to 900 pupils, thereby allowing additional classrooms to be supported in the future.

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The planned construction will allow modular classrooms now used by existing pupils to be replaced with space in a permanent structure. Current K-8 enrollment already outstrips the capacity of the permanent facilities of the District by 310 pupils. The cost of improvements to replace or upgrade the quality of school facility space is not attributable to new development. (Total public school enrollment in grades K-8 in Hooksett is 1,415 students as of October 2000; and capacity of permanent facilities is estimated at 1,105). The additional capacity created by the proposed improvement program would provide adequate space to cure existing deficiencies in facility space for 310 pupils already enrolled, while accommodating new enrollment of 430 new pupils, plus reserve core facility space for additional future enrollment growth within the new middle school. A preliminary cost estimate provided by the District for the proposed facility improvement program is illustrated in Table 3 below.

TABLE 3

PROGRAM COST ESTIMATES (INCLUDES RENOVATIONS AND NEW CONSTRUCTION)			
	Cost	Sq. Ft. Added	Cost/Sq. Ft.
K-5 IMPROVEMENTS			
RENOVATE AND IMPROVE EXISTING @ 50%	\$3,156,193		
NEW CONSTRUCTION @ 50% OF TOTAL COST	\$3,156,193	28,920	\$109
ESTIMATED PROJECT COST-CONVERT MEMORIAL	\$6,312,385		
GRADE 6-8 IMPROVEMENTS			
CONSTRUCT NEW MIDDLE SCHOOL	\$15,136,881	121,700	\$124
Estimated Cost of Land Acquisition	\$250,000		
ESTIMATED PROJECT COST-NEW MIDDLE SCHOOL	\$15,386,881	121,700	\$126
TOTAL PROGRAM COST ESTIMATE	\$21,699,266		
SUBTOTAL - COST OF NEW SPACE	\$18,543,074	150,620	\$123

V. Public School Pupils Per Dwelling Unit

A. Change in School-Age Population and Housing Tenure

Rough estimates of expected public school enrollment per housing unit can be derived by comparing the total school aged population (using the age 5 – 17 year old age group as an estimate) to the number of occupied housing units or households. Data for Hooksett is derived from the US Census as illustrated in Table 4 below.

These data indicate the long-term decline in average household size and numbers of school-age children per household through 1990. The Town of Hooksett added more than 800 occupied housing units in both the 1970s and the 1980s. However, there was a decline in the number of school age children per household and actual enrollment per household during the period.

TABLE 4

CHANGE IN HOUSING UNITS AND POPULATION HOOKSETT 1970-1990					
	1970	1980	1990	Change 1970-80	Change 1980-90
Total Population	5,564	7,303	9,002	1,739	1,699
Population Age 5-17	1,461	1,542	1,521	81	-21
Total Resident School Enrollment	1,336	1,291	1,447	-45	156
Total Housing Units	1,673	2,492	3,484	819	992
Occupied Units					
Owner	1,388	1,824	2,551	436	727
Renter	218	587	702	369	115
Total	1,606	2,411	3,253	805	842
Persons Per Occupied Unit	3.46	3.03	2.77		
% of Units Occupied	96.0%	96.7%	93.4%		
% Rental Tenure	13.6%	24.3%	21.6%		
Age 5-17 Per Occupied Unit	0.910	0.640	0.468		
Public Enrollment Per Occ. Unit	0.832	0.535	0.445		

During the 1990-October 2000 period, there has also been substantial housing growth, with about 728 new residential units created in Hooksett, as represented by certificates of occupancy issued for new housing units. Between 1990 and October 2000, total public school enrollment in Hooksett increased from 1,447 pupils to 1,949 representing a net change of just over 500 students in ten years. Based on the 1990 Census and the number of certificates of occupancy issued since 1990, the number of housing units in Hooksett should be about 4,212. If 98% are occupied (current market conditions are strong), then total public school enrollment per occupied unit in Hooksett may be estimated using this method as:

Grades K – 5	0.225
Grades 6 - 8	0.118
Grades 9 –12	<u>0.129</u>
Total K –12	0.472

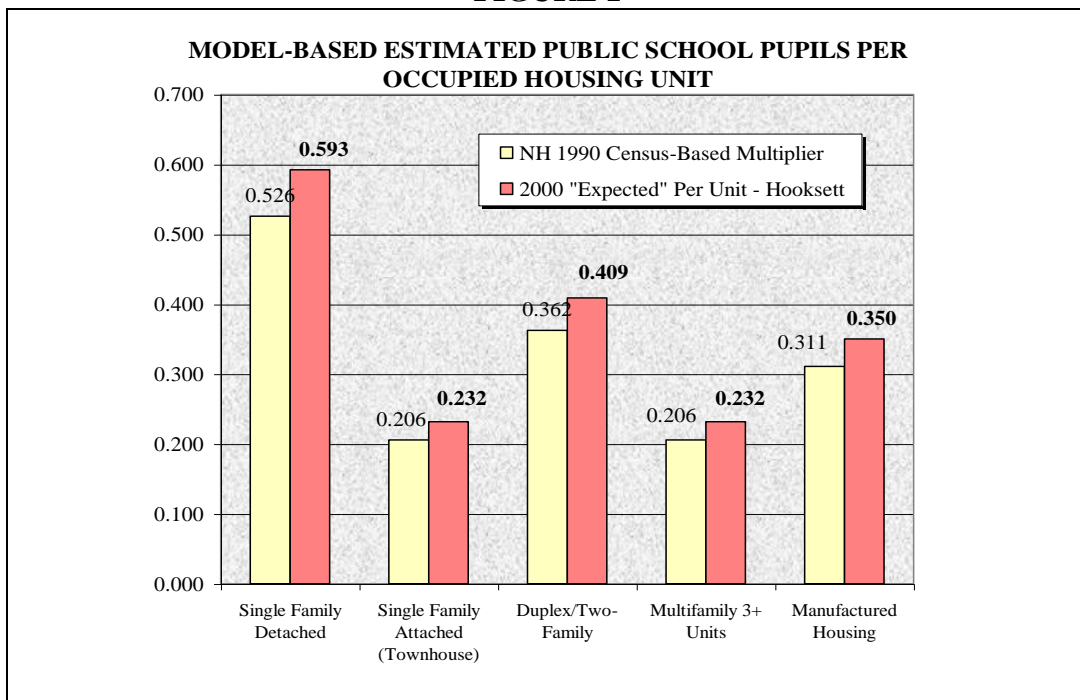
The ratio of total enrollment per occupied housing unit appears to have increased since 1990. In part this is the result of a higher proportion of new development occurring as single-family detached dwellings, and the fact that the average size of new homes has been increasing in Hooksett.

B. Public Enrollment Per Dwelling Unit by Type of Structure

1. Model-Based Estimates Using U. S. Census: “Expected” Multipliers

Impact fees are derived based on the projected number of public school pupils per occupied dwelling unit for various types of construction. Two methods have been utilized here to approximate a reasonable enrollment multiplier by type of construction. The first was to review the 1990 Census Public Use Micro-data Sample (PUMS) for New Hampshire. This approach relied on tabulations developed in 1994 by Bruce C. Mayberry, Planning Consultant using data extracts commissioned from the University of New Hampshire. This source, adjusted to Hooksett characteristics as of 2000, provides a baseline of “expected” enrollment impacts per dwelling unit. (See Figure 1)

FIGURE 1



The “expected” multipliers shown in Figure 1 were generated by multiplying 1990 Census average pupils per occupied dwelling unit (by unit type) to the estimated number of occupied units in Hooksett as of October 2000 (estimated at 4,128 using Census and certificate of occupancy data). The baseline single-family home multipliers reflect the 1990 enrollment ratios for New Hampshire homes built 1985-1990. Average enrollment for all other types of housing reflects the 1990 averages for all existing occupied units.

To estimate year 2000 multipliers for Hooksett, proportional adjustments were made to the baseline multipliers for each unit type and grade grouping until the actual October 2000 enrollment for Hooksett was generated. Fundamentally, this method assumes that the New Hampshire averages by structure type reflect Hooksett characteristics, and that the proportionate enrollment impact of various structure types has remained since 1990. The results produce an “expected” series of enrollment multipliers, shown above in Figure 1 with a comparison to the 1990 NH Census averages. The derivation of these multipliers is illustrated below in Table 5.

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TABLE 5 – “MODEL-BASED” MULTIPLIERS

MODEL-BASED ESTIMATE OF AVERAGE ENROLLMENT PER HOUSING UNIT BY GRADE					
Estimate of Total Occupied Units by Type and Test of Multipliers					
PUBLIC SCHOOL ENROLLMENT MULTIPLIERS (AVERAGE PER HOUSEHOLD) FOR TOWN OF HOOKSETT					
Units In Structure	Hooksett Est. Occupied Units 2000	Estimated Public Enrollment Per Unit By Grade By Units in Structure: Hooksett, N. H.			
		Gr. K-5	Gr. 6-8	Gr. 9-12	Total K-12
Single Family Detached	2,524	0.282	0.148	0.163	0.593
Single Family Att.(Townhouse)	405	0.112	0.058	0.062	0.232
Duplex/Two-Family	241	0.192	0.104	0.113	0.409
Multifamily 3+ Units	626	0.113	0.056	0.062	0.232
Manufactured Housing	332	0.170	0.087	0.093	0.350
Total Occupied Units	4,128	0.225	0.118	0.129	0.472

Test of Multipliers--Enrollment Estimate From Application of Multipliers To Occupied Units			
Gr. K-5	Gr.6-8	Gr. 9-12	Total K-12
710	373	412	1,495
45	24	25	94
46	25	27	99
71	35	39	145
56	29	31	116
Predicted: 929	486	534	1,949
Actual: 929	486	534	1,949

(Resident pupils in Hooksett - October 2000)

HOUSING UNIT COUNT (1990) AND ESTIMATES FOR 2000				
Units in Structure	Hooksett Housing Units in 1990 (U. S. Census)			
	Occupied (1)	Vacant Units	Total	1990 Occ.Rate
Single Family Detached	1,991	52	2,043	97.5%
Single Family Att.(Townhouse)	309	2	311	99.4%
Duplex/Two-Family	224	13	237	94.5%
Multifamily 3+ Units	419	135	554	75.6%
Manufactured Housing	310	29	339	91.4%
Total Occupied Units	3,253	231	3,484	93.4%

Estimate of Occupied Units in 2000			
Cert. Of Occupancy Issued 1990 to Nov. 15, 2000	Total Housing Stock Est. Nov 2000 (2)	Estimated Occupancy Rate	Est. Occupied Fall 2000
532	2,575	98.0%	2,524
102	413	98.0%	405
9	246	98.0%	241
85	639	98.0%	626
0	339	98.0%	332
728	4,212	98.0%	4,128

(1) Total of 44 units (for elderly) deducted from garden apartment total for 1990
 (2) Total stock estimated to include 1990 total plus net unit additions represented by C.O.'s issued through 11/15/00 excluding units for elderly

2. Estimates Using Hooksett Tax Assessment and Pupil Address Data

The model-based enrollment multipliers developed above provide one possible means of assigning proportionate enrollment impacts. However, local data should be substituted where it is more recent, and where it reflects a sufficiently large sample of housing units. In Hooksett, more detailed local data was available that allowed for a more accurate estimate of the cumulative enrollment impacts of housing in Hooksett.

The Assessing Department provided a database of property tax assessment records including the street address of properties and use codes that indicated the structural type of the dwelling unit. For condominium units, the consultant added additional housing classifications to distinguish between townhouse, duplex and garden apartment style condominiums.

The Hooksett School District provided a list of student addresses by school attended. The pupil address data was matched as closely as possible with the addresses included in the assessment files in a single data base, allowing the analysis to associate the number of pupils with the

number of housing units of each type. Because other assessment data are also part of the combined database, the enrollment ratios produced by this method can also be tabulated by the year the housing was constructed, and in most cases by number of bedrooms or living area of the unit.

Specific student addresses were matched to properties for cases representing about 95% of total resident pupil enrollment. Adjustments were made to the enrollment multipliers to compensate for the missing address data. The total unit count upon which the multipliers were calculated was 4,177 housing units (the estimated number of housing units based on assessment data and counts of non-elderly multifamily units). Table 6 below compares the adjusted results of these tabulations of enrollment by structure type to the Census-based “expected” enrollment model for Hooksett.

TABLE 6
Estimated Public School Enrollment Per Unit - Hooksett

Structure Type	“Expected” (Model –Based Estimate)	“Actual” (Student Address & Assessment Data)
Single Detached	.593	.579
Townhouse	.232	.249
Duplex	.409	.568
Multifamily	.232	.206
<u>Manufactured Home</u>	<u>.350</u>	<u>.165</u>
Total Occupied Units	.472	.482

Table 7 below shows the detail of the multiplier calculations based on the pupil address and assessment information. Some portions of the tabulation by number of bedrooms represent few units, and data are not shown by bedroom count where the count of units is fewer than 50.

For duplex and manufactured housing units, the differences between the Census-based “expected” multipliers for Hooksett and the averages calculated using address and assessment information are significant. For the duplexes, part of the variation is due to the differences between U. S. Census structural type definitions and those used in this study based on assessment records. In this study, a duplex condominium is classified as a “duplex”, while in the Census some two-unit attached housing may be classified as a townhouse (single family attached) unit. In Hooksett, duplexes were found to have average enrollment impacts per unit nearly as high as that of the average single family detached home, even though many duplexes appear to be two bedroom units.

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TABLE 7
ESTIMATED PUBLIC SCHOOL ENROLLMENT PER UNIT IN HOOKSETT

	ADJUSTMENTS TO RAW DATA FOR MISSING ADDRESSES			
	Grade K-5	Grade 6-8	Grade 9-12	Total
Students with Address/Unit Type Known	871	471	508	1,850
Total Enrollment in Hooksett	929	486	534	1,949
Ratio Adjustment to Raw Data Results	1.067	1.032	1.051	1.054

ADJUSTED AVERAGES - ESTIMATED ENROLLMENT PER OCCUPIED UNIT

Type of Structure/ Grade Grouping	Number of Bedrooms (1)					All Units
	1	2	3	4+	Unknown	
Single Family Detached						
K-5	0.0640	0.2273	0.2856	0.3644		0.2869
6-8	0.0826	0.1233	0.1372	0.1646		0.1390
9-12	0.1261	0.1256	0.1484	0.1956		0.1532
Total	0.2727	0.4762	0.5712	0.7246		0.5792
Units in Sample	50	385	1,685	489	5	2,614
Townhouse Structures						
K-5		0.1143				0.1109
6-8		0.0679				0.0666
9-12		0.0730				0.0716
Total		0.2552				0.2490
Units in Sample	2	532	22	2	0	558
Duplex						
K-5		0.1830	0.2565			0.2069
6-8		0.1733	0.1786			0.1711
9-12		0.1534	0.3032			0.1903
Total		0.5097	0.7384			0.5683
Units in Sample	14	224	86	0	0	324
Multifamily (3+ Units) Except Townhouse						
K-5	0.1377	0.0913			0.0911	0.0943
6-8	0.0215	0.0324			0.1393	0.0320
9-12	0.0133	0.1009			0.0839	0.0800
Total	0.1726	0.2246			0.3143	0.2063
Units in Sample	81	326	0	0	8	415
Manufactured Housing						
K-5		0.0837				0.0791
6-8		0.0303				0.0465
9-12		0.0154				0.0395
Total		0.1294				0.1651
Units in Sample	20	204	38	3	1	266
All Residential Units						
K-5	0.0973	0.1451	0.2764	0.3608		0.2326
6-8	0.0690	0.0841	0.1361	0.1630		0.1182
9-12	0.0837	0.0899	0.1509	0.1936		0.1315
Total	0.2500	0.3191	0.5634	0.7173		0.4823
Units in Sample	167	1,671	1,831	494	14	4,177

(1) Bedroom-specific ratios not shown where unit count is less than 50 units

Source: BCM Planning analysis of pupil address data and property tax assessment files

For manufactured housing, the relatively low enrollment per unit average in Hooksett seems to reflect older, generally smaller, units than may be typical for new development. The average manufactured housing unit in Hooksett was built was 1976, and most units reflect a two-bedroom configuration. The relatively low enrollment ratios found within Hooksett manufactured units may reflect their predominantly two-bedroom mix or a high rate of occupancy among retired households. The average age of the units also indicates that about 58% of the units may pre-date U. S. Department of Housing and Urban Development construction codes for manufactured units. In field surveys conducted by the consultant in other communities, the average enrollment for manufactured housing units (in developments that are not age-restricted) is in the 0.3 to 0.5 range. The U. S. Census averages for NH in 1990 indicate a ratio of about 0.311 for this structural category.

The average existing single family home in Hooksett is estimated to have 0.579 public school pupils per occupied unit. Single family homes in Hooksett that were built in 1980 or later (the last 20 years) have an average enrollment impact of 0.65 pupils per unit, about 13% higher than the overall average for all single family homes in Hooksett. Enrollment per unit for single-family homes by year of construction is shown by decade in Table 8 below.

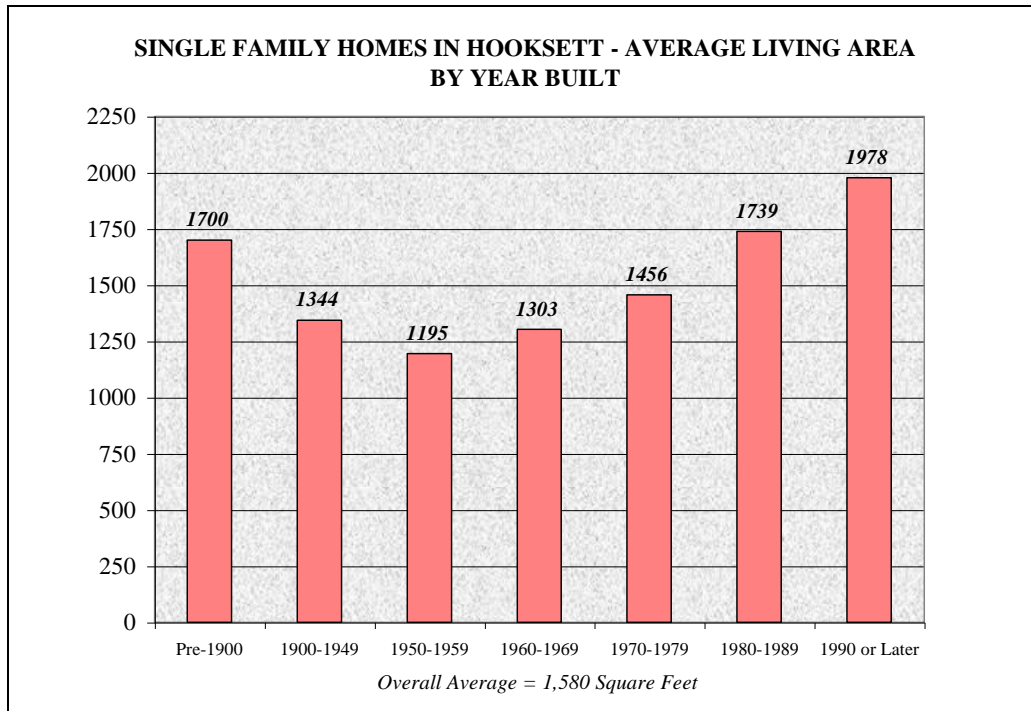
TABLE 8

Hooksett Public School Enrollment Per Single Family Detached Home By Year Built		
Year Built	Enrollment Per Unit	Units in Sample
Pre-1900	0.4141	99
1900-1949	0.4949	297
1950-1959	0.4118	204
1960-1969	0.4220	436
1970-1979	0.5464	463
1980-1989	0.7172	541
1990 and Later	0.5906	574
All Units	0.5493	2614
<i>Source: BCM Planning, analysis of Hooksett tax assessment data and pupil address information, 2000. Above data not adjusted for missing addresses</i>		

Single family homes built in 1990 or later (last 10 years) have a current average enrollment of 0.59 pupils per unit. However, there is sometimes a lag between the time of housing unit construction and its enrollment impact. The immediate impact of housing construction at the time of initial occupancy may be lower than its long-term impact on school enrollment.

Hooksett tax assessment information shows that the average size of single-family homes has been increasing steadily since the 1960s. Figure 2 shows the trend in average living area for single-family homes in Hooksett by period of construction.

FIGURE 2



The data for single family homes in Hooksett indicates that the anticipated enrollment impact of newly constructed units is higher than the average for all existing homes. For the purpose of impact fee assessment, the average enrollment impact for homes built since 1980 is recommended as the basis for calculating capital facility impacts.

For manufactured housing, the 1990 Census average for occupied units in New Hampshire is the recommended multiplier for that structural type. About half of the existing manufactured housing stock in Hooksett was built prior to 1976. Much of that housing has only two bedrooms, and a large number of units are believed to be occupied by senior citizens. Units that are restricted to occupancy by persons age 62 and older will not be assessed a school impact fee under the proposed impact fee ordinance. Because newer manufactured housing units are likely to have three bedrooms, the Census-based multiplier should more equitably reflect the impact of new manufactured housing development than would be indicated by the current town average.

For all other unit types, the average for existing occupied units is recommended as the basis for proportionate impact assessment.

3. Recommended Average Per Unit Enrollment Multipliers for New Construction

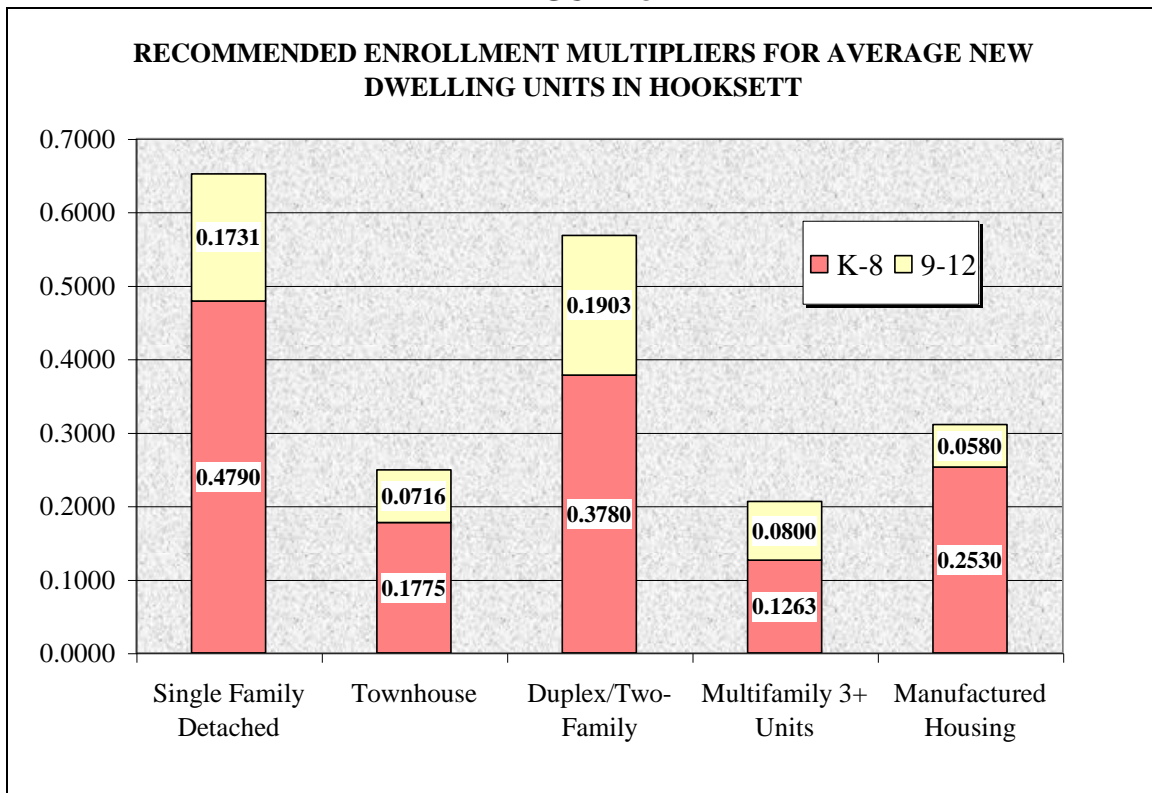
The following multipliers are recommended for use in an impact fee model that assesses school facility impact fees on the basis of average enrollment impacts per dwelling unit by structure type. At this time, an impact fee assessment in Hooksett should rely solely on the K-8 portions of the total enrollment impact of new development, as the Hooksett School District does not own or operate a high school. Should a local high school plan be considered in the future, this fee system could be modified to reflect capital costs are all grade levels.

TABLE 9
Recommended Multipliers for Impact Fee Assessment
Using Average Enrollment Per Occupied Housing Unit

Type of Structure	Grades K-5	Grades 6-8	Grades 9-12	Total Grades K-12
Single Family Detached	.3247	.1543	.1731	.6521
Townhouse	.1109	.0666	.0716	.2490
Duplex	.2069	.1711	.1903	.5683
Multi-family 3+ Units	.0943	.0320	.0800	.2063
Manufactured Housing	.1870	.0660	.0580	.3110

(Note: Grade 9-12 portion of enrollment not included in impact fee calculation at this time)

FIGURE 3



4. Alternative Methods for Impact Fee Computation

The school enrollment impact of new homes may also be influenced by the size of the home, especially as reflected in the number of bedrooms they contain. The following tables illustrate some of the results of the analysis of Hooksett tax assessment and enrollment data with respect to these other measures of the possible enrollment impact of housing development.

a. Units by Number of Bedrooms. The analysis also identified differences between single-family enrollment impacts by number of bedrooms. In Table 10, the per-unit enrollment average for all single-family units is shown by number of bedrooms, and compared with the ratios for single-family homes built 1980 or later. It is apparent that the enrollment impacts of newer homes (built in the past 20 years) are higher than the town-wide average for all existing units.

TABLE 10

Hooksett Public School Enrollment Per Single Family Detached Home By Number of Bedrooms and Age of Unit				
Number of Bedrooms	All Units		Units Built 1980 or Later	
	Enrollment Per Unit	Units in Sample	Enrollment Per Unit	Units in Sample
One	0.2600	50	0.3571	14
Two	0.4519	385	0.4000	85
Three	0.5418	1,685	0.6105	819
Four or More	0.6871	489	0.9641	195
Total	0.5493	2,609	0.6520	1,113

Source: BCM Planning, analysis of Hooksett tax assessment data and pupil address information, 2000. The above enrollment ratios are not adjusted for missing addresses.

There is a general relationship between single-family home size and the number pupils per unit, though the number of bedrooms is probably a better predictor of the likely impact of new development on school enrollment.

b. Impacts by Living Area of Home. Table 11 illustrates the average public school enrollment per housing unit for single-family homes in Hooksett by the living area of the home in square feet. In general, enrollment per single-family unit rises as the size of the home increases, up to the 2000-2500 square foot range, then declines among homes of 2500 square feet or more. Part of this variation may be the relatively small number of very large homes that are part of the database.

TABLE 11
AVERAGE PUBLIC SCHOOL ENROLLMENT PER UNIT
FOR SINGLE FAMILY DETACHED HOMES IN HOOKSETT

Living Area	Public School Enrollment Per Unit				Number of Units
	Grade K-5	Grade 6-8	Grade 9-12	Total K-12	
Under 750	0.0930	0.1395	0.0930	0.3256	43
750 to 999	0.2014	0.1187	0.1115	0.4317	278
1000-1499	0.2333	0.1161	0.1308	0.4801	956
1500-1999	0.2899	0.1389	0.1510	0.5797	828
2000-2499	0.3896	0.1689	0.1935	0.7520	367
2500 +	0.2606	0.1761	0.1761	0.6127	142
Overall Average	0.2689	0.1347	0.1458	0.5493	2614

Source: BCM Planning, analysis of Hooksett tax assessment data and pupil address information, 2000. The above enrollment ratios are not adjusted for missing addresses.

c. Impact Per Square Foot. Yet another possible method of projecting school enrollment impacts is to utilize ratios of school enrollment by grade per 100 square feet of living area (see Table 12). It should be noted that these ratios are not consistent across all housing types, and are shown here only for single-family detached units in Hooksett.

TABLE 12

K-12 ENROLLMENT PER 100 SQUARE FEET (1)		
SINGLE FAMILY DETACHED HOMES IN HOOKSETT		
Living Area	Enrollment Per 100 Square Feet	Number of Units
Under 750	0.04894	43
750 to 999	0.04081	278
1000-1499	0.03944	956
1500-1999	0.03364	828
2000-2499	0.03386	367
2500 +	0.02120	142
Overall Average	0.03690	2614

Source: BCM Planning, analysis of Hooksett tax assessment data and pupil address information, 2000. The above ratios are not adjusted for missing addresses.

The calculation of impact fees based on average per unit impact, number of bedrooms, and size of home (square feet) are illustrated and compared for single-family units later in this report. Each method has advantages and disadvantages from an administrative standpoint. The choice of method should be guided both by the need for proportional impact fee assessment and administrative practicalities.

VI. Future Demand on School Facility Capacity

Figure 3 illustrates a series of enrollment projections prepared by the Hooksett School District for grades K-8. The projections are based on 3-year, 5-year, and 10-year average of grade progression ratios. Grade progression ratios are a ratio between enrollment in a given grade and year to enrollment in the prior grade in the previous year. Implicitly, these ratios reflect the net effect of demographic change, growth and net migration among students to the degree that the trends existing within the past period being evaluated. Essentially, the use of a 3-year progression pattern assumes that trends from the most recent, short term period will continue into all future years of the projection. The 5-year and 10-year patterns represent longer-term trends applied to future years of the projection series.

Net growth in K-8 enrollment projected by the 10-year and 5-year progression ratios indicate a net increase of about 300 to 400 pupils between 2001 and 2010. Application of the 3-year average progression ratio produces a projected net growth of 675 K-8 pupils over the projection period.

Figure 4 illustrates the Hooksett School District's enrollment projections for high school grades 9-12. These projections show a potential increase in high school enrollment of between 170 and 220 over the period, bringing total high school enrollment to about 700 to 750 pupils. At the present time, Hooksett does not provide local high school facilities, but tuitions its grade 9-12 pupils to Manchester's high schools.

Overall, the District's enrollment projections for the year 2009-2010 indicate a potential for net enrollment growth from a low of about 466 additional pupils to 855 more public students residing in Hooksett (see summary below).

Grade	10-Year Progression	5-Year Progression	3-Year Progression
K-8	293	396	675
9-12	173	221	180
Total	466	617	855

During the past few decades, housing growth in Hooksett has produced about 800 units every 10 years. In the most recent decade, a higher proportion of total housing growth has been in the form of single-family detached units, which typically generates higher ratios of enrollment per unit than other types of housing. In addition, a large planned development by Manchester Sand and Gravel is now under discussion with the Town of Hooksett. This development alone represents an 800-unit build-out, while additional phases of the Granite Hill development have the potential for hundreds of additional townhouse units. These prospective developments, combined with projections based on historical grade progression ratios and the development history of the Town, suggest continuing demand for increased school capacity to serve new development. As shown in Table 1 earlier, existing permanent school facilities now provide insufficient space to serve Hooksett's current enrollment; the District relies on modular classrooms to fulfill some of the existing gap in permanent facility space.

FIGURE 3

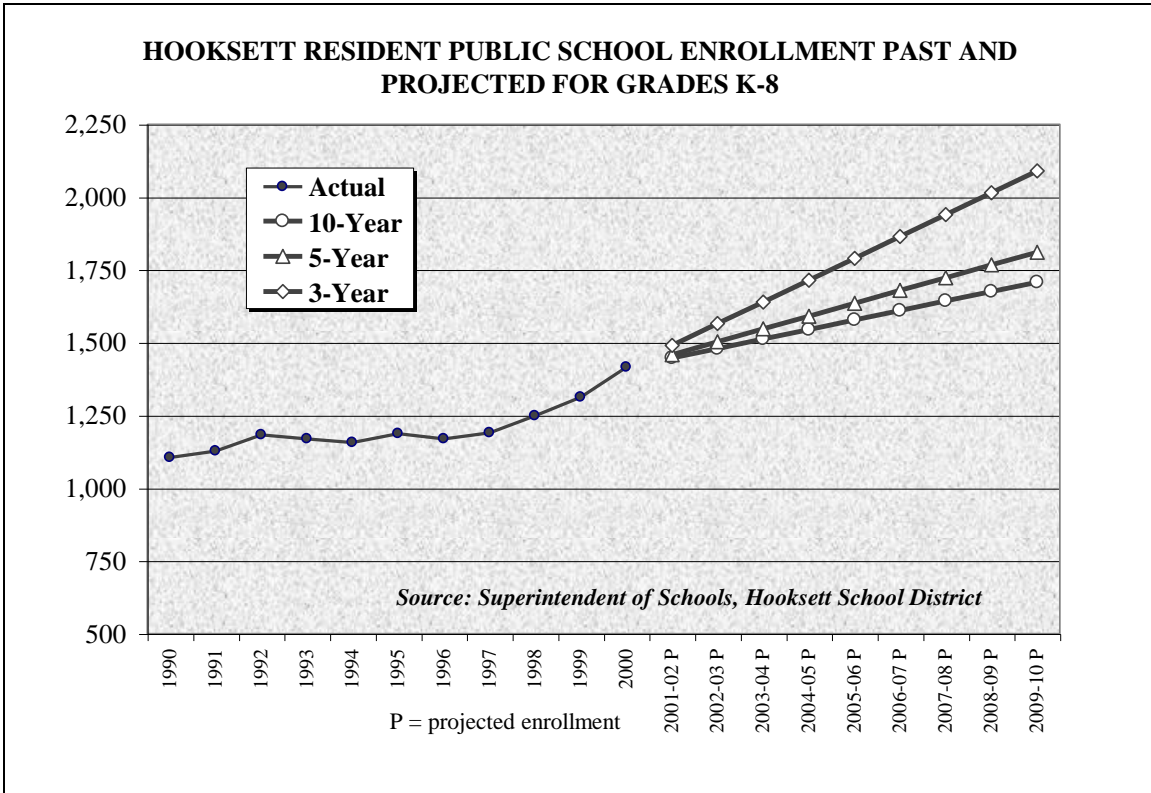
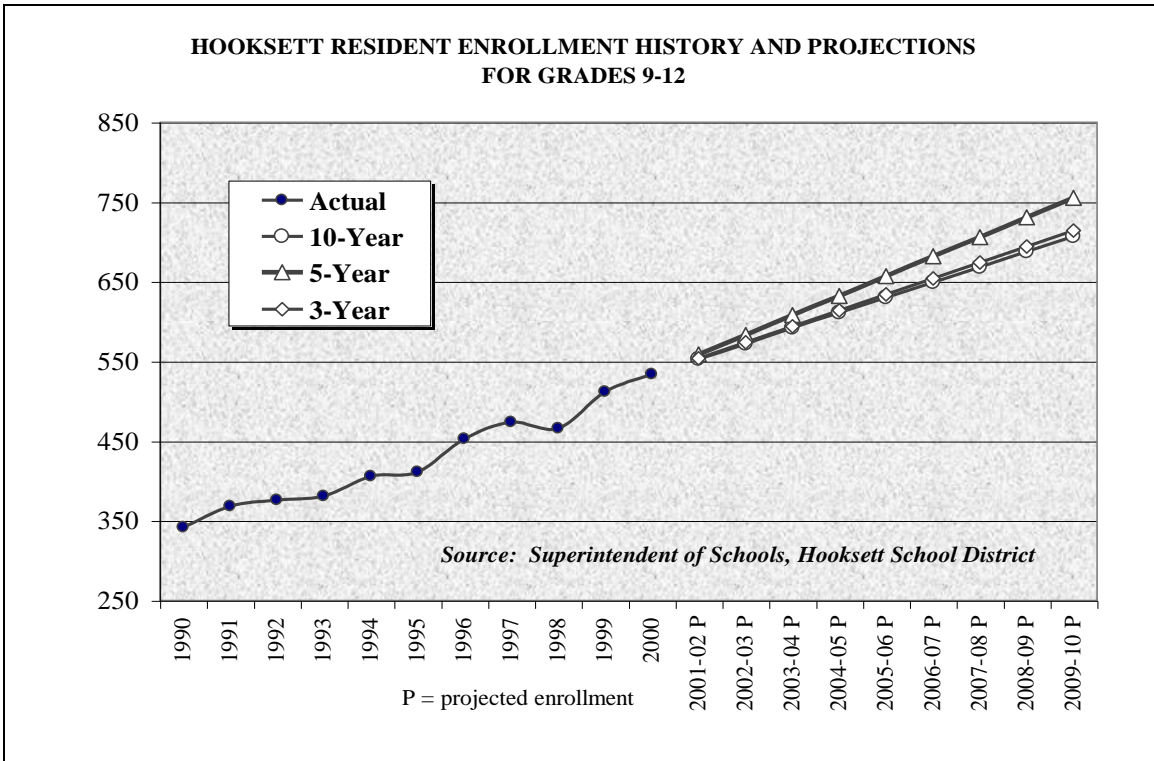


FIGURE 4



VII. Capital Cost of School Facilities

A. National School Construction Cost Data

Data were obtained from the National Clearinghouse for Educational Facilities (NCEF), which monitors FW Dodge contract awards information for schools across the U.S. Construction costs reported in this source reflect the contract amounts for building construction and any fixed equipment. The costs reported do not include site work or moveable furnishings, and include a mix of new construction, additions, and alterations.

The following are the U. S. average construction costs for schools for calendar year 1999 and the year 2000 through September. Total projects recorded in this data represent 8,828 projects in 1999 and 6,919 projects for January through September of 2000.

School Building Construction Costs Per Sq. Foot – U. S.

	<u>1999</u>	<u>2000</u>
Primary Schools	\$124	\$135
Mid/Junior HS	\$121	\$141
Primary/Mid-JHS Combined	\$123	\$136
Senior High Schools	\$138	\$149

New Hampshire school construction costs tend to be somewhat lower than the national averages. According to NCEF summaries for 1999, the cost of additions and new school construction in New Hampshire averaged about \$119 per square foot. The average cost was about \$108 per square foot for elementary and middle/junior high schools and about \$125 per square foot for high schools. Adding 10% for site work and 15% for capital equipment would indicate potential gross capital costs of \$135 per square foot for elementary and middle/junior high schools, and \$156 per square foot for high schools based on 1999 NH cost data.

B. District Cost Estimates for Additions and New Facilities

The estimated costs for local facility improvements shown in Tables 2 and 3 of this report indicate that comprehensive capital costs of \$109 per square foot for elementary school space and \$126 per square foot for a new middle school facility. These estimates are consistent with construction cost estimates for New Hampshire cited above. If the cost of furnishings and equipment is considered, these costs appear somewhat conservative, but are appropriate for an initial impact fee assessment. For the purpose of impact fee assessment, the following were utilized in computing proportionate share impact fee amounts:

Elementary Schools	\$ 109 per square foot
Middle Schools	\$ 126 per square foot
High School	Not included in impact fee

C. Capital Facility Cost Impact Per Housing Unit

In this methodology, the capital cost of school facilities is calculated for each housing unit is computed by structural type as:

$$\begin{aligned}
 & \text{[Enrollment per housing unit by grade level (at K-5 and grades 6-8 levels)]} \\
 & \times \text{[square feet of school facility space required per pupil (by grade level)]} \\
 & \times \text{[gross capital cost per square foot of facility space by grade level]} \\
 & - \text{[less State building aid @ 30%]} \\
 & = \text{Local school capital cost per dwelling unit}
 \end{aligned}$$

The Hooksett School District is a single-town school district eligible for 30% State aid for building construction paid out as 30% of the principal due on bonds. An exception is the development of kindergarten space, which is more heavily subsidized by the State. For the purposes of modeling for impact fee purposes, it was assumed that the cost of new facilities will relate to general spatial needs for all grade levels; therefore no special adjustment has been made in the formula for additional state aid for kindergarten facilities.

Based on expected enrollment per unit (see Table 9 multipliers for K-8 portion of enrollment), planned facility area per pupil capacity, and the District’s estimated cost per square foot for new facilities, the gross capital cost and net local capital cost (after State building aid) attributable to various types of new housing in Hooksett are illustrated in Table 13 below:

**TABLE 13
School Capital Costs Per Dwelling Unit-Average Units**

Structure Type	Gross Capital Cost per Dwelling Unit	Net Local Cost after State Building Aid
Single Family Detached Homes	\$ 6,539	\$ 4,577
Townhouse (Single Family Attached)	\$ 2,493	\$ 1,745
Duplex/Two Unit Structures	\$ 5,524	\$ 3,866
Multifamily Structures of 3 or More Units	\$ 1,660	\$1,162
Manufactured Housing Units	\$ 3,340	\$ 2,338

The capital costs per unit shown in the right hand column of Table 13 represent the proportionate local school capital cost impact of new housing units in Hooksett. While there is no apparent statutory requirement under RSA 674:21, V to adjust such fees to a lesser amount, impact fee calculations traditionally provide for adjustments or “credits” of various levels. The basic function of the credit is to provide an adjustment to the fee so that new development does not pay twice for the same capital costs – once in an impact fee and again in property taxes. The next section provides an allowance for such credits.

VIII. Impact Fee Credits for Property Tax Payments

The payer of an impact fee is assessed an amount equal to the proportionate capital impact of the residential development on new school construction at the time the building permit is issued. One of the general principles of impact fee assessment is to allow for reasonable credits to a fee payer that recognize the contribution of other revenues (in the past or the future) that may have been generated by a given site or development to pay for school capacity. In the past, prior to development, vacant land contributed property taxes toward the funding of school bonds. In the future, new housing developments on that land may pay property taxes toward debt service for the cost of facility expansion.

Since the person paying an impact fee will have paid in advance a sum equal to the net local capital cost impact of housing development, it is appropriate for the impact fee formula to incorporate a credit calculation for future tax payments toward the same school capacity. The credit acts to reduce the potential for new development to be charged twice for the same capacity-related costs.

A. Credit for Past Payments (by vacant land) – See Table 14

Credit calculations have been performed for two past school bonds of the Hooksett School District for the addition to the Underhill Elementary School (1990) and an addition to the Memorial Middle School (1986).

For the purpose of credits, “past payments” are considered to be those occurring from 1988 through 2000. Final debt service payments on past capacity-related projects were actually made in 1997, and there are no future payments remaining due on those bonds for future years (2001 or later).

Past payment credits were calculated on the basis of an average land value per acre for all residential land and current use land combined, or **\$12,071** per acre (derived from the Town’s October 2000 MS-1 form filed with the NH Department of Revenue Administration). The assumed acreage per single family detached home and for manufactured housing is assigned to an average lot area of 0.8 acres. The land area per unit assumed for other types of housing is 0.6 acres per unit for duplex and townhouse units, and 0.2 acres per unit for multifamily housing.

The past payment credit recognizes that vacant land contributed in the past to the cost of school capacity improvements at a time when the property generated no school enrollment impacts. These credits are attributed to the new development site on the basis of estimated land area per unit.

Hooksett Public School Impact Fees

TABLE 14

CREDIT FOR PAST PAYMENTS TOWARD EXISTING FACILITIES							
ASSUMPTIONS:							
			Underhill	Middle School			
			Addition	Addition			
Principal Amount:							
Term In Years:			14	5			
Amount Bonded:			\$1,900,000	\$687,500			
Interest Rate On Bonds:			6.9%	5.4%-6.3%			
State Aid To District:			30.0%	30.0%	Of Principal		
Discount Rate for Credits:			6.0%	6.0%			
Year	Principal Balance	Principal Payment	Interest Payment	Total Payment	Less State Building Aid @ 30%	Net Debt Service Of District	Present Worth Of Past Pymt @ 6% Interest
PAST YEARS							
1988	\$687,500	\$142,500	\$43,482	\$185,982	(\$42,750)	\$143,232	\$305,504
1989	\$545,000	\$140,000	\$32,545	\$172,545	(\$42,000)	\$130,545	\$262,682
1990	\$405,000	\$135,000	\$24,705	\$159,705	(\$40,500)	\$119,205	\$226,287
1991	\$2,170,000	\$410,000	\$148,568	\$558,568	(\$123,000)	\$435,568	\$780,036
1992	\$1,760,000	\$410,000	\$120,630	\$530,630	(\$123,000)	\$407,630	\$688,682
1993	\$1,350,000	\$270,000	\$92,750	\$362,750	(\$81,000)	\$281,750	\$449,067
1994	\$1,080,000	\$270,000	\$74,520	\$344,520	(\$81,000)	\$263,520	\$396,237
1995	\$810,000	\$270,000	\$55,890	\$325,890	(\$81,000)	\$244,890	\$347,381
1996	\$540,000	\$270,000	\$37,260	\$307,260	(\$81,000)	\$226,260	\$302,787
1997	\$270,000	\$270,000	\$18,630	\$288,630	(\$81,000)	\$207,630	\$262,128
1998	\$0	\$0		\$0	\$0	\$0	\$0
1999	\$0	\$0		\$0	\$0	\$0	\$0
2000	\$0	\$0		\$0	\$0	\$0	\$0
Present Worth of Past Pymts @ 6%:							\$4,020,790
Net Local Valuation for Municipal Taxes							\$705,041,616
Present Worth of Payments Per \$1000 Valuation							\$5.70
Average Valuation Per Acre- Residential & Current Use Land							\$12,071
Past Payment Tax Credit Per Acre							\$69
						Assumed	Past Payment
					Acres/Unit	Debt	Credit
Type of Structure							
Single Family Detached					0.8		\$55
Townhouse					0.6		\$41
Duplex/Two-Family					0.6		\$41
Multifamily 3+ Units					0.2		\$14
Manufactured Housing					0.8		\$55

B. Credits for Future Payments

Many impact fee systems provide credits for future property tax payments only for programmed debt service on projects that have already been constructed. The cost of debt service on future bonds for facility development is often ignored in the credit calculations under the assumption that new growth-related capital costs will be paid for entirely with impact fees.

While there is no outstanding debt on existing school facilities in Hooksett, the proposed facility development program would introduce new debt service to be paid in the future not only to remedy existing space deficiencies for existing pupils, but also to create expanded capacity for new enrollment. In this methodology, credits for future payments are based on the net present value of local property tax payments for that portion of future debt service that is related to creating capacity for future growth in enrollment.

The formula used to compute the impact fee (prior to credits) is based solely on the quantity of facility space needed per pupil for new enrollment. The additional costs of upgrading and replacing facilities used by existing students have not been allocated to new development in the impact fee formula. The cost of renovations and construction needed to replace existing facilities or to remedy existing spatial or safety deficiencies are costs that would be assumed with or without new enrollment growth. Therefore, these costs have not been factored into the future payment credit allowance. Table 15 provides an estimate of the proportion of new floor area to be developed, indicating that approximately 52% of the new space constructed is related to serving future enrollment growth, and about 48% of the floor area is needed to replace or upgrade facilities to serve existing students.

TABLE 15

Proposed Middle School - Benefits to Existing vs. New Enrollment				
<i>(Existing Enrollment Grades 6-8 is 486 (10/2000))</i>				
	Gross Floor Area Added	Area Required for Existing Pupils	Area Available for New Enrollment	Total
Grade K-5 Facilities Expanded Capacity (conversion of Memorial Middle School)	29,000	0 0%	29,000 100%	29,000 100%
Classroom Space for 675 pupils (approx. 53 Sq. Ft. Per Pupil)	36,000	25,920 72%	10,080 28%	36,000 100%
Core Facilities & Circulation Space for 900 pupils (approx. 95 Sq.Ft. Per Pupil)	85,700	46,278 54%	39,422 46%	85,700 100%
Total Expanded Facility Area	150,700	72,198 48%	78,502 52%	150,700 100%

Based on the weighted proportion of classroom and core/circulation space in planned construction, an estimated 52% of the space developed will be related to serving the demands of future K-8 enrollment in Hooksett.

Hooksett Public School Impact Fees

The future payment credit is predicated on the assumption of a \$21.5 million total improvement and expansion program for K-8 facilities. Of this total, approximately \$3.2 million (half of the cost of proposed improvements to convert the Memorial Middle School to a grade 3-5 school) is estimated as to be a renovation cost. The balance of costs, about \$18.3 million is related to new floor area. Based on the assumptions shown in Table 15 above, an estimated 52% of the new facility space to be developed may be reasonably attributed to accommodating new enrollment growth, while the balance or about 48% is attributable to construction and renovations that are already needed to serve existing (October 2000) pupils.

In computing a credit for future debt service on this new facility, a 15-year bond at 5% interest is assumed, with debt service payments beginning in 2003. Future property tax impacts on new housing are projected into the future assuming 2.5% annual growth in the net local assessed valuation of the town of Hooksett. Tax payments made by housing units are computed based on the basis of an assumed assessed value per unit, assigned to each of the five structural types that are the subject of impact fees.

Total principal and interest payments on bonded debt, less State building aid as 30% of the principal due on the bonds, is the net local debt service cost for capacity-related improvements. Based on the average number of building permits by type issued in Hooksett from 1990 through the first half of 2001, an impact fee system should produce revenues averaging between \$200,000 and \$300,000 per year depending on the pace of development. For the purpose of credit calculations, annual impact fee income of \$250,000 is assumed. That impact fee income can be applied to debt service payments, thus reducing net local property tax costs.

The net present value of property tax payments made in the future by new development for additional school capacity, less allowances for impact fee income, is the basis for the future payment credits assigned within the impact fee formula. The net present value of future payments has been computed at a six percent discount or interest rate. See Tables 16 and 17 for details of the calculation and its assumptions.

TABLE 16 – FUTURE TAX PAYMENT CREDITS – Sheet 1

CREDIT FOR ANTICIPATED PAYMENTS FOR COSTS OF SERVING EXPANDED ENROLLMENT IN MIDDLE SCHOOL GRADES							
ASSUMPTIONS		2003 Debt Service Begins					
Estimate of Bonded Project Cost:				\$21,449,266			
Less renovation of existing space				(\$3,156,193)	(50% of Memorial School improvement cost)		
Cost of expansion and new construction				\$18,293,074			
Future Enrollment Portion of Cost Estimated At:				\$9,512,398	52% of cost is for serving future enrollment (Credit to reflect portion of bonded amount related to serving new pupils)		
Term In Years:				15			
Interest Rate On Bonds:				5.00%			
State Aid To District:				30.0%			
Discount Rate for Credits:				6.0%			
NOTE: CALCULATION BELOW BASED ON A PORTION OF ANTICIPATED DEBT SERVICE							
FUTURE PAYMENTS FOR PORTION OF COST SERVING ENROLLMENT GROWTH							
Year	Principal Balance	Principal Payment	Interest Payment	Total Payment	Less State Building Aid @ 30%	Less Estimated Impact Fee Income	Cost to District for Capacity Increase Serving New Enrollment
2001	\$0	\$0	\$0	\$0	\$0	(\$125,000)	(\$125,000)
2002	\$0	\$0	\$0	\$0	\$0	(\$250,000)	(\$250,000)
2003	\$9,512,398	\$634,160	\$475,620	\$1,109,780	(\$190,248)	(\$250,000)	\$669,532
2004	\$8,878,238	\$634,160	\$443,912	\$1,078,072	(\$190,248)	(\$250,000)	\$637,824
2005	\$8,244,078	\$634,160	\$412,204	\$1,046,364	(\$190,248)	(\$250,000)	\$606,116
2006	\$7,609,919	\$634,160	\$380,496	\$1,014,656	(\$190,248)	(\$250,000)	\$574,408
2007	\$6,975,759	\$634,160	\$348,788	\$982,948	(\$190,248)	(\$250,000)	\$542,700
2008	\$6,341,599	\$634,160	\$317,080	\$951,240	(\$190,248)	(\$250,000)	\$510,992
2009	\$5,707,439	\$634,160	\$285,372	\$919,532	(\$190,248)	(\$250,000)	\$479,284
2010	\$5,073,279	\$634,160	\$253,664	\$887,824	(\$190,248)	(\$250,000)	\$447,576
2011	\$4,439,119	\$634,160	\$221,956	\$856,116	(\$190,248)	(\$250,000)	\$415,868
2012	\$3,804,959	\$634,160	\$190,248	\$824,408	(\$190,248)	(\$250,000)	\$384,160
2013	\$3,170,799	\$634,160	\$158,540	\$792,700	(\$190,248)	(\$250,000)	\$352,452
2014	\$2,536,640	\$634,160	\$126,832	\$760,992	(\$190,248)	(\$250,000)	\$320,744
2015	\$1,902,480	\$634,160	\$95,124	\$729,284	(\$190,248)	(\$250,000)	\$289,036
2016	\$1,268,320	\$634,160	\$63,416	\$697,576	(\$190,248)	(\$250,000)	\$257,328
2017	\$634,160	\$634,160	\$31,708	\$665,868	(\$190,248)	(\$250,000)	\$225,620
SUMMARY OF CREDITS - SEE NEXT TABLE FOR DERIVATION							
Type of Structure			Avg Assessed Value/Unit		Future Payment Debt Credit		
Single Family Detached			\$170,000		\$754		
Townhouse			\$100,000		\$444		
Duplex/Two Unit			\$100,000		\$444		
Multifamily- 3+ Units			\$50,000		\$222		
Manufactured Housing			\$60,000		\$266		

TABLE 17 – FUTURE TAX PAYMENT CREDITS – Sheet 2

PROJECTED TAX IMPACT & CREDIT PER HOUSING UNIT								
Cost to District for Serving New Enrollment (From Prior Worksheet)	Year	Projected Growth in Tax	Tax Rate Impact	Assessed Value Per Unit & Tax Impact				
				Single Fam. Detached	Townhouse	Duplex	Multifamily 3+ Units	Manufactured Housing
	Base Year 2000 (actual)	705,041,616	(Credit Per \$1,000 Valuation)	\$170,000	\$100,000	\$100,000	\$50,000	\$60,000
(\$125,000)	2001	722,667,656	(\$0.17)	(\$29.40)	(\$17.30)	(\$17.30)	(\$8.65)	(\$10.38)
(\$250,000)	2002	740,734,348	(\$0.34)	(\$57.38)	(\$33.75)	(\$33.75)	(\$16.88)	(\$20.25)
\$669,532	2003	759,252,707	\$0.88	\$149.91	\$88.18	\$88.18	\$44.09	\$52.91
\$637,824	2004	778,234,024	\$0.82	\$139.33	\$81.96	\$81.96	\$40.98	\$49.17
\$606,116	2005	797,689,875	\$0.76	\$129.17	\$75.98	\$75.98	\$37.99	\$45.59
\$574,408	2006	817,632,122	\$0.70	\$119.43	\$70.25	\$70.25	\$35.13	\$42.15
\$542,700	2007	838,072,925	\$0.65	\$110.08	\$64.76	\$64.76	\$32.38	\$38.85
\$510,992	2008	859,024,748	\$0.59	\$101.12	\$59.49	\$59.49	\$29.74	\$35.69
\$479,284	2009	880,500,366	\$0.54	\$92.54	\$54.43	\$54.43	\$27.22	\$32.66
\$447,576	2010	902,512,876	\$0.50	\$84.31	\$49.59	\$49.59	\$24.80	\$29.76
\$415,868	2011	925,075,698	\$0.45	\$76.42	\$44.96	\$44.96	\$22.48	\$26.97
\$384,160	2012	948,202,590	\$0.41	\$68.87	\$40.51	\$40.51	\$20.26	\$24.31
\$352,452	2013	971,907,655	\$0.36	\$61.65	\$36.26	\$36.26	\$18.13	\$21.76
\$320,744	2014	996,205,346	\$0.32	\$54.73	\$32.20	\$32.20	\$16.10	\$19.32
\$289,036	2015	1,021,110,480	\$0.28	\$48.12	\$28.31	\$28.31	\$14.15	\$16.98
\$257,328	2016	1,046,638,242	\$0.25	\$41.80	\$24.59	\$24.59	\$12.29	\$14.75
\$225,620	2017	1,072,804,198	\$0.21	\$35.75	\$21.03	\$21.03	\$10.52	\$12.62
Net Present Value Future Payments @ 6% (Credit)				\$754	\$444	\$444	\$222	\$266

In order to assign future property tax credits for debt service, an estimated assessed value for new dwelling units was assigned to each structural category. The assessment database provided by the Town permitted a cross-tabulation of various unit types their estimated value. The value of newer units was estimated based on the estimated replacement cost of buildings indicated by the assessment, plus the land value per unit indicated by assessment records, to generate a valuation estimate for newly constructed units of various structural types. A summary of the total credits (past and future) by structure type is illustrated in the table below (Table 18).

TABLE 18 – Value Assignments and Credit Summary

Structure Type	Average Assessed Value Per New Unit	Past Payment Credit	Future Payment Credit
Single Family Detached Homes	\$170,000	\$ 55	\$ 754
Townhouse(Single Family Attached)	\$100,000	\$ 41	\$ 444
Duplex/Two-Unit Structures	\$100,000	\$ 41	\$ 444
Multifamily 3+ Unit Structures	\$50,000	\$ 14	\$ 222
Manufactured Housing Units	\$60,000	\$ 55	\$ 266

IX. Recommended Impact Fee Assessment Schedule

Table 19 below represents the impact fee assessment schedule that may be assessed to new dwelling units under the methods set forth in this analysis. Based on this approach, the impact fees that may be assessed to new development for a proportionate share of school capital facility costs are:

TABLE 19 – Impact Fee Assessment Schedule for Hooksett K-8 School Facilities

Structure Type	School Impact Fee per Dwelling Unit
Single Family Detached Homes	\$ 3,768
Townhouse(Single Family Attached)	\$ 1,260
Duplex/Two-Unit Structures	\$ 3,381
Multifamily 3+ Unit Structures	\$ 926
Manufactured Housing Units	\$ 2,017

Table 20 (following page) summarizes all of the elements of the impact fee computation on a single chart and shows the capital costs, State aid, property tax credits, and the resulting net impact fee for each type of housing unit.

As a matter of policy, some municipalities offer additional reductions or “discounts” from the impact fees calculated, resulting in lower assessments. If this approach were used, fees for each type of unit should be reduced by the same percentage to retain proportionality in the impact fee system. However, the effect of additional discounts to the fee will simply transfer the capital impact of new development back to the property tax.

Hooksett Public School Impact Fees

TABLE 20 – SUMMARY ASSUMPTIONS AND SCHOOL IMPACT FEE CALCULATIONS

**IMPACT FEE SCHEDULE BY DWELLING UNIT TYPE
TOWN OF HOOKSETT - 2001**

Type Structure or Units in Structure	Expected Enrollment Impact Of Average Dwelling Units				School Construction: Total Capital Cost Per Housing Unit							
	Public School Enrollment Per Household				Facility Standard (District)				School Cost Per Unit @ Indicated \$/Sq. Ft.			
	Elementary (Grades K-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Total Grades K-12	Floor Area Required (Gross Sq. Feet/Pupil)				\$109	\$126	not included	Avg. Cost Per Unit
Single Family Detached	0.3247	0.1543	0.1731	0.6521	103	148	n.a.	118	\$3,662	\$2,877	n.a.	\$6,539
Townhouse	0.1109	0.0666	0.0716	0.2491	103	148	n.a.	120	\$1,251	\$1,242	n.a.	\$2,493
Duplex/Two-Family	0.2069	0.1711	0.1903	0.5683	103	148	n.a.	124	\$2,333	\$3,191	n.a.	\$5,524
Multifamily 3+ Units	0.0943	0.0320	0.0800	0.2063	103	148	n.a.	115	\$1,064	\$597	n.a.	\$1,660
Manufactured Housing	0.1870	0.0660	0.0580	0.3110	103	148	n.a.	115	\$2,109	\$1,231	n.a.	\$3,340

Type Structure or Units in Structure	Local Capital Cost Per Unit For Facilities Owned/Operated				Credits - Past Payments			Credit - Future Payments		
	Local Net Capital Cost/Dwelling (Total Capital Cost Less State Building Aid)				Credit Allowance for Past Debt Service			Credit Allowance For Future Payments Toward New Capacity		
	Elementary Schools	Middle School	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools	K-8 Schools	High School	Total Public Schools
Single Family Detached	\$2,563	\$2,014	n.a.	\$4,577	(\$55)	n.a.	(\$55)	(\$754)	n.a.	(\$754)
Townhouse	\$876	\$869	n.a.	\$1,745	(\$41)	n.a.	(\$41)	(\$444)	n.a.	(\$444)
Duplex/Two-Family	\$1,633	\$2,233	n.a.	\$3,866	(\$41)	n.a.	(\$41)	(\$444)	n.a.	(\$444)
Multifamily 3+ Units	\$744	\$418	n.a.	\$1,162	(\$14)	n.a.	(\$14)	(\$222)	n.a.	(\$222)
Manufactured Housing	\$1,476	\$862	n.a.	\$2,338	(\$55)	n.a.	(\$55)	(\$266)	n.a.	(\$266)

Net Impact Fee Per Dwelling Unit Assessment Schedule			
Type of Structure	Capital Cost Impact	Less Credits	Impact Fee Assessment
Single Family Detached	\$4,577	(\$809)	\$3,768
Townhouse	\$1,745	(\$485)	\$1,260
Duplex/Two-Family	\$3,866	(\$485)	\$3,381
Multifamily 3+ Units	\$1,162	(\$236)	\$926
Manufactured Housing	\$2,338	(\$321)	\$2,017

X. Applying and Updating Impact Fees

A. Classification by Type of Structure

For all types of housing units, the impact fee is assessed on a per unit basis, by *type of structure*. No distinction is made by tenure of the occupant (owner vs. renter) or the form of ownership (condominium vs. other). Using the impact fee assessment schedule, the Code Enforcement Officer would assess the fee at the time a building permit is issued, and collect the fee prior to, or as a condition of the issuance of a certificate of occupancy. The procedures for Hooksett will depend on the administrative provisions of the impact fee ordinance, and other relevant regulations adopted by the Planning Board.

The following structural classifications have been used in defining proportionate enrollment impacts of various types of housing units and the recommended impact fee schedule for schools. The Code Enforcement Officer and the Planning Board may use these classifications in determining the appropriate assessment based on structural categories. These structural categories are based in part on guidelines from the 1990 Census, “Definitions of Subject Characteristics” and on New Hampshire statutory definitions relating to manufactured housing.

Single Family Detached (1-Unit, Detached). This is a 1-unit structure detached from any other structure; that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house which contains a business is considered detached as long as the building has open space on all four sides. This structural classification includes modular homes, but not manufactured housing (see definitions below).

Townhouse (1-Unit, Attached). Townhouses are considered 1-unit attached structures where the unit has one or more walls extending from ground to roof separating it from adjoining units of the building. In row houses (sometimes called townhouses), or houses attached to non-residential structures, each house constitutes a separate, but attached structure if the dividing or common wall goes from ground to roof. Attached units of this type, with the exception of 2-unit buildings (classified as “duplex” or “two unit”) should be classified as townhouses for impact fee assessment purposes.

Duplex & Two-Unit Structures. These are units in buildings containing 2 housing units, other than those meeting the townhouse or 1-unit attached definition above. These structures include duplex and “condex” type housing. For the purpose of impact fee assessment, structures with 2 units are separately classified, as they have been found to generate higher levels of school enrollment per unit than 3 or more unit apartment structures.

Multifamily (Three or More Unit Apartment Structures). Multifamily housing includes structures other than townhouses, that contain three or more units per building, generally located within apartment-style buildings. Such structures have at least two floors, with the entire living space of individual units located on a single floor. This structural

category is also appropriate for “garden-style” or “apartment” units that are owned as condominiums.

Manufactured Housing. The manufactured housing classification should be applied to all units meeting the NH statutory definition of “manufactured housing” provided in RSA 674:31. Single family modular homes should be assessed as “single family detached” units. Manufactured housing can be distinguished from modular construction (or “presite built housing”) based on the definitions that follow. Distinguishing features of “manufactured housing” include its capacity to be transported and set up as a living unit on its own permanent chassis with or without a foundation, and the inclusion of necessary plumbing, heating and electrical systems already built into the unit. The definitions of manufactured vs. presite built housing found in the NH Revised Statutes Annotated (RSA) are cited below for reference:

674:31 Definition. As used in this subdivision, “manufactured housing” means any structure, transportable in one or more sections, which, in the traveling mode, is 8 body feet or more in width and 40 body feet or more in length, or when erected on the site, is 320 square feet or more, and which is built on a permanent chassis and designed to be used as a dwelling unit with or without a permanent foundation when connected to required utilities, which include plumbing, heating and electrical systems contained therein. Manufactured housing as defined in this section shall not include presite built housing as defined in RSA 674:31-a.

674:31-a Definition; Presite Built Housing. As used in this subdivision, “presite built housing” means any structure designed primarily for residential occupancy which is wholly or in substantial part made, fabricated, formed or assembled in off-site manufacturing facilities in conformance with the United States Department of Housing and Urban Development minimum property standards and local building codes, for installation, or assembly and installation, on the building site. For the purposes of this subdivision, presite built housing shall not include manufactured housing, as defined in RSA 674:31.

B. Waiver for Units for the Elderly

The proposed impact fee ordinance in Hooksett contains provisions that would allow a waiver of school impact fees for those units which are to be occupied exclusively by persons age 62 and older within a project lawfully restricted to occupancy by such households. Where there is a valid long-term restriction limiting occupancy of a given unit solely to seniors age 62+, the school impact fee should be waived for that unit because there would be no rational nexus between the assessment and the probable impact of the development.

C. Updating the Fee Schedule

Future updates of the impact fee assessment methodology and schedule should incorporate consideration of all of its variables. Simple adjustments using the consumer price index (CPI) to adjust the overall fee are not recommended. The CPI does not always reflect the cost of construction or labor involved in facility construction, and is unlikely to reflect changes in the multiple variables that comprise the basis for school impact fee assessment.

Hooksett Public School Impact Fees

The elements of the methodology can be updated using locally available information, and future Census or school population updates to evaluate:

- Changes in total enrollment by grade grouping
- Changes in the number of housing units and average pupils per unit
- Gross square foot area required per pupil
- Cost per square foot of new school facility space
- Percent State aid for building construction
- Past and future debt service on capacity-related construction projects
- Decision to move forward with local high school facilities

At the point where a school construction and development plan is finalized, the methodology should be updated with respect to gross floor area per pupil; cost per square foot; anticipated debt service and impact fee revenues.

D. Refunding of Impact Fees

General provisions for refunding of impact fees will be provided in the Town's impact fee ordinance. Hooksett's K-8 schools do not currently provide sufficient floor area, in the form of permanent facility space, to support the enrollment impacts of new development. Therefore, the assessment of school impact fees in Hooksett as shown in this methodology is contingent on the assumption that expansion or new construction of local school facilities will not only rectify existing space deficiencies, but will also create adequate space to absorb the impacts of new development. If such improvements do not occur within a reasonable period, then impact fee refunds may need to be considered as provided for in the ordinance.

APPENDIX:

**ALTERNATIVE METHODS FOR
SCHOOL IMPACT FEE ASSESSMENT**

**APPENDIX:
ALTERNATIVE METHODS CONSIDERED**

The “average unit” method and related impact fees developed in the main body of this report was the approach selected by the Planning Board as the preferred approach among several alternatives presented in draft materials. This Appendix provides some examples of those options for school impact fee assessment. For simplicity, impact fee credits assigned in these alternative models have been calculated as a percentage of total capital cost impact, based on the credit calculations for the “average unit” model in the main body of this report.

Some alternatives, such as impact fees per square foot, may be more amenable to assessment of fees for single-family homes than for other types of housing construction. The alternative methods shown in this Appendix would require some additional structuring prior to implementation, but appear generally supportable because of the detailed data assembled from pupil address information and property assessment records for Hooksett.

1. Alternative A – Assessment by Number of Bedrooms. This alternative (see Alternative A worksheet) represents a bedroom-based model that, for this illustration, has been calculated independently of structure type (a generic fee that could be applied to any structure type). This model was based on total housing units of all structure types in Hooksett by number of bedrooms. Larger U. S. Census (1990) databases for the State of NH indicate that the number of bedrooms per unit can be a more significant determinant of enrollment impact than the type of structure.

The administration of a bedroom-based fee would require the definition and identification of what constitutes a “bedroom” at the point new construction or when a future addition takes place. Subsequent to initial construction of the unit, additional impact fee assessments could be made when bedrooms are added to the unit. This approach would require more administrative oversight than the “average unit” method, as there may not be uniform agreement on what constitutes a “bedroom” at the point a building permit application is filed. The additions of bedrooms may be difficult to track in the future as renovations to existing structures occur.

The generic “bedroom based” fee, when applied without regard to structure type, will tend to under-estimate impacts and related fees for single family homes and overestimate them for other types of construction, but would have the simplicity of a single uniform fee for all residential development.

A more equitable variation of this approach would involve a fee structure that reflects the number of bedrooms *and* the type of unit. A bedroom-based method as applied to *single family* homes in Hooksett would be likely to generate the following fees, using the relative enrollment relationships documented in this report:

Hooksett Public School Impact Fees

Baseline (avg. single family unit)	\$ 3,768
One bedroom	\$ 2,063
Two bedrooms	\$ 2,311
Three bedrooms	\$ 3,528
Four or more bedrooms	\$ 5,573

Actual application of this method of impact fee assessment should be based on separate calculations for several types of housing units to maintain proportionality in the process of assessment. The development of a fee schedule for multiple unit types and number of bedrooms may produce a rather complex impact fee schedule. Administration of such a fee would require the Town to accurately identify the number of bedrooms in each home based on a uniform definition of “bedroom” in order to apply such a fee fairly to new construction and to additions of bedroom living space to existing homes in the future.

2. Alternative B – Assessment by Living Area in Square Feet. A square-foot area based model is illustrated in the Alternative B worksheet as it might be applied to single-family homes. Based on the assumptions made in the model, the net impact fee (after deducting credits) would be \$2.13 per square foot for a single-family detached home. The ratio of pupils per 100 square feet used in this model was derived from the observed averages for all single-family detached homes in Hooksett. The enrollment ratios for single-family units, however, are not always applicable to other structural types. It is likely that another series of multipliers would need to be used for structure types other than single-family detached units. This method also requires somewhat more administrative oversight than the “average unit” approach as it requires a determination of living area. However, this may prove easier than establishing what constitutes a “bedroom”.

To fully capture impact fees for all new development, square foot impact fees would need to be collected not only at the point a new unit is built, but also when new floor area is added in the future. One of the drawbacks to this method is that of maintaining a rational nexus between future additions of living area and the purpose of the fee. For example, the addition of a sunroom adds living area, but has no readily discernible connection to an enrollment impact, except with respect to the general finding that in Hooksett larger single-family homes indeed tend to have more children.

The Hooksett data show that enrollment per unit does not necessarily increase beyond the size range of 2000-2500 square feet, and that there are relatively few homes larger than 2500 square feet. Therefore, an impact fee based on a square-foot fee approach should probably include a cap on the dollar amount of the fee, or the maximum floor area subject to assessment.

Hooksett Public School Impact Fees

ALTERNATIVE A - IMPACT FEE BY NO. OF BEDROOMS - ANY STRUCTURE TYPE

**IMPACT FEE SCHEDULE BY NUMBER OF BEDROOMS
TOWN OF HOOKSETT - 2001**

Bedrooms in Unit	Expected Enrollment Impact Of Average Dwelling Units				School Construction: Total Capital Cost Per Housing Unit							
	Public School Enrollment Per Household				Facility Standard (District)				School Cost Per Unit @ Indicated \$/Sq. Ft.			
	Elementary (Grades K-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Total Grades K-12	Floor Area Required (Gross Sq. Feet/Pupil)				\$109	\$126	not included	
				Elementary (Grades K-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Average K-8	Elementary (Grades K-5)	Middle School (Grades 6-8)	High School (Grades 9-12)	Avg. Cost Per Unit	
One Bedroom	0.0973	0.0690	0.0837	0.2500	103	148	n.a.	122	\$1,097	\$1,287	n.a.	\$2,384
Two Bedrooms	0.1451	0.0841	0.0899	0.3191	103	148	n.a.	120	\$1,636	\$1,568	n.a.	\$3,205
Three Bedrooms	0.2764	0.1361	0.1509	0.5634	103	148	n.a.	118	\$3,117	\$2,538	n.a.	\$5,655
Four or More Bedrooms	0.3608	0.1630	0.1936	0.7174	103	148	n.a.	117	\$4,069	\$3,040	n.a.	\$7,109

Type of Construction: Units in Structure	Local Capital Cost Per Unit For Facilities Owned/Operated				Credits - Past Payments			Credit - Future Payments		
	Elementary Schools	Middle School	High School	Total Public Schools	Credit Allowance for Past Debt Service Computed at: 2% of local cost			Credit Allowance For Future Payments Compute @: 17% of local cost		
One Bedroom	\$768	\$901	n.a.	\$1,669	K-8 Schools (\$33)	High School n.a.	Total Public Schools (\$33)	K-8 Schools (\$284)	High School n.a.	Total Public Schools (\$284)
Two Bedrooms	\$1,146	\$1,098	n.a.	\$2,244	(\$45)	n.a.	(\$45)	(\$381)	n.a.	(\$381)
Three Bedrooms	\$2,182	\$1,777	n.a.	\$3,959	(\$79)	n.a.	(\$79)	(\$673)	n.a.	(\$673)
Four or More Bedrooms	\$2,848	\$2,128	n.a.	\$4,976	(\$100)	n.a.	(\$100)	(\$846)	n.a.	(\$846)

Net Impact Fee Per Dwelling Unit Assessment Schedule			
Units in Structure	Capital Cost Impact	Less Credits	Impact Fee Assessment
One Bedroom	\$1,669	(\$317)	\$1,352
Two Bedrooms	\$2,244	(\$426)	\$1,818
Three Bedrooms	\$3,959	(\$752)	\$3,207
Four or More Bedrooms	\$4,976	(\$946)	\$4,030

Hooksett Public School Impact Fees

ALTERNATIVE B: ILLUSTRATION OF SQUARE FOOT BASED MODEL - SINGLE FAMILY HOME EXAMPLE

DRAFT MODEL FOR FLOOR AREA BASED IMPACT FEE FOR SINGLE FAMILY DWELLINGS

	Enrollment Per 100 Square Feet of Living Area SINGLE FAMILY DWELLINGS				Local Capital Cost Impact On Hooksett School District Facility Space				Credits Per Sq. Ft. For Property Taxes \$0.48	IMPACT FEE
	Grade K-5	Grade 6-8	Grade 9-12	All Grades	Grade K-5	Grade 6-8	Grade 9-12	Total For Local Facilities	Single Family Detached Home	Single Family Detached Home
Single Family Detached Homes	0.017925	0.009162	0.009809	0.036896						
Size of Unit	Expected Enrollment Impact				Local Capital Cost Impact (1)				Less Credits	Net Fee
500	0.089625	0.045810	0.049045	0.184480	\$708	\$598	excluded	\$1,306	(\$240)	\$1,066
600	0.107550	0.054972	0.058854	0.221376	\$849	\$718	excluded	\$1,567	(\$288)	\$1,279
700	0.125475	0.064134	0.068663	0.258272	\$991	\$837	excluded	\$1,828	(\$336)	\$1,492
800	0.143400	0.073296	0.078472	0.295168	\$1,132	\$957	excluded	\$2,089	(\$384)	\$1,705
900	0.161325	0.082458	0.088281	0.332064	\$1,274	\$1,076	excluded	\$2,350	(\$432)	\$1,918
1000	0.179250	0.091620	0.098090	0.368960	\$1,415	\$1,196	excluded	\$2,611	(\$480)	\$2,131
1100	0.197175	0.100782	0.107899	0.405856	\$1,557	\$1,316	excluded	\$2,873	(\$528)	\$2,345
1200	0.215100	0.109944	0.117708	0.442752	\$1,698	\$1,435	excluded	\$3,133	(\$576)	\$2,557
1300	0.233025	0.119106	0.127517	0.479648	\$1,840	\$1,555	excluded	\$3,395	(\$624)	\$2,771
1400	0.250950	0.128268	0.137326	0.516544	\$1,981	\$1,674	excluded	\$3,655	(\$672)	\$2,983
1500	0.268875	0.137430	0.147135	0.553440	\$2,123	\$1,794	excluded	\$3,917	(\$720)	\$3,197
1600	0.286800	0.146592	0.156944	0.590336	\$2,264	\$1,914	excluded	\$4,178	(\$768)	\$3,410
1700	0.304725	0.155754	0.166753	0.627232	\$2,406	\$2,033	excluded	\$4,439	(\$816)	\$3,623
1800	0.322650	0.164916	0.176562	0.664128	\$2,547	\$2,153	excluded	\$4,700	(\$864)	\$3,836
1900	0.340575	0.174078	0.186371	0.701024	\$2,689	\$2,272	excluded	\$4,961	(\$912)	\$4,049
2000	0.358500	0.183240	0.196180	0.737920	\$2,830	\$2,392	excluded	\$5,222	(\$960)	\$4,262
2100	0.376425	0.192402	0.205989	0.774816	\$2,972	\$2,512	excluded	\$5,484	(\$1,008)	\$4,476
2200	0.394350	0.201564	0.215798	0.811712	\$3,113	\$2,631	excluded	\$5,744	(\$1,056)	\$4,688
2300	0.412275	0.210726	0.225607	0.848608	\$3,255	\$2,751	excluded	\$6,006	(\$1,104)	\$4,902
2400	0.430200	0.219888	0.235416	0.885504	\$3,396	\$2,870	excluded	\$6,266	(\$1,152)	\$5,114
2500	0.448125	0.229050	0.245225	0.922400	\$3,538	\$2,990	excluded	\$6,528	(\$1,200)	\$5,328

