

***Town of Chester
New Hampshire***

School Impact Fees

Prepared for:
Town of Chester, NH
Chester School Board, SAU #82
Chester Planning Board

Prepared by:
Southern NH Planning Commission

Adopted by Planning Board
September 7, 2016

Effective Date: September 7, 2016

Town of Chester School Impact Fee

Executive Summary

This report provides a basis under the authority of New Hampshire RSA 674:21 V., for the Town of Chester to assess a school impact fee pursuant to Article 14, Fair Share Contribution of the Town of Chester Zoning Ordinance. The amount of the School Impact Fee is based on the impact fee schedule as set forth in this report documenting the proportional basis for the fees. The approach applied in developing the fees is modeled after the School Impact Fee Methodology developed by **BCM Planning, LLC** as outlined in the *School Impact Fee Update Report* prepared for the Town of Barrington, NH dated January 19, 2016. The Barrington School Impact Fee methodology was selected by the Southern New Hampshire Planning Commission as the most appropriate approach for the Town of Chester, NH and Chester Academy Facilities.

The scope of the school impact fee assessment is based on a methodology often referred to as the Cost Recovery Fee Calculation. The rationale for using the cost recovery approach is that new development is responsible for paying its fair share of the useful life and capacity of capital facilities, in this case Chester Academy Facilities, already built in anticipation of new growth.

The impact fee may be assessed per dwelling unit under the five housing unit types as provided in the table below. As required under Article 14 of the Chester Zoning Ordinance, the assessment of an impact fee must be preceded by a public hearing with the Chester Planning Board. The required public hearing was held on September 7, 2016 and the Chester Planning Board subsequently adopted the School Impact Fee, making the fee effective as of September 7, 2016.

This School Impact Fee Report has been reviewed by the Chester School Board and the SAU #82 Office which provided much of the information and data used to support the assessment of a School Impact Fee for new housing units in the Town of Chester.

Fee Schedule Per Type of Housing Unit	
Type of Housing Unit	Impact Fee Assessment Per Housing Unit
Single Family Detached	\$1,142
Duplex (2 Attached Units)	\$1,098
Multifamily (3+ Units)	\$1,369
Condo/Townhouse Unit	\$693
Mobile Home	\$1,536
Apartment Unit in Mixed Use	\$1,643

Southern NH Planning Commission

Town of Chester School Impact Fee

A. Authorization

In 2016, SAU#82 retained the Southern New Hampshire Planning Commission (SNHPC) to develop the basis for impact fee assessment for local public school facilities within the Town of Chester and prepare this report. The Town of Chester Zoning Ordinance, Article 14 Fair Share Contribution provides the authority for the Planning Board to assess impact fees, including but not limited to the school impact fee.

B. Purpose and Use of Impact Fees

The establishment and assessment of impact fees are authorized by New Hampshire RSA 674:21 V. As set forth by RSA 674:21 V., an “impact fee” means a fee or assessment imposed upon development, including subdivision, building construction, other land use change, in order to help meet the needs occasioned by that development for the construction or improvement of capital facilities owned or operated by the municipality.

An impact fee is a one-time charge to new development to offset the proportional impact of new development on the costs borne by local government to provide public capital facilities. Under RSA 674:21 V., public school facilities are among the type of facilities eligible for impact fee assessment. In order for a municipality to adopt an impact fee, it must have enacted a capital improvement program (CIP) pursuant to RSA 674:5-7. On April 27, 2016, the Planning Board adopted an updated CIP for FY 2016-2022, which includes Chester Academy Facilities.

C. Methodology and Approach

The methodology and approach applied in developing the Chester School Impact Fees is modeled after the School Impact Fee Methodology developed by **BCM Planning, LLC** as outlined in the *School Impact Fee Update Report* prepared for the Town of Barrington, NH dated January 19, 2016. The Barrington Impact Fee model was selected by the Southern New Hampshire Planning Commission (SNHPC) as the most appropriate approach for developing School Impact Fees for the Town of Chester, NH and Chester Academy Facilities. This methodology and approach is often referred to as the Cost Recovery Fee Calculation.

The Cost Recovery Fee Methodology is best suited for the Town of Chester and Chester Academy Facilities as it is designed to recover the costs of the capacity of facilities already designed and built to address the needs created by new development. The rationale is that new development benefits from and has a responsibility in paying its fair share of the useful life and capacity of public facilities, in this case Chester Academy Facilities, already designed and built in anticipation of new development. As documented in this impact fee report, the facilities at Chester Academy currently have sufficient available capacity to absorb the needs of new residential development in Chester. Thus this available capacity is accounted for in the school impact fee calculation.

The following steps are used in calculating the Chester School Impact Fee utilizing the Cost Recovery Fee Methodology:

1. **Calculate Existing and Available Capacity of Chester Academy Facilities.** This step involves documenting capital improvement history at Chester Academy, including existing building area and school enrollment to estimate the existing and available total square foot per pupil capacity of the school facilities (see Sections D and E and Table 1 in this report);

2. **Determine Actual Local Public School Enrollment per Housing Unit.** This step involves conducting a detailed and comprehensive assessment of the Town's actual public school enrollment (Grades K-8) by existing housing characteristics, including housing type, number of bedrooms and year built to determine actual enrollment ratios and average enrollment by housing unit type, age and number of bedrooms in Chester. This assessment requires matching the School District's 2015 public school enrollment data with the Town of Chester's property assessment records (see Section F in this report);
3. **Estimate Chester School Facilities Development Costs per Square Foot.** This step involves obtaining school construction data and assigning public school facility cost data per square foot utilizing the NH Department of Education maximum allowable costs per square foot to obtain an up to date estimate of Chester Academy Facilities total school development cost, including additions (see Sections I. and J. in this report); and
4. **Calculate Credits for Portion of Past and Future Property Taxes Paid toward the School's Existing Capacity.** This step involves calculating credit allowances for the portion of property tax payments made both in the past and in the future towards the existing capacity made available for new development at Chester Academy Facilities (see Section K in this report)

In short, the Chester School Impact Fee is based on a calculation of the average cost to provide adequate public school facility capacity for grades K-8 at Chester Academy by housing type within the community. The fee is assessed only to new residential development according to the six types of housing units existing in Chester. These six types of housing units were determined by evaluating the Town's property tax assessment records and include: single family detached; duplex (2 attached units); multi-family (3 plus units); condo/townhouse unit; mobile home and apartment unit in mixed-use buildings. The Chester School Impact Fee also includes detailed research of 2015 local public school enrollment records matching these with the Town's property tax assessment records to obtain an accurate proportionate basis of the typical public school enrollment demand per type of housing unit on the capacity of Chester School Facilities.

D. Chester Academy School Facility Improvement History

Chester Academy, located at 22 Murphy Drive, opened in September of 1999 with 24 instructional classrooms for grades 1-8 at a total cost of \$5,982,000. In 2003, the school opened a ten-classroom addition at a total cost of \$2,094,321. The facility at Murphy Drive replaced the former school building (built in 1948) at 34 Chester Drive which is now used for the Town offices and the police and recreation departments. In 2009, a portable building was added to Chester Academy at a total building cost of \$59,960. This portable building holds two classrooms and a restroom that is currently being used as the SAU#82 Office. According to SAU#82, the School District received \$174,325 in Kindergarten Building Aid which covered all of the costs of the portable building, including set up, ramps, furniture, equipment, etc. As the portable building was funded by the state these costs cannot be incorporated into the proportionate capital cost of this impact fee.

Today, Chester Academy is 82,568 square feet in size and houses a total of 35 classrooms, two of which are devoted to pre-school/kindergarten; 12 are currently used for grades 1-4; and 14 are currently used for grades 5-8. There are six core spaces included in the building. These include the gym, cafetorium (with stage), music room (behind stage), computer lab (beside library), a library and art room. The classrooms are typically 900 square feet in size, except the pre-school / kindergarten classrooms which are 1,137 and 1,345 square feet in size respectively. One of the 35 classrooms is currently vacant and six classrooms are being used for something other than a regular classroom. This includes two special education rooms, one music room, one Title One teaching space, an extended day kindergarten room and a reading room. There are also five specialty work spaces which include an enrichment work space, two rooms for speech, an OT room, and technology staff office space.

Chester Academy also accommodates a half-day kindergarten program and a preschool program for children aged three to five with educational disabilities. The pre-school is an inclusionary program where typical developing students are role models and pay a tuition fee. As the pre-school program is tuition-based this impact fee applies only to capacity in the school facility for grades K-8. Some of the recently completed capital improvements to Chester Academy include:

- Exterior LED Building Lights and Parking Lot Lights – FY 2015
- GYM / Café Roof Top HAVC Units – FY 2014
- Drip Edge Stone Replacement – FY 2013
- Back Retaining Wall Repair/Replacement – FY 2013
- Carpet Replacement – FY 2013
- Phone System – FY 2013
- Front Office Renovation – FY 2013
- Fabricate and Install School Logo Sign; Replace Clock – FY 2013
- Carpet Replacement, Special Education Outer Office – FY 2013
- Install Lobby Security Door – FY 2012
- Water Coolers – FY 2012
- Window Blinds – FY 2012
- Building Fire Alarm System – FY 2012
- Student Restroom Casework – FY 2012
- Faucets, Urinals and Toilets, Auto Flush – 2012

Because Chester high school students (grades 9-12) attend a private high school (Pinkerton Academy in the Town of Derry, NH) under tuition agreement, school impact fees cannot be assessed in Chester for out of district facilities. Under RSA 674:21, V. school impact fees may be assessed only for public school facilities or the municipality's proportional share of capital facilities of a cooperative or regional public school district of which the municipality is a member.

E. Facilities and Capacity Standards

The capacity and enrollment (as of October 2015) in Chester Academy is illustrated in Table 1. As of 2015, enrollment at the Pre-School and Kindergarten is 69 percent of classroom capacity and grades 1-8 at Chester Academy are at 64 percent of capacity. Combined Pre-School and K-8 is at 71 percent of core capacity.

Chester Academy's core capacity is 800 according to the Educational Specifications that were developed by the School Building Committee and published in their report dated August 20, 1998. In 2003, a 10-classroom addition was added to the school. With this addition the Academy's core capacity remained at 800, but the classroom capacity was increased to 750 students based upon the School Building Aid application completed for the building addition in 2003. The core facility space is capable of accommodating the addition of more classrooms on the site if an expansion is needed in the future.

The average floor area per pupil capacity for Chester's local school facilities are as follows:

Pre-School to Kindergarten:	69
Grades 1-8:	100
Pre-School & Grades K-8:	103

For the purpose of impact fee assessment, the floor area standard applied is 100 square feet per pupil within the elementary and middle school facilities serving grade 1-8 pupils and 64 percent of classroom capacity. Because the Portable Building in 2009 was paid for with State School Building Aid, the value of that space will not be included as part of the capital cost basis of the impact fee. The impact fee basis will reflect Grade K-8 facilities only as the Pre-School program is currently a tuition-based program.

Table 1

CHESTER SCHOOL DISTRICT: FACILITY INVENTORY AND CAPACITY OCTOBER 2015								
School	Year Built and Expansion Dates	Grades Served	Site Area Acres	Building Area Gross Sq. Ft.	Capacity Estimate**	Total Square Foot Per Pupil Capacity	Oct-15 Enrollment	Enrollment As % of Classroom Capacity
Half-Day Pre-School/Kindergarten Program*	2003	Pre-K and Kindergarten	28	2,482 square feet	Classrooms: 2 Capacity Estimate: 72 Classroom Capacity: 36	69	50 total 9 - Pre-K 41 - K	69%
Chester Academy – Elementary & Middle School	1999 & 2003	Grades 1-8	28	80,086 square feet	Classrooms: 34 Core Capacity: 800 Classroom Capacity: 750	100	484	64%
Total Pre-School & Kindergarten & Grades 1-8 Facilities Only	1999 & 2003	Pre-School & K-8	28	82,568 square feet	Classrooms: 36 Core Capacity: 800 Classroom Capacity: 750	103	534	71%
<i>*Kindergarten was originally built in 1999 as part of the Elementary School. 10-Room Classroom Addition (Built in 2003) was completed through voter-approved bond. Portable Building (Added in 2009) was completed using State School Building Aid, but is used as SAU Office. **Based on School Board Policy on Class Size – Maximum 18 students per classroom for PK to grade 3; up to 20 for grade 4; and 25 for grades 5 through 8.</i>								

F. Public School Enrollment per Housing Unit

1. Average Household Size and Ratios of Students per Dwelling Unit

As shown in Table 2, average household size in 2010 in Chester was 3.04 persons per household. In 2000, it was 3.09 and in 2015 it was 2.91. Average household size in Chester has been relatively stable over the past several decades, but recently it has been declining as evidenced in 2015. At the same time, U.S. Census data reveals that the average number of school age pupils per occupied housing unit in Chester has been generally increasing. However, between 2010 and 2015, the number declined. In 1990, the average ratio of school age pupils per occupied housing unit was 0.728; in 2000 it was 0.791; in 2010 it was 0.818; and in 2015 it was 0.663. Because the census ratios generally reflect *all school age population* they are often higher than actual public school enrollment given home schooling and attendance at private schools.

Table 2

CHANGE IN HOUSING UNITS AND POPULATION – CHESTER, NH				
Demographic Factor	1990	2000	2010	2015 Estimate
Total Population	2691	3792	4768	4802
Population < Age 5	199	315	194	341
School Age Pop. Age 5-19	628	961	902	730
Percent of Population	31%	34%	23%	22%
Public School Enrollment	n/a	506	601	525
Ratio of Students/Housing	0.7728	0.791	0.818	0.663
Average Household Size	2.34	3.09	3.04	2.91
Occupied Units Owner Renter Total	873	1181	1596	1692
Single Family	800	1113	1438	1524
Multi-Family / Other	46	42	129	139
Mobile Home	27	26	29	29
Households < Age 55	1133	894	3785	992
Households > Age 55	196	320	983	620

Source: U.S. Decennial Census (100% Count) for Census years. Total population and housing unit estimates for 2014 from NHOEP. Other data are estimates by SNHPC using historical relationships and population and household age distribution estimates from the American Community Survey (ACS) 5-year sample data for 2010-2014.

For the purposes of this impact fee, a detailed and comprehensive housing/enrollment study was conducted to determine actual ratios of resident public school enrollment per occupied units in Chester. Student and housing data in Chester in 2015 was obtained from the SAU#82 Office and the Town Assessor and it has been determined for grades K-12 the actual overall ratio of public school enrollment is 0.9495 pupils per occupied unit and for grades K-8 it is 0.7961 pupils per occupied unit. Chester's locally derived enrollment /housing ratios in 2015 are somewhat higher than the school age pupil ratios generated by the U.S. Census because they are based on real data and not survey information and therefore are more accurate for use in this impact fee.

The ratio of students per occupied Single-Family housing unit for grades K-8 is 0.1339 pupils per unit and for Duplex housing it is 0.1556 per unit (see Table 3). The ratio of students per occupied Condo/Townhouse housing unit for grades K-8 is 0.667 pupils per unit; and an Apartment in a Mixed Use building is 0.5000 pupils per unit.

In general, Chester's actual resident public school enrollment ratios per occupied housing unit for all grades is somewhat less than the overall enrollment ratios determined by the New Hampshire Housing Finance Authority (NHHFA) in 2012. Utilizing state wide school enrollment data in New Hampshire, the NHHFA determined that a typical single-family detached home generates on average 0.48 students per unit, whereas a residential structure with two to four units or five or more units generates significantly less, 0.32 and 0.17 students per unit, respectively. In Chester, the typical single-family detached home generates on average 0.1279 students (K-12) per unit while multi-family and condo/ townhouse units averaged 0.1154 and 0.4231 students per unit respectively with multi-family slightly lower and condo/townhouse slightly higher than the 2012 statewide averages.

In an associated 2012 Applied Economic Research study, it was noted that declining enrollments do not necessarily mean lower costs, because many school district costs are fixed. This 2012 report suggests that in some communities, those with excess capacity in their schools and declining enrollments, adding more students may help to maintain healthy school populations and generate new property tax revenues, without a sharp increase in school costs.¹

2. Student Enrollment per Housing Unit by Housing Unit Type, Age and Number of Bedrooms

Working together, the Chester Assessing Department and SAU# 82 Office generated specific data for the housing/enrollment study conducted for this impact fee. The Town of Chester Assessing Department prepared a comprehensive spreadsheet of all occupied housing units in Chester as of 2015 by street address, map and block number, total assessed value, housing style, number of bedrooms, year built, housing type and road name.

The data in this spreadsheet was then merged with a spreadsheet created by the SAU# 82 Office showing actual 2015 enrollment e.g. the number of students in Pre-School (PK) through grade 12 by street address. The results of this data merge are presented in Tables 3, 4, 5 and 6, and Figures 1 and 2. Excluded from the study are housing units which are not occupied year-round such as waterfront units, cottages or camps to reduce the likelihood that seasonal housing units are included in the results.

Single family detached and duplex housing in Chester in 2015 had the highest overall average student enrollment ratios by housing type in grades PK – 8 and K-8 with ratios ranging from 0.1050 and 0.1139 per unit respectively. Units in mixed use buildings in Chester contained on average the highest ratio of 0.45 to 0.50 students per unit (see Table 3 and Figure 1). This is the case as a total of 9 students in grades K-8 were living in the two mixed use buildings in Chester in 2015.

No students (K-8) were found living in Chester's multi-family housing containing 3+ units or more. Similarly no students were found living in mobile homes during 2015 while a total of 9 students (K-8) were found living in Chester's 10 condo / townhouse units (see Table 4 which shows total number of students by occupied housing by grade).

A summary of the student / housing ratios discovered as part of the student/housing study are shown in the following Table 3 and Figure 1.

¹ *Housing and School Enrollment in New Hampshire: A Decade of Dramatic Change* 2012.

Table 3

Enrollment Ratios by Housing Unit Type, 2015			
House Type	PK-8	K-8	K-12
Single Family Detached	0.1050	0.1139	0.1279
Duplex (Two Attached Units)	0.1040	0.1156	0.1292
Multi-Family (3+ Units)	0.0000	0.0000	0.1538
Mobile Home	0.0000	0.0000	0.0000
Condo/Townhouse	0.0600	0.0667	0.1154
Apartment Unit in Mixed Use Building	0.4500	0.5000	0.4231
Total Housing Units	0.0973	0.1143	0.9495

Figure 1

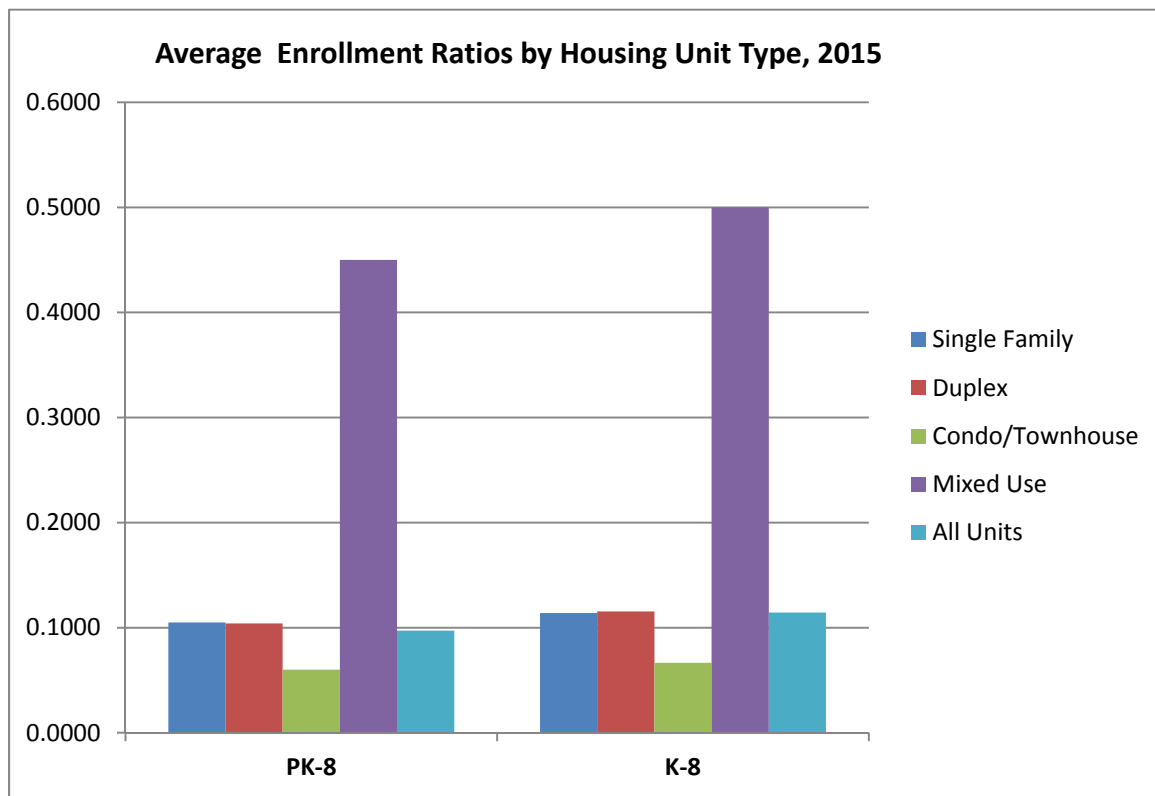


Table 4

Enrollment per Grade by Occupied Housing Type, 2015																		
Housing Type	Pre K	K	1	2	3	4	5	6	7	8	9	10	11	12	K-8	9-12	PK-12	Total Housing Units
Single Family	12	43	41	46	59	37	66	56	81	61	73	81	83	68	490	305	807	478
Duplex	0	0	2	4	3	4	1	4	2	6	6	6	0	4	26	16	42	25
Multi-Family	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	2	2	1
Mobile Home	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Condo/Townhouse	0	0	0	1	0	0	3	0	1	1	2	1	4	2	6	9	15	10
Mixed Use	0	0	3	0	0	2	1	0	0	3	0	2	0	0	9	2	11	2
Student Total	12	43	46	51	62	43	71	60	84	71	82	90	88	74	531	334	877	516

As shown in Table 4, in 2015 the greatest number of students enrolled in K-8 and K-12 lived in single family detached housing in Chester, particularly homes with three or more bedrooms. Similarly the greatest number of students enrolled in K-8 and K-12 lived in single-family detached homes built after 1990. Housing built prior to 1990 had the least number of Chester students, as shown in Table 5.

This data indicates that newer housing in Chester tends to generate the largest number of students. Higher enrollment averages in newer housing units may reflect the tendency of the newest units in the Town's housing inventory to accommodate growing families and those moving into Chester from other communities.

In addition the study found that the greatest number of students in Chester live in single family detached housing assessed in the range of \$200,001 to \$300,000 and between values of \$300,001 and \$400,000. See Table 6.

Table 5

Age of House by Student Occupied Housing per Housing Type													
Age of House	Age of House by Housing Unit Type												
	Signal Family		Duplex		Multi-Family		Condo/Townhouse		Mobile Home		Mixed Use		Total
<1970	66		3		1		0		0		1		71
1970-1979	38		4		0		0		0		1		43
1980-1989	52		11		0		0		0		0		63
1990-1999	180		0		0		0		0		0		180
2000-2009	109		2		0		10		0		0		121
>2010	33		5		0		0		0		0		38
Total	478		25		1		10		0		2		516
	K - 8												
	SF		D		MF		C		MH		MU		Total
	Students	%	Students	%	Students	%	Students	%	Students	%	Students	%	Students %
<1970	87	1.3182	6	2.0000	0	0.0000	0	0.0000	0	0.0000	2	2.0000	95 1.3380
1970-1979	39	1.0263	6	1.5000	0	0.0000	0	0.0000	0	0.0000	7	7.0000	52 1.2093
1980-1989	56	1.0769	7	0.6364	0	0.0000	0	0.0000	0	0.0000	0	0.0000	63 1.0000
1990-1999	165	0.9167	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0	0.0000	165 0.9167
2000-2009	107	0.9817	4	2.0000	0	0.0000	6	0.6000	0	0.0000	0	0.0000	117 0.9669
>2010	36	1.0909	3	0.6000	0	0.0000	0	0.0000	0	0.0000	0	0.0000	39 1.0263
Total	490	1.0251	26	1.0400	0	0.0000	6	0.6000	0	0.0000	9	4.5000	531 1.0291
	9 -12												
	SF		D		MF		C		MH		MU		Total
	Students	%	Students	%	Students	%	Students	%	Students	%	Students	%	Students %
<1970	38	0.5758	2	0.6667	2	2.0000	0	0.0000	0	0.0000	0	0.0000	42 0.5915
1970-1979	15	0.3947	2	0.5000	0	0.0000	0	0.0000	0	0.0000	2	2.0000	19 0.4419
1980-1989	32	0.6154	9	0.8182	0	0.0000	0	0.0000	0	0.0000	0	0.0000	41 0.6508
1990-1999	128	0.7111	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0	0.0000	128 0.7111
2000-2009	75	0.6881	1	0.5000	0	0.0000	9	0.9000	0	0.0000	0	0.0000	85 0.7025
>2010	17	0.5152	2	0.4000	0	0.0000	0	0.0000	0	0.0000	0	0.0000	19 0.5000
Total	305	0.6381	16	0.6400	2	2.0000	9	0.9000	0	0.0000	2	1.0000	334 0.6473
	K - 12												
	SF		D		MF		C		MH		MU		Total
	Students	%	Students	%	Students	%	Students	%	Students	%	Students	%	Students %
<1970	125	1.8939	8	2.6667	2	2.0000	0	0.0000	0	0.0000	2	2.0000	137 1.9296
1970-1979	54	1.4211	8	2.0000	0	0.0000	0	0.0000	0	0.0000	9	9.0000	71 1.6512
1980-1989	88	1.6923	16	1.4545	0	0.0000	0	0.0000	0	0.0000	0	0.0000	104 1.6508
1990-1999	293	1.6278	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0	0.0000	293 1.6278
2000-2009	182	1.6697	5	2.5000	0	0.0000	15	1.5000	0	0.0000	0	0.0000	202 1.6694
>2010	53	1.6061	5	1.0000	0	0.0000	0	0.0000	0	0.0000	0	0.0000	58 1.5263
Total	795	1.6632	42	1.6800	2	2.0000	15	1.5000	0	0.0000	11	5.5000	865 1.6764

Figure 2

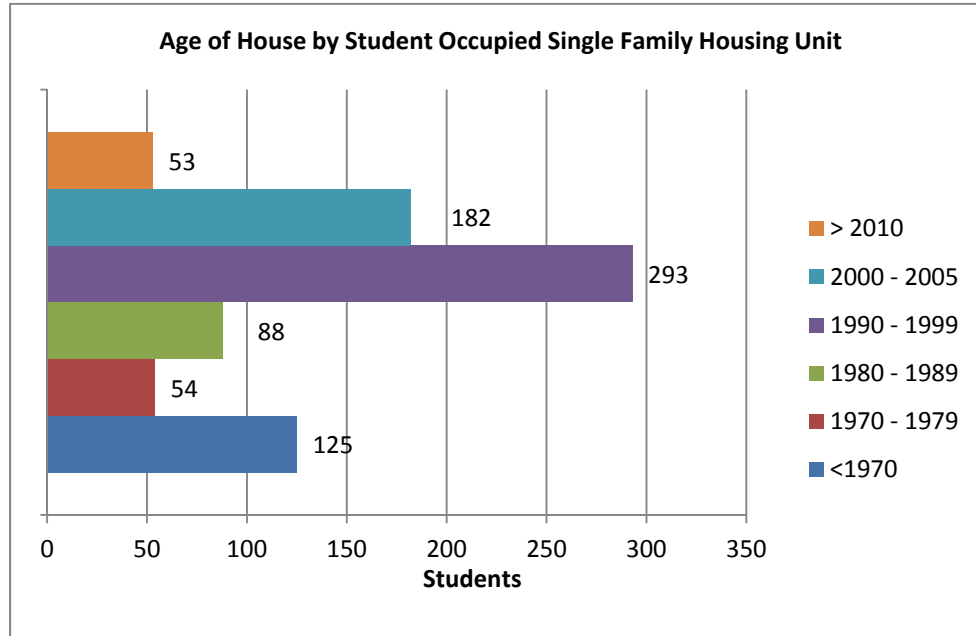


Table 6

Enrollment by Assessed Value per Housing Unit Type, 2015																			
Assessed Value (\$)	K - 8						9 -12						K - 12						Total
	SF	D	MF	CT	MH	MU	SF	D	MF	CT	MH	MU	SF	D	MF	CT	MH	MU	
100,000 - 200,000	43	6	0	1	0	0	20	4	0	0	0	0	63	10	0	1	0	0	74
200,001 - 300,000	243	9	0	5	0	0	133	5	2	9	0	0	376	14	0	14	0	0	406
300,001 - 400,000	185	7	0	0	0	0	133	1	0	0	0	0	318	8	2	0	0	0	326
400,001 - 500,000	14	0	0	0	0	0	13	0	0	0	0	0	27	0	0	0	0	0	27
500,001 - 600,000	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
600,001 - 700,000	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	1
Not Assessed	4	4	0	0	0	9	5	6	0	0	0	2	9	10	0	0	0	11	30
Total	490	26	0	6	0	9	305	16	2	9	0	2	795	42	2	15	0	11	865

Because none to very few students (K-8) enrolled in 2015 were found living in Mobile Homes or Multi-Family housing in Chester as part of this study, it is necessary for the purpose of this impact fee to estimate local enrollment ratios for these types of housing in the community. This is also true for Apartment Units in Mixed-Use Buildings as there are only three such buildings in the Town.

The student enrollment ratio for Multi-Family housing for grades K-12 averaged 0.1538 students per unit in 2015. A total of 61.3 percent of the total number of students in Chester were in grades K-8 during 2015. Using this percentage, the average enrollment ratio for grades K-8 for Multi-Family housing in Chester is estimated as follows:

	<u>2015 K-12/Unit</u>	<u>% Grade K-8</u>	<u>Grade K-8 Enrollment Ratio per Unit</u>
Multi-Family Unit	0.1538	61.3%	0.0942

The census data for Chester indicates as of 2015 there are approximately 29 occupied mobile homes located within town (representing 1.7 percent of Chester's total housing units). Students in Chester may have lived in some of these mobile homes in previous years prior to the housing/enrollment study conducted for use in this impact fee report.

On average statewide according to the report entitled *Housing and School Enrollment in New Hampshire: A Decade of Dramatic Change* prepared by Applied Economic Research in 2012, there is an average 0.34 - K-12 public students per mobile home. Given the lack of students in mobile homes in Chester in 2015 this statewide ratio is too high and can be reduced by the percent of mobile homes existing in the Town. Using this percentage, an enrollment ratio can be estimated for Mobile Homes in Chester as follows:

	<u>Statewide K-12/Unit in Chester</u>	<u>% Mobile Homes Chester</u>	<u>Grade K-8 Enrollment Ratio per Unit</u>
Mobile Home Unit	0.34	1.7%	0.12

The student/housing ratio for apartment units in mixed use buildings was found to be 0.50 students/unit grades K-8. Because there are only three mixed-use buildings in Chester, this ratio is reduced by 3 to 0.125. With the above adjustments to Multi-Family, Mobile Home and Apartment Units in Mixed-Use Buildings, the final enrollment ratios grades K-8 to be used in the impact fee are as follows:

Table 7

Housing Type	Enrollment Ratio for Grades K-8
Single Family Detached	0.1139
Duplex (2 Attached Units)	0.1156
Multi-Family (3+ Units)	0.0942
Condo/Townhouse Unit	0.0667
Mobile Home	0.1200
Apartment Unit in Mixed-Use Building	0.1250

G. Housing Development Trends

Chester's housing development historically has been predominantly single-family detached and some multi-family housing units (See Table 8 and Table 9). Between 1990 and 2014, Chester's housing peaked during the late 1990s and in 2000, when close to 100 new housing units per year were being added to the Town's housing stock.

Table 8

Building Permits 1990-2014				
Year	Single Family	Multi-Family	Mobile Home	Total
1990	8	0	0	8
1991	23	0	1	24
1992	36	0	0	36
1993	30	0	0	30
1994	47	0	0	47
1995	38	0	0	38
1996	33	0	0	33
1997	30	0	0	30
1998	44	0	0	44
1999	85	0	0	85
2000	91	0	0	91
2001	79	0	0	79
2002	47	0	0	47
2003	29	0	0	29
2004	21	12	1	34
2005	10	0	0	10
2006	10	4	4	18
2007	8	0	0	8
2008	2	2	1	5
2009	2	2	1	5
2010	9	0	0	9
2011	14	0	0	14
2012	21	0	0	21
2013	19	6	0	25
2014	23	4	0	27

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For the period 2000 to 2009, building permit activity in Chester averaged roughly 32 units per year with 99.7 percent as single family homes. More recently building permit activity for the period 2010-2014 is down substantially from prior periods, to an average of 19.2 units per year, with 89.6 percent in single family units.

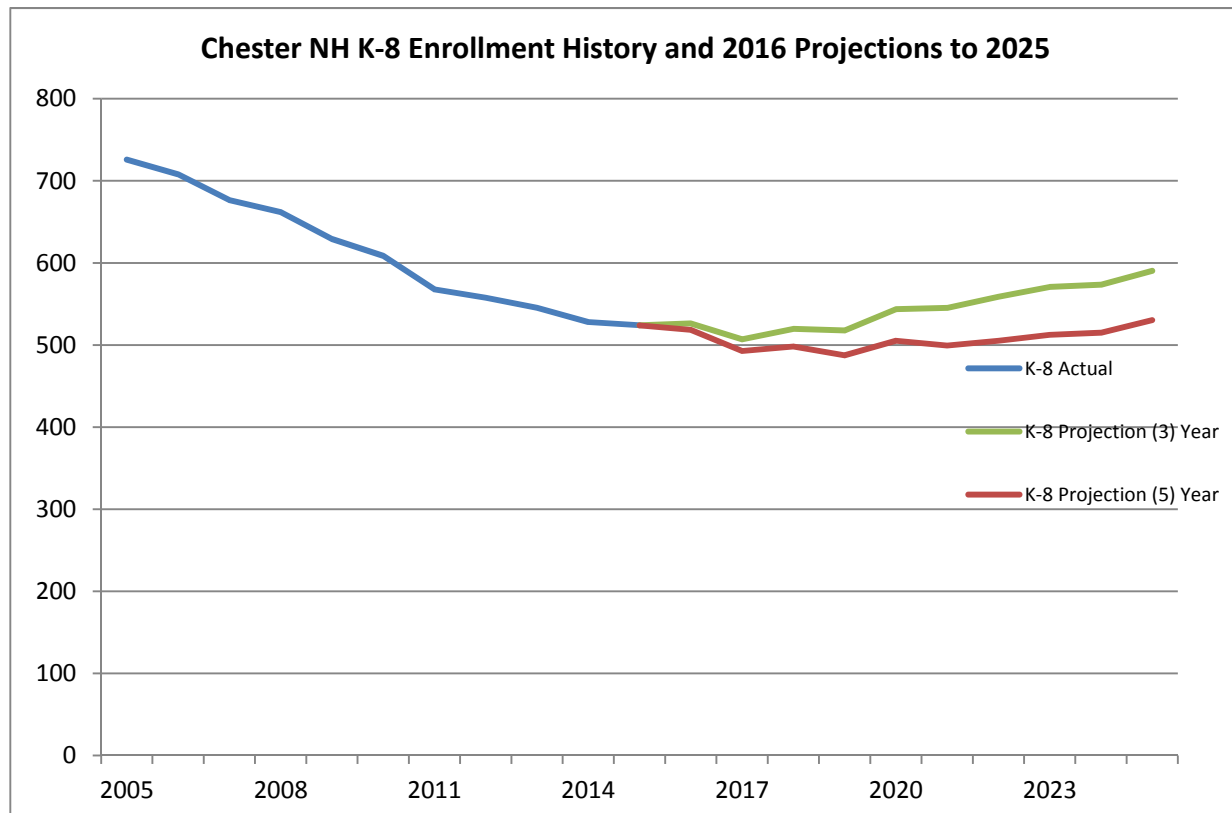
Table 9

Housing Units Authorized by Building Permits: Chester					
Years Permits Issued	Single Family Homes	Multi-Family Units	Mobile Home	Total Units Authorized	Average Annual
1990-1999	374	0	1	375	37.5
2000-2009	299	20	7	326	32.6
2010-2014	86	10	0	96	19.2
<i>Source: NH Office of Energy and Planning (NHOEP)</i>					

H. Public School Enrollment 2005 to 2015 and Projections to 2025

Figure 3 below shows the public school enrollment trends grades K-8 for Chester Academy for the period 2005-2015. Also provided are school enrollment projections for the period 2016 to 2025 which were specifically developed by SNHPC for this impact fee report. As illustrated in Figure 3, actual enrollment in grades K-8 between 2005 and 2016 has declined from a high of 730 to a low of 520 during this period.

Figure 3



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Public school enrollment projections developed by SNHPC for this impact fee report indicate that by the year 2025, K-8 enrollment may increase to 590 students or less using the three-year weighted average grade progression ratio assumptions. Using a five-year progression ratio, it is projected that enrollment may follow the same general trajectory, but with less total students. Likely enrollment under this scenario would be approximately 530 students by 2025 (see Figure 3).

The capacity of the K-8 Chester Academy today is well above current enrollment, indicating that if enrollment declines, there will be even greater available capacity should new development contribute to a net increase in total enrollment. Since there are currently no plans for construction of a high school and Chester sends its high school students to Pinkerton Academy in Derry, high school facilities are not part of the impact fee calculation.

I. Estimate Development Cost of Chester Academy School Facilities per Square Foot

As required in the Cost Recovery Fee Methodology, it is necessary to estimate the costs of capital facility improvements at Chester Academy, including core and classroom facilities, and capital equipment. This cost estimate is required on a per square foot basis.

The cost per square foot for elementary and middle school facilities in Chester can be derived based on the original construction of Chester Academy in 1999 and the construction of the ten-room addition in 2003. Based on information provided by the SAU #82 Office, it is estimated that the 82,568 square foot building had an original construction cost of \$8,076,321 (or approximately \$97.81 per square foot). This facility cost per square can be adjusted to today's costs by utilizing the New Hampshire Department of Education maximum allowable costs per square foot as described below.

The New Hampshire Department of Education publishes maximum allowable costs per square foot (used in the administration of State Building Aid) for facility development costs (building and internal systems only, not including site work). For Rockingham County, the State allowances for the construction period April 1, 2015 to March 31, 2016 are \$204 per square foot for elementary schools and \$212 for middle schools. Taken together the total cost to construct Chester Academy facility today would average **\$208** per square foot. This is the gross development cost of building and equipping Chester Academy facilities as used in this impact fee. The NH Department of Education derives their maximum school development cost estimates by county and county seat through data provided by the R.S. Means Company.

J. Estimate Development Costs of Chester Academy School Facilities per Housing Unit

As expressed in this impact fee, the Development Costs of Chester Academy School Facilities per Housing Unit is determined by multiplying the average public school enrollment (grade K-8 only) per housing unit type by the facility design standard floor area required (gross square feet per pupil) by the gross development cost of **\$208** per square foot, less 30 percent State Building Aid for elementary/middle schools. State Building Aid was made available to the School District during this time period and as such this funding must be subtracted to obtain a total local school development cost per housing unit type. These calculations are provided in Table 13 of this report. The last step in the Cost Recovery Methodology is to calculate the credits to new development for the value of the property tax payments made by housing unit for the existing capacity available at Chester Academy for new growth within the community.

K. Credits for Portion of Property Tax Payments for Existing Capacity at Chester Academy

It is a major principle in all impact fee methodologies to adjust for credits (past and future payments made) which support the development of capital facilities. The credits are applied to ensure that new development does not pay twice for these facilities, once through the impact fee and again through general taxation. The credits in this impact fee specifically address property tax payments made towards the outstanding debt

service funding the existing capacity at Chester Academy Facilities. The first credit applies to past property tax payments paid on vacant land that contributed toward funding the existing capacity at the school. In the future, new housing units will be built on this land and these units will pay property taxes, which will also include payments toward outstanding debt service. Thus, the second credit applies to completed new housing units that will be built on this land and will pay property taxes in the future on the annual debt service for the bond currently funding Chester Academy facilities.

The Chester School District original school building bond was executed in 1998. The School District also secured a second bond for the construction of a 10-classroom addition to the school building in 2003. In 2011, the District consolidated the two bonds and refinanced its debt service. Debt service on the consolidated bond is scheduled to be fully amortized in 2018 when the last bond payment is made.

a. *First Credit: Portion of Property Taxes Paid on Vacant Land Prior to 2016 which Funded School Capacity*

As applied in this impact fee, this credit is calculated as the present worth of the portion of the past debt service payments made by the Chester School District, less State aid provided towards the principal of the 1998 and 2003 bonds. In the past, vacant land contributed property taxes toward the payments on these bonds. As shown in the following Table 10, a credit of **\$8.12 per \$1,000 valuation** is applied to the average raw land values of the six housing types in Chester. An assumption is made that the value of raw land in Chester is approximately 30 percent of the average end selling price (market value) of a newly constructed single-family unit (based on estimates provided by the Chester Tax Assessor).

These past payment credits are then applied to the portions of the debt service made prior to 2016 the base year of this impact fee. The credit is limited to the proportion of Chester Academy's existing facilities that are already utilized by current enrollment (as of 2015, 69 percent of both elementary and middle school capacity as determined in Table 1). The present worth of past payments is estimated using an interest rate of 5 percent. The assessed value of housing units in Chester is based on average valuations per unit, by housing type, derived from the Town's 2015 assessment database. For apartment in mixed use buildings, an average assessment value is currently not available and thus no credit is applied for the raw land associated with this housing type.

b. *Second Credit: Past and Future Payments Made Toward Consolidated School Bond by Completed Housing Units after 2016*

The second credit is calculated as the net present value of the future payments made by completed housing units in Chester for the portion of the scheduled debt of the School District's consolidated bond. As shown in Table 11, a rate of **\$0.31 per \$1,000 valuation** is applied toward the average assessed valuation of a completed home among each of the six housing types to derive a future payment credit. A past payment credit of **\$0.45 per \$1,000 valuation** is also applied for debt service between 2012 and 2016 on the bond.

The consolidated building bond was issued by the School District to obtain a lower interest rate on the District's original school building and the 10-classroom addition. This bond matures in 2018 after the final payments are made and as such this credit will no longer apply and the Chester School Impact Fee should be amended accordingly. The construction of the 10-room classroom addition was an important capital improvement project for the School District as it expanded and increased capacity, including providing a major upgrade in the amount of space provided per pupil capacity (see *New Hampshire School Administrators Association Assessment of Educational Facility Needs Pre-K-8*, February 2002 report prepared for the Chester School District). Based on a review of the change in floor area per pupil (an increase in the applicable facility standard used to define the impact fee), SNHPC estimates roughly 29 percent of the total project costs for the 10-classroom addition can be attributable to pre-existing deficiencies in the capacity of the existing building (the 10-classroom addition divided by 34 the total number of classrooms at Chester Academy today).

Table 10

CREDIT FOR PAST PAYMENTS FOR ORIGINAL SCHOOL BUILDING AND CLASSROOM ADDITION

	1998	2003
	Construction	10 Classroom Addition
Term in Years:	20	10
Interest Rate on Bonds:	4.1-5.2%	3.4-3.9%
State Aid to District:	30.0%	30.0% of Principal
Discount Rate for Credits:	5.0%	5.0%
Percent of Capacity Utilized 2015	69%	

Calendar Year	Principal Payment	Interest Payment	Total Payment	Less State Building Aid @ 30%	Net Cost to District
1999	\$300,000	\$339,084	\$639,084	(\$90,000)	\$549,084
2000	\$300,000	\$265,518	\$565,518	(\$90,000)	\$475,518
2001	\$300,000	\$249,768	\$549,768	(\$90,000)	\$459,768
2002	\$300,000	\$234,018	\$534,018	(\$90,000)	\$444,018
2003	\$300,000	\$218,268	\$518,268	(\$90,000)	\$428,268
2004	\$300,000	\$124,596	\$424,596	(\$90,000)	\$334,596
2005	\$300,000	\$193,368	\$493,368	(\$90,000)	\$403,368
2006	\$300,000	\$180,768	\$480,768	(\$90,000)	\$390,768
2007	\$300,000	\$168,018	\$468,018	(\$90,000)	\$378,018
2008	\$300,000	\$155,118	\$455,118	(\$90,000)	\$365,118
2009	\$300,000	\$142,068	\$442,068	(\$90,000)	\$352,068
2010	\$300,000	\$128,718	\$428,718	(\$90,000)	\$338,718
2011	\$300,000	\$115,068	\$425,068	(\$90,000)	\$335,068
Total					\$5,254,378
2003	\$202,521	\$36,247	\$275,017	(\$82,505)	\$192,512
2004	\$205,000	\$66,537	\$271,537	(\$81,461)	\$190,076
2005	\$205,000	\$62,125	\$267,125	(\$80,137)	\$186,988
2006	\$205,000	\$55,155	\$260,155	(\$78,046)	\$182,109
2007	\$205,000	\$48,185	\$253,185	(\$75,955)	\$177,230
2008	\$205,000	\$41,112	\$246,112	(\$73,833)	\$172,279
2009	\$205,000	\$33,937	\$238,937	(\$71,681)	\$167,256
2010	\$205,000	\$26,762	\$231,762	(\$69,528)	\$162,234
2011	\$205,000	\$19,382	\$224,382	(\$67,314)	\$157,068
2012	\$205,000	\$11,695	\$216,695	(\$65,008)	\$151,687
2013	\$200,000	\$3,900	\$203,900	(\$61,170)	\$142,730
Total					\$1,692,283

Present Worth of Past Payments @ 5% \$3,508,535.85

Chester Net Local Valuation 2015 \$543,495,963

Percent of Capacity Utilized 2015 69%

Credit per 1000 Valuation of Raw Land \$4.45

Type of Housing Unit	Average Assessed Valuation	Raw Land Valuation Per Unit @ 30%	Credit Allowance Per Unit
Single Family Detached	\$290,100	\$87,030	\$387
Duplex (2 Attached Units)	\$328,900	\$98,670	\$439
Multifamily (3+ Units)	\$282,100	\$84,630	\$377
Condo/Townhouse Unit	\$156,400	\$46,920	\$209
Mobile Home	\$118,100	\$35,430	\$158
Apartment Unit in Mixed Use Building	\$100,000*	\$30,000	\$133

Note* - This is an assumed value for purpose of this calculation.

Table 11

CREDIT FOR PAYMENTS ON CONSOLIDATED SCHOOL BUILDING BOND

Total Bonded Debt:
 Term In Years: 7
 Interest Rate On Bonds: 2.0% to 3.0%
 State Aid To District: 30.0%
 Discount Rate for Credits: 5.0%

Calendar Year	Principal Payment	Interest Payment	Total Payment	Less State Building Aid @ 30%	Net Cost to District	Portion Needed for Base Yr. Deficiency @ 29%
PAST PAYMENTS						
2012/2013	\$316,000	\$50,647	\$366,647	(\$94,800)	\$271,847	\$78,836
2013/2014	\$315,000	\$40,400	\$355,400	(\$94,500)	\$260,900	\$75,661
2014/2015	\$310,000	\$34,150	\$344,150	(\$93,000)	\$251,150	\$72,833
2015/2016	\$300,000	\$28,050	\$328,050	(\$90,000)	\$238,050	\$69,034
Total						\$296,364
FUTURE PAYMENTS						
2016/2017	\$290,000	\$20,700	\$310,700	(\$87,000)	\$223,700	\$64,873
2017/2018	\$285,000	\$12,075	\$297,075	(\$85,500)	\$211,575	\$61,357
2018	\$260,000	\$3,900	\$263,900	(\$78,000)	\$185,900	\$53,911
Total						\$180,14

Present Worth of Past Payments @ 5% \$243,819.40

Chester Net Local Valuation 2015 \$543,495,963

Credit per 1000 Valuation of Raw Land **\$0.45**

Net Present Value of Future Payments for Deficiencies \$172,207

Chester Net Local Valuation 2015 \$543,495,963

Credit per 1000 Valuation Completed Home **\$0.31**

Housing Type	Assessed Value Per Completed Unit	Raw Land Valuation Per Unit @ 30%	Past Payment Credit	Future Payment Credit
Single Family Detached	\$290,100	\$87,030	\$39	\$90
Duplex (2 Attached Units)	\$328,900	\$98,670	\$44	\$102
Multi-Family (3+ Units)	\$282,100	\$84,630	\$38	\$87
Condo/Townhouse Unit	\$156,400	\$46,920	\$21	\$48
Mobile Home	\$118,100	\$35,430	\$16	\$37
Apartment Unit in Mixed Use	\$100,000*	\$30,000	\$13	\$31

Note* - This is an assumed value for the purpose of this calculation.

L. Impact Fee Assessment Schedule – 2016

a. Impact Fee Schedule

Table 12 below provides the final schedule for the assessment of the Chester School Impact Fee. The fees are applied per housing unit in accordance with the six housing types currently existing in Chester.

As noted stated in Section J of this report and as shown in Table 13, the Chester School Impact Fee is calculated by applying the estimated average local public school enrollment per each housing unit type in Chester, by the estimated school floor area per pupil and capacity costs of the school, less state building aid and credit allowances. The calculated impact fees represent the maximum school impact fees which can be assessed by the Town of Chester.

Table 12

Fee Schedule Per Type of Housing Unit	
Type of Housing Unit	Impact Fee Assessment Per Housing Unit
Single Family Detached	\$1,142
Duplex (2 Attached Units)	\$1,098
Multi-Family (3+ Units)	\$1,369
Condo/Townhouse Unit	\$693
Mobile Home	\$1,536
Apartment Unit in Mixed Use	\$1,643

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Table 13

SCHOOL IMPACT FEE COMPUTATION BY HOUSING UNIT TYPE - ELEMENTARY AND MIDDLE SCHOOL FACILITIES TOWN OF CHESTER - 2016									
Type of Construction:	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.		
				Floor Area Required (Gross Sq. Feet/Pupil)			\$208	\$0	
	Elementary & Middle Schools	High School	Total Public	Elementary and Middle	High School	Overall Averag	Elementary and Middle	High School	Avg. Cost
Single Family Detached	0.1139	nc	0.1139	100	0	nc	\$2,369	\$0	\$2,369
Duplex (2 Attached Units)	0.1156	nc	0.1156	100	0	nc	\$2,404	\$0	\$2,404
Multi-Family (3 + Units)	0.0942	nc	0.0942	100	0	nc	\$1,959	\$0	\$1,959
Condo/Townhouse Unit	0.0667	nc	0.0667	100	0	nc	\$1,387	\$0	\$1,387
Mobile Home	0.1200	nc	0.1200	100	0	nc	\$2,496	\$0	\$2,496
Apartment Unit/Mixed Use Building	0.2500	nc	0.2500	100	0	nc	\$5,200	\$0	\$5,200

Type of Construction	Local Capital Cost Per Unit for School			Credits - Past Payments			Credit - Future Payments		
	Local Net Capital Cost/Dwelling (Total Capital Cost Less State Building)			Credit Allowance for Expenditure For-Existing Capacity			Credit Allowance For Future Debt Service For Existing Capacity		
	Elementary & Middle School	High School 0.0%	Total Public	Elementary and Middle	High School	Total Public Schools	Elementary and Middle	High School	Total Public
Single Family Detached	\$1,658	\$0	\$1,658	(\$426)	\$0	(\$426)	(\$90)	\$0	(\$90)
Duplex (2 Attached Units)	\$1,683	\$0	\$1,683	(\$483)	\$0	(\$483)	(\$102)	\$0	(\$102)
Multi-Family (3+ Units)	\$1,871	\$0	\$1,871	(\$415)	\$0	(\$415)	(\$87)	\$0	(\$87)
Condo/Townhouse Unit	\$ 971	\$0	\$ 971	(\$230)	\$0	(\$230)	(\$48)	\$0	(\$48)
Mobile Home	\$1,747	\$0	\$1,747	(\$174)	\$0	(\$174)	(\$37)	\$0	(\$37)
Apartment Unit/Mixed Use Building	\$3,640	\$0	\$3,640	(\$146)	\$0	(\$146)	(\$31)	\$0	(\$31)

Net Impact Fee Per Dwelling Unit Assessment Schedule			
Type of Construction: Units in Structure	Capital Cost Impact	Less Credits	Impact Fee Assessment
Single Family Detached	\$1,658	(\$516)	\$1,142
Duplex (2 Attached Units)	\$1,683	(\$585)	\$1,098
Multifamily (3+ Units)	\$1,871	(\$502)	\$1,369
Condo/Townhouse Unit	\$ 971	(\$278)	\$693
Mobile Home	\$1,747	(\$211)	\$1,536
Apartment Unit/Mixed Use Building	\$3,640	(\$177)	\$3,463

M. Additional Administrative Considerations

1. Assessment of the Fee Schedule and Notice to the Applicant

The school impact fee is determined and assessed by the Planning Board at the time of plan approval. This process occurs during the public hearing process for a subdivision or site plan application. In accordance with Article 14.5 of the Chester Zoning Ordinance, if an applicant disagrees with the Planning Board's determination of a fair share contribution, the applicant shall be permitted the opportunity to present evidence as to why the Board has not properly determined the fair share contribution. The Board may consider such evidence and may modify the school impact fee for the pending application.

2. Waivers from Fair Share Contribution Requirement

A subdivision or site plan applicant may request a waiver from the fair share contribution requirement, by submitting an application for waiver in accordance with the requirements set forth in Article 14.9 of the Chester Zoning Ordinance.

3. Waivers for Elderly Housing

The Chester Fair Share Contribution - Impact Fee Ordinance does not contain conditions for the waiver of school impact fees for housing units that are lawfully restricted to occupancy by persons 55 and older or age 62 and older.

Therefore, it is recommended the Planning Board consider amending Article 14 Fair Share Contribution Ordinance to add specific provisions and conditions for the waiver of school impact fees for such age restrictive housing units. Chester's impact fee waiver provisions in general are contained in Article 14, Fair Share Contribution – Impact Fee Ordinance, Section 14.9.

4. Conversions and Additions

In cases where a conversion or addition to a structure changes the number of housing units within the structure to a new classification of housing unit, the impact fee may be computed by calculating the impact fee for the new use and number of units, and subtracting the fee that would have applied to the existing development if it were new.

For example, if a single-family home was converted to a duplex:

School Impact Fee for Duplex – 2 Units @ \$1,098	= \$2,196
Less Single Family Detached Unit	- <u>\$1,142</u>
	\$1,054

In the above example, the net positive difference of \$1,054 represents the value of the net impact created by the change in use from single-family home to a duplex (two-family) home. By applying this procedure, the baseline impact already present in the form of an existing single-family home is taken into account. The conversion is then assessed only for the incremental impact generated by the change. In order to address these and other similar types of conversions and additions, the Town of Chester building and/or planning department should be responsible for working with the fee-payer at the time of building permit.

5. In-Law or Accessory Apartments

The Town's Zoning Ordinance contains provisions for the conversion of existing dwellings and the creation of small additional rental units such as accessory dwelling units within an existing large single-family

dwelling (see Article 9). Typically an accessory dwelling unit can be created within an owner-occupied single-family dwelling that is on a conforming lot and occupies at least 600 square feet of the floor area of the single-family dwelling. Because these units typically do not contain more than one bedroom they have a negligible impact on public school enrollment. Therefore, it is recommended that in-law or accessory apartment units be excluded from the Chester School Impact Fee, unless the Town finds that such units are generating enrollment ratios similar to duplex or multi-family attached dwellings.

6. Future Updates to the School Impact Fee Schedule

As noted in various places in this impact fee report, it is important that the Town of Chester and the Chester School Board work together to maintain and update the methodology, assumptions and data used in calculating the Chester School Impact Fee.

One of the most important updates will be to the credits assigned for future payments on the School District's consolidated bond. As this bond matures in 2018, this credit will essentially go away and new impact fees will need to be determined. This can be easily addressed as part of a major update to the impact fee methodology after the final bond payments are made in 2018 or early 2019.

Other key data sets and variables utilized in the impact fee methodology include the facility standards primarily the average square foot per pupil capacity estimate of Chester Academy. As the Town of Chester continues to grow in the future and depending upon this rate of growth, enrollment at Chester Academy could increase and thus impact the per pupil capacity estimate used in the impact fee methodology. This is an important metric in determining the overall school impact fee and School Board and Town officials should closely monitor this in the near future.

This also applies to the local public school enrollment data and the average ratios per housing unit type within the community. After five years or so, the Town of Chester and staff at the SAU #82 Office might want to consider undertaking an update to the comprehensive enrollment and housing study conducted for this impact fee report. There could be variations in local enrollment and housing types within the community that could change the school impact fee calculations. In addition, changes in the assessed value of property in the Town of Chester could also affect the school impact fee calculations.

Finally, while there is currently no major building expansion or additions planned for Chester Academy – if this changes in the future and a major capital facility improvement is planned, it is recommended that the Town of School Board amend this impact fee report accordingly. Currently, the Chester School Impact Fee is based on a Cost Recovery Fee Methodology and the fees collected by the Town of Chester can be used to help pay for debt service on the existing bond and/or address planned capital facility improvements as outlined in the Chester Academy Capital Improvement Program.

It is important to note that any change in the impact fee methodology or the impact fee schedule as applied to new development in Chester should be adopted in accordance with the procedures established in the Town's Article 14 Fair Share Contribution or impact fee ordinance. This process will require at least one public hearing by the Planning Board on the proposed change(s) to the school impact fee methodology or schedule.