

***Town of Chester
New Hampshire***

Public Safety Impact Fee

Prepared for
Planning Board
Town of Chester, New Hampshire

Prepared with the assistance of the
Southern New Hampshire Planning Commission

FINAL DRAFT

July 2022

Adopted by Planning Board: _____

Effective Date: _____

Town of Chester Public Safety Impact Fee

A. Purpose of Report

This report provides a basis for the Town of Chester to update its impact fee for public safety facilities, which is assessed to new development within the community. The procedures for impact fee assessment are detailed in Article 14 (Fair Share Contribution) of the Town of Chester Zoning Ordinance and the State of New Hampshire Revised Statutes Annotated (RSA) 674:21, V. The amount of the Public Safety Impact Fee for facility improvements is based on the methodology and impact fee schedule detailed in this report, which documents the proportional basis for the fees.

B. Authorization for Impact Fees

The establishment and assessment of impact fees are authorized by New Hampshire RSA 674:21, V. As defined in RSA 674:21, V, an impact fee is *“a fee or assessment imposed upon development, including subdivision, building construction, or 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, which is intended to offset the proportional impact of that new development on the costs borne by local government to provide public capital facilities. Under the provisions of RSA 674:21, V., *“public safety facilities”* are eligible for impact fee assessment.

In accordance with RSA 674:21, V(b), in order for a municipality to adopt an impact fee ordinance, it must have enacted a capital improvements program pursuant to the requirements of RSA 674:5-7. On December 15, 2021, the Town of Chester Planning Board adopted an updated Capital Improvements Program (CIP) for 2022-2029.

The provisions of RSA 674:21, V(c) require that impact fees must be *“accounted for separately, segregated from the municipality’s general fund, [and] may be spent upon order of the municipal governing body.”* In addition, impact fee revenue is *“exempt from all provisions of RSA 32 relative to limitation and expenditure of town moneys, and shall be used solely for the capital improvements for which it was collected, or to recoup the cost of capital improvements made in anticipation of the needs which the fee was collected to meet.”* Impact fees cannot be used for the costs of upgrading or maintaining existing facilities and infrastructure if those needs were not explicitly necessitated by new development.

In 2012, the New Hampshire Legislature adopted several amendments to RSA 674:21 regarding the administration of impact fees. A new subsection (l) was inserted which states that, *“No later than 60 days following the end of the fiscal year, any municipality having adopted an impact fee ordinance shall prepare a report listing all expenditures of impact fee revenue for the prior fiscal year, identifying the capital improvement project for which the fees were assessed and stating the dates upon which the fees were assessed and collected. The annual report shall enable the public to track the payment, expenditures, and status of the individually collected fees to determine whether said fees were expended, retained, or refunded.”* It shall be the Town of Chester’s responsibility to ensure that this annual reporting occurs in accordance with this legislative requirement.

C. Methodology and Approach

There are a variety of methods that may be used to calculate impact fees. The choice of a particular method depends mainly on the service characteristics of the community and planning requirements for the facility type being addressed. Each method has advantages and disadvantages, and to some extent they are interchangeable as each method must allocate facility costs in proportion to the needs created by development. In simplest terms, the process of calculating impact fees involves two basic steps: determining the cost of development-related capital improvements and allocating these costs equitably to various types of development. However, the calculation of impact fees can be complex because of the many variables involved in defining the relationship between development and the need for the facilities. This report details the public need for public safety facility improvements resulting from new development within the Town of Chester.

The methodology used in calculating the Town of Chester's Public Safety impact fees involves the following seven steps:

1. Compiling an inventory of public safety facilities in the Town of Chester and determining the Maximum Service Population of the those facilities;
2. Defining historical and projected population and employment growth in the Town of Chester;
3. Calculating the proportionate share factors for residential and non-residential demand for public safety facilities in the Town of Chester;
4. Determining the total capital investment in public safety facilities in the Town of Chester;
5. Detailing the Town standards for public safety facilities based on the future service population and employment;
6. Calculating the cost/unit for public safety facility needs attributable to new residential and non-residential development in the Town of Chester; and
7. Translating the unit costs for public safety facility needs into residential and non-residential public safety impact fees.

D. Properties Benefitting from Impact Fees

The Town of Chester's public safety facilities provide all residents, workers, and visitors with the benefit of municipal public safety services. As such, both residential and non-residential land uses within the community directly benefit from the Town's public safety facilities and the services that these facilities enable.

E. Schedule of Public Safety Impact Fees

Figure 1 and Figure 2 set forth the schedule for the assessment of Public Safety impact fees for the Town of Chester for new residential and new nonresidential development, respectively.

For new residential uses, the fees are assessed on a dwelling unit basis. For new nonresidential uses, the fees are assessed based on industry type and square footage of building area.

The Town of Chester may adopt Public Safety impact fees that are less than the amounts provided in Figures 1 and 2. However, a reduction in impact fee revenue may necessitate an increase in other municipal revenues, a decrease in planned capital expenditures, and/or a decrease in the town's service standards to address the needs for such capital facilities.

Figure 1: Public Safety Impact Fee Schedule (Residential)

Housing Type	Development Unit	Police Impact Fee (per Dwelling Unit)	Fire Impact Fee (per Dwelling Unit)	Public Safety Impact Fee (Total)
Single Family Detached	Dwelling Unit	\$609	\$832	\$1,441
Duplex	Dwelling Unit	\$503	\$688	\$1,191
Multi-Family (3+ Units)	Dwelling Unit	\$406	\$555	\$961
Manufactured Housing	Dwelling Unit	\$469	\$642	\$1,111

Figure 2: Public Safety Impact Fee Schedule (Nonresidential)

Nonresidential Development Type	Development Unit	Police Impact Fee (per SF)	Fire Impact Fee (per SF)	Public Safety Impact Fee (Total)
General Retail	SF	\$0.51	\$0.41	\$0.92
Restaurants/Food Service	SF	\$1.28	\$1.05	\$2.33
Office	SF	\$1.21	\$0.99	\$2.20
Educational Services	SF	\$0.47	\$0.38	\$0.85
Industrial, Warehousing, and Distribution	SF	\$0.28	\$0.23	\$0.50
Lodging and Accommodation	SF	\$0.27	\$0.22	\$0.49
Health Care	SF	\$1.02	\$0.83	\$1.85
Religious Worship	SF	\$0.22	\$0.18	\$0.40
Other Services (except Public Administration)	SF	\$0.45	\$0.37	\$0.83

It is recommended that the schedule of Public Safety impact fees as shown in Figures 1 and 2 be reviewed and adjusted as necessary by the Chester Planning Board every three (3) years.

F. Chester Public Safety Facilities Data and Determination of Maximum Service Capacity

Police Facilities

The Town of Chester Police Station is located at 84 Chester Street, Chester, NH. The building has a usable floor area of 5,298 SF and is situated on the same lot as the Chester Municipal Office complex. There is only one police station within the Town of Chester, which supports the entire municipality.

The Town of Chester Police Station is approaching capacity for its existing space, and the Town has identified a long-term need for an expansion of the Chester Police Station to accommodate new development. In 2019, the Town hired Harriman Architects to evaluate the Chester Police Department's facility needs. In November 2019, Harriman Architects published a report entitled, "Town of Chester Police Department Addition/Renovation" which proposed an addition of 11,500 SF to the police station, renovation of 1,800 SF of current space, and the construction of additional parking and circulation areas.

While this proposed expansion of the Chester Police Station has been identified as a future need, the project is not programmed in Town of Chester Capital Improvements Program (CIP) for 2022-2029. Thus, it is assumed that the existing Chester Police Station has the potential to serve a larger population in the future as the Town of Chester grows. Based on the timing of the proposed Police Station expansion project occurring beyond the current 2022-2029 CIP horizon, it is assumed that the existing police facilities can serve a maximum service population commensurate with the Town's 2030 population projection of 5,660 (as detailed in Section G below).

The Chester Police Department's rolling stock consists of four cruisers and one 4WD truck. Other than routine vehicle replacements, no significant expansions of the fleet are anticipated to occur during the 2022-2029 CIP horizon.

Figure 3A provides a summary of the Town of Chester's police facility inventory and anticipated future needs to accommodate new development.

Figure 3A: Town of Chester Police Facility Inventory

Facility	Existing SF	Additional SF Needed to Accommodate New Development	
		During CIP Period (Before 2030)	Beyond CIP Period (After 2030) ¹
Chester Police Station	5,298	0	11,500
Rolling Stock	Existing Inventory	Replacement Rolling Stock Needed to Accommodate New Development	
		During CIP Period (Before 2030)	Beyond CIP Period (After 2030)
Cruiser (Ford Utility)	4	7	N/A
4WD Truck (Ford F-250)	1	1	N/A

Notes/Sources:

1) As detailed in the "Town of Chester Police Department Addition/Renovation" report prepared by Harriman Architects.

Fire Facilities

The Town of Chester Fire Station is located at 27 Murphy Drive, Chester, NH. The facility has a usable floor area of 9,796 SF and is situated on a 5.2-acre lot. There is only one fire station station within the Town of Chester, which supports the entire municipality.

To date, no short or long-term expansion needs have been identified for the Chester Fire Station to accommodate new development. Thus, it is assumed that the existing Chester Fire Station has the potential to serve a larger population in the future as the Town of Chester grows. It is assumed that the existing fire facilities can serve a maximum service population commensurate with the Town's full build-out population projection of 14,751 (as detailed in Section G below).

The Chester Fire Department's rolling stock consists of two engines (a quint and a pumper), a structural tanker, command SUV, utility pickup truck, gator and trailer, rescue truck, forestry truck, and forestry tanker. The Town of Chester Capital Improvements Program (CIP) for 2022-2029 includes the replacement of Engine #2 (pumper), refurbishing of Engine #1 (quint), and replacement of the rescue truck. Beyond the 2022-2029 CIP horizon, the Town has identified the long-term need to replace Engine #1 (quint) and the forestry tanker. No significant expansions of the fleet are anticipated to occur during the 2022-2029 CIP horizon.

Figure 3B provides a summary of the Town of Chester's fire facility inventory and anticipated future needs to accommodate new development.

Figure 3B: Town of Chester Fire Facility Inventory

Facility	Existing SF	Additional SF Needed to Accommodate New Development	
		During CIP Period (Before 2030) ¹	Beyond CIP Period (After 2030)
Chester Fire Station & Garage	9,796	0	0
Rolling Stock	Existing Inventory	Replacement or Refurbishment of Rolling Stock Needed to Accommodate New Development	
		During CIP Period (Before 2030) ¹	Beyond CIP Period (After 2030)
Structural Tanker	1	0	1
Command SUV	1	0	1
Utility Pickup	1	0	1
Gator and Trailer	1	0	1
Engine #1 (Quint)	1	1	1
Engine #2 (Pumper)	1	1	0
Rescue Truck	1	1	0
Forestry Truck	1	0	1
Forestry Tanker	1	0	1

Notes/Sources:

1) Needs as identified in the Town of Chester 2022-2029 Capital Improvements Program.

G. Town of Chester Growth Trends and Projections

The Town of Chester has experienced substantial population growth from the post-World War II period to the present. In the 50-year period from 1960 to 2010, the Town more than quadrupled in population from 1,053 residents in 1960 to 4,768 in 2010. While the Town continues to attract in-migration as a driver of population growth, this is partially offset by the natural decline of the aging population. As shown in Figure 4 below, based on projections developed by the NH Office of Strategic Initiatives (now known as the NH Office of Planning and Development), the Town of Chester is projected to grow from a population 5,232 in 2020 to a population of 5,660 in 2030, which is the assumed maximum service population for the Town of Chester's existing police facilities (as detailed in Section F above). The maximum service population for the Town of Chester's existing fire facilities (also detailed in Section F above) is assumed to be the Town's projected population at full build-out (14,751).

The Town of Chester is situated within the Southern New Hampshire Planning Commission (SNHPC) region. The New Hampshire Employment Security Department (NHES) provides employment projections at the statewide, county, and regional planning commission level. The projections provided at the regional planning commission level provide the most granularity. Over the coming ten-year period, NHES projects that employment in the SNHPC region will increase by 7.4%. It is assumed that employment growth in the Town of Chester will mirror the SNHPC region as a whole and that the ratio of population to employment in the Town of Chester will remain steady as the maximum service population and employment for public safety facilities is reached.

Figure 4: Town of Chester Growth Projections

	Historical Data ¹			Projections ²	
Population	2000	2010	2020	Maximum Service Population for Police Facilities (2030)	Maximum Service Population for Fire Facilities (Full Build-Out)
Population	3,792	4,768	5,232	5,660	14,751

Employment	2000	2010	2020	Maximum Service Employment for Police Facilities (2030)	Maximum Service Employment for Fire Facilities (Full Build-Out)
Employment	N/A	N/A	408	438	1,150

Notes/Sources:

- 1) Historical population data based on U.S. Census figures.
- 2) Population projections for the Town of Chester based on NH Office of Strategic Initiatives projection.
- 3) Employment projections for the SNHPC region based on NH Employment Security projections.
Employment growth in the Town of Chester is assumed to be in line with the SNHPC region as a whole.

Town of Chester Household Size

There are four primary types of housing units in the Town of Chester: 1) Single-family Detached; 2) Duplex (two attached units); 3) Multi-family (3+ units); and 4) Manufactured Housing. The estimated number of persons per housing unit (i.e. household size) for each of these housing types in the Town of Chester is detailed in Figure 5 below.

Figure 5: Household Size (by Housing Type) in the Town of Chester

Housing Type	Estimated Number of Persons/Unit
Single-Family Detached	2.88
Duplex	2.38
Multi-Family (3+ Units)	1.92
Manufactured Housing	2.22

Notes/Sources:

1) Derived from 2020 U.S. Census and 2016-2020 American Community Survey 5-year data.

H. Residential and Nonresidential Proportionate Share Factors

Police Facilities

A series of proportionate share factors are used to allocate police facility costs to residential and nonresidential development within the community. These factors include calls for service (Figure 6A), the community's job/population ratio, the community's relative share of assessed valuation, and the community's functional ("daytime") population (Figure 6B).

Figure 6A below presents the Town of Chester Police Department's calls for service for 2021 and calculates the relative proportions of residential and nonresidential calls for service.

Figure 6A: Police Calls for Service in the Town of Chester (2021)

Chester Police Department Calls (2021) ¹		
	Number	Percentage
Calls to Residential Locations	12,464	59.4%
Calls to Nonresidential Locations	8,519	40.6%
Subtotal	20,983	
Calls for Assistance by Outside Agencies	57	
Calls for Assistance at Accidents	12	
Total	21,052	

Notes/Sources:

1) Data provided by the Town of Chester Police Department for the 12-month period ending December 2021.

To estimate the proportionate share based on functional ("daytime") population, there are factors which are used in this impact fee analysis to account for time spent at either residential or nonresidential development within the community as follows:

- Residents who are not participating in the labor force (e.g. retired, etc.) and unemployed residents are assigned 20 hours per day to residential development and 4 hours per day to nonresidential development (annualized averages).
- Employed residents (including those who work in the Town of Chester and those who work outside of the Town of Chester) are assigned 14 hours to residential development and 10 hours to nonresidential development.
- Nonresident workers are assigned 10 hours to nonresidential development.

Given the Town of Chester's population of 5,232 persons and the analysis presented in Figure 6B below, proportional share of the Town's functional ("daytime") population for residential development is 86.67% while nonresidential development is 13.33% percent.

Figure 6B: Town of Chester Functional ("Daytime") Population

Town of Chester Daytime Population Analysis			
Town Population (Total) ¹	5,232		
Residential Proportionate Share Analysis	Population	Residential Demand (Hours/Day)	Residential Person Hours (Townwide/Day)
Residents Employed in Chester ²	121	14	1,694
Residents Employed Outside of Chester ²	2,775	14	38,850
Unemployed Residents ³	345	20	6,906
Residents Not Participating in Labor Force	1,991	20	39,814
Residential Person Hours (Subtotal)			87,264
Nonresidential Proportionate Share Analysis	Population	Nonresidential Demand (Hours/Day)	Nonresidential Person Hours (Townwide/Day)
Residents Employed in Chester ²	121	10	1,210
Unemployed Residents ³	345	4	1,381
Residents Not Participating in Labor Force	1,991	4	7,963
Nonresident Workers (Inflow Commuters) ²	287	10	2,870
Nonresidential Person Hours (Subtotal)			13,424
Total Residential + Nonresidential Person Hours			100,688
Residential Proportional Share			86.67%
Nonresidential Proportional Share			13.33%

Notes/Sources:

- 1) Based on the 2020 U.S. Census.
- 2) Based on U.S. Census Longitudinal Employer-Household Dynamics data.
- 3) Annual average unemployment for 2020 (6.6%) as reported by NH Employment Security.

Compiling the information above, along with the townwide jobs/population ratio and relative shares of assessed valuation for residential and nonresidential properties, Figure 7 below presents the proportionate share determination for the Town of Chester's police capital facilities. The proportionate share for residential development is calculated to be **81.6%** while nonresidential development is calculated to be **18.4%** percent.

Figure 7: Town of Chester Police Facilities Proportionate Share Determination

Police Proportionate Share Determination					
	Calls for Service ¹	Jobs to Population Ratio ²	Share of Assessed Valuation ³	Daytime Population	Average
Residential	59.4%	92.8%	87.7%	86.7%	81.6%
Nonresidential	40.6%	7.2%	12.3%	13.3%	18.4%

Notes/Sources:

- 1) Police call data provided by the Town of Chester Police Department.
- 2) Jobs to Population Ratio based on 408 jobs in the Town of Chester and population of 5,232 in the Town of Chester.
- 3) Derived from Town of Chester assessing data. Nonresidential valuation share includes tax exempt nonresidential properties.

Fire Facilities

Similar to police facilities, the same series of proportionate share factors are used to allocate fire facility costs to residential and nonresidential development within the community. These factors include calls for service (Figure 8), the community's job/population ratio, the communities relative share of assessed valuation, and the community's functional ("daytime") population.

Figure 8 below presents the Town of Chester Fire Department's calls for service for 2021 and calculates the relative proportions of residential and nonresidential calls for service.

Figure 8: Fire Calls for Service in the Town of Chester (2021)

Chester Fire Department Calls (2021) ¹		
	Number	Percentage
Calls to Residential Locations	249	85.3%
Calls to Nonresidential Locations	43	14.7%
Subtotal	292	
Calls for Assistance by Other Communities	160	
Calls for Assistance at Accidents in Chester	55	
Total	507	

Notes/Sources:

- 1) Data provided by the Town of Chester Fire Department for the 12-month period ending November 2021.

The other factors, including the community's job/population ratio, the community's relative share of assessed valuation, and the community's functional ("daytime") population, are the same as presented earlier in the police proportionate share determination.

Figure 9 below presents the proportionate share determination for the Town of Chester's police capital facilities. The proportionate share for residential development is calculated to be **88.1%** while nonresidential development is calculated to be **11.9%** percent.

Figure 9: Town of Chester Fire Facilities Proportionate Share Determination

Fire Proportionate Share Determination					
	Calls for Service ¹	Jobs to Population Ratio ²	Share of Assessed Valuation ³	Daytime Population	Average
Residential	85.3%	92.8%	87.7%	86.7%	88.1%
Nonresidential	14.7%	7.2%	12.3%	13.3%	11.9%

Notes/Sources:

- 1) Police call data provided by the Town of Chester Fire Department.
- 2) Jobs to Population Ratio based on 408 jobs in the Town of Chester and population of 5,232 in the Town of Chester.
- 3) Derived from Town of Chester assessing data. Nonresidential valuation share includes tax exempt nonresidential properties.

I. Capital Investment in Public Safety Facilities

Police Facilities

As detailed in Figure 10A below, the replacement cost of the Chester Police Station is estimated to be \$1,082,803 based on insurance records. The town has also identified capital improvement needs for the police department during the 2022-2029 CIP period totaling \$112,817. These improvement needs include police protective equipment, mobile data terminals, and portable radios. As such, the total investment in the Chester Police Station is estimated to be \$1,195,620.

Additionally, as detailed in Figure 10A below, the Chester Police Department's rolling stock includes a total of five vehicles, which includes four Ford Utility cruisers and one Ford F-250 truck. The replacement cost of the four cruisers is estimated to be \$225,000 (\$56,250 each) and the replacement cost of the Ford F-250 Truck is estimated to be \$44,500. While the Town of Chester 2022-2029 CIP does include regular replacements of the cruisers and truck, an expansion of the fleet is not anticipated during the CIP horizon. As such, the total investment in the Chester Police rolling stock is estimated to be \$269,500.

Figure 10A: Town of Chester Capital Investment in Police Facilities

Town of Chester Police Station Investments					
Facility	Existing SF	Replacement Cost ¹	Improvement Needs (During CIP Period)	Improvement Costs ²	Total Cost
Chester Police Station (Portion of Municipal Complex)	5,298	\$1,082,803	Police Protective Equipment, Data Terminals, and Portable Radios	\$112,817	\$1,195,620
Total	5,298	\$1,082,803			\$1,195,620

Town of Chester Police Rolling Stock Investments					
Rolling Stock	Existing Inventory	Replacement Cost ³	Improvement Needs (During CIP Period)	Improvement Costs	Total Cost
Cruiser (Ford Utility)	4	\$225,000	N/A (Replacement Only)	N/A	\$225,000
4WD Truck (Ford F-250)	1	\$44,500	N/A (Replacement Only)	N/A	\$44,500
Total	5	\$269,500			\$269,500

Notes/Sources:

1) Value of Police Station is based on its proportional share of total municipal complex square footage (5,298 SF/33,154 SF = 15.98%) multiplied by the total building replacement value for the town municipal complex (\$6,776,000 x 15.98% = \$1,082,803).

2) Improvement Costs from the Town of Chester 2022-2029 Capital Improvements Program.

3) Replacement cost of police cruiser with outfitting is estimated to be \$56,250, replacement cost of 4WD truck is estimated to be \$44,500.

Based on the capital investment data presented in Figure 10A, the cost per unit of the Town of Chester's police facilities can be calculated. As detailed in Figure 10B below, the cost per square foot for the Chester Police Station is calculated to be \$226/SF. Similarly, the average cost per vehicle for the Town of Chester's Police Department rolling stock is calculated to be \$53,900.

Figure 10B: Town of Chester Capital Investment in Police Facilities (Cost/Unit Summary)

Town of Chester Police Station Investments				
Facility	Total Cost	Units		Cost/Unit
Chester Police Station (Portion of Municipal Complex)	\$1,195,620	5,298	SF	\$226
Total	\$1,195,620			\$226
Town of Chester Police Rolling Stock Investments				
Rolling Stock	Total Cost	Units (Vehicles)		Cost/Unit
Cruiser (Ford Utility)	\$225,000	4	Each	\$56,250
4WD Truck (Ford F-250)	\$44,500	1	Each	\$44,500
Total	\$269,500	5		\$53,900

Fire Facilities

As detailed in Figure 11A below, the replacement cost of the Chester Fire Station is estimated to be \$1,549,100 based on insurance records. The town has also identified capital improvement needs for the fire department during the 2022-2029 CIP period totaling \$418,300. These improvement needs include a communications tower, fire personnel protective equipment, mobile dispatch terminals, defibrillators, digital pagers, and a gear extractor. As such, the total investment in the Chester Fire Station is estimated to be \$1,967,400.

Additionally, as detailed in Figure 11A below, the Chester Fire Department's rolling stock consists of two engines (a quint and a pumper), a structural tanker, command SUV, utility pickup truck, gator and trailer, rescue truck, forestry truck, and forestry tanker. The replacement cost of each of these vehicles differs and is presented in Figure 11A. While the Town of Chester 2022-2029 CIP does include refurbishment of Engine #1 (quint), replacement of Engine #2 (pumper), and replacement of the Rescue Truck, an expansion of the fleet is not anticipated during the CIP horizon. As such, the total investment in the Chester Fire rolling stock is estimated to be \$2,872,500.

Figure 11A: Town of Chester Capital Investment in Fire Facilities

Town of Chester Fire Station Investments					
Facility	Existing SF	Replacement Cost¹	Improvement Needs (During CIP Period)	Improvement Costs²	Total Cost
Chester Fire Station & Garage	9,796	\$1,549,100	Communications Tower, Protective Equipment, Dispatch Terminals, Defibrillators, Pagers, Gear Extractor	\$418,300	\$1,967,400
Total	9,796	\$1,549,100			\$1,967,400
Town of Chester Fire Rolling Stock Investments					
Rolling Stock	Existing Inventory	Replacement Cost³	Improvement Needs (During CIP Period)	Improvement Costs	Total Cost
Structural Tanker	1	\$370,000	N/A	N/A	\$370,000
Command SUV	1	\$55,000	N/A	N/A	\$55,000
Utility Pickup	1	\$45,000	N/A	N/A	\$45,000
Gator and Trailer	1	\$35,000	N/A	N/A	\$35,000
Engine #1 (Quint)	1	\$850,000	Refurbishment Only	N/A	\$850,000
Engine #2 (Pumper)	1	\$700,000	Replacement Only	N/A	\$700,000
Rescue Truck	1	\$300,000	Replacement Only	N/A	\$300,000
Forestry Truck	1	\$67,500	N/A	N/A	\$67,500
Forestry Tanker	1	\$450,000	N/A	N/A	\$450,000
Total	9	\$2,872,500			\$2,872,500

Notes/Sources:

- 1) Replacement cost based on Town insurance policy information.
- 2) Improvement Costs from the Town of Chester 2022-2029 Capital Improvements Program.
- 3) Replacement costs based on the Town of Chester 2022-2029 Capital Improvements Program and data provided by the Town of Chester Fire Department.

Based on the capital investment data presented in Figure 11A, the cost per unit of the Town of Chester's fire facilities can be calculated. As detailed in Figure 11B below, the cost per square foot for the Chester Fire Station is calculated to be \$201/SF. Similarly, the average cost per vehicle for the Town of Chester's Fire Department rolling stock is calculated to be \$319,167.

Figure 11B: Town of Chester Capital Investment in Fire Facilities (Cost/Unit Summary)

Town of Chester Fire Station Investments				
Facility	Total Cost	Units		Cost/Unit
Chester Fire Station & Garage	\$1,967,400	9,796	SF	\$201
Total	\$1,967,400			\$201
Town of Chester Fire Rolling Stock Investments				
Rolling Stock	Total Cost	Units		Cost/Unit
Structural Tanker	\$370,000	1	Each	\$370,000
Command SUV	\$55,000	1	Each	\$55,000
Utility Pickup	\$45,000	1	Each	\$45,000
Gator and Trailer	\$35,000	1	Each	\$35,000
Engine #1 (Quint)	\$850,000	1	Each	\$850,000
Engine #2 (Pumper)	\$700,000	1	Each	\$700,000
Rescue Truck	\$300,000	1	Each	\$300,000
Forestry Truck	\$67,500	1	Each	\$67,500
Forestry Tanker	\$450,000	1	Each	\$450,000
Total	\$2,872,500	9		\$319,167

J. Service Standards for Public Safety Facilities

Police Facilities

A central component of this impact fee methodology is defining the Town's service standards for public safety facilities. As detailed in Sections F and G, it is anticipated that the Town's existing police facilities can accommodate an estimated future service population of 5,660 and an estimated future service employment of 438. Accordingly, this impact fee is based on recouping new development's proportionate share of the Town's total capital investment in police facilities. The Town of Chester's police facility service standards are presented in Figure 12A below.

Figure 12A: Town of Chester Police Facility Service Standards

Chester Police Station	Proportionate Service Demand	Demand on Police Station Space		Future Service Population and Employment	Units	Service Standard (SF/Unit)
Residential	81.6%	4,325	SF	5,660	Person	0.76
Nonresidential	18.4%	973	SF	438	Job	2.22
Chester Police Rolling Stock	Proportionate Service Demand	Demand on Police Rolling Stock (Vehicles)		Future Service Population and Employment	Units	Service Standard (Rolling Stock/ 1,000 Units)
Residential	81.6%	4.08	Each	5,660	Person	0.72
Nonresidential	18.4%	0.92	Each	438	Job	2.10

The preceding items calculated in this report are used to determine the Cost/Unit for police facilities attributable to new development in the Town of Chester. Specifically, the service standard (Figure 12A) is multiplied by the cost/unit for police facilities (Figure 10B) to determine the cost/person (residential) and cost/job (nonresidential) for new development in each category. This calculation is presented in Figure 12B below.

Figure 12B: Determination of Police Facility Cost/Unit Attributable to New Development

Chester Police Station	Units	Service Standard (SF/Unit)	Cost/SF	Cost/Unit
Residential	Person	0.76	\$226	\$172
Nonresidential	Job	2.22	\$226	\$501
Chester Police Rolling Stock	Units	Service Standard (Rolling Stock/1,000 Units)	Cost/Rolling Stock	Cost/Unit
Residential	Person	0.72	\$53,900	\$39
Nonresidential	Job	2.10	\$53,900	\$113
Total Residential (Per Person)				\$211
Total Nonresidential (Per Job)				\$614

Fire Facilities

Defining the Town's service standards for fire facilities follows the same process as for police facilities. As detailed in Sections F and G, it is anticipated that the Town's existing fire facilities can accommodate an estimated future service population of 14,751 and an estimated future service employment of 1,150. Accordingly, this impact fee is based on recouping new development's proportionate share of the Town's total capital investment in fire facilities. The Town of Chester's fire facility service standards are presented in Figure 13A below.

Figure 13A: Town of Chester Fire Facility Service Standards

Chester Fire Station and Garage	Proportionate Service Demand	Demand on Fire Station Space		Future Service Population and Employment	Units	Service Standard (SF/Unit)
Residential	88.1%	8,630	SF	14,751	Person	0.59
Nonresidential	11.9%	1,166	SF	1,150	Job	1.01
Chester Fire Rolling Stock	Proportionate Service Demand	Demand on Fire Rolling Stock		Future Service Population and Employment	Units	Service Standard (Rolling Stock/1,000 Units)
Residential	88.1%	7.93	Each	14,751	Person	0.54
Nonresidential	11.9%	1.07	Each	1,150	Job	0.93

Again, the preceding items calculated in this report are used to determine the Cost/Unit for fire facilities attributable to new development in the Town of Chester. Specifically, the service standard (Figure 13A) is multiplied by the cost/unit for fire facilities (Figure 11B) to determine the cost/person (residential) and cost/job (nonresidential) for new development in each category. This calculation is presented in Figure 13B below.

Figure 13B: Determination of Fire Facility Cost/Unit Attributable to New Development

Chester Fire Station and Garage	Units	Service Standard (SF/Unit)	Cost/SF	Cost/Unit
Residential	Person	0.59	\$201	\$118
Nonresidential	Job	1.01	\$201	\$204
Chester Fire Rolling Stock	Units	Service Standard (Rolling Stock/1,000 Units)	Cost/Rolling Stock	Cost/Unit
Residential	Person	0.54	\$319,167	\$172
Nonresidential	Job	0.93	\$319,167	\$297
Total Residential (Per Person)				\$289
Total Nonresidential (Per Job)				\$501

K. Credit Evaluation

The Town of Chester does not have any outstanding property tax-backed debt for public safety facility improvements, and therefore no credit is included in this impact fee analysis.

L. Residential Impact Fees for Public Safety Facilities

Figures 14A (Police) and 14B (Fire) below provide the schedule of impact fees by housing unit type for residential development based on the capital cost per person for police (Figure 12B) and fire (Figure 13B) multiplied by persons per housing unit.

Figure 14A: Residential Impact Fees for Police Facilities

Housing Type	Development Unit	Estimated Number of Persons/Unit	Cost/Person	Police Impact Fee (per Dwelling Unit)
Single Family Detached	Dwelling Unit	2.88	\$211	\$609
Duplex	Dwelling Unit	2.38	\$211	\$503
Multi-Family (3+ Units)	Dwelling Unit	1.92	\$211	\$406
Manufactured Housing	Dwelling Unit	2.22	\$211	\$469

Notes/Sources:

1) Derived from 2020 U.S. Census and 2016-2020 American Community Survey 5-year data.

Figure 14B: Residential Impact Fees for Fire Facilities

Housing Type	Development Unit	Estimated Number of Persons/Unit	Cost/Person	Fire Impact Fee (per Dwelling Unit)
Single Family Detached	Dwelling Unit	2.88	\$289	\$832
Duplex	Dwelling Unit	2.38	\$289	\$688
Multi-Family (3+ Units)	Dwelling Unit	1.92	\$289	\$555
Manufactured Housing	Dwelling Unit	2.22	\$289	\$642

Notes/Sources:

1) Derived from 2020 U.S. Census and 2016-2020 American Community Survey 5-year data.

The residential police and fire impact fees can then be consolidated into a single public safety impact fee as presented in Figure 15 below.

Figure 15: Town of Chester Public Safety Impact Fees (Residential)

Housing Type	Development Unit	Police Impact Fee (per Dwelling Unit)	Fire Impact Fee (per Dwelling Unit)	Public Safety Impact Fee (Total)
Single Family Detached	Dwelling Unit	\$609	\$832	\$1,441
Duplex	Dwelling Unit	\$503	\$688	\$1,191
Multi-Family (3+ Units)	Dwelling Unit	\$406	\$555	\$961
Manufactured Housing	Dwelling Unit	\$469	\$642	\$1,111

M. Nonresidential Impact Fees for Public Safety Facilities

Figures 16A (Police) and 16B (Fire) below provide the schedule of impact fees by square foot for nonresidential development based on the capital cost per person for police (Figure 12B) and fire (Figure 13B) multiplied by the average number of jobs per square foot for nonresidential development.

Figure 16A: Nonresidential Impact Fees for Police Facilities

Nonresidential Development Type	Development Unit	Average SF/Job	Average Jobs/SF	Cost/Job	Police Impact Fee (per SF)
General Retail	SF	1,211	0.0008	\$614	\$0.51
Restaurants/Food Service	SF	479	0.0021	\$614	\$1.28
Office	SF	508	0.0020	\$614	\$1.21
Educational Services	SF	1,319	0.0008	\$614	\$0.47
Industrial, Warehousing, and Distribution	SF	2,214	0.0005	\$614	\$0.28
Lodging and Accommodation	SF	2,291	0.0004	\$614	\$0.27
Health Care	SF	603	0.0017	\$614	\$1.02
Religious Worship	SF	2,767	0.0004	\$614	\$0.22
Other Services (except Public Administration)	SF	1,351	0.0007	\$614	\$0.45

Notes/Sources:

1) Based on mean square feet per worker by industry as determined in the U.S. Energy Information Administration's 2018 Commercial Building Energy Consumption Survey.

Figure 16B: Nonresidential Impact Fees for Fire Facilities

Nonresidential Development Type	Development Unit	Average SF/Job	Average Jobs/SF	Cost/Job	Fire Impact Fee (per SF)
General Retail	SF	1,211	0.0008	\$501	\$0.41
Restaurants/Food Service	SF	479	0.0021	\$501	\$1.05
Office	SF	508	0.0020	\$501	\$0.99
Educational Services	SF	1,319	0.0008	\$501	\$0.38
Industrial, Warehousing, and Distribution	SF	2,214	0.0005	\$501	\$0.23

Lodging and Accommodation	SF	2,291	0.0004	\$501	\$0.22
Health Care	SF	603	0.0017	\$501	\$0.83
Religious Worship	SF	2,767	0.0004	\$501	\$0.18
Other Services (except Public Administration)	SF	1,351	0.0007	\$501	\$0.37

Notes/Sources:

1) Based on mean square feet per worker by industry as determined in the U.S. Energy Information Administration's 2018 Commercial Building Energy Consumption Survey.

The nonresidential police and fire impact fees can then be consolidated into a single public safety impact fee as presented in Figure 17 below.

Figure 17: Town of Chester Public Safety Impact Fees (Nonresidential)

Nonresidential Development Type	Development Unit	Police Impact Fee (per SF)	Fire Impact Fee (per SF)	Public Safety Impact Fee (Total)
General Retail	SF	\$0.51	\$0.41	\$0.92
Restaurants/Food Service	SF	\$1.28	\$1.05	\$2.33
Office	SF	\$1.21	\$0.99	\$2.20
Educational Services	SF	\$0.47	\$0.38	\$0.85
Industrial, Warehousing, and Distribution	SF	\$0.28	\$0.23	\$0.50
Lodging and Accommodation	SF	\$0.27	\$0.22	\$0.49
Health Care	SF	\$1.02	\$0.83	\$1.85
Religious Worship	SF	\$0.22	\$0.18	\$0.40
Other Services (except Public Administration)	SF	\$0.45	\$0.37	\$0.83

Notes/Sources:

1) Based on mean square feet per worker by industry as determined in the U.S. Energy Information Administration's 2018 Commercial Building Energy Consumption Survey.

N. Additional Administrative Considerations

The residential impact fee schedule presented herein is applied, by type of structure, to any new construction or conversion activity that results in a net increase in the number of dwelling units within the Town of Chester. The nonresidential impact fee schedule presented herein is applied to new/increased square footage in floor area by nonresidential development type.

Impact Fee Waiver Provisions

Waiver provisions for the assessment of impact fees are currently set forth within the Town of Chester Zoning Ordinance, Article 14, Fair Share Contribution regulations.

Conversions and Additions

In cases where a conversion or addition to a structure changes the number of dwelling units within the structure to a new housing type classification, 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 detached home were converted to a duplex:

$$\begin{array}{rcl} \text{Impact Fee for Duplex housing type (2 units @ \$1,191)} & = & \$ 2,382 \\ \text{Less Impact Fee amount for Single-Family unit} & = & \underline{(\$1,441)} \\ & & \$ 941 \end{array}$$

By applying this procedure, the baseline impact already present in the form of an existing single-family home is considered. 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 will be responsible for working with the fee-payer during the building permit process.

Updating the Fee Schedule

The impact fee methodology has been designed to allow for future updates or modification of the underlying assumptions. It is recommended that the variables in the impact fee model be updated based on new information and documentation to produce revised impact fee amounts every three (3) years. Updates to the fee schedule using the methodology described in this report should be made after consideration of all of the variables involved, as some of these elements are interdependent.

Assessment/Collection of the Impact Fees

The Town of Chester's Public Safety impact fees represent a *one-time charge* collected at the point where new residential dwelling units or new nonresidential square footage is authorized by building permit. As such, this methodology recognizes each new dwelling unit or new nonresidential square footage as a permanent addition to the base of demand placed on the Town of Chester's public safety facilities and recognizes that the use and need for facility improvements may vary by type of dwelling unit and nonresidential use within the community.

These requirements, however, do not prevent the Town of Chester and the assessed party from establishing an alternate, mutually acceptable schedule of payment of impact fees in effect at the time of subdivision plat or site plan approval by the Town of Chester Planning Board. If an alternative schedule of payment is established, the Town of Chester may require developers to post bonds, issue letters of credit, accept liens, or otherwise provide suitable measures of security so as to guarantee future payment of the assessed impact fees in accordance with RSA 674:21.

The actual implementation of this impact fee methodology and the resulting fee schedule developed herein are subject to the Town of Chester's current Fair Share Contribution ordinance (Article 14 of the Town of Chester Zoning Ordinance). While this methodology establishes a rational basis for determining proportionate dollar amounts for impact fees that could be assessed for public safety facilities, the impact fees to be assessed and collected must be implemented primarily to ensure that adequate public facilities remain available to accommodate new development and to secure more of the revenues needed for such facilities at the time new development takes place.

Additionally, the Town of Chester Planning Board should continue to update the municipal Capital Improvements Program (CIP) on an annual basis to ensure that the revenues collected through adoption of this impact fee schedule are spent by the town within six years of collection and that the public safety facility needs outlined in the CIP remain consistent with the funding appropriated for them.

All impact fees assessed and collected by the Town of Chester must be spent within six years, otherwise the town is legally bound under RSA 674:21, V(e) to refund the fees with any accrued interest.

O. References and Acknowledgements

The following reference sources contributed to the development of this document.

- *Town of Chester Police and Fire Impact Fees* prepared by the Southern New Hampshire Planning Commission, September 2016.
- *Impact Fee Development – A Handbook for NH Communities* prepared by the Southern New Hampshire Planning Commission, 1999.

Additionally, the Southern New Hampshire Planning Commission recognizes the work of Bruce Mayberry of BCM Planning, LLC in Yarmouth, Maine. Mr. Mayberry's work on the development of impact fee methodologies has influenced not only the development of this document, but similar efforts for communities around Northern New England.