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Council seemingly receptive to impact fees

Laconia:

Saying that an economic recovery is on the way and that Laconia should be ready to capitalize on it, the City Council appears closer to enacting impact fees for many types of development, but before it does it wants to hold one more public hearing on the matter.

The hearing will be held on May 10 during the regular council meeting and hopefully, said Ward 3 Councilor Henry Lipman, it will include testimony from real estate brokers and economists to round out the extensive testimony the council got Monday from City Planner Shanna Saunders.

A five-year city employee, Saunders said impact fees have been a topic of discussion since she began working in Laconia. She reminded the council that what was being proposed in Laconia was taken "straight from state statutes" which allow a municipality to recoup the cost of a variety of capital improvements that have been deemed necessary to provide services to the residents of new residential and non-residential developments.

As proposed by Saunders and previously endorsed by the Planning Department, Laconia's impact fees would be assessed on developers for the impact of their projects on city public schools, police, fire and recreation departments, roads and library.

Saunders explained that the fees would be determined when a subdivision plan was submitted to the Planning Department and would be due upon the issuance of a certificate of occupancy for each new residential unit. She asked the City Council to give her direction on which fee schedule to use and also on what percentage of the fee should be assessed.

"It was not a unanimous vote" on the Planning Board, she said, when its members voted to recommend assessing either 10 or 25 percent of the fee and not the entire 100 percent as the consultant hired by the city called for.

To a question from Ward 2 Councilor Matt Lahey, Saunders said all the impact fees would go into dedicated funds so that, for example, school fees could only be used for school projects. She later said and later clarified that the fees in the funds could pay for only bricks-and mortar-expansions, improvements and new construction and not for operational costs or to hire additional personnel, adding that if unused within six years, they would be reimbursed to the person(s) who paid them.

Saunders said there were no exemptions in the impact fee language for senior citizens because there was no guarantee that a housing unit built for older residents, who theoretically put less of a burden on city services like schools, because there was no assurance that the unit wouldn't later be inhabited by people who did have children in city schools.

She said developers since 2005 weren't lining up to build housing aimed at those aged 55 and above and that the planning board has reserved the right to waive impact fees for seniors and in other circumstances.

Only two people came out to the recent planning board public hearing on impact fees, said

Saunders, but Lipman added that he nonetheless wanted some broader feedback, which is why he called for a separate City Council listening session.

Saunders said Laconia's proposed impact fees were "on track with what everybody else is doing" among other New Hampshire cities and towns and she was confident that the fees would not put Laconia "at an economic disadvantage."

Now, she said, was the "opportunity to capture the upswing in development" that was coming.

If there was no new growth, there'd be no impact fees assessed, she said, adding that developers from other parts of the state are tickled by the fact that Laconia doesn't have the fees in place already.

When the developers ask how much the fees are "and when I tell them 'zero' they giggle to themselves," Saunders said.

Lipman said the questions from him were whether impact fees could have an impact on local jobs and also whether they were a sound way of raising money for capital projects.

Ward 5 Councilor Bob Hamel said he agreed with some of what Lipman was saying but warned that if the fees aren't adopted then "when the economy turns around and this isn't in place," the city will lose out on a revenue source.

City Manager Eileen Cabanel asked Saunders to find out exactly "what kind of money are we talking about" for the May 10 public hearing.
