

Deadline to use \$30K in impact fees

Hayes requests Town Council OK funds for school land buy

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July 10, 2012 2:00 AM

NEWMARKET — The Town Council is mulling a proposal to release \$30,000 in impact fees to pay for deposits made back in February on properties for the building of a new high school.

Superintendent Dr. Jim Hayes approached the Town Council recently about the impact fees.

An impact fee is a fee that is implemented by a local government on a new or proposed development to help assist or pay for a portion of the costs that the development may cause for public services. Newmarket's Town Planner Diane Hardy explained further.

"Since 2001 we've been collecting impact fees," she said. "One of the state's provisions for the collecting and assessing of impact fees is that we have six years to spend them, and what they're spent on must increase the capacity of our facilities and accommodate later growth."

After this six-year time limit expires, the fees must be refunded to the property owners of the development that was initially assessed.

The impact fees in question are from 2006, and, as Interim Finance Director Matt Angell explained, "the 2006 developer paid these fees for building a new home, funds for increasing our facilities' capacity. The homeowner, or, 'owner of record,' gets the money back though and it's basically a windfall for the homeowner."

The most pressing of the impact fees was one of \$3,793.29 which was coming immediately due for refund to a homeowner in a matter of days, and Hayes pressed the Town Council to use at least that amount from the \$30,000 of impact fees soon due, to pay for the school land acquisition so it would not have to be refunded.

This move will also preserve \$30,000 in the School District's Expansion CIP Fund. This fund was used this past winter to put deposits on the three parcels voters approved at the polls for future school building or expansion.

According to Angell, the next fee due to be refunded will come on July 17. Also, he informed the Town Council that the town has approximately \$198,000 in impact fee funds. While there is \$62,000 of impacts fees for an expansion or building a new school, \$30,000 of that total must be spent soon.

Councilors were caught off guard by Hayes's request, and expressed reluctance to approve the release of the entire \$30,000.

"I feel we're under the barrel of an artificial gun because this comes simply from us not managing our impact fees," said Town Council Chairman Phil Nazarro.

"This isn't the way to handle information dissemination," he added, referring to the tight deadline.

Councilor Gary Levy requested a document showing all of the impact fees, their totals, and the dates that they were coming due for refunding.

The Town Council eventually passed a vote 4-3 to release the \$3,793.29 in fees to the school district with the understanding that more information would be made available to them about the rest of the fees, and another vote would be taken at the next meeting, which is slated for Wednesday, July 11.

At the following night's School Board meeting, Hayes brought the issue up before the School Board as well.

"We want to use every dollar possible to get our work done," said Hayes. "I didn't, however, provide this information to them in advance. They were caught cold so they couldn't consider it and mull it over to understand the impact fee system, but I'm not concerned about their reluctance to release the money in the future."