

# FISCAL IMPACT ANALYSIS

## The Village on Technology Hill

### Mixed Use PUD Kitty Hawk Landing Londonderry, NH

December 14, 2023



**FOUGERE PLANNING & DEVELOPMENT, Inc.**  
**Mark J. Fougere, AICP**

253 Jennison Road Milford, New Hampshire 03055  
Ph : 603-315-1288 email: Fougereplanning@comcast.net

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**Introduction**

Fougere Planning and Development has been engaged by Londonderry Holdings, LLC to undertake this Fiscal Impact Analysis to outline the potential financial implications to the Town of Londonderry from the proposal to construct a mixed use Planned Unit Development (PUD). Specifically the program involves the construction of 361,864 square feet of manufacturing, 5,000 square feet of office, 15,200 square feet of retail, a Child Care facility and 439 apartment units. Table One outlines the apartment unit profile.

Table One  
Unit Profile

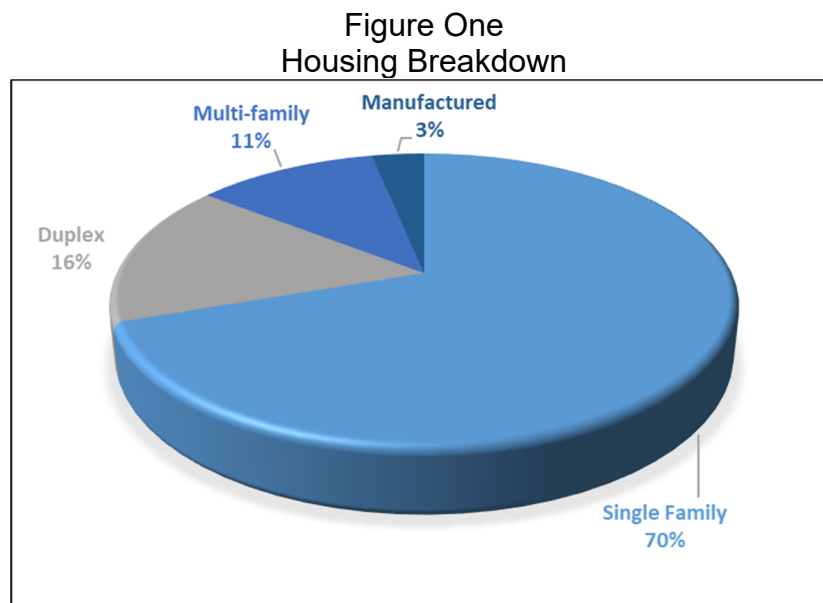
<b>Unit Type</b>	<b>Units</b>
One Bedroom	199
Two Bedroom	205
Three Bedroom	35

The undeveloped subject site is 110 acre and lies south of Aira Way and north of Kitty Hawk Landing. This proposed project anticipates that all onsite drives and trash pickup will be privately maintained and will be serviced by public water and sewer. To gain a full understanding of the municipal fiscal ramifications to the community, this Report will provide a fiscal analysis of the proposed project.

## Local Trends

The most recent 2020 Census data reports Londonderry's population to be 25,826, increasing from 24,129 in 2010, representing a 6.5% growth rate over the 10 year period. The New Hampshire Office of Planning & Development estimates the community's 2022 population to be 26,793.

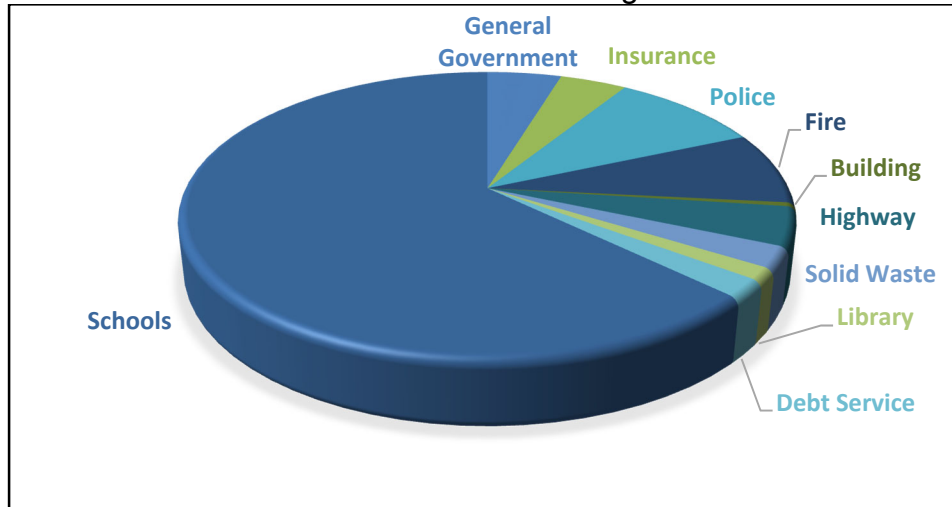
Approximately 69.6% of Londonderry's housing stock consists of single family homes, with the most recent New Hampshire Planning & Development office data reporting 7,088 single family homes out of a total housing stock of 10,172 units as outlined in Figure One.



## Budgets

Town & School FY2024 budget's totaled \$121,697,956. The Education Department, along with Police and Fire are some of the larger Departments in the community. Given the nature of the proposal, these Departments will experience some measurable impacts from the proposed project and as such, they will be closely reviewed in this analysis. Figure Two outlines the breakdown of the Town and School budgets.

Figure Two  
Town and School Budget



## A. Fiscal Methodology Approach

Fiscal Impact Analysis can have many connotations, this analysis will follow the classic definition of fiscal impact as follows “*A projection of the direct, current public costs and revenues associated with residential or nonresidential growth to the local jurisdiction in which the growth is taking place.*”

There are a number of methodologies that are used to estimate fiscal impacts of proposed development projects. The Per Capita Multiplier Method is the most often used analysis to determine municipal cost allocation. This method is the classic “average” costing method for projecting the impact of population growth on local spending patterns and is used to establish the costs of existing services for a new development. The basic premise of this method is that current revenue/cost ratios per person and per unit is a potential indicator of future revenue/cost impacts occasioned by growth. New capital expenditures required for provision of services to a development are not added to current costs; instead, the present debt service for previous improvements is included to represent ongoing capital projects. The advantage of this approach is its simplicity of implementation and its wide acceptance by both consultants and local officials. The downside of this approach is that the methodology calculates

the “average” cost as being the expected cost, which is often not the case and costs can be understated or exaggerated; significantly in some instances. If one student is added to a school system, limited cost impacts will occur. However, based on an “average” cost to educate one student the cost could be noted as \$16,000/year which includes such expenses as existing debt, building maintenance, administrative and other factors, all of which will be minimally impacted by the addition of one student. The “true cost” could be significantly less, especially in those communities with declining enrollment. Never the less, this conservative average costing approach will be used in this analysis.

Given the nature of the proposed development project, as will be shown by the analysis below, few major impacts will be felt by Town departments. Solid waste generated by this project will be removed by a private hauler. All onsite improvements will be private and all maintenance expenses will be paid for by the property owners. Increases in service demands will be realized by a few Town Departments including the School Department along with the Police and Fire Departments. With so many services available on-line, other Town agencies will see little or no measurable impacts from the proposed development. All estimated revenues and costs outlined in this Report are in today dollars.

## **B. Local Revenues From Development**

### 1) Property Taxes

Local property taxes provide the bulk of municipal revenues for New Hampshire communities. The 2023 Tax Rate for Londonderry is \$15.65 as outlined in Figure Three. For purposes of this Report, a local tax rate of \$14.97 will be used which includes Town, School and State School charges and excludes the County Tax Rate (\$.68).

Figure Three  
Tax Rate

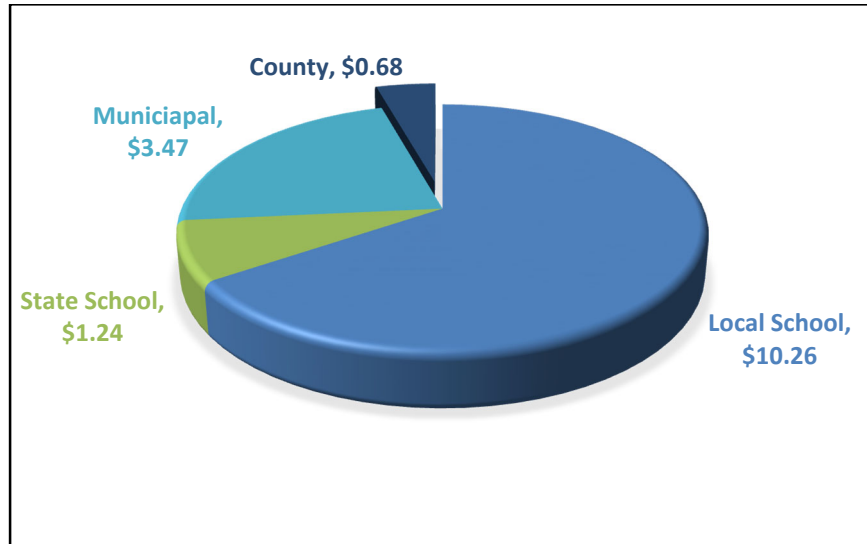


Table Two outlines the anticipated municipal property tax revenue that may be generated by the proposed development based upon area market conditions<sup>1</sup>. At full project buildout it is estimated that **\$2,096,838** in gross local property tax revenue will be generated to the community. Once complete, the \$140,069,318 development will be the third largest tax payer in the community<sup>2</sup>, behind Granite Ridge and Public Service.

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<sup>1</sup> Woodmont apartment complex and other apartment assessments were reviewed. Discussions also took place with Assessing Officials.

<sup>2</sup> 2022 Town Report, Assessment statistics Top 10 Tax Payers.

Table Two  
Estimated Value and Property Taxes

Industrial Use	Assessment	Sq. Ft.	Assessment/ Sq. Ft.
12 Innovation Way	\$22,854,600	227,589	\$100.42
32 Industrial Drive	\$4,660,100	52,107	\$89.43
11 Delta Drive	\$3,729,700	42,000	\$88.80
<b>Average</b>	<b>\$31,244,400</b>	<b>321,696</b>	<b>\$97.12</b>
<b>Proposed Industrial</b>			
Envision	\$5,827,440	60,000	
Envision Phase II	\$14,762,847	152,000	
Envision Phase III	\$10,786,979	111,064	
OnPoint	\$3,904,206	18,800	
Future Manufacturing	\$1,942,480	20,000	
	<b>\$35,145,677</b>	<b>361,864</b>	
<b>Daycare</b>			
Kinder Care	\$2,052,200	9,882	\$207.67
Applewood	\$1,344,100	8,720	\$154.14
<b>Average</b>	<b>\$3,396,300</b>	<b>18,602</b>	<b>\$182.58</b>
<b>Proposed Day Care</b>			
	<b>\$1,714,399</b>	<b>9,390</b>	
<b>Commercial</b>			
20 Orchard View Drive	\$1,394,900	16,724	\$83.41
150 Nashua Road	\$1,004,500	12,852	\$78.16
25 Nashua Road	\$2,586,500	24,353	\$106.21
<b>Average</b>	<b>\$5,990,400</b>	<b>53,929</b>	<b>\$111.07</b>
<b>Proposed Retail</b>			
	<b>\$1,688,264</b>	<b>15,200</b>	
<b>Office</b>			
25A Orchard View Drive	\$2,900,900	26,325	\$110.20
<b>Proposed Office</b>			
	<b>\$550,978</b>	<b>5,000</b>	
<b>Residential Apartments</b>			<b>Per Unit Assessment</b>
<b>Local Market Average</b>			<b>\$230,000</b>
<b>Proposed Apartments</b>			
	<b>\$100,970,000</b>	<b>439</b>	
<b>Total Estimated Assessment</b>		<b>\$140,069,318</b>	
<b>Total Est. Annual Property Taxes</b>			
<b>@ \$14.97 Local Tax Rate</b>		<b>\$2,096,838</b>	

The existing assessment of the subject site totals \$4,746,796 and generates \$71,060 in local property tax payments. Net new tax revenue will be \$2,025,778.

2) Miscellaneous Yearly Revenues

Another major revenue source for the community is from motor vehicle registration fees, which generated \$11,855,048 in FY2022. Table Three outlines the projected registration fees from the proposed project, which are estimated to total \$185,700 annually.

Table Three  
Vehicle Registration Fees

	# <sup>3</sup>	Per Vehicle Tax <sup>4</sup>	Total Tax
Estimated Veh. Registrations	619	\$300	\$185,700

3) Total Project Revenues

The proposed development is expected to generate \$2,282,538 in new property taxes and vehicle registrations to Londonderry as summarized in Table Four.

Table Four  
Projected Gross Revenue

Est. Prop. Taxes	\$2,096,838
Est. Car Reg.	\$185,700
<b>Total Estimated Revenue</b>	<b>\$2,282,538</b>

**C. Municipal Service Costs**

Given the nature of the proposed redevelopment project, as will be seen by the analysis below, few significant impacts will be felt by Town Departments. Solid waste generated by the project will be removed by a private hauler. All of the proposed new driveways will be private and all maintenance expenses will be paid for by property owners. This is not to infer that no costs will occur as a result of this project. Increases in service demands will be felt by a few Town department including the School Department, Police and Fire Departments.

It should be noted the costs outlined are “estimates” and no actual tax impacts will be realized without review and approval by appropriate department heads, administrators and elected officials.

<sup>3</sup> Vehicles per unit: One bedroom: one vehicle, two/three bedroom units: 1.75 vehicles.

<sup>4</sup> Treasure’s report 39,391 vehicles registered in 2022.

## **Police & Fire Departments**

The Police and Fire Departments are projected to experience measurable impacts from the proposed project. For Fiscal Year 2024, the Police Department budget was \$9,296,995 and the Fire Department \$8,148,579.

To assess the degree of impact this project may have on these Departments, emergency call data from a variety of similar uses in the market were reviewed. The emergency call data was obtained and averaged to determine the annual number of calls per unit and square feet. These ratios were then totaled to derive an average call volume per metric, which was then used to generate projected emergency calls for each Department. Table Five and Six summarize these findings for the proposed uses.

Extrapolating from the comparable call data, increases are projected in the Town's Police and Fire Department call volume. Annual police calls are projected to increase by 237 annual calls (4.5 calls per week). Annual fire and EMS calls are projected to increase by 141 calls annually or 2.7 calls per week.

It should be noted that the vacant land that is associated with the proposal has been attracted homeless individuals and others that have caused problems resulting in police and fire calls to the property. There have been incidents of fires set, stolen cars, trash and debris deposited, as well as other incidents. Although the new uses will generate emergency calls, numerous calls for service have been generated by the site in past years.

Table Five  
Estimated Average Calls: Police

Project	Town	Units	Avg. Police Calls Per Year	Avg. Call Per Unit	Projected Calls
<b>Apartments</b>					
Main Street Woodmont	Londonderry	87	56	0.64	
MacGregor Cut	Londonderry	288	99	0.34	
<b>Averages</b>		<b>375</b>	<b>155</b>	<b>0.41</b>	
<b>Projected Calls</b>	<b>Apartments</b>	<b>439</b>			<b>181</b>
<b>Industrial</b>					
11 Innovative Way	Londonderry	227,589	5	0.00002	
32 Industrial Drive	Londonderry	52,107	4	0.00008	
11 Delta Drive	Londonderry	42,000	1	0.00002	
<b>Averages</b>		<b>321,696</b>	<b>10</b>	<b>0.00003</b>	
<b>Projected Calls</b>	<b>Industrial</b>	<b>361,864</b>			<b>11</b>
<b>Daycare</b>					
Kinder Care	Londonderry	9,882	5	0.00051	
Cozy Kids	Londonderry	8,720	6	0.00069	
<b>Averages</b>		<b>18,602</b>	<b>11</b>	<b>0.00059</b>	
<b>Projected Calls</b>	<b>Daycare</b>	<b>9,390</b>			<b>6</b>
<b>Office</b>					
<b>Averages</b>	Regional Market			<b>0.0004</b>	
<b>Projected Calls</b>	<b>Office</b>	<b>5,000</b>			<b>2</b>
<b>Commercial</b>					
<b>Averages</b>	Regional Market			<b>0.0024</b>	
<b>Projected Calls</b>	<b>Comercail</b>	<b>15,200</b>			<b>36</b>
<b>Total Estimated Annual Police Calls</b>					<b>237</b>

Table Six  
Estimated Average Calls: Fire/EMS

Project	Town	Units	Avg. Fire Calls Per Year	Avg. Call Per Unit	Projected Calls
Main Street Woodmont	Londonderry	87	9	0.103	
MacGregor Cut	Londonderry	288	62	0.215	
<b>Totals</b>		<b>375</b>	<b>71</b>	<b>0.189</b>	
<b>Proposed Apt.</b>		<b>439</b>			<b>83</b>
<b>Industrial</b>					
11 Innovative Way	Londonderry	227,589	1	0.00000	
32 Industrial Drive	Londonderry	52,107	3	0.00006	
11 Delta Drive	Londonderry	42,000	0	0.00000	
<b>Averages</b>		<b>321,696</b>	<b>4</b>	<b>0.00001</b>	
<b>Projected Calls</b>	<b>Industrial</b>	<b>361,864</b>			<b>4</b>
<b>Daycare</b>					
Kinder Care	Londonderry	9,882	1	0.00010	
Cozy Kids	Londonderry	8,720	2	0.00023	
<b>Averages</b>		<b>18,602</b>	<b>3</b>	<b>0.00016</b>	
<b>Projected Calls</b>	<b>Daycare</b>	<b>9,390</b>			<b>2</b>
<b>Office</b>					
<b>Averages</b>	Regional Market			<b>0.00004</b>	
<b>Projected Calls</b>	<b>Office</b>	<b>5,000</b>			<b>0.20</b>
<b>Commercial</b>					
<b>Averages</b>	Regional Market			<b>0.000007</b>	
<b>Projected Calls</b>	<b>Comercail</b>	<b>15,200</b>			<b>0.11</b>
<b>Total Estimated Annual Fire Calls</b>					<b>89</b>
Project	Town	Units	Avg. EMS Calls Per Year	Avg. Call Per Unit	Projected Calls
Main Street Woodmont	Londonderry	87	6		
MacGregor Cut	Londonderry	288	36		
<b>Totals</b>		<b>375</b>	<b>42</b>	<b>0.112</b>	
<b>Proposed</b>		<b>439</b>			<b>49</b>
<b>Industrial</b>					
11 Innovative Way	Londonderry	227,589	0	0.00000	
32 Industrial Drive	Londonderry	52,107	0	0.00000	
11 Delta Drive	Londonderry	42,000	2	0.00005	
<b>Averages</b>		<b>321,696</b>	<b>2</b>	<b>0.00001</b>	
<b>Projected Calls</b>	<b>Industrial</b>	<b>361,864</b>			<b>2</b>
<b>Daycare</b>					
Kinder Care	Londonderry	9,882	0	0.00000	
Cozy Kids	Londonderry	8,720	1	0.00011	
<b>Averages</b>		<b>18,602</b>	<b>1</b>	<b>0.00005</b>	
<b>Projected Calls</b>	<b>Daycare</b>	<b>9,390</b>			<b>1</b>
<b>Office</b>					
<b>Averages</b>	Regional Market			<b>0.00003</b>	
<b>Projected Calls</b>	<b>Office</b>	<b>5,000</b>			<b>0.15</b>
<b>Commercial</b>					
<b>Averages</b>	Regional Market			<b>0.000005</b>	
<b>Projected Calls</b>	<b>Comercail</b>	<b>15,200</b>			<b>0.07</b>
<b>Total Estimated Annual EMS Calls</b>					<b>52</b>

## **Police Department**

As noted above, the proposed project is estimated to generate 237 calls annually (4.5 calls weekly) once it is complete; the Department responds to approximately 30,000 yearly town wide. To gain an understanding on local police operations and how the proposed new land uses may impact the Police Department, we met with Police Chief Kim Bernard. Overall the Chief did not foresee any real concerns with the proposed uses and believed it would be positive to have these new uses in town. The Chief agreed with the noted findings that the residential use will generate the most calls, which can range from the mundane to very involved. Chief Bernard supported the ability to travel through the project from Kitty Hawk Landing to Akira Way. The Department is presently down six positions, but the Chief is actively recruiting and believes four of the positions will be filled by the spring/summer 2024. The average cost of an experience patrol officer, with benefits, is \$150,000 annually. To account for potential costs to the police department from the proposed uses, to be conservative, we will carry the average cost of an officer in this analysis.

## **Fire Department**

As detailed in Table Five, once the project is fully built out fire department calls are estimated to increase by 141 calls annually (2.71 calls a week - 89 fire related calls and 52 EMS calls). The Department responded to 4,446 calls in 2022 or 86 calls per week. As with the Police Department, given the estimated call volume the project may generate upon completion, \$150,000 in potential position costs will be accounted for.

It should also be noted that the Fire Department collects ambulance fees for service and in FY22, collected \$912,903 or \$341 per call. If 52 EMS calls are generated from the proposed development, the Town will realize \$17,732 in revenue, assisting in offsetting potential department costs.

## Other Departments

As noted previously, all areas within the development will be private along with solid waste removal. Given the type of development proposed, additional measurable impacts are not anticipated to other Town departments<sup>5</sup>. To be conservative, we will account for a miscellaneous cost<sup>6</sup> of \$62,680. Costs to the Building Department will be offset through the one time generation of building permit fees. A fee of \$6 per \$1,000 of construction cost is charged in the community, which will generate thousands of dollars in fees to the community. At this, preliminary building construction costs are estimated to total \$160,000,000, generating and estimated \$960,000 in building permit fees over the life of the projects.

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<sup>5</sup> It is anticipated that limited measurable impacts will occur to the library, town clerk and other departments.

<sup>6</sup> Potential other municipal costs estimated at \$120/unit & \$10,000 for non-residential uses.

## B) School Costs

As noted above, 73% of the tax rate is allocated for schools. This high ratio is typical in most New Hampshire communities and demonstrates that a high percentage of local taxes go towards supporting the local school system.

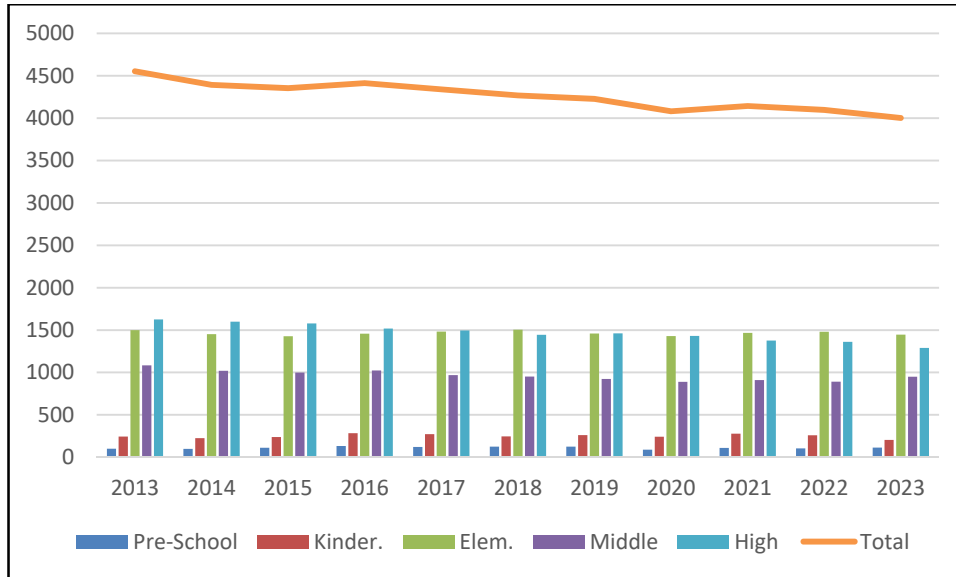
### School Enrollment Trends

Over the last eleven years, school enrollment has steadily declined 12% as outlined in Table Six and Figure Five. Excess capacity at the high school now allows for non-resident tuition students. It is anticipated the elementary students living within the complex will attend the nearby North School. Based upon the recently completed (fall/2023) Enrollment Project Report prepared by NESDEC, enrollment growth is estimated to remain low, with total enrollment projected to be at 4,123 students in 2033.

Table Seven  
Enrollment 2013 - 2023

	Pre-School	Kinder.	Elem.	Middle	High	Total
2013	100	243	1,500	1,084	1,626	4,553
2014	98	224	1,452	1,019	1,599	4,392
2015	111	238	1,427	998	1,579	4,353
2016	132	283	1,457	1,023	1,518	4,413
2017	122	273	1,482	968	1,495	4,340
2018	124	246	1,504	951	1,444	4,269
2019	124	260	1,459	923	1,461	4,227
2020	89	241	1,430	890	1,432	4,082
2021	110	278	1,467	911	1,377	4,143
2022	104	258	1,481	892	1,361	4,096
2023	113	205	1,446	949	1,290	4,003

Figure Five  
School Enrollment 2013 - 2023



### Estimated School Age Children

To estimate the number of school age children (SAC) that may live in the proposed apartment complex, Fougere Planning reviewed information from two newer local apartment communities; MacGregor Cut with 288 units (50% Workforce units) and Main Street at Woodmont with 87 market rate units. Based upon data obtained from the School District, 47 SAC reside within the 375 units, creating a per unit SAC ratio of .125 (47/375). Applying this ratio to the proposed new apartment community results in an estimated 55 new SAC as detailed in Table Eight.

Table Eight  
Estimated School Enrollments

Apt. Complex	Town	# Units	# SAC	SAC Ratio
Main St. Woodmont	Londonderry	87	5	0.057
MacGregor	Londonderry	288	42	0.146
<b>Average</b>		<b>375</b>	<b>47</b>	<b>0.125</b>
<b>Proposed Apartments</b>		<b>439</b>	<b>55 (54.87)</b>	

Table Nine outlines the anticipated grade profile of the estimated school children based upon data obtained from the two noted Londonderry apartment

communities. It is estimated that 24 children will attend elementary school, 12 middle school and 19 high school. It is anticipated that the apartment complex will take 2 – 3 years to be constructed and occupied.

Table Nine  
Enrollment Grade Profile

<b>Grade Profile</b>	<b>%</b>	<b>SAC</b>
Elementary	0.446	24
Middle	0.234	12
High	0.340	19

It should also be noted the Town receives Adequacy Aid from the State, which totaled \$18,971,135 during the 2023/24 school year. At this time Base Adequacy<sup>7</sup> per student aid equals \$4,100. Other qualified State Aid that may be generated includes: Free and Reduced Lunch payments of \$2,300 per student, Special Education \$2,100, and English learners \$800. If total enrollment levels do increase, additional state educational funding will be provided to assist in offsetting potential costs.

We met with School Superintendent Dan Black to review the noted school children estimates and the project. Superintendent Black did not believe estimated school children will impact the schools, ample capacity exists at all grade levels. The Superintendent noted that the fact that the project will built and occupied over a period of years will allow the District to gage the number of students coming from the complex over time. Two potential cost centers were discussed, transportation and Special Education. Although ample capacity exists for bus transportation for elementary level students, an issue may arise for the middle & high school students resulting in the need for another bus which would cost \$80,000 annually. In addition, approximately 18% of student enrollment receive some form of special educational services at an average per student cost of \$30,000 (services can range from very minor to extensive). Applying this average to the estimated school enrollment increase of 55 SAC, results in an

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<sup>7</sup> NH Dept. of Education, FY2023 Estimate Municipal Summary of Adequacy Aid

estimated cost of \$300,000 ( $18\% \times 55 = 10 \times \$30,000$  per student). Based on this discussion, a total estimated cost of \$380,000 will be accounted for.

### **One Time Fees/Improvements**

Other fees may be generated by the proposed project. Should offsite improvements be necessary, they will be reviewed during the local approval process.

## SUMMARY

Table Ten  
Fiscal Summary

Gross Property Tax & Auto Registration Revenues	\$2,282,538
Estimated Municipal Costs	
Police	-\$150,000
Fire	-\$150,000
Misl.	-\$62,680
School Costs	-\$380,000
Total Estimated Costs	-\$742,680
Net Positive Fiscal Impact	<b>+\$1,539,858</b>

Based upon the report's findings, gross yearly revenues generated by the proposed project are estimated to total \$2,282,538. The anticipated yearly fiscal cost to the Town of Londonderry is estimated to be \$742,680, resulting with a yearly positive fiscal impact of approximately **\$1,539,858**.

Key findings from the proposed mixed use development include:

- Once complete, the proposed PUD will be the third largest tax payer in the Town of Londonderry.
- An estimated \$1,539,858 yearly positive fiscal impact may occur to the community, with actual positive revenue most likely exceeding this figure.
- Building construction costs are estimated to total \$160,000,000, generating \$960,000 in building permit fees.
- Overall declining school enrollment is anticipated to continue and the 55 estimated school age children will generate limited impact on the District.
- The proposed project will include private drives and trash collection, creating no new demand for municipal services.
- The new population will benefit the local economy with increased spending in the local area, supporting the business community.