

## MINUTES

Ad-Hoc Committee to Review Fees

August 29, 2022 / 5:30 PM

City Hall / 41 Green St, 2<sup>nd</sup> Floor Conference Room

**In Attendance:** City Councilors – Byron Champlin (Chair), Nathan Fennessy, Mayor Jim Bouley; City Staff – Brian LeBrun, Deputy City Manager - Finance; Carlos Baía, Deputy City Manager – Development; Crayton Brubaker, Community Development Specialist

**Excused:** Councilor Paula McLaughlin

**Public Attendees:** Steve Duprey

- 1) **Call to Order:** Chairman Champlin called the meeting to order at 5:36 PM.
- 2) **Approval of Minutes:** Councilor Fennessy moved to adopt the minutes of the July 18, 2022 meeting. The motion was seconded by Mayor Bouley and passed with a unanimous voice vote.
- 3) **Continued Discussion of Community Development Fees / Discussion with Developers:** Mayor Bouley briefly explained the overview of the committee to Mr. Steve Duprey.

Mr. Duprey stated that he does primarily commercial development and not residential. He stated that some of Concord's inspection fees for commercial development tend to be on the higher side.

Mr. Duprey stated that developers primarily look for certainty, ease of approvals, ease of inspections, and total cost when looking at which municipalities to develop in.

Mr. Carlos Baía, Deputy City Manager – Development noted that prior to July 1, 2022 advanced deposits were required as part of the inspection process and that staff would estimate cost of inspection. However, this process was changed as a part of the FY23 budget process and the Community Development Department now has a tiered permit inspection system.

Mr. Duprey complimented the City accounting process and efficiency of paying back unused inspection deposit money in the past while indicating that he thought the tiered permit inspection system is an improvement.

Councilor Champlin observed that developers' word of mouth regarding ease in working with a municipality seems highly important in attracting more development in Concord. Mr. Duprey concurred.

Mr. Duprey discussed a coordination problem while working on a project regarding the necessity of a conditional use permit (CUP) and a variance. He noted small changes in City decisions can throw off private development process. He also stated that more certainty from development team meetings would be helpful, so developers don't get part of the way down the line of a project and waste money.

Mr. Duprey expressed that Concord has come a long way from past practice in terms of fees, noting that they were significantly high in the 1980s.

Mayor Bouley and Mr. Duprey discussed the fire and code combination comment from Jon Chorlian at the previous meeting. Mr. Duprey noted recent trends of the national fire code moving into land use and potential problems with that. Mr. Baía noted that the fire marshall's office and code division work together well and frequently. He also stated that a code and fire merger was attempted 20 years ago, but there was pushback from the community.

Mr. Duprey stated that, in general, City fees are reasonable, but they should be simpler.

Mayor Bouley asked, from a housing perspective, how much fees affect affordable housing projects. Mr. Duprey said affordable housing developers tend to charge large overhead for projects using things like Low Income Housing Tax Credits (LIHTC) and that oftentimes workforce housing Area Median Income requirements are not heavily enforced.

Mr. Duprey concluded that ultimately developers consider the cost of development and the tax burden when considering projects. He also said that median salary vs rents are something developers consider since employees need affordable places to live.

Mr. Duprey thanked the committee for their time and left at 6:07 pm. Mr. Crayton Brubaker noted to the committee that Reggie Moreau emailed at 5:58 pm stating he wouldn't be able to attend.

The committee turned to discuss next steps for the committee and ultimate findings. Councilor Fennessy noted that he heard that Concord's fees are generally reasonable. Mr. Baía showed the comparison fee table spreadsheet and the committee discussed the building permit fee with a per \$1000 valuation and per square footage fee built into the one permit.

Councilor Fennessy also stated he heard that developers want more consistency in the fees and to know what those fees are upfront. Mr. Brian LeBrun, Deputy City Manager – Finance, said that inspection fee permit revenue will show up this year in the General Fund revenue budget.

Councilor Champlin noted that changes in fees can change where, what, and how development occurs. He asked if there could be a carrot/incentive to development.

Mr. Baía said that neighborhoods have more depth in other communities, yet in Concord the bulk of density/development is along Fisherville Road and downtown within the Urban Growth Boundary.

Councilor Champlin asked if City should encourage affordable housing with fee waivers. Councilor Fennessy stated that might not be in best interest of City to audit something the City is not funding.

Mayor Bouley said he recently spoke with a developer who is deciding on whether to do a project based on eligibility of RSA 79-E and municipal fees.

Councilor Fennessy stated that predictability of the planning and zoning board process is important.

Mr. Baía offered to run some calculations of potential changes and the committee directed him to provide that information to them prior to the next meeting.

Councilor Champlin discussed how the City is presenting ourselves to the developer community. Mayor Bouley noted that he wants to send a positive message to the developer community.

Councilor Champlin emphasized Mr. Duprey's concern that fire and code divisions may have disagreements, which may cause unanticipated costs for developers. Mr. Baía stated that the National Fire Protection Association is more aggressive for building/safety codes than the International Building Code, which is less aggressive and is usually a few years behind.

- 4) **Committee Report Discussion:** Councilor Champlin will work with Mr. LeBrun after the next meeting to draft a report for Council.
- 5) **Next Meeting Date:** The next and final meeting will be on Tuesday, September 6 at 7:30 am.
- 6) **Other:** No other items were discussed.
- 7) **Adjournment:** Councilor Fennessy moved to adjourn and the motion was seconded by Mayor Bouley. The motion passed with a unanimous vote. The meeting adjourned at 6:36 PM.