

FOUGERE PLANNING & DEVELOPMENT Inc.

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October 1, 2016

Mr. Shaun Mulholland
Town Administrator
16 School Street
Allentown, NH 03275

Dear Administrator Mulholland,

At your request I have reviewed the Fiscal Impact Report authored by Russ Thibeault, Applied Economic Research (AER) titled Property Tax Impact Analysis Proposed Holiday Acres Expansion, Allentown, New Hampshire.

Fougere Planning & Development, Inc. performed the following tasks:

1. Reviewed the full text of the noted Report.
2. Reviewed the fiscal impact methodology to determine if standard practices are used.
3. Reviewed the assumptions used to arrive at all Revenue Projections.
4. Reviewed all assumptions that were used to arrive at all cost projections.
5. Reviewed the proposed student projection assumptions to compare with published data and other sources.

Based upon this review, I offer the following:

- a. AER uses standard and sound methodologies in reviewing the fiscal impacts associated with the proposed development. In general, the findings contained in the Report are very conservative and we believe in fact, the development project will have less of an impact on the community than reported.
- b. The methodology used to arrive at the estimated yearly tax revenue is sound, using existing town assessments to guide values of the housing units and site lease areas is common practice.
- c. Reported school enrollments on page 16 show statistics from the 2013/14 school year. These figures should be updated through at least the 2015/16 school year to better reflect existing enrollment trends. In addition, the Table on page 20 should

be updated and clarified. Allenstown does not have a middle school and all enrollment figures should reflect the most recent data available from the SAU Office.

- d. The estimated generation of 15 new students from the proposed age restricted housing development is extremely conservative. It has been our experience that age restricted properties (at least one person age 55 or older) attract few school age children. (The Town should ensure this age requirements is stipulated as part of any approval of the project.) AER is being very careful with projecting this many children and the figure should be considered a “worst case scenario”.
- e. AER should ensure the school enrollments used to arrive at the Net Appropriation Variable Cost/Student on page 23 are correct give the comment noted in d above. Given the declining enrollments seen in the District, few new costs will be seen. There are many departments within the School District that will not be impacted by slight variations in enrollment levels and AER’s accounting of this fact is appropriate.
- f. AER’s approach at arriving at an estimated total student cost is conservative; page 24.
- g. AER’s estimation of town expenses on page 26 is very reasonable. Given the proposed development scenario, few discernable impacts will actually be seen by a majority of town departments. Both the police and fire departments will see an increase in call volume.
- h. The estimated positive fiscal impact of \$513,000 outlined on page 29 is, again, very conservative and we would expect actual positive revenues to the community to be higher than this finding.

If you have any questions feel free to call.

Sincerely,

Mark J. Fougere

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