

May 3, 2006

TO: Town Council
FROM: Robert Gilstein, Town Planner
RE: **Impact Fees – Annual Update**

Our Impact Fee Ordinance calls for the fees to be updated annually, to be effective on July 1. Fees are updated using Public School Enrollment as of October 1 of each year, the total number of “child” bedrooms in town as of 12/31 of each year (derived from Tax Assessor data), and the most recent available per foot construction costs. The following is a summary of those figures and the resulting fees from last year and this:

| | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|---|-------------------|-------------------|-------------------|
| 10/1/ school enrollment (06-07 net of LC) | 3,071 | 3,044 | 2,902 |
| child bedrooms* in town | <u>13,808</u> | <u>13,984</u> | <u>14,076</u> |
| = enrolled schoolchildren per child bedroom | 0.222 | 0.218 | 0.206 |
| Per Square Foot Construction Cost** | \$169.60 | \$172.65 | \$225.00 |
| Square Feet Per Student | 131 | 131 | 131 |
| Space Cost Per Student | \$22,227 | \$22,617 | \$29,475 |
| minus 30% State Aid | <u>(6,668)</u> | <u>(6,785)</u> | <u>(8,843)</u> |
| = Net Construction Cost Per Student | \$15,599 | \$15,832 | \$20,633 |
| = FULL FEE PER CHILD BEDROOM * (schoolchildren/bedroom x net constr. cost) | \$3,460 | \$3,446 | \$4,254 |
| FEE (after 25% discount per ordinance) | \$2,595 | \$2,585 | \$3,190 |

FEES

| <u>BDRMS/UNIT</u> | <u>FY 2004-05</u> | <u>FY 2005-06</u> | <u>FY 2005-07</u> |
|--------------------------|--------------------------|--------------------------|--------------------------|
| 2 | \$ 2,595 | \$2,585 | \$3,190 |
| 3 | \$ 5,191 | \$5,170 | \$6,380 |
| 4 + | \$ 7,786 | \$7,755 | \$9,570 |

An over 4-bedroom unit is charged the 4-bedroom rate.

The fee increased considerably this year because the new construction cost State calculation (RI uses Mass.), which had not been done for two years, increased dramatically over last year. **

Fund balance as of May 2, 2006 = \$264,669.

Request is made to adopt the above FY 2006-07 Impact Fees to be effective July 1, 2006.

* A “Child Bedroom” is any bedroom after the first (parent) bedroom in a housing unit.

** Had these costs from the Mass. Dept. of Educ. 1/05, which RI uses as its guide, been available last year, the current FY 05-06 impact fee per bedroom would have been \$3,148.

APPENDIX 3

Cost Per Square Foot Guidelines

**** Derived from the Massachusetts School Building Assistance Bureau regulations ****

On May 25, 2004, the Massachusetts Board of Education approved a 7.3% inflation factor for school construction costs. The following table applies this inflation factor to the FY 2003 approved cost standards. Note: these figures do not include the cost of land or furnishings and equipment.

| Type of School | FY 2006 Cost Stds | FY 2007 Cost Stds | FY 2008 Cost Stds | FY 2009 Cost Stds | FY 2010 Cost Stds |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Elementary | \$196 | \$211 | \$226 | \$243 | \$261 |
| Middle | \$209 | \$224 | \$241 | \$258 | \$277 |
| High | \$224 | \$241 | \$258 | \$277 | \$297 |
| Career & Tech | <u>\$238</u> | <u>\$256</u> | <u>\$275</u> | <u>\$295</u> | <u>\$316</u> |
| Ave. Non-Tech: | \$210 | \$225 | \$242 | \$259 | \$278 |

- Cost allowance for furnishings and equipment is \$16 per square foot.
- Due to differing real estate values, the cost of land acquisition will be reviewed on a case-by-case basis.