

## Lincoln Town Manager Annual Report for 2005

For this year's report, I would like to address some of the questions that I have heard from citizens regarding new real estate development and how we are planning for the changes that are taking place in this community.

*What is happening in Lincoln right now in terms of development?*

As we all know, Loon Mountain Recreation Corp. (LMRC) has planned for the expansion of South Mountain for almost 20 years. LMRC has sold land at the base of South Mountain to Centex Destination Properties-South Peak Resort. This company will develop all of the area at the base of South Mountain. Plans call for up to 1,052 housing units, which will include single family homes, condominiums, hotels, time share units, as well as development of a small village center.

In addition to Centex, three other developers are working on large projects right now. These are:

- ECH Builders, LLC (continuation of Forest Ridge development;)
- Saber Mountain Partners, LLC (development of the Beechwood neighborhood at Loon Mountain;) and
- Southern Peaks Resorts, LLC (owner of InnSeason Resorts and the former paper mill complex.)

*How have town officials determined if we will have enough water and sewer capacity to meet the demand for all of this new development? What about other services? And who is going to pay for all of this?*

In consultation with engineers who work for the town, we completed a water study in which we analyzed the development plans of each of these companies. We projected the total gallons of water that would be used per day, per unit and then calculated the amount of water that would be needed over a 16-year period, which is the estimated time that it will take to reach full build-out. We concluded that we would need to put an additional cell in our existing water treatment plant and also upgrade our Cold Spring Well facility to make it a fully integrated part of the water system.

Our analysis showed that with the use of Cold Spring Well and water from the river, which is our major source of water before it is treated, and the water that is available at Loon Pond, there would be more than enough untreated water for all of the development that is being proposed.

At Town Meeting in 2004, voters approved an Impact Fee Ordinance that gave town officials the legal means to assess fees on projects that strain the capacity of town services. After a number of negotiating sessions, I proposed a \$500 "bedroom tax" that is assessed

every time we issue a building permit, and the developers agreed to this fee. Our strategy is to have the business interests absorb as much of the cost as possible to offset any increased burden on town services – not only water and sewer, but emergency services as well. Our Police and Fire Departments will have to expand, and I am working on a plan with the developers in town to make sure they are responsible for the increased costs incurred by larger Fire and Police departments. It is important for people to understand, too, that the roads being built within these new neighborhoods are privately owned; so responsibility for maintenance lies with the various condominium associations or homeowners' groups, and not with the town.

*How do you decide if a project is appropriate for our town?*

We exercise considerable oversight on every proposed project. The Planning Board carefully reviews every subdivision application that comes in. I think the most important thing that we have going for us right now is we have some very experienced people, some of whom have been on the Planning Board for many years, and they spend a lot of time analyzing what is best for the community and what isn't. We have a clearly defined process for issuing building permits, for following our Land Use Plan Ordinance, and for Site Plan Review. We have town engineers who review all plans, and we have a very knowledgeable Public Works Superintendent – Bill Willey. We have three Selectmen

who work well together and with other town officials. You couldn't ask for a better situation in terms of town management. During the time I've spent here as Town Manager and in my previous position with LMRC, I acquired more than 20 years experience dealing with proposed development. I am totally familiar with the EIS process (Environmental Impact Study completed by the White Mountain National Forest) and I feel I have a thorough understanding of what the impacts will be.

I am a long-time resident of Lincoln and my top priority has always been what is best for this community. For example, I am the one who proposed the impact fee ordinance to the Board of Selectmen. I am constantly looking for ways to control expenses and to keep this town on solid economic ground.

*How are Planning Board members appointed? Would it be better if they were elected?*

Right now if someone is interested in becoming a Planning Board member, we ask them to submit a letter to the Selectmen and list their credentials and what their expertise and knowledge is. It is like any job application. If you are going to hire someone, you want to hire the best person for the job. One problem with an elected, as opposed to an appointed Planning Board, is that often it is difficult to get people to put their names on the ballot. If we change the process to an elected position, it is conceivable that we will have vacancies on the board that

would have to be filled through appointments by the Board of Selectmen, so we are back to where we started.

*What about the revaluation? Are my taxes going to go up?*

Revaluation is important, not only because it is state-mandated but because we haven't done an update since 1993. The revaluation is based on the market value of your house; in other words, what could it sell for in today's real estate market? We estimate that the assessed amount on most properties will increase by at least 50-60 percent. This will dramatically increase the total valuation of all our properties in town. Our budget, however, has been relatively level in recent years, and we expect it to remain level. For that reason, the tax rate per thousand dollars of assessed valuation is projected to *decrease*. It is impossible to predict at this time how much of a reduction there will be in the tax rate, but it is safe to say that in the long run, most of our taxpayers will probably be spending about the same amount of money on tax bills as they are paying now, and some will be paying less.

*Is all this change necessary? Why can't we just stay the nice little town we always were?*

I know that many people are uneasy about what all of this development is going to do to our quality of life in this town. The changes can be upsetting, particularly to those who have lived here a long time. One thing to keep in mind is that our town

has a limited amount of land left that can be developed, because we are situated in the White Mountain National Forest, which covers about 95 percent of our town. For this reason, the development that will take place will not continue indefinitely, and it is manageable. We are in the resort business, and our town depends on tourism and all that entails – including a large influx of second homeowners. These homeowners pay taxes and typically do not place a burden on our excellent school system. Our shops, restaurants, and tourism-related businesses that provide jobs to our residents -- such as Loon Mountain, the Whale's Tale, Clark's Trading Post, and the many others that are crucial to our economy need to continue to grow in order to survive. If we don't allow more development and expansion, we will hinder that growth.

There have been major changes in how we manage development today. Many remember the 1980s when developers arrived here and started building without much oversight. Today, we are running the town – not the developers – and we are totally in control of the growth that is taking place now and in the future. I promise you that.

Remember, my door is always open and I welcome your questions and comments.

Respectfully submitted,

Ted Sutton  
Town Manager