

TOWN OF FARMINGTON, NH

ROUTE 11 CORRIDOR STUDY

DRAFT October 2023





TABLE OF CONTENTS

INTRODUCTION

MARKET ANALYSIS

- Approach
- Economic Base
- Real Estate Development

HOUSING NEEDS ASSESSMENT

- Demographics
- Economic
- Housing
- Affordability

POLICY & REGULATORY AUDIT

- Regulatory Audit Process
- Policy & Regulatory Audit Findings



INTRODUCTION

ROUTE 11 CORRIDOR STUDY

BACKGROUND



New Hampshire Route 11 is a critical east-west connection between the Maine and Vermont state lines, connecting both sides of New Hampshire with the Lakes Region. Farmington sits in the eastern section of the route, between the Seacoast and Lakes Region. Within the town, Route 11 runs southeast-northwest from the boundary with Rochester to New Durham and acts as the main transportation corridor.

Currently, land uses along Route 11 in Farmington are predominantly retail and legacy industrial, however there are pockets of single-family housing that front the highway as well. Much of the land to the south and west of the roadway is undeveloped or brownfield, and comprised by large parcels that can range up to 350 acres.

The community's goals include improving the mix of uses along the Corridor and within redeveloped parcels. As a result, housing could play an important role in the transformation of the Corridor, along with the modernization of commercial and industrial uses. However, the needed regulations are not yet in place to bring this vision to a reality.



FARMINGTON MARKET ANALYSIS

ROUTE 11 CORRIDOR STUDY



APPROACH OVERVIEW

Market Analysis

PURPOSE OF ANALYSIS

RKG Associate's initial role on this project was to conduct a market assessment for retail, office, and residential uses and determine different options the Town and residents could consider for these buildings and properties.

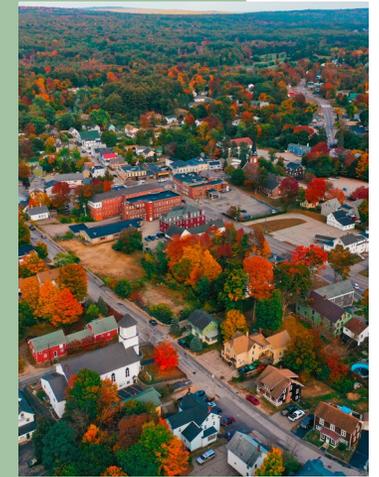
The data in this document are intended to provide decision makers with a point-in-time understanding of:

Demographic baseline conditions and changes

Employment baseline conditions and changes

Existing **Real Estate** conditions

The analysis is intended to illustrate how these conditions may influence development decisions, local and regional real estate trends, and to identify strategic locations and potential uses for these properties.



METHODOLOGY

This analysis is a snapshot, made during the third quarter of 2023.

It is based on the best available data sources.

The analysis focuses on the potential for **housing, commercial office, industrial, and retail** uses in Farmington. These uses are the ones deemed most-desirable in the Corridor by the Town, and furthermore reflect the existing market trends in the region. The analysis does not examine the potential for hotel or recreational uses in Farmington.

Projections are made using recent trends in demographics, development, and market performance.

Sources for data include:

US Census Bureau (American Community Survey, LEHD/OnTheMap)

ESRI Business Analyst

New Hampshire Economic & Labor Market Information Bureau (NHELM)

Lightcast/EMSI

Moody's Analytics/REIS





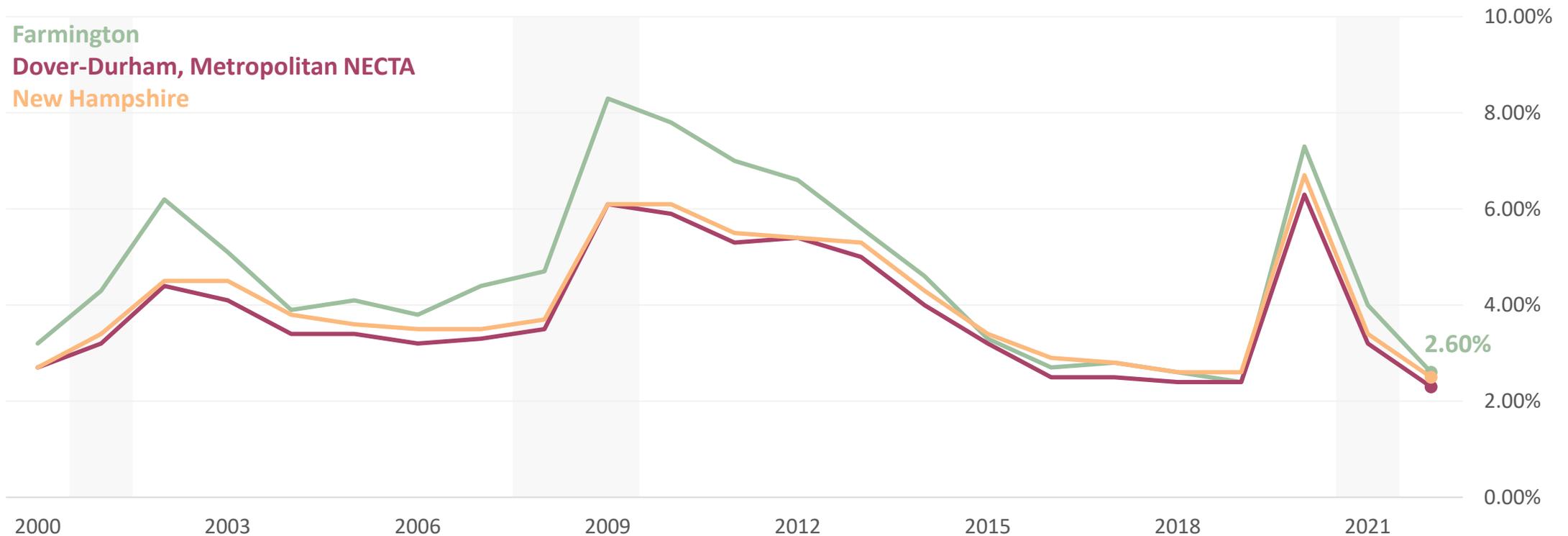
ECONOMIC BASE

Market Analysis

ECONOMIC BASE | LABOR MARKET

After a significant rise during the onset of the COVID-19 pandemic, unemployment rates have essentially returned to pre-pandemic levels. Current unemployment is below what economists consider “full employment”, the point at which essentially everyone who is willing and able to be employed is already in a job. Unemployment tracks closely with the state and labor market region levels, suggesting that hiring may be challenging for businesses in such a tight local and regional labor market environment.

Annual Unemployment Rates



ECONOMIC BASE | COMMUTING PATTERNS

Approximately 2,800 Farmington residents leave town to head to work, while fewer than 600 workers come from outside Farmington to work in the town. This leads to a net decrease in daytime population.

As a share of total commuters, most Farmington residents commute out of town for work. Rochester, Dover and Portsmouth rank as the top three destinations of these commuters.

Outside of Farmington, most workers in town commute from Rochester, New Durham, Middleton and Milton.



Home Area	Count of Workers	Share	Work Destination Area	Count of Workers	Share
Farmington town	213	26.5%	Rochester city	525	17.3%
Rochester city	82	10.2%	Dover city	310	10.2%
New Durham town	62	7.7%	Portsmouth city	288	9.5%
Middleton town	33	4.1%	Farmington town	213	7.0%
Milton town	31	3.9%	Somersworth city	159	5.2%
Alton town	25	3.1%	Manchester city	100	3.3%
Dover city	24	3.0%	Concord city	93	3.1%
Somersworth city	20	2.5%	Newington town	69	2.3%
Wakefield town	19	2.4%	Exeter town	61	2.0%
Wolfeboro town	14	1.7%	Nashua city	55	1.8%

ECONOMIC BASE | COMMUTING PATTERNS

Traffic data for Route 11 from 2015-2022 show the high volume of vehicles the roadway carries through Farmington.

It is worth noting at the southern border of town the average daily traffic is approximately 18,600 vehicles, and at the northern border of town the average daily traffic is approximately 11,600 vehicles.

There are two Coast Bus Stops on the Route 11 corridor in Farmington. Reviewing the ridership data from 2020-2022, there appears to be more Coast Bus Passengers getting off at the Family Care of Farmington Northbound stop, and fewer passengers being picked up at this location. It also appears that higher numbers of passengers get off at the Irving Gas Station on average.

NHDOT Traffic Counts in Farmington (NH 11)

Location	Average Annual Daily Traffic (2022)	AADT (2021)	AADT (2020)	AADT (2019)	AADT (2018)	AADT (2015)
NH 11 (HENRY WILSON HWY) AT MAD RIVER BRIDGE	11,942	11,777	11,060	12,208	11,957	11,000
NH 11 (HENRY WILSON HWY) AT NEW DURHAM TL	11,634	11,473	11,627	12,833	12,569	11,000
NH 11 (FARMINGTON RD) AT FARMINGTON TL	18,593	18,246	16,453	16,928	16,727	17,510

Coast Bus Ridership Data Farmington 2020-2022

	NH Route 11 at Family Care of Farmington Northbound		NH Route 11 / NH 153 (Irving Gas Station)	
	ON	OFF	ON	OFF
FY 2020	24	86	28	49
FY 2021	22	92	78	62
FY 2022	32	52	53	93

ECONOMIC BASE | INDUSTRIES BY EMPLOYMENT

Based on estimates from Lightcast, a labor market analytics firm, employment in Farmington has declined by 9.5 percent from 2013 to 2023. In real terms, that translates to a loss of 120 jobs over the past decade.

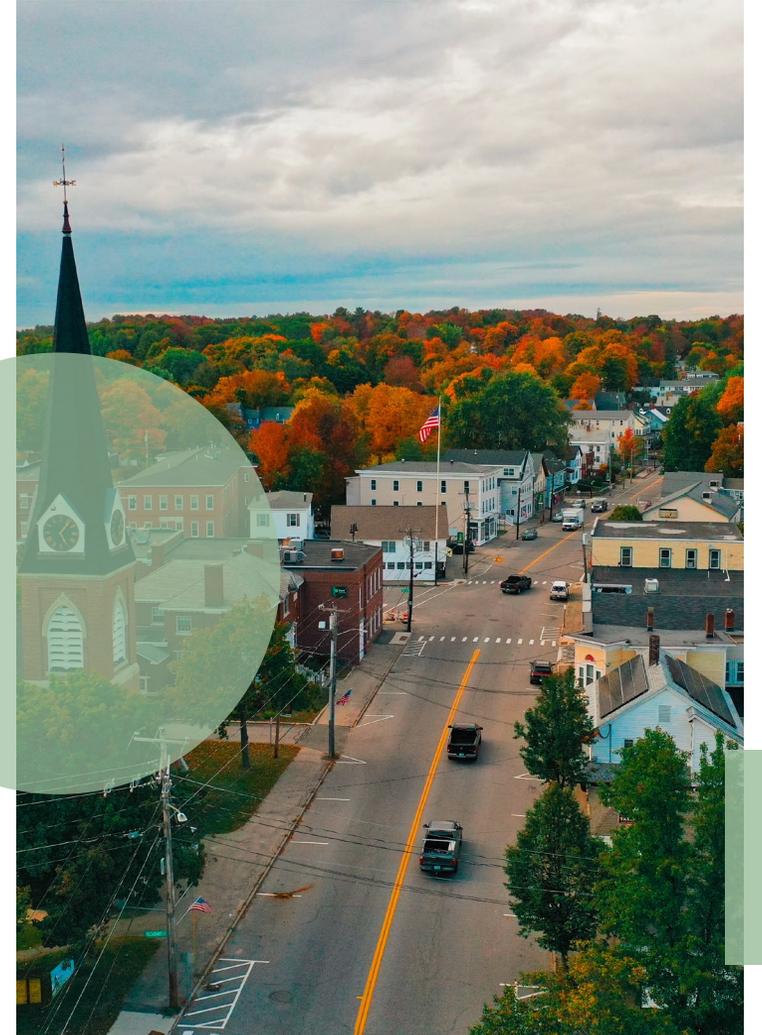
The largest drivers of employment declines were in the manufacturing and agricultural sectors. Tempering some of these employment declines, Administrative and Support services as well as Wholesale Trade added jobs to the local economy.

As a share of the total economy, Government, Construction, Other Services and Manufacturing comprise of over 70% of Farmington's local labor force.

NAICS	Description	2023 Jobs	2013 - 2023 % Change	Average Annual Earnings	LQ vs. NECTA*
92	Government	511	-9.6%	\$77,352	2.39
23	Construction	129	0.4%	\$82,474	3.07
81	Other Services (except Public Administration)	94	1.9%	\$57,595	2.37
31-33	Manufacturing	89	-27.6%	\$79,317	0.72
44-45	Retail Trade	76	3.4%	\$43,922	0.47
72	Accommodation & Food Services	75	5.5%	\$24,367	0.70
62	Health Care & Social Assistance	59	-6.7%	\$62,664	0.32
56	Admin. & Support & Waste Mgmt & Remediation Services	48	140.1%	\$52,449	0.95
51	Information	16	-1.7%	\$74,127	1.20
11	Agriculture, Forestry, Fishing & Hunting	14	-76.7%	\$46,041	3.83
21, 22, 42, 48-49, 52, 53, 54, 55, 61, 71, 99	All Others	37	-48.8%		0.51
TOTAL		1,148	-9.5%	\$62,583	

KEY FINDINGS

- High local and regional labor force participation rates coupled with very low unemployment rates suggest that there is a tight labor market; this could constrain growth in certain industry sectors from expanding in Farmington and the broader region.
- Almost 2,000 more people leave Farmington to go to work compared to those who commute into town. This decreases the daytime population of Farmington by approximately one third.
 - *This lower daytime population can make it more difficult to support certain commercial activity such as retail, since the number of hyper local customers decreases significantly for much of the day during the week.*
- As a share of the total economy, Government, Construction, Other Services and Manufacturing comprise of over 70% of Farmington's local labor force.



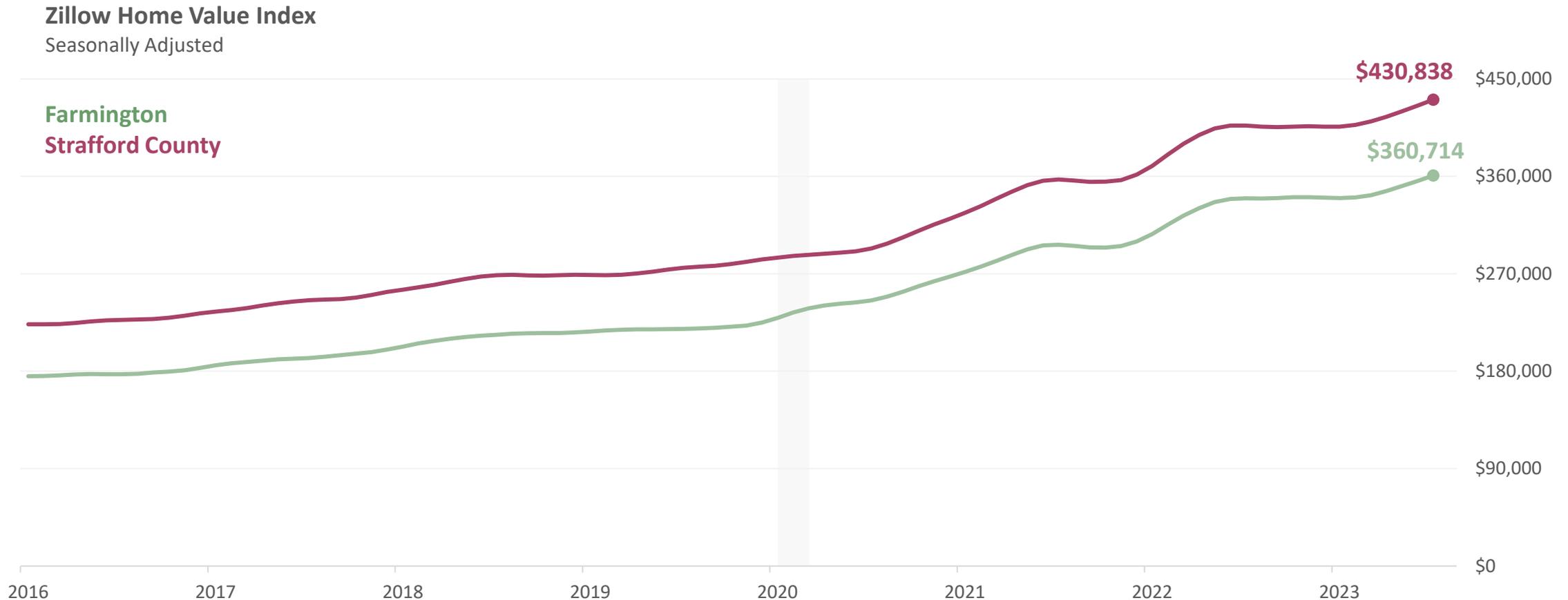


REAL ESTATE DEVELOPMENT

Market Analysis

REAL ESTATE | HOUSING: FOR-SALE MARKET

The Zillow Home Value Index (ZHVI) is a measure of the typical home value; reflecting the value for homes in the 35th to 65th percentile. It serves as a good measure of how all home values are changing not just those recently built or sold. While home values in Farmington remain below the county average, since 2020 home values in Farmington have increased by over \$130,000.

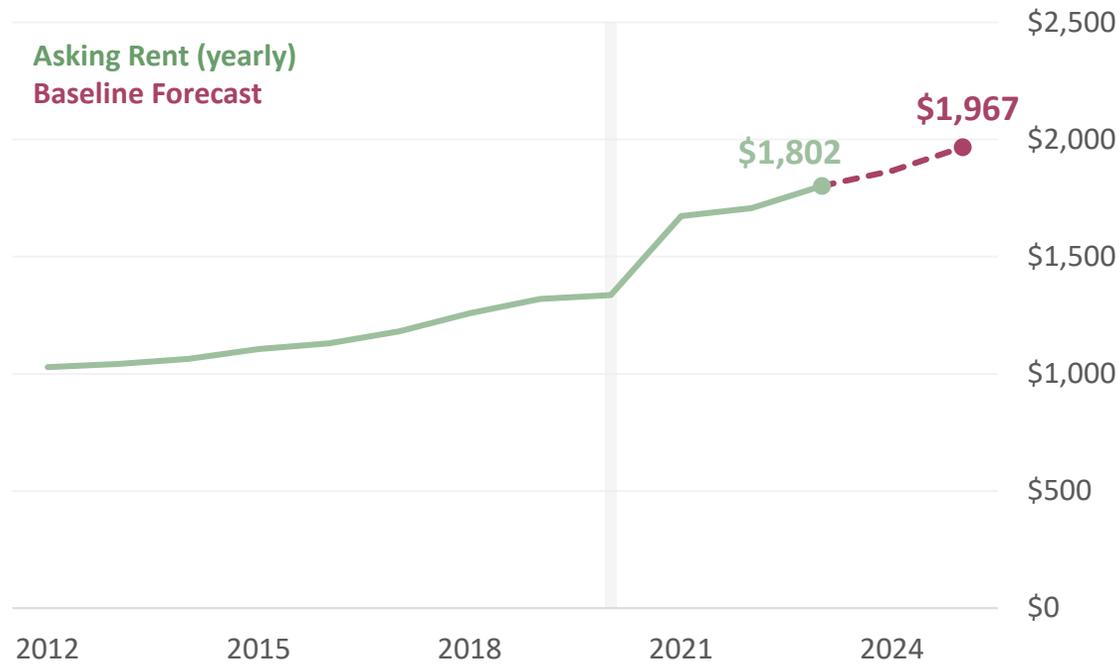


REAL ESTATE | HOUSING: RENTAL MARKET

According to Moody's analytics, Farmington falls within Portsmouth's market region for multifamily real estate. This is in part due to Farmington's proximity to Portsmouth and its connection via local labor market and commuting patterns. Across this market, asking rents continue to rise while vacancy remains very tight. While these metrics refer to the broader rental market, many renters seeking more affordable units within a commutable distance to work may find options in Farmington which could see demand-driven rent increases.

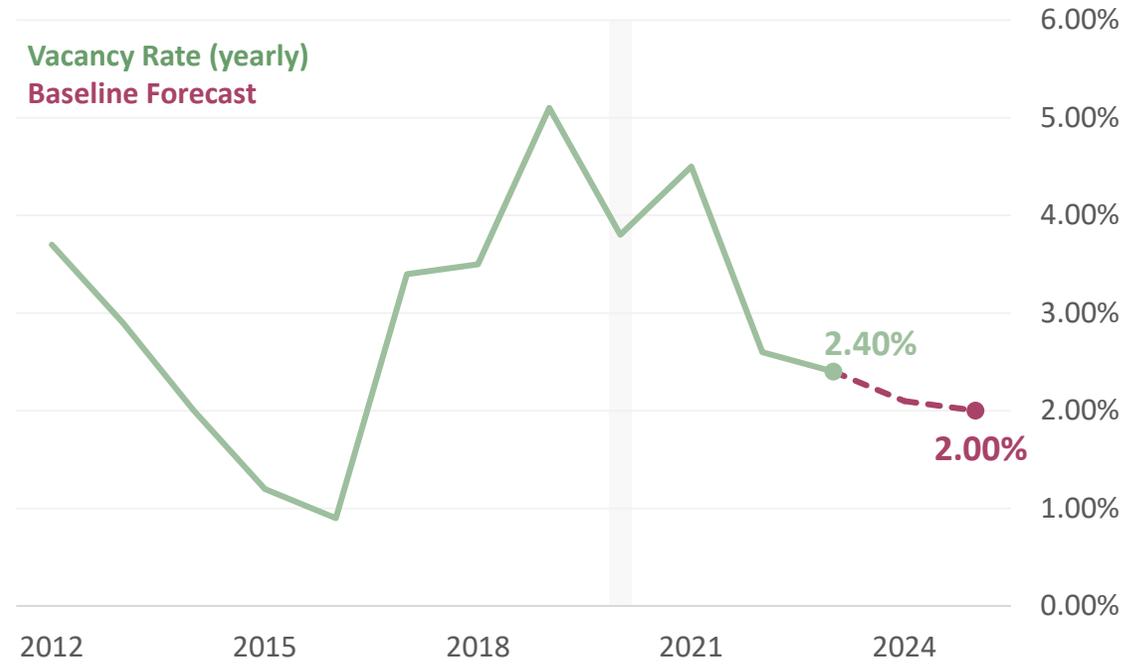
Apartment Asking Rents

Portsmouth Market Area



Apartment Vacancy Rate

Portsmouth Market Area



According to the most recent Colliers Office Market report (2023 Q2), the New Hampshire office market has remained relatively steady year-over-year. However, over the last six months vacancy rates have increased 11.1%. This trend can be characterized by most submarket tenants moving to consolidate footprints resulting in the freeing up of space.

Asking rents have remained flat as well throughout New Hampshire, although there is some variance in submarkets. Notably, the largest change in asking rents was in the Dover submarket. Space hitting the submarket in the Class B and C categories, like the 99,675 SF building on Education Way in Dover, led to a 32% jump in the submarket's direct asking rate.

New Hampshire Office Market Historical Comparison

Metric	2022 Q2	2023 Q1	2023 Q2
Total Inventory (in thousands of SF)	23,580	23,643	23,685
New Supply (in thousands of SF)	-	62.7	42.0
Net Absorption (In thousands of SF)	(21.2)	(159.2)	(120.3)
Overall Vacancy	10.7%	10.7%	11.1%
Direct Asking Rent (MG)	\$20.70	\$20.64	\$21.00
Sublease Asking Rent (MG)	\$20.27	\$21.47	\$21.34

Looking more closely at Strafford County and Farmington office space, Moody's Analytics tracks only nine office properties in Farmington averaging 34 years old with an average size of 2,947 SF.

While the market in Farmington is too limited to provide precise estimates of rents, across the county the average rent is \$13.42/SF which is well below the state and Dover/Portsmouth submarket areas.

Comparison of Office Property Farmington & Strafford County

Metric	Farmington	Strafford County
Number of Properties	9	309
Average Size	2,947 sf	8,624 sf
Average Year Built	1989	1961
Average Rent, per sq ft	-	\$13.42

REAL ESTATE | OFFICE DEMAND

To estimate office demand, changes in office-using industries' employment levels were projected to 2033, and the growth in employment throughout the Dover-Durham NH Metropolitan NECTA was applied to Farmington using a "fair share" estimate. Space needs are the results of applying a square feet-per-employee conversion for each code.

Demand for office space in Farmington is very limited and only expected to grow at an average annual rate of 180 SF over the next decade.

It should be noted that backfilling of some existing vacancies and conversions from other uses are likely to occur before new ground-up construction takes place to meet local and regional demand.

		Dover-Durham, NH Metropolitan NECTA		Farmington Share of Labor Market Growth		
		Job Growth		Space Demand		
NAICS	Description	2023 Jobs	Projected Growth (2023-2033)	Fair Share of Job Growth	Projected Space Needs (SF, Annual)	Projected Space Needs (SF, 10 Year)
51	Information	561	-176	-5	-90	-901
52	Finance & Insurance	2,108	-690	-4	-107	-1,073
53	Real Estate and Rental & Leasing	374	10	0	0	0
54	Professional, Scientific, & Technical Services	2,587	326	2	30	297
55	Management of Companies	198	4	0	0	0
56	Administration & Support & Waste Mgmt	2,112	116	3	53	527
62	Health Care & Social Assistance	7,600	838	7	98	977
	Total	15,540	428	11	180 SF	1,802 SF

Farmington and Strafford County's labor market have a large portion of employment in Construction, Manufacturing and Wholesale Trade.

Linked to this concentration in the labor market is the number of Industrial and Flex R&D properties throughout the region. Farmington has about 25 Industrial and Flex R&D properties averaging about 15,000 SF.

County-wide the average size of Industrial and Flex R&D properties is more than double; with a lot more recent builds compared to Farmington.

Comparison of Industrial Property Farmington & Strafford County

Metric	Farmington	Strafford County
Number of Properties	25	187
Average Size	15,114 sf	35,956 sf
Average Year Built	1966	1974
Average Rent, per sq ft		\$8 - \$11

Note: These statistics describe Industrial and Flex R&D properties that had Commercial/Industrial components.

REAL ESTATE | INDUSTRIAL DEMAND

Similar to the office demand estimation, a fair share of employment growth from the Dover-Durham NH Metropolitan NECTA was applied to Farmington. Space needs are the results of applying a square feet-per-employee conversion for each code.

Demand for industrial space in Farmington is expected to grow at a modest average annual rate of 426 SF over the next decade.

However, because there are multiple large sites along the Corridor that are particularly appropriate for industrial use, it may be possible for Farmington to capture more than its fair share of regional growth through development. This would require specific policy approaches (e.g., zoning and permitting) and/or programmatic approaches (e.g., proactive outreach/marketing, targeted recruitment, technical assistance)

		Dover-Durham, NH Metropolitan NECTA		Farmington Share of Labor Market Growth		
		Job Growth		Space Demand		
NAICS	Description	2023 Jobs	Projected Growth (2023-2033)	Fair Share of Job Growth	Projected Space Needs (SF, Annual)	Projected Space Needs (SF, 10 Year)
23	Construction	1,758	164	12	179	1,794
31	Manufacturing	5,200	57	1	73	731
42	Wholesale Trade	1,358	339	3	173	1,730
48	Transportation and Warehousing	749	-104	0	0	0
	Total	24,605	456	16	426 SF	4,255 SF

Based on data tracked by Moody's Analytics, Farmington has 70 retail properties with space averaging 4,075 SF. Spaces in Farmington tend to be much smaller than those across Strafford County (4,075 SF vs 9,907 SF) and on average tend to be about a decade older than the county average.

Retail markets throughout New Hampshire have remained stable with no net absorption, unchanging effective rents and no significant movement in the market's vacancy rate. For Strafford County average effective asking rents fall about \$8/SF lower than neighboring markets such as the Manchester-Nashua retail market.

Existing Retail Stock

	Farmington	Strafford County
Number of Properties	70	671
Average Size	4,075 SF	9,907 SF
Average Year Built	1952	1964
Average Rent, per SF	-	\$14.96

Note: These statistics describe traded retail-only rental properties, and do not account for owner-occupied structures or mixed-use structures.

REAL ESTATE | RETAIL DEMAND

Within a 15-minute drive time radius of Town Hall (central point in town), there are 11,136 households with an average annual spending demand, among the selected retail sectors, of \$23,077 – translating to an aggregate demand of \$256m.

Total sales are estimated to be \$379m within this same geography, indicating a net import of \$122m in sales.

Note:
“Import” indicates that in the aggregate, sales at retailers in the 15-minute drive time area are greater than the demand from households in that geography.

“Export” indicates that in the aggregate, demand from households in the 15-minute drive time area is greater than sales at retailers in that geography.

15-Minute Drive Time - Town Hall – Farmington, NH

Merchandise Category	Demand/HH	Total Demand	Total Sales	(Export)/Import	Potential SF w/ 10% Re-Capture
TOTAL, ALL CATEGORIES	\$23,077	\$256,983,281	\$379,786,084	\$122,802,802	10,637
Furniture & Home Furnishings Stores	\$3,759	\$10,253,585	\$4,771,322	(\$5,482,263)	1,961
Electronics & Appliance Stores	\$3,832	\$10,454,242	\$22,478,253	\$12,024,011	-
Bldg Materials, Garden Equip. & Supply Stores	\$8,826	\$24,077,797	\$49,833,716	\$25,755,919	-
Food & Beverage Stores	\$21,037	\$57,389,994	\$126,207,758	\$68,817,764	-
Health & Personal Care Stores	\$7,502	\$20,464,447	\$30,938,221	\$10,473,774	-
Clothing & Clothing Accessories Stores	\$7,327	\$19,988,500	\$5,267,428	(\$14,721,073)	4,653
Sporting Goods, Hobby, Book & Music Stores	\$5,166	\$14,092,088	\$7,690,621	(\$6,401,468)	2,680
General Merchandise Stores	\$18,358	\$50,081,293	\$83,358,618	\$33,277,326	-
Miscellaneous Store Retailers	\$5,480	\$14,948,084	\$11,781,771	(\$3,166,313)	1,343
Food Services & Drinking Places	\$12,915	\$35,233,251	\$37,458,376	\$2,225,125	-

REAL ESTATE | RETAIL DEMAND

Given existing levels of demand and spending, within the 15-minute drive time area of Farmington there is a surplus. This means that sales at retailers are greater than the demand from local households. This means that the area serves as a retail center.

Assuming Farmington can capture more retail spending given the net positive aggregate demand, a total of between 3,900 sf - 7,750 sf of retail space could be supported.

The categories that may present the best fit for a use conversion of the properties under consideration are detailed in the table to the right.

Note: Not all of this space will be created in new development. Existing vacant spaces are likely to fill first, and some retailers may repurpose existing space for new or different inventory.

Merchandise Category	NAICS Code	Demand at Recapture Rates		
		SF at 5% recapture	SF at 10% recapture	SF at 15% recapture
		3,877	7,754	11,631
Furniture & Home Furnishings Stores	442	235	470	705
Furniture Stores	4421	169	338	507
Home Furnishings Stores	4422	66	132	198
Electronics & Appliance Stores	443	240	481	721
Bldg Materials, Garden Equip. & Supply Stores	444	177	355	532
Bldg Material & Supplies Dealers	4441	82	165	247
Lawn & Garden Equip & Supply Stores	4442	95	190	285
Food & Beverage Stores	445	852	1,705	2,557
Grocery Stores	4451	723	1,446	2,169
Specialty Food Stores	4452	44	88	132
Beer, Wine & Liquor Stores	4453	85	171	256
Health & Personal Care Stores	446,4461	217	434	652
Clothing & Clothing Accessories Stores	448	569	1,138	1,707
Clothing Stores	4481	434	868	1,302
Shoe Stores	4482	29	59	88
Jewelry, Luggage & Leather Goods Stores	4483	105	211	316
Sporting Goods, Hobby, Book & Music Stores	451	308	615	923
Sporting Goods/Hobby/Musical Instr Stores	4511	253	507	760
Book, Periodical & Music Stores	4512	54	108	162
General Merchandise Stores	452	725	1,451	2,176
Department Stores Excluding Leased Depts.	4521	454	908	1,362
Other General Merchandise Stores	4529	271	542	814
Miscellaneous Store Retailers	453	248	495	743
Florists	4531	4	8	13
Office Supplies, Stationery & Gift Stores	4532	63	126	189
Used Merchandise Stores	4533	32	64	96
Other Miscellaneous Store Retailers	4539	148	297	445
Food Services & Drinking Places	722	305	610	915
Restaurants	7225	268	537	805
Special Food Services	7223	36	72	109
Drinking Places - Alcoholic Beverages	7224	1	1	2

KEY FINDINGS

- The local housing for-sale market has grown at a similar rate as the region but Farmington’s sale prices remain lower than the region’s, making it a more affordable community within the context of the region.
- The 2023 Regional Housing Needs Assessment from the Strafford Regional Planning Commission indicated a need for 264 new housing units by 2030, with 176 of those units owner-occupied and the remaining 88 as renter. The total regional need was estimated to be 6,169 units.
- Though the local rental housing market is quite limited, rents continue to rise, and vacancies are near historic lows not only within town but regionally as well.
- Existing office real estate trends and projections of regional employment growth suggest that there is very little demand for office.
- The industrial sector is growing across the region. Farmington may be able to capture more regional employment and encourage industrial development.
- The retail sector in Farmington’s trade area is a net importer of sales – indicated that overall people come to Farmington/Rochester to shop.
- Mixed-use development is a stated goal of the Town, and the market would support intermingling housing and other uses. Existing zoning along the Corridor permits mixed-use development in the Commercial Business, Industrial Business, Village Center, and Urban Residential zones and are permitted by special exception in all other residential districts.

Use	Contextual Examples <i>(Not necessarily reflective of existing demand)</i>	Demand over 10 years
Residential*	Apartment	264 units 176 owner / 88 renter
	Condominium	
	Single-Family	
Office	Health Care Provider	1,802 sf
	Consultant	
	Non-profit	
Industrial	Construction Staging/Storage	4,255 sf
	Food Production/Distribution	
	Wholesale Trade	
Retail	Clothing Store	10,637 sf
	Restaurant	
	Specialty Grocer	

* Residential projected demand is estimated for 2030, per the SRPC’s Regional Needs Assessment



FARMINGTON HOUSING NEEDS ASSESSMENT

ROUTE 11 CORRIDOR STUDY



DEMOGRAPHICS

Housing Needs Assessment

DEMOGRAPHICS

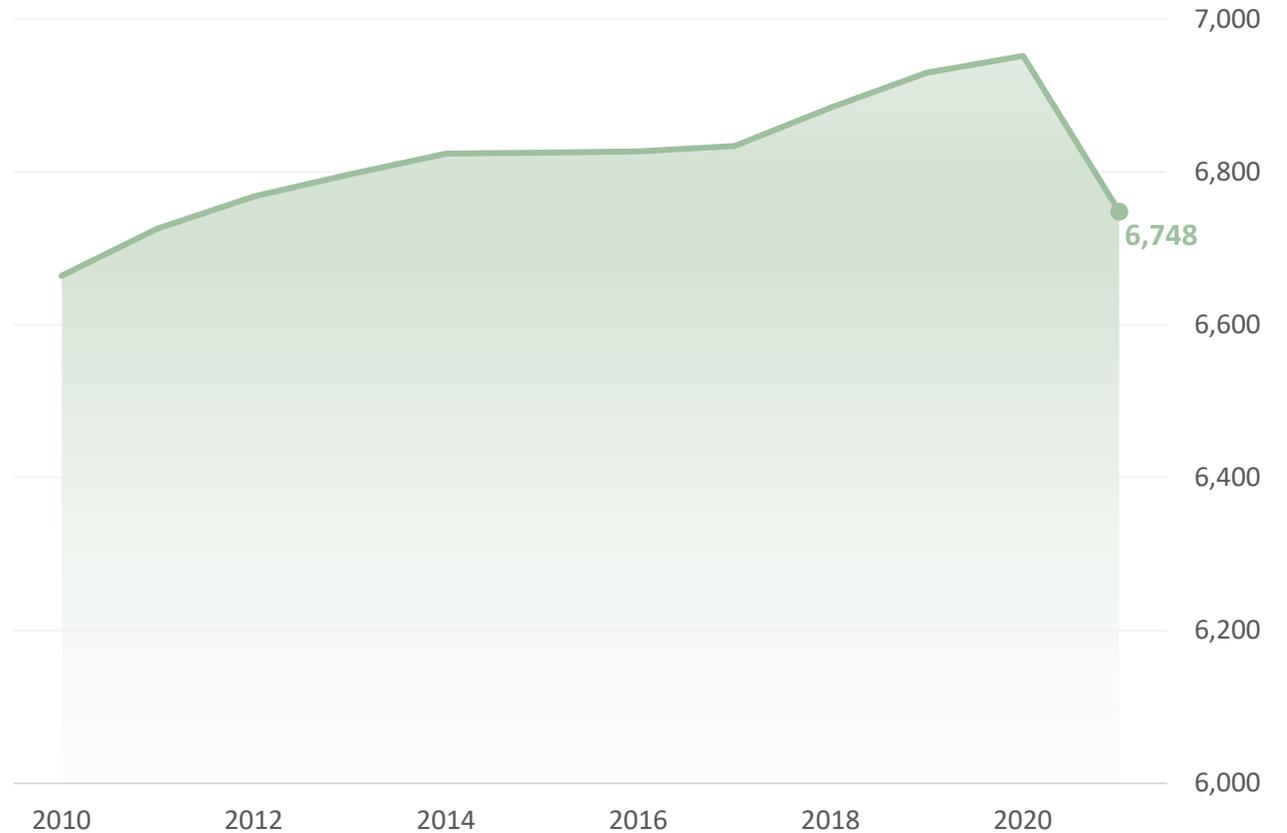
RKG Associates took the lead on this Housing Needs Assessment for the Route 11 Corridor.

Comparing the US Census Bureau's ACS 5-year estimates, from 2010 – 2021, Farmington's population increased from 6,664 residents to 6,748 residents, which is a 1.3% increase.

Despite the small population increase over the last decade, one notable finding from the town's population estimates is that the town's population had increased steadily through 2020 to a peak of 6,952 before declining to 6,748.

While some of this change can be attributed to margins of error in the data; one other contributor to this trend was likely the increased movement of households from states like Massachusetts during the COVID-19 pandemic, where remote work allowed many workers to move to places across Northern New England while maintaining employment. Many of those households may have returned to their places of origin.

Farmington's total population has steadily grown through 2020 before seeing a sharp decline.



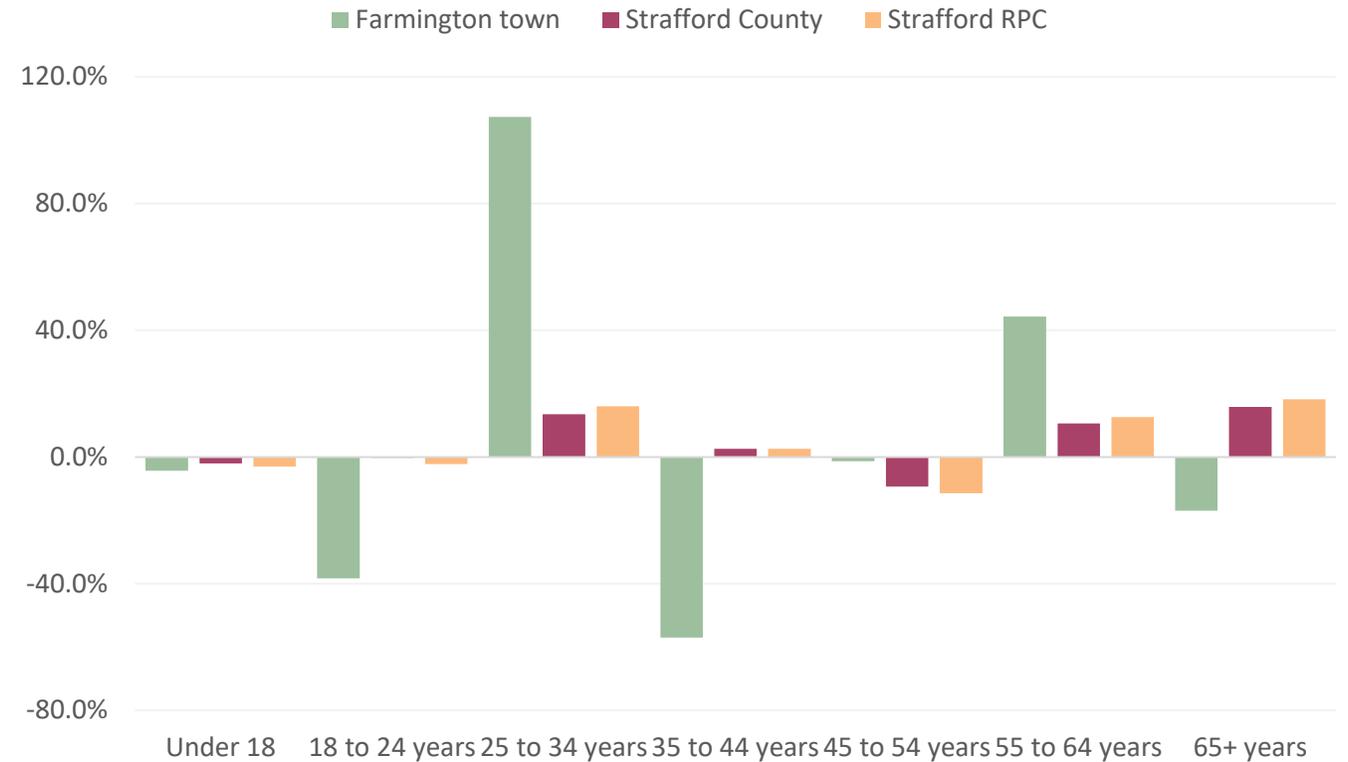
DEMOGRAPHICS

Looking more closely at population by age cohort and comparing to the **County** and **Strafford Regional Planning Commission**, Farmington residents over the age of 65 decreased counter to broader regional trends.

Additionally, **Farmington** saw a 107.4% increase (609 residents) in residents ages 25 – 34 and a 44.3% increase in residents (428 residents) ages 55 – 64. In percentage terms these rates of change are much higher than the **County** and **Strafford Region** and also drive down the median age of Farmington residents, given its smaller population size.

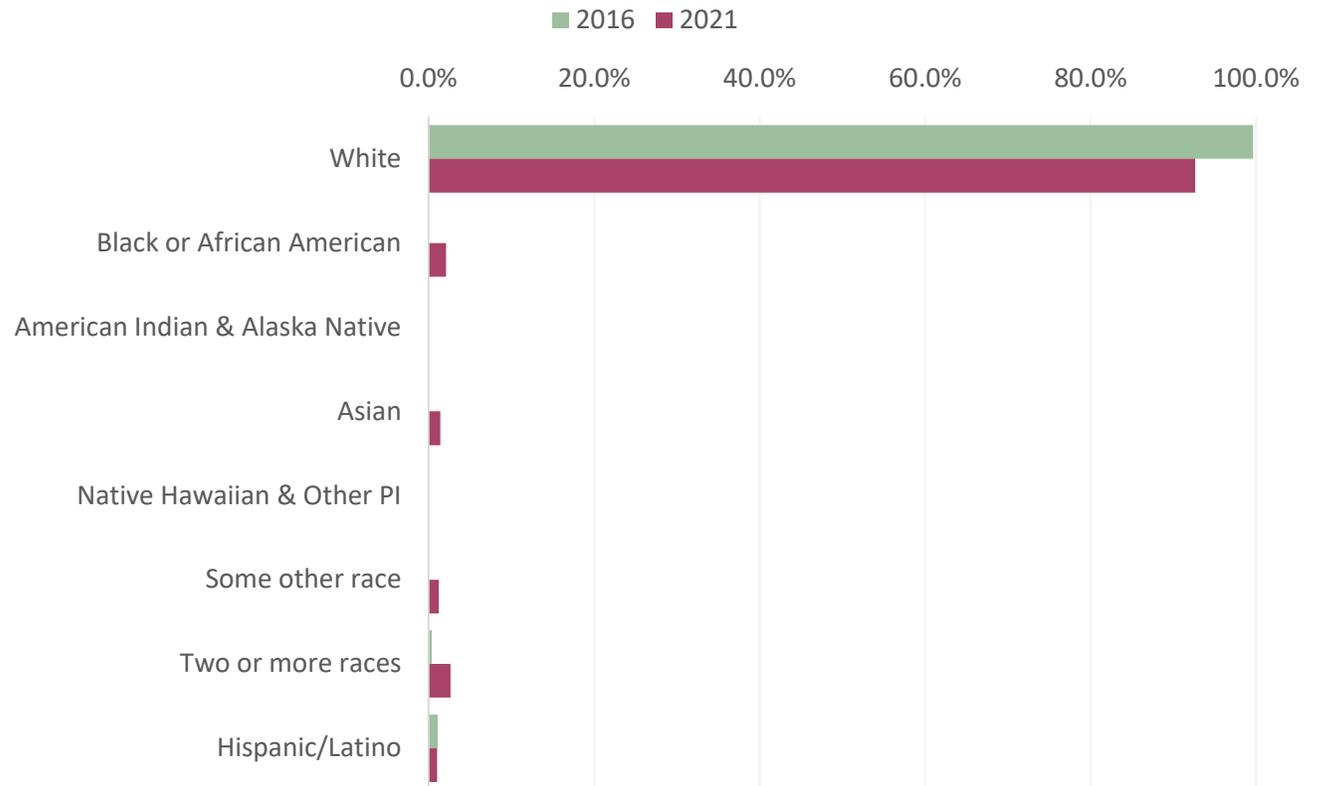
These trends may be an indicator of housing demand related to smaller unit sizes for those adults 55 – 64 who may be retiring or downsizing as they move into Farmington. Furthermore, the influx in younger Millennials may be an indicator of future family size housing options as this age cohort is reaching peak home buying and family formation years.

Farmington's population trends are uncharacteristic for the County and Planning Region.



DEMOGRAPHICS

Farmington's population remains predominately White.



The racial and ethnic diversity of Farmington's population mirrors that of the region and the state with 92.6% of town residents identifying as White. Although the percentage of residents identifying as White decreased since 2012, the percentage change fell from 99% to 92%.

The change in racial and ethnic composition was largely driven by an increase in residents identifying as Asian, Two or More Races and Black or African American.

Farmington's residents identifying as Hispanic or Latino, has remained flat at about 1% since 2012.

DEMOGRAPHICS

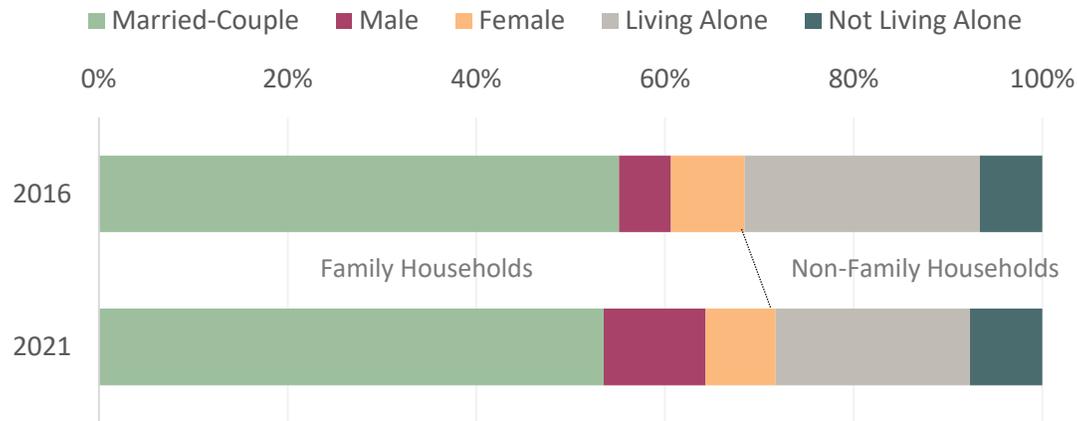
As Farmington's 25-34 and 55-64 populations increased, so too did the number of 2-person and 4-person households, particularly owner-occupied. Among household types, family households increased by 5.9% (110 households), while non-family households dropped by 9.6% (83 households). Between 2012 and 2021, the average size of an owner-occupied household in Farmington remained flat while renter households declined by 0.29. The drop in average household size correlates to the breakdown of households by size below. The graphic on the right shows the steep declines in larger renter households while owner households saw a mix of gains and losses keep average sizes relatively flat.



Average Household Size

Owner-Occupied - 2.59
Renter-Occupied - 2.01

Family households increased while non-family households declined.



Farmington's Housing Tenure



73.5%

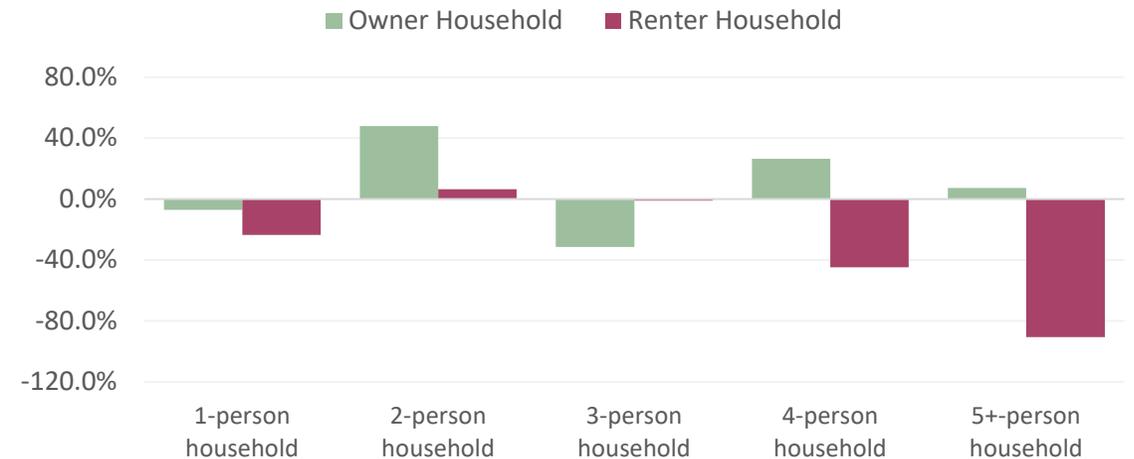
Owner



26.5%

Renter

Owner household sizes remains flat while renter household sized decreased over last decade.



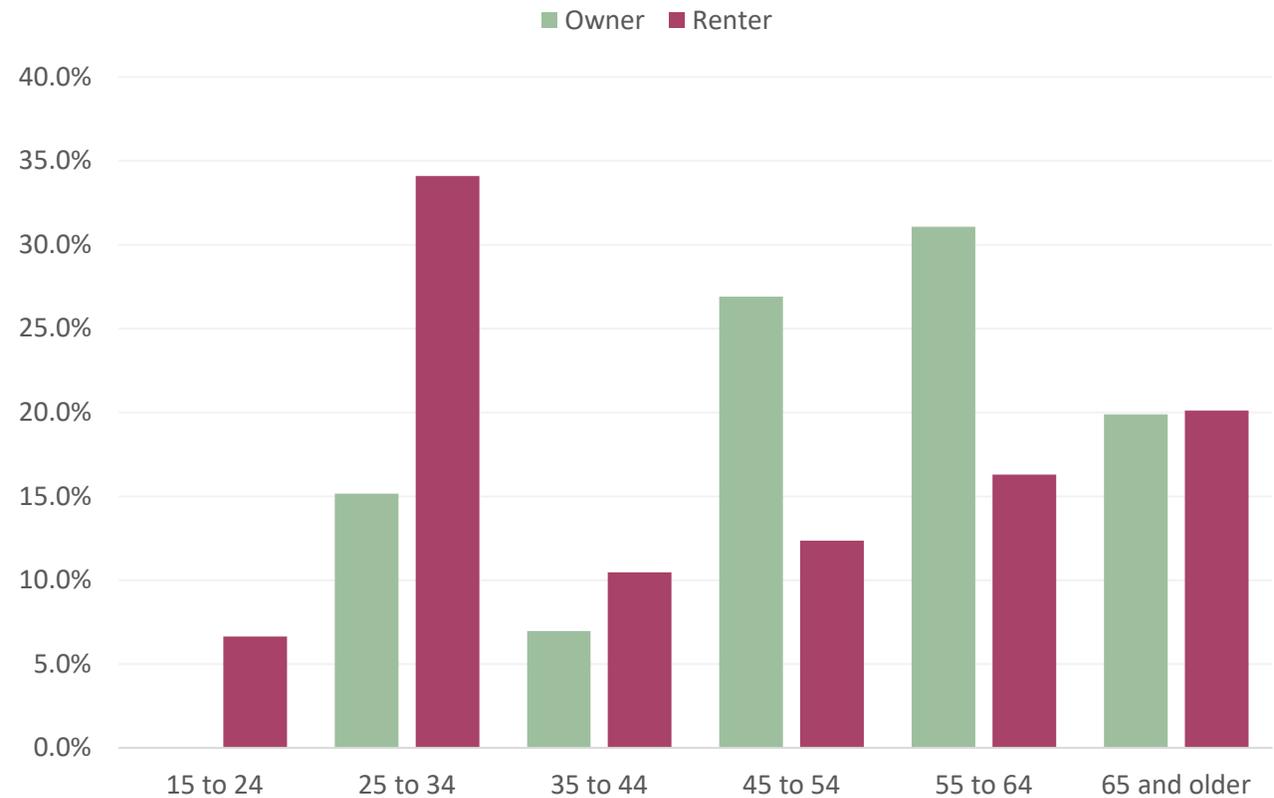
DEMOGRAPHICS

Farmington's age by tenure estimates illustrate the high proportion of renters who are between the ages of 25 – 34 while among owner households the majority of householders are aged 45 – 64.

Farmington's proximity to major employment centers such as Portsmouth but lower cost of living make it an attractive location for many commuters. Increased demand for more affordable housing may see prices increase across owner and rental units in Farmington.

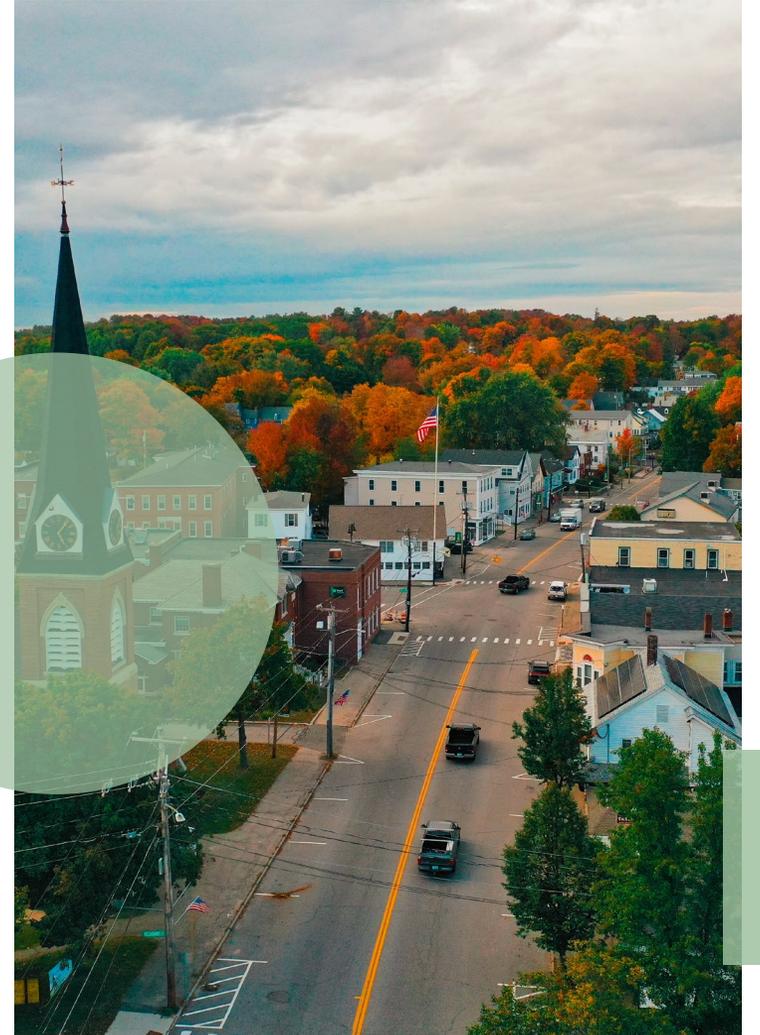
This could place greater financial burden on older residents on a fixed income and younger households seeking to rent or buy their first home.

The majority of householders across tenure are millennials and younger baby boomers.



Farmington Population Trends Snapshot

- Farmington's population has increased over the past decade but in recent years, saw a decline in total population.
- Over the past decade, the town has seen an increase in family households and a decline in household sizes among renters.
- Farmington's tenure by age of household composition reflects typical trends in New England with younger households primarily renting and older household primarily owning.





ECONOMICS

Housing Needs Assessment

ECONOMICS

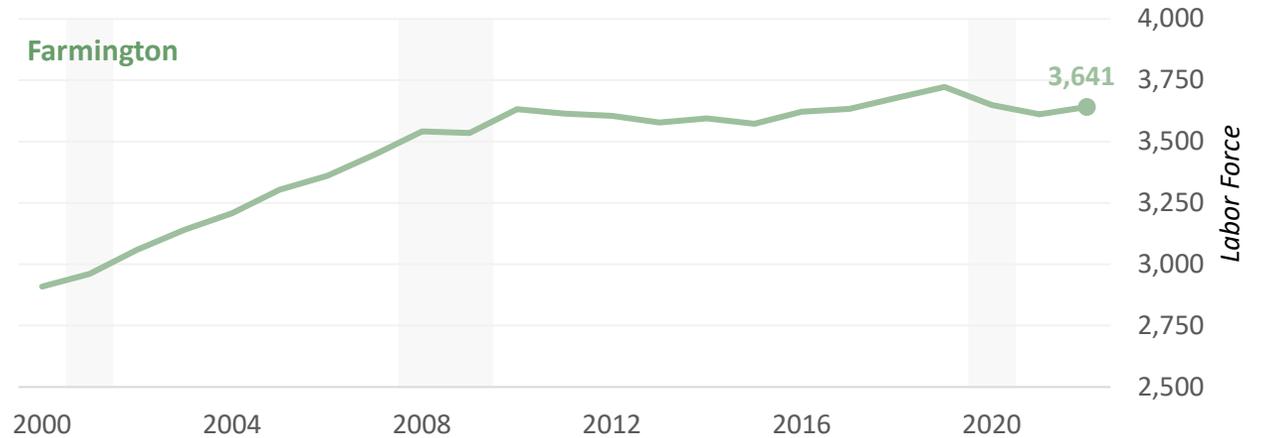
Farmington's local economy is driven by a few key industries, all of which have been resilient in the post-COVID-19 economy. Some include; government (e.g., schools, public services and administration), construction, manufacturing, retail and food services.

Farmington's diverse mix of major employment sectors has aided growth in the labor force and kept unemployment very low following the brief recession in 2020.

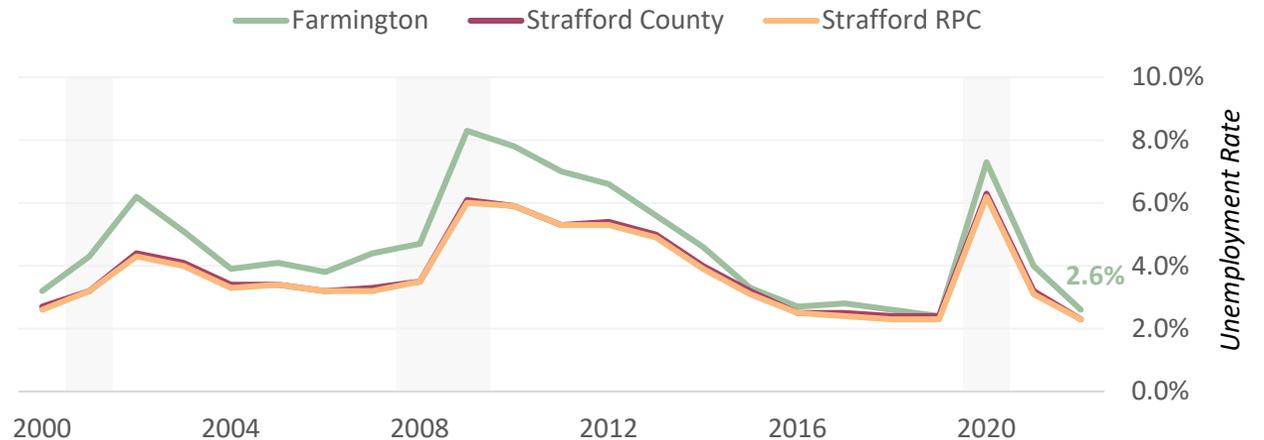
A potential future challenge for the Farmington economy will be maintaining the strong labor force. As workers in major employment centers such as Portsmouth seek more affordable housing in neighboring towns, those workers could drive up housing prices.

One possible consequence of this trend could be the pricing out of lower wage workers integral to the local economy. In a tight labor market, the likelihood of losing talent increases the more talent has to travel to work. This is often because those workers may find employment closer to where they are living.

Farmington's labor force has remained resilient despite the last two recessions.



Despite the steady growth in Farmington's labor force, Unemployment remains low and labor market very tight.

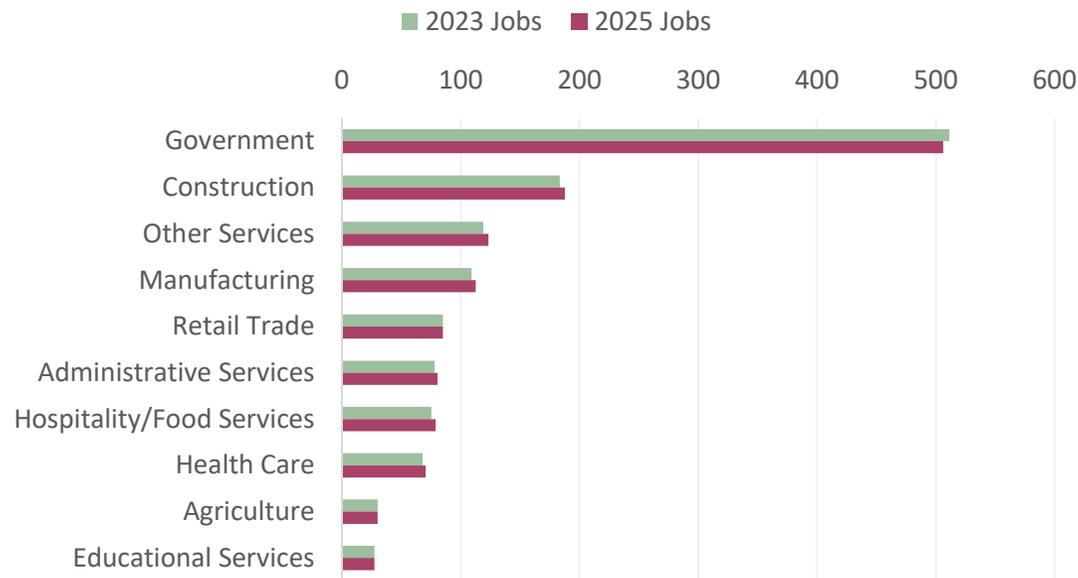


ECONOMICS

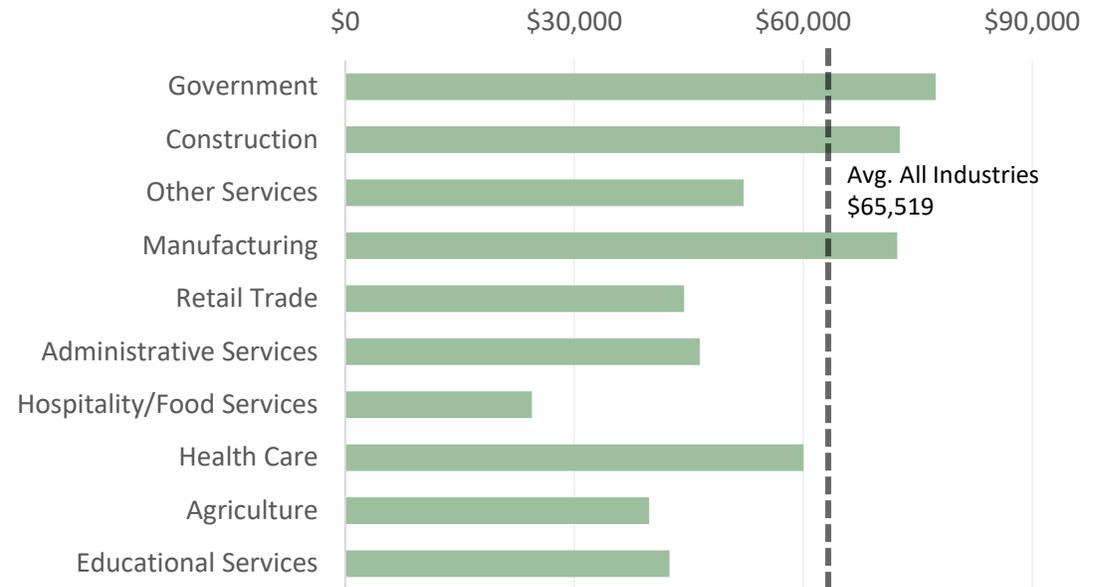
Across industry sectors, many of Farmington’s highest employed sectors earn more than the average annual earnings for all industries. For industries such as retail trade, food service and administrative services the average annual earnings fall at least \$20,000 below the all-industry average.

This means that for many local workers, wage growth has not kept pace with the rising costs of housing. Farmington’s median gross rent of \$990 is lower than many communities in Strafford County but for Food service, retail trade and agricultural workers rents fall near or above what many can currently afford. This dynamic could be exacerbated by increased demand, if regional employment forces many workers to seek housing outside of high-cost places such as Portsmouth.

Farmington’s employment is driven by the government, construction and other services sectors.



Average earnings by industry show top sectors earn more than all industry average.

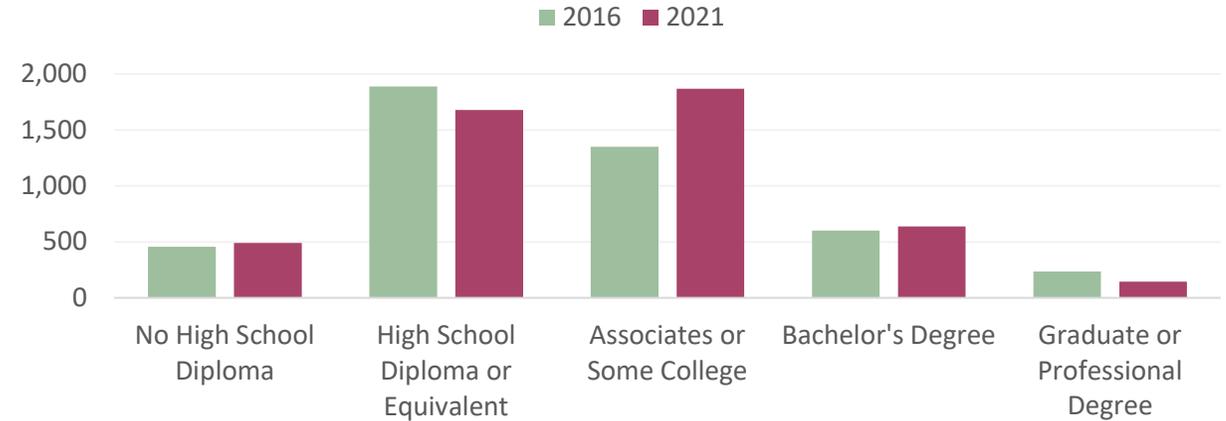


Over the last decade, Farmington saw a 38.4% (519 residents) increase in residents with associates or some college, and a 6.3% (38 residents) increase in residents with a bachelor's degree or higher.

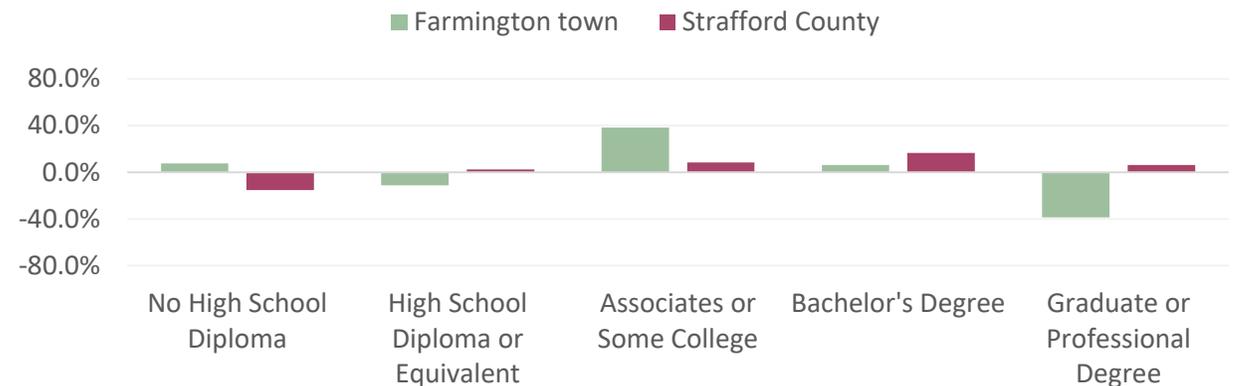
Uncharacteristic for Strafford County, Farmington saw an increase in residents with no high school diploma. This can be linked to the increases in family households who mostly likely have school-aged children.

Also uncharacteristic was the drop in residents with a graduate or professional degree. Strafford County saw an increase while Farmington saw a small decrease in this group. This can be linked to the variability in industry mix. Many of Farmington's largest industries do not require workers to have a graduate or professional degree.

Farmington saw growth in residents with associates and bachelor's degrees.



Change in educational attainment matched county level trends with the exception of those with no high school and greater than a bachelor's degree.

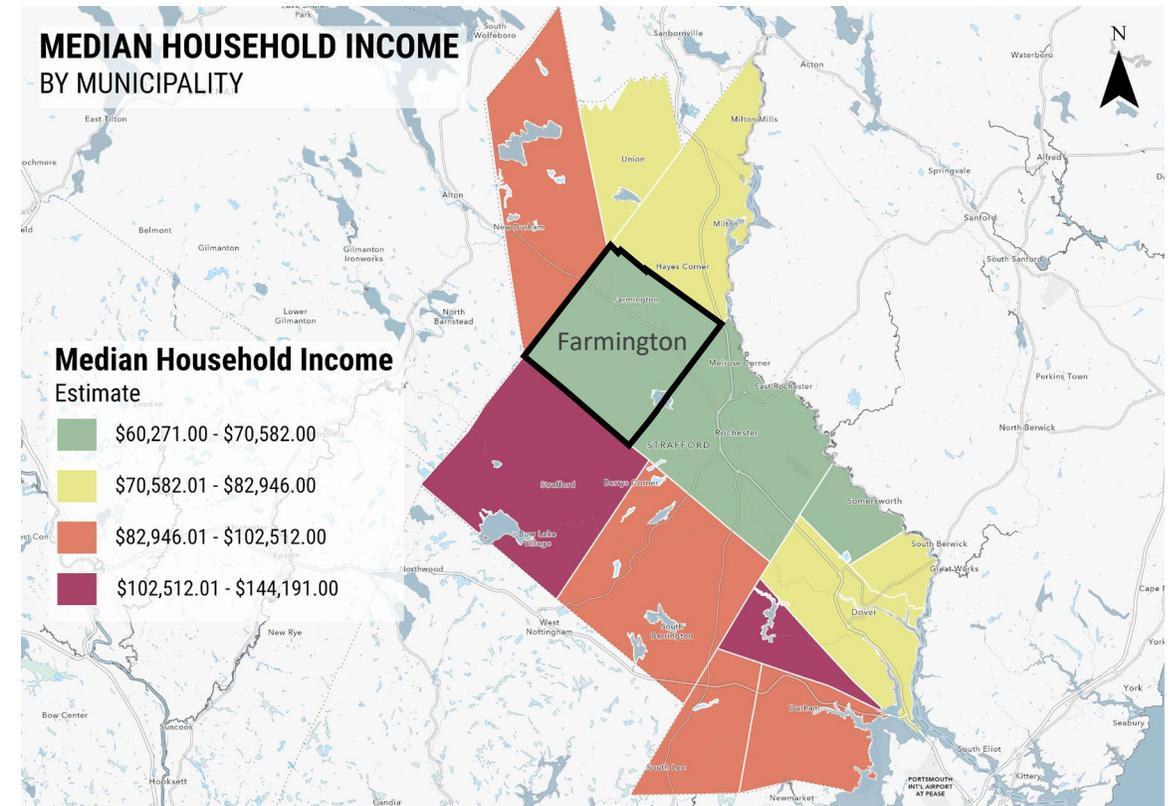
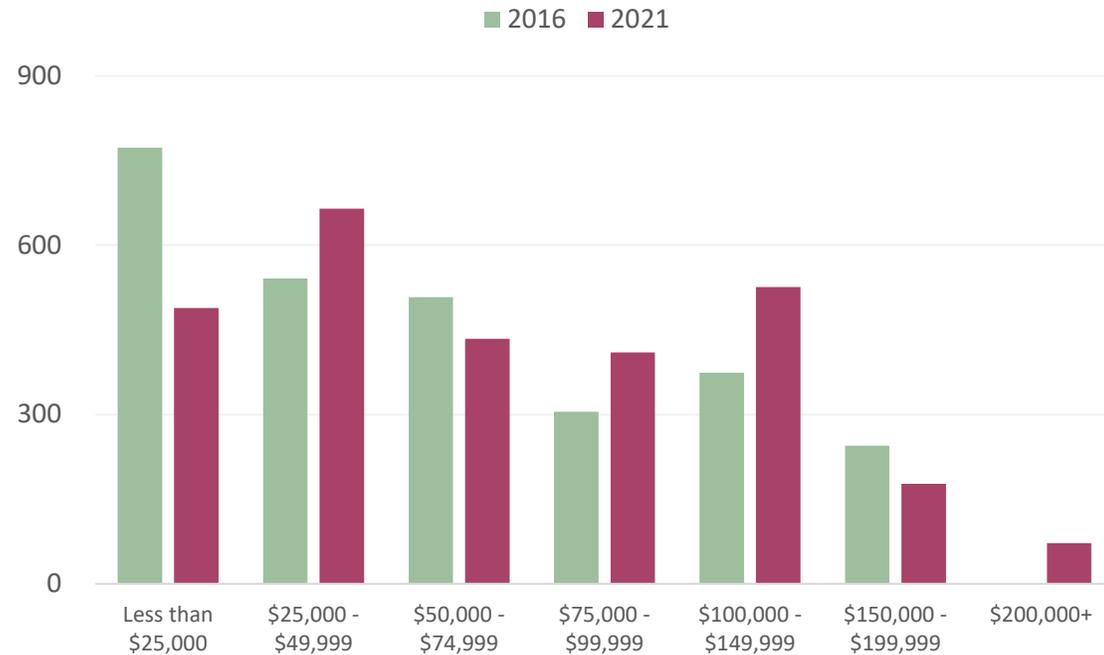


ECONOMICS

Across Strafford County, communities have experienced increases in higher income households by two key drivers: (1) many high-income households moved to communities around bodies of water in the region for second homes, retirement, and remote work; (2) limited supply and high housing costs in employment centers like Portsmouth drive many home-buyers and renters to seek more affordable housing markets in a commutable distance.

While a more comprehensive analysis of recent home purchasers and renters in Farmington is not available, anecdotal evidence and conversations with local experts suggest that a similar trend is underway in town. Some experts see Farmington as the next frontier for housing development, which is moving northwest up Route 11.

Farmington saw growth in middle to higher income households over the past decade.

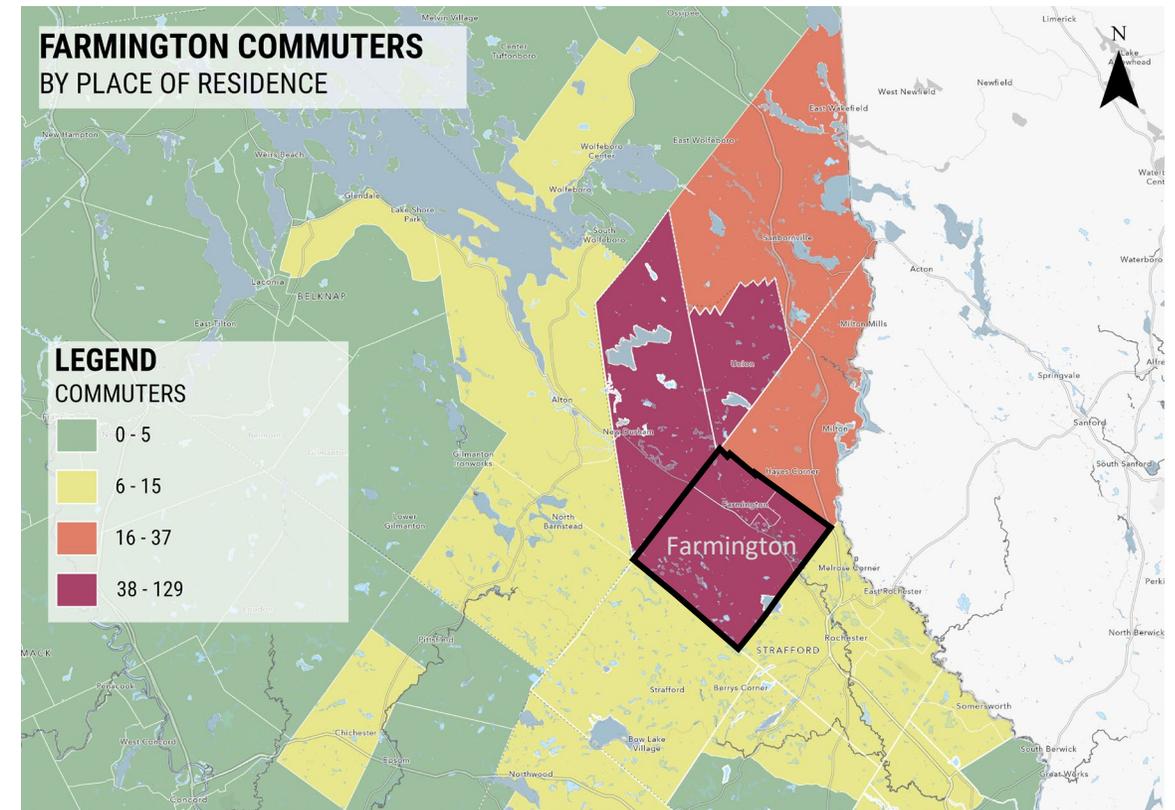
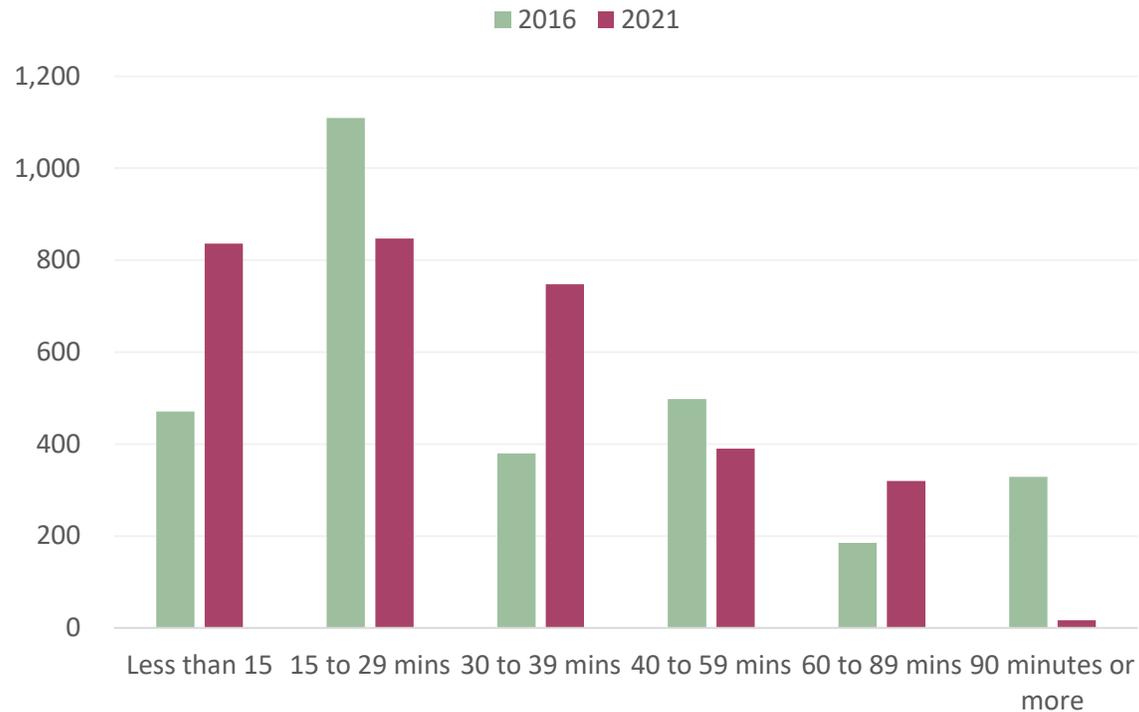


ECONOMICS

For working residents in Farmington, most travel 30-40 mins to work each day. This shift to mostly short and medium-length commutes signals that many residents are either working locally (due to remote work or local employment) or are commuting to regional employment centers like Portsmouth.

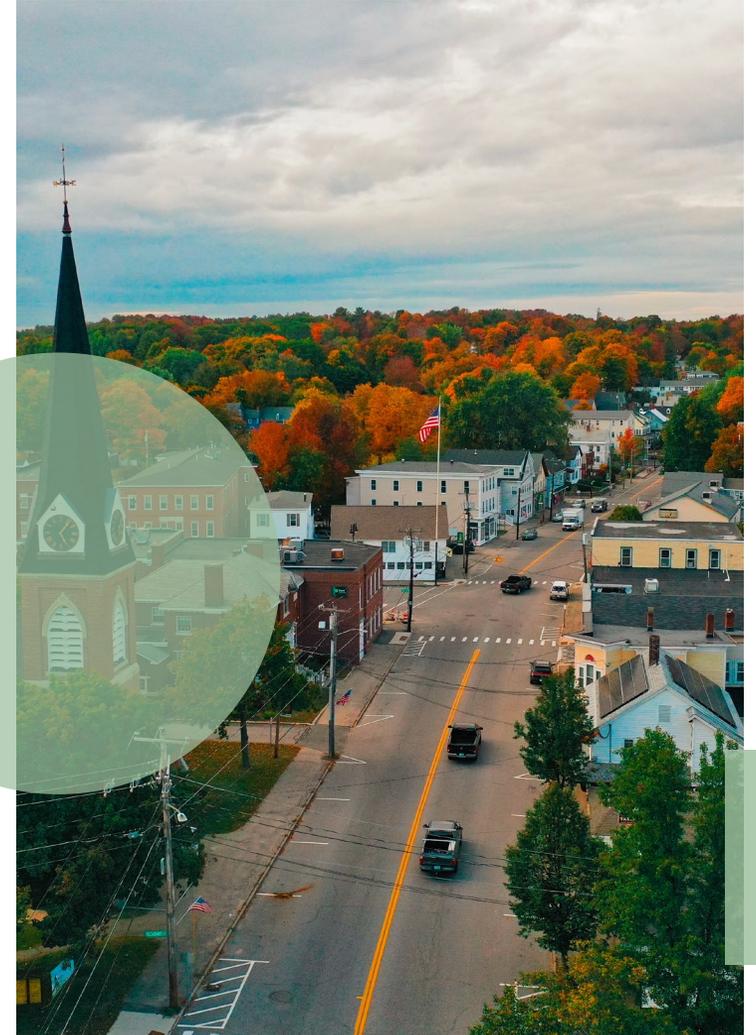
For those working in Farmington, most also live in Farmington although many neighboring towns have seen an increase in commuters to Farmington.

Local commuting and the half hour commute have increased.



Farmington Economic Overview

- Farmington's local economy is driven by activity in government, construction and other service sectors.
- While they do not represent the largest industries by employment, a large portion of workers in Farmington are in service-based industries such as restaurants and retail, which were hit hard by the pandemic.
- Separately, an analysis of existing employment in Farmington shows that most jobs pay between \$20,000 and \$60,000 per year. This suggests that as local home prices and rents begin to reach those of neighboring communities, Farmington residents will risk being priced out of the local housing market.





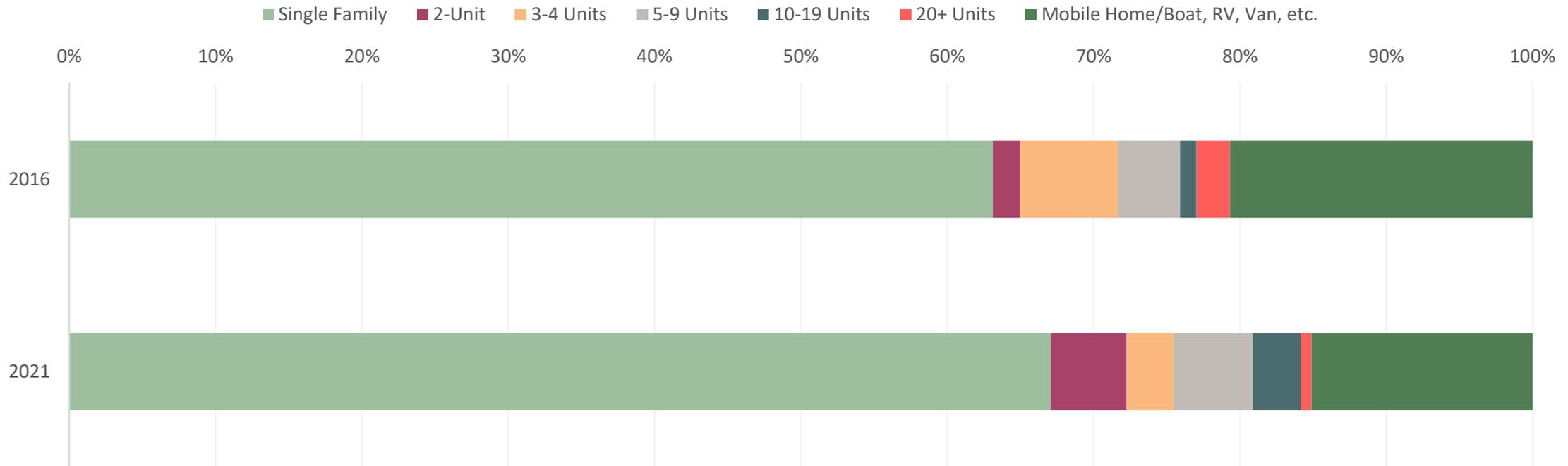
HOUSING CHARACTERISTICS & MARKET TRENDS

Housing Needs Assessment

HOUSING CHARACTERISTICS

Farmington's housing stock is comprised of mostly single-family homes with almost 2,000 units as of 2021. Over the last decade, Farmington's housing stock has increased in number of single family and 2-unit homes while the stock of 3-to-4-unit homes and mobile homes decreased. These declines and shifts can be attributed to a number of causes: (1) new construction, (2) conversions, (3) re-classification or (4) demolition/tear down. Having a diversity of housing options is key to a community's housing stock because it offers options for a wide array of residents who have different levels of what they can afford.

The majority of Farmington's housing stock is **single-family** followed by **mobile homes/other** and **3 – 4 unit housing**.

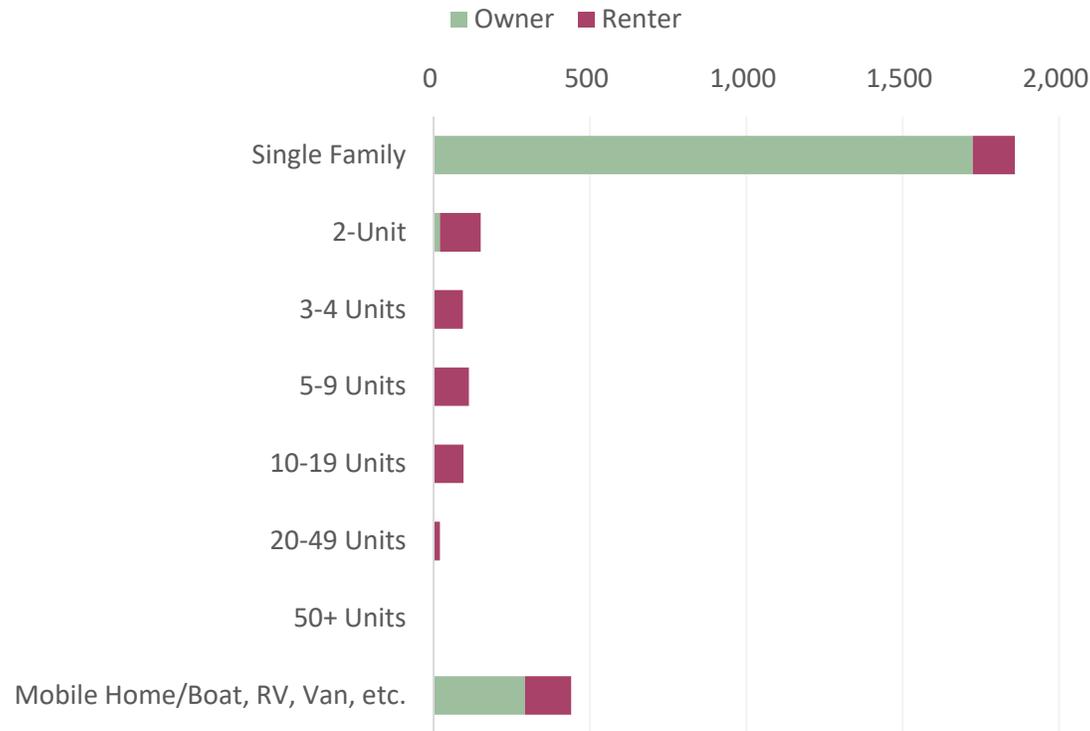


HOUSING CHARACTERISTICS

The majority of owner-occupied housing in Farmington is single-family, while the majority of rental units can be found in buildings with 2 or more units. This is a very typical breakdown for most communities where rental housing is found in multi-unit buildings while most ownership units are in single unit structures.

The table on the right, highlights the age of the housing stock. Most notably, most new construction in Farmington has been for owner-occupied units while not much has been added to the housing stock in terms of rentals.

Farmington's Occupied Housing by Tenure



Residential Buildings by Year Built and Tenure

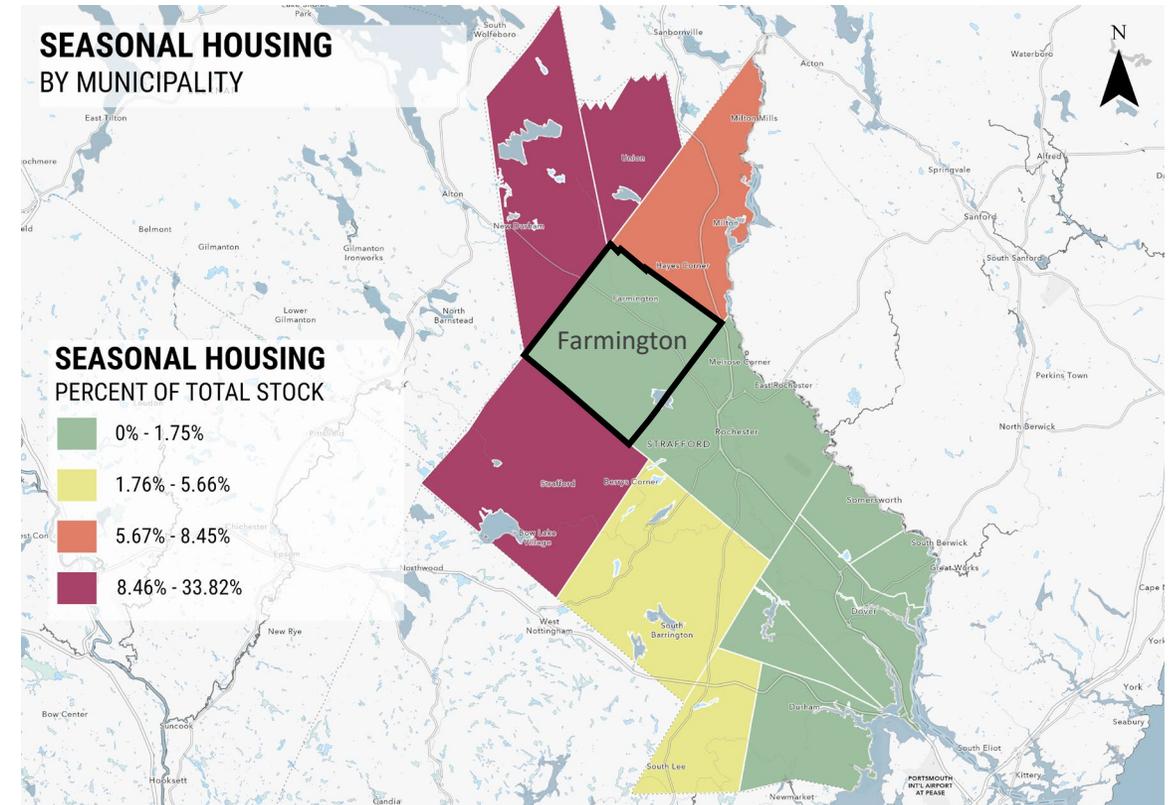
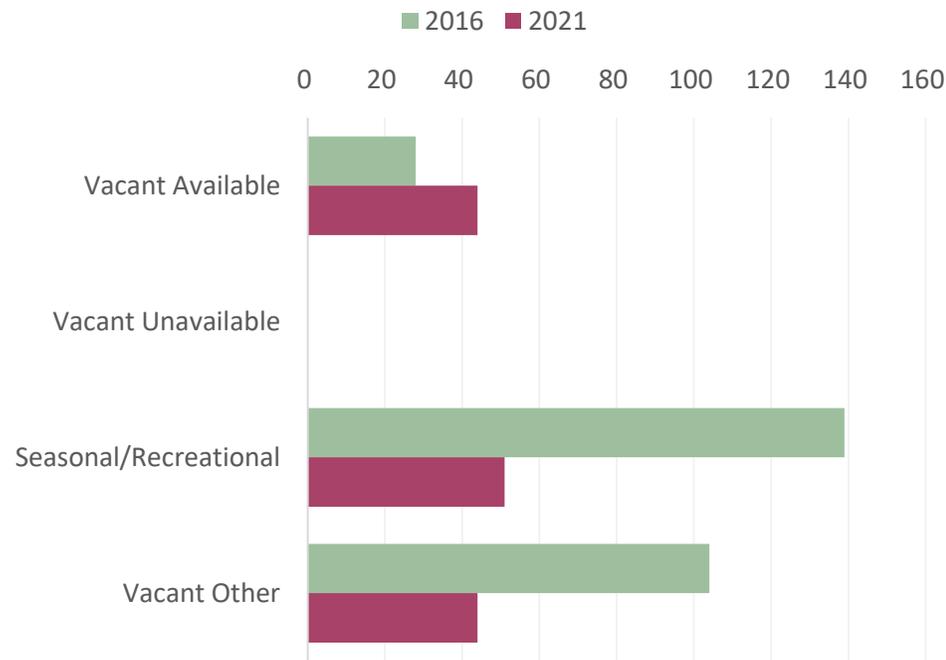
Year Built	#	%
Owner		
Built 2000 or later	759	37.3%
Built Between 1980 and 1999	414	20.3%
Built Between 1960 and 1979	404	19.8%
Built 1959 or earlier	460	22.6%
Renter		
Built 2000 or later	21	2.9%
Built Between 1980 and 1999	186	25.3%
Built Between 1960 and 1979	242	32.9%
Built 1959 or earlier	287	39.0%

HOUSING CHARACTERISTICS

Vacancy data from the ACS provides a good indicator of how many units are unoccupied in a community for either part of the year (seasonally) or completely unoccupied for any number of reasons. In Farmington, it is estimated a total of 139 housing units are vacant for at least 6 months of the year. Unlike many neighboring communities in the region, Farmington has a very low number of vacant units for seasonal and recreational use.

Overall, Farmington's total vacancy rate is quite low at 4.8%. What makes this more striking is the very low number of residential units that are listed as **vacant and available** (meaning for sale or for-rent, rather than for seasonal, recreational, or occasional use). At 1.5%, Farmington's the percent of units that are both vacant and available is well below a healthy rate (5% - 7%).

Farmington's available housing stock remain tight.

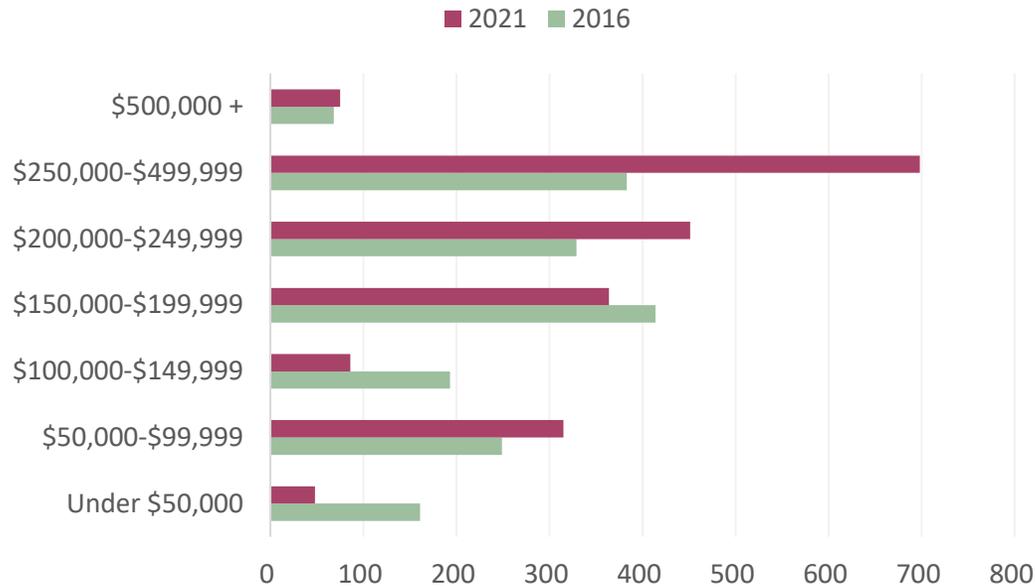


HOUSING CHARACTERISTICS

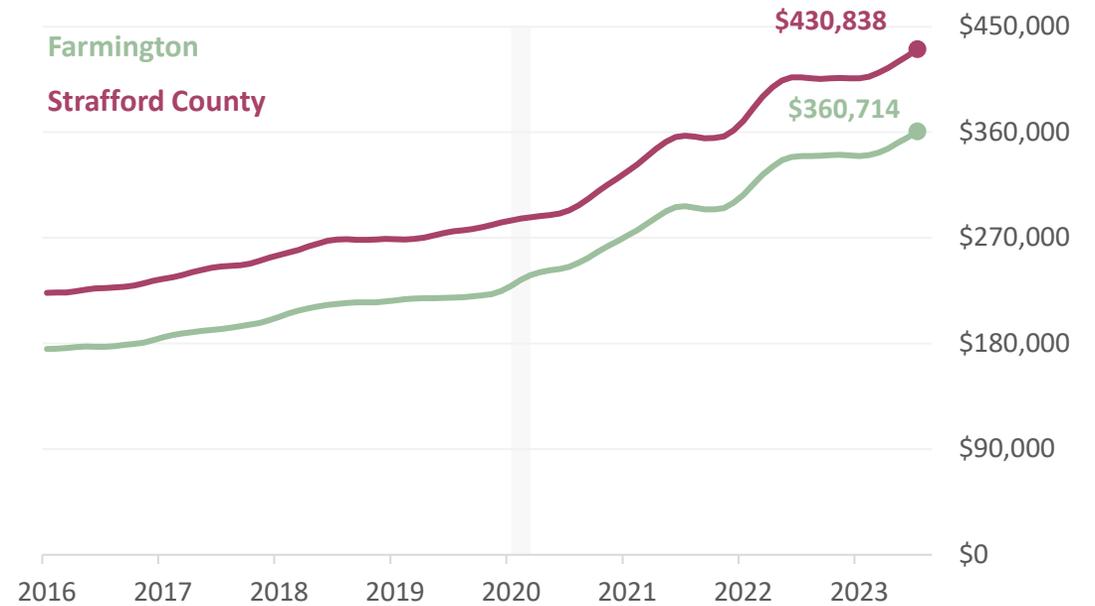
Linked to the very low vacancy rates in Farmington are the rising home values and sale prices. According to ACS estimates, home values in Farmington have increased by 30.4% (~\$52,000) to \$222,800 over the past decade. This change has largely been driven by an increase in homes values at \$200,000 - \$499,999.

Based on the Zillow Home Value Index, a more real-time measure, the typical home value in Farmington increased from \$175,548 in 2016 to \$360,714 in 2023. This is over a 100% increase in home value.

Home values in Farmington are increasing, driven by growth in homes valued \$200,000 - \$499,999.



Farmington home values continue to rise but remain lower than county.

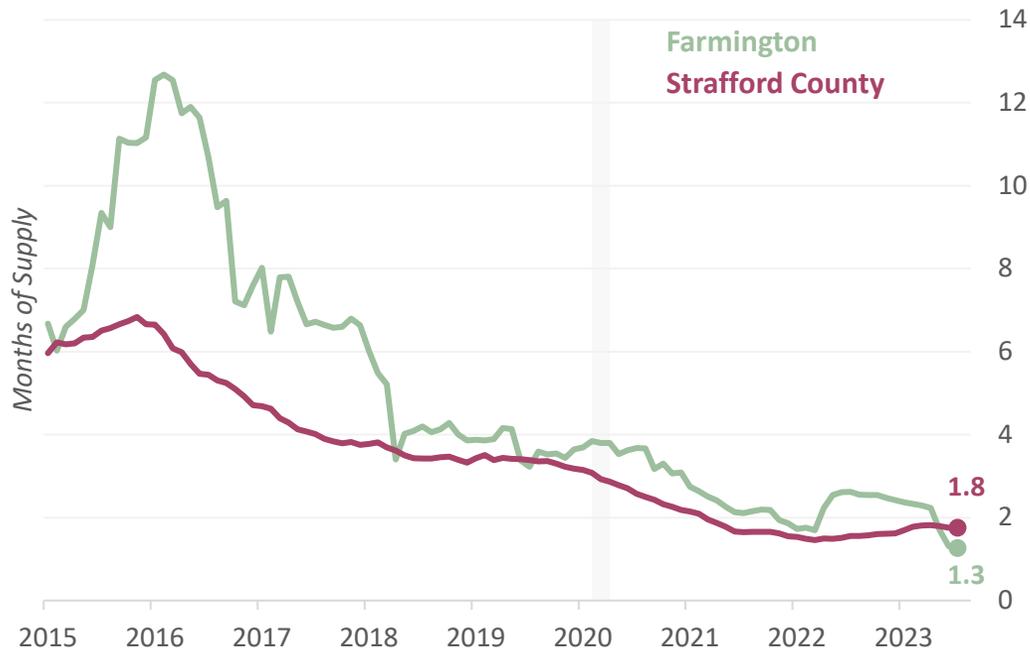


HOUSING MARKET TRENDS

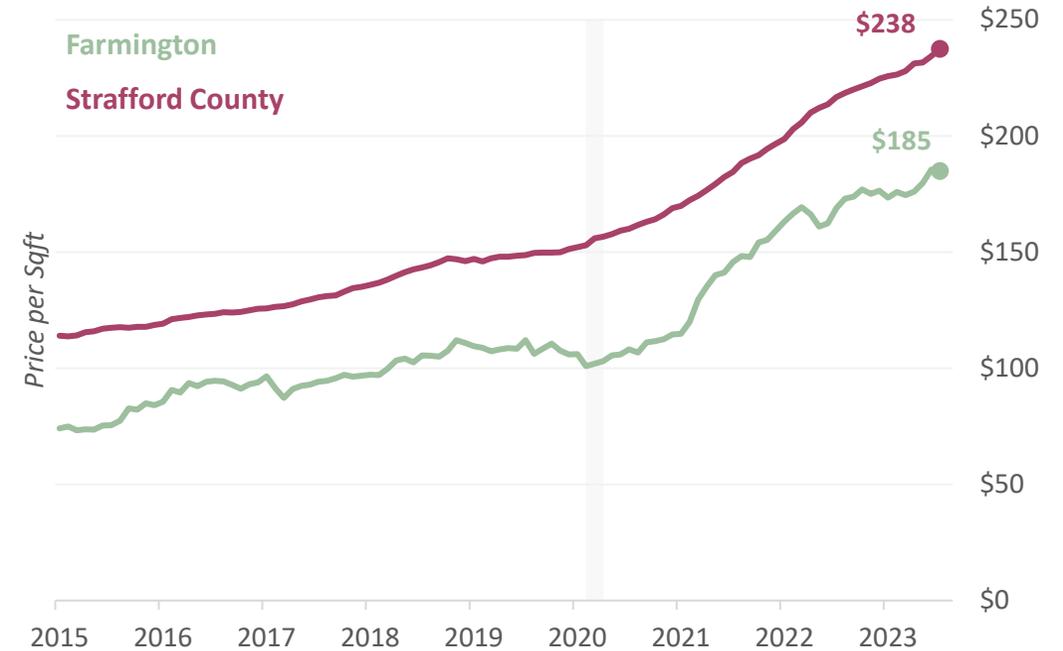
Following the hot housing market trends of 2020 – 2022, which can be characterized by low rates, high sales prices and record sales volumes, both Farmington and Strafford County are experiencing exceptionally tight housing supplies.

Low months of supply mean that new for-sale units remain on the market for less than 2 months in both Farmington and Strafford County. This trend coupled with the climbing sales price per square foot indicate high demand for housing across the region and greater competition for a limited supply of housing.

Months of supply has decreased sharply meaning high demand and tight inventories.



High demand and tight inventories contributed to increases in sales price per square foot.



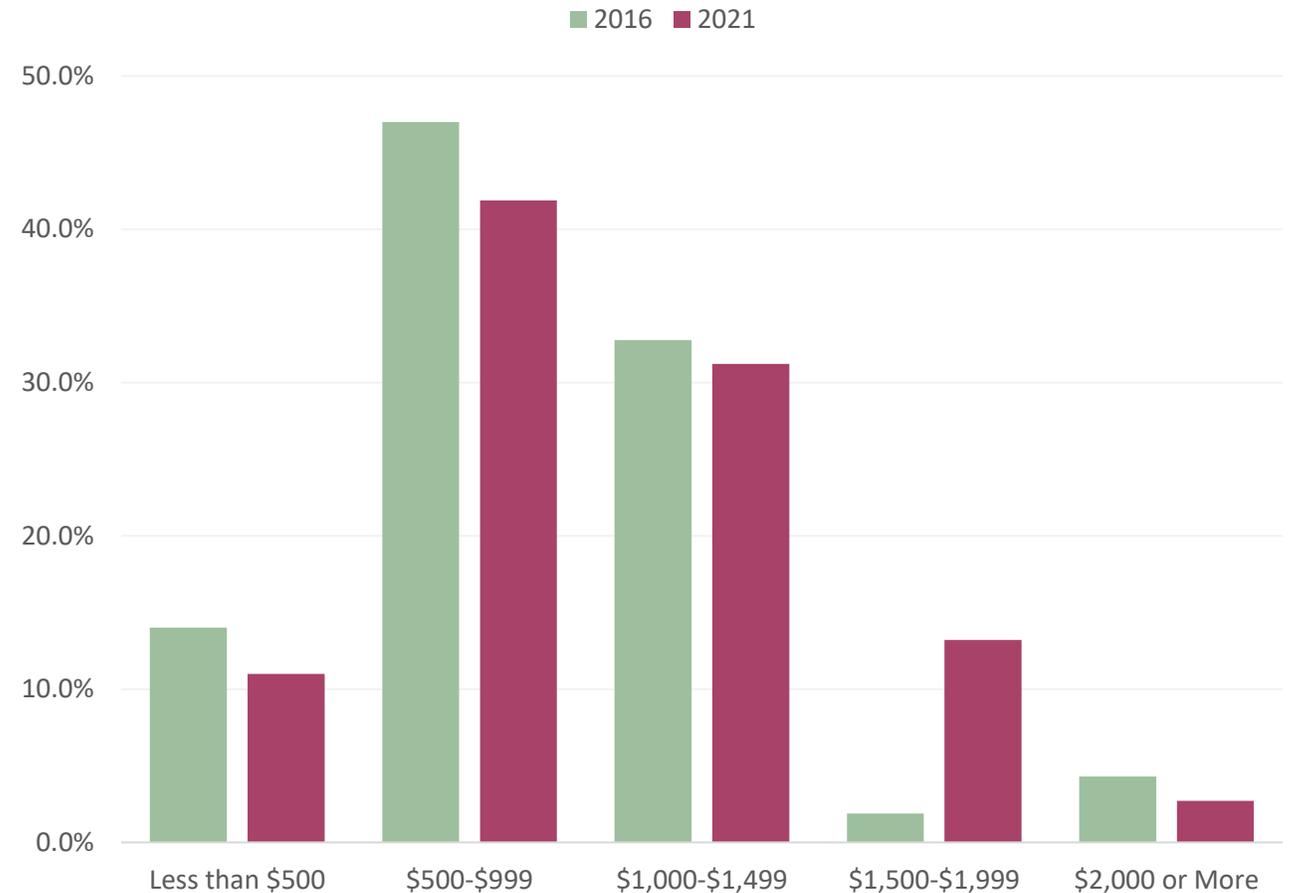
HOUSING MARKET TRENDS

Like those in the for-sale market, rental units have also seen increases in price over the last decade. The number of units priced at \$1,500 - \$1,999 increased from 1.9% of the total rental stock to 13.2% of the rental stock.

Median gross rent in Farmington increased from \$939 - \$990 over the last decade, which mark a 5.4% increase. While Farmington's rental market remains relatively affordable on average, rising rents across Strafford County could result in increased demand and competition for more affordable units.

This would likely drive-up rents in communities such as Farmington, which could see some renters priced out of the community. Particularly those renters who work in food service and retail trade sectors.

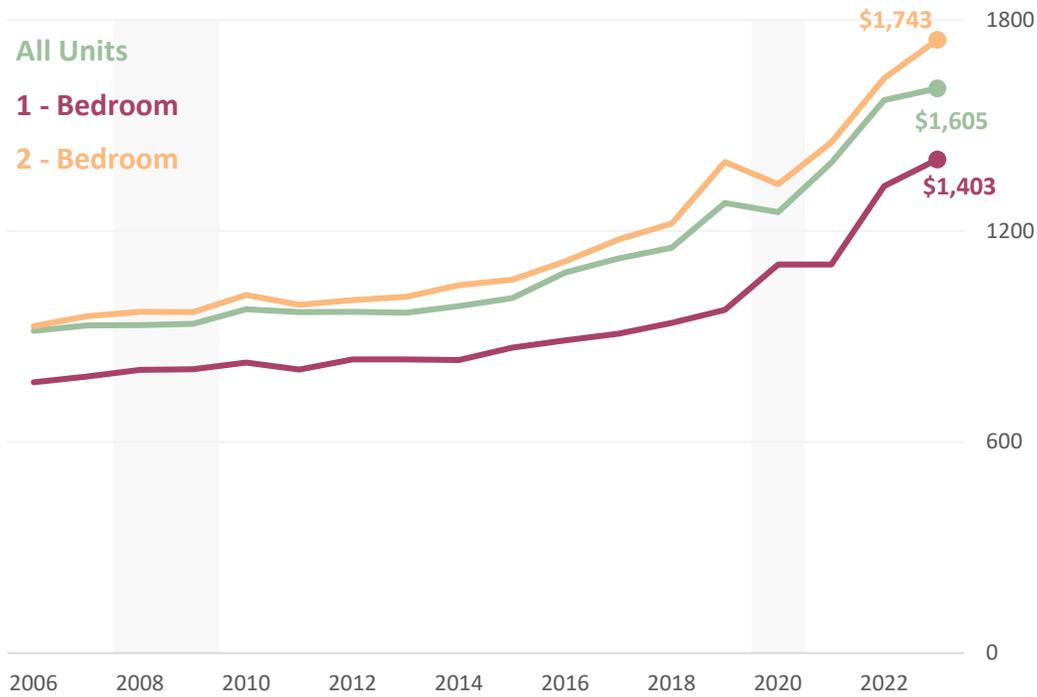
Farmington's gross rent distribution is shifting to rents centered around \$1,000 - \$1,999.



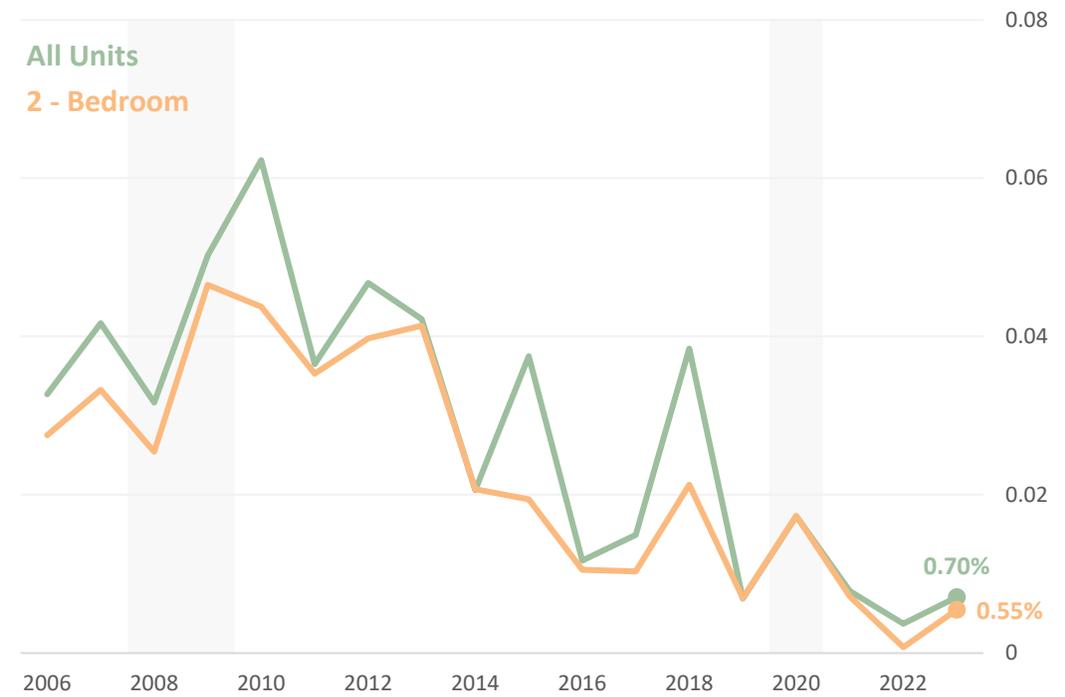
HOUSING MARKET TRENDS

Across the Strafford RPC region, rents have been rising rapidly and vacancy rates have reached all-time lows of less than 1%. As communities across the region continue to experience exceptionally tight rental markets, workers may seek to find more affordable rental units in neighboring communities. For towns like Farmington, where median rents are well below the region, an already tight rental market could see large rent increases as workers from neighboring employment centers seek to find more affordable housing options.

Median gross rents in the Strafford RPC has been rising faster since 2020.



Tight vacancy rates coincide with the rapid increase in rental costs since 2020.



IN SUMMARY

- The majority of Farmington's housing stock consists of single-family homes.
- While Farmington remains a more affordable housing market compared to the broader Strafford RPC region, rising expenses in neighboring employment centers could mean households move, compete and drive-up prices in Farmington.
- Rental housing in Farmington and the region remain challenged with a limited and aging inventory, record low vacancy rates and increasing monthly rents.
- As home prices and rents climb, these changes could place added strain on the most vulnerable households that may not be able to afford the rising cost of living. Households and workers in the food service, retail and agricultural sectors could be most acutely impacted by these trends.





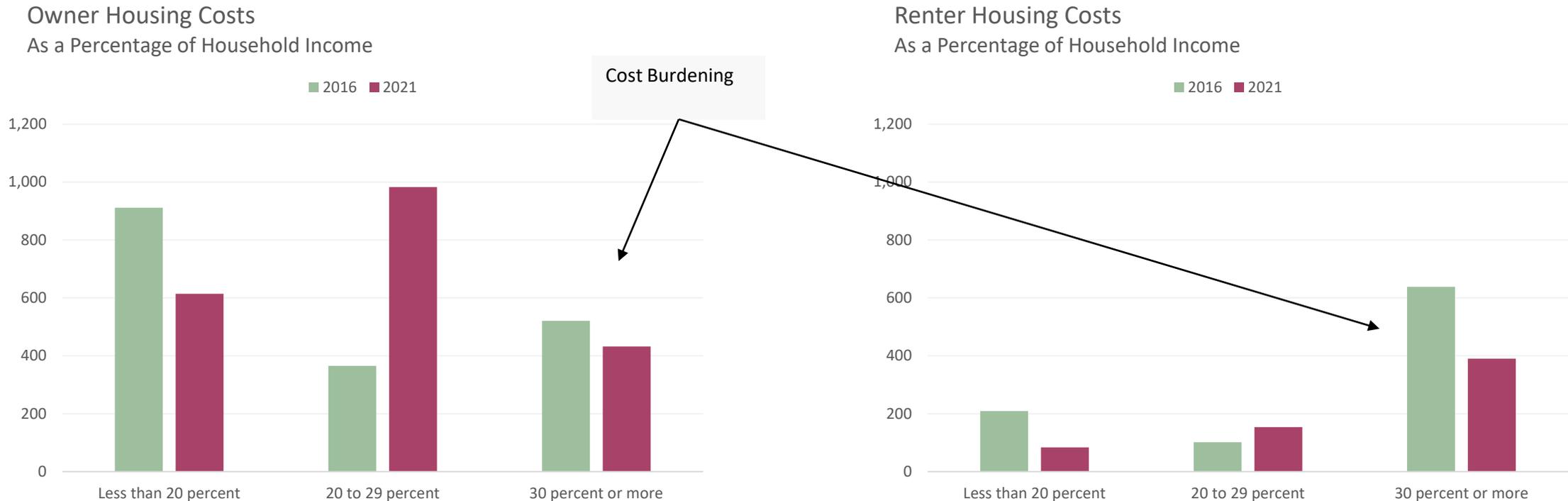
AFFORDABILITY GAP ANALYSIS

Housing Needs Assessment

AFFORDABILITY GAP | COST BURDEN

HUD considers a household to be cost burdened if they are spending more than 30% of their monthly income on housing costs. The challenge for households spending more than 30% of their income on housing costs is that it leaves significantly less money for spending on other necessities such as food, transportation, education, healthcare and childcare.

Within the Town of Farmington, over the past decade, cost burdening has decreased by 337 households. In terms of rental households, Farmington has a much smaller rental housing stock and thus fewer renter households, but of those who rent over 62% (~390 households) spend more than 30% of their income on housing costs.

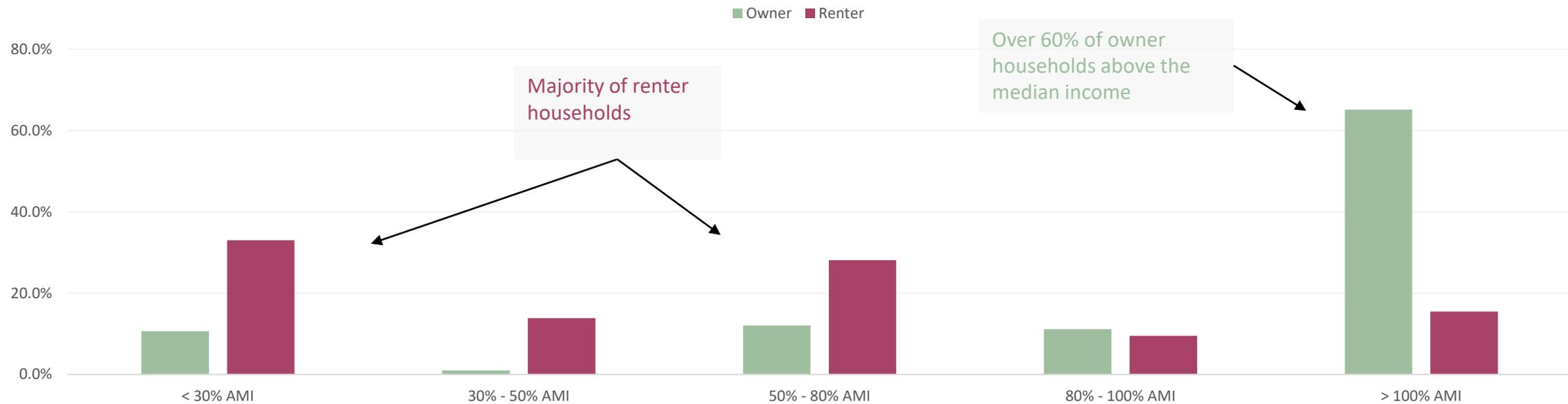


AFFORDABILITY GAP | HOUSEHOLDS

Affordable housing is critical to supporting a diverse range of households in the community and ensuring residents have safe, accessible, and price appropriate housing choices. Looking at incomes across both renter and owner households provides a snapshot of potential housing need by what those households can actually afford to spend.

In Farmington, almost 85% of renter households earn less than the local median income (100% AMI) with nearly 50% earning less than 50% local AMI. That equates to an annual household income of \$30,135 and an affordable rent of \$753 a month.

More than half of **owner households** in Farmington earn an annual income above the median income while roughly **85% of renter households** earn below it.

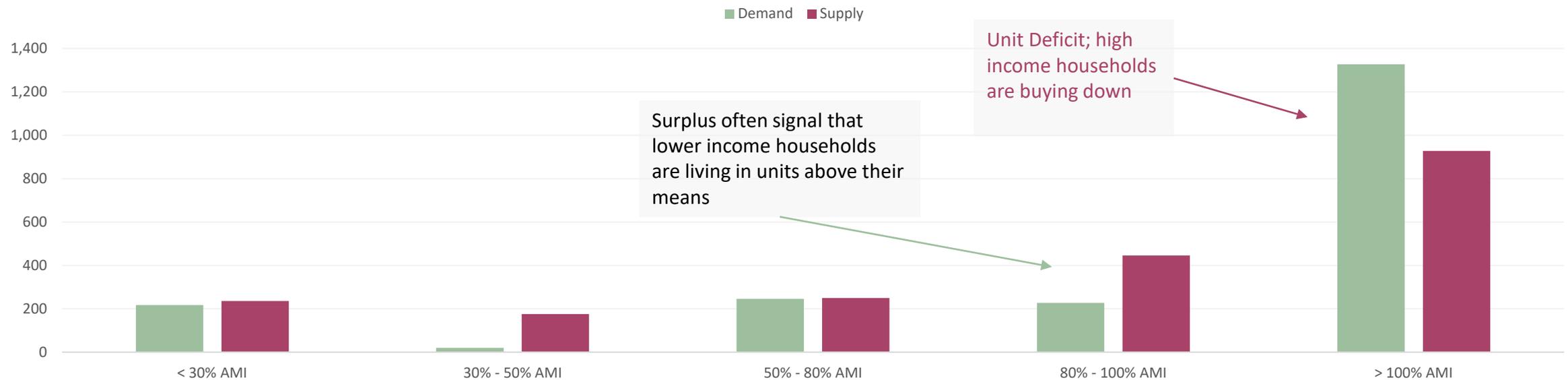


AFFORDABILITY GAP | OWNER

The affordability gap analysis compares the number of housing units at different price points to the number of households in the community that can afford to purchase or rent those units. If there are more units than households, there is a surplus of housing available. If there are more households than units, there is a deficit of housing available. This provides a quick snapshot of where additional housing may be needed in a community to address affordable housing shortfalls.

The figure below describes the housing affordability gaps for owner households in Farmington. What's interesting is the large deficit at the high end of the market. This means that there are more households than homes affordable to households earning above the median income. The consequence of this trend, is that many higher income households buy down in what is a very tight market for lower income households.

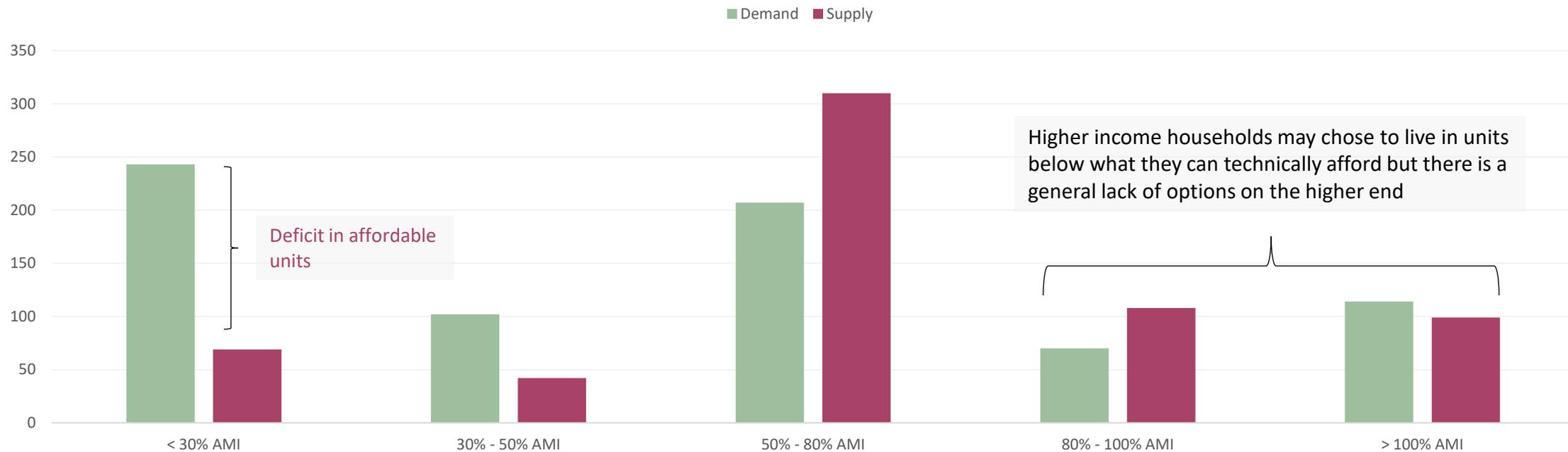
Comparing owner households by income level (**demand**) to owner units by affordability (**supply**), Farmington has a deficit in units priced to households earning above the local median income.



AFFORDABILITY GAP | RENTER

The affordability gap analysis for renter households illustrates the large gap in units affordable to renters earning less than 50% of the local median income. There is also a gap in units affordable to households earning over the local median income (>100%). While it is common for communities to see deficits on the low and high end of the rental market, this squeezes the middle of the market driving up rents, which is particularly impactful when the available stock is small as is the case with Farmington.

Comparing renter households by income level (**demand**) to rental units by affordability (**supply**), Farmington has a deficit in units affordable to households earning less than 50% of local median income and more than 100% of local median income.

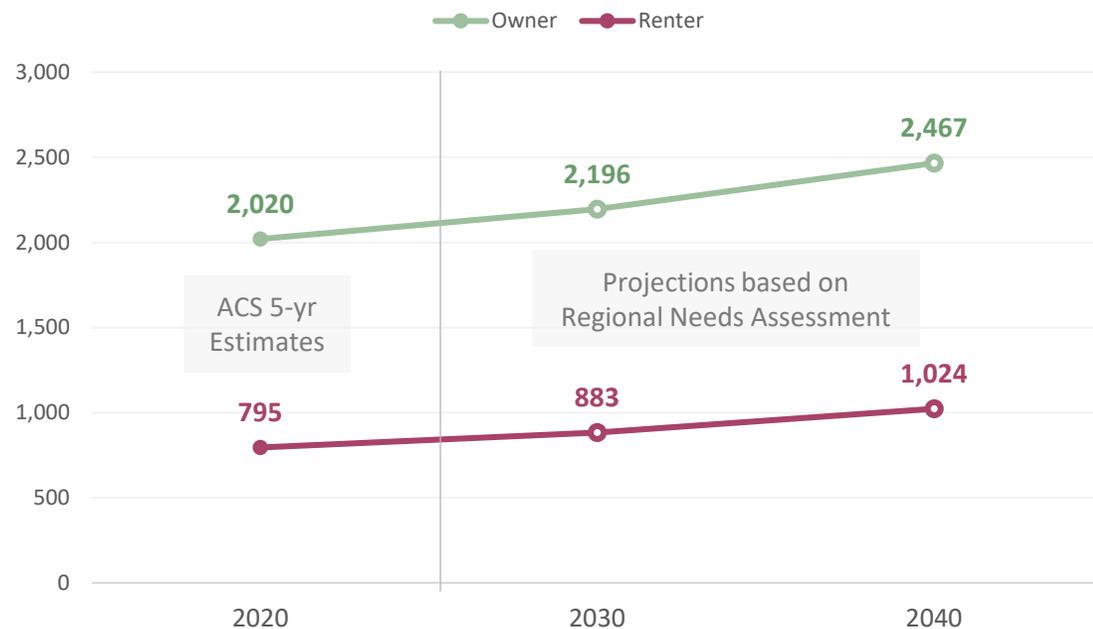


AFFORDABILITY - PROJECTIONS

Based on the Fair Share Tables from the Strafford Regional Housing Needs Assessment, it is estimated that Farmington should be prepared to accommodate demand for 264 units by 2030 and 412 units by 2040. Of these units by 2040, 271 should be for owners, with about 54% affordable to households with income of 100% AMI and less. Another 141 should be for renters, with 45% affordable to renters with income of 60% AMI and less.

Housing Units Needed in Farmington

Estimates from Strafford Region Fair Share Analysis



Farmington Estimates 2030

2030 New Units Total	Owners 2030	Below 100 % AMI	Above 100 % AMI	Renters 2030	Below 60 % AMI	Above 60 % AMI
264	176	93	83	88	38	50

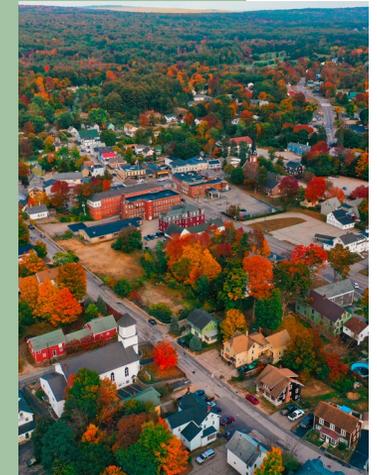
Farmington Estimates 2040

2040 New Units Total	Owners 2040	Below 100 % AMI	Above 100 % AMI	Renters 2040	Below 60 % AMI	Above 60 % AMI
412	271	146	125	141	63	78

* Estimates are cumulative

KEY FINDINGS

- Farmington has a much smaller rental housing stock and thus fewer renter households, but of those who rent over 62% (~390 households) spend more than 30% of their income on housing costs.
- In Farmington, almost 85% of renter households earn less than the local median income (100% AMI) with nearly 50% earning less than 50% local AMI. That equates to an annual household income of \$30,135 and an affordable rent of \$753 a month.
- The largest gaps in Farmington's housing stock are at both the high and low ends of the market for rental and on the high end for owner. As housing prices throughout Strafford County continue to rise, without the addition of more affordable units, existing residents and employees that earn at or below the median household income will find it more difficult to live in Farmington.
- Additional attention should be given to determining the proportion of manufactured housing compared to other housing types in town.





FARMINGTON POLICY & REGULATORY AUDIT

ROUTE 11 CORRIDOR STUDY



REGULATORY AUDIT PROCESS

REGULATORY AUDIT PROCESS

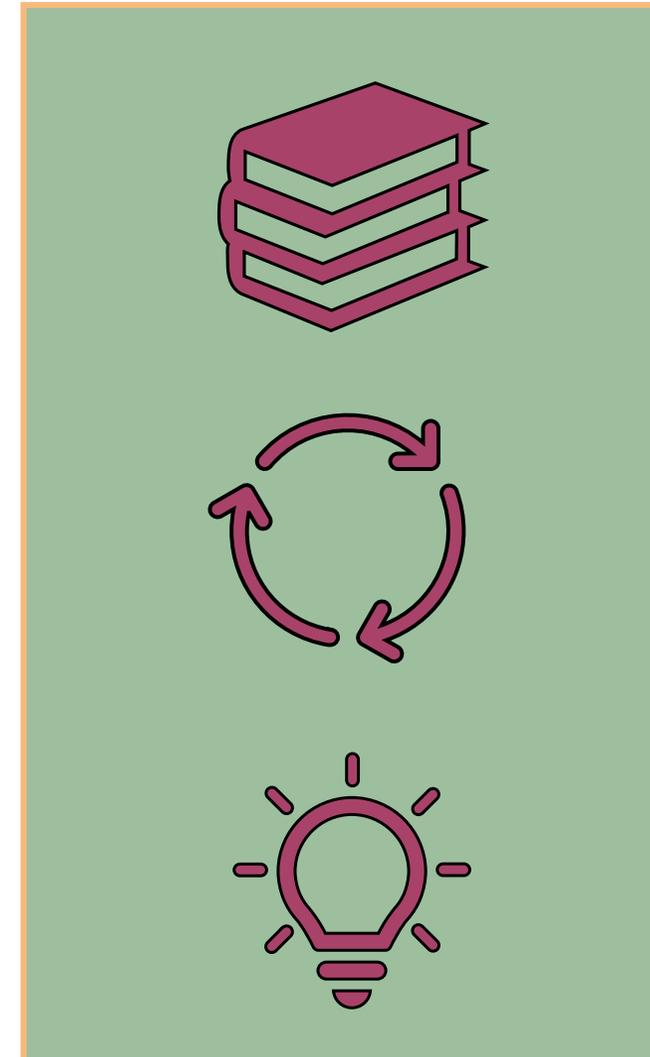
Fougere Planning & Development and Resilience Planning & Design collaborated on this Audit to ensure the project is informed by the direction set by the Farmington Master Plan and the reality of the existing land use regulations.

What is a Policy & Regulatory Audit?

- A Policy and Regulatory Audit is a review of the existing Master Plan and Land Use Regulations (Zoning, Site Plan, and Subdivision).

What is the Intent?

- The intent of the review is to identify areas of consistency and disconnects that may exist between what the Town has stated as its vision and plan for the future, and the regulations in place guiding land use change.





POLICY & REGULATORY AUDIT FINDINGS

POLICY & REGULATORY AUDIT FINDINGS

General Findings

- Several of the Master Plan actions are being addressed through this Housing Initiative. This includes the completion of an Audit of the Regulations, and addressing the stated housing objectives. This is an indication that Farmington is working toward the Vision.
- The Master Plan does not identify the Route 11 Corridor as a location for housing development, and residential uses are not allowed within the Zoning districts that regulate the Route 11 corridor currently. This indicates the need for new district regulations to allow for a variety of housing types within portions of the corridor, including Workforce Housing. This would address the need identified in the Master Plan for an increased variety of housing options through increased density and other strategies.
- The allowable uses within the Commercial Business & Industrial Business Districts are almost identical. This could be addressed by merging the Commercial Business and the Industrial Business districts into one district and through the creation of a new mixed-use zoning district along portions of the corridor. A few key parcels along Route 11 should remain commercial/industrial focused to allow for and promote more intensive uses as appropriate. A Mixed-Use District could also be used to create architectural design guidelines that would be more appropriate than those that are currently voluntary in the Business Node Overlay District.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

General Findings

- Workforce Housing is not addressed in the Farmington Zoning Ordinance. What is the status of Workforce Housing in the community? Does the community believe they have met the required regional need? The recently completed Regional Housing Needs assessment calls for additional Workforce Housing units by 2030 to address existing and future need.
- The goals for the next decade, as stated in the Master Plan, relate to nodal development, smart growth, sustainable design and are not adequately supported by existing zoning. This includes creating nodes of visually attractive mixed-use development with coordinated access to Route 11 and the Multi-use Path, natural resource protection, and requiring new regulatory tools to implement this vision.
- The zoning could also benefit from some clarification and streamlining for the Districts in the Corridor. This could include folding in overlay regulations, making requirements clear and more predictable for applicants, and updating and simplifying performance and design standards. This could also include ensuring the TIF District closely corresponds with revised district and regulatory tools.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan Audit Findings by Topic

Land Use Related Statements and Observations from the Master Plan:

- **Route 11 Corridor:** Route 11 is the major transportation route through Farmington, connecting the Seacoast Region of the State with the Lakes Region. The Corridor consists of several zoning designations that focus on Commercial Business, Commercial/Industrial Business, and Industrial Business – the districts which contain most of Farmington’s commercial development. The existing land uses are a mix of automobile-oriented retail and service, several restaurants, small retail and mixed industrial. The Corridor developed incrementally over the years, and community opinion is to continue to promote mixed-use development along the highway. Due to the nature of the development, there is no sense of visual quality to this stretch of highway which identifies Farmington as a unique community. There is no real “gateway” identification on which Farmington can utilize to capture through traffic business between the Coast and Lakes.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan Audit Findings by Topic

Land Use Related Statements and Observations from the Master Plan:

- Town's land is utilized to conserve and protect natural resources, develop where appropriate, determine infrastructure locations and improvements, and insure that reasonable and practical regulations and strategies are implemented to reflect the desires of the community for future growth.
- The Town should strive to implement smart (growth) principles and sustainability approaches.
- Existing Land Use Map – observation – there is little residential activity along the Route 11 Corridor from Tappan Street south to Rochester.
- Existing Zoning Map - observation – the entire corridor frontage is zoned from some combination of commercial or industrial uses currently.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan Audit Findings by Topic

Future Land Use Issues: The primary issues identified through community outreach efforts relate to the following:

- Route 11 corridor planning and locating most new commercial and industrial development.
- Review of adequate areas zoned for residential, commercial, industrial and open space.
- Housing, residential density and keeping the existing zoning as it is now. (Need to revisit this with the public during this project)
- The status of gravel pit properties and potential redevelopment and zoning classification.
- Hazard mitigation through smart land use policies.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan Audit Findings by Topic

Goals: Farmington, over the next decade, will:

1. Encourage development and redevelopment in areas that support smart growth principles with minimal impact on the natural environment, while protecting natural and cultural resources, agricultural lands, and utilizing the Town's existing infrastructure.
2. Encourage cluster residential and mixed-use development with adequate infrastructure that incorporates best management practices, including enhanced open spaces and access opportunities as permitted by private landowners and the Town.
3. Encourage mixed-use commercial, residential, institutional, and recreational uses in the Village Center.
4. Encourage well-designed and visually attractive mixed-use commercial and industrial development along Route 11 that minimizes traffic impacts. (And Residential?)
5. Implement a user-friendly, cooperative and streamlined land use regulatory process that balances individual property rights with community values.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan Audit Findings by Topic

Housing Related Statements and Observations:

- ... provide the Town an opportunity to attract new residents with housing choices that are affordable for all incomes while meeting the needs of all household types.
- Although not a large community in terms of population, Farmington does have municipal water and sewer utilities which can support multi-family and “higher density” development.
- Farmington has historically provided a broad range of housing options for all income groups, and community outreach supports continuing this effort.
- This effort would then provide an updated program of action to help ensure Farmington’s housing stock continues to provide for the needs of the community’s current and future population.
- Safe and affordable housing that reflects the economic and community character of Farmington, as well as the rising housing costs of the region, is vital to Farmington’s long-term health and vitality.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Housing Related Goals:

Farmington, over the next decade, will:

1. Encourage diversified residential development that creates housing options for all generations, income levels and household types, including housing to support existing and future local employment opportunities and age-friendly options that support aging-in-place.
2. Guide new residential development to those areas most suitable for housing including within the Village Center and adjacent residential zones. (Can sections of the Route 11 Corridor be identified as appropriate?)
4. Foster a sense of neighborhood and connectivity through site design reviews, accessibility concepts, citizen safety, and walk-ability to economic, natural, and social amenities.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Housing Related Actions:

1. A review and audit of the Town's zoning and development regulations will be conducted to determine if they support housing objectives, and appropriate amendments and revisions will be made to remove unnecessary barriers. (Underway!)
2. Enlist the assistance of private developers, the Community Development Finance Authority (CDFA), the NH Housing Finance Authority and the Strafford Regional Planning Commission (SRPC) to develop and implement actions to meet housing objectives. (Underway!)
3. Participate in the next Housing Needs Assessment conducted by the SRPC and utilize the assessment to support housing objectives. (Completed)
4. Seek assistance from housing experts, such as NH Housing Finance Authority, to develop additional ways to achieve the goal of providing a variety of housing options, including but not limited to, inclusionary and incentive zoning, allowing higher density, mixed-use zoning districts, and adaptive reuse. (Underway!)



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Natural Resources Related Statements and Observations:

- “Farmington is primarily a rural community with significant natural resources consisting primarily of surface water and groundwater, agricultural areas, forests, wildlife habitats and earth materials such as sand and gravel. Planning for compatible future land uses is essential for both Farmington and its relationship relative to the natural systems in surrounding communities.”
- Groundwater and Aquifers: A large stratified drift aquifer lies underneath the Cocheco River. Overlaying this aquifer and a larger area are Farmington’s Wellhead Protection Districts. See Figure H.

Goals:

- Protect its natural resources, including surface water and groundwater wetlands and vernal pools, topographic features and slopes, geology and soil, forests and agricultural lands, and wildlife habitat while accommodating desired growth and development with innovative development practices.
- Foster effective conservation actions by encouraging open space preservation and educating the public on the values of conservation.
- Increase public access to existing conservation lands.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Cultural Resources Related Statements and Observations:

Goals:

- Recognize the need to enhance, preserve and utilize the Town's unique resources to foster the identity, economy and a better future for the community.

Master Plan - Community Facilities Related Statements and Observations:

- It is necessary for Farmington to plan for the public facilities and services provided for its residents and business community, both currently and in the future.
- Action: The Town should conduct a community facility needs assessment to determine specific long-term needs. These may include, but are not limited to, staffing capacity, building structure upgrades or repairs, water and sewer needs, access to broadband, etc. (Was this completed?)

Master Plan - Recreation Related Statements and Observations:

- Goal: Maintain, improve, and expand recreation facilities, parks, trails and pedestrian/bicycle pathways through public-private partnerships and creative funding mechanisms.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Transportation Related Statements and Observations:

- Essential to Farmington’s well-being is a transportation system that supports safe and efficient movement of people, goods, and services both within the town and the region.
- Several commonly accepted “smart growth” principles, as outlined by the US EPA, reflect interrelated elements that can serve to guide growth and development, including transportation choices and improvements:
 - Mix land uses
 - Take advantage of compact housing design and development
 - Create walkable neighborhoods
 - Create a distinctive community with a strong sense of place
 - Preserve open space, farmland, natural beauty, and critical environmental areas
 - Strengthen and direct development towards existing communities
 - Provide a variety of transportation choices
 - Encourage community and stakeholder collaboration in development decisions.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Transportation Related Statements and Observations:

Goals:

- Provide and maintain safe non-motorized trail connections between employment centers, Town services, the Village District, schools, recreation and open space areas, and residential neighborhoods.

Actions:

- Develop, through inputs from the Planning Board and interested stakeholders, a pedestrian-bicycle connectivity plan to guide decision making and potential development-related site improvements.
- ...develop transportation-related plans and take advantage of funding sources and programs, including downtown improvement projects and Route 11 Corridor planning, including “gateway” identification and enhancements.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Master Plan - Economic Development Related Statements and Observations:

- Conduct an audit of Farmington land use regulations to determine if they support economic development objectives (e.g., uses not specified in the zoning to be allowed as a conditional use permit instead of a special exception), and annually amend and revise as necessary to achieve a healthy business environment.
- The 2019 Community Outreach Survey associated with the development of this Master Plan update illuminated citizen support to continue efforts to focus on additional commercial and industrial development where it is currently allowed by zoning...
- Moving forward will entail a careful review of the advantages Farmington can promote to encourage business and employment opportunities. (Housing unit potential as one?)

Goals:

- Establish attractive gateways at major highway entrances into Town with the message that Farmington is unique and open for business.
- Seek ways to take advantage of Route 11 as a highly visible corridor for business development and expansion of tax base.

Action: The Selectmen should review all existing tax increment finance (TIF) districts to determine how best to move forward.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Zoning Ordinance Audit Findings:

- Section 1.02 Authority D. outlines requirements for site plan review, TRC and Change of Use. Consider relocating these provisions to the Site Plan Review Regulations to provide more flexibility. Any alteration of these requirements presently requires ZBA relief.
- Section 1.07 General Requirements, B. Consider allowing impervious areas to increase to 80%; 40 – 65% open space is significant and reduces land area that can be developed. In addition, Section F. mandates silt fencing and hay bales to control erosion; numerous new erosion control measures are available including silk socks. NHDES requirements may also be adverse to these required measures. Consider noting BMP's to ensure this important issue is adequately addressed. Requiring onsite inspections during construction can also ensure erosion is mitigated.
- Section 1.14 Definitions:
 - Buildable Area: Consider removing rock outcroppings as it is common to build on rock on commercial/industrial and mixed use sites.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Zoning Ordinance Audit Findings:

- Section 1.14 Definitions:
 - Mixed Use: Mixed Uses are allowed by Special Exception or Permitted in all Districts, but multi-family, single & two-family are not allowed in many districts. Update definition to allow for a variety of housing options.
 - Non-residential: This language is confusing and the wording should be rewritten to more clearly define meaning. Is the intent to exclude all residential uses?
 - Workforce housing definition needed?
 - Short term rental – not defined
- Section 1.11 Innovative Land Use Controls
 - Add Planned Unit Development as a new regulatory alternative.
 - Recognize that the Phased Development provision as written may create problems for housing development in the Corridor
 - Update the Cluster Provision to be a Conservation Subdivision Provision for residential, commercial, and mixed-use developments.
 - Impact Fee – this provision is not currently in use.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Zoning Ordinance Audit Findings:

- Section 2, Base Zoning Districts, (E) Principle Uses. Residential uses are not allowed within the Route 11 corridor. Currently this is all Commercial Business and Industrial Business focused with limited opportunity for mixed-use development that includes residential units. Accessory apartments are allowed. Consider creating a new district to allow for a variety of housing types, including Workforce Housing.
- Section 2.07 and 2.08 – Commercial Business Development and Industrial Business Districts
 - If either is revised to include a range of residential uses the purpose statements should be updated.
 - Setbacks should be revisited to encourage development density or a PUD or Clustering provision should be available and attractive to developers.
 - 275-foot street frontage – why this number? How does this relate to Access Management efforts?
 - Street Frontage Bonus – any experience with this? Review and revise if needed.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Zoning Ordinance Audit Findings:

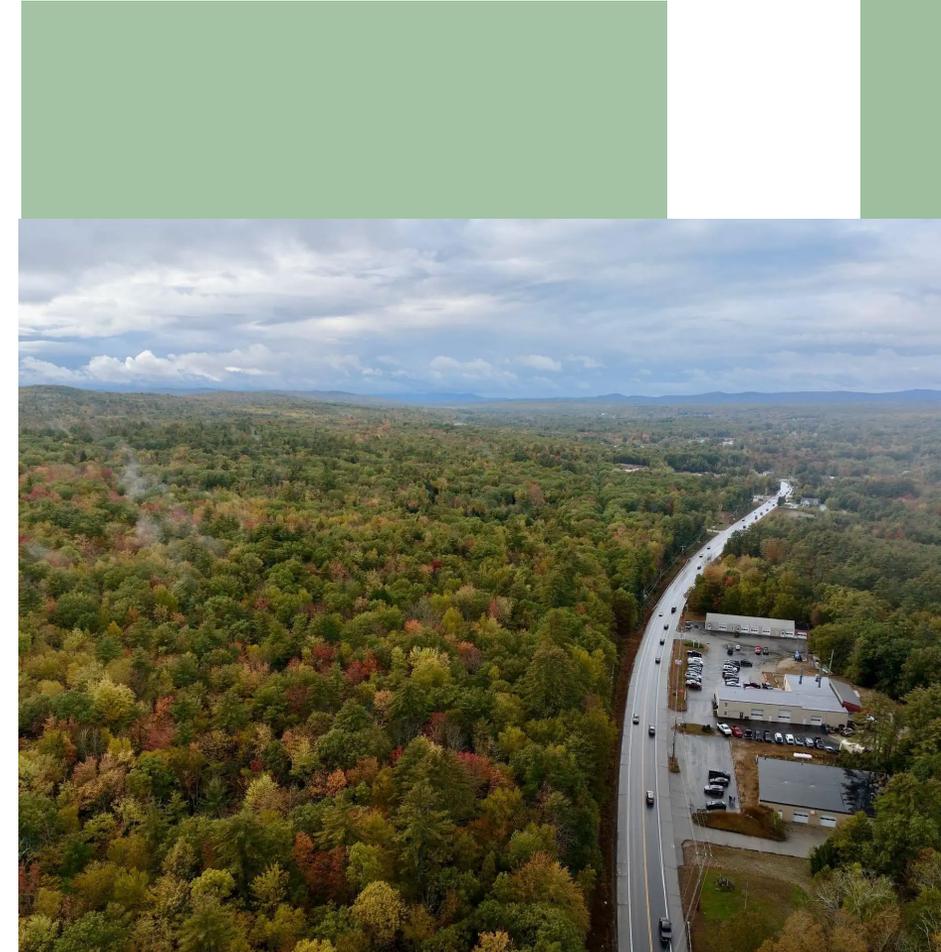
- Section 3.03 Driveway Permits A.2. – RSA 236:13 gives full authority of access to State Highways to the NHDOT. This provision may conflict with this statutory requirement; working with NHDOT to arrive at a consensus for access should be the goal. Other observations:
 - Could the Access Management techniques be clarified here?
 - Make required for all developments along Route 11?
 - Increase separation from 20 feet for access on Route 11?
- Section 3.04 Development of Rear Lots - Consider allowing for rear lots for properties fronting along the Route 11 corridor.
- Section 3.17 Open Space Residential Cluster - Has this provision been used? If not, why?
 - If this regulatory tool is going to be promoted in the Route 11 Corridor it needs to be carefully reviewed and updated.
 - Expand purpose to include mixed use developments? If so, change the language in g. on “Limited commercial development”
 - Add a bonus for workforce housing?
 - Phased development section may prove to be problematic.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Zoning Ordinance Audit Findings:

- Section 3.18 Phased Development Standards - mandates phasing for residential development. The section alludes to the creation of “lots”, but also notes dwelling units. This provision would require an applicant to wait over two years to construct a 24-unit garden style building. It is unclear if the restrictions outlined in this provision meet the statutory requirements to limit access to building permits not tied specifically to an overloaded municipal service. Since 2019, school enrollments have decreased and the adopted Master Plan does not highlight any formable “capacity” issues that need to be addressed. Consideration should be made to remove this Section.
- Section 3.20 Access Management – Similar to comment on Driveway Permits - RSA 236:13 gives full authority of access to State Highways to the NHDOT. This provision may conflict with this statutory requirement; working with NHDOT to arrive at a consensus for access should be the goal.
 - Has this regulation been used in Farmington?
 - The Modal development provision (N) is something the Zoning District needs to reflect if revised.
- Section 3.21 Landscaping - Consider relocating provisions to the Site Plan Regulations to provide greater flexibility in administration.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Zoning Ordinance Audit Findings:

- Section 3.22 Impact Fees – not currently in use.
- Section 4.0 Overlay Districts – six overlay districts exist – this adds another layer of complexity for applicants.
- Is there another way to address the natural resource objectives of these overlays through the use of a Clustering or PUD Provision? Simplify the design and permitting process for mixed use or residential developments?
- Route 11 Business Node Overlay –
 - o Has this been used?
 - o Limiting residential uses to upper stories of mixed-use buildings is only viable in select markets.
 - o What is the appeal of this voluntary overlay for a developer? Only allows limited residential development opportunities.
 - o Replace this with a new Zoning District?
- Section 4.06 Route 11 Business Node Overlay District; (E) Conditional Uses (1) Residential - This requirement may be more suitable for the Village Center District. Consider relaxing this standard.
- Short term rentals – If there is no process in place to register and regulate this use, it should be addressed before additional housing units are created in the Route 11 Corridor.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Site Plan Review Regulations Audit Findings:

A complete review was not completed as it will be further informed by the direction of the Zoning related changes that are identified and endorsed by the Town. Some initial observations include:

- Section 20 Driveways, Sidewalks (1); Requires all new construction to provide sidewalks. Is it reasonable to assume the length of Route 11 will have a sidewalk or that connection will be to the multi-use path instead?
- Section 22 Parking Lot Design (C); Consider reducing minimum parking spaces to 9 x 18, the trend in vehicle sizes is smaller. This also reduces impervious areas.
- Section 30.1 Business Node Overlay District Standards; These provisions regulate uses within the Tax Increment District (TIF) and, given the level of requirements, may dissuade investment by property owners. The design criteria appear more restrictive than those detailed in Section 30.
- Section 44 Construction Guarantee; Amend regulation to comply with new provisions detailed in SB 78 relative to bonding; (cannot require site bonding until building permit or sale). The requirements of the Senate Bill take effect October 3, 2023.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

Subdivision Regulations Audit Findings:

A complete review was not completed as it will be further informed by the direction of the Zoning related changes that are identified and endorsed by the Town. Some initial observations include:

- Section 4. Definitions; Buildable Area, as noted in Zoning comments, consider removing rock outcrops from the definition.
- Section 6. Subdivision Design Standards, B Lots, 4. Condominiums, a. A Condominium proposal requires two separate applications. These forms of projects can be addressed through one application and set of plans. This will reduce paperwork and clarify the application process.
- Section 7 Subdivision Review Procedures, G. Conditional Approval, (3) states that if conditions are not complied with within one year, the approval is considered null and void. Consider extending approval period to 2 years to allow for all permits (including State Agencies) to be obtained. This provision does not align with paragraph O. Termination of Conditional Approval, that allows for a 90-day extension.
- Section 9 Specific Plan Requirements, G. Bridges; it is unclear if State Engineers would involve themselves in the review of a bridge that will not be owned by the State. This paragraph should be clarified.



POLICY & REGULATORY AUDIT FINDINGS (CONT.)

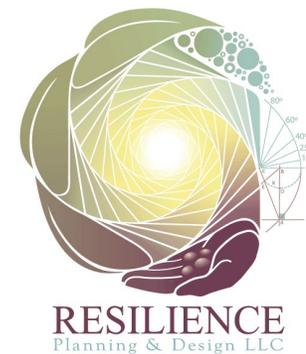
Subdivision Regulations Audit Findings:

- Section I. Water, Wells, On-site Sewage, and Hydrogeological Studies, 1. Water b. Consider deferring to the State as when a hydrogeological study is required. Such an extensive analysis may not be necessary.
- Section N. Traffic Impact and Mitigation Analysis; 1. This section states both that a traffic “may” be required and “shall” be required. The need for a traffic study should be on a case-by-case basis and “may” be required if determined by the Planning Board.
- Section P. Performance and Maintenance Security, 1. As noted in Site Plan comments, performance guaranties must adhere to the new provisions of SB 78.
- Impact Fee provision – not being used currently



CREDITS

Photo Credits: Adobe Stock Loud Canvas Media;
LandSearch



Farmington Corridor Study
October 2023