



New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**

The Planning Board in New Hampshire

A Handbook for Local Officials

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For a step-by-step guide to the process of developing a master plan, refer to “Preparing a Master Plan for your Community” developed by Southern Regional Planning Commission in 2004 and available at: <http://www.snhpc.org/>.

THE CAPITAL IMPROVEMENTS PROGRAM

The capital improvements program, known by the acronym CIP, links local infrastructure and equipment investments with Master Plan goals, land use ordinances, and economic development. A capital improvements program bridges the gap between planning and spending, between the visions of the Master Plan and the fiscal realities of improving and expanding community facilities.

A CIP is an outline of anticipated expenditures for capital projects projected over a period of at least 6 years. Capital projects are those that relate to infrastructure and the purchase of land and, in some cases, engineering studies. Capital projects do not include regular maintenance and operations.

Authorization

RSA 674:5 empowers the local legislative body to authorize the planning board to prepare and amend capital improvements programs only in municipalities that have adopted a Master Plan. As an alternative, the legislative body may authorize the governing body to appoint a capital improvements program committee to prepare a CIP. This committee must have at least one member of the planning board and may include, but is not limited to, other members of the planning board, the budget committee, or the town or city governing body.

Purpose of a Capital Improvements Program

The CIP must classify projects according to the urgency and need for realization, and must recommend a time sequence for implementation. The CIP may also contain the estimated cost of each project as well as the sources of revenue. The program must be based on information submitted by the departments and agencies of the municipality and must take into account public facility needs indicated by the prospective development shown in the Master Plan of the municipality or as permitted by other municipal land use controls.

Capital improvements programming affords a municipality numerous benefits, including:

- Preserving public health, safety and welfare;
- Anticipating the demands of growth;
- Improving communication and coordination;
- Avoiding undue property tax increases;
- Developing a fair distribution of capital costs;
- Building a foundation for growth management and impact fees;
- Identifying “scattered and premature” development;
- Supporting economic development.

Preparation of the Capital Improvements Program

While preparing the capital improvements program, the planning board or committee must consult with the mayor or the board of selectmen and other local agencies or boards, including the school board, and must review the recommendations of the Master Plan in relation to the proposed capital improvements.

Also, whenever the planning board or capital improvements program committee is authorized to

prepare a CIP, all municipal departments and every affected school district must, upon request of the board or committee, provide a statement of all capital projects it proposes to undertake during the term of the program. The planning board or committee must then study each proposed capital project and advise and make recommendations to the department, authority, agency, or school district concerning the relation of its project to the capital improvements program being prepared.

Adoption

Develop a time sequence for CIP expenditures over a period of at least six years. Adjust the starting dates for projects and modify the annualized tax impact of capital improvements using bond financing, capital reserve accounts, and other revenues.

Strive for an annual level of capital expenditures that approximates an affordable level of local tax expenditures for new capital improvements and that keeps the tax rate relatively stable.

RSAs 674:5 through 674:8 describe the preparation and effect of the CIP, but contain no specific guidelines for the adoption of a capital improvements program or capital budget. It is recommended that the program be adopted by the planning board or CIP committee under the same process used for adoption of the Master Plan. Generally, this procedure requires at least one public hearing prior to adoption, unless there are substantive changes made as a result of the comments received at the public hearing. A certified copy of the plan is then filed with the city or town clerk and NH OPD. While adoption procedures are absent from the statute, RSA 675:9 specifically requires that a copy of any “capital improvements plan” which is adopted must be filed with NH OPD.

STEPS FOR THE COMPLETION OF A CIP

- Step 1 Organize for the CIP process.**
- Step 2 Define capital projects.**
- Step 3 Perform a fiscal analysis.**
- Step 4 Review the master plan.**
- Step 5 Communicate with departments.**
- Step 6 Review proposed capital projects.**
- Step 7 Prepare a 6-year project schedule.**
- Step 8 Adopt and implement the CIP.**

RELATIONSHIP OF CIP ADOPTION TO LAND USE REGULATIONS

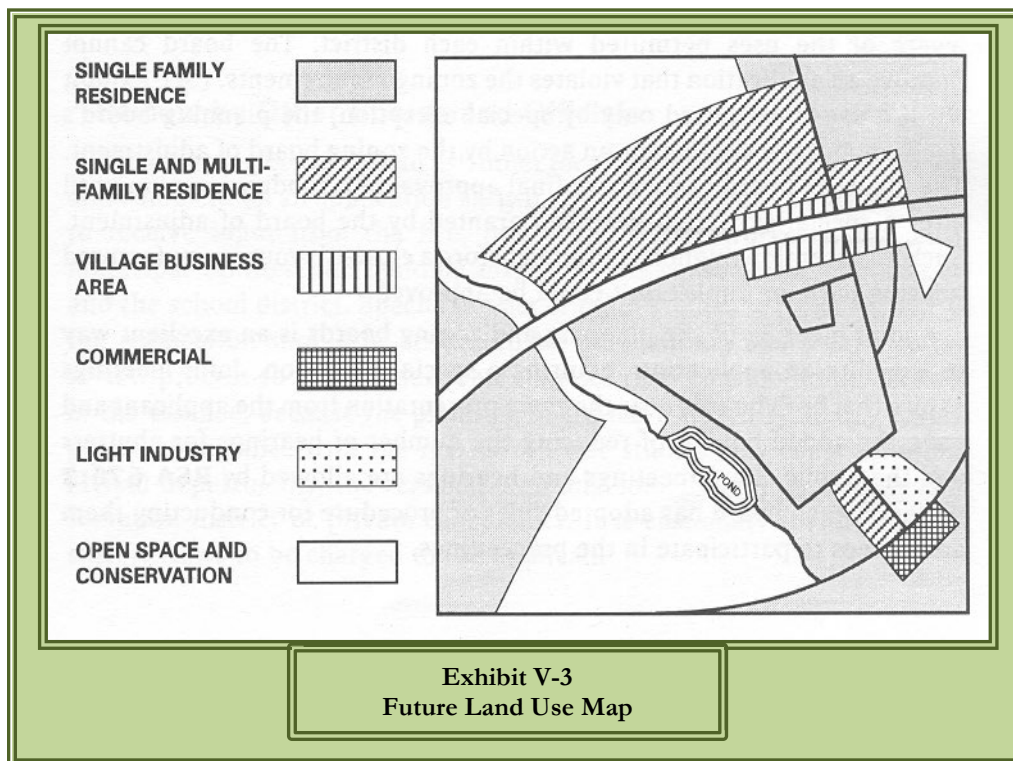
While the statutes do not specify an adoption procedure for a CIP, the laws governing implementation of certain land use regulatory procedures, such as impact fee and growth management ordinances, do require CIP adoption. An adopted CIP may also have a functional role in the review of subdivisions and site plan applications and the impact of their development on municipal services and costs.

MASTER PLAN

The planning board should begin its review of a completed application by consulting the master plan to determine if the area is generally suitable for development and to analyze how well the proposal meets the goals and objectives of the municipality. By checking the location of the proposed subdivision or development against the future land use map and any plans for municipal roads and facilities, the board will have an initial idea of how well the proposal conforms to the planned pattern of growth. Focusing on the characteristics of the site itself and its relationship to the surrounding area will help the board decide how well the proposal fits into both the natural and man-made environments.

The master plan may also reflect the residents' wishes concerning areas that should be preserved because of historical or environmental importance or where development should be delayed until services have been extended or roads upgraded. A subdivision or site plan proposed for an outlying area can create problems with providing municipal fire, police and highway services, and can lead to the loss of open space, wetlands, sensitive shore lands or agricultural land targeted in the master plan for preservation.

The master plan is an advisory document and the decision of the planning board must focus on uses permitted by the zoning ordinance and address the requirements contained in the subdivision or site plan review regulations.



CAPITAL IMPROVEMENTS PLAN/CAPITAL BUDGET

The municipal capital improvements plan (CIP) and capital budget should contain a schedule for making road improvements, extending municipal services, purchasing municipal equipment and vehicles and/or acquiring open space or development rights. An applicant may be advised that the approval of a proposal must be delayed until services are extended to accommodate the subdivision or site plan.