

# Forward Sunapee Planning & Zoning Committee

## *Discussion Paper*

### Community Driven Economic Development and Growth in the Proposed Waterfront District

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#### Sunapee Commercial District Growth Goals

As part of the community's desire to revitalize Sunapee Harbor and Lower Main Street—extending from Lake Sunapee along the Sugar River to North Street—the **Forward Sunapee Planning & Zoning Committee** proposes redefining most of the current *Village Commercial District* into a new **Waterfront District**.

This updated zoning district is designed to encourage community driven economic development by promoting year-round commercial and residential activity, supporting small businesses and local employment.

To achieve these revitalization goals, four key priorities should be addressed:

1. **Expand consumer activity:** Attract more year-round residents and visitors to improve customer flow for businesses.
2. **Diversify commercial businesses:** Encourage new businesses—retail, service, and office use—to increase the district's year-round vitality.
3. **Increase local vitality:** Add housing to attract residents who can support businesses both as employees and patrons.
4. **Promote investment and redevelopment:**
  - Add diverse, attainable housing stock
  - Add or update buildings to include more usable commercial space

However, these outcomes are currently limited by outdated **density restrictions and dimensional controls**, which have not been updated in well over 10 years. Construction and land costs have increased significantly, while current zoning restrictions do not allow landowners a reasonable return on investment. As a result, the area has seen little to no new development for quite some time.

Even with updated zoning, **additional incentives** (e.g., tax relief, infrastructure investment) may be needed. The Steering Committee is actively exploring such options.

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## Proposed Dimensional Controls

To create a viable growth in the Waterfront District, we propose adjustments in three core zoning areas:

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### 1. Residential Density

Currently, Section 3.10 of Article III of the Zoning Ordinance allows **1 dwelling unit per 10,000 square feet**, equating to only **3 units per acre**—a level far too restrictive to support economic development. Moreover, it is lower than density typically seen in a traditional New England village.

#### Illustrative Example unit Prices (Under Current Density):

- **Lot size:** ½ acre
- **Lot cost:** ~\$200,000
- **Max units allowed:** 2 Dwelling Units
- **Estimated build cost:** \$300–\$400/sf
- **Resulting unit price:** \$1.2–\$1.5 million/unit

This may be feasible in luxury markets, but not for year-round housing in the Sunapee Village Commercial District.

To stimulate development, the committee recommends adopting a **new density limit of 4,840 square feet per dwelling unit** in the Waterfront District.

#### Why 4,840 sq ft per DU?

This represents the most **pro-growth option** among scenarios modeled and enables **3 units per 1/3 acre**—a practical threshold for landowners while maintaining appropriate village scale. While less restrictive than existing density controls, it is more restrictive than many existing properties in the village commercial district as shown in the Appendix (pages 11-13).

### Comparative Density Impact (Proposed vs. Existing):

The following table shows the density limits targeting 3 dwelling units for different lot sizes that are each more pro-growth than the existing Village Commercial restriction of 10,000 sf per dwelling unit.

#### Density Limit Allowing 3 units per Lot Size

Lot Size (acres)	1/3	1/2	2/3
Lot Size (sf)	14,520	21,780	29,040
Density 3 units/lot	4,840	7,260	9,680

#### Density Table

Lot Size (Acreage)	Current Village Commercial Units Allowed Per Acreage	Proposed Waterfront Units Allowed Per Acreage
1/3	1	3
1/2	2	5
2/3	3	6
1	4	9
1 1/4	5	11
1 1/2	7	14
(Square Feet)		
1 acre	43,560	43,560
Density Limit	10,000	4,840

#### Key Takeaways:

**Lowering density limits** (i.e., allowing more units per acre) greatly increases development feasibility regardless of lot size.

The **proposed 4,840 sf/DU** standard allows **3 units on 1/3 acre** and **9 on 1 acre**, a significant improvement over the current 10,000 sf/DU restriction (only 1 and 4 units respectively).

This analysis supports the case for **rezoning Sunapee's Waterfront District** to foster economic development.

The table below provides a sensitivity analysis of allowable units per density limits and lot sizes as a tool for the Planning Board as it considers density options.

### Sensitivity Analysis Units Per Lot to Density Limit

Density Limit (sf)	Units Per Lot Size (Acreage)					
	1/3	1/2	2/3	1	1 1/4	1 1/2
4,840	3	4	6	9	11	13
5,000	2	4	5	8	10	13
6,000	2	3	4	7	9	10
7,000	2	3	4	6	7	9
8,000	1	2	3	5	6	8
9,000	1	2	3	4	6	7
10,000	1	2	2	4	5	6

### Comparative Affordability and Density Controls: Summary & Analysis

#### Core Argument:

Increasing residential **density** has the **largest impact** on housing **affordability** and **interest** in investing in a district.

#### Key Points:

##### 1. Landowner's Decision-Making Factors:

- Development potential is influenced by a myriad of factors such as location, unit size, and amenities.
- But **density** directly affects both cost per unit and flexibility in offerings.

##### 2. Effect of Higher Density:

- Higher density = more units per parcel = lower average cost per unit.**
- Enables landowners to build **smaller, more affordable units**.
- Landowners can choose between:
  - Fewer large, expensive units (risk: unsold inventory).



- ii. Or many smaller units that are more **market-clearing** at moderate prices.

### 3. **Market Viability & Profitability:**

- a. Smaller units (e.g., 1,500 sq ft) at 15% profit margin:
  - i. **Double the profit** at 5 units per half acre versus only 2.
  - ii. Meet **lower- to middle-income** buyer demand more effectively.

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### **Policy Implication:**

Adopting the **Forward Sunapee Planning & Zoning Committee's recommended density:**

1. Improves landowners' profitability through volume.
2. Encourages **production of affordable units**.
3. Expands housing options for **middle- and lower-income households**.
4. Aligns public planning goals with private sector incentives.

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### **Comparative Analysis**

- **Simplified Cost Model Assumptions:**
  - Utilizes average **land and construction costs** per unit.
  - **Economies of scale:** As unit count rises, **per-unit costs drop**.
  - While exact costs vary, the model shows general affordability trends under different density conditions.

## Comparison of Density Controls on Affordability (half acre example)

	Existing Village Commercial Density Controls		Proposed Waterfront District Density Controls	
Units Allowed	2	2	5	5
Unit Size (Square Feet)	3,000	1,500	3,000	1,500
Land Cost	\$200,000	\$200,000	\$200,000	\$200,000
Construction Cost PSF*	\$350-\$450	\$400-\$500	\$300-\$400	\$300-\$400
Total Construction Costs**	\$2,400,000	\$1,350,000	\$5,250,000	\$2,625,000
Per Unit Construction Costs	\$1,200,000	\$675,000	\$1,050,000	\$525,000
Per Unit Costs Plus Land	\$1,300,000	\$775,000	\$1,090,000	\$565,000
Developer Profit (15%)	\$195,000	\$116,250	\$163,500	\$84,750
Total Offered Price to Buyer	\$1,495,000	\$891,250	\$1,253,500	\$649,750
Buyer Financing Considerations				
Downpayment (20%)	\$299,000	\$178,250	\$250,700	\$129,950
Mortgage Balance	\$1,196,000	\$713,000	\$1,002,800	\$519,800
Monthly Payment 30-year Fixed***	\$7,660	\$4,560	\$6,400	\$3,333
Qualifying Income Level	\$306,400	\$182,400	\$256,000	\$133,320

\*PSF means Per Square Foot

\*\*Using average of Construction Cost PSF range

\*\*\*Using 8.8.2025 rate of 6.63%

## 2. Building Height

Village-scale development must strike a balance between capacity and character. Forward Sunapee Planning & Zoning's proposed **maximum building height is 36-38 feet**, which supports up to **2½ stories** with appropriate roof pitch for traditional New England architectural styles. These heights are consistent with many existing properties in the proposed district, with many other New Hampshire towns with New England villages and below the 40 feet allowed in the Village Commercial district.

- **Allows for three levels:** two full stories (12 ft each) + half story/dormer. Consistent with current streetscape and traditional New England architecture.
- **Aligns with nearby towns:** with similar height regulations:
  - Moultonborough, Newbury, New London, Enfield, Exeter, Dover, Alton: 32–35 feet (measured from average grade).

- **Sunapee height measurement:** from **lowest grade 15 feet from the structure.** Forward Sunapee Planning & Zoning Committee recommends a slightly higher cap of 36-38 feet than the 34-36 feet shown in the table below to adjust for potential change in grade between the building and 15 feet out from the building. The additional feet also adjust for the difference in Sunapee's height measurement methodology with the more typical method employed by many NH towns with New England villages of using the average grade.

**Height Restriction Comparison Table\***

# Stories	First Story (feet)	Second Story (feet)	Third Story (feet)	Roof Height less Highest Floor	Roof Height (feet)***
2	12	12	0	1	25
2	12	12	0	6	30
2 1/2	12	12	10-12**	0	34 - 36
3	12	12	12	4	40
3	12	12	12	9	45

\*Each floor of 12 feet includes interior space plus floor and ceilings between floors

\*\*Third story can have same height as lower floors in the middle but not at the sides due to roof pitch.  
Impingement of third floor ceiling height can be partially mitigated with dormers.

\*\*\*Measured from 15 feet out from the lowest point

### 3. Setbacks and Parking

Setbacks preserve both safety and aesthetics:

- **Side and rear setbacks:** 10 feet (fire access, drainage)
- **Front setbacks:** 30 feet (from centerline of roadway)

Accounts for street parking, pedestrian traffic, snow removal

**Exceptions:** Along Routes 11, 103, and 103B, the **front setback is 75 feet** to maintain road capacity and safety.

Parking Requirements:

- **Residential:** 1 space per unit

- **Commercial:** 1 space per 300 sq ft
- **Driveways:** 9 feet wide; may encroach into side/rear setbacks if drainage is maintained

## Larger Buildable Envelopes Drive Growth Goals

To support the economic revitalization of the proposed **Waterfront District**, the Forward Sunapee Planning & Zoning Committee has analyzed how changes in dimensional controls could impact the **buildable envelope** available to landowners. These changes are essential to meet **minimum return-on-investment thresholds** and justify capital deployment.

The guiding principle is that **landowners are incentivized to maximize the buildable area** on a given lot, within code constraints. A larger buildable envelope allows for more residential or mixed-use development, which in turn supports:

- Higher density housing
- Lower per-unit land costs
- More economically feasible projects
- Greater support for year-round commercial activity

### Development Model Assumptions

Criteria	All Residential	Mixed Use
<b>Configuration</b>	100% Residential	Ground Floor: Commercial Upper Floor: Residential
<b>Driveway Width</b>	9 feet (front to rear access)	9 feet (front to rear access)
<b>Parking (Rear)</b>	1 space per Dwelling Unit	1 space per DU + 1 space per 300 sf commercial
<b>Lot Shape</b>	Square	Square
<b>Drainage Setback</b>	3 feet	3 feet
<b>Max Building Height</b>	36 feet	36 feet

These assumptions allow us to model development scenarios that reflect real-world constraints and cost factors and simulate the impact of the **proposed Waterfront District zoning updates** versus the **current Village Commercial District zoning**. The most important driver behind the differences is **Density**.

## Development Economics: Impact of Dimensional Changes

To visualize how these zoning reforms could enhance development feasibility, we modeled several development scenarios:

Lot Size	Waterfront District Proposal	Existing Village Commercial
1/3 acre	3 DU × ~3,000 sf each	1 DU × ~9,000 sf
1/2 acre	5 DU × ~3,600 sf each	2 DU × ~9,000 sf each
2/3 acre	6 DU × ~5,500 sf each	3 DU × ~11,000 sf each
1 acre	9 DU × ~5,400 sf each	4 DU × ~12,000 sf each
1 1/4 acre	11 DU × ~4,300 sf each	5 DU × ~10,000 sf each
1 1/2 acre	14 DU × ~3,300 sf each	7 DU × ~6,600 sf each

DU = Dwelling Unit

These figures demonstrate how adjusting dimensional controls—particularly density—can significantly improve **return on investment**, increase **available year-round housing**, and support a **mixed-use, walkable village center**.

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## Closing Thoughts

The **Waterfront District** proposal is more than a zoning change—it's a catalyst for Sunapee's future. It invites thoughtful development consistent with Sunapee's community driven growth objectives and desire for quintessential New England character, while promoting sustainable economic and residential growth.

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## Next Steps:

- Planning Board to review Forward Sunapee proposals with public comment with the goal of recommendations for warrant articles in the March 2026 town ballot

# Appendix

## Density Calculation Reference

The table below, on the left below provides the numerical calculations of the Density Limits by lot size. The table to the right shows how many units can be built for each lot size. Only whole units apply so all calculations are rounded down to the nearest whole number.

**Sensitivity Analsys Units Per Lot to Density Limit**

Density Limit (sf)	Units Per Lot Size (Acreage)					
	1/3	1/2	2/3	1	1 1/4	1 1/2
4,840	3.00	4.50	6.00	9.00	11.25	13.50
5,000	2.90	4.36	5.81	8.71	10.89	13.07
6,000	2.42	3.63	4.84	7.26	9.08	10.89
7,000	2.07	3.11	4.15	6.22	7.78	9.33
8,000	1.82	2.72	3.63	5.45	6.81	8.17
9,000	1.61	2.42	3.23	4.84	6.05	7.26
10,000	1.45	2.18	2.90	4.36	5.45	6.53

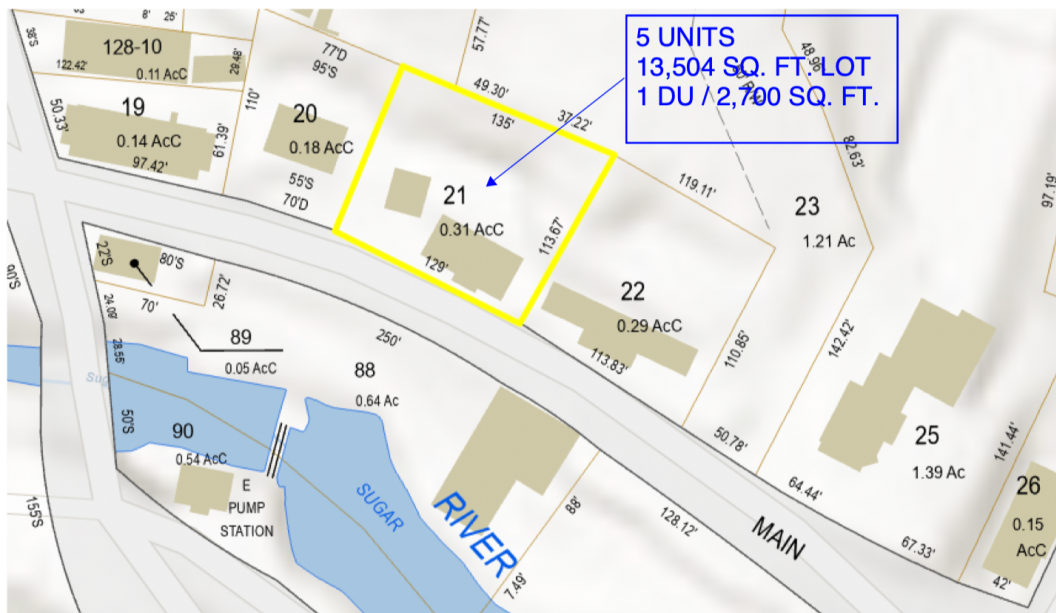
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8,000	1	2	3	5	6	8
9,000	1	2	3	4	6	7
10,000	1	2	2	4	5	6

## Density Examples Existing in Village Commercial District

### 51 Main Street

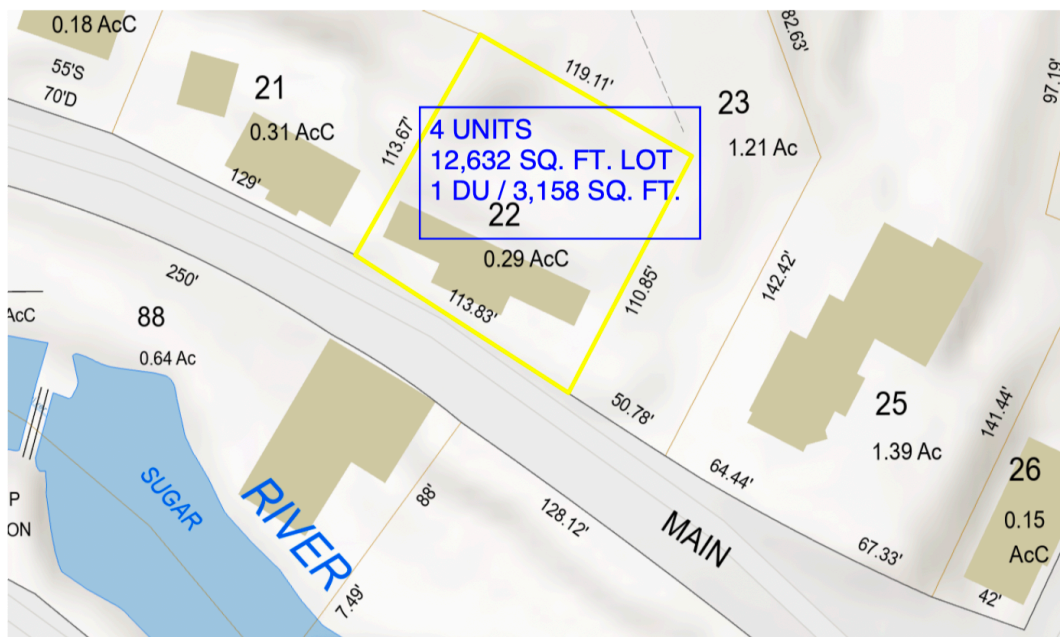
An example of a property in the Village Commercial District with greater density than the Forward Sunapee Planning & Zoning recommendation with 5 units on a lot that is less than 1/3<sup>rd</sup> acre. Under Forward Sunapee Planning & Zoning proposals new development on a similarly sized lot would be limited to 2 units.





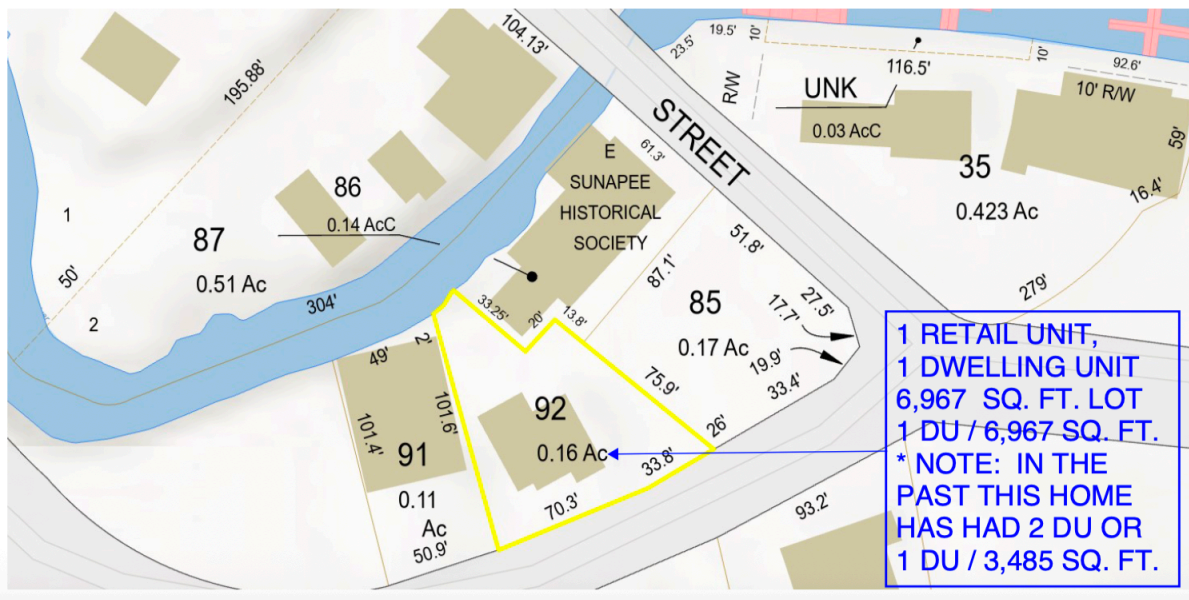
## **59 Main Street**

Another example of an existing building with greater density than being proposed by Forward Sunapee Planning & Zoning with 4 units on a lot less than 1/3<sup>rd</sup> acre with 4 units. Under Forward Sunapee Planning & Zoning proposed density new development on a similarly sized lot would be restricted to 2 units.





## 31 River Road



## Height Examples in the Existing Village Commercial District



**32 ft**



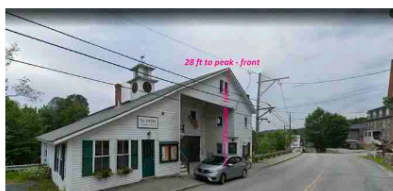
**48 ft (not incl steeple)**



**38 ft**



**40 ft**



**28 ft**



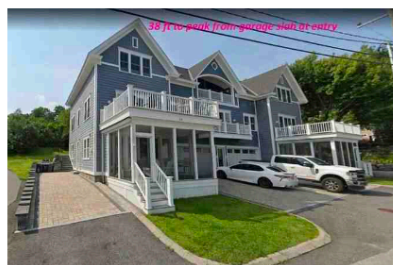
**46 ft**



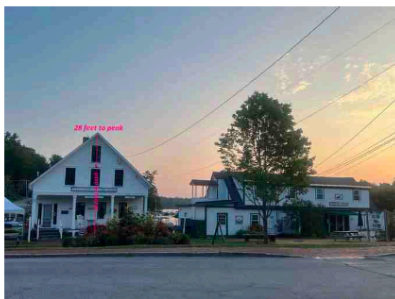
**28 ft**



**38 ft**



**38 ft**



**28 ft**