

# Sunapee Waterfront District Proposal

Fostering Economic and Residential Growth in Sunapee’s Village Commercial District

## Executive Summary

The Forward Sunapee Planning and Zoning Committee (FSPZ) proposes rebranding the existing Village Commercial district to the Sunapee **Waterfront Village Commercial District (“Waterfront District”)**, with a focus on promoting thoughtful business and residential development in Sunapee Harbor, River Road and along lower Main Street. **The goal is to foster economic and housing growth while preserving the natural beauty, historical charm and rural characteristics that define Sunapee’s identity.**

## Objectives

Renaming and redefining the Village Commercial area as the Waterfront District represents more than a branding change. It reflects a broader vision that aligns with community growth values:

- **Leverage Natural Assets:** Promote Lake Sunapee and the Sugar River as key economic, residential, recreational, and cultural assets to draw visitors & residents to support business and vitality.
- **Housing Growth** with a focus on lower cost, higher density construction. Support young families, workforce, Sunapee school system and volunteerism.
- **Economic Viability** by fostering a business-friendly environment that attracts both private and nonprofit investment in commercial and mixed-use development, with a focus on creating **year-round village vibrancy**.
- **Improved Regulatory Environment** in planning and zoning to enable reinvestment
- **Protect Community Character:** Support growth and preservation in Sunapee’s historic **quintessential New England commercial village**, while protecting the residential integrity of the surrounding historic neighborhoods.
- **Reconnect Main Street:** Improve connectivity between Upper and Lower Main Street to restore a cohesive village flow, which has been disrupted by Route 11.

*By creating a more supportive regulatory environment, the town can invite **both for-profit and not-for-profit investment** that aligns with community values—without relying on municipal funds.*

# Strategy

## Zoning Realignment:

- Adjust the boundaries of the current *Village Commercial District* to better support development goals and reduce land-use conflicts.
- Preserve historical adjacent residential neighborhoods by re-zoning them to the *Village Residential District*.
- Through flexible zoning, attract cost-sensitive mixed use and multifamily dwelling development
- Retain business-focused areas within the newly designated *Waterfront District*

## District Rebranding:

- Rename the *Village Commercial District* to the **Waterfront District**, emphasizing its proximity to Lake Sunapee and the Sugar River.
- Position the area as a scenic, commercially viable destination that supports local enterprise, community living and tourism.

The proposed Waterfront District is a first step in a longer-term strategy to:

- **Attract and retain local businesses and expand housing**
- **Enhance the walkability and year-round use of the Harbor and Sugar River**
- **Encourage responsible, sustainable community driven growth**

FSPZ will continue to engage the community, property owners, and town officials as the proposal develops, ensuring that future zoning updates reflect the values and priorities of Sunapee residents.

## Waterfront District Scope

The proposed changes by the Forward Sunapee Planning & Zoning (FSPZ) Committee are **limited in geographic scope**, focusing only on a small portion of the town's total area.

Sunapee currently includes **nine zoning districts**, and the FSPZ recommendations apply **only** to the area presently designated as **Village Commercial**.

### District Boundaries

With **two small exceptions**, nearly all the current Village Commercial District will be retained and rebranded as the **Waterfront District**. Nearly all of the current Village Residential district will remain as is with three small exceptions.

**Residential Realignments**

The three exceptions include:

1. The primarily residential areas within the current Village Commercial boundaries. These adjustments are intended to better reflect actual land use and preserve the historical character of residential neighborhoods adjacent to commercial areas. FSZP believes it is important to protect the residential streets that border the commercial district and therefore recommends reassigning two neighborhoods to the **Village Residential District**.
  - A portion of **High Street**
  - A portion of **Central Street**
2. A primarily commercial portion of **Lower Main Street** moved to the Waterfront District. The waterfront district will be expanded slightly by 125 feet westerly from the intersection of Lower Winn Hill Road along Lower Main to recognize two existing commercial properties along the south side of Lower Main bounded by the Sugar River.

**Public Engagement**

**Forward Sunapee Planning and Zoning Committee will continue to:**

- **Host informational sessions** and public forums
- **Distribute educational materials** summarizing the proposed changes
- **Engage residents through surveys**
- **Public outreach** to ensure broad understanding and support

**Anticipated Outcome**

*Enhanced Community Vitality, Growth and Preservation*

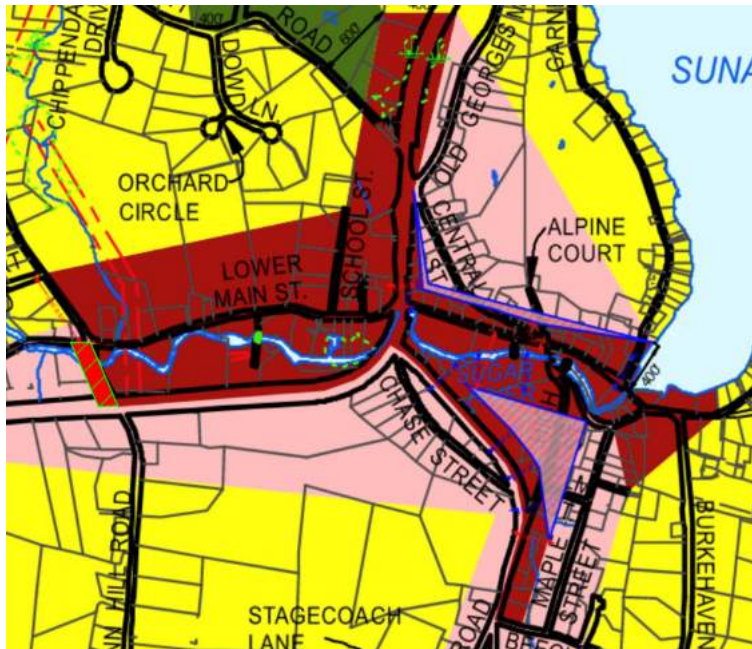
In alignment with community values, this proposal supports the growth, preservation, and protection of the Lake Sunapee and Sugar River waterfront village area.

# Warrant Article: Amendments to Zoning Ordinance

## 2.10 Zoning Map and Description of Districts

W – Waterfront District (Adopted \_\_\_\_)

## 2.20 Zoning Map



### Map Key:

#### Dark Red:

Proposed Waterfront District

#### Pink w/ Blue Diagonal Lines:

Current Village Commercial to be re-assigned as Village Residential

#### Red w/ Green Diagonal Lines:

Current Village Residential to be re-assigned as Waterfront District

**Solid Pink:** Existing Village Residential District

**Yellow:** Residential District

## 2.30 District Purpose and Description (Proposed)

**This paragraph replaces existing Sunapee Village Commercial District. Georges Mills remains Village Commercial**

*In Sunapee Village, the Waterfront District ~~Village-Commercial District~~ begins at the intersection of Route 11 and Route 103B and goes southwesterly 125' past the intersection of Route 11 and Winn Hill Road, thence northwesterly ~~along Old Winn Hill Road and North Road~~ to a point on Lower Main 125' southwesterly of the intersection of North Road and Lower Main thence back easterly to the intersection of North Road and Lower Main thence Northwesterly to the intersection of West Court Road, thence east-northeasterly to the end of School Street, thence northerly to a point 600' north of the center of Sargent Road and 400' west of the center of Route 11, thence due east to a point 100' easterly of the center of Route 11, thence southerly to the intersection of Old Georges Mills Road, Central Street, and Route 11, thence south-southeasterly to a point 200' east of the center of Route 11, and 125 ft north of the center of Main Street, thence easterly to a point 125 ft from the intersection of Main St and Alpine Court parallel to Alpine Court thence easterly to a point which is 400 ft north of the dam on Lake Sunapee, thence southerly along Lake Sunapee to said dam, thence easterly along Lake Sunapee 600', thence southerly to the intersection of Quarry Road and Lake Avenue, thence southwesterly to the end of Maple Court, thence northwesterly to the intersection of River Road and Maple Street, thence westerly to a point on River Road which is 200' westerly of the intersection of River Road and Maple Street, thence westerly to the intersection of a point 450 ft south of Main St and 200 ft northeast of Rt 103B, thence 200ft southeasterly from Rt 103B to the intersection of Beech St.*

**This paragraph replaces the existing Village-Residential District boundary definition.**

**Village-Residential District** – The Village-Residential Districts in the Town of Sunapee are areas characterized by mostly single-family and two-family residential with some low-impact commercial uses. In general, the two Village-Residential Districts are adjacent to the two Village-Commercial Districts in Sunapee Village and Georges Mills and are further described as follows:

In Sunapee Village, the Village-Residential District begins at a point at the end of Maple Court, thence southerly to a point 500' due east of the intersection of Route 103B and Schoolhouse Lane, thence along Schoolhouse Lane to the intersection with Stagecoach Road, thence northerly to a point 200' south of the center of Chase Street and 200' west of the center of Route 103B, thence westerly to the intersection of Lower Main Street and Route 11, thence northwesterly along the discontinued road 500', thence east-northeasterly parallel to West Court Road to the center of North Road, then southeasterly

to the intersection of North Road and Lower Main Street, *thence westerly 125' along Lower Main* thence southeasterly *to a point 125' southwesterly* from the intersection of Winn Hill Road and Route 11, thence easterly along Route 11 to the intersection with Route 103B, thence easterly and southerly along Route 103B to the intersection with Beech Street, thence easterly along Beech Street approximately 200', thence ~~northerly and parallel to Maple Street to the center of River Road~~ *thence northwesterly a distance of 200' off set from Route 103B to a point of intersection offset 450 ft to south of Main St, ,thence easterly to a point on River Road which is 200' westerly of the intersection of River Road and Maple Street* thence easterly along River Road to the intersection with Maple Street, thence southeasterly to the point of beginning. The Village-Residential District also includes an area beginning at a point along the shore of Lake Sunapee 400' north of the dam, thence west-north westerly to a point 200' north of the center of Main Street and 200' east of the center of Route 11, thence northerly to the intersection of Old Georges Mills Road, Central Street and Route 11, thence northerly 1000' to a point which is 100' easterly of the center of Route 11, thence southeasterly to the point of beginning. (Amended 3/11/2014)

### 3.10 Table of Dimensional Controls – (Proposed)

See the Discussion and Analysis of Density and Building Height section of this presentation beginning on page 12 for background and rationale for the recommendations to Dimensional Controls and Permitted Uses in the Waterfront District compared to the existing Village Commercial District. FSP&Z recommendations are summarized below:

Requirement	V.C Existing	Proposed Waterfront	Reason for Change
Minimum Lot Size	½ acre	1/3 acre	Allow for more affordable development
Minimum Lot Size (Shoreland)	1.0	1/3 <sup>rd</sup> acre	
Maximum Residential Density (Dwelling Unit per sq ft)	10,000	4,840	Permits three units per 1/3 acre; addresses shortage of affordable housing
Minimum Road Frontage (feet)	75	75	
Minimum Front Setback (Routes 11, 103, 103B, feet)	75	75	
Minimum Front Setback – All Others (feet)	40'	30'	Supports economic development in village settings with retail stores opening directly onto sidewalks; measured from road center (road 10 ft, sidewalk 7–10 ft)
Side and rear Setback (Lots Meeting/Exceeding Minimum Lot Size or Not Pre-Existing, feet)	10	10	Allow for economic development in village setting where stores are clustered conveniently together. Safety requires at least 10 feet side setback. Note; Driveways and alleys not governed by side setbacks allowing for rear parking and access to rear retail space. Exception for parking spaces not limited by rear setback.
Side and rear Setbacks for Pre-Existing Lots Below Minimum size	10	10	Allows renovation of pre-existing structures using allowed setbacks for new development
Maximum Lot Coverage (%)	80	80	Comparable to other villages in NH (75–80%)
Maximum Structure Height (feet)	40	36-38'	Measured 15 feet from lowest grade around structure

## 3.20 Table of Dimensional Controls – Districts Overlaid

No changes from existing Village Commercial

## 3.40 Additional Requirements

No Changes from existing Village Commercial

## 3.50 Special Exceptions

No changes from existing Village Commercial

## 4.10 Permitted Uses

<b>Waterfront District – Permitted by Right</b>		
1) Accessory Uses	9) Home Business	17) Professional Offices and Clinics
2) Assembly Halls	10) Home occupation Services	18) Restaurants (excluding drive in and drive thru) up to 3,200 sf (plus 800 sf of seasonal deck or patio) standalone or in mixed use
3) Banks	11) Multi-Family (3-6 Dwelling Units per building)	19) Tasting Room per state definition
4) Bed & Breakfast	12) Municipal Buildings and Facilities	20) Retail only or Mixed-Use (up to 10,000 SF building with up to 3,000 SF per retail shop space and 3,200 sf per restaurant),
5) Inns	13) Museums and Galleries	21) Schools Public and Private
6) Churches	14) Nursing and Convalescent Homes	22) Short-Term Rentals Owner-in-Residence (STR-OIR)
7) Day Care	15) Playhouse/Performing Arts Theater	23) Single-Family Dwellings up to 4 per lot.*
8) Funeral Homes	16) Post Office	24) Two-Family Dwellings

<b>Permitted Uses by Special Exception</b>		
1) Auto, Boat & Engine Repair Shops	5) Marinas	
2) Food Vendor Cart	6) Veterinarians	
3) Motels and Hotels	7) Yards, (Lumber, etc.)	

\*Note that under existing Sunapee Ordinance 4.90 a single Accessory Dwelling Unit (“ADU”) per single-family dwelling unit subject to the following:

1. No more than 1,000 sf of living space and no more than 2 bedrooms
2. Owner must be in residence in the main unit or ADUs
3. Conform to the setback dimensions as a single-family unit
4. Comply with existing lot coverage standards
5. Sewer hook ups sufficient to accommodate the number of bedrooms
6. Proper off-street parking provided per 3.40(e) of the Ordinance
7. If ADU is used as short-term rental, the owner must be in residence during the time of the rental.

Also note that as of the new law enacted by the State of New Hampshire in July 2025 regarding ADUs will require Sunapee’s Ordinance 4.90 to be amended for the following changes:

1. Allow by right in all districts (previously allowed in all districts by Special Exception)
2. Allow in nonconforming pre-existing structures
3. Allow on non-conforming lots of small size
4. One additional parking space required only if ADU is added to an existing property

## Article V – Sign Regulations

FSP&Z recommendations to size limits for signs for the Waterfront District reflects the desire to encourage mixed-use buildings (commercial and residential) and smaller commercial businesses commensurate with the population and goal to retain a traditional New England center look and feel. Specifically, the changes address several issues such as:

- Some mixed-use buildings may have multiple stores with entrances on lot sides rather than lot fronts facing the street
- Certain existing businesses are restricted in signage due to menus being included as part of the sign size limits. Menus and ice cream flavors are a hybrid between useful information for the public and advertising by the commercial establishment. The proposed signage recommendations are intended to address this issue.

### 5.1 Applicability

No Change to existing ordinance

# 5.2 Signs Exempt from These Regulations

No change to existing ordinance

## 5.3 General Requirements

### 5.31 Size

Residential, Rural-Residential, Rural Lands and Mixed-Use Districts – No change

Delete Village Commercial from the following sentence:

Signs in the Village-Commercial, Georges Mills Village-Commercial and Village-Residential Districts shall not exceed 24 square feet per side and total signage on any given lot may not exceed 48 square feet.

Insert the following sentences after the one above:

“Signs in the Waterfront District may not exceed 24 square feet per side of the building facing the street and 30 square feet per side of the building not facing the street. If a building has multiple stores with entrances on the side of the building not facing the street, each store site signage is limited to 10 square feet.

Delete the following sentence:

“Any structure or device used as a sign base or carrier will be considered in the square footage calculation.”

Replace with the following:

“Any structure or device used as a sign base or carrier will be considered in the square footage calculation (excluding those only displaying restaurant menus or ice cream flavors). Signs in the Waterfront District may be made of wood, engineered or composite materials so long as they mimic in appearance those of a traditional New England Center”

With those changes 5.31 would read as follows:

“Size. Signs in the Residential, Rural-Residential, Rural Lands, and Mixed-Use Districts shall not exceed 48 feet per side and total signage on any given lot may not exceed 96 feet. Signs in the Georges-Mills Village-Commercial, and Village-Residential Districts shall not exceed 24 square feet per side and total signage on any given lot my not exceed 48 square feet. Signs in the Waterfront District may not exceed 24 square feet per side of the building facing the street and 30 square feet per side of the building not facing the street. If a

building has multiple stores with entrances on the side of the building not facing the street, each store site signage is limited to 10 square feet. Any structure or device used as a sign base or carrier will be considered in the square foot calculation (excluding those only displaying food menus or ice cream flavors). Signs in the Waterfront District may be made of wood, engineered or composite materials so long as they mimic in appearance those of a traditional New England Center.”

### 5.32 Location –

No change

### 5.33 Illumination

No change

### 5.34 Off-Premises Signs

No change

### 5.35/5.4 Site Plan Review/Administration and Enforcement

No change

# Discussion and Analysis of Density and Building Height Proposed Changes in the Waterfront District

## 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** (“FSP&Z) 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**

FSP&Z’s proposal is to manage residential density through three different control mechanisms.

1. Maximum Density Ratio
2. Number of Dwelling Units allowed per buildings

### 3. Number of single-family residences per lot

#### **Maximum Density Ratio**

Currently, Section 3.10 of Article III of the Zoning Ordinance allows **1 dwelling unit per 10,000 square feet**, equating to only **4 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 (3,000 sf each)
- **Estimated build cost:** \$400–\$600/sf
- **Resulting unit price:** \$1.5–\$2.2 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 of newly created lots**—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 25-28).

For newly created lots, the minimum lot size is recommended at 1/3<sup>rd</sup> acre down from the existing ½ acre consist with the proposed 4,840 sf ft density recommendation.

For existing lots, the minimum lot size does not apply. The allowed density is calculated by the square foot of the lot divided by the density limit rounded down to the nearest whole number. This means that any lot between 0.22 acre (9,680/43,560) and .33 acre (14,520/43,560) allows up to 2 residential units under FSP&Z recommendation up from 1 today. For example, the allowable density for a 12,000 square foot lot would be calculated as  $12,000/4,840 = 2.5$  which is rounded down to 2 units. Similarly, a lot of 9,000 sf would have a density calculation of  $9,000/4,840 = 1.85$  which would be rounded down to 1.0.

**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 Liimit 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).

Note: Assumes Lot Size is based on standard rounding (up if between 0.5 -0.9 and down if 0.1 to 0.4) to nearest whole percentage number. For example, 2/3rds, or 6.66% would be rounded to 67%.

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

**Number of Dwelling Units Per Building**

**Under Article IV, 4.10 Permitted Use Regulations of Town of Sunapee Zoning Ordinance, the Village Commercial District allows a minimum of 3 and maximum of 5 dwelling units per multi-family building. Single and two-family are not included in multi-family.**

**To address affordability and attract working families, FSP&Z recommends this be expanded slightly to 3 to 6 dwelling units per multi-family building. Within the proposed Waterfront District, there are about 30 properties this could impact. The number of buildings per lot would be a function of the interplay of the Maximum Residential Density and the max/minimum dwelling units per building. The table below shows how this interplay results in various potential configurations. The configurations are divided into those assumed to be more efficient for cost of construction (fewer and larger buildings) and therefore providing better affordability and those assumed to be less so. Ultimately, any project would have its own unique**

**considerations that may result in a different answer than how the configurations are categorized below.**

**For 1/3<sup>rd</sup> acre the Maximum Residential Density is 3 and the minimum units per building is 3 allowing only 1 building. For 1/2 acre, the Maximum Residential Density is 5 allowing for one building of 5 units or 2 buildings, one 3 units and another 2. For one acre, the Maximum Residential Density is 9 allowing for two buildings, one of 6 units and another 3 units or 3 buildings each with 3 units.**

**The category of 5+ units comprise only two large properties on lower main. The number of buildings shown in the table may be overstated after consideration of roads and parking.**

**3 to 6 dwelling units per building**

Lot Size	Units Allowed		Most Efficient Configurations					Less Efficient Configurations				# Lots Actual	# Lots %	Cumulative
	Max Res Density	Potential Buildings/Lot	Units Per Building					Units Per Building						
			Building 1	Building 2	Building 3	Building 4	Buildng 5	Building 1	Building 2	Building 3	Building 4			
1/3	3	1	3	0	0	0	0	2	0	0	0	4	13%	13%
1/2	5	2	5	0	0	0	0	3	2	0	0	7	23%	37%
2/3	6	2	6	0	0	0	0	4	1	0	0	5	17%	53%
			3	3	0	0	0	2	4	0	0			
1	9	3	6	3	0	0	0	1	5	0	0	3	10%	63%
			5	4	0	0	0	3	3	3	0			
1 1/4	11	3	6	5	0	0	0	5	5	1	0	3	10%	73%
								4	4	3	0			
1 1/2	14	3	6	5	3	0	0	6	6	2	0	2	7%	80%
			5	5	4	0	0	5	3	3	0			
			6	6	2	0	0	6	4	4	0			
2 to 5	18	3	6	6	6	0	0	5	5	4	0	4	13%	93%
5+*	33	5	6	6	6	6	6	0	0	0	0	2	7%	
Total												30	100%	

\*5+ includes only one property on Lower Main of 11 acres. Units allowed are adjusted down for buildable area excluding steep slopes, set backs and roads  
 One other property on Lower Main is 5.7 acres but we estimate only allows 18 units adjusted for buildable area so would fall in the 2 to 5 configuration category.

**Number of Single-Family Residences Per Lot**

**FSP&Z recommends limiting the number of single-family residences to 4 per lot. When factoring setbacks and parking, one needs at least a half-acre lot to fit 4 single-family houses. The reason for the limitation is to encourage dwelling units that are more affordable for working families**

**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.

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## Key Points:

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

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

### 2. Effect of Higher Density:

- a. **Higher density = more units per parcel = lower average cost per unit.**
- b. Enables landowners to build **smaller, more affordable units.**
- c. Landowners can choose between:
  - i. 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	
	2	2	5	5
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*	\$400-\$500	\$500-\$600	\$350-\$450	\$400-\$500
Total Construction Costs**	\$2,700,000	\$1,500,000	\$6,000,000	\$3,375,000
Per Unit Construction Costs	\$1,350,000	\$750,000	\$1,200,000	\$675,000
Per Unit Costs Plus Land	\$1,450,000	\$850,000	\$1,240,000	\$715,000
Developer Profit (15%)	\$217,500	\$127,500	\$186,000	\$107,250
Total Offered Price to Buyer	\$1,667,500	\$977,500	\$1,426,000	\$822,250
Buyer Financing Considerations				
Downpayment (20%)	\$333,500	\$195,500	\$285,200	\$164,450
Mortgage Balance	\$1,334,000	\$782,000	\$1,140,800	\$657,800
Monthly Payment 30-year Fixed***	\$8,546	\$5,010	\$7,308	\$4,213
Qualifying Income Level	\$341,840	\$200,400	\$292,320	\$168,520

\*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 should strike a balance between capacity and character. Maximum height for structures in existing Village Commercial District is **40 feet measured as the vertical distance between the lowest finished grade 15 feet from the structure to the highest level of the roof (Article III 3.10 and Article XI).**

Forward Sunapee Planning & Zoning’s proposes a **maximum building height of 36-38 feet for the Waterfront District measured as the vertical distance between the lowest finished grade 15 feet from the structure to the highest level of the roof**. This recommendation supports the maintenance of a consistent streetscape and 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 is 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:** FSP&Z recommendation to alter the definition of Maximum Structure Height for the Waterfront District emphasizes the importance of maintaining a consistent streetscape over concern with additional height in the rear or sides of a structure because of slope of the land. If the Planning Board elects to maintain measurement from lowest grade 15 feet from the structure the FSP&Z o 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

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### 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

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### 4. Mixed Use Buildings and Restaurants

The proposed restriction on commercial and mixed-use buildings is to foster small retail stores and artisans to the area consistent with a typical New England village.

Town surveys consistently show strong preferences for more restaurant options. FSP&Z proposed limitation of 3,200 sf for restaurant size plus up to 800 sf of seasonal outside dining (highlighted in gray in the table below), whether stand alone or in a mixed-use building, is consistent with the size of restaurants currently operating in Sunapee. Comparable restaurants considered include Blue Canoe (3,111 sf with an additional 696 seasonal wooden deck), Suna (2,702 sf plus 420 enclosed porch), 74 Main (3,812 sf plus 300 sf seasonal deck and porch).

FSP&Z believes restaurants greater than 4,000 sf would add significantly to traffic congestion and parking challenges and not consistent with a typical New England village.

The following table shows restaurant building sizes, seating capacity and parking requirements. Note the number of seats is based on square foot of the total building adjusted down to account for kitchen and non-serving areas. The number of seats and tables can also be impacted by the inclusion of bar areas or private dining rooms.

Summary Table Restaurant Capacity						
Total Business SF	Range of # Seats		Range of # Tables of 4		Parking Spaces - (1 per 3 seats)	
	Low	High	Low	High	Low	High
6000	210	280	53	70	70	93
5000	150	200	38	50	50	67
4000	110	147	28	37	37	49
3200	80	107	20	27	27	36
3000	75	100	19	25	25	33
2000	50	67	13	17	17	22

Notes:

- Low range based on 20 sf per person based on fine dining restaurant seating
- High range based on 15 sf per person which is average for restaurant seating

## 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

Criteria	All Residential	Mixed Use
Drainage Setback	3 feet	3 feet
Max Building Height	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**.

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### 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 property **returns**, increase **available year-round housing**, and support a **mixed-use, walkable village center**.

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# Impact of Proposed Density, Height and Setbacks Controls on Waterfront District Population

Allowing greater density per lot size should, by definition, increase the potential population of the district.

Increased population arises from two sources:

1. Subdivision of existing lots greater than two-thirds of an acre into smaller lots of about 1/3<sup>rd</sup> acre (minimum lot size).
2. Existing lots between 0.22 acre and 0.667 acre adding dwelling units allowed under the proposed density restrictions (0.22 is the minimum size allowing the number of units to increase from 1 to 2). Lots less than 0.667 acre cannot be further subdivided under the minimum lot size restrictions.

Forward Sunapee Planning & Zoning analyzed the number of properties in the proposed Waterfront District and found the following potential for lots that could be subdivided to maximize density and ownership economics subject to the proposed 1/3<sup>rd</sup> minimum lot size (see Appendix for detail):

<b>Waterfront District</b>	<b># of Properties</b>
All properties	118
2/3rds of an acre or greater	38
2/3rds acre or greater privately owned	28
<b>2/3rds acre or greater privately owned excluding unlikely to develop (such as owned by non-profit organizations)</b>	17
<b>% Not in Lake Front area*</b>	84%

\*Note: Not in Lake Front area means – On Main St West of the intersection of Central, Alpine Court and River Road, Lower Main Street, Rt 11 or 103B. The measurement of 84% is based on the number of subdividable 1/3<sup>rd</sup> acre lots.

There are many potential permutations of possible outcomes given lot sizes, building costs and owner proclivities.

To provide a range of potential outcomes, the table below shows the increase in population under various scenarios of buildable units. The range is about 114 on the low side and up to 912 on the high side.

Not all potentially subdivided lots will become subdivided for various reasons including lack of financing options and owner preferences not to develop. FSP&Z best guess is the shaded line in the middle ranging from 306 on the low side and 611 on the high side. Because property subdivision, property planning, development, and construction all the way to occupancy ready takes many years, this potential population increase would likely span over an approximate 5 to 10-year period.

In addition to added subdivisions, existing lots sized between 0.22 and 0.667 can also add dwelling units under the proposed density controls. FSP&Z identified 13 properties in this lot size range in the proposed Waterfront District. Assuming all added as much as allowable, it would increase the number of Dwelling Units in the district by 47. FSP&Z estimates about two-thirds would likely avail themselves of the opportunity adding 63 to 126 residents to Sunapee over a similar 5 to 10-year period.

Adding the two sources of additional population together, FSP&Z estimates the new density controls would provide for an approximate 370 to 740 additional residents to the Waterfront District over a 5 to 10-year period contributing to a more year-round commercial center to our town. On the low end, this would result in a 1-2% compound annual growth in Sunapee population and on the high end 2-4%.

Dwelling Units Added Through Subdivisions				Dwelling Units Added to Existing Lots				Totals	
# Lots		Buildable Dwelling Units	Occupancy		Added Dwelling Units	Occupancy		Total	
%	#	#	2	4	#	2	4	2	4
100%	76	228	456	912	47	94	188	550	1,100
75%	57	171	342	684	35	71	141	413	825
67%	51	153	306	611	31	63	126	369	737
50%	38	114	228	456	24	47	94	275	550
25%	19	57	114	228	12	24	47	138	275

The estimates in the table above are based on the following assumptions:

1. Dwelling Units Added through Subdivision:
  - a. The maximum (100%) is derived from the 17 privately owned lots greater than 2/3rds of an acre which could potentially be subdivided into three lots of 1/3<sup>rd</sup> acre (or less than 1/2 acre) adjusted for undevelopable portions of each property such as steep slopes or wetlands or properties already well

developed. The lot sizes vary from 0.9 acres to 11.6 acres. The total maximum subdividable lots we estimate is 76. The buildable area for some of the larger lots on the North side of Lower Main were reduced in our analysis due to steep slopes. Development potential was further refined by using recent examples of projects proposed to the Sunapee Planning Board for a more realistic assessment. In addition, buildable areas for some properties were reduced due to waterbody setbacks and wetlands.

- b. On those maximum 76 lots, we estimate a total of 228 units could be built.
  - c. Less than maximum scenarios are based on percentages (shown in the far-left column) of the maximum 76 units and 228 buildable units.
2. Dwelling Units Added through Existing Lots (0.22 to 0.667 acres):
    - a. The maximum (100%) is derived from the 13 lots meeting the lot size criteria and assuming each adds as many units as possible.
  3. Occupancy is defined as the number of residents per unit. The low side range assumes all units are one-bedrooms occupied by 2 adults while the high side range assumes all units are two to three-bedrooms occupied by 2 adults and 2 children.
  4. The Maximum allowable density calculation was rounded down to the nearest whole unit in all scenarios per Sunapee Town administration practice.

The Waterfront District is served by town sewer and water. Based on Sunapee's Master Plan, there is sufficient existing capacity to absorb FSP&Z estimates for potential increased density in the district.

While the addition of Sunapee population may add to town services including schools, we have estimated the potential increase in tax collections from the larger number of tax paying properties. If all 17 potentially subdividable lots are subdivided into the maximum number of lots (76) and the maximum number of dwelling units are built on them (288) the increase in property tax collected over what is currently collected on those properties would range from \$1.5 million (all units 1,500 sf) to \$2.0 million (all units 3,000 sf). If FSP&Z's best guess of 2/3rds of the potential are developed, the additional tax collected would then range from \$970,000 to \$1.3 million.

If all 13 properties in the district sized 0.22 to 0.667 acre are expanded to the maximum allowable density, it would add between \$240,000 and \$371,000 to property tax revenue. Using our 2/3rds estimate of actual existing lot expansion, the range falls from \$160,000 to \$250,000.

Combining both lot subdivisions and additions to existing lots, the total maximum increase to property tax revenue is \$1.7 million to \$2.4 million. Assuming FSP&Z's estimate that only 2/3rds of potential units are developed or built, the total addition to property tax revenue is approximately \$1.0 million to \$1.5 million.

## 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.

### Next Steps:

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	3.00	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

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

- 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 I

### Density Calculation Reference

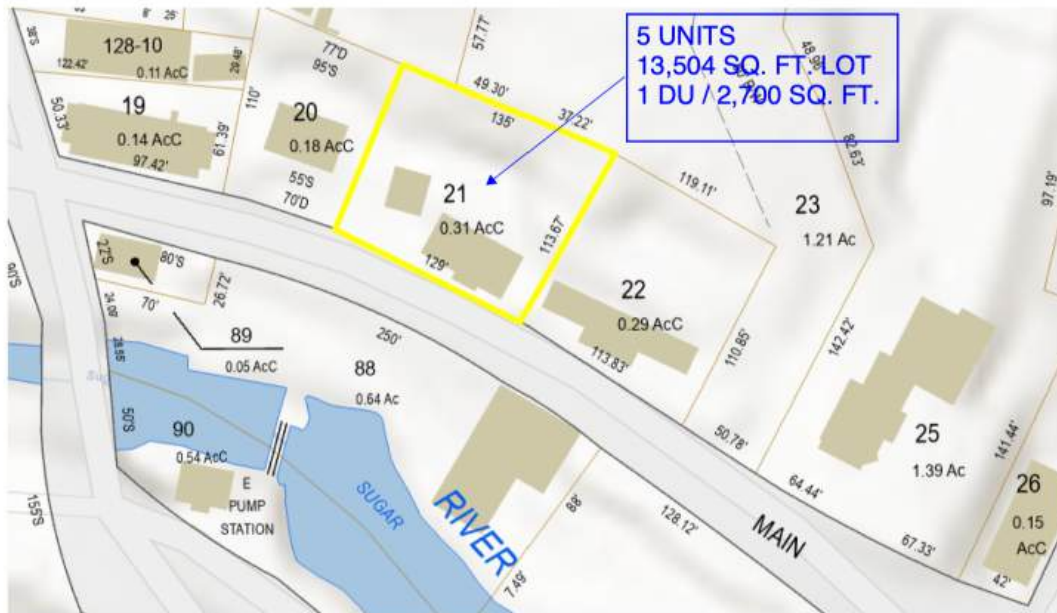
The table below, on the left below provides the numerical calculations of the Density Limits by lot size. The table to the right shows how many units can be built for each lot size. Only whole units apply so all calculations are rounded down to the nearest whole number.

## **Density Examples Existing in Village Commercial District**

### **51 Main Street**

This is an example of a property in the Village Commercial District developed before Sunapee adopted zoning density limits. It has 5 units on a lot less than 1/3<sup>rd</sup> acre. Under existing density restrictions, this lot would only be allowed one dwelling unit. Under Forward Sunapee Planning & Zoning density recommendations this lot would be allowed

up to 2 units.



### 31 River Road

Example of a 6,967 square foot lot that has historically had more than one dwelling unit. Also, it is a good example of a 2.5 story building with both residential and commercial use.



**Height Examples in the Existing Village Commercial District**



**32 ft**



**48 ft (not incl steeple)**



**40 ft**



**28 ft**



**28 ft**



**38 ft**

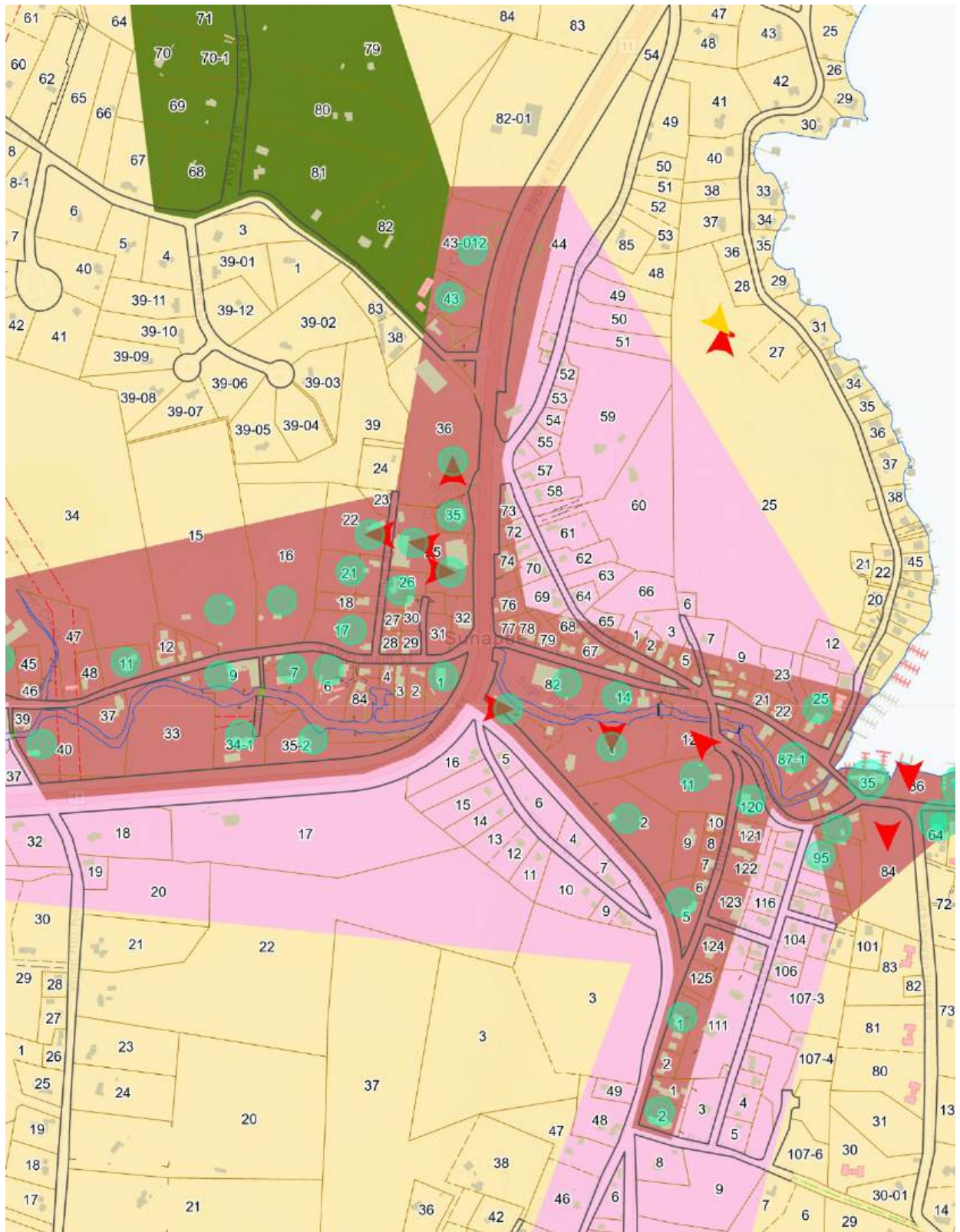


**38 ft**

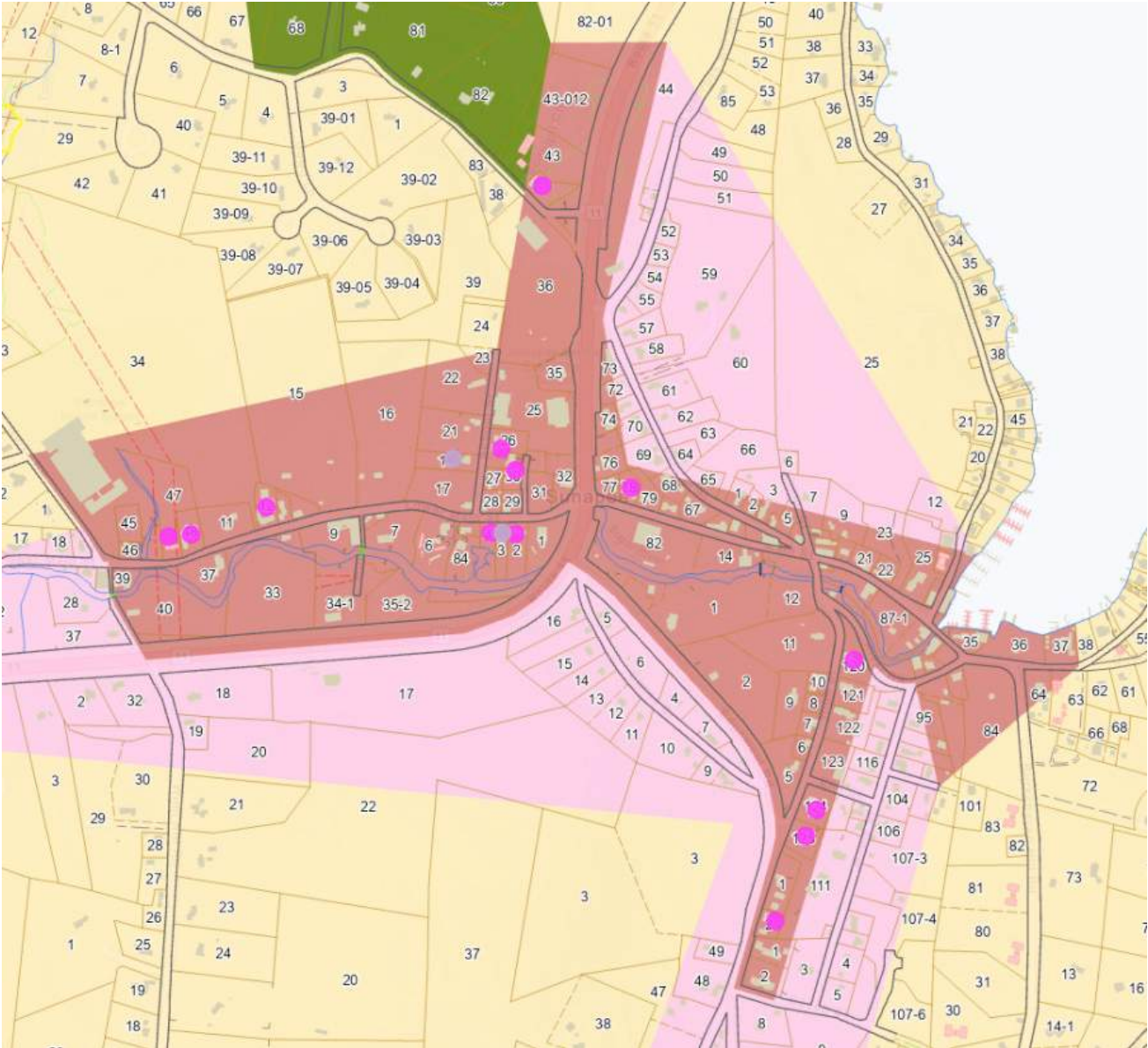


**38 ft**

# Waterfront District Subdividable Properties



**Waterfront District Properties 0.22 to 0.67 acres**



## Appendix II

# Site Plan Review Design Guidelines

1. **Exterior Design Guidelines - To balance the community’s high value on preserving Sunapee’s quintessential New England character, and the need for design flexibility, FSPZ is proposing a community-guided, design review process as part of the site plan review for commercial buildings. Compliance with review standards will be optional but highly encouraged.**

Design	Recommended	Not recommended
Rooflines	<ul style="list-style-type: none"> <li>• Pitched, gabled, mansard and hip roofs (with dormers preferred) proportionate to building scale.</li> <li>• Varying roof height and style with longer roofs</li> <li>• Roof pitch between 4:12 and 12:12 on primary roof areas.</li> <li>• Flat roofs acceptable only with appropriate detailing and minimum 30” parapets.</li> <li>• Roof vents and skylights placed away from street-facing roof planes.</li> <li>• Rooftop mechanicals screened from street view.</li> <li>• Roofs should direct rain/snow away from pedestrian areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Flat roofs on 1- or 2-story buildings.</li> <li>• False roof fronts.</li> </ul>
Exterior Materials	<ul style="list-style-type: none"> <li>• Wood clapboard or shiplap, including natural, engineered, or composite materials (e.g., vinyl) that mimic traditional appearance.</li> </ul>	<ul style="list-style-type: none"> <li>• Exposed concrete masonry units (CMU) or</li> </ul>

	<ul style="list-style-type: none"> <li>• Brick, stone, board and batten, or shingle siding.</li> <li>• Vertical siding (tongue and groove or board and batten) consistent with New England style.</li> </ul>	<p><b>EIFS/Dryvit surfaces.</b></p>
<b>Windows</b>	<ul style="list-style-type: none"> <li>• Muntins typical of New England architecture.</li> <li>• Transom windows over doors.</li> </ul>	<ul style="list-style-type: none"> <li>• Casement windows without muntins.</li> </ul> <p><i>Note: Exceptions may be appropriate where maximizing views (e.g., restaurants).</i></p>
<b>Colors</b>	<ul style="list-style-type: none"> <li>• Traditional New England village tones: white, earth tones, historic reds, yellows, etc.</li> <li>• Trim colors that contrast but complement the base color.</li> <li>• Roof colors that harmonize with the building palette.</li> <li>• Similar to commercial exterior historic paint color palettes</li> </ul>	<ul style="list-style-type: none"> <li>• Bright, multicolor, trendy colors</li> </ul>
<b>Entryways</b>	<ul style="list-style-type: none"> <li>• Primary entrance facing the street to promote pedestrian activity.</li> <li>• Secondary entrances on sides</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Sidewalks</b>	<ul style="list-style-type: none"> <li>• Walkways connecting buildings to create a continuous pedestrian corridor.</li> <li>• Use of red brick to match existing sidewalks (e.g., in front of Harbor Trading House)</li> </ul>	<ul style="list-style-type: none"> <li>• Asphalt and other newer materials</li> </ul>
<b>Scale</b>	<ul style="list-style-type: none"> <li>• Building scale and proportions should enhance a cohesive streetscape.</li> <li>• Pedestrian-friendly elements near the front of properties.</li> <li>• Building height:</li> </ul>	<ul style="list-style-type: none"> <li>• Large building facades with flat facades and long continuous roof lines</li> </ul>

	<ul style="list-style-type: none"> <li>○ <b>Max 2½ stories at street level</b></li> <li>○ <b>Max overall height: 36 feet</b></li> </ul>	
<b>Garages</b>	<ul style="list-style-type: none"> <li>• <b>Garages placed behind or to the side of the main building.</b></li> <li>• <b>If to the side, set back from the front building line.</b></li> </ul>	
<b>Landscaping</b>	<ul style="list-style-type: none"> <li>• <b>Appropriately scaled for shade and visual interest, in keeping with building size and surroundings.</b></li> </ul>	
<b>Accessory Buildings</b>	<ul style="list-style-type: none"> <li>• <b>Must be compatible with primary building scale</b></li> <li>• <b>Location behind primary structures</b></li> <li>• <b>Use of similar materials as primary structure</b></li> </ul>	
<b>Lighting</b>	<ul style="list-style-type: none"> <li>• <b>Scale lighting to match building size and architectural style.</b></li> <li>• <b>Warm color temperature (2700–3000K).</b></li> <li>• <b>Dark Sky–compliant fixtures to minimize light pollution.</b></li> </ul>	
<b>Parking</b>	<ul style="list-style-type: none"> <li>• <b>Locate parking behind buildings to promote a continuous streetscape and pedestrian friendly environment while reducing vehicle movement risk.</b></li> </ul>	
<b>Signage*</b>	<ul style="list-style-type: none"> <li>• <b>(Size Limit) change to Max 24 sq. ft. per business on the front face; 30 sq. ft. on side facades</b> <i>(Does not include menus or flavor boards)</i></li> <li>• <b>(Location) No change</b></li> <li>• <b>(Illumination) No Change</b></li> <li>• <b>(Type) must be permanent and semi permanent</b></li> </ul>	

	<ul style="list-style-type: none"> <li>• <b>(Materials) constructed of materials as outlined in “exterior material” section of this chart.</b></li> <li>• <b>(Off Premise) Allowed only for directional purposes, not exceed 8 sq. ft</b></li> </ul>	
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**\*Signage Background:**

Existing business owners in the Village Commercial District (soon to be Waterfront District) report that current signage regulations are overly restrictive, particularly for:

- **Properties with multiple businesses**
- **Uses require informational signage (e.g., menus, flavor listings)**

**FSPZ Recommendations:**

Update signage regulations to:

- **Reflect greater business density per lot in the Waterfront District**
- **Allow for clear, customer-friendly communications without clutter**

**Distinguish between advertising signage and informational signage**