

PORTSMOUTH SPENDING AND TAX-BASE RESEARCH

Appendices to “The Bill Has Found the View”

Appendix A | Capital projects and fiscal pressure

Appendix B | Tax base, development and burden-sharing

Appendix C | Rental-apartment and condominium valuation analysis

Prepared from public records available through June 24, 2026

These appendices preserve the underlying figures, assumptions and caveats without burdening the main column. “Gross condominium sellout value” is a scenario, not a current appraisal or a proposed tax assessment.

APPENDIX A

Capital Projects and Fiscal Pressure

The spending queue behind the column

The evidence supports a broad thesis rather than a claim of one uniquely reckless project: Portsmouth faces several expensive, defensible needs at the same time. The city’s own capital plan acknowledges that advancing one project can delay another.⁵

A.1 Mechanic Street Pump Station

Question	Published answer
Role	Largest wastewater pumping station in the Portsmouth system; conveys flows to the Peirce Island wastewater treatment facility.
Location	113 Mechanic Street, in the historic South End near Prescott Park and Point of Graves.
Age and condition	Constructed in 1963; described as past its useful life; recent pump failures. Temporary pumping and repairs followed 2023 failures and flooding.
Flood and climate issue	Existing site and 95 Mechanic Street are in the 100-year flood zone; project goals include sea-level-rise and flood protection.
Preferred concept	Below-grade pump station, new control building, support equipment, retaining walls, terraced plantings, public greenspace, pedestrian and intersection improvements.
Alternatives rejected	Downtown relocation would cause parking loss, major sewer overhaul and neighborhood disruption while leaving a reduced Mechanic station. Peirce Island relocation faced infeasible drilling, costly tunneling, deep shafts and added maintenance.
Published estimate	\$4 million design phase plus \$21 million construction phase; total published project allowance approximately \$25 million.
Funding	City says it is exploring state and federal sources; remaining cost would be supported through the sewer enterprise fund and user rates.
Schedule	Public outreach July-November 2026; preliminary/final design through October 2027; construction February 2028-September 2029.
Park/trust process	The June 2026 schedule called for discussions with the New Hampshire Attorney General’s Charitable Division because the higher-ground concept touches a Prescott Park parcel.

Sources: City project page and June 22, 2026 work-session presentation.)

A.2 Municipal Complex Concept C: nine-phase estimate

Phase	Scope	Bid year	Phase estimate	Cumulative estimate
1	Detectives	2028	\$12,649,166	\$12,649,166
2	Police Department - Floor 1	2028	\$4,459,552	\$17,108,719
3	Sally Port addition	2029	\$5,267,137	\$22,375,856
4	Police Department - Floor 1 and basement	2029	\$7,638,824	\$30,014,680
5	Municipal additions	2030	\$12,201,043	\$42,215,722
6	Council chambers / flexible training	2031	\$2,074,979	\$44,290,701
7	Police administration / public health	2031	\$3,591,324	\$47,882,026
8	Fourth floor	2032	\$6,426,637	\$54,308,663
9	Third floor	2032	\$4,325,379	\$58,634,042

Source: Municipal Building Blue Ribbon Committee packet, June 17, 2026.² The rounded phase figures sum to \$58,634,041; the source table’s official cumulative total is \$58,634,042, a \$1 rounding difference.

Context. Earlier 2023 police-facility options were reported at \$61.9 million to \$72.6 million. The current concept covers both police and City Hall work, so comparisons require careful attention to scope.²

A.3 New and returning projects in the FY2027-FY2032 capital plan

Area	Examples newly listed or returned
Fire	Rescue 7 replacement; cardiac monitor/defibrillator upgrade; Fire Station 3 roof replacement
Police / municipal buildings	Municipal complex replacing the new-police-department project; police interview-room audio/video
Schools / library	School facilities pavement and roofing; historic archive initial building costs
Water / sewer	Portsmouth and Collins wells treatment; Cabot & Austin area sewer separation
Roads / public realm	Coakley neighborhood complete-street restoration; Maplewood Avenue reconstruction; Vaughan Mall surface improvements
Solid waste / energy	Recycling and solid-waste totes; solar arrays and potential power generation
Planning / environment	Vernal-pool update; citywide prime-wetland mapping revision; Deer Street Lot 2 park design

“The movement or addition of one project may affect the timeline or ability to complete another.”

Source: Portsmouth FY2027-FY2032 CIP work-session presentation, “Global CIP Thoughts.”³

A.4 General-fund net debt service trajectory

Fiscal year	Net debt service / General Fund	Reading
FY2026 budget	7.97%	Below policy goal
FY2027 projection	8.04%	Below policy goal
FY2028 projection	9.01%	Below, narrowing margin
FY2029 projection	9.40%	Below, narrowing margin
FY2030 projection	9.98%	At the edge of the goal
FY2031 projection	10.08%	Above the stated 10% goal
FY2032 projection	10.14%	Above the stated 10% goal

Source: CIP work-session debt-service chart.⁵ These projections predate final borrowing decisions and should not be read as a final tax schedule for the \$58.6 million municipal concept.

A.5 FY2027 proposed operating and rate pressure

Item	Published amount / assumption	Published impact
All appropriated funds	\$157,971,390	+\$7,676,450 / +5.11%
Citywide health insurance	Increase of \$3.3 million	+21.4%; single largest budget driver
Estimated tax rate	\$12.07 per \$1,000	+\$0.56 / +4.88% over FY2026 estimate
Median single-family example	\$777,200 assessed value	+\$435.24 annually / \$36.27 monthly
Average residential sewer bill	5 units monthly consumption assumption	+5.9%; forecasts future Pease and Mechanic Street costs
Average residential water bill	5 units monthly consumption assumption	+4.5%

Source: City Manager’s FY2027 proposed-budget release, May 7, 2026.⁶

APPENDIX B

Tax Base, Development and Burden-Sharing

What construction contributes, and what the published categories can and cannot tell us

Portsmouth's development does broaden the tax base. It does not automatically settle whether every land use covers all of the public costs associated with it, or whether income-based commercial assessments keep pace with the city's market. The tables below separate established figures from open questions.

B.1 FY2025 taxable valuation by the city's published categories

Category	Taxable valuation	Parcels	Share of value / levy	Share of parcel count
Residential*	\$6,312,399,439	7,710	62%	85%
Commercial**	\$3,824,879,358	1,407	38%	15%
Total	\$10,137,278,797	9,117	100%	100%

* City footnote: includes single-family homes, condos, multifamily units, mobile homes and vacant land. ** Includes Pease non-airport property and utilities, excluding Pease Airport. Source: FY2025 PAFR.⁸

Important limitation. The city's "residential" category is broader than owner-occupied homes. It cannot be used by itself to claim that homeowners pay 62 percent of the levy, because it also includes multifamily rental property and other residential-class parcels.

B.2 Ten largest FY2025 taxpayers

Taxpayer	Use	FY2025 assessed value	Share of taxable value	Approx. tax at \$11.18
Public Service Co. of NH	Utility	\$177,019,041	1.76%	\$1,979,073
Arbor View & The Pines LLC	Apartments	\$111,988,560	1.11%	\$1,252,032
HCA Health Services of NH Inc.	Hospital	\$111,268,200	1.10%	\$1,243,978
Cate Street Development	Mixed use	\$96,670,500	0.96%	\$1,080,776
Hanover Apartments LLC	Apartments	\$70,656,100	0.70%	\$789,935
Northern Utilities	Utility	\$67,699,700	0.67%	\$756,883
Inishmaan Assoc. Ltd. Partnership	Apartments	\$52,466,200	0.52%	\$586,572
Vaughan Street Hotel LLC	Hotel	\$41,730,500	0.41%	\$466,547
2422 Lafayette Road Assoc. LLC	Retail	\$38,993,200	0.39%	\$435,944
Patriots Park Association	Apartments	\$37,993,900	0.38%	\$424,772

Assessed values and shares: FY2025 Annual Comprehensive Financial Report.⁶ Approximate tax calculation applies the FY2025 total rate of \$11.18 per \$1,000 and does not account for abatements, exemptions, tax timing or parcel-level adjustments.

B.3 Growth and rate effects

Measure	Published fact	Interpretation
2019 to 2024 revaluation period	City reported real-property value rising from \$6.15 billion to \$10.08 billion.	Revaluation itself does not create new revenue; it redistributes the levy according to relative values.
FY2026 new development	Nearly \$200 million in added property development.	City said it lowered the final rate by \$0.06 from the budget estimate, offset \$0.23 per \$1,000 and cut the projected increase by 41%.
Population context	22,938 estimated residents as of July 1, 2024.	Per-capita comparisons understate Portsmouth’s unusually large property base and commercial activity.

Sources: City tax-rate releases and U.S. Census QuickFacts.⁷

B.4 How major property types are generally valued

Property form	General assessment approach	Why the distinction matters
Owner-occupied homes and residential condos	Sales comparison and cost models calibrated to individual property sales.	Market scarcity and neighborhood appreciation can move values sharply.
Large market-rate apartment estates	Income capitalization: estimated market rent minus vacancy and expenses, capitalized at an adjusted rate.	A whole-property value is not the sum of hypothetical retail condo sales.
Hotels	Income-based and cost/sales methods; real estate and taxable income assumptions, not gross corporate revenue alone.	Property tax does not measure every tourism, traffic, public-safety or workforce-housing effect.
Qualifying LIHTC housing	At taxpayer request, RSA 75:1-a permits valuation recognizing recorded rent and tenant restrictions.	A lower value can be an intentional housing subsidy rather than a concealed developer preference.

Sources: Portsmouth 2024 USPAP mass-appraisal report and LIHTC assessor page.^{8,9}

B.5 Questions this research does not resolve

- Whether any specific hotel, apartment, mixed-use or affordable-housing parcel currently has an abatement, PILOT, stabilization agreement or exemption beyond ordinary statutory treatment.
- The net municipal service cost by land use: taxes paid compared with police, fire, road, school, sewer, water and administrative demand.
- Whether parcel-specific apartment income, vacancy, expense and capitalization assumptions differ materially from the published base model.
- Whether recent commercial sale prices or operating results indicate under-assessment or over-assessment on particular properties.

APPENDIX C

Rental-Apartment and Condominium Valuation Analysis

A detailed attachment preserving the ownership, assessment, sale and scenario data

This appendix compares three large rental estates with a hypothetical conversion to individually saleable condominiums. The comparison is intentionally framed as gross sellout analysis. It does not claim that the city should assess a rental estate at the sum of imagined condo sales.

C.1 Scope, ownership form and current assessments

Estate	Rental units	Condo units	Ownership mix	Assessment	Assessment / unit
West End Yards apartments	250	0	100% rental	\$84,444,100	\$337,776
West End Place townhouses	0	23	100% condo	\$22,233,600	\$966,678
Arbor View & The Pines	469	0	100% rental	\$111,988,560	\$238,782
Aria (Hanover Apartments LLC)	113	0	100% rental	\$70,656,100	\$625,275
Opus (Portwalk Residential LLC)	38	0	100% rental	\$18,112,400	\$476,642
Portwalk combined	151	0	100% rental	\$88,768,500	\$587,871

Unit counts: development documents and property-manager/developer pages.¹⁰¹¹² Assessments: Portsmouth assessment lists and parcel cards reviewed in June 2026.¹³¹⁴

Combined ownership mix. Across the three rental developments and the 23 West End townhouses, the residential count is 870 rentals and 23 condos: 97.4% rental and 2.6% condominium. Within West End Yards alone, the approved residential mix is 250 rentals and 23 condos: 91.6% rental and 8.4% condo. The agreement also required 27 workforce apartments, equal to 10.8% of its rental units.

C.2 Assessment aggregation notes

Estate / aggregation	Assessment used	Reason for this figure
West End Yards	\$84,444,100	35 Hodgdon Way rental estate; the FY2025 principal-taxpayer value for “Cate Street Development” is higher because it includes additional mixed-use property.
Arbor View & The Pines	\$111,988,560	Aggregate principal-taxpayer figure; public 2024 commercial list shows multiple component parcels.
Portwalk	\$88,768,500	Aria \$70,656,100 plus Opus \$18,112,400.
Three rental estates combined	\$285,201,160	870 rental apartments; average assessment approximately \$327,817 per apartment.

C.3 Recorded purchase/transfer history

Property	Recorded consideration	Date	Use in analysis
West End Yards apartment site	\$14.5 million	Nov. 2, 2018	Development property before apartment buildings were completed; not a purchase of today's stabilized rental estate.
Arbor View / The Pines portfolio	\$41.58 million	July 25, 2018	Closest to an operating-apartment purchase, but approximately 42 units were added in 2021.
Aria / Hanover Apartments	\$3.2 million	Dec. 12, 2012	Development-stage condominium/property interest near construction; not a current operating-property sale.
Opus / Portwalk Residential	\$867,000	Dec. 21, 2010	Development-stage interest; not a current operating-property sale.

Sources: West End acquisition reporting and Portsmouth Vision ownership histories reviewed June 2026.¹⁴²¹

C.4 West End Place townhouse resales: same development, individual ownership

Townhouse	Assessment	Recorded sale	Sale date	Sale above assessment
Unit 5	\$1,018,200	\$1,260,000	July 31, 2025	23.7%
Unit 12	\$915,000	\$1,160,000	Oct. 24, 2025	26.8%
Unit 13	\$913,500	\$1,125,000	July 31, 2025	23.2%
Unit 15	\$994,300	\$1,280,000	Aug. 18, 2025	28.7%
Unit 22	\$915,000	\$1,225,000	May 15, 2026	33.9%

Sample summary. Average assessment \$951,200; average sale \$1,210,000; median sale \$1,225,000; aggregate sale premium 27.2%. Extrapolating the five-sale average across all 23 townhouses gives about \$27.83 million, compared with their combined \$22.23 million assessment, approximately 25.2% higher.

Sources: Portsmouth/MLS public-record displays for selected 50 Cate Street units.¹⁵¹⁶¹⁷¹⁸¹⁹

Timing and comparability warning. The assessments were set at the April 1 assessment date, while the cited sales occurred afterward. The townhouses are roughly 2,070 square feet and materially larger than many rental apartments. Their average sale price cannot simply be assigned to the rental units.

C.5 Illustrative gross condominium sellout values compared with current rental-property assessments

Reading the midpoint. At the scenario midpoint, current assessments equal about 58.7% of West End's gross condo value, 56.2% of Arbor's, 78.4% of Portwalk's and 62.5% of the three-estate aggregate. The low combined scenario is 39.9% above current assessment; the high scenario is 80.1% above.

C.6 Why gross condo value should exceed a whole-prop

Rental estate	Units	Current assessment	Low scenario	Midpoint scenario	High scenario	Midpoint gap
West End Yards	250	\$84.44M	\$500,000 / \$125.00M	\$575,000 / \$143.75M	\$650,000 / \$162.50M	+\$59.31M / +70.2%
Arbor View / The Pines	469	\$111.99M	\$375,000 / \$175.88M	\$425,000 / \$199.33M	\$475,000 / \$222.78M	+\$87.34M / +78.0%
Portwalk	151	\$88.77M	\$650,000 / \$98.15M	\$750,000 / \$113.25M	\$850,000 / \$128.35M	+\$24.48M / +27.6%
Combined	870	\$285.20M	\$399.03M total	\$456.33M total	\$513.63M total	+\$171.12M / +60.0%

erty value

Deduction / risk	Reason it reduces whole-property value below gross retail sellout
Legal and title work	Subdivision, condominium declarations, surveys, unit deeds, disclosure and registration work.
Physical conversion	Building-code work, unit upgrades, metering, life-safety changes, common-area improvements and deferred maintenance.
Association capitalization	Initial reserves, insurance structure, budgets and transfer of common assets.
Tenant and lease costs	Lease expiration, relocation, notices, vacancies and potential statutory or negotiated protections.
Sales and absorption	Marketing, broker commissions, closing costs, financing and carrying a multi-year retail sellout.
Market risk	Individual condo prices can weaken before the final units sell; an investor discounts that risk today.

C.7 Published Portsmouth apartment-income model inputs

Apartment type	Base annual rent	Monthly equivalent	Illustrative value at 3% vacancy, 40% expense, 6.5% cap
Studio	\$18,000	\$1,500	\$161,169
1 bedroom	\$25,200	\$2,100	\$225,637
2 bedroom	\$32,400	\$2,700	\$290,105
3 bedroom	\$36,000	\$3,000	\$322,338
4 bedroom	\$40,800	\$3,400	\$365,317

Risk / desirability	Adjusted apartment cap rate	Value change at constant NOI vs. 6.5%
Poor	7.54%	-13.8%
Fair	7.02%	-7.4%
Average	6.50%	Baseline

Risk / desirability	Adjusted apartment cap rate	Value change at constant NOI vs. 6.5%
Good	5.98%	+8.7%
Excellent	5.53%	+17.5%

Source: Portsmouth 2024 USPAP mass-appraisal report. Published apartment inputs include 3% vacancy, 40% base expenses and a 6.5% base capitalization rate, with property-quality adjustments.⁹

Model warning. The implied values above illustrate the citywide base formula only. Actual parcel values can use different unit mixes and location, size, use, vacancy, expense, risk and desirability adjustments. They are not reconstructions of the three subject properties’ confidential worksheets.

C.8 Findings and limits

Status	Conclusion
Supported	Ownership form can create a large sum-of-parts value difference. The three rental estates pay substantial taxes. Published appraisal assumptions materially affect value.
Not established	No public evidence reviewed here proves a secret tax holiday, illegal favoritism or that the properties should be assessed at gross condo sellout value.
Open question	Whether parcel-specific rents, vacancy, expenses and cap rates are current and consistently applied in Portsmouth’s high-cost market.
Most useful next record	The city’s income-valuation worksheet for each parcel, including owner-submitted income/expense data, adjustments, abatements and appeal settlements.

C.9 Targeted public-records request

- 2024 and 2025 income-valuation worksheets for 35 Hodgdon Way; each Arbor View/The Pines parcel; 195 Hanover Street Unit 1; and 99 Hanover Street.
- Market-rent schedule and unit mix used for each estate.
- Vacancy and collection-loss allowance, expense percentage, capitalization rate and risk/desirability adjustment.
- Taxpayer-submitted income and expense statements, with legally protected information redacted as necessary.
- Abatement applications, assessor responses, Board of Tax and Land Appeals filings and settlement agreements affecting the assessed values.
- A parcel-level list of tax exemptions, PILOTs, stabilization agreements and discretionary abatements for major hotels, apartment estates, mixed-use projects and subsidized housing.