

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – OCTOBER 4, 2023
WORKSHOP RE: IMPACT FEES – 5:30 P.M.
HYBRID MEETING

TO VIEW TOWN COUNCIL MEETING & OFFER PUBLIC COMMENT:

<https://scarboroughmaine.zoom.us/j/82964652983>

TO VIEW TOWN COUNCIL MEETING ONLY:

<https://www.youtube.com/channel/UCD5Y8CFy5HpXMftV3xX73aw>

- Item 1.** Call to Order.
- Item 2.** Those Present.
- Item 3.** Discussion on Impact Fees.
- Item 4.** Adjournment.



Impact Fees



Town Council Workshop

October 4, 2023



Impact Fee Background

- ▶ State Statute 4354 Impact Fees (1987) authorizes municipality's to require construction of off-site capital improvements or the payment of impact fees instead
- ▶ Applicable Infrastructure Facilities May Include:
 - ▶ Wastewater collection and treatment facilities
 - ▶ Municipal water facilities
 - ▶ Solid waste facilities
 - ▶ Public safety equipment and facilities
 - ▶ Roads and traffic control devices
 - ▶ Parks & other open space or recreational areas, and
 - ▶ School facilities



Impact Fee Restrictions



- ▶ Impact fees are intended to pay for the portion of new capital improvements that are needed to service growth
- ▶ Fees must be reasonably related to the development's share of the cost of infrastructure or, if the improvements were constructed prior to the development, the fee must be reasonably related to the portion or percentage of the infrastructure used by the development
- ▶ Fees are designed to pay for capital improvements, not maintenance, operating costs or service delivery
- ▶ Impact fee funds must be segregated from general revenues
- ▶ A schedule to use the funds consistent with the capital investment component of the comprehensive plan must be established
- ▶ A mechanism to refund impact fees that exceed costs or that were not used must be established



Cautionary Notes

- ▶ Cannot use impact fees to slow growth
- ▶ Additional fees for residential development will be passed on to the buyers and will further impact affordability in Town
- ▶ Too many fees or the total cost of fees could stifle growth and the Town depends on 1.5% to 2% of growth in the total valuation
- ▶ To the extent that there are differential impact fees on different types of residential growth there may be the unintended consequences of incentivizing one type over another (multi-family over single-family)



Impact Fee Background – Town

- ▶ Scarborough began imposing impact fees on development in 1990 with traffic/roadway improvement fees that applied to the Payne Road corridor, which was part of a PACTS Regional approach to the corridor
- ▶ Additional traffic impact fees have been added over the last 30 years
- ▶ School Impact Fee added in 2002
- ▶ Many existing fees are outdated, or soon will be, as the improvements contemplated as the basis for the fee will be completed



Existing Impact Fee Ordinances

- ▶ Chapter 415 Impact Fee Ordinance (2002, 2020)
 - ▶ Chapter 1 - General Provisions
 - ▶ Chapter 2 - School Impact Fees
- ▶ Chapter 415 A – Dunstan Corner Capital Improvement District (2006, 2011)
- ▶ Chapter 415 B – Haigis Parkway / Route One Capital Improvement District (2011)
- ▶ Chapter 410 Roadway Impact Fee Ordinance: Payne Road Area Capital Improvement District (1990, 2017)

Impact Fee	Ordinance Reference	Existing Fee	Proposed	Revision/New Timeframe	Applicability	
					Residential Users	Commercial Users
School Impact Fee	Ch 415	SF - \$5,210 Duplex - \$1,990 MF \$1,310 MH - \$1,310 Affordable \$2,620	Update Amounts	Fall 2023	Yes	No
Parks and Recreation Impact Fee	Add to Ch 415	Yes \$500 per unit	YES – New	Utilizing Parks & Facilities Master Plan Fall 2023	Yes	Potential
Open Space Impact Fee	Add to Ch 415	TBD	YES - New	After Open Space Plan completion Fall/Winter 2024	Yes	Potential

Impact Fee	Ordinance Reference	Existing Fee	Proposed	Revision/New Timeframe	Applicability	
					Residential Users	Commercial Users
Oak Hill Mitigation Fee	Policy	\$755 per trip	Continue	NA	Yes	Yes
Payne Road Area – District 1	Ch 410	\$149.43 per trip	Closing Per TMP – 2025/2026	NA	Yes	Yes
Payne Road Area – District 2	Ch 410	\$292.42 per trip*	Continue	Potential Revision 2025 (Capacity Revisions at Payne & Gorham Rd Intersection)	Yes	Yes
Payne Road Area – District 3	Ch 410	\$449.05 per trip*	Continue	Revision Fall 2023 (Nonesuch River Crossing and Ginn Road)	Yes	Yes
Payne Road Area – District 4	Ch 410	NA	Closed	NA	Yes	Yes
Payne Road Area – District 5	Ch 410	\$1,024.52 per trip	Closing after North Scarborough Spring 2025	NA	Yes	Yes
Dunstan Corner	Ch 415A	\$1,402 per trip	Continue	NA	Yes	Yes
Haigis Parkway	Ch 415B	\$990 per trip	Continue	NA	Yes	Yes
Additional Traffic Impact Fees	Add to Ch 415	TBD	Will be informed after Transportation Master Plan	Winter 2024	Yes	Yes



Proposed Amendments

- Chapter 415 – Impact Fee Ordinance
 - Section 1 - General Provisions - [Combined from all](#)
 - [Add Accelerator for School and Recreation Impact Fee](#)
 - Section 2 – [Revised](#) School Impact Fees
 - Section 3 – [NEW](#) Recreation Impact Fees
 - Section 4 - Reserved for Open Space
 - Section 5 - Roadway Impact Fees - Dunstan Corner Capital Improvement District ([MOVED](#))
 - Section 6 – Roadway Impact Fees - Haigis parkway / Route One Capital Improvement District ([MOVED](#))
 - Section 7 – Payne Road Area Capital Improvement District ([MOVED](#))
 - Section 8 – [NEW](#) Payne Road and Ginn Intersection
 - Section 9 – [NEW](#) Payne Road and Nonesuch River Crossing Bridge
- Repeal Chapter 415 A – Dunstan Corner Capital Improvement District
- Repeal Chapter 415 B – Haigis Parkway / Route One Capital Improvement District
- Repeal Chapter 410 Roadway Impact Fee Ordinance: Payne Road Area Capital Improvement District

School Impact Fee: Total Amount

K-8 Solution

Capital Investment in K-8 School Solution **\$ 278,000,000**

K-3 Capacity Increase for New School (All New Students Assigned to Growth)

Actual Enrollment K-3	878
Increase in Students	252

Projected Enrollment	1,130
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% of Increase Assigned to New Housing	100%
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Actual Increase Assigned to New Housing	252
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% of student Increase	22.3%
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% of Capital Investment Associated with New Students	22.3%
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Capital Investment Subject to Impact Fee \$ 61,996,460

School Impact Fee: Students per Bedroom

Number of Units by Number of Bedrooms in Unit								
Total Units by # of Bedrooms in Unit in Scarborough	Total Occupied Housing Units	Number of Bedrooms	Population per size of Unit	Students Per Size Unit	Distribution of units by # of bedrooms	Population in Units	Students in Units	
0	170	0	0.82	0	1.9%	139	-	
1	605	605	0.82	0.11	6.8%	498	67	
2	2,064	4,128	1.65	0.22	23.2%	3,395	455	
3	3,267	9,801	2.47	0.33	36.7%	8,061	1,079	
4	2,382	9,528	3.29	0.44	26.7%	7,837	1,049	
5 or More Units	425	2,125	4.11	0.55	4.8%	1,748	234	
Totals	8,913	26,187	0.82	0.11	100.0%	21,678	2,884	

Source: ACS 2021 - 5-Year Survey/ Produced by Census Bureau

Total Population in Housing Units (ACS 2021)	21,539
Student Enrollment (School Department) (Fall 2022)	2,884

School Impact Fee: Fee per Bedroom

School Impact Fee by Bedrooms

Total School Costs	\$ 278,000,000
Percent Assigned to Impact Fees	22.30%
Total Impact Fees from New Development	\$ 61,996,460
Number of Bedrooms Anticipated in one Year	536
Number of Bedrooms over 30 Years	16,080
Annual Amount to be raised by Impact Fee (30 Years)	\$ 2,066,549
Amount per Bedroom	\$ 3,856
Annual Units per year	261

Anticipated Mix of Units and Bedrooms Per Year	Unit Mix	Units	Bedrooms	Bedroom Mix
3 bedrooms	37%	97	291	54%
2 Bedrooms	31%	81	162	30%
1 bedrooms	32%	83	83	15%
Totals	100%	261	536	100%

Anticipated Annual Revenues with Above Mix of Units	Annual Fees	Impact Fee Per Unit
3 bedrooms	\$ 1,121,951	\$ 11,567
2 Bedrooms	\$ 624,591	\$ 7,711
1 Bedrooms	\$ 320,007	\$ 3,856
	\$ 2,066,549	
30 Year Total:	\$ 61,996,460	

Recreation Impact Fees: Total Amount

- Existing population (ACS 2021 Data) – 21,539
- Assumptions:
 - 10 years of permits – 2,610
- Parks and Facilities Master Plan 10 Year time frame – **\$10,859,900**
 - **New - \$5,262,700.00**
 - **Expansion – \$526,500.00**
 - **Replacement – \$5,070,700.00**
 - Maintenance – Not included \$4,358,600
 - 25% Contingency – Not Included 3.8 Million (Accelerator Clause Anticipated)
- 20% of Total Cost Assigned to New - **\$2,171,980**



Recreation Impact Fee: Fee per Bedroom

Recreation Impact Fee by Bedrooms

Total Recreation Costs	\$ 10,859,900
Percent assigned to Impact Fees (20% Population)	\$ 2,171,980
Number of Bedrooms Anticipated in one Year	536
Number of Bedrooms over 10 Years	5,360
Annual Amount to be raised by Impact Fee (10 Years)	\$ 217,198
Amount per bedroom	\$ 405
Annual Units per year	261

Anticipated Mix of Units and Bedrooms Per Year	Unit Mix	Units	Bedrooms	Bedroom Mix
3 bedrooms	37%	97	291	54%
2 Bedrooms	31%	81	162	30%
1 bedrooms	32%	83	83	15%
Totals	100%	261	536	100%

Anticipated Annual Income with Above Mix of Units	Annual Fees	Impact Fee Per Unit
3 bedrooms	\$ 117,919	\$ 1,215.66
2 Bedrooms	\$ 65,646	\$ 810.44
1 Bedrooms	\$ 33,633	\$ 405.22
	\$ 217,198	
10 Year Total	\$ 2,171,980.00	

Traffic Impact Fees

Payne Road and Ginn Road Intersection

- New independent impact fee or roll into the Payne Road Corridor (formerly District 3)

Payne Road and Nonesuch River Crossing

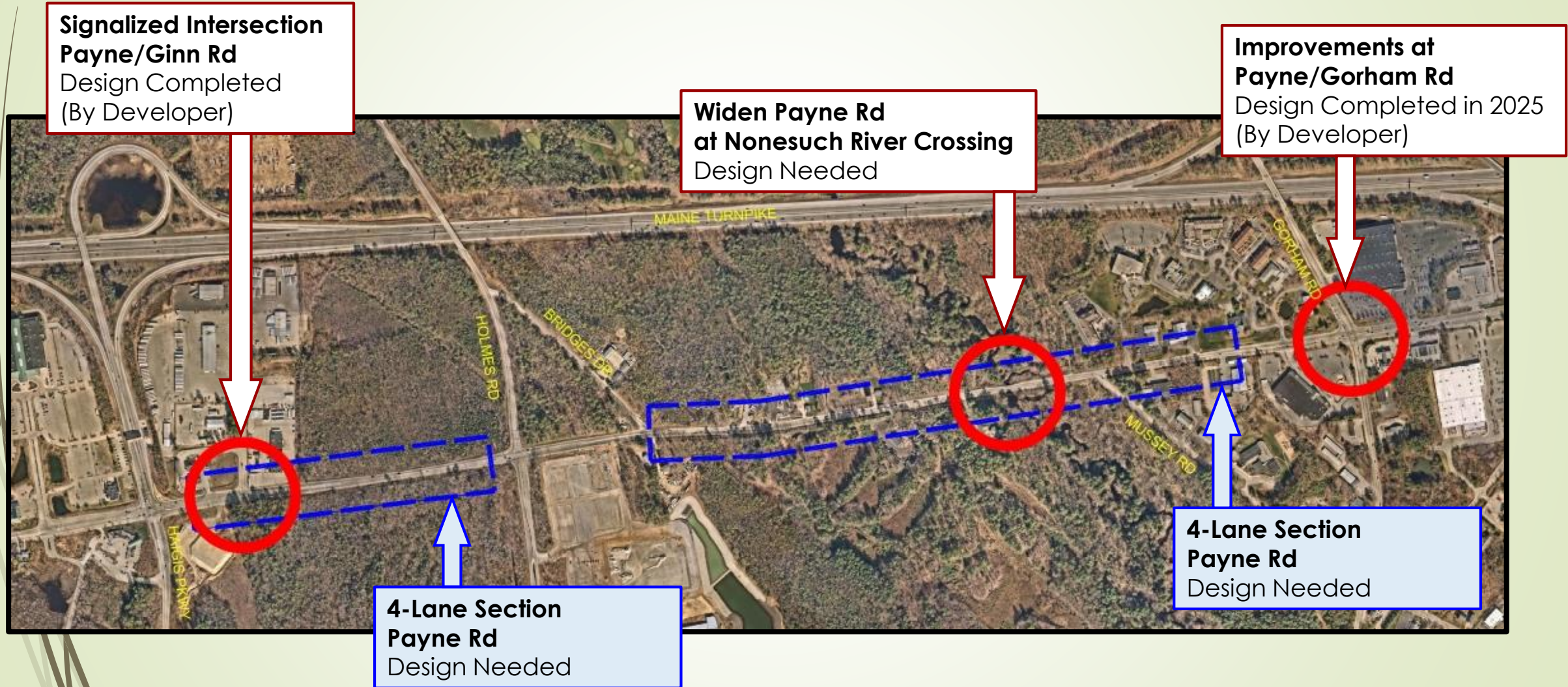
- New independent impact fee or roll into the Payne Road Corridor (formerly District 3)

Future Impact Fee Considerations

- Payne Road 4-Lane Section (Exit 42 to Gorham Road)
- Payne Road at Gorham Rd Improvements (Design complete 2025)
- Transportation Master Plan implementation projects to be determined from Town-wide Transportation Study

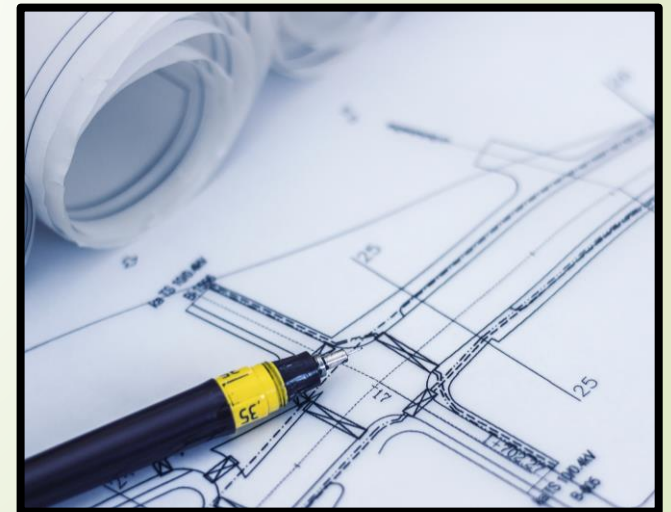


Payne Road Corridor Traffic Impact Fee



Methodology – Traffic Impact Fees

- Model existing traffic volumes and existing capacity thresholds of the roadways or intersections.
- Factor in growth rates acceptable to Maine Department of Transportation to determine the improvements needed in the next 10 years for anticipated volumes
- Rerun model factoring in proposed improvements to determine the additional capacity
- Based on the design and construction estimates, a per trip fee to pay for the improvements is determined
- Total Project Costs and Fees TBD





Next Steps – Proposed Part 1

- ▶ **Part 1: Prepare Draft Ordinance for Chapter 415 including the following:**

- ▶ Section 1 - General Provisions - [Combined from all](#)

- ▶ [Add Accelerator for School and Recreation Impact Fee](#)

- ▶ Section 2 – [Revised](#) School Impact Fees

- ▶ Section 3 – [NEW](#) Recreation Impact Fees

- ▶ Section 4 - Reserved for Open Space

- ▶ Section 5 - Roadway Impact Fees - Dunstan Corner Capital Improvement District ([MOVED](#))

- ▶ Section 6 – Roadway Impact Fees - Haigis parkway / Route One Capital Improvement District ([MOVED](#))

- ▶ Section 7 – Payne Road Area Capital Improvement District ([MOVED](#))

- ▶ [Repeal Chapters 415A, 415B and 410](#)

- ▶ **Legal Review**

- ▶ **Engage Development Community**

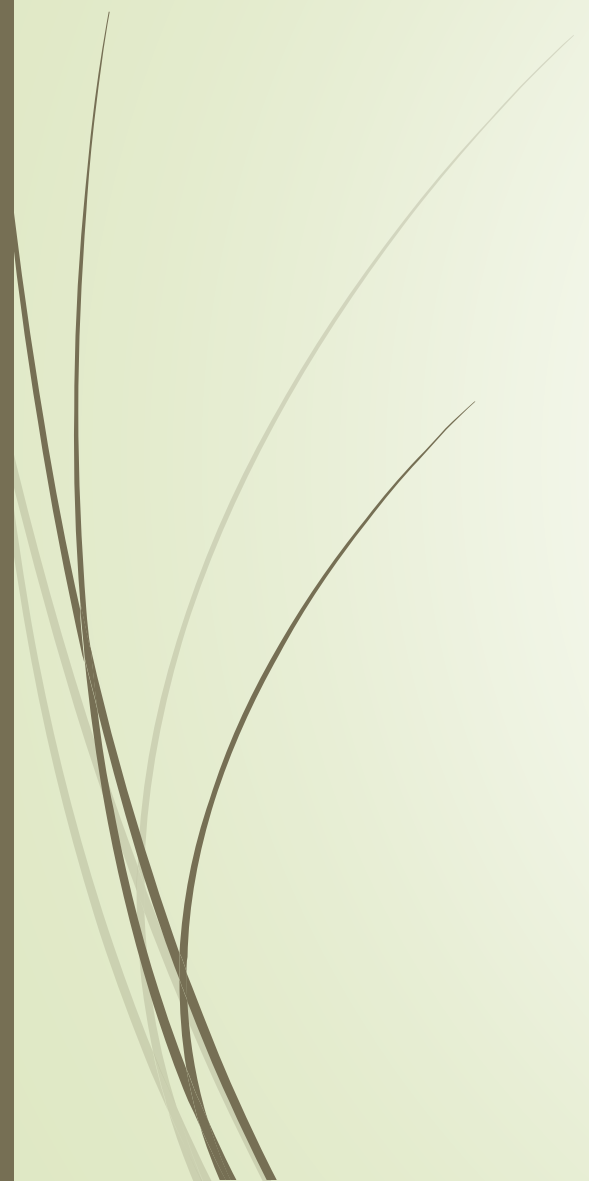
- ▶ **School and Recreation Fee ready for review at the end of the year**



Next Steps – Proposed Part 2

- ▶ **Part 2: Prepare Draft Ordinance for Traffic impact Fees**
 - ▶ Section 8 – NEW or Revised Payne Road and Ginn Road Intersection
 - ▶ Section 9 – NEW or Revised Payne Road and Nonesuch River Crossing
 - ▶ **Legal Review**
 - ▶ **Engage Development Community**
 - ▶ **New Traffic impact Fees ready for review early 2024**

 - ▶ **Options – Two part ordinance amendment or combine all efforts into one larger change early 2024**
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Questions and Discussion