



Impact Fees



Town Council

May 1, 2024



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 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- ▶ Many existing fees are outdated, or soon will be, as the improvements contemplated as the basis for the fee will be completed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)

Proposed Amendments

- ▶ Chapter 415 – Impact Fee Ordinance
 - ▶ Section 1 - General Provisions - [Combined from all](#)
 - ▶ Section 2 – School Impact Fees
 - ▶ Section 3 – [NEW Recreation Impact Fees](#)
 - ▶ Section 4 - [Reserved for Open Space](#)
 - ▶ Section 5 - Roadway Impact Fees –
 - ▶ General Roadway Impact Fee Standards
 - ▶ Dunstan Corner District ([MOVED](#))
 - ▶ Haigis parkway / Route One District ([MOVED](#))
 - ▶ Payne Road Area District 5 ([MOVED](#)) ([1, 2 and 3 repealed](#))
 - ▶ [NEW](#) Payne Road and Ginn Road
 - ▶ [NEW](#) Payne Road and Nonesuch River
- ▶ [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 Districts \(includes 1, 2 and 3\)](#)



Process to Date

- ▶ Town Council Workshop – October 4, 2023
 - ▶ Ordinance Committee – March 13, 2024
 - ▶ Engage Development Community – SEDCO – March 21
 - ▶ Transportation Committee Review – March 26, 2024
 - ▶ Town Council First Reading – May 1
 - ▶ SEDCO Community Forum – May 23
- 

Recreation Impact Fee per Bedroom

Parks and Facilities Master Plan Applicable Cost: \$10,859,900

- ▶ New Projects: \$5,262,700
- ▶ Expansion Projects: \$526,500
- ▶ Replacement Projects: \$5,070,700
- ▶ Maintenance – Not included \$4,358,600
- ▶ 25% Contingency – Not Included 3.8 Million (Accelerator Clause Anticipated)

Percentage of Total Cost Assigned to New Development: 20% - \$2,171,980

- ▶ Total Units Per Year (10 years) – 2,610
- ▶ Total Bedrooms Per Year (10 years) (assumes 3 br and under) – 5,330
- ▶ Total Cost Per Bedroom (10 Years) - \$408
- ▶ Total Persons per Year (10 Years) – 5,234
- ▶ Total Cost Per Person (10 Years) - \$415

Recreation Impact Fee: \$400 per bedroom (not to exceed \$1,600)

- ▶ **Total Captured (10 years): \$2,132,000**

Traffic Impact Fees

Payne Road and Ginn Road Intersection

- New separate impact fee created

Payne Road and Nonesuch River Crossing

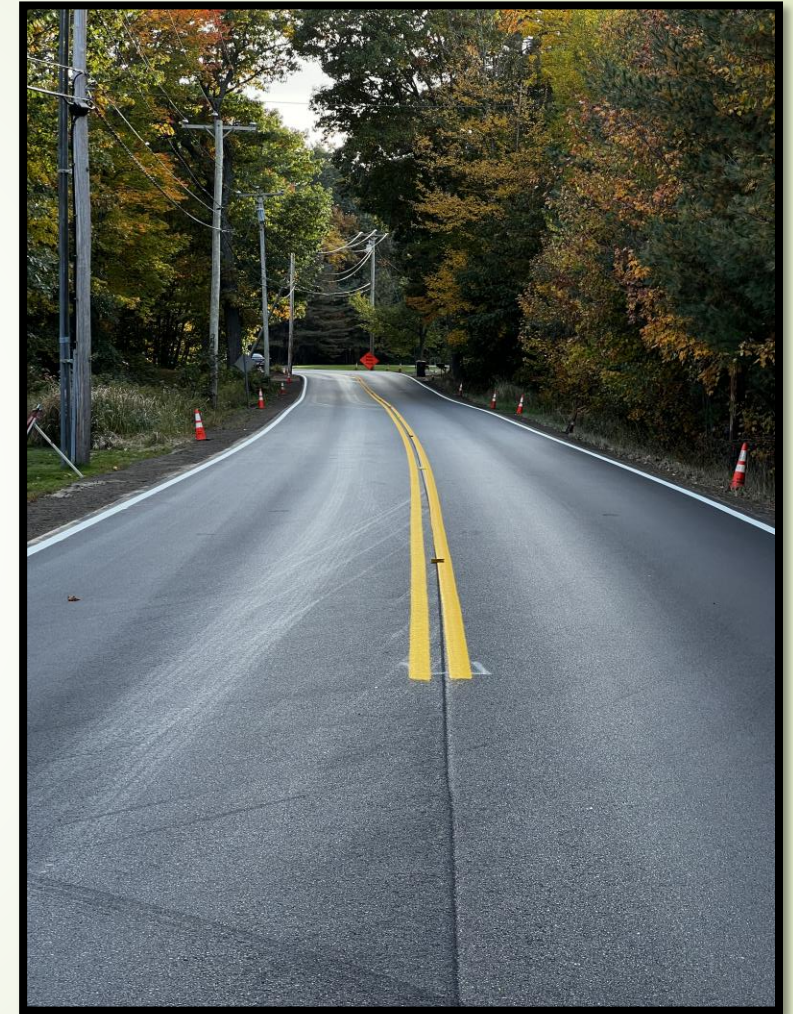
- New separate impact fee created

Existing Payne Rd Districts

- District 1 and 2: In 2023 Town Council approved the utilization of these fees towards the Payne Rd Signal Upgrade project from SP townline to Gorham Rd
- District 3: The FY25 proposed budget request, includes the allocation of these funds towards the Payne Rd/Mussey Rd Traffic Signal Installation
- District 4 was repealed in 2011

Future Impact Fee Considerations

- Payne Road at Gorham Rd Improvements (Design complete 2025)
- Payne Road at Cummings (replacing Payne Rd District 2)
- Transportation Master Plan implementation projects to be determined from Town-wide Transportation Study



Payne Road Corridor Traffic Impact Fee

**Signalized Intersection
Payne/Ginn Rd**
Design Completed
(By Developer)



**Widen Payne Rd
at Nonesuch River Crossing**
Design Needed



**Improvements at
Payne/Gorham Rd**
Design Completed in 2025
(By Developer)



**4-Lane Section
Payne Rd**
Design Needed

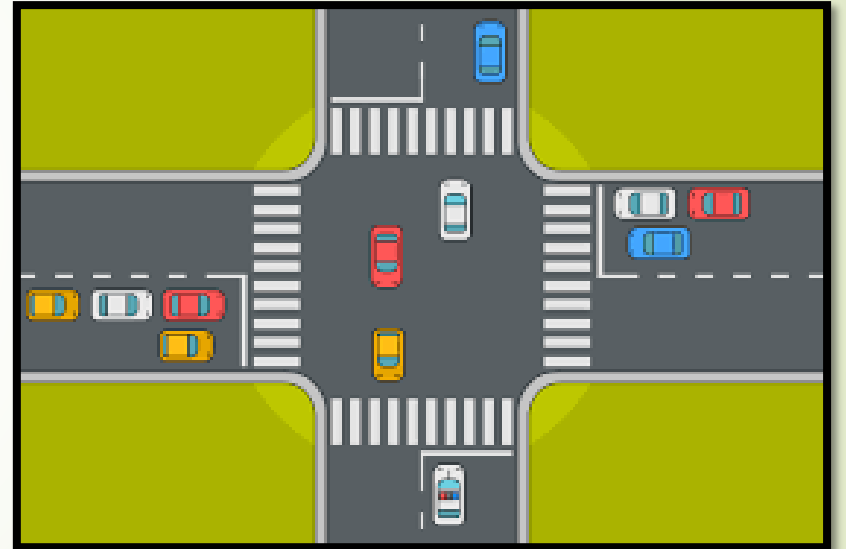


**4-Lane Section
Payne Rd**
Design Needed



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 is determined





Traffic Impact Fees

➤ Payne / Ginn District:

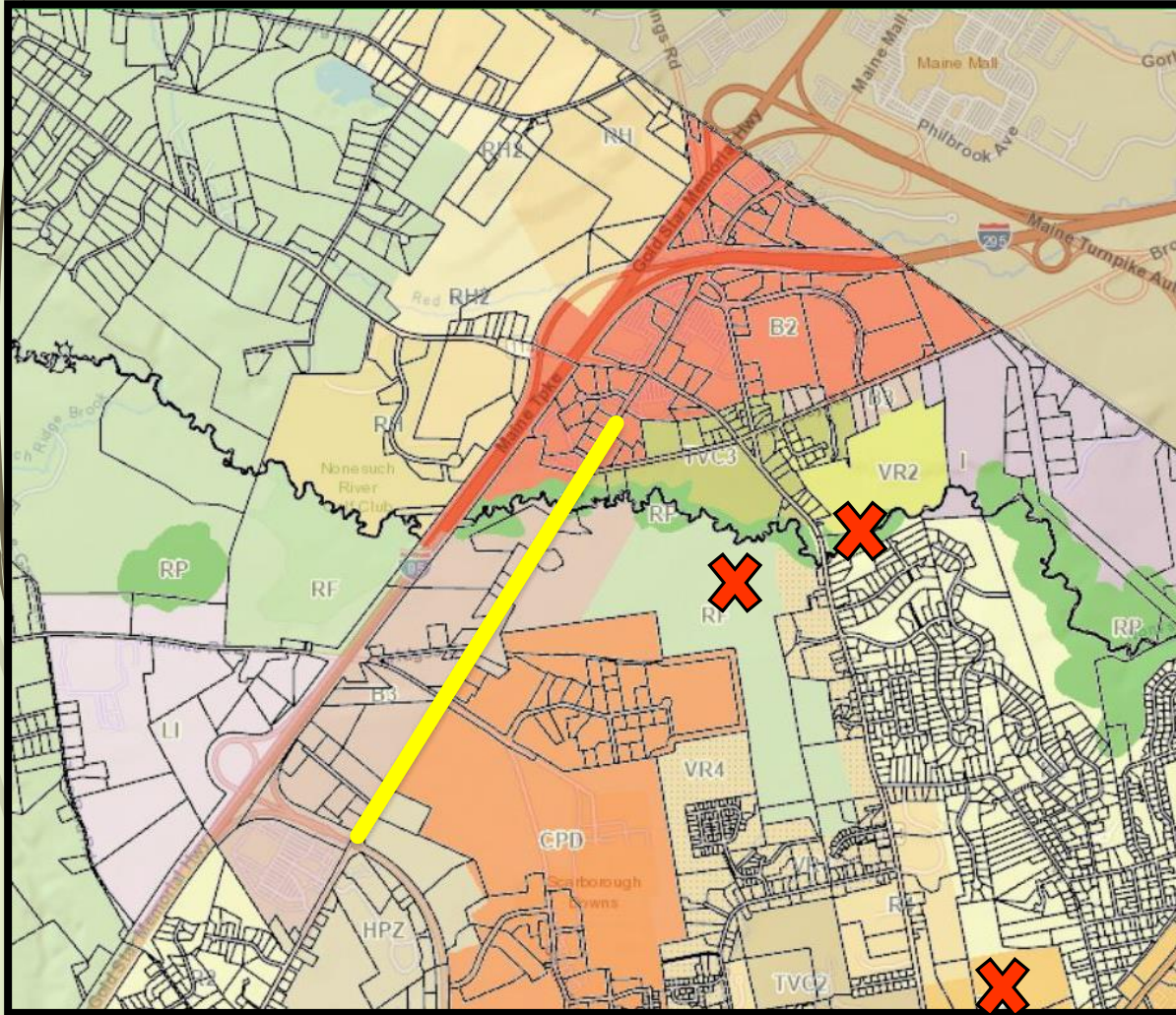
- ✓ Total Project Cost (2035): \$9,832,897.98
- ✓ Per Trip Fee: \$5,567.89
- ✓ 50% Cost Share for new Development: \$2,783.95

➤ Payne / Nonesuch River District

- ✓ Total Project Cost (2035): \$23,913,345.73
- ✓ Per Trip Fee: \$7,166.12
- ✓ 50% Cost Share for new Development: \$3,583.06

- *Assumes 5% increase in construction costs (on low end)*
- *Does not include any cost associated with bonding or financing*

Traffic Impact Fees



➤ Current Project Examples

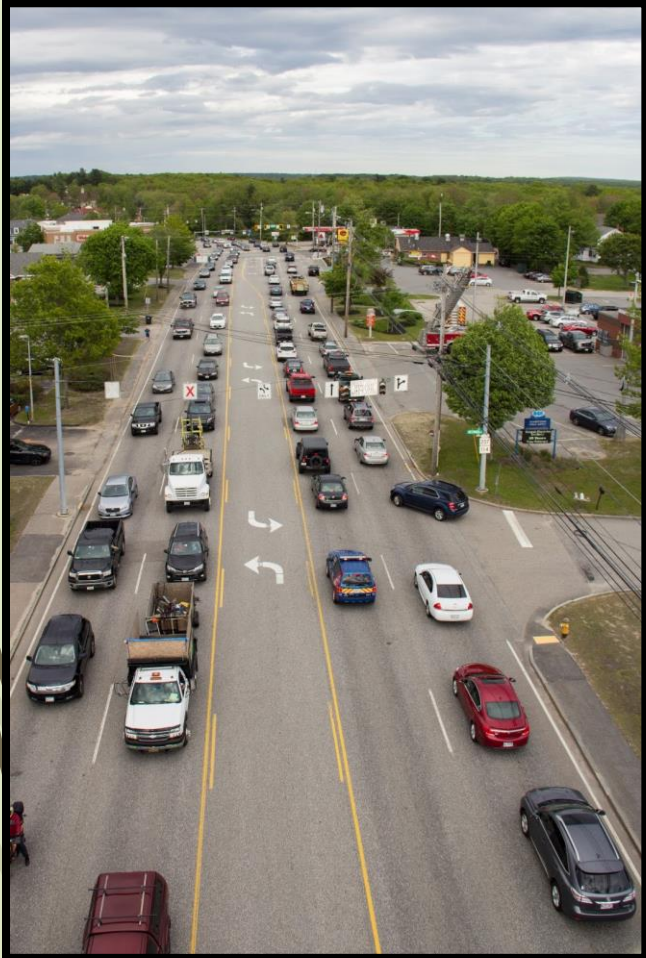
- ✓ Mussey Road Hotel - 120 units
 - Current = \$15,412.92
 - Proposed Fees = \$92,211.40

- ✓ AR Bldg Apt Complex - 126 units
 - Current Fees = \$53,513.10
 - Proposed Fees = \$100,612.96

- ✓ Oak Hill Plaza Apt Bldg
 - Current Fees = \$37,270.88
 - Proposed Fees = \$36,686.04

Traffic Impact Fees

➤ Partnership Approach



- Cost to mitigate traffic impacts is significant
- Without Traffic Impact Fees the last one in pays for all impacts from previous development
- A portion of the increased future traffic volume can be attributed to other factors, beyond new development, therefore all Stakeholders will need to participate
- Need to find an equitable way to share the cost

✓ Example of Partnership – Downs Development

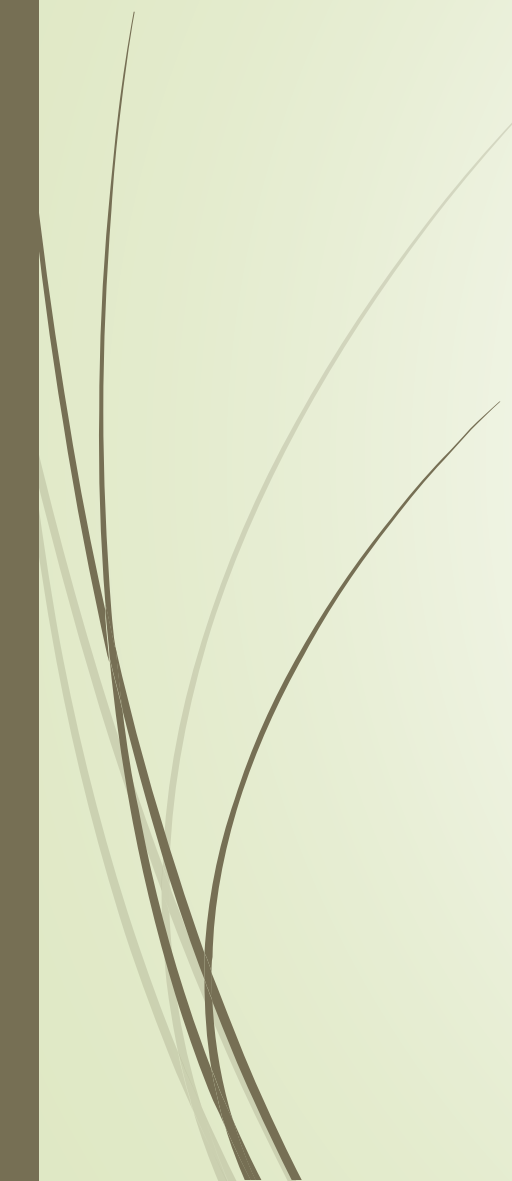
- Total Offsite Costs to Mitigate Approx. 3,000 trips = \$14,000,000
 - Department of Transportation portion = \$3,000,000
 - Town Share from Impact Fees Collected = \$2,800,000
- Percentage paid by new development trips = 59%

✓ New Ordinance Proposal

- New Development pay 50% of calculated project cost



Next Steps - July 1 Implementation

- ▶ SEDCO Community Forum – May 23
 - ▶ Town Council Public Hearing – May 15 or June 5
 - ▶ Town Council Second Reading – June 5 or June 26
- 



Questions and Discussion

