

IMPACT FEE ASSESSMENT – CITY OF AUBURN - PHASE I

The Potential for Impact Fees

Prepared for the City of Auburn
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With assistance from SJ Most Consulting

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Introduction of Key Issues

Impact Fee Definition: For purposes of this assessment we provide this simple and brief definition of impact fees: Impact fees are charges imposed on new development that are designed to cover some or all of the cost of capital facilities and infrastructure needed to serve the development.

Purpose of Impact Fees: To shift the costs for infrastructure and facilities needed to serve new development from general taxation to the development that created the need.

Common Arguments in Favor of Impact Fees:

- Require new development to pay fair share of the cost of infrastructure and facility expansion
- Reduce the reliance on property taxes as a local government source of revenues
- Reduce reliance on borrowing and debt
- If tied to appropriate planning and administration, can make development cost and process predictable and controllable, thus reducing anti-development sentiment

Common Arguments against Impact Fees:

- Owners of new development pay taxes like everyone else and should therefore have access to facilities and infrastructure like everyone else
- Increase the cost of new development and can therefore have an impact on housing affordability
- Because impact fees are dedicated, they reduce flexibility of the governing body over the use of revenues
- Can be difficult to establish and potentially burdensome to administer.

Criteria for Evaluating Revenue Sources:

1. Equity
 - a. Ability to pay (vertical equity) vs. benefits received
 - b. Horizontal equity – treat similar entities equally
 - c. Intergenerational equity – today’s residents vs. tomorrow’s
2. Efficiency
 - a. In the use and provision of public infrastructure, facilities and services
 - b. In the production and consumption of housing
 - c. In locational patterns of development
3. Administration & Costs – ease of administration and associated costs to administer
4. Revenue Potential & Stability
5. Political Acceptability
6. Financial Implications on Individuals – income tax deductible vs. not
7. Legal Considerations

Impact Fee Conditions

- Development must create a need for expanded or new facilities or infrastructure
- Imposed fees should equal the cost of new or expanded infrastructure

- Expanded infrastructure or facilities must reasonably benefit new development

Steps in Calculating an Impact Fee:

1. Planning – financial; land use; service, infrastructure, and facility standards and levels; comprehensive planning
2. Describe and define new development potential impacts
3. Assess level and adequacy of current facilities and infrastructure:
 - a. Needed to serve existing population
 - b. Needed to serve new population resulting from development
4. Price the impact
 - a. unit cost to serve new development
 - b. credits and adjustments for taxes paid and other revenues
5. Administer the Fee
 - a. Collect and track revenues
 - b. Make and track expenditures
 - c. Develop and administer system for returning any unused fees

Allowable uses in Maine:

May be imposed for (but not limited to);

- Wastewater and water facilities
- Solid waste facilities
- Fire protection facilities
- Roads and traffic control devices
- Parks, open space, recreational areas
- Other uses possible but impact must be demonstrated
- **Not allowed for operating costs**

Impact Fee Use & Experience in the U.S.

The International City/County Management Association conducted a 2006 survey of impact fee use in the United States (Lawhon, Larry, L., *Local Government Use of Development Impact Fees*, Municipal Year Book 2007, p. 11-14. ICMA). This was an update to a similar survey it conducted in 2002. The ICMA survey found that in 2006, 39% of municipal respondents (which included cities, towns, villages, boroughs, and townships) imposed some form of impact fee. This was an increase from the 2002 level of 25%.

Use of impact fees varied by geographic region with the Pacific Coast region reporting 90% use compared to a low of only 8% use in the New England region. New England municipalities actually reported a decreased use of impact fees from the 2002 level of 18%. In general, higher use of impacts fees was experienced in regions that were experiencing growth and building infrastructure in response to that growth. Regions that experienced substantial increases in the use of impact fees since 2002 include the Pacific Coast, Mountain, East South-Central, South Atlantic, and Mid-Atlantic division. The ICMA reports that, “states located in these divisions—California, Oregon, Washington, Colorado, Texas, Florida, Maryland, and Virginia—have been aggressively pursuing impact fees and other progressive land use planning techniques.”

In terms of why municipalities were using impact fees, the 2002 ICMA survey indicates the most common reasons were “citizens’ desire that new growth pay its way,” and a “large increase in new home construction.”

Impact Fee Use & Experience in Maine

Over the course of conversations with planners around the state, it is clear that the term “impact fees: covers two different systems of fee assessments. Each is enabled by different elements of Maine law.

What are sometimes referred to as “mitigation fees” (a term used by Scarborough’s Town Planner, Dan Bacon) is a side effect of site plan or subdivision standards, or development review by Maine DOT. These fees are paid by a developer in lieu of making a physical improvement, typically either to road or sewer infrastructure.

Title 23 (Highways); Chapter 13 (Construction, Maintenance and Repairs); §704A (Traffic Movement Permits) states:

- A. For any project that generates 100 or more passenger car equivalents at peak hour, the person responsible for the project is required to make adequate provision for traffic movement of all types into and out of the project area. Before issuing a permit, the department shall determine that any traffic increase attributable to the proposed project will not result in unreasonable congestion or unsafe conditions on a road in the vicinity of the proposed project. [1999, c. 468, §2 (new).]

...

E. Adequate provision for traffic movement may be provided through payment of funds pursuant to section 57-A. [1999, c. 468, §2 (new) .]

For traffic fees, the requirements typically stipulate that the improvement be done within 3 years after Maine DOT has contributed its share of the funds. These fees may be paid to the municipality or the state, depending on the arrangement.

Provisions in a community's subdivision or site plan review standards may dictate that a particular project not impact the level of service of neighboring intersections, provide pedestrian amenities, contribute to open space or other similar infrastructure-related provisions. Payments in lieu of physical improvements are allowable under the enabling legislation for these local ordinances. From discussion with planners, one key distinction of "mitigation" fees is that they require a developer to pay a proportional share of an overall infrastructure improvement, and that improvement does not need to be specifically designed or planned at the time of the fee assessment. If the improvement is never constructed, the fee must be returned.

Impact Fees (fees adopted by ordinance) are enabled by Title 30-A , Chapter 187 (Planning and Land Use Regulation), §4354 (Impact Fees). The introduction states:

"A municipality may enact an ordinance under its home rule authority requiring the construction of off-site capital improvements or the payment of impact fees instead of the construction. Notwithstanding section 3442, subsection 2, an impact fee may be imposed that results in a developer or developers paying the entire cost of an infrastructure improvement. A municipality may impose an impact fee either before or after completing the infrastructure improvement."

The statute defines that the amount of the fee must be reasonably related to the development's share of the cost of infrastructure improvements made necessary by the development. Funds received from impact fees must be segregated into a separate fund and must be eventually refunded if the project is not undertaken within a specified time period. The distinction here is that an Impact Fee ordinance is separate from subdivision and site plan approval and may be triggered by any development meeting the criteria of the ordinance. Therefore, fees may be assessed based on building permits, vehicle trips or other suitable, locally determined criteria.

Information is based on a review of articles that appeared in the Maine Townsman, interviews with selected communities, and information provided to the Auburn City Manager's Office by managers in other communities. The list is not meant to be exhaustive and in some cases a community's situation with regard to impact fees may have changed.

Eighteen communities were contacted by phone for this assessment including Augusta, Bangor, Biddeford, Brunswick, Cumberland, Freeport, Lewiston, Old Town, Orono, Portland, Saco, Sanford, Scarborough, South Portland, Standish, Waterville, Westbrook, and York . The most commonly implemented fee was for some form of road

infrastructure (8). Other communities utilize sewer (6), open space (4), school (2). Of the six communities not currently using impact fees, four were considering some sort of road impact fees program. Most communities do generate funds through various types of infrastructure mitigation fees in the development review process, even if they do not have a separate impact fee ordinance.

Some examples of impact fees include the Bangor Mall Area Impact Fee which has been in place since 1988 and generates revenue based on square footage of a commercial development. Funds generated through this fee may be used for a variety of infrastructure projects; however in practice it has generated enough money to finance additional road improvements in the area beyond minimum MDOT requirements. Brunswick uses a Solid Waste Impact fee which generates revenue from residential and non-residential development on a per-ton basis. Brunswick also uses a road impact fee in the Cooks Corner and Bath Road corridors that is assessed per vehicle trip. In addition to traffic impact fees for the Payne Road corridor and the Dunstan intersection, Scarborough assesses a school impact fee to new homes.

Most communities contacted had some experience with mitigation fees. Two typical types of mitigation fees are traffic fees charged to commercial developments as a condition of a traffic movement permit and open space or recreation fees paid at subdivision approval. For some communities these are set amounts and in other cases fees are negotiated on a case by case basis.

Summarized results include the following are presented below. Detailed notes from interviews with communities are included in the appendices.

Communities with formal impact fees adopted in ordinance

- Biddeford - sewer
- Bangor – Bangor Mall Area Impact Fee (functionally a road fee)
- Lewiston – sewer, road
- Orono - sewer
- Brunswick – solid waste, recreation, road
- Freeport – road maintenance, open space, (also considered school impact fees but did not adopt them)
- Cumberland – recreation and open space
- Standish – road impact fee
- Scarborough – school, road (at site plan review also collect an open space/recreation fee which is not formalized in ordinance)
- York – school
- Saco – sewer, recreation

Communities without impact fees in ordinance but using or considering mitigation fees

- Old Town – developing a road impact fee
- Augusta –have discussed a road impact fee
- Waterville – discussing a road fee
- Sanford – developing a road fee

- South Portland – using sewer, traffic mitigation fees on a limited basis; considered then rejected school impact fees
- Portland – using traffic mitigation fees

Communities contacted but not interviewed. The information is derived from Maine Townsman articles on impact fees as well as information provided previously to Auburn City Manager's office.

- North Berwick – designed fee system but didn't implement
- Gray - adopted fees for open space/recreation (flat \$350 fee per home, it is not raising enough and Town Manager feels it should be increased)
- Westbrook – no information provided
- Falmouth - considered school impact fees but not adopted
- Windham – has a \$425 per lot/unit recreation facility impact fee for plans that are approved by Planning Board. Pertains to units in subdivisions only.

The Potential for Impact Fees in Auburn

In order for there to be a potential impact fee use, there has to be impacts on capital facilities and equipment resulting from growth (current and/or future growth) and an anticipated increase/improvement/expansion of facilities or equipment to service growth and/or its impact.

City staff that are members of the Impact Fee working group were provided a list of questions to help assess the potential for impact fee use in Auburn. Detailed responses to each question by department are included in the appendices. The following is a summary of major findings:

Many impacts from commercial and residential growth were cited including those related to the amount/volume of growth as well as the location of growth, however, many of the cited impacts were impacts on operations, most specifically personnel. These present no opportunities for impact fees.

The impacts on capital facilities and equipment identified include the following potential increases and expansions:

- New fire stations or upgrades in the areas of New Auburn, inter-modal area, and the airport
- New fire vehicles
- Inspection vehicles for the Planning and Permitting Office
- Traffic improvements in the Mall area
- Traffic improvements in other commercial districts
- Streetlights, traffic lights, parking lot lighting
- Sidewalks
- Police patrol vehicles (mostly due to commercial growth)
- Police substation in the mall area (mostly due to commercial growth)
- Possible new public safety facility in the next ten years
- School buses
- School facility expansions/renovations are planned for Washburn elementary, East Auburn Elementary, Auburn Middle, and Edward Little High. These however are driven more by the need for improvements as opposed to enrollment growth
- Recreation facilities and open space (need more information on City plans)

Key questions to determining whether a potential exist for impact fees:

- How likely is it that the capital facility or equipment expansion will occur over the next 10 years?
- Is a significant amount or portion of the expansion/improvement due to new development?
- Is there a preferred alternative method for revenue raising (for example TIFS)?
- How significantly would a fee impact economic decisions by developers/businesses?
- Why have no communities implemented fees related to public safety?

Next Steps

Based on the information provided by the City staff and through deliberations by the impact advisory committee the following are recommend next steps for consideration by the City:

The intensity of residential growth and its impacts are not sufficient to justify impact fees for residential development at this time.

The most promising potential area for further consideration by the City is for traffic impact fees for commercial development. A traffic impact fee can be applied to specific districts within the City and at this time the Mall area district has the most potential for an impact fee structure; however other areas of the City have potential in the near future as well including the industrial park area.

A commercial traffic impact fee has the potential to achieve two major goals:

1. Offsetting some of the fiscal impact of traffic and transportation related improvements on the property tax, thus diversifying revenues
2. Providing a more fair and replicable system for determining among commercial development who pays what amount for needed improvements to further support economic development

The City should proceed with further consideration of a traffic impact fee, or Phase II of its study through the impact fee staff advisory group to further:

- Analyze the public costs and benefits of a traffic impact fee
- Consider the implications on economic development activities and achievement of the City's economic development goals and strategies
- Develop draft impact fee ordinance language and a fee schedule

A second service area that may warrant further consideration of impact fees is with regard to sewers. This should also be further pursued by the advisory group starting by meeting with sewer district officials to further assess growth potential and future plans.

**APPENDIX – NOTES FROM INTERVIEWS WITH MAINE
COMMUNITIES**

Lewiston

Gil Arsenault – Director of Planning – 784-2951 x318

garsenault@ci.lewiston.me.us

Have you adopted impact fees?

Yes, on a limited basis

To what development activities do they apply?

Sewer impact fee throughout the city.

- This has been in place for many years and applies to new development.
 - o New commercial development, fee based on meter size
 - o Redevelopment, fee based on the difference between the old meter and the new meter
 - o Single family home - \$1000
 - o Multifamily home - \$750
- Collect fees when permitting, but fees go directly to sewer dept

Traffic Impact Fee

- o 196 Lisbon Street – Retail development
 - o Fee applies to development along an approximately 1 mi corridor
 - o Project required a traffic movement permit and the road was not going to handle it, so they went to the impact fee system for this development.
- o Impact fee based on traffic movement permits, rather than vehicle trips
- o Only one other development (a church) has been charged the fee so far

What do they finance?

- Sewer: use for stormwater separation to avoid expanding system
- Traffic: road was 4 lanes, they went to 2 lanes + center turn lane.

Overall, how well is the system working? Fine.

What aspects are working well?

Sewer fees have been in place for many years, traffic fee is relatively new.

Not working well?

Would prefer to have traffic fee be based on vehicle trips rather than traffic movement permit.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Would like to see them used more. Limited by time – short staffed. Also, economic development people don't like them.

Biddeford

Greg Tansey, City Planner - (207) 284-9307

Have you adopted impact fees?

Yes.

To what development activities do they apply?

Sewer Impact Fee applies to commercial and residential development and is based on anticipated flow. Open Space Impact Fee for Planned Unit Development is recent and has been applied twice. The developer has the option of a fee based on a formula or land for open space. The fee is negotiated based on a formula or land value calculation.

The city also has a line in its Zoning Ordinance that allows them to assess impact fees on a case-by-case basis for sidewalks, road improvements, sewers and drainage.

What do they finance?

Sewer infrastructure, open space and other infrastructure.

Overall, how well is the system working?

Sewer impact fee ordinance works well, open space ordinance has only been applied twice.

What aspects are working well?

Even application.

Not working well?

The lack of a specific ordinance makes the other impact fees less clear for the developer what is expected. They would prefer to know up front what the fees will be.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

They are exploring the possibility of a multi-modal transportation impact fee for sidewalks, roads and transit.

Brunswick

Jim Fortune, Town Planner – 725-6660

Have you adopted impact fees?

Yes

To what development activities do they apply?

Solid Waste Impact Fee

- per ton basis
- residential and non-residential development

Recreation Impact Fee

- new subdivisions pay this fee
- paid after approval but before building permit issued

Traffic Impact Fee

- limited to two areas of town
- One is Bath Road corridor, Cooks Corner
- Paid on a per-vehicle trip basis

What do they finance?

Infrastructure improvements.

Overall, how well is the system working?

System works well for Brunswick.

What aspects are working well?

Not working well?

Currently revising the Recreation Impact Fee to improve equity between the growth and rural zones. Also will ensure that all new development pays a fee, currently there are exemptions for open space.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Not considering any other fees at this time.

Old Town

Peggy Daigle, Town Manager – 827-3965

Have you adopted impact fees?

None in place right now.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Currently developing a traffic impact fee zone along a road in town to be able to improve infrastructure.

Suggested talking to Orono Town Manager Kathy Conlow, as they have impact fees.

Waterville

Ann Beverage – City Planner – 680-4200 x4230

Have you adopted impact fees?

No. They charge a relatively high building permit fee which originally was thought might be able to be used for infrastructure improvements. That's not being done, currently the fees go straight to the general fund.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Currently discussing a traffic impact fee for road improvements (in fact, she had a meeting this afternoon on the subject). No discussion of fees for any other use.

York

Steve Burns, Town Planner 363-1007 sburns@yorkmaine.org

Have you adopted impact fees?

Yes – first impact fee in the state.

To what development activities do they apply?

School impact fee is authorized through the zoning ordinance. The selectmen then authorized the regulation. The fee is calculated based upon the type of unit (category of housing) and the number of bedrooms in the unit. Seasonal homes are excluded as they do not put kids in the schools.

What do they finance?

Bond payments on the high school and the middle school

Overall, how well is the system working?

Works well, easy to apply.

What aspects are working well?

Not working well?

Sewer and water districts each charge approximately \$2000 in connection fees, causing the total amount of fees to build a home to be about \$7000 which is overall very high. People start to grumble. If the water district and sewer district fees were lower, there might be political room to discuss other fees, but not at this time.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

The Mount Agamenticus to the Sea initiative, which involves 6 towns, has considered using open space impact fees to help acquire open space. The town is not interested in pursuing this at this time.

Freeport

Donna Larson, Town Planner – 865-4743 x103 – dlarson@freeportmaine.com

Have you adopted impact fees?

Yes.

To what development activities do they apply?

Pavement Maintenance Fee

- new construction over 1000ft²
- fee set in ranges, starts at \$250, caps at \$30,000

Open space impact fee

- village area only
- depending on location (based on a map) need to provide open space or pay a fee for open space purchase
- only gets applied to subdivisions within the village – have not been that many

What do they finance?

Pavement maintenance fee helps to keep up with the cost of maintaining the paving schedule. Based on the fact that construction vehicles take a heavy toll on the roads, the fee has helped to keep the costs of maintenance down (paving cost has gone up 32%, town has been able to have a stable budget in this area.

Overall, how well is the system working?

Very well – the council loves it.

What aspects are working well?

Cost of road maintenance to the town staying constant through use of fee.

Not working well?

In retrospect, it would work better if it were per square foot instead of the ranges that are currently in place.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

No other fees are being considered at this time.

Standish

Planning dept – 642-3461 – spoke with Donna, Secretary to Town Planner Alton Benson

Have you adopted impact fees?

Yes

To what development activities do they apply?

Road impact fee – residential subdivisions (town has little commercial development). Fee is determined by contractor with guidance from town staff. Based on vehicle trips generated.

What do they finance?

Fees are invested and used for road improvements.

Overall, how well is the system working?

What aspects are working well?

Not working well?

No one likes to pay impact fees.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

No other fees are being considered (to her knowledge). Town planner was unavailable.

Cumberland

Carla Nixon, Town Planner 829-2206

Have you adopted impact fees?

Yes, Open Space and Recreation Fee – in place for 4 years.

To what development activities do they apply?

Residential development only, based on square footage of development. The fee is paid prior to issuance of a building permit.

What do they finance?

Can be used for any park/open space in the community, but in practice fees have been used for maintenance of Twin Brook, the town's main park.

Overall, how well is the system working?

Very well, essentially it is on auto-pilot, no controversy.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Town is not considering any other fees at this time.

Augusta

Bill Bridgeo, City Manager 626-2300 william.bridgeo@augusta.gov

Have you adopted impact fees?

No formal impact fees. Do have traffic impact fees charged to a development in conjunction with ME DOT. Planning board can require a developer to improve streets based on trip generation – case by case situation. Mike Dugay (626-2336), Director of Development works more directly with these issues.

To what development activities do they apply?

For example \$1million Cony Circle upgrade will be financed by:

\$100,000 Marketplace Development by Civic Center

\$150,000 Hannaford near circle

\$100,000 Packard Development by I-95

\$200,000 CVS near circle

Balance from state funds.

These assessments were done under the provisions of the zoning ordinance as part of site plan approvals.

What do they finance?

Overall, how well is the system working?

As far as it goes, the system currently works well.

What aspects are working well?

It funds some improvements without much push-back from developers. They seem to expect it.

Not working well?

Very limited. Have missed opportunities over the years.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Have discussed implementing a traffic impact fee. Interested in results in Auburn. He would be in favor of more comprehensive and aggressive impact fees to cover the full range of infrastructure. To do this, he would have to overcome a great deal of push back from businesses who see it as negative.

Bangor

Dan Wellington, Code Enforcement Officer 992-4232

Have you adopted impact fees?

Yes.

To what development activities do they apply?

Bangor Mall Area Impact Fee, in place since 1988. The mall was built in the 1970's and is not yet built out. There is about 5 million ft² of retail currently, 500,000ft² just approved and another 300,000 ft² in the works.

What do they finance?

According to the ordinance, this fee may cover the financing of infrastructure related to water/stormwater collection and treatment; municipal water facilities (of which Bangor has none, water facilities are handled by the Bangor Water District); solid waste disposal, fire protection, roads/traffic control devices; public parks open space & recreation areas; schools. In practice, there are only sufficient funds collected to put toward roadwork.

This is in addition to the DOT/DEP requirements that are assessed to developers under the Maine Site Location Act. For example, the new WalMart development is a 218ft² new retail development paying \$3.5 million for road/traffic improvements, in addition to Bangor's local impact fee.

Overall, how well is the system working?

Not working well due to out-dated fee structure.

What aspects are working well?

Provides city with some options for taking care of road/traffic improvements beyond DEP/DOT requirements. Last year they were able to add a traffic light at a residential development about 1 mile from the last commercial development using these fees. It also allows the city to replace older infrastructure such as culverts that are not on the DOT's radar screen.

Not working well?

The calculations that were done to develop the fees were done in 1988 based on the anticipated build-out and costs for infrastructure at that time. Fee set at 40.78 cents/ft² and has not been adjusted for inflation. Realistically, it should be closer to \$1/ft² at this point. The fee as currently structured is not fulfilling its mission as it is not generating enough money to put toward improvements in areas beyond roads.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

The city looked at creating a Lower Main Street impact fee (area of Hollywood Slots) but decided on a TIF district instead. They are capturing new taxes to use for public improvements along that area. LD1 changed the council's thinking about

charging/collecting fees. This effort will include trying to make the stretch from Union ST. to I-395 more pedestrian friendly, an effort bolstered by their recent purchase of 20 acres of open space along the river. They will create a green space within the 100-yr floodplain and overall promote re-development in the area.

Learning: They have missed opportunities, as sophisticated national developers expect to pay these types of fees and are surprised to find out how low Bangor's impact fee is. Bangor is expecting to see growth when the new census figures are released (between 1950-2000 population was stable within 300 people, after a high of 44,000 when Dow AFB was in operation, they are at 32,500 now). Retail and medical causes the population to swell to 90,000 during the day.

Orono

Kathy Conlow, Town Manager 866-2556

Have you adopted impact fees?

Yes

To what development activities do they apply?

Sewer Impact Fee – 2yrs old – residential and commercial development based on amount of pipe space anticipated to be used

What do they finance?

Immediate upgrades required to the sewer system as a result of new development.

Overall, how well is the system working?

Great.

What aspects are working well?

Finally cost of new development is not being borne by the existing rate payers. Sewer rates are among the lowest statewide, but have had to increase rates in recent years. Increases would have been even higher without impact fees or the new development would have been tying into a system that was cash strapped and under sized.

Not working well?

Maine law is quite restrictive. Orono's ordinance is written to comply with the limits of state law.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Considering a road impact fee. Development is really at the University, so the impacts are very localized.

Sanford

Jim Gulnac, Director of Planning 324-9125 jggulnac@sanfordmaine.org

Have you adopted impact fees?

No. Do charge impact fees on a case-by-case basis through planning board review as all communities are entitled to do.

Overall, how well is the system working?

Moving to the next step of formalizing the traffic fee into ordinance.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Staff has drafted a Traffic Impact Fee that has not yet been through council review. It is anticipated that it will cover residential and commercial development. Not yet determined if it will be based on vehicle trips or square footage.

Saco

Bob Hamblen, town planner – 282-3487 bhamblen@sacomaine.org

Could not connect with Bob by phone, did speak with Maggie Edwards in the office.

Have you adopted impact fees?

Yes.

To what development activities do they apply?

Sewer Impact Fee

Open Space/Rec Fee – Zoning Ordinance, Article 16 (printed). This fee is on residential development and is a per capita fee based on occupancy ratios in different housing types. Fee is \$531 per capita

What do they finance?

Acquisition of land, easements, design and construction of park improvements.

Scarborough

Dan Bacon, Town Planner 730-4040

Have you adopted impact fees?

Yes- Formal impact fees include School Impact Fee, Two road impact fee ordinances (Payne Road and Dunstan Corner). At site plan review also collect an Open Space/Recreation fee which is not formalized in ordinance.

To what development activities do they apply?

School Impact Fee adopted in 2002 is applied to new residential development and is collected prior to issuance of a building permit. The fee is adjusted annually for inflation, and differs by housing type, with the highest fee paid by single family homes and multiplex and affordable housing paying somewhat less.

Payne Road Impact Fee was adopted in 1990 and has been utilized ever since to pay for 100% of the cost of multiple roadway improvements in the Payne Road area. There are 5 separate impact fee districts, with varying impact fees depending on which area the new development will impact. The fee gets smaller as the residential or commercial development gets farther from Payne Road. Fees are assigned by town staff based upon traffic distribution/modeling. In the case of larger developments, the developer's staff calculates the fee and town staff/contractors provide a review.

Dunstan Corner Impact Fee is set up to fund 25% of a specific traffic improvement plan detailed in the ordinance. This ordinance is set up as one district and impacts one infrastructure plan. The fee is on trips generated through the intersection and is paid by residential and commercial development.

The Planning Board charges an Open Space/Recreation fee to new residential development which has historically been \$500/lot in most zones and \$250/lot in the rural zone. There has been no initiative to formalize this assessment as a fee in ordinance, as fees are typically not suitable funds to gain matching grants for certain initiatives. The Planning Board may accept land as open space in lieu of collecting the per-lot fee.

Additionally, like other communities, Scarborough's Planning Board also charges transportation-related fees to new developments impacting the Haigis Parkway/Route One corridor and the Oak Hill Intersection at site plan approval. Under the site plan review ordinance, new development cannot contribute traffic to an intersection rated "D" or worse by the MDOT. Rather than make piecemeal improvements, the developments typically pay a proportionate fee that is collected by the town and applied to later improvements in the context of a larger project.

What do they finance?

School construction, parks and recreation and traffic improvements.

Overall, how well is the system working?

Formal Fees (in ordinance) works well. Informal fees are more problematic.

What aspects are working well?

Impact fees are not controversial with the larger developers and local builders of moderate to large projects as they have come to expect them and work them into their plans. The system is fair because everyone pays a proportion of the improvements they will utilize. The rec fee has been successful as it has required developers to build recreation amenities into subdivisions, convey public land or pay into a fund that has helped to build new parks in town. Overall, traffic impact fees are painful but fair because they apply to everyone. More expensive for everyone, but doesn't put the entire burden on one developer for intersection and road improvements.

Not working well?

While developers who work in Scarborough are familiar with these fees, the smaller developers or person doing a one-time development tend to get blindsided by fees. Since it is not an ordinance, the rec fee doesn't tend to come up until later in the process which can tend to be a problem. Additionally, Scarborough's fee structure can be a competitive disadvantage, as neighboring communities are not as strict with fees. Development costs end up being higher in Scarborough initially, but the town argues that this has kept the overall tax rate down, a long term advantage.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

Town council looked at a formal impact fee for the Oak Hill intersection but ultimately rejected it. Currently individual developments are paying fees as part of site plan approval, but this tends to make it a localized fee, rather than spreading the costs equitably across all development as the other two impact fees have tended to do.

Key factors in adopting traffic impact fees:

1. Legally need to tie the fee to a specific improvement plan that is already designed and clearly benefits the development being charged the fee.
2. The system of charging by trip distribution is fair as those developments further away pay a lower proportional fee because they have a lower proportional impact.
3. Timing of payment – easier for developers and fairer if fees are paid somewhat incrementally as the project builds out. Scarborough has had the best luck with project phasing and having the fees due at the start of each new phase.
4. Be up front with applicants early in the process to help them to understand that the fee is an ordinance (i.e. required) and that they need to address it as part of their plan so that they are not surprised later.

South Portland

Tex Hauser, Director of Planning and Development 767-7649

Have you adopted impact fees?

Traffic impact fees on an intersection by intersection basis. In the past there was also a fee system for developments that didn't require a traffic movement permit, such as in places like Broadway and Sawyer. The traffic level never rises to the level of needing a lite, so the fees end up being returned.

Sewer Impact Fees – for forced main jobs, project by project basis on top of hook-up fees.

No school impact fees.

Overall, how well is the system working?

It worked for sewers, but not for traffic.

What aspects are working well?

With the sewers, you could charge the people who need the service for the whole cost to implement the infrastructure changes.

Not working well?

With the traffic fees, there was uncertainty around the eventual justification for the improvement. Additionally, the fees charged never generated enough cash to just do the improvement locally because the incremental trips assigned to new development aren't nearly enough compared to the background traffic levels. The community is very well built out at this point, so the concept of impact fees for new infrastructure doesn't really work. The cost of a traffic signal is too high to charge to incremental traffic volume.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

No other fees are under consideration at this time.

Portland

Barbara Barheit, Planning Division 874-8724

Have you adopted impact fees?

No. Do have delegated review for traffic permits and can assess impact fees for traffic improvements. Can also charge fees related to improvements as part of contract rezoning or subdivision review.

What do they finance?

Standard development requirements may require 2 trees per unit per lot or the developer can put money into an account for street trees if they can't put them on site.

The city traffic engineer or a consultant are used for the delegated reviews. The requirement is for the Level of service not to degrade of for pedestrian crossings (as examples).

Overall, how well is the system working?

Proportional impacts system works fine.

If you do not have impact fees, did you ever study/consider them and what were some of the reasons you did not adopt them?

City is not looking at impact fees. They are considering a parking fee in lieu of parking on site. Also an alternative modes study is being done for the penninsula.

APPENDIX: IMPACT FEE QUESTIONS FOR CITY OF AUBURN WORKING GROUP

The following questions were posed to members of Auburn's Impact Fee working group consisting of municipal and school staff.

Please provide a brief overview in Word format for each of the following questions as they pertain to your Auburn department/service area.

1. What have been recent impacts of residential growth on your department in terms of services and facilities?
2. What have been recent impacts of commercial growth on your department in terms of services and facilities?
3. If residential growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?
4. If commercial growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?
5. Describe any pending (those that have been approved by the City for funding or you anticipate they will be in the next year or two) major capital projects of your department/service area including major equipment, infrastructure, and facilities?
6. Describe any major capital projects by your department/service area including equipment, infrastructure, and facilities that you feel the City might need to make in the next ten years if its current residential and commercial growth rates continue?

The above data will be used to develop an impact fee matrix that lists:

- City department
- Current facility and infrastructure Situation
- Recent and future growth impacts
- Potential City facility and infrastructure response and costs
- Revenue alternatives

**APPENDIX – RESULTS OF IMPACT FEE QUESTIONS FOR CITY
OF AUBURN WORKING GROUP**

Fire
Planning & Permitting
Police
Schools

Fire Department

1. What have been recent impacts of residential growth on your department in terms of services and facilities?

Obviously increased calls and in the future we may need to look at adding stations and personnel to cover the sprawl.

2. What have been recent impacts of commercial growth on your department in terms of services and facilities?

Again increase in calls and more complicated responses due to size and complexity of the buildings let alone the planning, designing and code enforcement associated with them.

3. If residential growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

We would definitely need to add personnel as well as vehicles and probably stations closer to these growth areas.

4. If commercial growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

Additional help in code enforcement as well as initial design and again as calls for service increase more personnel and vehicles to respond appropriately.

5. Describe any pending (those that have been approved by the City for funding or you anticipate they will be in the next year or two) major capital projects of your department/service area including major equipment, infrastructure, and facilities?

We are already looking at the addition of a new station replacement in New Auburn and I suspect we will need to look at the inter-modal area and the airport in the next few years as they continue to grow and will need specialized services.

6. Describe any major capital projects by your department/service area including equipment, infrastructure, and facilities that you feel the City might need to make in the next ten years if its current residential and commercial growth rates continue?

It all revolves around additional personnel, vehicles and station placement for response to service calls.

Planning & Permitting Department

Submitted by David C.M. Galbraith, Director of Planning & Permitting Services

1. What have been recent impacts of residential growth on your department in terms of services and facilities?

The large volume of residential housing construction in recent years has greatly impacted our department as each new building / unit needs to have the plans submitted, reviewed for compliance (land use, setbacks, building codes, electrical codes, etc.), permits issued and numerous inspections (foundation, framing, electrical, plumbing etc.). Most permits & inspections involve re-inspections & contacting developers and or property owners with questions or answers to various codes. In addition, the inspections require travel time, gasoline and wear and tear on our vehicles. Lastly, many of the areas which have experienced residential growth include public hearings for subdivision & site plan review which involves a significant amount of Staff time for plan review, writing reports, attending public hearings and drafting meeting minutes.

2. What have been recent impacts of commercial growth on your department in terms of services and facilities?

Similar to the above the large volume of commercial construction in recent years has greatly impacted our department as each new building / unit needs to have the plans submitted, reviewed for compliance (land use, setbacks, building codes, electrical codes, etc.), permits issued and numerous inspections (foundation, framing, electrical, plumbing etc.). Most permits & inspections involve re-inspections & contacting developers and or property owners with questions or answers to various codes. We have experienced growth in restaurant development, which further involves significant plan review & inspections and yearly licensing & re-inspections. In addition, the inspections require travel time, gasoline and wear and tear on our vehicles. Many of the commercial projects require public hearings for subdivision, Special Exception & Site Plan review that involves a significant amount of Staff time for plan review, writing reports, attending public hearings and drafting meeting minutes. A significant amount of recent projects are located in the Mount Auburn area, which included major traffic improvements that required a significant amount of Staff time.

3. If residential growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

If the residential growth and development continue at the rates experienced in recent years I anticipate the need for additional Staff and inspection vehicles.

4. If commercial growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

Similar to the residential growth discussed above if commercial development continues at the rate experienced in recent years I anticipate the need for additional Staff and inspection vehicles.

5. Describe any pending (those that have been approved by the City for funding or you anticipate they will be in the next year or two) major capital projects of your department/service area including major equipment, infrastructure, and facilities?

The major capital improvement projects that will need to be funded is the Mall Area Traffic Improvements & the Great Falls Plaza parking garage project. I am also requesting funds to purchase two (2) inspection vehicles. Additional Staff may require additional vehicles and equipment (street lights, maintenance etc.). New development often involves the need for additional infrastructure such as streetlights, traffic lights, parking lot lighting etc. which all needs to be maintained and often installed by the Planning Department.

6. Describe any major capital projects by your department/service area including equipment, infrastructure, and facilities that you feel the City might need to make in the next ten years if its current residential and commercial growth rates continue?

The major capital projects that will need to be funded by the Planning Department including equipment, infrastructure, and facilities we might need to make in the next ten years if its current residential and commercial growth rates continue is additional inspection vehicles and equipment (street lights, maintenance, a new / additional bucket truck for electrical work). Much of the new development often involves the need for additional infrastructure such as streetlights, traffic lights, parking lot lighting etc. which all needs to be maintained and often installed by the Planning Department.

Police Department

Submitted by Phil Crowell, Police Chief

1. What have been recent impacts of residential growth on your department in terms of services and facilities?

The police department has experienced an increase in residential false alarms and burglaries which have increased calls for service. Depending on the location of the new development, a delay in overall response times are being experienced. The department is also seeing an increase in youth services. Referrals related to child abuse are on the rise. These cases are taking away from the SRO in the schools.

2. What have been recent impacts of commercial growth on your department in terms of services and facilities?

The commercial growth has been the largest impact on the police department. An increase in calls for various services is being affected. The traffic volumes on the roads are creating an increase in motor vehicle accidents and traffic movement violations (red light). The additional vehicles have increased accidents in parking lots along with motor vehicle thefts. The retail stores have a high volume of shoplifting occurring which is also taking an officer's time away from patrolling/community policing efforts. Commercial buildings also have more frequent false alarms due to the numerous users causing errors upon entry and exiting.

3. If residential growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

If residential growth increased without any change in the commercial growth, the department would need two additional officers over the next ten years and one vehicle added to the fleet. The two additional officers would be added to youth services along with the motor vehicle. Most of the patrol calls for service would be absorbed in the daily call volume. It is critical for the department not to be call driven. A proactive department will deter many offenses in the community.

4. If commercial growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

The Auburn Police Department will have to increase the sworn officer staff by six members and increase civilian staff by two members. The police fleet will have to increase by three. This would include the equipment needed to outfit the officer and a police cruiser. The department will also need to establish and operational substation which would be staffed with one civilian in the mall district. The additional civilian will be out of the police headquarters in the records division.

5. Describe any pending (those that have been approved by the City for funding or you anticipate they will be in the next year or two) major capital projects of your department/service area including major equipment, infrastructure, and facilities?

Major capital expenditures for the police department only include an upgrade to the facility for security measures and HVAC system.

6. Describe any major capital projects by your department/service area including equipment, infrastructure, and facilities that you feel the City might need to make in the next ten years if its current residential and commercial growth rates continue?

A new public safety facility which will include Fire and EMS will be needed in the next ten years. The department will also need to acquire a substation facility in the mall district.

School Department

1. What have been recent impacts of residential growth on your department in terms of services and facilities?

The school department finds a positive impact results from residential growth which increases our enrollment. Depending on where the growth occurs, there may be an impact on busing causing us to need additional buses and drivers

2. What have been recent impacts of commercial growth on your department in terms of services and facilities?

Again, depending on the location, the impact may be to busing routes, pick-up and drop off of students, and ability to get through heavy traffic areas in a timely manner.

3. If residential growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

Most schools can handle increased enrollment with the additional of classroom teachers, however the busing may be an issue depending on the location of growth. Purchase of additional buses and drivers would be needed. Our purchase at this point is replacement of old buses. Depending on the area which experiences growth, there maybe a need for additional or new sidewalks and crossing guards, for those students that are within walking distance to school. If there are no sidewalks or safety issues so that students can not walk to school, the school will need to transport these students regardless of distance.

4. If commercial growth and development continues at rates experienced in recent years what do you expect to be the impacts on your department/service area over the next ten years?

Same as # 2, not a significant impact.

5. Describe any pending (those that have been approved by the City for funding or you anticipate they will be in the next year or two) major capital projects of your department/service area including major equipment, infrastructure, and facilities?

Major capital projects include expansion at Washburn Elementary, East Auburn Elementary, Auburn Middle School, and a new or total renovation at Edward Little High. Equipment continues to be in the area of technology. Bus purchases are done on an annual basis, one or two per year, to replace old buses. We have not however, increased our bus fleet since 1984.

While the school department does not have the approval option for sidewalks they are drastically needed in many of our school neighborhoods. Depending on where residential growth occurs, additional sidewalks will be important. This certainly will help in busing

or not busing students as well. Examples include Park Ave School and Vista Heights where if there were sidewalks students could walk rather than be bused.

6. Describe any major capital projects by your department/service area including equipment, infrastructure, and facilities that you feel the City might need to make in the next ten years if its current residential and commercial growth rates continue?

All the projects listed above would be over the next ten years. Additional buses would be needed if residential growth occurs in some areas that are bused to school. Additional technology purchases would need to take place as enrollment increases and classes increased in number.