

**Land Use and Development Code Amendment: Sewer Impact Fees**

**Council Order #24-40**

**Town of Gorham  
Planning Board  
April 1, 2024**

**ITEM 3 Land Use and Development Code Amendment – Sewer Impact Fees – Public Hearing** - proposed amendment to the Land Use and Development Code that would create a sewer impact fee for parts of Main Street.

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**AMENDMENT TRACKING**

<b>DESCRIPTION</b>	<b>COMMENTS</b>	<b>STATUS</b>
<b>Town Council</b>	Order #24-40	3/12/2024
<b>TC Ordinance Committee</b>		2/27/2024
<b>Planning Board Public Hearing</b>		4/1/2024

The Planning Board refers to staff notes during the review process; however, it should be noted that staff recommendations are noncommittal, and all final decisions are those of the Planning Board and not Town Staff.

**Memo completed by Thomas Poirier, Director of Community Development**

# Land Use and Development Code Amendment: Sewer Impact Fees

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### 1. OVERVIEW

The Town Council is looking to adopt an impact fee to pay for the utility improvements on Main Street. The Town hired Northstar Planning to draft the impact fee language, methodology, and fee calculation based on a design for the Main Street sewer project completed by Sebago Technics. The Main Street sewer project will be completed at the same time as the development of the CoreX lot. The Town is anticipating utilizing the Impact Fee Calculation based on 100% of the costs to complete the project.

### 2. PROPOSED IMPACT FEE ORDINANCE LANGUAGE

Additions are underlined:

#### CHAPTER 7 – IMPACT FEES

#### SECTION 7-5 – MAIN STREET SEWER EXTENSION IMPACT FEE

Description of the Improvements

Need for the Improvement

Activities Subject to the fee

Calculation of the Fee

Effective Dates

#### SECTION 7-5 MAIN STREET SEWER IMPACT FEE

##### A. DESCRIPTION OF THE IMPROVEMENTS

The Town plans to construct an eight (8) inch sewer extension and new pump station along Main Street (Route 25) between Portal Way to the intersection at Mosher Road (Route 237), a distance of approximately 3,500 feet.

##### B. NEED FOR THE IMPROVEMENT

The Town of Gorham found a gap in development along a portion of Main Street (Route 25) between Portal Way to the intersection at Mosher Road (Route 237). Development in the

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surrounding lots has been limited in nature, with only a few low-impact developments using private septic systems in lieu of a sewer connection with frontage generally along Main Street leaving the rears of these lots mostly undeveloped. There is virtually no development on the remainder of the lots identified in the Proposed Main Street Sewer Impact Fee District map dated August 2023.

The absence of adequate wastewater capacity impedes development in the area. Without a sewer line, developers face a fundamental infrastructure gap that limits their ability to manage wastewater efficiently. Larger developments, in particular, have been deterred from investing in the area as higher wastewater demand requires significant infrastructure construction leading to increased costs. The absence of adequate utility creates a substantial barrier for prospective development.

The Town of Gorham recognizes the critical role that proper infrastructure plays in fostering economic growth and attracting development. The proposed improvement includes an approximately 2,500 feet extension of the sewer line along Main Street between Portal Way and Mosher Road. Additionally, the proposed improvement includes the construction of a new pump station to support larger development in the area. These utility upgrades serve as a strategic investment to attract development along Route 25.

The Town of Gorham will finance and construct the sewer upgrades, including the sewer line extension and new pump station, with the intention of establishing an impact fee district to recuperate the related construction expenditures. This approach is rooted in a commitment to catalyze immediate infrastructure improvements that will remove barriers to development in the area.

#### c. ACTIVITIES SUBJECT TO THE FEE

Any development within the Proposed Main Street Sewer Impact Fee District as shown on the map of said district dated January 2024 on file with the Town Clerk shall be subject to the fee whether or not such use utilizes the sewer line extension or newly constructed pump station. This includes residential and nonresidential uses as well as additions to existing buildings, changes in

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use, or expansions of use that increase wastewater flow of the property based upon design sewage flows from the Maine State Plumbing Code. Furthermore, this impact fee is split into two areas: Area A and Area B – both areas will be subject to the impact fee. The calculations for each are described in Section D.

AREA A: Parcels located in Area A are categorized based on their ability to directly utilize the improvements along Main Street. These parcels are shown in the Main Street Sewer Impact Fee District Map.

AREA B: Parcels located in Area B are categorized based on their proximity to improvements but cannot connect to the improvements without additional work. The improvements associated with the Main Street Sewer Impact Fee do not serve the parcels in Area B as shown in the Main Street Sewer Impact Fee District Map. These parcels will have to install additional improvements to connect to the utilities provided by this impact fee.

#### d. CALCULATION OF THE FEE

The Main Street Sewer Impact Fee is split into two areas: Area A and Area B as shown on the Main Street Sewer Impact Fee District Map:

##### AREA A:

Development within Area A is subject to the complete impact fee as the improvements directly serve future development of the parcels. The Impact Fee for Area A is based on the sum of the costs associated with the construction of the infrastructure upgrades and the total estimated capacity in gallons per day (gpd) of the new infrastructure upgrades. The final costs are \_\_\_\_\_ and the estimated capacity of the new sewer upgrades is 50,443 gpd.

##### AREA B:

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The Main Street Sewer Impact Fee does not directly serve development in Area B. Development within Area B requires additional improvements to connect to the sewer line along Main Street. Although additional investment is needed in Area B, the improvements associated with this impact fee still serve these parcels.

Area B is eligible for credit towards the impact fee based on the total costs of improvements. The credit shall not be more than the final impact fee. To be eligible for credit towards the impact fee, the cost estimate for the proposed sewer extension shall be approved by the Town of Gorham.

The Impact Fee for Area B is based on the sum of the costs associated with the construction of the infrastructure upgrades and the total estimated capacity in gallons per day (gpd) of the new infrastructure upgrades. The final costs are \_\_\_\_\_ and the estimated capacity of the new sewer upgrades is 50,443 gpd.

e. EFFECTIVE DATES

Notwithstanding the provisions of 1 M.R.S.A. §302 or any other law, this ordinance, when enacted, shall govern any plan or application for approval or permits under the Land Use and Development Code submitted on or after xx, and any such plan or application submitted before that date, but which had not received at least one substantive review, within the meaning of §302, on or before that date, by the Town board or official having authority to grant any such permit or approved.

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**SUGGESTED MOTIONS:**

**RECOMMENDATION FOR ADOPTION:**

Move to amend Chapter 7 Impact Fees, to add Section 7-5 Main Street Sewer Extension Impact Fee as drafted (and amended by the Planning Board).

OR

**TO FORWARD TO COMMITTEE:**

Move to send the item to the Planning Board's (Ordinance or CPIC committee) for review and recommendations.