

Dated (Month) (Day), 2024

**TOWN OF GORHAM
MAIN STREET SEWER IMPROVEMENTS
IMPACT FEE METHODOLOGY**

This methodology sets out the procedure for determining the impact fee that should be paid by development within the Main Street Sewer Impact Fee Map. In developing the fee, we looked at the proposed costs associated with new sewer infrastructure along Main Street. Here is an overview of the reasoning, scope, and costs of the project:

Location and Scope of the Main Street Sewer Infrastructure Improvements

- 1. Development Along Main Street** — The Town of Gorham identified 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 surrounding lots has been limited in nature, with only a few low-impact developments utilizing 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.

- 2. Investment in Infrastructure**— 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.

- 3. Scope of Work / Detailed Description of Improvement** Determination of size of improvement and capacity would be nice to add. Discuss detail around Area A and Area B.

4. **The Estimated Cost for New Infrastructure**— In planning and development of the Main Street Sewer extension, the Town worked closely with Sebago Technics to design the improvement and a team of contractors during the construction of the improvement. The total cost of the improvements outlined in Section 3 totaled \$2,388,323.00. This included costs of planning and construction of the project. These actual costs provide the foundation for the calculation of the impact fee.
5. **Who Should Pay 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 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.

Area A: Development in Area A will be subject to the total impact fee. Parcels located in Area A will be able to connect to the Main Street sewer system directly. The infrastructure was built to allow for these parcels without the need to extend gravity sewer.

Area B: Development in Area B will be required to connect to the Main Street sewer line and construct any necessary extensions. Area B is subject to the impact fee but will be eligible for a credit towards the impact fee. In order to be eligible for a credit towards, development in Area B will need to have a cost estimate approved by the Town. The credited amount cannot be more than the Impact Fee.

6. **Calculation of the Fee** — The calculation of the Main Street Sewer impact fee is split into two categories – Area A and Area B:

Area A

The Main Street Sewer Impact Fee for Area A should be based on expected gallons per day (gpd) of the proposed development with the cost per gpd based on the maximum capacity (gpd) of the Main Street sewer improvements and the total costs of the project.

Maximum Capacity: 50,443 gpd

Total Cost: \$2,388,323.00

Cost per gpd: \$47.35/gpd

formula: (expected gpd) x (cost per gpd)

Area B

The Main Street Sewer Impact Fee for Area B should be based on expected gallons per day (gpd) of the proposed development with the cost per gpd based on the maximum capacity (gpd) of the Main Street sewer improvements and the total cost of the project.

Development in Area B is subject to a credit after a cost estimate is approved by the Town.

Maximum Capacity: 50,443 gpd

Total Cost: \$2,388,323.00

Cost per gpd: \$47.35/gpd

formula: [(expected gpd) x (cost per gpd)] – (cost of improvement)

- 7. Handling and Use of the Fee** — The two portions of the fee shall be accounted for separately and used for the purposes set forth in the ordinance.