

TOWN OF HOLDEN, MAINE

CAPITAL EQUIPMENT FINANCING PLAN RM-01 SUPPLEMENT TO THE ROAD MAINTENANCE IMPACT FEE ORDINANCE

Date of Adoption: OCTOBER 29, 2007

1. PURPOSE AND NEED

This plan provides the basis for the Town of Holden to implement a Road Acceptance and Maintenance Impact Fee Ordinance covering the entire geographic area of Holden. Fee proceeds will be used to purchase a one-ton truck and auxiliary four-season maintenance equipment that will be used to provide year-round maintenance on roads that are accepted as public ways during the period covered by the plan. The new equipment is required at this time because Holden's existing road maintenance capital equipment is already operating at full capacity, so any additional maintenance demand would result in an unacceptable degradation of service on existing public ways. The impact fee provides a pay-as-you-go approach to acquiring new capital equipment in proportion to the maintenance demand as new roads are accepted by the Town.

Twenty percent of the estimated total purchase cost for the capital equipment has been excluded from impact fee assessment under this plan, representing the portion of the equipment's operating life that may be applied to general public works projects in Holden. Otherwise, the equipment purchased under this plan shall be used solely to provide year-round maintenance on newly accepted public roads following payment of the impact fee. The total cost of the capital equipment also includes an estimate for associated expenses such as implementing the impact fee, purchasing and financing the capital equipment, and delivering the equipment to the Holden Public Works garage.

The intended use for this impact fee is established and allowed under Element #4, Public Safety Equipment and Facilities, within Title 30-A M.R.S.A. § 4354. The period covered by this financing plan shall be ten years, starting on the date of plan adoption by the Holden Town Council. In addition, compliance with the ordinance and this plan are conditions attached to the Town's exercise of its legislative authority to accept town ways pursuant to 23 M.R.S. §3025.

2. **DETERMINATION OF IMPACT FEE**

A. ESTIMATED 10-YEAR CAPITAL EQUIPMENT EXPENSES

Purchase of one-ton truck and auxiliary equipment:	\$60,000
20% exclusion from impact fee assessment:	(12,000)
Related expenses:	<u>\$10,000</u>
Total estimated 10-year capital equipment expenses:	\$58,000

B. ESTIMATED 10-YEAR CAPITAL EQUIPMENT DEMANDS

Barrett Lane:	0.8 lane-miles
Brookfield Subdivision:	1.0 lane-miles
Holden Hills Subdivision:	0.9 lane-miles
*Future-construction private roads:	<u>2.5 lane-miles</u>
Total estimated 10-year capital equipment demands:	5.2 lane-miles

*This line reflects the amount of additional lane-mile capacity that the new one-ton truck can take on while maintaining the desired standards for public road safety and operational efficiency. Additional residential growth in Holden may trigger the need for a new Capital Equipment Financing Plan to finance additional road maintenance equipment.

C. CALCULATION OF IMPACT FEE ASSESSMENT RATE

$\$58,000 / 5.2 \text{ lane-miles} = \mathbf{\$11,153.85}$ per lane-mile of new public roads that will require year-round maintenance

3. **PLAN IMPLEMENTATION**

This plan shall be in effect for a period of ten years following the date of adoption by the Holden Town Council. It shall be used by the Code Enforcement Officer (CEO) to calculate and assess a fair-share road maintenance impact fee that must be paid in full to the Town of Holden before any existing or future-construction private road can be accepted by the Town, in accordance with the procedures outlined in the Road Acceptance and Maintenance Impact Fee Ordinance. The ordinance also outlines procedures for refunding a portion of the collected impact fees if the actual costs for the capital equipment and related expenses are less than the estimated costs, or if any fees are not spent or contractually obligated by the Town within the period covered by this plan.