

# Windham Economic Development Corporation

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*Promoting Sound Economic Investment in Windham*

April 3, 2014

## **MEMORANDUM TO TOWN COUNCIL FROM WINDHAM ECONOMIC DEVELOPMENT CORPORATION**

RE: FUNDING SOURCE ALLOCATIONS FOR ANGLERS ROAD INTERSECTION IMPROVEMENTS

At the Town Council Meeting of March 11, 2014 the Council received public comment related to the proposed North Route 302 Road Improvement Impact Fee. It became obvious that the perception of those attending the meeting was that the Town was not assuming a fair share of responsibility to pay for the improvements, and was instead relying on the State (Under the MDOT MPI program) and potential new business (under a proposed impact fee program) to pay for all of the improvements. While the WEDC maintains that an impact fee is not an appropriate funding tool for this particular project, we believe there is a compromise that can be made so that the Town assumes responsibility for a share of the project costs given the overwhelming public benefit from the proposed improvements.

We would like the Council to discuss a reduction in the amount of total fee that the Impact Fee would generate, which would be offset by a contribution made by the Town. The Town's contribution could be made in different ways, with a few options summarized as follows:

**Option 1:** Commit \$300,000 from the Road Improvements Account (9120).

This commitment would treat the AR/WB/302 Intersection MPI Project similarly to previously funded MPI projects (Windham Center Road, Falmouth Road). The Impact Fee would be reduced to \$0. Impact to General Fund is \$300,000.

**Option 2:** Commit \$150,000 from the Road Improvements Account (9120) and \$150,000 from TIF funds.

This would allow a portion of the project costs to be refunded to the Town through future TIF revenues and/or proceeds from the repayment of the WEDC Anglers Road mortgage as sales occur. Impact to General Fund is \$150,000.

**Option 3:** Commit \$300,000 from TIF funds.

This would allow the project costs to be refunded to the town through future TIF revenues and/or proceeds from the repayment of the WEDC Anglers Road mortgage as sales occur. Impact to General Fund is \$0.

**Option 4:** Commit \$150,000 from TIF funds and \$150,000 from an Impact Fee.

This would allow the project costs to be refunded to the Town through future TIF revenues and/or proceeds from the repayment of the WEDC Anglers Road mortgage as sales occur, and through collection of impact fees from future development. Impact to General Fund is \$0.