

# Selectmen's Developer Fee Release Policy

Approved by the Board of Selectmen 7/24/00.

**I. Purpose.** The Town collects and dispenses Developer Fees relating to Planning Board applications. This Policy is enacted to clarify staff and Board of Selectmen responsibilities regarding release of Developer Fees.

**II. Source of Fees.** There are five types of Developer Fees currently being collected, including:

1. Application Review Assistance Fees. At this time we deposit 70% of application fees into an account for application review. Where engineering or other professional assistance is required to properly review an application, the costs are paid from this account. Any remaining balance is refunded to the applicant.
2. Inspection Fees. These are posted by applicants following an approval by the Planning Board (sometimes for Shoreland/Wetland Permit Review Committee or CEO permits, too). This money is used to pay for on-site engineering inspections and follow-up with the developer during construction and upon project completion. Any remaining balance is refunded to the applicant.
3. Performance Guarantees
  - A. Cash - Many applications require the applicant provide some form of security to ensure completion of required improvements. Cash is most often used to provide the smaller securities for landscaping, site stabilization and other minor on-site expenses. Occasionally, off-site improvements are secured with cash. If the applicant performs as promised, the security is returned in full to the applicant.
  - B. Other Performance Guarantees - Larger projects typically provide a bond, letter of credit, tri-party agreement, or other similar form of security. In these cases, there is an agreement to provide funds from a financial institution to the Town in the event the developer fails to perform. The Town does not create accounts for these securities unless the security is called by the Town and we receive money. If the applicant performs as promised, the security is released by the Town.

4. Off-Site Improvement Fees. There are a few cash accounts to fund required off-site improvements (roads, drainage, etc.). These funds are dedicated to specific projects to be completed within a specified time frame. If the required improvements are not completed by the Town in a timely manner, the money is returned to the applicant.

**III. Release of Fees--Staff.** Staff is authorized to release all Application Review Assistance Fees and Inspection Fees. Staff is also authorized to release Cash Performance Guarantees for private improvements when the private improvements have a total value of not more than \$5,000. (Private improvements are improvements that will not become a public responsibility at a later date).

**IV. Release of Fees--Selectmen.** All other performance guarantees and off-site improvement fees may only be released by the Board of Selectmen. In addition Staff may refer a request for the release of funds to the Board of Selectmen even when the release of funds is within the authority of the Code and Planning Department.