




TOWN OF FREEPORT, MAINE

Town Manager's Office
30 Main Street
Freeport, ME 04032

ITEM # 170-19
BUILDING FEE
L.L.BEAN

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MEMORANDUM

TO: Freeport Town Council
FROM: Peter Joseph, Town Manager 
DATE: 10/10/19
RE: Alternative building fee proposal for L.L.Bean Corporate Campus renovation project, tax map 20, lot 98-ETC and lot 101

This item is being brought to the Town Council for consideration because it involves the modification of an existing fee/rate contained in the town-wide schedule of fees previously approved by the Town Council. Staff does not have the authority to modify these fees, and typically refers any proposals for modification of fees established in said schedule to the Town Council for review and approval.

During the Building Permit application process for the above mentioned project, it was noted that the building permit fee for this project appeared to be significantly higher than other recent and historical commercial building projects in Town. Upon examination, it was determined that due to the large size of the project (380,000 sq.ft.) and the fact that it was a renovation, instead of new construction, the result was a drastically increased permit fee, as compared to what typical new construction of a project this size would call for. As proposed, the project would be subject to the following estimated fees for building, electrical, and plumbing permits under the Town's existing fee structure:

Building permit fee of \$891,000 (based L.L.Bean estimate of \$81M in renovations to existing building)
Electrical permit fee of \$19,200 (based on 380,000 sq.ft. proposed)
Plumbing permit fee of \$3,750 (based on 250 fixtures proposed)
TOTAL \$ 913,950

While the Town believes the renovation building permit fee rate is accurate for smaller projects that typically require higher administrative and inspections workload per dollar of renovation (such as residential renovations or small scale commercial renovations), in the case of this large commercial renovation it clearly is not an accurate representation of the cost to the Town to permit, inspect, and track the proposed construction. MRSA Title 30-A §4355 states that:

“Any application fee charged by a municipality for an application for any land use permit issued by the municipality may not exceed the reasonable cost of processing, review, regulation and supervision of the application by the municipality and its consultants and the administration of any requirement for a certificate of compliance with any permit conditions.”

CEO Nick Adams estimates that approximately 750 hours of permitting, inspections, and tracking time will be required over the life of the proposed building project for general construction inspection, code compliance, electrical, and plumbing work to be completed. As this project is proposed to be a multiyear project, the following rates are estimated:

150 hours @ \$53.50 (est. FY20 inspections rate) - \$8,025
300 hours @ \$58.85 (est. FY21 inspections rate) - \$17,655
300 hours @ \$61.79 (est. FY22 inspections rate) - \$18,537
TOTAL \$44,217

The electrical and plumbing inspections are included in the 750 hour estimate. However, the electrical and plumbing permit rates appear to be much closer to expected amount of inspection work to be completed, so staff is proposing to charge the full rate for the electrical and plumbing permits, and establish a building permit fee based on the difference of the sum of the electrical & plumbing fees and the total expected costs to the Town of \$44,217, as shown above. The proposed schedule of fees for the building, electrical, and plumbing permits is therefore as follows:

Building permit \$21,167
Electrical permit \$19,200 (no change)
Plumbing permit \$3,750 (no change)
TOTAL \$44,217

It should be noted that this proposed rate is the *baseline* rate, and will increase if the actual work required exceeds 750 hours. In order to accomplish this, the CEO will track his time actually spent on the project. If actual time spent on the project exceeds 750 hours, L.L.Bean has agreed to reimburse for actual inspection costs beyond that amount. L.L.Bean has also agreed to bear the cost of any specialized/outside consultants for inspections, if it becomes necessary for the Town to engage such services during the duration of the project.

If you have any questions on this matter, please do not hesitate to contact me prior to next Tuesday's meeting.