October 20, 2026

Resolve # N/A

TOWN OF GRAY
MEETING ITEM COMMENTARY

AGENDA ITEM:	Workshop on potential amendments to Chapter 409
COUNCIL RESOURCE:	Vincent Palange
STAFF RESOURCE:	Kristen Muszynski, Town Planner
BACKGROUND:	Amendments to Chapter 409 are suggested as per council input at the August 4, 2026 meeting and based on staff review of the language post-implementation.
EXHIBITS:	Strikethrough/underline of the proposed amendments, with questions for council consideration in the comments, and code office data regarding building permits.
FISCAL IMPACT:	Growth permits are $50 each
RECOMMENDATION:	Determine proposed amendments per workshop discussion
MOTION:	N/A

Recent subdivision building permit timelines

Approved by Planning Board	# dwelling units TOTAL	FY24 Building Permits	FY25 BUILDING PERMIT	FY26 BUILDING PERMIT	FY 27 BUILDING PERMIT
Mayall Mills	13	0	5	2	
Stillwater Pines Phase II	22	0	18	4	
Long Hill Estates Phase II	9	5 (the rest were earlier)	0	0	
Coppice Grove condo project	7	0	0	7	
Aerie Estates	16	2	11	0	*2 expected*
Cambell Acres/ Lieutenants	6	6	0	0	

Approved but not yet building

Sand Brook South (Egypt Road)	7 Dus
Sand Brook (Egypt Road)	2 Dus
Maple Leaf (Cambell Shore Rd)	7 Dus

Pending before the board

224 Shaker Road	12 Dus
Durgin Woods (Ramsdell)	53 Dus (phased); Phase 1= 17 lots

WORKSHOP MEMO

August 13, 2026

TO: Gray Town Council
FROM: Kristen Muszynski, town planner
RE: Proposed Amendments to Chapter 409 Growth Management Ordinance

The amendments proposed herein are in response to Town Council comments at the August 4, 2026 regular meeting and also include some proposed edits from Community Development staff after review of the language and implementation of the new ordinance.

The council is asked to consider the following policy questions, with comments and strikethrough/underline provided in the body of the ordinance below.

1. Do you want to add 401.4.9.G: An exception for subdivisions that were approved by Planning Board prior to July 1, 2026? (See comments page 2)
2. Do you want to add a provision grandfathering any other subdivision projects that have been presented to the board at any level of review, prior to July 1, 2026? (See comments, page 2)
3. Do you want to increase the total number of growth permits available in one fiscal year in 409.5.1 to match the totals allocated to each zoning district in 409.5.2?
4. Do you want to increase the total number of growth permits per developer from 5 to 7 in 409.5.2.E?

DRAFT AMENDMENTS
CHAPTER 409
GROWTH MANAGEMENT ORDINANCE
TOWN OF GRAY MAINE

Adopted April 7, 2026/ Effective July 1, 2026

ARTICLE 1 – Title, Authority, and Purpose

409.1.1 Title

This ordinance shall be known and cited as the "Town of Gray Growth Management Ordinance," and shall be referred to herein as the Ordinance.

409.1.2 Authority

This Ordinance is adopted pursuant to the authority granted to the Town by 30-A M.R.S. §§ 3001 and 4360, both as may be amended.

409.1.3 Purpose

The purpose of this Ordinance is to protect the health, safety, and general welfare of the residents of the Town of Gray by placing reasonable and appropriate limitations on residential development in accordance with the Comprehensive Plan, and more specifically:

A. To provide for orderly and reasonable growth; and
B. To minimize undue disruption of town services.

ARTICLE 2 – Definitions

409.2.1 Definitions

Unless otherwise specified in this section, all terms herein shall take their meaning from § 402.2.2 of the Zoning Ordinance, as may be amended, or if not defined therein, by that term's common dictionary definitions.

Affordable housing means "affordable housing" as that term is defined in 30-A M.R.S. § 5246(1), as may be amended.

Family gift lot means a lot whose creation meets the requirements of 30-A M.R.S. § 4401(4)(D-4), as may be amended.

Fiscal year means the period of time between July 1 and June 30.

ARTICLE 3 – Applicability

409.3.1 Applicability

This Ordinance shall apply to the construction, creation, or placement of any new dwelling unit within the Town of Gray, unless otherwise exempted under Article 4 of this Ordinance.

ARTICLE 4 – Exemptions

409.4.1 Types of dwelling units that do not require growth permits

The following types of dwelling units shall be exempt from the requirements of this Ordinance and shall not require a growth permit prior to their construction, creation, or placement:

A. The repair, replacement, reconstruction, or alteration of an existing dwelling unit;

B. A dwelling unit to be located on a family gift lot;

C. A dwelling unit that is created pursuant to a contract zoning agreement that authorizes the unit to be exempt from the requirements of this Ordinance;

D. A dwelling unit that qualifies as affordable housing;

E. All dwelling units proposed within the Village Center and Village Center Proper zoning districts ~~Growth Overlay District (GO), as designated by the Town's zoning map and as further defined in § 402.4.2 of the Zoning Ordinance~~; and

F. Accessory dwelling units, as defined in § 402.2.2 of the Zoning Ordinance, as may be amended, provided that such units also meet the requirements of § 402.7.9 of the Zoning Ordinance, as may be amended; and~~.~~

G. A dwelling unit on a buildable lot as identified on a subdivision plan approved and signed by the Planning Board prior to this ordinance's implementation date of July 1, 2026.

ARTICLE 5 – Administration

409.5.1 Maximum number of growth permits in each fiscal year

The maximum number of growth permits issued each fiscal year shall be **53**. Any growth permits that are not issued during the fiscal year shall expire and shall not be carried forward to the next year.

409.5.2 Annual allocation of growth permits

During each fiscal year, the following limits of growth permits shall apply:

A. No more than **32** growth permits may be issued for dwelling units within the Rural Residential ~~District~~ and Agricultural District~~, combined~~.

B. No more than **20** growth permits may be issued for dwelling units within the Lake District.

C. No more than **15** growth permits may be issued for dwelling units within the Business Development 1 & 2 Districts, the Business Transition 1 & 2 Districts, and the Commercial District, combined.

D. No more than **1** growth permit may be issued for dwelling units within the Wellhead 1 & Wellhead 2 Districts, combined.

E. Notwithstanding the foregoing, no single person or entity may receive more than 7 ~~5~~ growth permits within a single fiscal year. For purposes of this subsection, entities shall be considered the same if they are controlled by the same person or other entity.

Commented [KM1]: This reference will exist once the Zoning Ordinance is amended for the LD1829/LD2173 changes. At present, the growth district is not defined and the GO does not exist. This language was included with the expectation that those changes would be adopted as of July 1, 2026. Due to the delay, I would suggest that for the time being we call out the growth district as being the Village Center and Village Center Proper, which is the same as how it will be defined.

Commented [KM2]: There are two subdivisions to which this would apply, that have not yet pulled any building permits; each of them have 7 dwelling units. There are also a handful of lots in three other recently approved subdivisions to which this would apply (Westin Woods - 3 Dus remaining; Mayall Mills - 2 Dus remaining; and Lot 14 in Aerie Estates - 2 Dus expected). There may be other older subdivisions to which it would also apply. Note that this exception does not include any proposed subdivisions that have come before the Planning Board for sketch plan or preliminary plan review. At this time, these would include a project with 16 dwelling units and a project with 51 dwelling units, as currently proposed.

Commented [KM3]: Do you want to increase this if you increase the number allowed per year to a single entity? Separately, at a cap of 53, it does not add up to all the allowed permits listed in 409.5.2, which is 68. What is the intent?

Commented [KM4]: RRA is a single zoning district.

Commented [KM5]: Per Councilor Palange's suggestion at the 8/4/26 public hearing, that this would allow a developer to build out a standard 13 lot subdivision within a two-year window.

409.5.3 Application procedure

A. A growth permit application shall be submitted ~~through the Town's online permitting portal~~to the Town of Gray Code Enforcement Office, which shall provide a receipt for the application indicating the date and time in which the application was submitted. Each application shall be reviewed in the order in which it was received and deemed to be complete by the Code Enforcement Officer or ~~their~~ his/her designee.

B. In order to be considered complete, the growth permit application shall be accompanied by a nonrefundable application fee, as set forth in the Town's Fee Schedule, and by documentation establishing the applicant's right, title, and interest in the subject property.

C. A separate growth permit is required for each dwelling unit to be created, but multiple growth permits may be applied for at one time. ~~in the same application.~~

D. Growth permits shall be issued on a first-come, first-served basis according to the dates and times that the applications were accepted as complete by the Code Enforcement Officer, per § 409.5.4.A of this Ordinance.

E. If all available growth permits are issued during a fiscal year, no more growth permits may be issued during that fiscal year; provided, however, that an applicant may submit an application during a fiscal year when no additional growth permits are available, in which case such applications shall be reviewed at the beginning of the next fiscal year, based on the order of precedence established in this section.

F. Within 6 months of the issuance of a growth permit, the applicant shall submit a complete building permit application and associated documentation to the Code Enforcement ~~o~~Officer for review and approval, and the construction of the project shall commence and be completed in accordance with the provisions of § 402.9.1.D of the Zoning Ordinance, as may be amended. Should a building permit application not be submitted within 6 months of receipt, a growth permit shall expire and shall become available for issuance to the next qualified applicant.

G. ~~Upon expiration of a growth permit, the Code Enforcement Officer shall notify the permit recipient in writing that the growth permit is null and void and shall issue a growth permit to the next qualified applicant, as determined under this section.~~

ARTICLE 6 – Miscellaneous

409.6.1 Transferability

Growth permits are valid only for the specific lot identified in the growth permit application. A growth permit may be transferred to a new owner of that lot but is not otherwise transferrable. However, the transfer of ownership of a lot does not change the date of issuance or expiration of a growth permit. ~~Applications for growth permits are not transferrable under any circumstances, even to new lot owners.~~

Commented [KM6]: Any method of application should be acceptable, and the portal is not currently in use due to technical issues with the software.

Commented [KM7]: Clarifying language suggested; each map/lot needs its own permit, to associate with the building permit.

Commented [KM8]: It is not feasible for staff to track expiration dates of all these permits and send out notifications, and having this language in the ordinance could complicate how we handle their application process if an applicant states that they were not notified. The Code office does not notify applicants of any other permit expiries; it is their responsibility to complete business during the validity period.

Commented [KM9]: This appears to be contradictory.

409.6.2 Violations, enforcement, and penalties

Any person who constructs, creates, or places a dwelling unit within the Town of Gray without a growth permit required by this Ordinance, or who owns or occupies a dwelling unit constructed, created, or placed within the Town of Gray without a growth permit required by this Ordinance is in violation of this Ordinance and is subject to the fines, penalties, and remedies, including but not limited to the payment of all attorneys' fees and costs, as provided in 30-A M.R.S. § 4452. Each day a violation continues to exist after a notice of violation is issued to the owner and/or the violator constitutes a separate violation. This Ordinance shall be enforced by the Town of Gray Code Enforcement Officer in the manner provided for in § 402.11.10 of the Zoning Ordinance, as may be amended.

409.6.3 Appeals

Any person or party who is aggrieved by a decision of the Code Enforcement Officer in the administration of this Ordinance may appeal to the Zoning Board of Appeals, under the provisions of § 402.9.2 of the Zoning Ordinance. Such appeals must be filed within 30 days of the date of the decision being appealed from and shall be heard by the Zoning Board of Appeals on a *de novo* basis.

409.6.4 Periodic review and amendment.

The Town Council shall conduct a review of this Ordinance at least every 3 years to determine if it remains consistent with the Town's ability to absorb growth and to achieve the priorities outlined within the Comprehensive Plan. During this periodic review, the Town Council shall determine if the number of growth permits available under § 409.5.3 of this Ordinance is required to be adjusted by amendment in order to comply with statute, 30-A M.R.S. § 4360, as may be amended. Specifically, the Council shall set the number of growth permits available at **130%** of the mean number of total permits issued for new dwelling units (including those for which a growth permit is not required) within the Town during the preceding 5 years.

409.6.5 Effect on other ordinances

This Ordinance does not and shall not be interpreted to repeal, annul, or otherwise impair any other ordinance, law or regulation, enforced by the Town or any other federal or state agency. Where this Ordinance imposes a requirement that is inconsistent with that of another ordinance of the Town, the more restrictive provision shall apply.

409.6.6 Severability

If any section, clause, or provision of this Ordinance is declared to be unconstitutional, illegal, or otherwise invalid by a court of competent jurisdiction, such declaration shall not affect the validity of any other portion of this Ordinance.

409.6.7 Effective date

This Ordinance shall be effective on July 1, 2026. No building permit for a dwelling unit not deemed exempt by this Ordinance may be issued after the effective date without the applicant first receiving a growth permit.

409.6.8 Amendment

This Ordinance may only be amended upon a majority vote of the Town Council, pursuant to the procedures established in Art. II, § 14 of the Town Charter.