



**City of Missoula, Montana
City Council Committee Agenda Item**

Committee: Public Works and Mobility

Item: A Resolution finalizing the Mullan BUILD Water and Sewer Special Development Fees

Date: January 13, 2023

Sponsor(s): Logan McInnis

Prepared by: Ashley Strayer

Ward(s) Affected:

<input type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

Action Required:

Adopt a Resolution finalizing the Mullan BUILD Water and Sewer Special Development Fees associated with the Mullan BUILD project.

Recommended Motion(s):

I move the City Council: **Motion for February 6, 2023** : [First reading and preliminary adoption]
I move the City Council set a public hearing on February 27, 2023, to adopt a resolution of the Missoula City Council establishing the final Mullan BUILD Water and Sewer Special Development Fees to be applicable to new development within the Mullan BUILD Project Area to be effective March 7, 2023.

Timeline:

Committee discussion:	January 25, 2023
Council action (or sets hearing):	February 6, 2023
Public Hearing (if required):	February 27, 2023
Final Consideration	March 6, 2023
Deadline:	N/A

Background and Alternatives Explored:

The City of Missoula adopted the Mullan BUILD Water and Sewer Special Development Fees ("WSSDF's") in Resolution 8590. These fees are intended to recover the City's investment in water and sewer mains and services in the Mullan BUILD area but won't be collected until the subject properties develop. The Resolution indicated that the final fees would be approved by Council once construction was completed and fees could be adjusted to actual installed quantities of water and sewer service lines.

Construction of the water and sewer facilities in the Mullan BUILD project is now completed. The increase or decrease in fees for each parcel where the fee changed are shown in the following exhibits:

- Exhibit A-GE4
- Exhibit B-GE5
- Exhibit C- EB1
- Exhibit D-MJ1

- Exhibit E-MJ2
- Exhibit F-MJ3
- Exhibit G-MJ4
- Exhibit H-MJ8

The calculation of the Final WSSDF's is consistent with the methodology described in detail in the staff memo provided with the approval package for Resolution 8590, with one minor exception. One property subject to the WSSDF's ("EB1", being developed by Wishcamper Development Partners as the West End Homes development) requested significant changes to the design of England Boulevard and significantly more water and sewer service stubs than were included in Resolution 8590.

The City and Wishcamper Development Partners, LLC ("Developer") entered into a Development Agreement on November 15, 2021 to accommodate these design changes and acknowledge that the Developer would be responsible for any additional construction costs related to these changes. These changes delayed completion of the overall project which resulted in additional costs. City Public Works staff have estimated that the 80 water and 57 sewer stubs requested by the Developer resulted in additional costs of \$22,103.00 (water) and \$19,340.12 (sewer), which have been included in the final WSSDF's for EB1 (see Exhibit C) in addition to the construction costs for the installed quantity of water and sewer stubs.

The final WSSDF's for all parcels subject to the Mullan BUILD WSSDF's are shown in Exhibit 3-FINAL on the following page, which is also attached to Resolution XXXX. The last column on the table describes the changes that have been made for each parcel as compared to the fees shown in Resolution 8590.

All property owners have previously been made aware of the Mullan BUILD WSSDF's by attaching legal notices to each of the properties. City Public Works staff have also conducted outreach with development groups who have entered into Buy/Sell agreements on several of the properties, including EB1. Following the adoption of Resolution XXXX, City staff will again publish legal notices updating the final Mullan BUILD WSSDF's that each property will be responsible for upon development. In addition, City staff will mail copies of the legal notices to the development groups who have entered into these Buy/Sell agreements

Financial Implications:

The City's financial obligations for the Mullan BUILD Project, including the utility investments, were established in the FY21 CIP. This includes \$2.6 million for water and \$1.3 million for sewer which will be financed with revenue bonds.

Links to external websites: <https://www.mullanbuild.com/>

Attachments:

- DRAFT Final Mullan BUILD Water and Sewer Special Development Fee Resolution XXXX
- Exhibits A-H: Calculation of changes in Water and Sewer Special Development Fees for each property
- Exhibit 3-FINAL: Final Water and Sewer Special Development Fee by property