



City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Administration and Finance

Item: Resolution adopting the 2019 Service Area Report Impact Fee Study and associated fees and Ordinance amending Impact Fee regulations and procedures

Date: January 9, 2020

Sponsor(s): Dale Bickell

Prepared by: Dale Bickell

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 checked="" type="checkbox"/> N/A

Action Required:

Conduct a public hearing and consider a resolution adopting the new Impact Fee Study and setting associated fees, and conduct a public hearing and consider amendments to the Impact Fee Ordinance to reflect the new Impact Fee Study

Timeline and Recommended Motions:

Referral to committee: January 13, 2020

AF Committee: January 15, 2020

Resolution on study/fees

Recommended motion:

Set a public hearing on February 3, 2020 on a resolution of the Missoula City Council approving the 2019 Service Area Report and Impact Fee Study and increasing certain impact fees by 10% as shown in Exhibit A. to partially fund public facility construction, acquisition, or expansion required as a result of new development and return this item to the Administration and Finance Committee.

City Council votes to

set public hearing on

resolution: January 27, 2020

Resolution on study/fees

Recommended motion:

Set a public hearing on February 3, 2020 on a resolution of the Missoula City Council approving the 2019 Service Area Report and Impact Fee Study and increasing certain impact fees by 10% as shown in Exhibit A. to partially fund public facility construction, acquisition, or expansion required as a result of new development and return this item to the Administration and Finance Committee..

AF Committee: January 29, 2020 (preview of impact fee study and proposed fees changes and set p/h on ordinance amending impact fees)

Pre-public hearing (p/h) preview of study/fees & set p/h on ordinance

Recommended motion;

[First reading and preliminary adoption] Set a public hearing on February 24, 2020, and preliminarily adopt an ordinance generally amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" to update the procedures and requirements associated with impact fees in accordance with the 2019 Service Area Report and Fee Study.

City Council: February 3, 2020

Public Hearing on resolution

Recommended motion:

(Adopt/Deny) a resolution of the Missoula City Council approving the 2019 Service Area Report and Impact Fee Study and increasing certain impact fees by 10% as shown in Exhibit A. to partially fund public facility construction, acquisition, or expansion required as a result of new development.

Consent agenda or committee reports for ordinance:

Recommended motion:

[First reading and preliminary adoption] Set a public hearing on February 24, 2020, and preliminarily adopt an ordinance generally amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" to update the procedures and requirements associated with impact fees in accordance with the 2019 Service Area Report and Fee Study.

City Council February 24, 2020

Public hearing on ordinance

Recommended motion:

[Second and final reading] (Adopt/Deny) an ordinance generally amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" to update the procedures and requirements associated with impact fees in accordance with the 2019 Service Area Report and Fee Study.

Background and Alternatives Explored:

The City imposes impact fees on new development intended to provide a mechanism that new development pays a proportionate share of the impacts caused by growth on capital facilities in the service areas of parks, fire services, law enforcement, community services, and transportation. The transportation impact fee was adopted in 2005 while the other fees were established in 2004. There have been no subsequent changes in the fees.

The City contracted with TischlerBise from the result of a request for proposal process to perform an update to the study. As part of this process, TischlerBise was contracted to document land use assumptions, prepare a service area report, and update impact fees in the applicable service areas. Additionally, TischlerBise reviewed the City's policies and procedures related to the use of impact fees and made recommendations for ordinance changes.

Since the implementation of impact fees, the City has used them to partially fund capital investments required to serve newly developing areas including but not limited to: purchasing fire apparatus and other public safety facilities, expanding the City's vehicle and equipment fleet, installing and/or updating street and traffic management infrastructure, acquiring and/or building public parks and trails and other park infrastructure, acquiring and/or expanding law enforcement facilities

Financial Implications:

The recommendation to Council is to increase impact fees by 10%, allocating all of the increase to the transportation service area because that is the area that has the largest deficit related to eligible projects. The following table shows the estimated impact fee revenues:

	Police	Fire	Comm Svc	Parks	Transport	Total
2019 Revenues	\$ 12,473	\$ 68,277	\$ 146,150	\$ 189,067	\$ 793,038	\$ 1,209,006
Estimated revenue increase	-	-	-	-	120,901	120,901
Estimated total annual impact fee revenue	\$ 12,473	\$ 68,277	\$ 146,150	\$ 189,067	\$ 913,939	\$ 1,329,907

This recommendation would increase the impact fee on a typical single family house (2,001 to 2,250 sq ft) from \$2,123 to \$2,335.