

## Benjamin Brewer

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**From:** Benjamin Brewer  
**Sent:** Monday, January 26, 2026 12:50 PM  
**To:** Benjamin Brewer  
**Subject:** FW: Cash in Lieu Calculations

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**From:** Adam Hertz <[adamhertz@eralambros.com](mailto:adamhertz@eralambros.com)>  
**Sent:** Sunday, January 25, 2026 12:26:40 PM  
**To:** Mike Nugent <[NugentM@ci.missoula.mt.us](mailto:NugentM@ci.missoula.mt.us)>  
**Subject:** Cash in Lieu Calculations

Mike,

The attached cash in lieu example from the city was shared with me.

Both of the projects used as examples were more like “raw” land rather than shovel ready land. Both projects lacked critical infrastructure, which really reduces the value. If Parks is going to use the actual market value of the parcels of land I purchase for the types of projects I do (any many others do a well), it’s closer to \$20-\$25/sf...so roughly 8x their example that comes out at \$1,196 - making my initial estimate of around \$10,000 per unit pretty accurate. I guess the key is whether they are using actual market value or not. It’s sure complicated if the process is going to be to require the developer and/or the city to obtain an expensive and time-consuming appraisal. If Parks truly thinks the figures in the example are fair and accurate and they are happy with that level of cash in lieu, it would be nice for City Council to just adopt the \$1,200 per unit figure, peg it to inflation and call it a done deal. I’d like \$1,000 per unit better, but I understand Parks wants more funding and I would concede that an extra \$200 per unit isn’t going to make or break a project.

Feel free to share this with the entire City Council.

Thank you,

**Adam Hertz**  
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**Component Costs of the Amendment:**

- Activity Area Requirement, desire to understand how cash in lieu will be determined. Per Parks:

Approximate per unit costs of Activity Area

Title 20 (20% of the site) <sup>(1)</sup>	\$2,500
UDC (100 SF/Dwelling Unit) <sup>(1)</sup>	\$1,200
UDC Cash In Lieu (.01 ac/du) <sup>(2)</sup>	\$1,196

<sup>(1)</sup> \$8/SF land value (based on recent northside appraisals used to determine value the Park on North Scott) + \$4/sf "green up" (based on recent park projects)

<sup>(2)</sup> \$2.75/sf land value (based on recent appraisals of "unsubdivided unimproved" land used to calculate CiL of parkland dedication)