

## RESOLUTION NUMBER 7736

**A resolution of the Missoula City Council establishing a funding assistance program for curb and sidewalk assessments for public right-of-way construction projects pursuant to Missoula Municipal Code 12.12 - Curbs, Sidewalks and Paving, and identifying the City of Missoula Road District Number 1 as a funding source for ongoing fiscal support of public right-of-way improvement projects.**

**WHEREAS**, The City of Missoula wishes to ensure that all users of our transportation system are able to travel safely and conveniently on streets and roadways within the public right-of-way in Missoula; and

**WHEREAS**, Missoula values accessible, durable, and well maintained sidewalks for pedestrian travel on public right-of-ways within the City, and the City Council supports the extension of new sidewalks and completion of the sidewalk system; and

**WHEREAS**, the Missoula City Council and Mayor work in coordination with the Public Works Department Master Sidewalk Plan, the Missoula Active Transportation Plan, the Missoula Urban Transportation Plan, and citizens for creation of public right-of-way construction projects pursuant to Missoula Municipal Code (MMC) 12.12 - Curbs, Sidewalks and Paving; and

**WHEREAS**, MMC 12.12.310 Assessment for construction-When work done by City sidewalk and curb contractor, provides that the total cost of all sidewalks, driveway approaches, curbs and alley approaches and related appurtenances constructed by the City in accordance with the provisions of MMC 12.12 shall be assessed as a special tax against the property in front of or along which the public right-of-way construction projects are installed; and

**WHEREAS**, this assessment of a special tax against the property may be a large financial burden on a small number of people within the City, and recognizing this burden the City Council created the Pedestrian Connection Subcommittee to identify alternate funding mechanisms for City ordered public right-of-way construction projects; and

**WHEREAS**, the Pedestrian Connection Subcommittee recommended spreading the cost burden for public sidewalks citywide and the Public Works Committee recommended creation of the, "City First Equal Share Model", which combines City funding assistance with property owners assessments to reduce the special tax burden imposed on individual properties by MMC 12.12 for public right-of-way construction projects; and

**WHEREAS**, the City Council hereby identifies the City-wide road district entitled "City of Missoula Road District Number 1", as a funding source for fiscal support of public right-of-way construction projects; and

**WHEREAS**, it is the intention of the City Council to include within the Fiscal Year 2014 City of Missoula Road District Number 1 budget fiscal support of public right-of-way improvement projects that are constructed by the City in accordance with the provisions of MMC 12.12 and in accordance with the City First Equal Share Model herein described.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Missoula, Montana hereby establishes the City First Equal Share Model for fiscal support of public right-of-way construction projects ordered by the City in accordance with the provisions of MMC 12.12 consisting of a:

**Premium** is paid by the proceeds from City of Missoula Road District Number 1 as outlined in the district's annual budget and work plan approved by the City Council. ,

**Deductible** is the initial portion of the cost that the City pays, from zero (\$0) up to one thousand dollars (\$1,000.00), for public right-of-way improvements installed by the City in accordance with the provisions of MMC 12.12,

**Co-Pay** is the percentage of construction cost the property owner pays, established at fifty percent (50%) of the construction costs, above the \$1,000.00 **Deductible** to be assessed as a special tax against the property in front of or along which the public right-of-way construction improvements are installed by the City in accordance with the provisions of MMC 12.12,

**Normal Maximum Out of Pocket** is the amount the property owner pays up to the next three thousand five hundred dollars (\$3,500.00) for assessments and any amount over fifteen thousand dollars (\$15,000.00) **Stop Loss Amount** described below to be assessed as a special tax against the property in front of or along which the public right-of-way construction improvements are installed by the City in accordance with the provisions of MMC 12.12,

**Stop Loss Amount** is the amount that the City pays in excess of the **Normal Maximum Out of Pocket** of three thousand five hundred dollars (\$3,500.00) up to fifteen thousand dollars (\$15,000.00) assessment amount. All assessed costs above the fifteen thousand dollars (\$15,000.00) **Stop Loss Amount** are to be assessed to the property owner as a special tax against the property in front of or along which the public right-of-way construction improvements are installed by the City in accordance with the provisions of MMC 12.12 ; and

**BE IT FURTHER RESOLVED** That the **City First Equal Share Model** for financial support for property owners shall be based on the actual construction costs, not including finance costs, for the portion of work determined to be necessary by the City Engineer for installation of sidewalks, driveway approaches, curbs and alley approaches and related appurtenances constructed by the City in accordance with the provisions of MMC 12.12; and

**BE IT FURTHER RESOLVED** That the **City First Equal Share Model** for financial support for property owners shall be available only to properties whose Road District Number 1 assessment is greater than \$0; and

**BE IT FURTHER RESOLVED** That it is the intention of the City Council to include within the Fiscal Year 2014 City of Missoula Road District Number 1 budget fiscal support of public right-of-way improvement projects that are constructed by the City in accordance with the provisions of MMC 12.12 and in accordance with the **City First Equal Share Model** herein described; and

**BE IT FURTHER RESOLVED** That the City of Missoula Road District Number 1 budget currently funds, and plans to continue to fund, a portion of the cost of American with Disabilities Act (ADA) sidewalk improvements on city streets currently funded at \$60,000.00 annually. Specifically, the \$60,000.00 fund provides assistance for residential owner occupied property owners for a portion of the costs on installing ADA compliant curb ramps in conjunction with Capital Improvement Program Annual Sidewalk Installation Replacement Program; and

**BE IT FURTHER RESOLVED** That MMC Chapter 3.16 - CURB, GUTTER, SIDEWALK, ALLEY APPROACH, STORM SEWER, PUBLIC PARK AND OTHER IMPROVEMENTS LOAN FUND PROGRAM shall continue to be in force as created by the City as a loan program to provide low income property owners and property owners who incur financial hardship with temporary relief from the cost of curb, gutter, sidewalk, alley approach, storm sewer, public parks and other improvements within a Special Improvement District created by the city council or ordered installed by the City Council.

**PASSED AND ADOPTED** this 24<sup>th</sup> day of September, 2012

**ATTEST:**

/s/ Martha L. Rehbein  
Martha L. Rehbein, CMC  
City Clerk

(SEAL)

**APPROVED:**

/s/ John Engen  
John Engen  
Mayor

### City First Equal Share Model

Summary:

1. City pays initial \$1,000 of the cost.
2. City and property owner each pays 50% of the costs above \$1,000 until the property owner's assessment reaches \$3,500.
3. After property owner assessment reach \$3,500, the City pays 100% of the cost until the cost reaches \$15,000.
4. Property owner pays costs over \$15,000.

***If a property owner's assessment is less than \$15,000, their maximum assessment under this proposal would be \$3,500.***

**Example:**

Total Assessment:	Owner Pays	City Pays
\$400 Tax doesn't meet deductible	\$0	\$400
\$3,000 Tax is over deductible, but below out of pocket limit	Deductible = \$1,000 $(\$3,000 - \$1,000) \times 0.50 = \$1,000$ Owner Pays \$1,000	$\$3,000 - \$1,000 = \$2,000$
\$12,000 Tax is over deductible and over out of pocket limit	Deductible = \$1,000 $(\$12,000 - \$1,000) \times 0.50 = \$5,500 > \$3,500$ Owner Pays \$3,500	$\$12,000 - \$3,500 = \$8,500$
\$17,000 Tax is over deductible, out of pocket limit and stop loss.	Deductible = \$1,000 $(\$17,000 - \$15,000) = \$2,000$ $(\$15,000 - \$1,000) \times 0.50 = \$7,000 > \$3,500$ $\$3,500 + \$2,000 = \$5,500$	$\$17,000 - \$5,500 = \$11,500$

**The figure below shows the allocation of project costs between the adjacent owner and the City shared pool as project costs vary. This subsidy formula limits higher than average assessments as well as providing a minimal subsidy to each project but requires owners to pay most project costs on below average and average assessments. While the City will participate in all projects under this formula, the majority of subsidies will be allocated to projects with above-average costs.**

