

Impact Fee Funding Criteria
South 3rd Street Reconstruction, Russell to Reserve Street

South 3rd Street from Russell to Reserve was reviewed through public input as part of an environmental impact statement for reconstruction. Improvements on South 3rd Street from Russell to Reserve will consist of new curbs, sidewalks, drainage, and pavement.

This project will use impact fees to pay for data collection and design engineering along with materials. Curbs and sidewalks will be assessed to the adjacent property owners. City Street forces will supply labor and equipment for asphalt and drainage.

This work will be done in 3 phases starting at Russell and working west to Reserve. Data collection, right-of-way identification, and surveying will begin in FY11. Design and utility relocation will take place in Fiscal Year 2012, with Phase 1 beginning in Fiscal Year 2013. Remaining Phases 2 and 3 will be designed and constructed in subsequent fiscal years. Funding: Transportation Impact Fees in FY12 are \$200,000 and will be used to fund data collection and design. Total Transportation Impact Fees budgeted for the entire project is estimated to be \$600,000.

In accordance with Chapter 15.66, Missoula Municipal Code.

Impact fees collected pursuant to this Chapter are expended only on public facilities, the demand for which is generated by the new development against which the fees are assessed.

Public facility improvements to be undertaken by the City as set forth in the capital budget, the City of Missoula Capital Improvement Program, or an adopted public facility plan.

Impact fee expended shall be used to defray all or a portion of the costs of the public facilities required to accommodate new development at City-designated level of service (LOS) standards and which benefits the new development.

1. **City public facility/equipment** Yes No

a. Meets the definition of public capital improvements, buildings, vehicles, apparatus, equipment, land acquisitions, and facilities.¹

Yes No

b. Provides expanded capacity or service for new development proportionate to the calculated impact of the growth.

Yes No

2. **CIP and / or adopted facility plan?** Yes No

CIP CIP Score 49 CIP Rank _____

Plan _____
Name of Plan

3. **Citywide/Regional/Community facility:**

Citywide Regional Community

1. Methodology #1: **Service Increase** Yes No

Calculation:

Impact fee portion determined by population growth of 2% (or current annual growth) since adoption of study on December 27, 2002

Number of years x 2% x cost of full facility improvements = impact fee portion
_____ X _____ x (2% or annual growth) = _____

- a. Methodology #2: **Capacity Increase**

2. Expansion of existing facility to serve development Yes No

Calculation:

Expanded capacity/full capacity= impact fee portion
_____6,700 ADT_____ / _____16,700 ADT_____ = _____40% _____

The Office of Planning and Grant Transportation Planning Section provided 2008 base year Average Daily Traffic (ADT) of 10,000, and projected 2035 ADT full capacity of 16,700. The expanded capacity from the existing road configuration is 6,700 ADT. These measures were used to document expanded capacity and full capacity of the road with planned improvements.

The South 3rd Street CIP identifies \$600,000 Impact Fee Funding, or approximately 29% of the total project cost as part of a \$2,100,000 project. The project is planned to be constructed in phases over three years.

3. New facility to serve new development only Yes No

Calculation:

100% eligible

4. Local/Neighborhood facility:

Street Collector Improvements: Vehicle Trip increases due to full development

Park Improvements: Dwelling unit increases due to full development

Other

Calculation:

New development trips or units/Full capacity of improvement= impact fee portion
_____ / _____ = _____

¹Meets the definition of public capital improvements, buildings, vehicles, apparatus, equipment, land acquisitions, and facilities with a useful life of ten (10) years or more, that increase or improve the service capacity of a public facility such as parks, open space, trails, fire and emergency medical service facilities, law enforcement facilities, and community services facilities included in the calculation of development

impact fees in the methodology report and transportation facilities included on the City's capital improvement program with the exception of the portions of this chapter not amended by this ordinance that were enacted previously and grandfathered as authorized by Section 9. "Applicability", Chapter No.299, Senate Bill 185 of the Montana Session Laws 2005".

Appendix

Examples of calculations of impact fee support

For parks, which has an Urban Area Master Park Plan, Transportation (NMT) and Trails Plans, Open Space Plan, various site plans or similar adopted public plans applicable to Parks and Recreation:

- A. The improvements being considered for funding with Impact Fee funds shall cost less than, or equal to the amount of impact fees expected to be collected by the City from the area and as outlined in the Urban Area Master Park Plan (MPP) for the specific improvement.
- B. Per MPP, Neighborhood parks typically serve 1/2 mile radius, Community parks/facilities serve 1.5 miles, Regional Parks/Open Spaces/Trails serve entire community or greater.
- C. Impact fee expended shall be used for the public facility costs generated by new development for Parks and Recreation improvements as designated in the City's capital improvement program, including but not limited to park development, trails, playgrounds, water features, irrigation, trees, various & misc. park facilities and amenities, buildings, fencing, facility expansion through actual size, service, or capacity increase or through design allowing for multi use of existing sites.
- D. Impact fee expended shall be used for the acquisition of and dedication of land for public parks, opens space or trails, or for actual construction of all or part of a public facility or public facilities identified in an adopted CIP, or master plan, or impact fee methodology report and meeting or exceeding the demand generated by the new development.

Examples -Addresses growth entirely or by a calculated percentage

- E. Based on realized & projected population increase – could generate data for proportionate use of impact fees for the increased capacity provided such as square footage allocation between existing service levels vs. growth impacts
 - i. For parks – increasing user capacity within an existing park by a calculated percentage for restrooms, park equipment, parking, picnic shelters etc. This could allow for some proportionate support from impact fees. Here are some examples:
 - 1. Capacity increase
 - a. Example: Old playground, with a capacity of 15 children is replaced by a new playground with a capacity for 45 children, in order to accommodate demand caused by growth. Impact fees may pay for 2/3 of cost of project.
 - b. Example: Land is acquired to add new facility, service or amenity. Impact fees may pay entire cost of new facility.
 - c. Example: A current single sport activity such as tennis court or baseball field is renovated to include and accommodate multi uses, such as tennis, basketball, baseball or soccer thereby increasing capacity to address more users. Impact fees pay for additional cost to provide the additional capacity.

- d. Example: Parking lot is expanded from current 100 parking spots to 125 spots through redesign and related construction expansion. Impact fees pay for 25% of construction costs.
 - e. Example: New equipment is added to increase capacity as demanded by growth (turf equipment to expand user loads on existing facilities or to care for new facilities.) Impact fees pay up to 100% of added equipment.
2. Square footage or size increase
- a. Example: Old picnic shelter, with capacity of 4 tables (32 individuals) is replaced with new shelter to accommodate 8 tables (64 individuals). Impact fees may be allocated at a rate of up to 50% of total cost of project.
 - b. Example: Office space added to accommodate staff necessary to service new growth. Impact fees may be allocated at up to 100% for total cost of project or per formula as percentage of increase in footprint.
3. Service increase
- a. Example: Old restroom, with two stall (one male/one female) is replaced with 4 stalls, including unisex use with baby and toddler change stations. Impact fees may be allocated at a rate of at least 50% of total cost of project.
 - b. Example: Existing park adds a new feature, such as basketball court or skate park. Impact fees may pay up to 100% of new feature costs.
 - c. Example: Lighting is added to a current facility to increase hours of use. Impact fees pay full cost of improvement or increase capacity as proportionate share of increased users serviced.
 - d. Example: A Plan and/or Improvement are developed to successfully support additional use, generated from growth, while preserving existing infrastructure or resources. (Irrigation/soil improvements, trails/trailhead improvements that expand capacity of existing facilities to address growth). Impact fees used directly proportionate to increased user service or capacity.
- F. Based on realized & projected growth in staffing (FTE's) – could generate data for proportionate use of impact fees for the increased capacity provided
- G. Based on realized & projected growth in traffic due to potential build-out as determined in existing zoning or with traffic count data:
- i. For road fees – adding a bike line could increase transportation capacity and allow for some proportionate support from impact fees;
 - ii. For road fees – adding a turn lane increases capacity;
 - iii. The calculation of new development traffic generated from growth shall be based on the change of traffic volumes for what was existing on the effective date of City Ordinance 3364, January 9, 2008.
 - iv. New development traffic generation shall be based on the Institute of Transportation Engineers (ITE) trip generation formulas for the existing zoning of properties in the tributary area of the arterial or collector road being considered for improvements.
 - v. Increase in average daily trips necessitating lane enlargements, traffic signals, intersection improvements, pedestrian capacity, future build-out allowed by current zoning etc. to get a handle on what will be the likely future impact.

Definitions From Missoula's Impact fee Ordinance To Assist Discussion

Transportation Development Impact Fee: a development impact fee imposed on new residential and non-residential development to fund the proportionate share of the public facility costs generated by new development for arterial and collector roads designated on the City's capital improvement program, including roads, streets, bridges, rights-of-way, traffic signal, and landscaping.

Transportation impact fees are designated for mitigation of traffic impacts to larger arterial streets in Missoula. Because the impact fees are collected at 50% of the actual cost of impact, the funds spent for mitigation will be at half the cost of the improvements. Assessments may also include private developer contributions. All safety or capacity mitigations will be related to growth. – future component

Parks and Open Space Development Impact Fee: a development impact fee imposed on new residential development to fund **the proportionate share of the costs generated by new development** for public facilities, including neighborhood, community and regional park and recreation facilities; and for acquisition and improvements of open space lands and trails.

Law Enforcement Development Impact Fee: a development impact fee imposed on new residential and non-residential development to fund the proportionate share of the costs for public facilities, including law enforcement buildings, vehicles, and equipment generated by new development.

Community Services Development Impact Fee: a development impact fee imposed on residential and nonresidential development to fund the proportionate share of the costs generated by new development for public facilities, including municipal buildings, vehicles, and equipment.

Fire and Emergency Medical Service Development Impact Fee: a development impact fee imposed on new residential and non-residential development to fund the proportionate share of the costs generated by new development for public facilities including fire stations, emergency vehicles, trucks, pumpers, water tenders, and other fire protection buildings, facilities, and equipment created by new development.

Public Facility: public capital improvements, buildings, vehicles, apparatus, equipment, land acquisitions, and facilities with a useful life of ten (10) years or more, that increase or improve the service capacity of a public facility such as parks, open space, trails, fire and emergency medical service facilities, law enforcement facilities, and community services facilities included in the calculation of development impact fees in the methodology report and transportation facilities included on the City's capital improvement program with the exception of the portions of this chapter not amended by this ordinance that were enacted previously and grandfathered as authorized by Section 9. "Applicability", Chapter No.299, Senate Bill 185 of the Montana Session Laws 2005".

Development Impact Fee: a fee imposed on new development on a pro rata basis in connection with and as a condition of the issuance of a building permit and which is calculated to defray all or a portion of the costs of the public facilities required to accommodate new development at City-designated level of service (LOS) standards and which benefits the new development and is proportionate in amount to actual impact of new development on the public facilities to be funded with development impact fee funds.