

Transportation Impact Fee



Impact Fees

Purpose: Growth pays its proportionate share

For What: *Equipment and facilities

*Expansion to serve growth

Examples: *Additional Fire Trucks

*Expansion of Police and Fire stations

*Additional traffic lanes/ signals

*Large diameter Sewer/Water pipes

*Expansion of Sewer/Water Treatment Plants



2004

- ▶ City Impact Fee Ordinance #3250 adopted by City Council in May, 2004
- ▶ Impact fees enacted
 - Fire and Emergency Medical Services
 - Law Enforcement
 - Community Services
 - Parks and Open Space



2004 – Ordinance

- ▶ Applied to both Housing and Commercial development
- ▶ Annual revenues \$.5 million/year
- ▶ Allocated in CIP to the particular service



Impact Fees Expenditures

FY 05 - 07

| Project Description | Department | Estimated Cost |
|--|-------------------|----------------|
| ▶ Fire and Police Vehicles | Fire/Police | \$116,000 |
| ▶ Fire Station #4 Expansion & New Fire Station | Fire/Police | \$421,000 |
| ▶ Fire & Police Facility Master Planning | Fire/Police | \$110,000 |
| ▶ VOIP – expansion of Phone/Data System | Community Service | \$ 95,000 |
| ▶ Municipal Court & Council Chamber Expansion | Community Service | \$756,000 |
| ▶ Expansion – Central Maintenance | Community Service | \$ 17,000 |



Impact Fees Expenditures continued...

FY 05 - 07

| | | |
|--|-------|----------------------|
| ▶ Playfair Park improvements including expansion of picnic shelter & restrooms | Parks | \$50,000 |
| ▶ Pleasant View Homes Park | Parks | \$86,000 |
| ▶ Lafrey Park | Parks | \$82,000 |
| ▶ Fort Missoula Regional Park Development | Parks | EST. \$75,000 / year |
| ▶ 44 Ranch Park | Parks | To be determined |



2005

Montana Senate Bill 185

- ▶ Designates Impact Fees for:
 - ▶ Police
 - ▶ Fire
 - ▶ Transportation
 - ▶ Sewer/Water/Storm Water
- ▶ Allows fees for other facilities
 - ▶ If 2/3 of governing body approves
- ▶ Defines "Capital Improvement"
 - ▶ Ten (10) year useful life



2005 – Senate Bill 185

Affect on Missoula Impact Fee Ordinance

- ▶ Affirms Police, Fire & Sewer fees
- ▶ 2/3 vote required to continue Parks & Community Services
- ▶ Eliminates vehicles with less than ten (10) year useful life (Police patrol vehicles are eliminated)
- ▶ Enables a Transportation Impact Fee



Transportation Impact Fee

- ▶ OPG employed TischlerBise, Inc to complete Transportation Impact Fee Study with WGM Group in 2006
(Federal/State Transportation Planning Funds)



Transportation Impact Fee

- ▶ City Impact Fee Advisory Committee
 - ▶ Established by City Council in October 2006
 - ▶ Nine members:
 - ▶ Mayor Appointees: Janet Donahue (chair), Dick Ainsworth, Collin Bangs, John Freer, Jim Galipeau, Jinny Iverson, Mark Muir
 - ▶ City Council Appointees: Jerry Ford, Derek Goldman
 - ▶ Seven meetings held: December, 2006 ~ April, 2007
- ▶ Recommendations of the Advisory Committee presented to City Council Administration and Finance Committee on July 11, 2007



Recommendations from the City Impact Fee Advisory Committee

- ▶ City-wide transportation fee
 - Had initially considered just the Wye–Mullan Area
- ▶ Proposed fees are half of the value determined in the March 8, 2007 Transportation Impact Fee Study by TischlerBise, Inc.
- ▶ Adjusts other impact fees
 - ▶ Senate Bill 185



Transportation Impact Fee Study

Missoula, Montana



TischlerBise
Fiscal, Economic & Planning Consultants

WGM GROUP, INC.
ENGINEERING • SURVEY • PLANNING • DESIGN

07/11/07

www.tischlerbise.com

800-424-4318

Alternative Road Impact Fee Methods

- **Plan-Based**

- Fees tied to specific improvements
 - Requires consensus on a 5+ year plan
- More difficult to identify growth-related share of cost
 - Existing deficiencies
 - Pass-through trips
- Feasible funding strategy that requires additional revenue

- **Incremental Expansion (formula-driven)**

- Specific projects identified every 1-2 years

Comparison of Road Impact Fee Methods

- Plan-Based for Mullan Road Area
 - Specific CIP documents benefit to fee payers
 - Only relieves congestion in a small area
 - Major deficits
- Citywide Incremental Expansion
 - Minimal deficits
 - Flexibility to address citywide problems
 - City's CIP will indicate growth-related projects

Conceptual Impact Fee Steps



Transportation Impact Fee Steps



Maximum Road Impact Fee Schedule

See Figure 11

| ITE Code | ~ 50% = \$1,100 | Roads | Adm 5% | TOTAL |
|---|-----------------|---------|--------|---------|
| Residential Categories (per housing unit) | | | | |
| 210 Single Family Detached | | \$2,477 | \$123 | \$2,600 |
| 230 All Other Housing Types | | \$1,516 | \$75 | \$1,591 |
| <i>Nonresidential (per 1,000 Sq Ft of floor area)</i> | | | | |
| 820 Commercial/Shop Ctr 100,000 SF or less | ~ 50% = \$3,205 | \$6,466 | \$323 | \$6,789 |
| 820 Com / Shop Ctr 100,001-200,000 SF | | \$5,534 | \$276 | \$5,810 |
| 820 Com / Shop Ctr 200,001-500,000 SF | | \$4,703 | \$235 | \$4,938 |
| 770 Business Park | | \$1,340 | \$67 | \$1,407 |
| 720 Medical-Dental Office Bldg | | \$5,748 | \$287 | \$6,035 |
| 710 Office 25,000 SF or less | | \$2,919 | \$145 | \$3,064 |
| 710 Office 25,001-50,000 SF | | \$2,490 | \$124 | \$2,614 |
| 710 Office 50,001+ | ~ 50% = \$1,447 | \$2,122 | \$106 | \$2,228 |
| 610 Hospital | | \$2,795 | \$139 | \$2,934 |
| 151 Mini-Warehouse | | \$397 | \$19 | \$416 |
| 150 Warehousing | | \$789 | \$39 | \$828 |
| 140 Manufacturing | | \$607 | \$30 | \$637 |
| 110 Light Industrial | | \$1,109 | \$55 | \$1,164 |
| 520 Elementary School | | \$1,521 | \$76 | \$1,597 |
| <i>Nonresidential (per unique demand indicator)</i> | | | | |
| 620 Nursing Home (per bed) | | \$377 | \$18 | \$395 |
| 565 Day Care (per student) | | \$423 | \$21 | \$444 |
| 530 Secondary School (per student) | | \$242 | \$12 | \$254 |
| 520 Elementary School (per student) | | \$167 | \$8 | \$175 |
| 320 Lodging (per room) | | \$1,109 | \$55 | \$1,164 |

Proposed Impact Fees

Single Family Residential

- Based on 1,700 – 1,799 square foot home
- Broken down in 100 square foot increments

| Fee | Current Fees | Proposed Fees |
|-------------------|--------------|----------------|
| Parks | \$420 | \$ 192 |
| Community Service | \$238 | \$ 223 |
| Police/Fire | \$166 | \$ 123 |
| Transportation | \$ 0 | \$ 1,100 |
| Total | \$824 | \$1,638 |



Proposed Impact Fees

General Office Building

- 10,000 square foot general office building

| Fee | Current Fees | Proposed Fees |
|-------------------|---------------------|----------------------|
| Parks | \$ 0 | \$ 0 |
| Community Service | \$ 3,670 | \$ 3,370 |
| Police/Fire | \$ 3,020 | \$ 2,210 |
| Transportation | \$ 0 | \$14,470 |
| Total | \$6,690 | \$20,050 |

- 20,000 square foot general office building

| Fee | Current Fees | Proposed Fees |
|-------------------|---------------------|----------------------|
| Parks | \$ 0 | \$ 0 |
| Community Service | \$ 7,340 | \$ 6,740 |
| Police/Fire | \$ 6,040 | \$ 4,420 |
| Transportation | \$ 0 | \$28,940 |
| Total | \$13,380 | \$40,100 |



Proposed Impact Fees

Commercial Building

- 10,000 square foot commercial building

| Fee | Current Fees | Proposed Fees |
|-------------------|---------------------|----------------------|
| Parks | \$ 0 | \$ 0 |
| Community Service | \$ 2,600 | \$ 2,380 |
| Police/Fire | \$ 2,360 | \$ 1,650 |
| Transportation | \$ 0 | \$ 32,050 |
| Total | \$ 4,960 | \$36,080 |

- 20,000 square foot commercial building

| Fee | Current Fees | Proposed Fees |
|-------------------|---------------------|----------------------|
| Parks | \$ 0 | \$ 0 |
| Community Service | \$ 5,200 | \$ 4,760 |
| Police/Fire | \$ 4,720 | \$ 3,300 |
| Transportation | \$ 0 | \$64,100 |
| Total | \$ 9,920 | \$72,160 |



Other Considerations

- ▶ Residential fees are broken down to 100 square foot increments. The lowest tiered bracket is a 1,000 square foot home
- ▶ All Impact Fees slightly reduced. It is clear that the Police/Fire fee will need to be adjusted upward as the city considers a new public safety facility.



Transportation Impact Fee Budget

\$1 Million Revenue

2008 & 2009

Transportation Impact Fee Budget

\$1 Million Revenue

2010

| Location of Proposed Improvements | Description of Proposed Improvements | Year 2010 | Cost Est | Other Funding | Impact Fee |
|--|--|-----------|----------|---------------|------------|
| S 3 rd W – Russell to Reserve | Widen Street – install curb & sidewalk | | | | |
| Broadway & Mary Jane Intersection | Install traffic signal | | | | |
| Mullan & Mary Jane Intersection | Install traffic signal | X | 250 | ? | 250 |
| Miller Creek/Old 93 | Install traffic signal at Briggs/Miller Creek. Improve Miller Creek/Brooks intersection. Improve Old 93 between Brooks and Reserve. Install signal at Old 93/Reserve. | X | 1,500 | 750 | 750 |
| S 3 rd W – Reserve to Hiberta | Widen street and install curb & sidewalk | | | | |
| Lower Miller Creek | Linda Vista to Maloney Ranch | | | | |

Transportation Impact Fee Budget

\$1 Million Revenue

2011 & 2012

| Location of Proposed Improvements | Description of Proposed Improvements | Year 2011 | Cost Est | Other Funding | Impact Fee | Year 2012 | Cost Est | Other Funding | Impact Fee |
|--|---|-----------|----------|---------------|------------|-----------|----------|---------------|------------|
| S 3 rd W – Russell to Reserve | Widen Street – install curb & sidewalk | | | | | | | | |
| Broadway & Mary Jane Intersection | Install traffic signal | | | | | | | | |
| Mullan & Mary Jane Intersection | Install traffic signal | | | | | | | | |
| Miller Creek/Old 93 | Install traffic signal at Briggs/Miller Creek. Improve Miller Creek/Brooks intersection. Improve Old 93 between Brooks and Reserve. Install signal at Old 93/Reserve. | | | | | | | | |
| S 3rd W – Reserve to Hiberta | Widen street and install curb & sidewalk | X | 1,400 | 400 | 1,000 | X | 650 | 250 | 400 |
| Lower Miller Creek | Linda Vista to Maloney Ranch | | | | | X | 950 | 350 | 500 |

Impact Fee Survey

Single Family Residential

| Type of Structure | Square Footage | Total Fees | | | | | | | | | (Proposed) Kalispell |
|---------------------------|----------------|--------------------|---------------------|----------|----------|---------|--------------------|---------|-----------|---------|----------------------|
| | | (Current) Missoula | (Proposed) Missoula | Belgrade | Billings | Bozeman | Coeur d' Alene, ID | Helena | Kalispell | Polson | |
| Single Family Residential | 1,700 | \$2,226 | \$3,038 | \$9,172 | \$3,222 | \$7,160 | \$5,678 | \$1,234 | \$6,256 | \$7,174 | \$691 |

Fees include transportation, fire, police, community service, water, sewer, stormwater and parks



Impact Fee Survey

General Office Building

| Type of Structure | Square Footage | Total Fees | | | | | | | | | |
|-------------------|----------------|--------------------|---------------------|----------|----------|----------|--------------------|---------|-----------|----------|----------------------|
| | | (Current) Missoula | (Proposed) Missoula | Belgrade | Billings | Bozeman | Coeur d' Alene, ID | Helena | Kalispell | Polson | (Proposed) Kalispell |
| Office | 20,000 | \$16,880 | \$43,600 | \$63,482 | \$8,055 | \$82,562 | \$91,991 | \$2,059 | \$23,082 | \$20,622 | \$21,357 |
| Office | 10,000 | \$10,190 | \$23,550 | \$36,287 | \$8,055 | \$47,615 | \$46,885 | \$2,059 | \$17,276 | \$14,637 | \$10,679 |

Fees include transportation, fire, police, community service, water, sewer, stormwater and parks



Impact Fee Survey

Commercial Building

| Type of Structure | Square Footage | Total Fees | | | | | | | | | |
|-------------------|----------------|--------------------|---------------------|-----------|----------|-----------|--------------------|---------|-----------|----------|----------------------|
| | | (Current) Missoula | (Proposed) Missoula | Belgrade | Billings | Bozeman | Coeur d' Alene, ID | Helena | Kalispell | Polson | (Proposed) Kalispell |
| Commercial | 20,000 | \$16,920 | \$79,160 | \$163,808 | \$16,110 | \$138,727 | \$81,680 | \$4,110 | \$34,552 | \$52,286 | \$63,378 |
| Commercial | 10,000 | \$8,460 | \$39,580 | \$ 82,172 | \$8,055 | \$ 69,364 | \$40,885 | \$2,059 | \$17,276 | \$34,541 | \$31,689 |

Fees include transportation, fire, police, community service, water, sewer, stormwater and parks



Impact Fee Survey

| Type of Structure | Square Footage | Total Fees | | | | | | | | | | (Proposed) Kalispell |
|---------------------------|----------------|--------------------|---------------------|-----------|----------|-----------|--------------------|---------|-----------|----------|----------|----------------------|
| | | (Current) Missoula | (Proposed) Missoula | Belgrade | Billings | Bozeman | Coeur d' Alene, ID | Helena | Kalispell | Polson | | |
| Single Family Residential | 1,700 | \$2,226 | \$3,038 | \$9,172 | \$3,322 | \$7,160 | \$5,678 | \$1,234 | \$6,256 | \$7,174 | \$691 | |
| Office | 20,000 | \$16,880 | \$43,600 | \$63,482 | \$8,055 | \$82,562 | \$91,991 | \$2,059 | \$23,082 | \$20,622 | \$21,357 | |
| Office | 10,000 | \$10,190 | \$23,550 | \$36,287 | \$8,055 | \$47,615 | \$46,885 | \$2,059 | \$17,276 | \$14,637 | \$10,679 | |
| Commercial | 20,000 | \$16,920 | \$79,160 | \$163,808 | \$16,110 | \$138,727 | \$81,680 | \$4,110 | \$34,552 | \$52,286 | \$63,378 | |
| Commercial | 10,000 | \$8,460 | \$39,580 | \$82,172 | \$8,055 | \$69,364 | \$40,885 | \$2,059 | \$17,276 | \$34,541 | \$31,689 | |

50% of study fee

65% of study fee

80% of study fee

100% of study fee



Comments and Responses

C: Additional fees to housing affect the affordability of housing.

R: Impact fees directly serve the new housing with improved parks, improved urban arterials, and new fire and police equipment/facilities. The proposed transportation impact fee for a single family (\$1100) is less than 1% of the total cost. Additionally the total of the City Impact Fees for housing is one of the lowest in the region.

C: The Commercial Transportation Impact Fees are too high.

R: The proposed Transportation Impact Fee is 50% of the amount determined by the Study. Again proposed fee is the lowest in the region in comparison to those cities that have adopted the Transportation Impact Fee.

Comments and Responses cont...

C: Why are the Commercial Transportation Impact Fees so much higher than residential?

R: Fee is determined upon the number of vehicle trips generated by the facility per national standards. Commercial uses, compared to residential uses, have significantly more cars and trucks using the streets in order to access the businesses.

Improvements to the arterial systems benefits access to businesses. For example, a drive-in bank cannot function to its full capacity if the access is a congested arterial.

C: Find other revenue, such as Federal funds or gas tax, rather than impact fees to upgrade street systems.

R: The current needs to improve the street system far exceed Federal funds or State gas tax. Transportation Impact fees will enable the City to provide more improvements to serve the growth.

Comments and Responses cont...

C: The streets that are proposed to be upgraded by using Transportation Impact Fees are existing problems and the growth should not have to pay to solve existing problems.

R: Expanding existing street systems, such as 3rd or Russell, will provide traffic capacity for growth. Growth should pay its fair share of these improvements.