

IMPACT FEES GENERATED AND EXPENDED

CITY OF POLSON FOR FY 2007-2008

INTRODUCTION: As required by Sec 6.10 (g) of Polson Ordinance 624 dated April 18, 2007, the following report is submitted to the Polson City Council

ENABLING LEGISLATION: MCA 7-6-16. Definitions from this law, 7-6-1601 (Please see www.mt.gov)

LOCAL ORDINANCE: Polson City Ordinance 624 dated 4/18/2007. (Please see <http://www.cityofpolson.com/pdf/ord/624.pdf>)

SUPPORTING DOCUMENTATION: Assumptions and calculations were provided to the city by TischlerBise, Fiscal, Economic & Planning Consultants, in a report to the City of Polson dated February 5, 2007.

USE OF FUNDS COLLECTED: “Impact fees shall be expended only on System Improvements needed to accommodate the demand generated by new development. Impact fees shall not be expended to eliminate any deficiencies in facilities, land or equipment related to existing development or that may result from adoption of an increased level of service.” Polson Ordinance 624

CITYWIDE IMPACT FEES FOR FY 2007-2008: (Please see attachment C)

IMPACT FEES GENERATED AND EXPENDED, FY 2008-2009. (Please see attachment D)

RECOMMENDATIONS/CONSIDERATIONS:

- A) 5% Administration fee. Is it enough? Is it too much? When analysis was generated Polson did not have a City Manager. That salary should be included in expenses related to new development. (One suggestion is to establish an accrual for administration fees to anticipate possible legal expenses. Beyond the accrual, revenues should be attributed to relevant expenses.)
- B) Road Impact Fees: We were told at the time of the analysis that roads should not be included. Since then we know of other communities that have road impact fees. It seems that new development causes an impact on our road development expense. Is this an issue we want to review with TischlerBise?

A copy of the Tischler-Bise study referenced above is available for public inspection during regular hours at Polson City Hall.

ANNUAL IMPACT FEE REPORT FOR FY 2007-2008

Attachment C

Residential	PARKS	WATER	SEWER	FIRE	5% ADMIN	TOTAL
Detached Housing	\$1,000	\$3,310	\$1,531	\$971	\$341	\$7,173
All Other Housing Types	\$806	\$2,617	\$1,210	\$768	\$270	\$5,671

Non-Residential	Per sq ft of floor area		
Commercial/shop ctr 50,000 sq ft or less	\$1.69	\$0.08	\$1.77
Commercial/shop ctr 50,001-100,000 sq ft	\$1.41	\$0.07	\$1.48
Commercial/shop ctr 100,001-200,000 sq ft	\$1.20	\$0.06	\$1.26
Business Park	\$0.26	\$0.01	\$0.27
Medical/Dental Office	\$1.13	\$0.05	\$1.18
General Office 25,000 sq ft or less	\$0.57	\$0.02	\$0.59
General Office 25,001-50,000 sq ft	\$0.49	\$0.02	\$0.51
General Office 50,001-200,000 sq ft	\$0.35	\$0.01	\$0.36
Hospital	\$0.55	\$0.02	\$0.57
Mini-Warehouse	\$0.07	0	\$0.07
Warehousing	\$0.15	0	\$0.15
Manufacturing	\$0.12	0	\$0.12
Light Industrial	\$0.21	\$0.01	\$0.22
Elementary School	\$0.30	\$0.01	\$0.31

Other Non-Residential	Per unique development unit		
Nursing Home (per bed)	\$74	\$3	\$77
Day Care (per student)	\$67	\$3	\$70
Secondary School (per student)	\$38	\$1	\$39
Elementary School (per student)	\$26	\$1	\$27
Lodging (per room)	\$177	\$8	\$185

Water and Sewer fees for non-residential development are based on water meter size. A building requiring a meter larger

Capacity	Ratio	Per Meter Size:	Water	Sewer	5% Admin	Total
.75"	1		\$3,313	\$1,533	\$242	\$5,088
1"	1.7		\$5,633	\$2,607	\$412	\$8,652
1.5"	3.3		\$10,935	\$5,061	\$799	\$16,795
2"	5.3		\$17,563	\$8,129	\$1,284	\$26,976

Attachment D**IMPACT FEES GENERATED AND EXPENDED
City of Polson FY 2007-2008**

Department	Impact Fees Earned	Interest Earned	Total Earned	Expenditures	Purpose
Fire	\$65,284.00	\$1,389.70	\$66,673.70	none	n/a
Parks	\$69,138.00	\$1,992.66	\$71,130.66	none	n/a
Water	\$176,271.31	\$3,756.04	\$180,027.35	\$6,626.00	Impact Fee Review Board decision to refund fees
Sewer	\$59,932.00	\$1,217.04	\$61,149.04	none	n/a
Admin Fee	\$21,016.00	Interest Included	\$21,016.00	none	n/a
Totals	\$391,641.31	\$8,355.44	\$399,996.75	\$6,626.00	