



September 12, 2022

# Annual Encroachment Fees



**Billings**  
PUBLIC  
WORKS

# OVERVIEW

An **encroachment** is when any physical object projects into the City's right-of-way (ROW).

One-time **permit** due with encroachment applications.

**Annual Rental** fees are assessed for encroachments that are not temporary in nature.

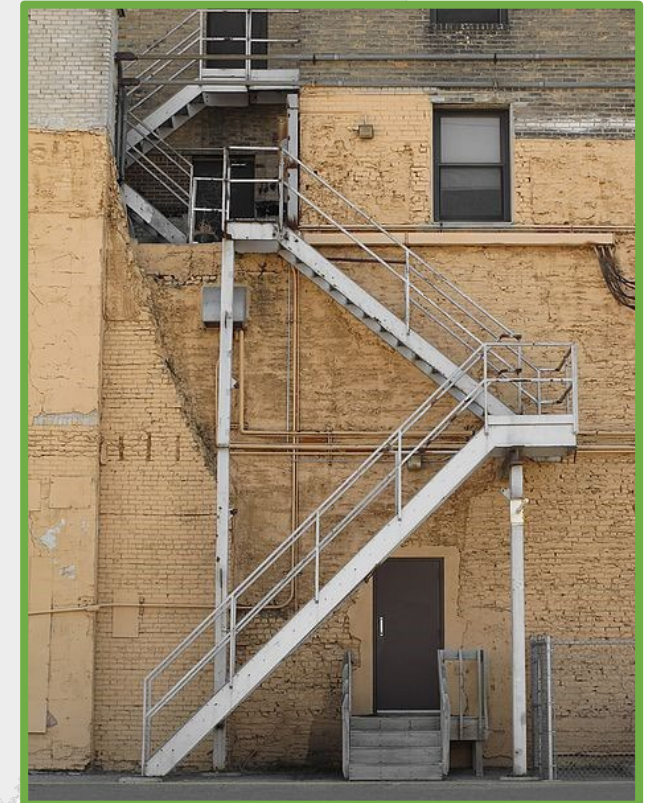
The proposed **Resolution** will revise the established fees and levy annual rental fee assessments for encroachments in the ROW.

## Why assess a rental fee?

### **Cover costs**

- Inspection
- Administration
- On-going ROW Management

### **Ensure safety and accessibility of the ROW**



# ENCROACHMENT RENTAL FEES

## FY85

- Encroachment rental fee set at \$1/SF

## FY86

- Awnings and canopies in CBD exempted

## FY21

- Changed to tier system
- Encroachment rental fee set at \$2/SF
- First year of 5-year plan for tier 2 encroachments

## FY22

- Second year of 5-year plan for tier 2 encroachments
- Tier 2 encroachments increased from \$2/SF to \$2.80/SF

## Tier Structure

### Defined by public impact

#### Tier 1

- minimal impact to the right-of-way
- awnings, overhanging signs, conduit

#### Tier 2

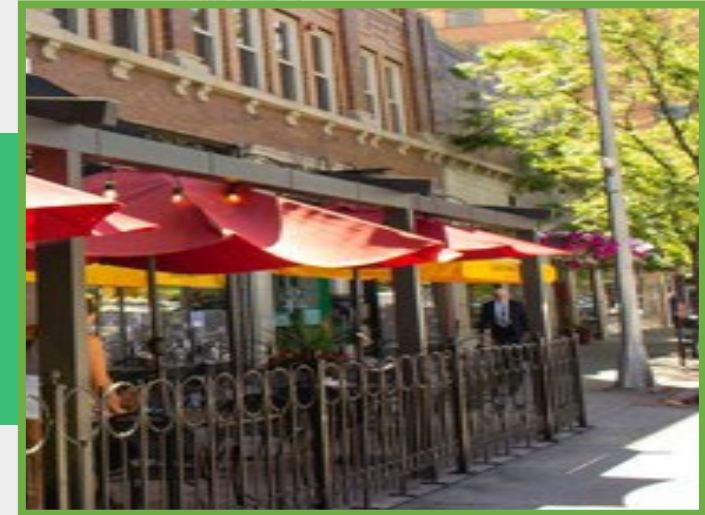
- major impact to the right-of-way and cause part of the right-of-way to be unusable
- restaurant patios on the sidewalk, fences, stairways, and sheds
- 5-year fee phase-in
  - 50% of the average taxable value of adjacent land
  - Target rate = \$7.35



# RENTAL FEES & ANNUAL ASSESSMENTS

Description	Current Rate	Proposed Rate
Tier I		
Annual rate per square foot	\$2.00	\$2.00
Annual rate per linear foot	\$2.00	\$2.00
Minimum annual fee	\$10.00	\$20.00
Tier II		
Annual rate per square foot	\$2.80	\$3.80
Annual rate per linear foot	\$2.80	\$3.80
Minimum annual fee	\$10.00	\$20.00

**132** encroachments  
 Assessed to **157** tax codes  
**\$83k** in revenues from  
 annual rental fees



Address	Encroachment	Tier	FY22 Annual Assessment	FY23 Annual Assessment	\$ Increase
2305 3 <sup>rd</sup> Ave S	Underground Conduit	I	\$160	\$160	\$0
138 Florine Ln	Fence in Alley	II	\$42	\$57	\$15
533 Park Ln	Retaining Wall	II	\$14	\$20	\$6
3040 Central Ave	Sign	II	\$84	\$114	\$30
222 N 28 <sup>th</sup>	Outdoor Patio	II	\$1,400	\$1,900	\$500



# THANK YOU

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EXCELLENCE

INNOVATION

INTEGRITY



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