



Public Works Street Fees



Public Works Road Funding

Gas Tax



\$3,979,000

Arterial

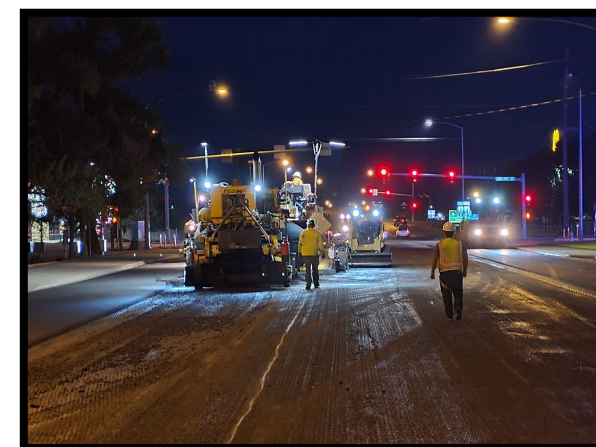
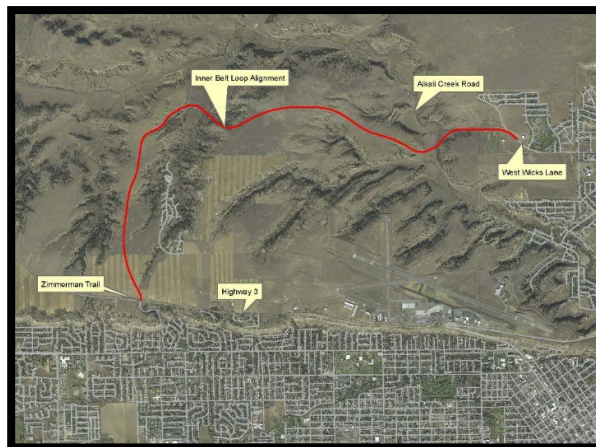


\$4,616,000

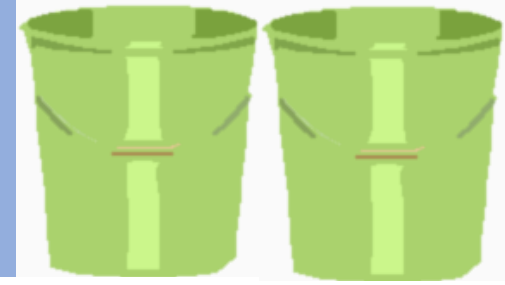
Street Maintenance Districts (SMDs)



\$9,366,000

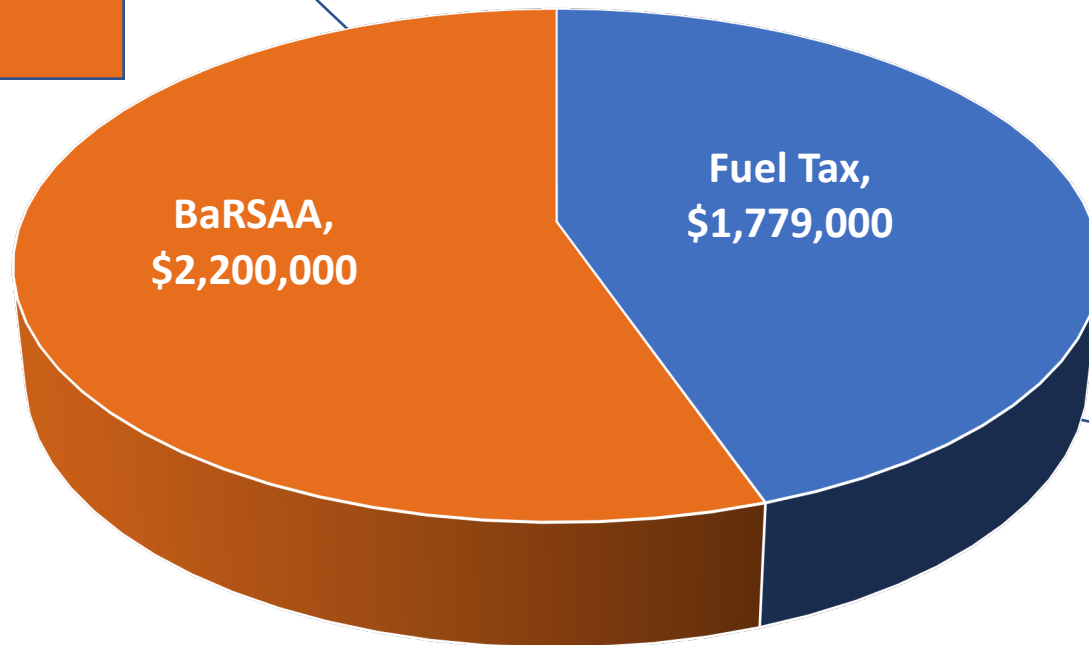


Gas Tax



Annual amount
dependent on fuel sales

Can be used for construction, reconstruction,
maintenance, and repair of city streets and alleys



Static amount:
increases/decreases
based on road mileage &
population compared to
other MT cities & counties

Arterial Construction Fees



Revenues from Arterial Fees

FY22	\$4,616,000
6% Increase	\$277,000
FY23	\$4,893,000

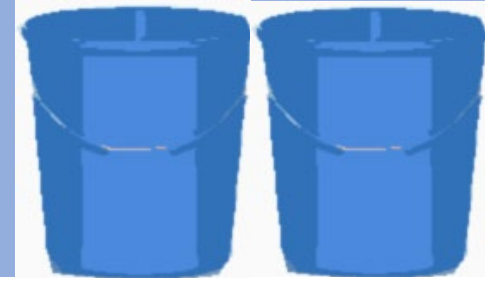
Can be used for construction, reconstruction, and replacement of arterial roads

Current Arterial Fee Methodology & Rates

Assessment Methodology	Zoning and square footage
Residential SF Cap	9,600 SF
Vacant Rate	\$.00190
Vacant Cap	\$1,260
Residential Rate	\$.00560/sf
Assessment Relief Options	SFR not zoned as residential can petition for res. rate & SF cap
Average Annual FY22 Residential Fee	\$53.76



Street Maintenance District Fees



"Maintenance" includes but is not limited to sprinkling, graveling, oiling, chip sealing, seal coating, overlaying, treating, cleaning, sweeping, flushing, snow removal, leaf/debris removal, operation, maint, & repair of traffic signal systems, repair of traffic signs, placement & maintenance of pavement markings, curb & gutter repair, minor sidewalk repair that includes cracking, chipping, sinking, & replacement of not more than 6 feet of sidewalk in any 100-foot portion

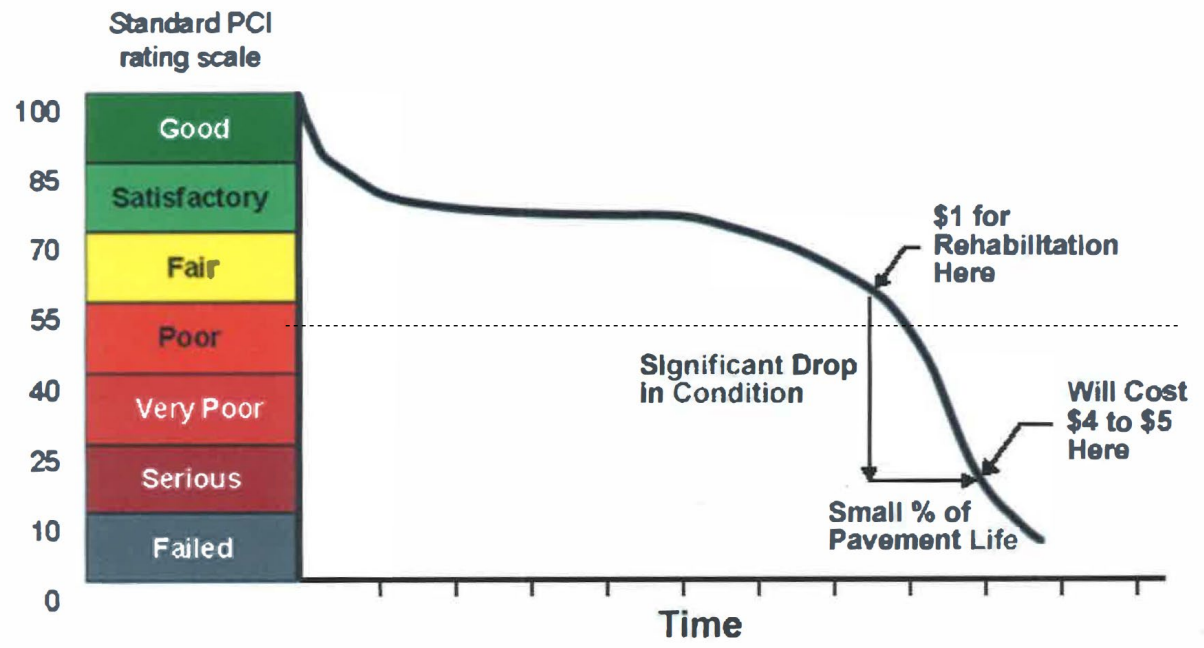
Revenues from SMDs		
District	SMD 1	SMD 2
Increase %	4.7%	5.9%
FY22	\$316,000	\$9,050,000
Increase \$	\$15,000	\$537,000
FY23	\$331,000	\$9,587,000
Reduce SMDs/ Increase PD1		(\$336,000)
Total FY23		\$9,251,000
Net Increase		\$201,000, 2.2%

Current SMD Fee Methodology & Rates	
Assessment Methodology	Assessable Area
Residential SF Cap	None
Vacant Rate	None
Vacant Cap	\$1,545
SMD 2 Rate	\$.013397/sf
Assessment Relief Options	None
Average Annual FY22 Residential Fee	\$129.83



PAVER Program Shortfall

	Funding Cycle	Recommended Cycle
Overlay	30 years	15 years
Chip Seal	25 years	8 years

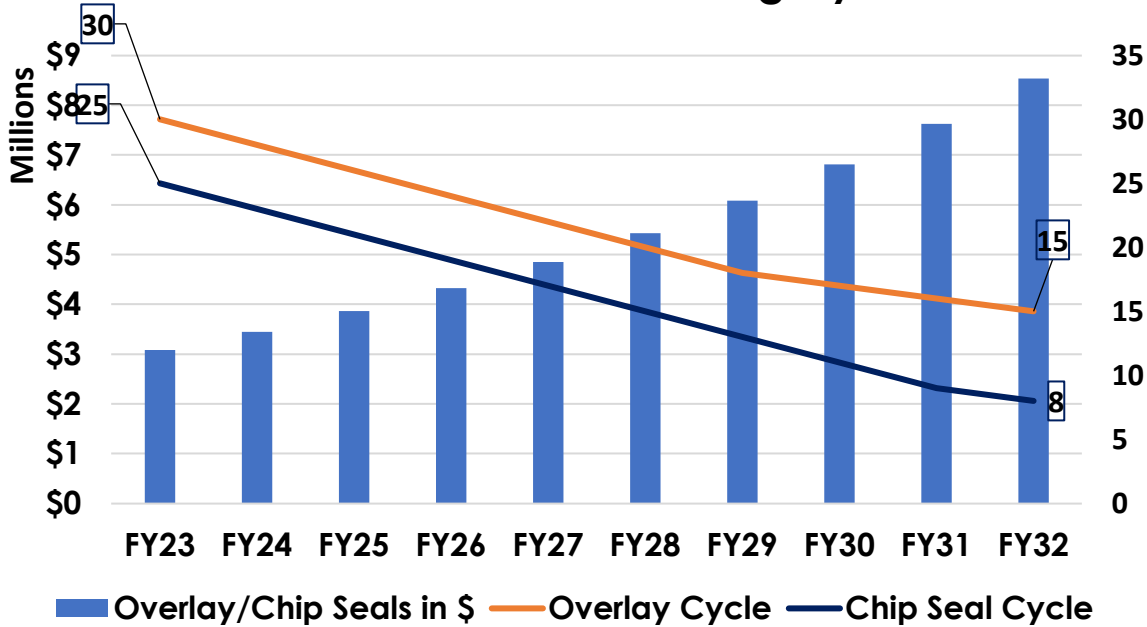


PAVER Program Funding

Need to increase PAVER program by \$4M annually to meet recommended cycles.



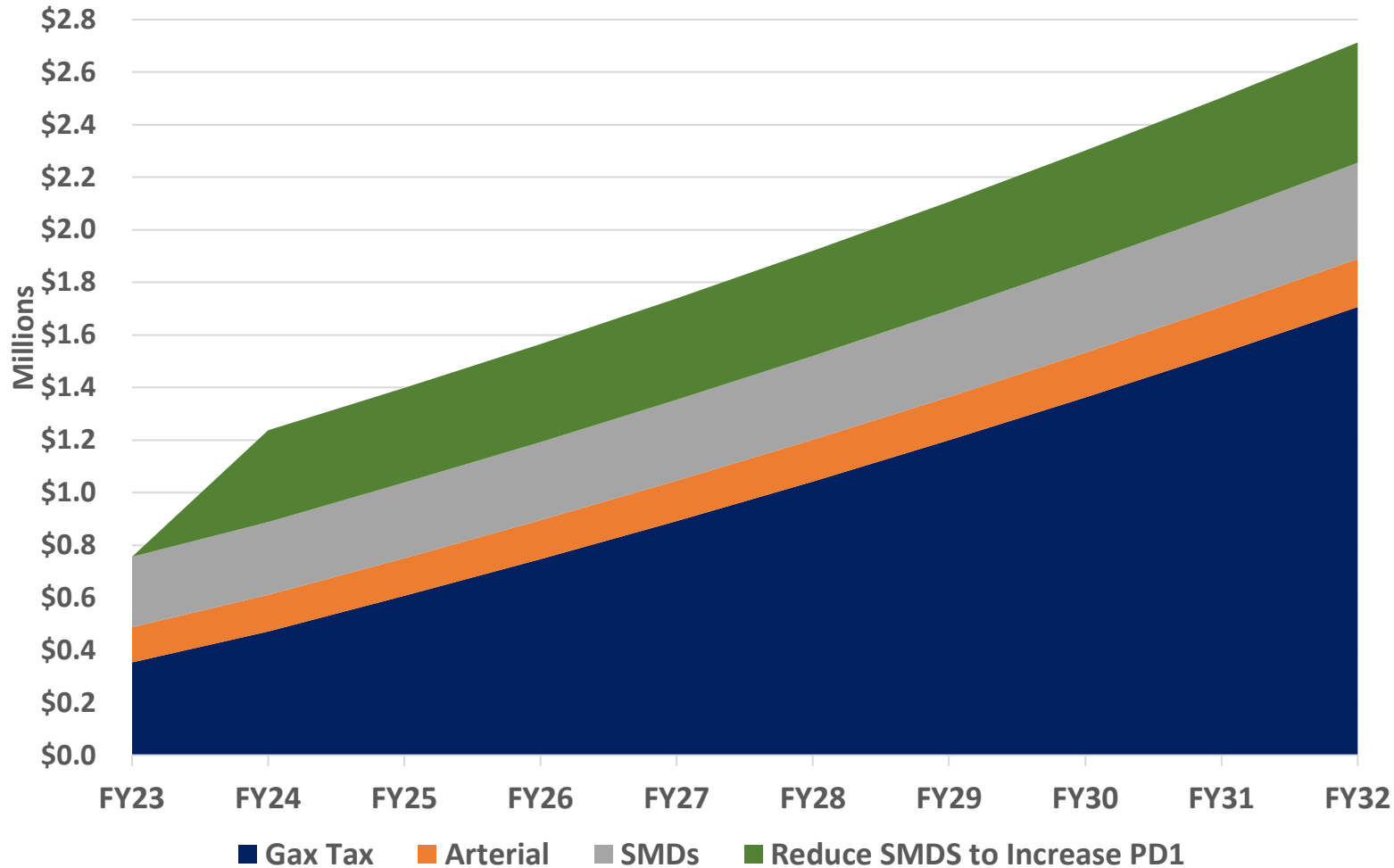
PAVER Program 10-Year Funding Plan to Reach Recommended Funding Cycles



An additional \$330,000 would be needed for FY23.
 This would be an estimated \$4.40 more per year for the average residential property owner in FY23.

Loss of Purchasing Power

Annual Loss of Purchasing Power



Cumulative Loss

FY23

• **\$756,000**

**5 Years
FY23 – FY27**

• **\$6,694,000**

**10 Years
FY23 – FY32**

• **\$18,238,000**

Projects Funded by Gas Tax/ Arterial/SMDs

FY23 – FY27 Annual Programs	\$25,209,000
ADA Replacement	\$1,250,000
Gravel Street Reconstruction	\$2,750,000
Intersection/Traffic Improvements	\$4,248,000
PAVER Program	\$12,775,000
Pedestrian Crossing Improvements	\$536,000
Sidewalk Program	\$1,900,000
SIDs	\$250,000
Street Reconstruction	\$1,500,000

FY23 – FY27 Other Road Projects	\$32,608,000
32nd Street West - Widening/Signal improvements	\$12,200,000
36th - Central to Broadwater	\$2,900,000
6th Avenue North Multiuse Trail	\$250,000
Bike Boulevard	\$240,000
Broadwater - Vermillion to Shiloh	\$3,600,000
Downtown 2 Way Conversion	\$2,000,000
Hesper Road (West End Project)	\$2,000,000
Mullowney Road	\$3,643,000
Rimrock Road Widening Improvements	\$3,675,000
Wicks Lane - Main to Bitterroot	\$2,100,000

Unfunded Projects	\$64,100,000
Additional \$ Needed for 32nd St W widening	\$20,000,000
54th Street West--Grand to Rimrock Road	\$5,300,000
Alkali Creek Road--Senators to Skyway Drive	\$9,000,000
Bitterroot Drive-- Wicks Lane to Mary Street	\$5,300,000
Daniels Street --King Ave to Industrial Ave	\$5,900,000
Lincoln Lane--Liberty to Joyce Lane	\$2,000,000
Hawthorne--Yellowstone River Road to Wicks Lane	\$3,300,000
Monad Road--Daniels Street to Moore Lane	\$3,700,000
Rimrock Road--Clearview Drive to 54th Street West	\$3,300,000
Rimrock Road--54th Street West to 62nd Street West	\$5,800,000
Lewis Ave and 19th Street West Intersection Improvement	\$500,000

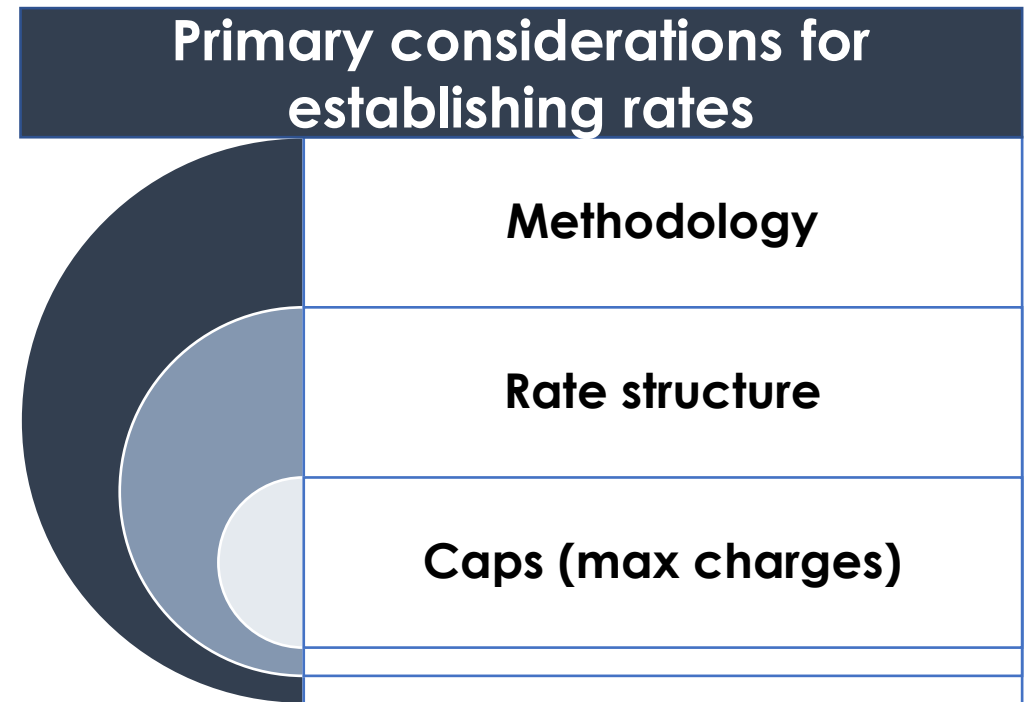
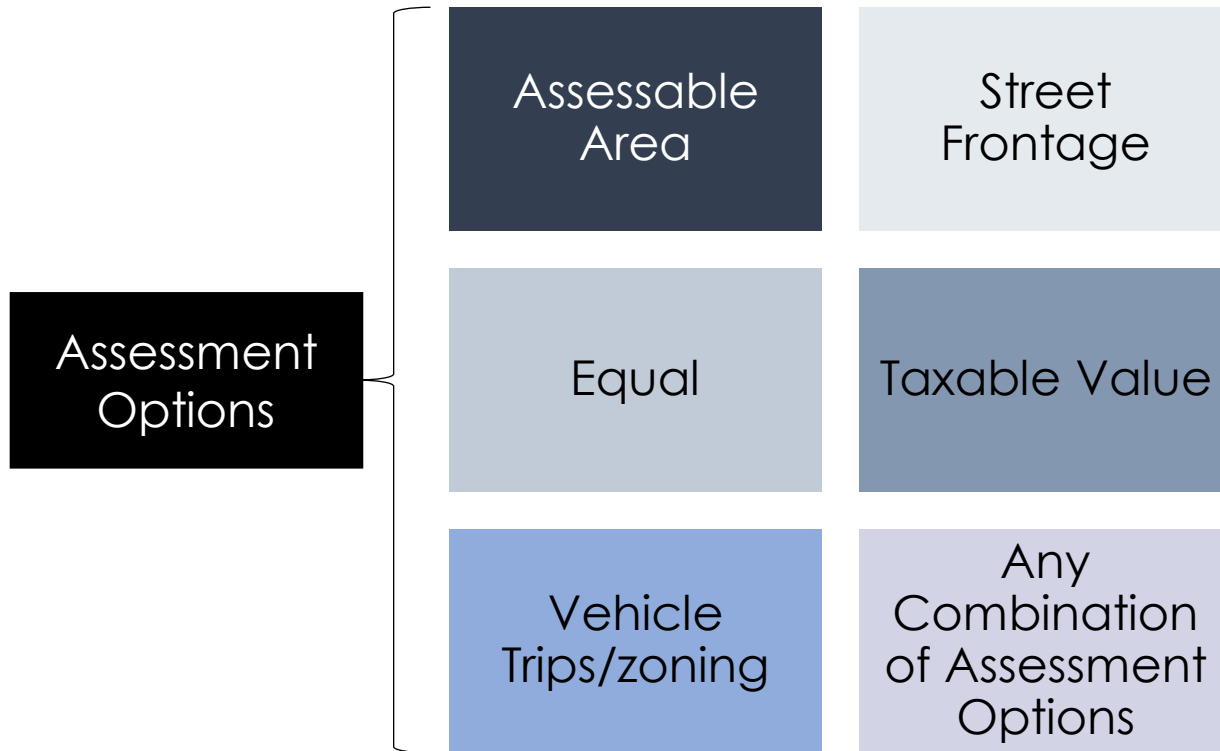
Combined SMD 2 & Arterial Assessments

SMD 2	FY22
FY22 Arterial Fees	\$4,616,000
Arterial Increase	\$277,000
FY22 SMD 2 Fees	\$9,050,000
SMD 2 Increase	\$537,000
Reduce SMDs to Increase PD1	(\$336,000)
Target Combined Arterial/SMD Revenue FY23	\$14,144,000

	Arterial Fees	SMDs
Methodology	Zoning and SF	Assessable area
Rate Structure	Different rates per zone; low vacant rate	Same rate per SF for all properties
Caps	Residential – 9600 SF Vacant \$1260	Residential – none Vacant - \$1545



SMD Assessment Methodology



SMD Assessment Methodology



City	Methodology	Rate Structure	Caps	Other
Bozeman	Assessable area	Same rate per SF for all properties	Residential - 15,000 SF Commercial - no cap Vacant – 15,000 SF	Properties zoned Public charged for 25% of SF
Great Falls	Assessable area	Same rate per SF for all properties	Residential - 12,000 SF Commercial – 1M SF Vacant – no cap Non-profits – 12,000 SF	
Helena	Equal for residential & small commercial; Assessable area for large commercial	Small commercial 75% > residential	No caps	
Kalispell	Assessable area	Commercial 48% > residential	Residential - 2 acres Commercial -no cap Residential vacant – ½ acre	Parks and cemeteries exempt

Scenario 1

Assumptions

Methodology

- Equal for residential and assessable area for commercial

Rate Structure

- Vacant residential 50% of residential
- Same rate per SF for all commercial

Caps

- Commercial vacant capped at 15,000 SF

Property Type	Square Footage	Zoning	Combined FY22		\$ Increase	% Increase
			Arterial & SMD 2 Fees	FY23 SMD 2 Fee		
Residential	7,000	N2	\$132.98	\$189.00	\$56.02	42.1%
Residential	9,600	N3	\$182.38	\$189.00	\$6.62	3.6%
Residential	15,000	N2	\$254.72	\$189.00	(\$65.72)	-25.8%
Multi-Family	20,477	NX2	\$501.24	\$564.14	\$62.90	12.5%
Commercial	100,766	CM1	\$2,691.16	\$2,776.10	\$84.94	3.2%
Park	435,600	P1	\$1,545.00	\$94.50	(\$1,450.50)	-93.9%
Vacant Residential	10,000	N3	\$152.22	\$94.50	(\$57.72)	-37.9%
Vacant Commercial	100,000	CX	\$1,554.58	\$413.25	(\$1,141.33)	-73.4%

Scenario 2

Assumptions

Methodology

- Assessable area

Rate Structure

- Commercial rate 50% > residential
- Vacant residential 50% of residential

Caps

- Residential vacant capped at 7,000 SF
- Commercial vacant capped at 30,000 SF

Property Type	Square Footage	Zoning	Combined FY22			
			Arterial & SMD 2 Fees	FY23 SMD 2 Fee	\$ Increase	% Increase
Residential	7,000	N2	\$132.98	\$129.09	(\$3.89)	-2.9%
Residential	9,600	N3	\$182.38	\$177.03	(\$5.35)	-2.9%
Residential	15,000	N2	\$254.72	\$276.62	\$21.90	8.6%
Multi-Family	20,477	NX2	\$501.24	566.42	\$65.18	13%
Commercial	100,766	CM1	\$2,691.16	\$2,787.34	\$96.18	3.6%
Park	435,600	P1	\$1,545.00	\$129.09	(\$1,415.91)	-91.6%
Vacant Residential	10,000	N3	\$152.22	\$129.09	(\$23.13)	-15.2%
Vacant Commercial	100,000	CX	\$1,554.58	\$829.85	(\$724.73)	-46.6%

Scenario 3

Assumptions

Methodology

- Assessable area

Rate Structure

- Same rate per SF for all

Caps

- Residential capped at 12,000 SF
- Residential vacant capped at 6,000 SF
- Commercial vacant capped at 15,000 SF

Property Type	Square Footage	Zoning	Combined FY22 Arterial & SMD 2			
			Fees	FY23 SMD 2 Fee	\$ Increase	% Increase
Residential	7,000	N2	\$132.98	\$172.42	\$39.44	29.7%
Residential	9,600	N3	\$182.38	\$236.46	\$54.08	29.7%
Residential	15,000	N2	\$254.72	\$295.57	\$40.85	16.0%
Multi-Family	20,477	NX2	\$501.24	\$504.37	\$3.13	0.6%
Commercial	100,766	CM1	\$2,691.16	\$2,481.97	(\$209.19)	-7.8%
Park	435,600	P1	\$1,545.00	\$147.79	(\$1,397.21)	-90.4%
Vacant Residential	10,000	N3	\$152.22	\$147.79	(\$4.43)	-2.9%
Vacant Commercial	100,000	CX	\$1,554.58	\$369.47	(\$1,185.11)	-76.2%

Scenario 4

Assumptions

Methodology

- Assessable area

Rate Structure

- Commercial rate per SF: 75% > residential
- Vacant rate per SF: 50% of residential

Caps

- Vacant cap per parcel: \$1,000

Property Type	Square Footage	Zoning	Combined FY22		\$ Increase	% Increase
			Arterial & SMD 2 Fees	FY23 SMD 2 Fee		
Residential	7,000	N2	\$132.98	\$117.05	(\$15.93)	-12%
Residential	9,600	N3	\$182.38	\$160.52	(\$21.86)	-12%
Residential	15,000	N2	\$254.72	\$250.82	(\$3.90)	-1.5%
Multi-Family	20,477	NX2	\$501.24	\$599.19	\$97.95	19.5%
Commercial	100,766	CM1	\$2,691.16	\$2,948.59	\$257.43	9.6%
Park	435,600	P1	\$1,545.00	\$1,000	(\$545.00)	-35.3%
Vacant Residential	10,000	N3	\$152.22	\$83.61	(\$68.61)	-45.1%
Vacant Commercial	100,000	CX	\$1,554.58	\$1,000	(\$554.58)	-35.7%

Scenario 5

Assumptions

Methodology

- Assessable area

Rate Structure

- Same rate per SF for all

Caps

- Residential capped at 9600 SF
- Residential vacant capped at 6,000 SF
- Commercial vacant capped at 12,000 SF

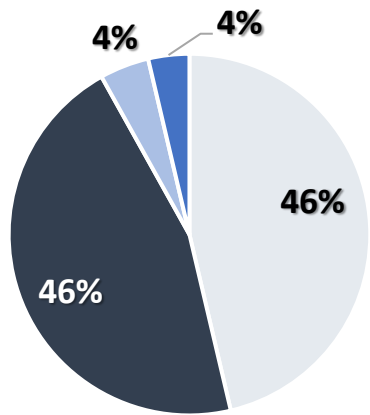
Property Type	Square Footage	Zoning	Combined FY22		\$ Increase	% Increase
			Arterial & SMD 2 Fees	FY23 SMD 2 Fee		
Residential	7,000	N2	\$132.98	\$179.66	\$46.68	35.1%
Residential	9,600	N3	\$182.38	\$246.39	\$64.01	35.1%
Residential	15,000	N2	\$254.72	\$246.39	(\$8.33)	-3.3%
Multi-Family	20,477	NX2	\$501.24	\$525.56	\$24.32	4.9%
Commercial	100,766	CM1	\$2,691.16	\$2,586.26	(\$104.90)	-3.9%
Park	435,600	P1	\$1,545.00	\$154.00	(\$1,391.00)	-90%
Vacant Residential	10,000	N3	\$152.22	\$154.00	\$1.78	1.2%
Vacant Commercial	100,000	CX	\$1,554.58	\$307.99	(\$1,246.59)	-80.2%

Scenario Comparison

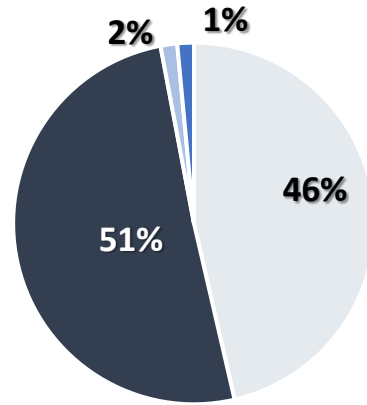
Property Type	Square Footage	Current	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Residential	7,000	\$132.98	\$189.00	\$129.09	\$172.42	\$117.05	\$179.66
Residential	9,600	\$182.38	\$189.00	\$177.03	\$236.46	\$160.52	\$246.39
Residential	15,000	\$254.72	\$189.00	\$276.62	\$295.57	\$250.82	\$246.39
Multi-Family	20,477	\$501.24	\$564.14	566.42	\$504.37	\$599.19	\$525.56
Commercial	100,766	\$2,691.16	\$2,776.10	\$2,787.34	\$2,481.97	\$2,948.59	\$2,586.26
Park	435,600	\$1,545.00	\$94.50	\$129.09	\$147.79	\$1,000	\$154.00
Vacant Residential	10,000	\$152.22	\$94.50	\$129.09	\$147.79	\$83.61	\$154.00
Vacant Commercial	100,000	\$1,554.58	\$413.25	\$829.85	\$369.47	\$1,000	\$307.99

Breakdown of Revenues for Scenarios

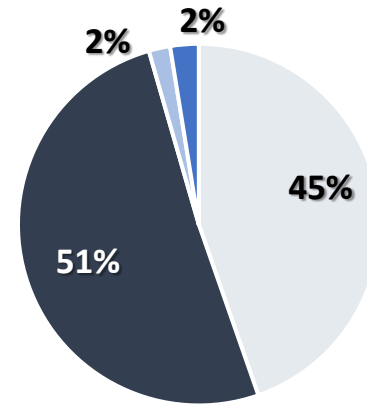
Current FY22



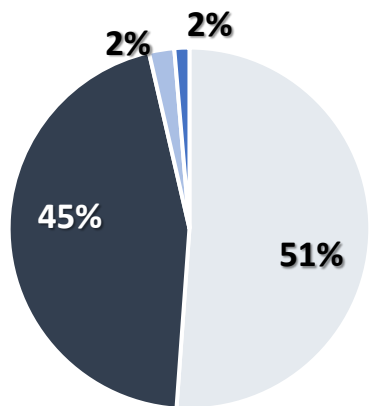
Scenario 1



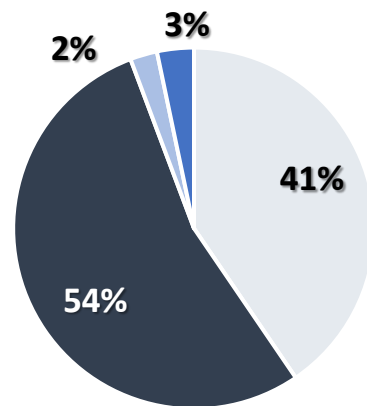
Scenario 2



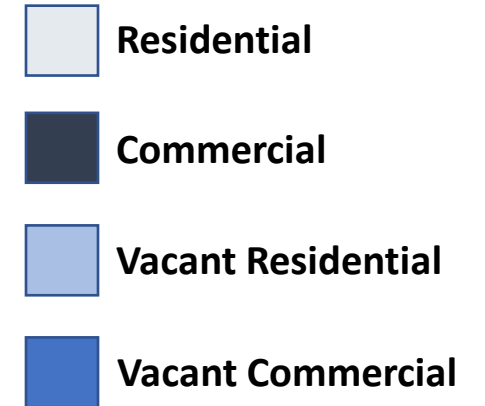
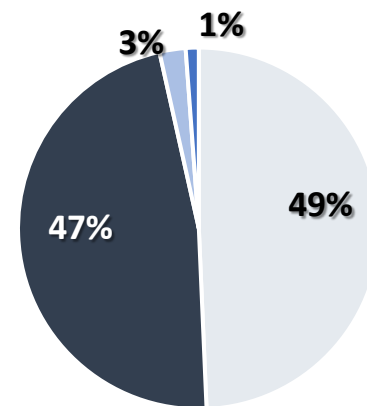
Scenario 3



Scenario 4



Scenario 5



Next Steps

Council discussion and direction

Approve rates at 8/8/22 Council meeting

Software programming changes and final calculation of assessments by 9/30/22





Council Discussion

Property Type	Council Direction
Vacant Properties	
Revenue Distribution	
Methodology	
Rate Structure	
Caps	

Staff Scenarios	
Methodology	Equal for residential and assessable area for commercial
	Assessable area
Rate Structure	Vacant residential 50% of residential
	Same rate per SF for all commercial
	Commercial rate per SF: 50% > residential
	Commercial rate per SF: 75% > residential
Caps	Commercial vacant capped at 12,000 SF
	Commercial vacant capped at 15,000 SF
	Commercial vacant capped at 30,000 SF
	Residential capped at 9600 SF
	Residential capped at 12,000 SF
	Residential vacant capped at 6,000 SF
	Residential vacant capped at 7,000 SF
	Vacant cap per parcel: \$1,000