



MULLAN
— BUILD —

Development Impact Fees

Welcome!

January 6, 2021



PROJECT PRIORITY

- | | | | |
|-----------------------------|----------------------------|------------------------------|---|
| 1 MARY JANE BOULEVARD SOUTH | 4 GEORGE ELMER DRIVE SOUTH | 7 GEORGE ELMER DRIVE NORTH | 9 MILWAUKEE TRAIL |
| 2 MARY JANE BOULEVARD NORTH | 5 ENGLAND BOULEVARD | 8-1 FLYNN LANE TRAIL - EAST* | 10 GRANT CREEK TRAIL AND STREAM RESTORATION |
| 3 TIPPERARY WAY TRAIL | 6 MULLAN TRAIL | 8-2 FLYNN LANE TRAIL - WEST* | |

* The Flynn Lane Trail was originally prioritized lower than the Tipperary Way Trail. However, because the Tipperary Way Trail does not have land available to build this connection, and the Flynn Lane Trail does, this trail segment moved up in ranking to be constructed in 2021. Tipperary Way Trail still remains a top priority and will be built as soon as possible.

Project Costs

Mullan BUILD Cost Summary						11/19/2020
Project Element		Surface	Storm	Water	Sewer	Total
1	Mary Jane Boulevard South *	\$ 3,992,980	\$ 531,208	\$ 292,365	\$ -	\$ 4,816,553
2	Mary Jane Boulevard North *	\$ 4,909,868	\$ 408,917	\$ -	\$ 194,258	\$ 5,513,043
3	Flynn Lane Trail *	\$ 205,833		\$ -	\$ -	\$ 205,833
4	George Elmer Drive South *	\$ 4,244,285	\$ 339,940	\$ 629,407	\$ 512,480	\$ 5,726,112
5	England Boulevard *	\$ 3,467,069	\$ 1,002,602	\$ 663,366	\$ 624,743	\$ 5,757,780
6	Mullan Trail **	\$ 498,848		\$ -	\$ -	\$ 498,848
7	George Elmer Drive North **	\$ 5,380,156	\$ 1,469,708	\$ 1,058,394	\$ 105,194	\$ 8,013,452
8	Tipperary Way Trail **	\$ 630,665	\$ -	\$ -	\$ -	\$ 630,665
9	Milwaukee Trail **	\$ 141,413	\$ -	\$ -	\$ -	\$ 141,413
10	Grant Creek Trail **	\$ 212,772	\$ -	\$ -	\$ -	\$ 212,772
10	Grant Creek Restoration **	\$ 1,386,802	\$ -	\$ -	\$ -	\$ 1,386,802
Construction Total		\$ 25,070,691	\$ 3,752,375	\$ 2,643,532	\$ 1,436,675	\$ 32,903,273
	Preliminary Engineering	\$ 837,564	\$ 125,360	\$ 88,315	\$ 47,997	\$ 1,099,236
	Final Engineering	\$ 2,136,428	\$ 319,763	\$ 225,272	\$ 122,428	\$ 2,803,891
	Construction Manager	\$ 369,546	\$ 55,311	\$ 38,966	\$ 21,177	\$ 485,000
	Construction Administration (8%)	\$ 2,005,655	\$ 300,190	\$ 211,483	\$ 114,934	\$ 2,632,262
Project Total		\$ 30,419,885	\$ 4,552,998	\$ 3,207,568	\$ 1,743,210	\$ 39,923,662
*	Costs based on 60% design estimate. Includes 10% contingency and 5% inflation factor.					
**	Costs based on 30% design estimate. Includes 20% contingency.					
	Costs do not include r/w or dry utilities.					

Project Funding

Mullan BUILD Funding Summary *			11/19/2020
Sources of Project Funds	Non-Federal	Federal	% of Total
Missoula County	\$ 800,000		2.0%
Missoula County Parks & Trail Bond	\$ 500,000		1.3%
City Transporation Impact Fees	\$ 2,000,000		5.0%
2019 BUILD Grant		\$ 13,000,000	32.5%
Sewer Latecomers Fees (pending)	\$ 1,750,000		4.4%
Water Latecomers Fees (pending)	\$ 3,250,000		8.1%
Special Impact Fee District (pending)	\$ 18,700,000		46.8%
Total	\$ 27,000,000	\$ 13,000,000	100%
Project Total	\$ 40,000,000		
* Does not include r/w or dry utility costs			



Special District Development Impact Fees

- **Transportation Impact Fee**
- **Utility Development Fee
(or 'Latecomers Fee')**

Goals

- Equitably assess the cost of infrastructure necessary to support high-quality, sustainable development
- Proactively construct new roads and utilities ahead of development
- Plan for growth
- Avoid piecemeal construction
- Reduce overall costs
- Mitigate the impacts of development

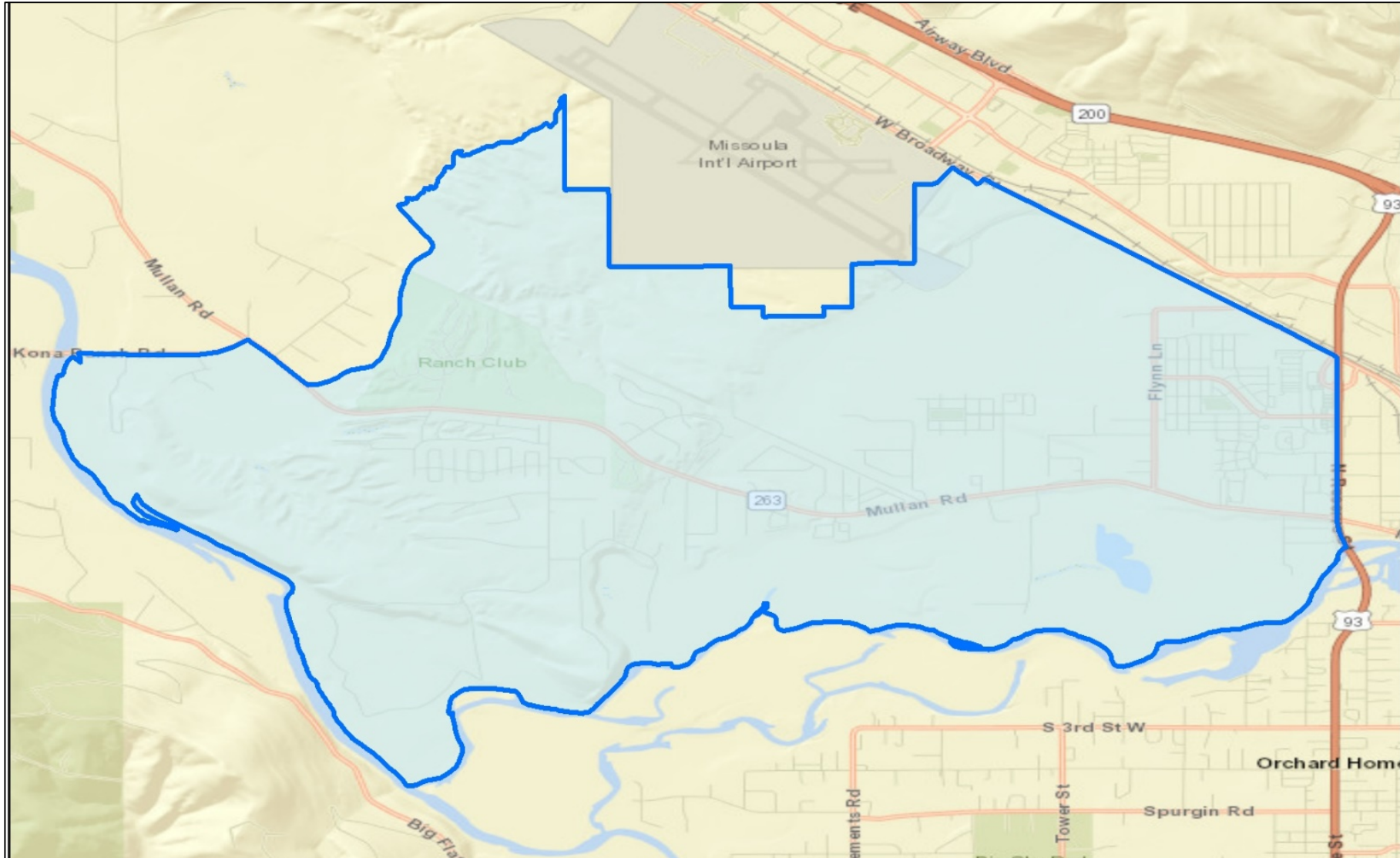
How do development impact fees work?

- Impact fees are one-time payments by new development to fund the capital improvements necessary to accommodate new demand from development.
- Special District fees would be in addition to existing Citywide fees already in place to fund specific improvements within the special district[s].

“Rational Nexus”

- **Need** for infrastructure improvements
- Fee payor **benefits** from the improvements
- Fee is **proportional** to the development's demand on infrastructure

Proposed Special District Transportation Impact Fee Benefit Area



Study Area Projections

Greater Mullan Road Study Area	Base Year 2020	2025	2030	2035	2040	2045	2050	30-Year Increase
Population	9,333	12,250	15,168	18,086	21,003	23,921	26,839	17,506
Housing Type								
Single Family	2,634	3,458	4,282	5,105	5,929	6,752	7,576	4,941
Multifamily	1,908	2,505	3,101	3,698	4,294	4,891	5,487	3,579
Total Housing Units	4,542	5,963	7,383	8,803	10,223	11,643	13,063	8,521

Source: City of Missoula Traffic Analysis Zone Database; U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

Greater Mullan Road Study Area	Base Year 2020	2025	2030	2035	2040	2045	2050	30-Year Increase
Jobs								
Retail	929	1,197	1,465	1,733	2,002	2,270	2,538	1,609
Office	791	972	1,152	1,333	1,513	1,694	1,874	1,083
Industrial	598	1,102	1,606	2,110	2,614	3,118	3,622	3,024
Institutional	922	1,035	1,149	1,262	1,375	1,489	1,602	680
Total	3,240	4,306	5,372	6,438	7,504	8,570	9,636	6,396
Nonresidential Floor Area (1,000 sq. ft.)								
Retail	396	511	625	740	854	969	1,083	687
Office	266	327	388	449	510	570	631	365
Industrial	368	678	988	1,298	1,608	1,917	2,227	1,860
Institutional	326	366	406	446	486	526	566	240
Total	1,357	1,882	2,407	2,932	3,457	3,983	4,508	3,151

[1] Source: City of Missoula Traffic Analysis Zone Database; Trip Generation, Institute of Transportation Engineers, 10th Edition (2017)

Transportation Costs

Project	Transportation & Stormwater
Mary Jane Boulevard South	\$4,524,000
Mary Jane Boulevard North	\$5,319,000
Flynn Lane Trail	\$206,000
George Elmer Drive South	\$4,584,000
England Boulevard	\$4,470,000
Mullan Trail	\$499,000
George Elmer Drive North	\$6,850,000
Tipperary Way Trail	\$631,000
Milwaukee Trail	\$141,000
Grant Creek Trail/Restoration	\$1,600,000
Total	\$28,824,000

Construction Cost	\$28,824,000
Preliminary Engineering	\$963,000
Final Engineering	\$2,456,000
Construction Manager	\$425,000
Construction Administration (8%)	\$2,306,000
Total Project Cost	\$34,974,000

Transportation costs include trails, stormwater, and related stream restoration.

Impact Fee Analysis

Mullan Road Transportation Impact Fee	
Total Project Cost	\$34,974,000
Federal Funding (2019 BUILD Grant)	(\$13,000,000)
Missoula County Funding	(\$1,300,000)
City of Missoula Citywide Impact Fee Funding	(\$2,000,000)
Impact Fee Eligible Costs	\$18,674,000

Estimated City Capital Cost	\$18,674,000
30-Year Increase in VMT	674,022
Capital Cost per Vehicle Miles Traveled	\$27.71

Impact fee eligible costs are found by reducing the total cost by other funding sources. This represents the cost of growth within the study area.

Proposed Special District Transportation Impact Fee Schedule

Fee Component	Cost per VMT
Roadway Improvements	\$27.71
Net Total	\$27.71

Residential

Size of Unit (square feet)	Vehicle Trip Ends	Trip Adj. Factor	Average Trip Length	Trip Length Wgt. Factor	Maximum Supportable Fee per Unit
750 or Less	4.37	54%	13.09	121%	\$1,035
751 to 1,000	5.50	54%	13.09	121%	\$1,303
1,001 to 1,250	6.37	54%	13.09	121%	\$1,509
1,251 to 1,500	7.09	54%	13.09	121%	\$1,680
1,501 to 1,750	7.69	54%	13.09	121%	\$1,822
1,751 to 2,000	8.22	54%	13.09	121%	\$1,948
2,001 to 2,250	8.68	54%	13.09	121%	\$2,057
2,251 to 2,500	9.09	54%	13.09	121%	\$2,154
2,501 to 2,750	9.47	54%	13.09	121%	\$2,244
2,751 to 3,000	9.81	54%	13.09	121%	\$2,324
3,001 to 3,250	10.12	54%	13.09	121%	\$2,398
3,251 to 3,500	10.41	54%	13.09	121%	\$2,466
3,501 to 3,750	10.68	54%	13.09	121%	\$2,530
3,751 to 4,000	10.93	54%	13.09	121%	\$2,590
4,000 or More	11.17	54%	13.09	121%	\$2,647

Nonresidential

Development Type	Vehicle Trip Ends	Trip Adj. Factor	Average Trip Length	Trip Length Wgt. Factor	Maximum Supportable Fee per 1,000 Sq. Ft.
Retail	37.75	38%	8.39	66%	\$2,201
Office	9.74	50%	8.18	73%	\$806
Industrial	4.96	50%	8.18	73%	\$410
Institutional	10.72	50%	8.18	73%	\$887

Transportation Impact Fee Revenue Projection

Infrastructure Costs for Transportation Facilities

	Total Cost	City Cost	Growth Cost
Roadway Improvements	\$34,974,000	\$20,674,000	\$18,674,000
Total Expenditures	\$34,974,000	\$20,674,000	\$18,674,000

Projected Development Impact Fee Revenue

		Single Family \$2,393 per unit	Multifamily \$1,137 per unit	Retail \$2,201 per KSF	Office \$806 per KSF	Industrial \$410 per KSF	Institutional \$887 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2020	2,634	1,908	396	266	368	326
Year 5	2025	3,458	2,505	511	327	678	366
Year 10	2030	4,282	3,101	625	388	988	406
Year 15	2035	5,105	3,698	740	449	1,298	446
Year 20	2040	5,929	4,294	854	510	1,608	486
Year 25	2045	6,752	4,891	969	570	1,917	526
Year 30	2050	7,576	5,487	1,083	631	2,227	566
30-Year Increase		4,941	3,579	687	365	1,860	240
Projected Revenue		\$11,825,000	\$4,071,000	\$1,511,000	\$294,000	\$762,000	\$213,000
Projected Revenue =>							\$18,676,000
Total Expenditures =>							\$18,674,000
Non-Impact Fee Funding =>							\$0

- Over 30 years, fee will recover all growth-related costs
- 85% residential, 15% nonresidential

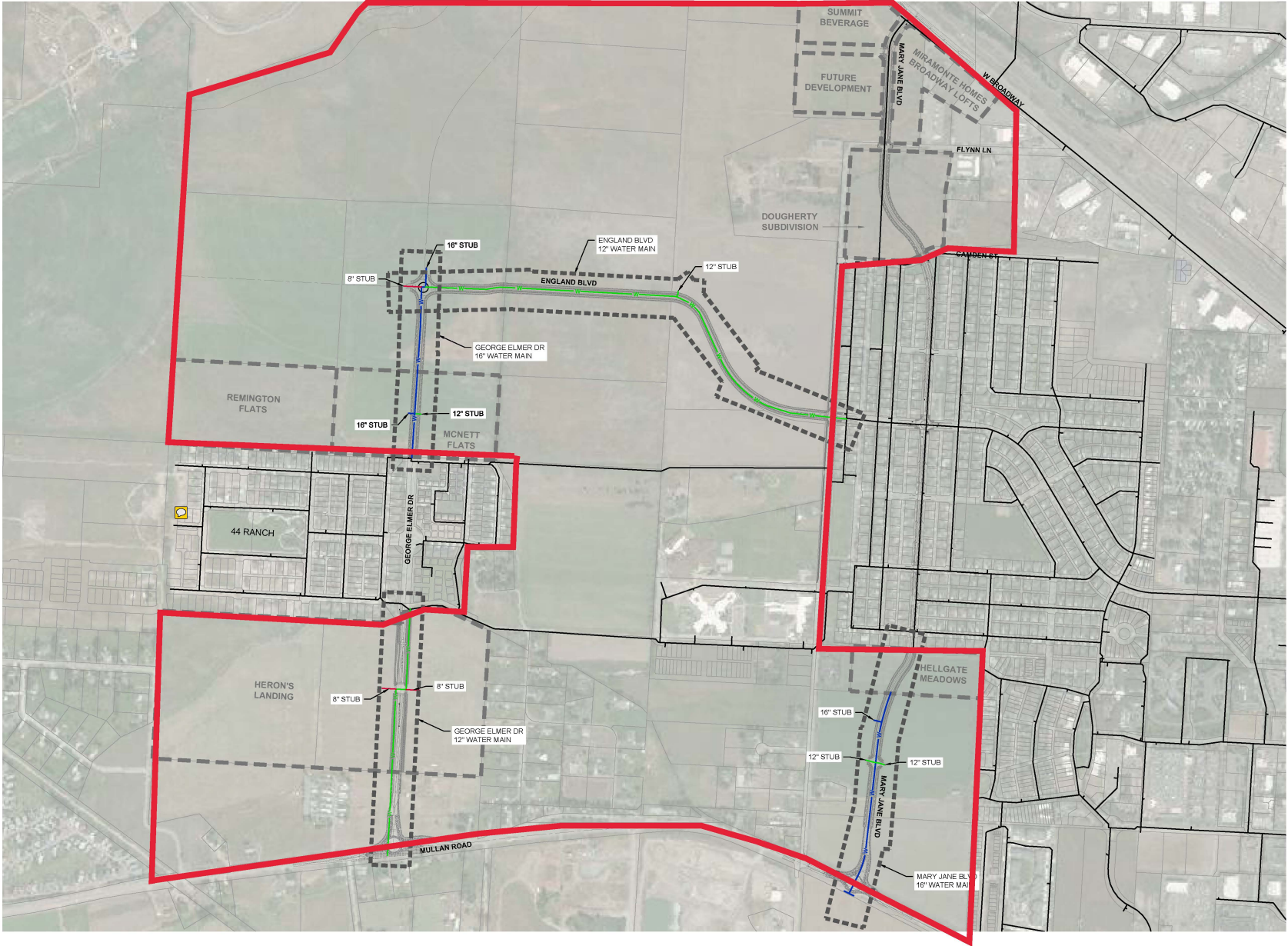
Utility Development Fees (or ‘Latecomers Fees’)

Two Options

- Special Utility District
- Individual Benefit Areas

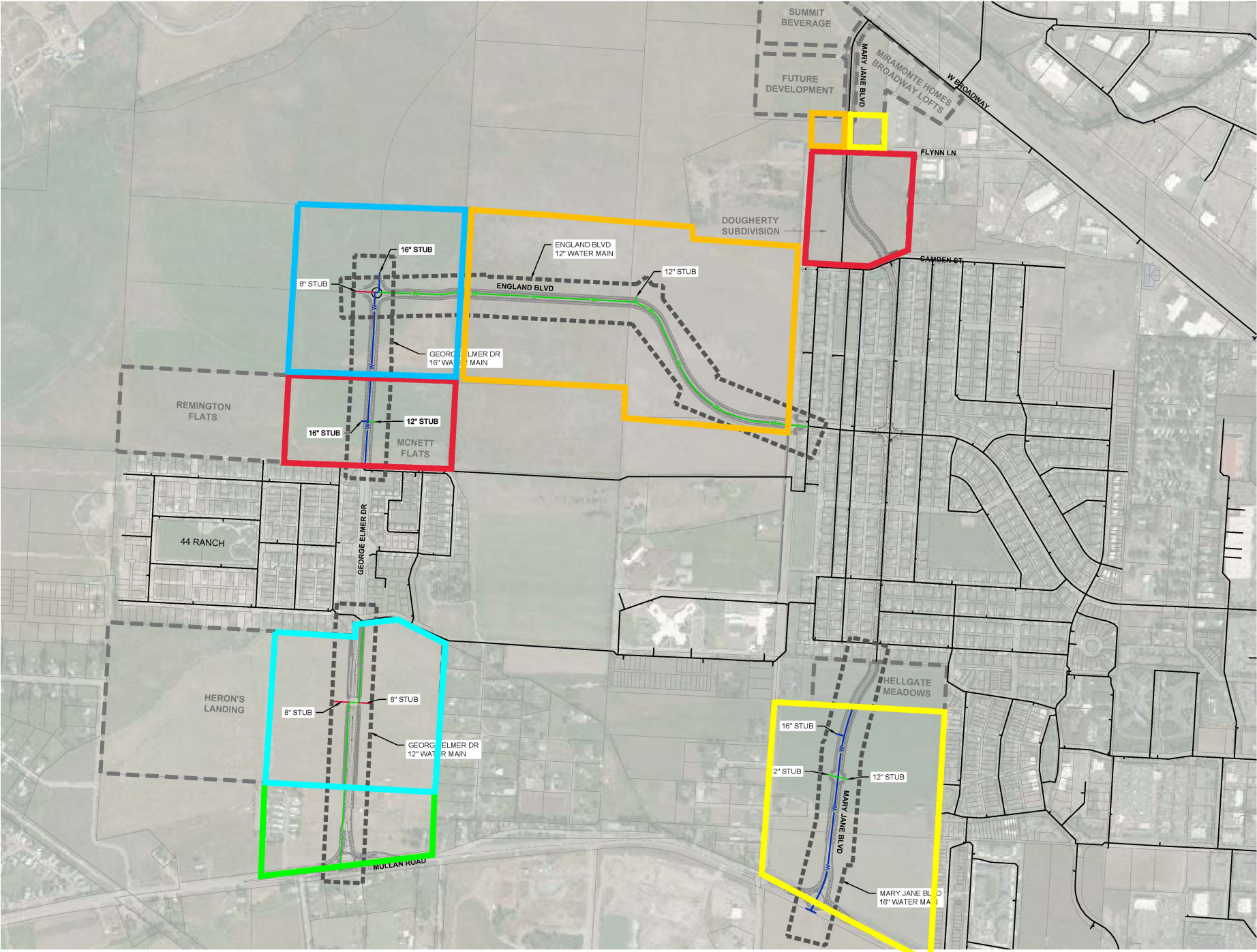
Utility Development Fees

Special District Example



Utility Development Fees

Individual
Benefit Areas
Example



Utility Development Cost Breakdown

- By landowner
- Phase 1 only

BUILD Utility Fee Summary				
PRELIMINARY *				
Owner	Segment	Water Cost	Sewer Cost	Total Cost
Flynn Family LP	5. England	\$110,386	\$100,441	\$210,827
Dougherty Properties	5. England	\$552,980	\$522,978	\$1,075,958
Mullan ROW (City)	4-1. George Elmer	\$15,258	\$0	\$15,258
Kathryn Flynn Family LTD	4-1. George Elmer	\$82,395	\$100,269	\$182,664
Heron's	4-1. George Elmer	\$199,884	\$118,212	\$318,096
McNett	4-2. George Elmer	\$103,757	\$119,619	\$223,376
Flynn Family LP	4-2. George Elmer	\$103,299	\$239,238	\$342,537
Dougherty Properties	4-2. George Elmer	\$28,991	\$54,532	\$83,523
City Upsize	4.1 & 4.2 George Elmer	\$95,822	\$0	\$95,822
Kathryn Flynn Family LTD	1. Mary Jane South	\$268,979	\$0	\$268,979
City upsize	1. Mary Jane South	\$23,386	\$0	\$23,386
Luikart	2. Mary Jane (Camden to Flynn)	\$0	\$158,759	\$158,759
James D Dougherty Family LLC	2. Mary Jane (Camden to Flynn)	\$0	\$17,749	\$17,749
Edgell 1 LLC	2. Mary Jane (Flynn to Broadway)	\$0	\$17,749	\$17,749
Total		\$1,585,138	\$1,449,547	\$3,034,685
* Final costs will be based on actual construction quantities and costs.				

Comments & Questions

<https://www.mullanbuild.com/get-involved>

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Submit Project Feedback & Comments

Submit your comments, questions to the project team here. Have more to share? You can email **Katie Kietz** with Big Sky Public Relations.



Mullan BUILD

Thoughts?

- We are eager to hear your feedback!
- Please email becca@bigskypublicrelations.com with questions.