



Commission Meeting Date: August 1, 2023

**CITY OF GREAT FALLS  
COMMISSION AGENDA REPORT**

**Item:** Resolution 10521 - A Resolution by the City Commission to amend Planning and Community Development Land Development Application Fees in the City of Great Falls

**From:** Planning and Community Development

**Initiated By:** Planning and Community Development

**Presented By:** Tom Micuda, Interim Director, Planning and Community Development

**Action Requested:** Set a Public Hearing on Resolution 10521 for August 15, 2023

**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (set/not set) a public hearing on Resolution 10521 for August 15, 2023.”

2. Mayor requests a second to the motion, public comment, Commission discussion, and calls for the vote.

**Staff Recommendation:** Staff recommends that the City Commission set a public hearing for August 15, 2023.

**Summary:** The Planning and Community Development Department’s budget contains three program areas: 1) the Planning Division, 2) the Building Division, and 3) the Parking Division. Both the Building and Parking Division budgets are based solely on user fees. The Planning Division budget has some user fees, but also receives significant general fund support. Because some staff members perform work in multiple divisions, funds from each division are utilized to pay for staff salaries.

The proposed new fee schedule outlined in Resolution 10521 is being proposed due to a shortfall in the Planning Division budget. Although Resolution 10521 proposes increases to land development fees, the Planning Division’s budget will still rely on a \$376,932 infusion from the General Fund. At a recent City Commission Work Session on the proposed budget, the Commission acknowledged the need to increase user fees to alleviate pressure on the General Fund Budget.

The second reason that this resolution is being proposed is because the Planning Division’s budget has likely lost most of an important revenue source due to recent State level legislation. This new legislation indicates that local governments cannot require business licenses when such licenses are also required by the State of Montana. Staff is still working with the Legal Department to determine which licenses can no longer be issued. Assuming that certain license types will no longer be issued, staff has budgeted

conservatively in the Planning Division's licensing fund and projects revenue from licensing to drop from \$100,000 to just over \$30,000. This revenue must be recaptured to alleviate even more pressure on the General Fund. The increase in land development fees will allow the Planning Division's budget to make up the lost licensing revenue.

A third reason for this resolution is that the department has not proposed an increase to its land development fees since 2014. It is always advisable for local governments that charge user fees to evaluate them almost every year for both fairness and cost recovery. To prepare the revised land development fee schedule, staff went through a lengthy analysis process focused on two areas: 1) the true cost of total staff time spent on representative land development proposals, and 2) comparisons with development fee schedules from other Montana municipalities.

When comparing current land development fees to other Montana communities, two very obvious patterns could be seen. First, other Montana communities have much more recent fee schedules in comparison to Great Falls. For example Missoula's fee schedule is current to 2022. Billings is annually updating its fee schedule, and has already set fees for 2024. The Bozeman fee schedule is current to 2023. Additionally, current land development fees in Great Falls are far less than Missoula and Bozeman, and are generally lower in comparison to Billings. Staff's goal with the revised fee schedule was to generally set fees consistent with the approach done in Billings, but still keep fees below Missoula and Bozeman. The proposed fee schedule is also still much simpler than the approach taken by both Missoula and Bozeman. It was important for staff to focus on identifying the correct fee amounts rather than more comprehensively adding new fees to the development process.

While it is always hard to perfectly track staff time spent on land development projects, staff also did an analysis of staff time spent on representative annexations, subdivisions, conditional use requests, rezoning projects, and more administrative processes. What staff discovered is that the current fees did not accurately match the number of hours spent on typical projects. This is another reason why fees are proposed to be increased.

To assist the Commission in understanding how this analysis was done, staff analyzed the staff hours spent on the recent Silverstone Annexation and Zoning request for the future 432 unit apartment project that will eventually be constructed on the 16 acre property located at the northeast corner of 38<sup>th</sup> Street and 2<sup>nd</sup> Avenue North. The Silverstone project required the developer to file a flat fee of \$2,500 to annex and zone that property. During the four months of staff time that was needed to get the project approved by the Planning Advisory Board and City Commission, staff conservatively computed that: 1) six employees from the department worked on various aspects of the project, 2) that approximately 90 hours of staff time was spent to get the project approved, and that almost \$9,000 of staff salaries were spent on the project. This is one of the reasons that the revised fee schedule is proposing that annexation fees be based on property size. If the new fees were in place at the time of filing, the applicant would have paid a \$5,400 filing fee. This new fee will still not cover total staff costs, but get the City closer to its goal – better cost recovery.

The proposed Resolution, as well as the proposed and current land development fee schedules, are included as attachments to this agenda report.

**Fiscal Impact:** The proposed changes to the land development fee schedule will potentially allow the department to increase current application revenue from between \$40-50,000 (last two fiscal years) to roughly \$110-\$140,000. This is strictly dependent on the type and volume of applications submitted. Even

with the changes in the proposed resolution, the Planning Division budget is still dependent on the City's General Fund.

**Alternatives:** The Commission could choose to not set the public hearing to consider Resolution 10521.

**Concurrences:** Staff has worked extensively with both the City's Finance Department and City Manager's Office to develop this resolution as a key component of the department's budget proposal for the new fiscal year.

**Attachments/Exhibits:**

Resolution 10521

Exhibit A – Proposed Land Development Fee Schedule

Exhibit B – Current Land Development Fee Schedule

**RESOLUTION NO. 10521**

**A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, TO AMEND PLANNING AND COMMUNITY DEVELOPMENT LAND DEVELOPMENT APPLICATION FEES IN THE CITY OF GREAT FALLS**

**WHEREAS**, the City Land Development Code, as adopted by the Great Falls City Commission on September 6, 2005, and as amended on March 6, 2007, includes provisions and procedures for the processing of land development applications including but not limited to annexations, subdivisions, and zoning related actions; and

**WHEREAS**, the City Commission of the City of Great Falls last addressed land development application fees through adoption of Resolution 10063 on April 1, 2014; and

**WHEREAS**, Title 17 of the OCCGF includes a provision that the City Commission may, at its discretion, set and revise fees by resolution; and

**WHEREAS**, due to the length of time that current fees have remained in place, the cost of land development application fees are now less than many municipalities within the state of Montana and are significantly less than the true cost of staff time required to ensure such requests are in compliance with all local ordinance requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, that:**

- 1. Resolution 10063 is hereby repealed.
- 2. The land development fee schedule in Exhibit A is hereby approved.
- 3. This resolution shall become effective on September 15, 2023.

**PASSED AND ADOPTED** by the City Commission of the City of Great Falls, Montana, August 15, 2023.

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Bob Kelly, Mayor

ATTEST:  
  
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Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

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David G. Dennis, City Attorney

## EXHIBIT “A”

**LAND DEVELOPMENT FEE SCHEDULE****City of Great Falls, Montana**

EFFECTIVE: September 15, 2023

Annexation (including zoning) – Base Fee	\$3,000
Per Acre Fee (Annexation)	\$150 Per Acre
Preliminary Plat Major	\$4,000 plus \$100 per lot
Revised Preliminary Plat	\$3,500
Preliminary Minor Plat	\$3,000
Final Plat Major	\$2,000 plus \$50 per lot
Final Plat Minor	\$2,000
Administrative Amended Plat	\$400
Amended Plat (non-administrative)	\$3,000
Zoning Map Amendment	\$4,000
Conditional Use Permit	\$3,000
Variances	\$2,500
Planned Unit Development	\$4,000
Vacate Rights of Way	\$3,500
Floodplain Permit	\$300
Floodplain Determination	\$500
Zoning Permit - Residential	\$200
Zoning Permit - Commercial	\$1,000
Tax Abatement	\$1,000
Parking Lot Permit	\$500
Zoning Determination	\$500
Handicap Sign Placement	\$75

<b>Land Development Fee Schedule</b> <b>City of Great Falls, Montana</b> <b>Effective: April 1, 2014</b>	
<b>Annexation</b>	\$500
<b>Preliminary Plat Major</b>	\$1,500 plus \$50 per lot
<b>Revised Preliminary Plat</b>	\$1,000
<b>Final Plat Major</b>	\$1,500 plus \$25 per lot
<b>Minor Subdivision</b>	\$1,250
<b>Amended Plat – Administrative Review</b>	\$200
<b>Amended Plat – Non Administrative Review</b>	\$1,000
<b>Zoning Map Amendment (Rezone) / Assign City Zoning</b>	\$2,000
<b>Conditional Use Permit (CUP)</b>	\$1,500
<b>Variance</b>	\$1,250
<b>Planned Unit Development (PUD)</b>	\$2,000
<b>Vacate Rights of Way</b>	\$1,250
<b>Floodplain Permit</b>	\$200
<b>Floodplain Determination</b>	\$200
<b>Zoning Permit</b>	\$100
<b>Zoning Determination</b>	\$200
<b>Handicap Sign Placement</b>	\$75