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Local Government Interim Committee

68th Montana Legislature

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TO: Local Government Interim Committee

FROM: Toni Henneman, lead staff

RE: January SB 382 Panel Follow-up: Financial Information

DATE: March 11, 2024

Local Government Interim Committee members:

The committee heard testimony from five city officials during the meeting on January 24, 2024, regarding the implementation of SB 382. The cities participating in this first panel discussion are as follows:

1. Billings
2. Bozeman
3. Great Falls
4. Helena
5. Kalispell

During the discussion, committee members requested additional information related to the potential costs of implementing SB 382 and the various methods cities may be considering or using to meet those costs. Staff posed the following questions in an email sent after the meeting:

1. What has your city budgeted, generally, to implement SB 382?
2. Are you planning or needing outside consultant work? If so, what are the projected costs and actual costs, if available?
3. What kinds of funding sources are available to meet these costs? What is your city's financial plan to cover costs over the next few years?

Please find the available emailed responses attached.

Thank you,

Toni Henneman
Lead Staff

CITY OF KALISPELL

From: PJ Sorensen <psorensen@kalispell.com>

Sent: Thursday, February 22, 2024 11:31 AM

To: Henneman, Toni <Toni.Henneman@legmt.gov>;

Subject: RE: EXTERNAL RE: Local Govt Interim Committee panel discussion for SB 382

Toni-

Thanks again for engaging with us as we all work through the implementation of 382. I think it is important to have a good dialogue between the cities and the legislature as we refine this new approach. In response to your questions, this is the information we have right now. I pulled it from the PRO - HOUSING federal grant application we submitted to try to cover some of the costs, which are all “new” costs directly associated with implementing 382. The housing study is a new requirement, while the water and wastewater facility plans were recently completed, but will need to be updated to reflect new requirements under 382 and other new land use laws.

Milestone	Cost	Start	Completion
Housing Study	\$200,000.00	Procurement Spring 2024	Spring 2025
Water Facility Plan	\$400,000.00	Procurement Fall 2024	Completion Spring 2026
Wastewater Facility Plan	\$400,000.00	Procurement Fall 2024	Completion Spring 2026
Growth Policy, Zoning, and Subdivision Update	\$363,666.00	Begin Spring 2024	Completion Spring 2026

Costs associated with the housing, water, and wastewater studies are estimated based on recent projects procured by cities of similar size in the State of Montana and account for recent inflation. Those studies will require outside consultants. The Growth Policy, Zoning, and Subdivision Update cost is for a new Senior Planner Full Time Equivalent (FTE) for three years (\$121,222.00 benefited wage rate x 3 years). The City of Kalispell currently is only able to fund two planning positions and cannot undertake such an effort without additional staffing (and funding) given current workloads and budgetary constraints. Although there are state programs that can assist the city, state funding for the objectives is inadequate given the challenges the city faces. We have not yet heard back on whether the grant will be awarded to the City. If it is not granted, funding for those items is currently undetermined.

I hope this helps provide a picture of where we are at, and please let us know if there are any other questions.



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CITY OF HELENA

From: Christopher Brink

To: Henneman, Toni

Subject: RE: EXTERNAL RE: Local Govt Interim Committee panel discussion for SB 382

Date: Friday, March 8, 2024 9:21:00 AM

Toni,

I failed to provide project info for Helena. I mentioned these to the Interim Committee back in January but we now have actual contract costs to provide.

Thank you for allowing us to share our story and information to the Committee membership. We definitely look forward to future conversations with them.

Chris

Project	Budgeted Cost	Contract Cost/Anticipated Cost	Project Commencement	Project Completion
City of Helena Land Use Plan/Growth Policy Conversion ¹	\$85,000.00	\$249,945.00	24-Mar	25-Sep
City of Helena/Lewis and Clark County Joint Infrastructure Study	\$300,000.00	\$300,000.00	24-Jan	24-Jul
City of Helena Zoning Code/Subdivision Update/UDC Conversion		\$150,000.00	25-Sep	26-May

¹ Project was budgeted as only a Growth Policy 5-year Update. MLUPA required the city to adjust scope for project, resulting in increased project cost. Proposal submissions ranged from \$249,000 to \$758,000



Christopher J. Brink, AICP

Director, Community Development Department

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316 N. Park Avenue, Room 445, Helena, MT 59623



CITY OF BOZEMAN

From: [Anna Bentley](#)

To: [Henneman, Toni](#)

Cc: [Chris Saunders](#); [Erin George](#)

Subject: RE: [EXTERNAL]RE: Local Govt Interim Committee panel discussion for SB 382

Date: Monday, March 11, 2024 11:09:48 AM

Hi Toni,

So sorry for the delay.

Here are some points that may be helpful to the LGIC, please let us know if you'd like more or different.

- We anticipate being able to rely on/use several supporting/issue plans that have been recently completed (e.g., Parks, Recreation and Active Transportation Plan) or are already in progress and funded through other departments (e.g., sewer update, housing plan).
- We are submitting a new FY25 budget request for \$500,000 to initiate review of our land use plan (formerly, growth policy). Depending on internal staffing levels and other factors, that amount may or may not be sufficient to complete the project.
- The ongoing zoning code update (which incorporates elements of 382) continues to be on hold per City Commission direction. We are not yet making any additional budget requests to complete the work, but are aware we may have to, depending on Commission direction.
- All budget requests are for general fund dollars, so would impact provision of other services.

Thanks again for the opportunity to participate,

Anna Bentley, AICP

Director | Community Development | City of Bozeman

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Find online resources and check submitted application status through the Development Center webpage (www.bozeman.net/services/development-center).

CITY OF BILLINGS

From: [Mattox, Lora](#)
To: [Henneman, Toni](#)
Cc: [Friday, Wyeth](#)
Subject: RE: Local Govt Interim Committee panel discussion for SB 382
Date: Monday, March 11, 2024 2:36:37 PM

Toni,

Please see below. I'm sure Wyeth would have a lot more information to provide, not sure if this will help but here you go. If something else comes to mind, I will be sure to shoot you an email.

1. The Planning Division through our funding mechanisms (Federal PL funding tied to the MPO, county mill levy, fees) would not have the financial capacity to undertake this large of a project without outside funding. With this in mind, the Billings City Council has allocated a one-time allocation of funds in FY24 in the amount of \$200,000 for Growth Policy work to meet the requirements needed to implement 382. Although this is a significant amount, there is concern (with bids coming in from other communities) that this will not be sufficient. The City did apply for an additional \$30,000 through Department of Commerce for additional funds for the housing analysis. If successful, the City will have \$230,000 towards the Growth Policy development. In addition to financial costs to the development of the Growth Policy, we will need staff capacity whether we contract out or do work in-house, this will continue to be a capacity issue for the Planning Division.
2. Yes, we are a relatively small Planning Division for the largest city/county in the state. We do not have staff capacity to complete the overhaul of the policy in-house within the period required to meet the completion of the Growth Policy. However, consulting out for this service will add to staffing overhead costs to the general cost of completing the document.
3. As mentioned above, the Planning Division is limited in budgeting for special project needs such as this one. Therefore, it was a request to City Council to assist in the funds needed to complete this required effort. When bids are received, if they are beyond the current budget, staff will need to reevaluate.

Thank you,

 	<p>Lora Mattox, AICP Transportation Planning Coordinator mattoxl@billingsmt.gov</p>
<p>billingsmt.gov</p>	<p>2825 3rd Ave N, 4th Floor Billings, MT 59101 P 406.247 8622</p>

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