

Commission to review water, wastewater impact fee updates

By [CAMDEN EASTERLING](#) Chronicle Staff Writer

The Bozeman City Commission Monday night reviews possible updates to the impact fees charged for water and wastewater that could bring up assessments by as much as 59 percent.

Impact fees are one-time charges for utility connections and other infrastructure impacts assessed on new structures, whether commercial, industrial or residential. Montana law states that cities can use impact fees only to cover the costs of capital improvements, such as the expansion of a wastewater treatment plant. Municipalities cannot use the money for expenses such as operating and staffing such a plant.

With the city's recent growth and the anticipation of more to come, Bozeman's infrastructure is due for expansion to keep up with an increasing population, city officials have said. And new projects on the horizon, they said, such as a bigger and better wastewater treatment plant, make increasing the fee schedule necessary.

The fee schedule was last updated in the mid-1990s.

Consulting company HDR Inc., a Nebraska company with offices in Montana, recommends the city increase wastewater impact fees by about 4.3 percent. The impact fees will cover part of the more than \$30 million cost to build a new wastewater treatment plant, which will have more capacity and different technology than the existing system.

Water impact fees, however, could increase by as much as 59 percent under HDR's recommendations. But city commissioners could opt to adopt only a percentage of the recommended increases, meaning the overall impact fee adjustments might be smaller.

According to HDR's study, pending projects that could be covered by water impact-fee revenue include building a new multi-million-gallon water storage reservoir and "improvements to the transmission and distribution system to serve growth."

The reservoir component will cost about \$5.6 million to build and will be needed in about 10 years, city Finance Director Anna Rosenberry said in a previous interview. The transmission and distribution system work will cost tens of millions of dollars over time as the city grows, Rosenberry said.

Also on the agenda is the provisional adoption of an ordinance that would create a new zoning classification. Called the urban mixed use zoning district, the new category would allow developers to create projects that include various uses such as offices, residential, business and commercial. Developers currently can mix uses within the existing framework, but doing so involves following a more complex planning approval process. The new category would streamline the process, city officials and developers have said.

Bozeman development company Delaney & Co. suggested the city create the new zoning classification, and some commissioners have expressed an interest in crafting a particular zoning designation that makes developing mixed use projects simpler.

The meeting begins at 6 p.m. in the Gallatin County Courthouse.