

# CITY OF THREE FORKS, MONTANA

## RESOLUTION 436 -2025

### **ADOPTING THE REVISED IMPACT FEE SCHEDULE RECOMMENDED BY THE IMPACT FEE ADVISORY COMMITTEE AS PROVIDED BY 3-6-11 OF THREE FORKS MUNICIPAL CODE**

WHEREAS, the City of Three Forks first adopted a Capital Improvements Plan (CIP) in 2006, then adopted Impact Fees based on the projects within that document.

WHEREAS, the City Council spent 2022 and 2023 working with its engineers and consultants to prepare a detailed and comprehensive update to the CIP. That new CIP, and accompanying Service Area Reports (specifically starting on page 20), were adopted August 13, 2024 via Resolution #427-2024. (See Exhibit A for additional information.)

WHEREAS, §7-6-1604, MCA requires the City to establish an Impact Fee Advisory Committee (IFAC) to review its Capital Improvements Plan, then calculate, assess, and recommend impact fees to help fund municipal infrastructure necessitated by growth. (Letter from IFAC labeled Exhibit B.)

WHEREAS, the Council appointed volunteers to the IFAC in September 2023. The Committee stayed apprised of all drafts and updates to the CIP and held meetings on September 18, 2024, October 16, 2024, and on November 20, 2024, to discuss the service area reports being prepared for each facility. (11/20/2024 minutes labeled Exhibit C.)

WHEREAS, pursuant to §7-1-4131, MCA these meetings were open to the public and advertised on the City's website, Facebook page and around town at physical locations.

WHEREAS, subject to §7-6-1602, MCA, the governing body may impose an impact fee based on the service area reports. The IFAC determined there was supporting evidence to adopt the service area report and fees for Water, Wastewater, Fire Protection, Transportation, and Municipal Buildings.

WHEREAS, on December 10, 2024, the IFAC distributed its recommendations to the City Council, Mayor and public and recommended a six-week window to review the fees and supporting data. A public hearing was set for January 28, 2025. Additional maps (labeled Exhibit D) were to be distributed at said hearing, so the hearing was continued until February 11, 2025.

WHEREAS, pursuant to §7-6-1602(2)(k)(iv), MCA the recommended fees may be effect for five years.

**CITY OF THREE FORKS, MONTANA**

WHEREAS, in accordance with §7-1-4127, MCA this public hearing was published in the Bozeman Daily Chronicle on January 15 and 18, 2025; in the Belgrade News on January 9, 2025; and in the Three Forks Voice on January 15 and 22, 2025, as well as posted on the City website, City Facebook page, and around town at various physical locations.

**NOW, THEREFORE BE IT RESOLVED** by the Three Forks City Council that it has reviewed the recommended Impact Fees for Water, Wastewater, Fire Protection, Transportation, and Municipal Buildings provided by the Impact Fee Advisory Committee on December 10, 2024.

The City Council has discussed the Transportation impact fee and hereby sets/reduces it to/by \_\_\_\_\_ for a fee of \_\_\_\_\_.

**NOW, THEREFORE BE IT ALSO RESOLVED** that all the fees (Water, Wastewater, Transportation, Municipal Buildings, Fire Protection and Southeast Residential) are effective as of this date and will remain in effect until the next revision and update is complete and a new resolution supersedes said fees.

Dated this 11<sup>th</sup> day of February 2025.

CITY OF THREE FORKS

\_\_\_\_\_  
Randy Johnston, Mayor

ATTESTED:

\_\_\_\_\_  
Crystal Turner, City Clerk

# CITY OF THREE FORKS, MONTANA

## Exhibit A to Resolution \_\_\_\_\_

**What is an impact fee?** An impact fee is a one-time fee that is usually collected when an application for a permit to build is filed. The administration of impact fees is strictly regulated by state law to ensure that the money they generate is used only for infrastructure projects listed in Three Forks' Capital Improvements Plan as being necessary to support the community's growth.

**What is a Capital Improvements Plan (CIP)?** A CIP is a detailed list of improvements that are needed to maintain and, as necessary, expand the City's infrastructure. It is the basis for the Service Area Reports that are required to establish impact fees and for broader financial planning that balances existing resources, potential grants, loans, and impact fees. Three Forks' most recent CIP was adopted in August 2024. It is available on the City's website.

**What is a Service Area Report?** Montana law requires that impact fees be based on "service area reports." These reports build on the CIP to calculate trial impact fees for review by the Impact Fee Advisory Committee, which then recommends a schedule of impact fees to the City Council. The draft service area reports are available on the City's website.

**What was the role of the Impact Fee Advisory Committee (IFAC)?** State law requires that any city wanting to charge impact fees create an IFAC. Three Forks' was appointed by the Council in the Spring of 2023. The members followed the finalization and adoption of the CIP so they could understand its recommendations. The IFAC then held monthly meetings during the Fall of 2024. These well-advertised meetings, at which staff and consultants answered questions about the reasoning behind trial impact fees, were open to the public. The Planning Board was also kept informed of the IFAC's work with monthly updates at its meetings.

**What is the outcome of the IFAC's work?** The IFAC and the City's consultants established levels of service and forecast future facilities needs, dividing those needs between the ongoing maintenance of the municipal infrastructure and the additional improvements needed to serve the anticipated growth. Once the costs of serving growth were clear, trial impact fees were calculated. This effort is documented in the Service Area Reports.