

# Big Sky Community and Infrastructure

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Review of Some Fundamentals  
March 10, 2008

# Agenda

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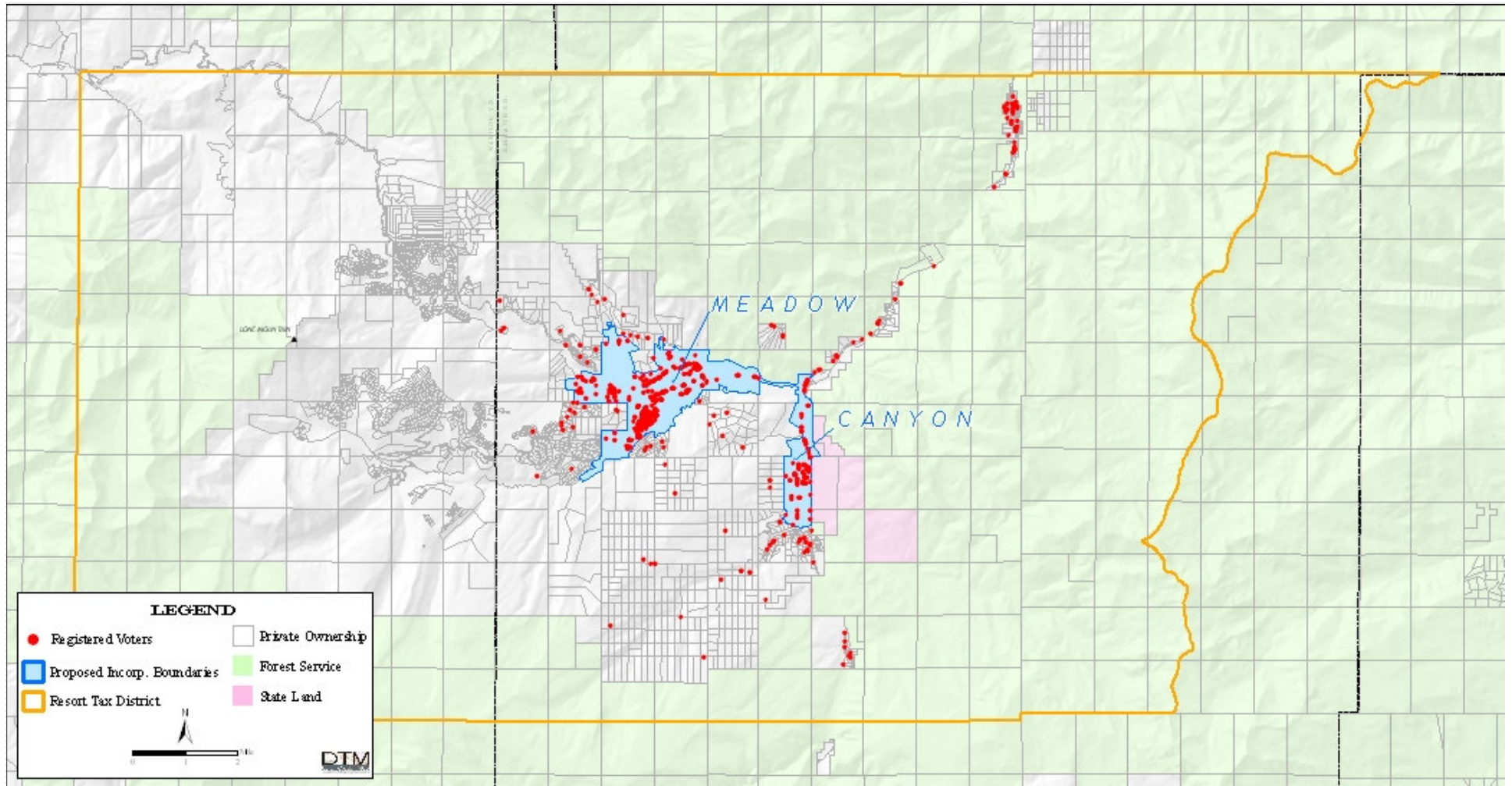
- Statutory Requirements
  - How much of Big Sky is being considered?
  - Cost and Tax Impact
  - Law Enforcement
  - What's the deal with Resort Tax?
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# Statutory Requirements

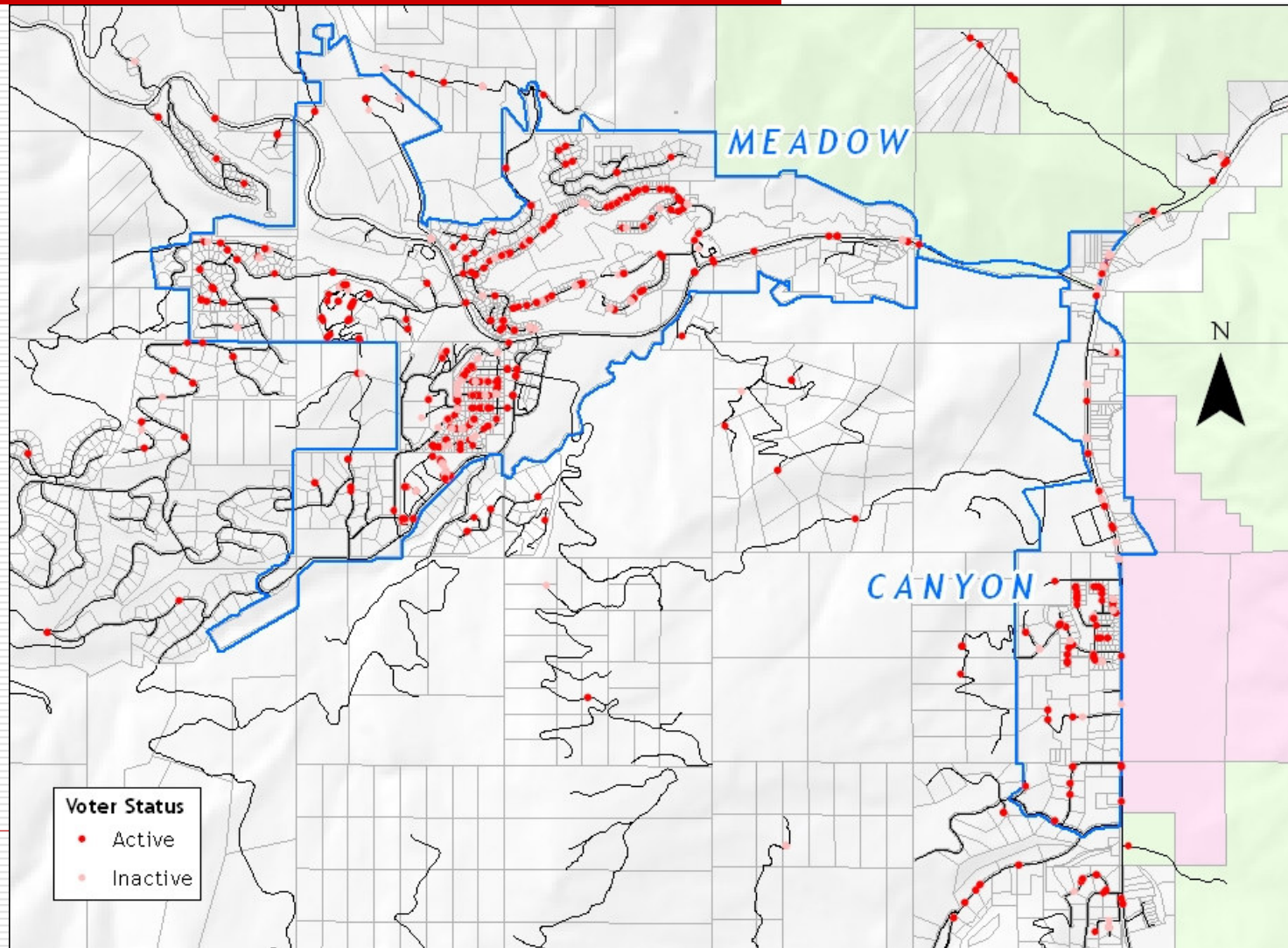
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- Montana State Law establishes requirements for incorporation:
    - Minimum of 300 residents and a Post Office.
    - Petition describing proposed boundary and form of government, signed by two thirds of voters (registered within proposed boundary), but no more than 300.
    - Density of at least 200 inhabitants for each square mile of land area, in each of two to four required wards.
    - Approved by ballot by a simple majority
  - Limitations:
    - No provision in current Montana Law for an incorporation spanning two counties.
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# How much of Big Sky is being considered? **Map**



# How much of Big Sky is being considered? **Map**



# How much of Big Sky is being considered? **Land Area (square miles)**

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<b>Area</b>	<b>Gallatin County</b>	<b>Madison County</b>	<b>Total</b>
Resort Area	166.81	97.49	264.27
Forest Service and Other	124.15	42.66	166.81
Private Land	42.66	54.80	97.46
Meadow	3.614	0	3.614
Canyon	1.076	0	1.076
Total Big Sky	4.690	0	4.690

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# How much of Big Sky is being considered? **Assessed Valuation**

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<b>Area</b>	<b>Gallatin County</b>	<b>Madison County</b>	<b>Total</b>
County (Est.)	\$9.6 Billion	\$2.6 Billion	\$12.2 Billion
Resort Area	\$591,077,469	\$1,106,377,505	\$1,697,454,974
Meadow	\$243,186,916	0	\$243,186,916
Canyon	\$51,253,610	0	\$51,253,610
Total Big Sky	\$294,440,526	0	\$294,440,526

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# How much of Big Sky is being considered? **Voters**

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<b>Area</b>	<b>Registered</b>	<b>Active</b>	<b>Inactive</b>
Gallatin Cty	1322	925	397
Madison Cty	201	138	63
Meadow	877	598	279
Canyon	169	114	55
Total Big Sky	1046	712	334

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# How much of Big Sky is being considered? **Summary (% Gallatin County Resort Area)**

<b>Item</b>	<b>Meadow</b>	<b>Canyon</b>	<b>Total Big Sky</b>
Private Land Area	8.5%	2.5%	11.0%
Assessed Valuation	41.1%	8.7%	49.8%
Registered Voters	66.3%	12.8%	79.1%
Active Voters	64.6%	12.3%	77.0%
Inactive Voters	70.3%	13.9%	84.1%

# How much of Big Sky is being considered? **Summary (% Gallatin County Resort Area)**

<b>Item</b>	<b>Meadow</b>	<b>Canyon</b>	<b>Total Big Sky</b>
Private Land Area	8.5%	2.5%	11.0%
Assessed Valuation	41.1%	8.7%	49.8%
Registered Voters	66.3%	12.8%	<b>79.1%</b>
Active Voters	64.6%	12.3%	<b>77.0%</b>
Inactive Voters	70.3%	13.9%	<b>84.1%</b>

# Cost and Tax Data **“Open the Doors”**

## **Budget**

<b>Item</b>	<b>Low Estimate</b>	<b>High Estimate</b>
Mayor/Council Meetings	\$10,000	\$10,000
Clerk/Treasurer	\$60,000	\$70,000
Assistant	\$30,000	\$35,000
Attorney (contract)	\$100,000	\$150,000
Judicial (contract)	\$110,000	\$110,000
Office Space (leased)	\$60,000	\$75,000
Liability Insurance	\$20,000	\$20,000
IT Services	\$10,000	\$10,000
<b>TOTAL</b>	<b>\$400,000</b>	<b>\$480,000</b>

## Cost and Tax Data **Mill Value**

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- ❑ Assessed value of Big Sky (Meadow and Canyon) = \$294,440,526
  - ❑ Value of 1 mill =  $\$294,440,526 \times .668 \times .0307 / 1000 = \$6,038$
  - ❑ Property Tax rate to fund \$480,000 =  $\$480,000 / \$6,038 = 79.5$  mills
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# Cost and Tax Data **Net Tax Impact**

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## Offsets

- County road levy = 18.3 mills
- County library levy = 6.38 mills
- Total offsets = 24.68 mills

## Net Tax Impact

- $79.5 - 24.68 = 54.82$  mills
- On top of current base rate of 425 mills this would be a 13% increase

## Other Potential Funding Sources

- Entitlements
  - Grants
  - Resort Tax
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# Law Enforcement

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- ❑ Municipalities are required to provide Public Safety services
  - ❑ Many options exist
    - City Police Department
    - Town Marshall
    - Contract with County Sheriff Department
    - Combination
  - ❑ Current staffing is five officers
    - Two funded by Gallatin County
    - Two funded by Madison County
    - One funded by Resort Tax
    - None of these entities will fund any more
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# Law Enforcement

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- Enforcement of a system of municipal ordinances would represent new, additional law enforcement workload, beyond what is done now
  - Additional resources would be required to meet that need
    - Two or three more officers could make a huge difference
  - The advantage of incorporation is that citizens here would make this decision
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# What's the deal with Resort Tax?

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- Montana State Law provides for two kinds of Resort Tax entities:
    - Incorporated Resort *Communities*
    - Unincorporated Resort *Areas*
    - These definitions are mutually exclusive
  - The general view is that an election to incorporate would effectively remove the city from the current Resort Area
  - The city subsequently would have the option to elect to be a Resort Community and continue to collect the tax
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# What's the deal with Resort Tax?

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- An incorporation within an existing Resort Area has never happened before in Montana
    - Current law makes no provision for this
    - As a result, and Attorney General's opinion is needed to determine what happens
  - The objectives of both the Resort Area District Board and the Solution Group are to preserve the Resort Tax benefit to the community
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# Questions?

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- Statutory Requirements
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