Investing in the Future of Whitefish – Drinking Water, Wildlife Habitat, and Outdoor Recreation

Whitefish Feasibility Research – September 15, 2014

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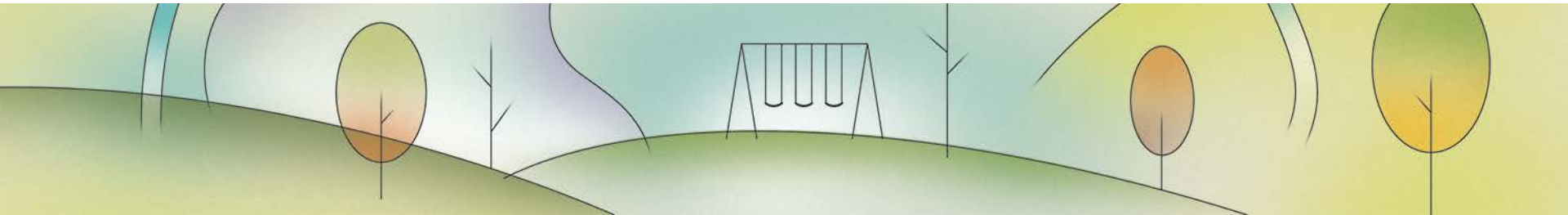

Conserving Land for People

The Trust for Public Land creates parks and protects land for people, ensuring healthy, livable communities for generations to come.

TPL Mission Statement

Over 340 staff working in 30 offices in three regions

TPL Conservation Services

Conservation Transactions

4,000 projects over $5 Billion FMV

Park Design & Development

Conservation Research & Education

50+ publications

Conservation Vision

50 communities to date

Conservation Finance

400 measures over $35 Billion

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CONSERVING LAND FOR PEOPLE

Conservation Funding Options – Overview

- Where do we stand?
- Threats and Opportunities: Haskill Basin
- Funding quilt for protection
- Options for investing in Haskill Basin
- Other Montana efforts
- Key questions for funding success
- Next steps & timeline

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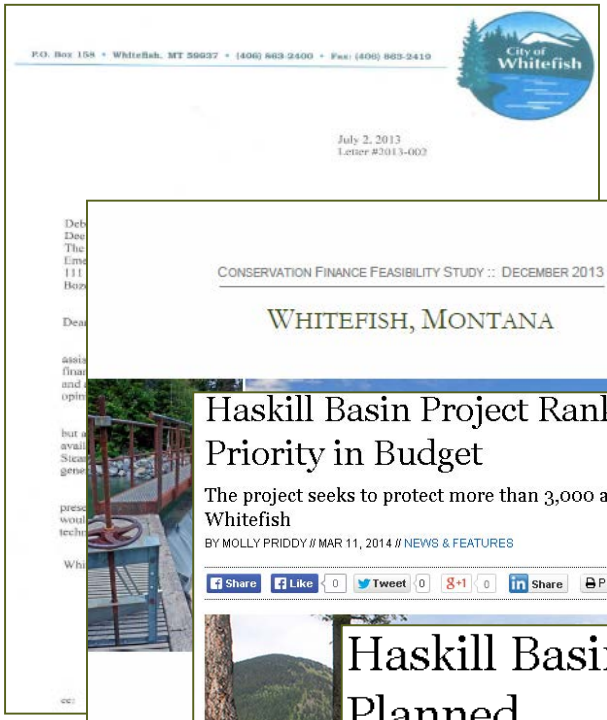
Where We Are and What We Know

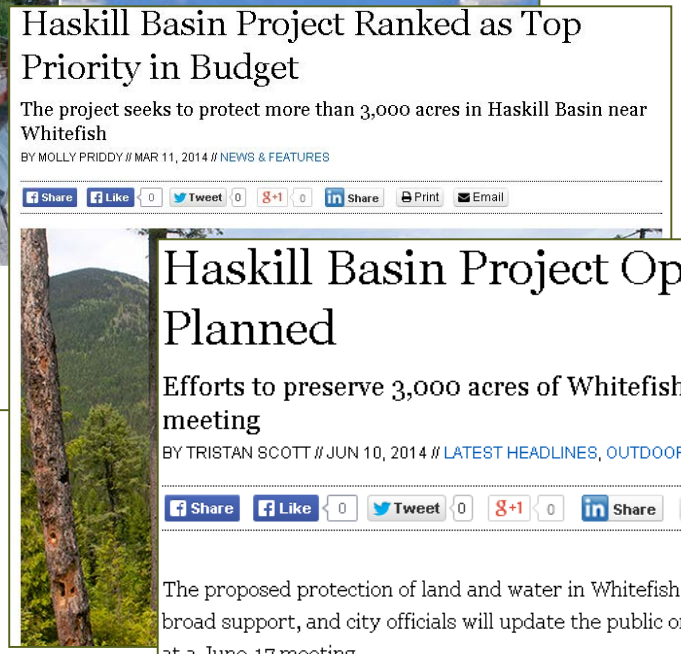

P.O. Box 158 • Whitefish, MT 59937 • (406) 863-2400 • Fax: (406) 863-2419

City of Whitefish

July 2, 2013
Letter #2013-002

CONSERVATION FINANCE FEASIBILITY STUDY :: DECEMBER 2013

WHITEFISH, MONTANA


Haskill Basin Project Ranked as Top Priority in Budget

The project seeks to protect more than 3,000 acres in Haskill Basin near Whitefish

BY MOLLY PRIDDY // MAR 11, 2014 // NEWS & FEATURES

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Haskill Basin Project Open House Planned

Efforts to preserve 3,000 acres of Whitefish land discussed at June 17 meeting

BY TRISTAN SCOTT // JUN 10, 2014 // LATEST HEADLINES, OUTDOORS

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The proposed protection of land and water in Whitefish's Haskill Basin is moving forward with broad support, and city officials will update the public on the conservation project's progress at a June 17 meeting.

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What's at Stake?

- Residential development is occurring
- Threat of more development
- Development of Haskill Basin could affect:

What's at Stake?

Further development of Haskill Basin could affect

- 75% of the Whitefish's water supply

What's at Stake?

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- 75% of the Whitefish's water supply
- Critical wildlife habitat

What's at Stake?

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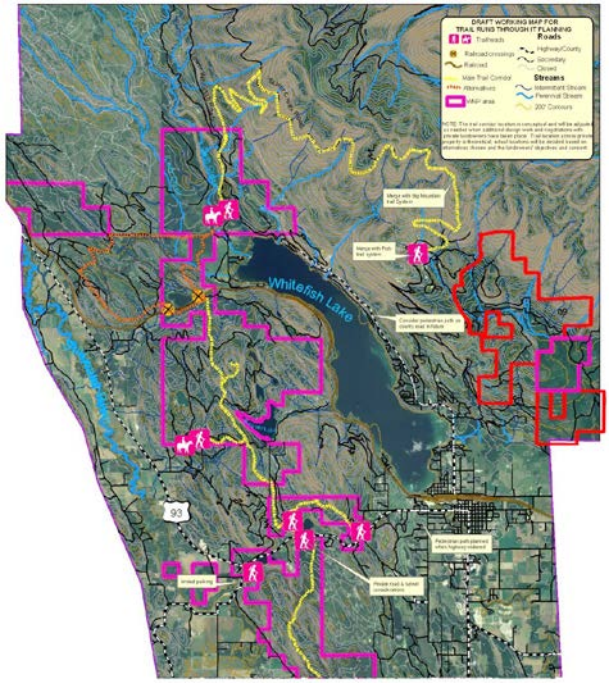
What's at Stake?

Further development of Haskill Basin could affect

- 75% of the Whitefish's water supply
- Critical wildlife habitat
- Important viewsheds
- Trail connectivity plans



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What's at Stake?

Further development of Haskill Basin could affect

- 75% of the Whitefish's water supply
- Critical wildlife habitat
- Important viewsheds
- Trail connectivity plans
- XC ski access

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LAND FOR PEOPLE

What's at Stake?

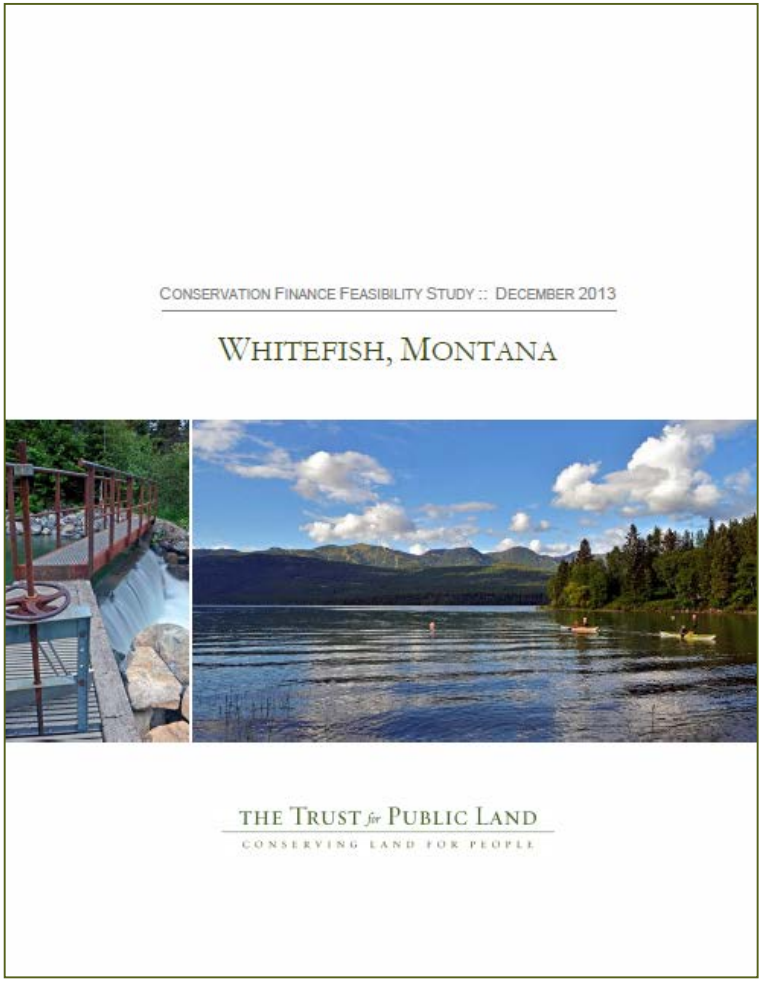
Further development of Haskill Basin could affect

- 75% of the Whitefish's water supply
- Critical wildlife habitat
- Important viewsheds
- Trail connectivity plans
- XC ski access
- Whitefish's recreation economy

Reliable process for successful ballot measures

- Feasibility Research
- Public Opinion Survey
- Program Recommendations
- Ballot Language
- Campaign

Feasibility Research



- Funding quilt
- Conservation options
  - GO Bonds
  - Resort Tax
  - Revenue Bonds
  - Water Rates
  - Property Tax
  - Water District
- Election analysis

General Obligation Bond – option #1

Bond Financing Costs for Whitefish			
20-year Bond Issues at 3% Interest Rate			
2015 Taxable Value for Open Space Bonds = $22,873,171			
Bond Issue Size	**Annual Debt Svce**	**Mill Levy Increase**	**Cost/ Year/ Avg. House***
$1,025,000	$68,896	3.01	$13
$2,025,000	$136,112	5.95	$26
$3,025,000	$203,328	8.89	$38
$5,025,000	$337,759	14.77	$64
$10,025,000	$673,837	29.46	$127

**Median home assessed value = $175,000; taxable value = $4,323*

Sources: FY15 Adopted Budget, p13 & City Mgr AV estimate.

Resort Tax – option #2

- Whitefish resort tax is 2%
- Only jurisdiction of the eight <3% maximum
- Increase from 2% to 3% = $1 million/year

Revenue Bonds & Resort Tax – option #2a

Revenue Bond Debt Service Estimates			
Total Debt Issue	Interest Rate	Term/ Years	Annual Debt Service
$3,000,000	5.0%	10	$388,514
$3,000,000	5.0%	20	$240,728
$5,000,000	5.0%	10	$647,523
$5,000,000	5.0%	20	$401,213
$10,000,000	5.0%	10	$1,295,046
$10,000,000	5.0%	20	$802,426

Water Rates – option #3

- 10% water rate increase = $249,000/year
- With low-interest State water fund loan, City could secure $3 million+ revenue bond

Revenue Bond Debt Service Estimates			
Total Debt Issue	Interest Rate	Term/ Years	Annual Debt Service
$1,000,000	2.5%	20	$64,147
$2,000,000	2.5%	20	$128,294
$3,000,000	2.5%	20	$192,441
$3,750,000	2.5%	20	$240,552

Property Tax – option #4

Estimated Revenue & Costs of Property Tax Increase					
Mill Levy Increase	**Value of One Mill**	**Annual Revenue**	**Cost / Avg. House***	**Cost / $100K House**	**Cost / $200K House**
5.00	$22,873	$114,365	$22	$7	$13
10.00	$22,873	$228,730	$43	$13	$26
20.00	$22,873	$457,460	$86	$26	$52
25.00	$22,873	$571,825	$108	$33	$65

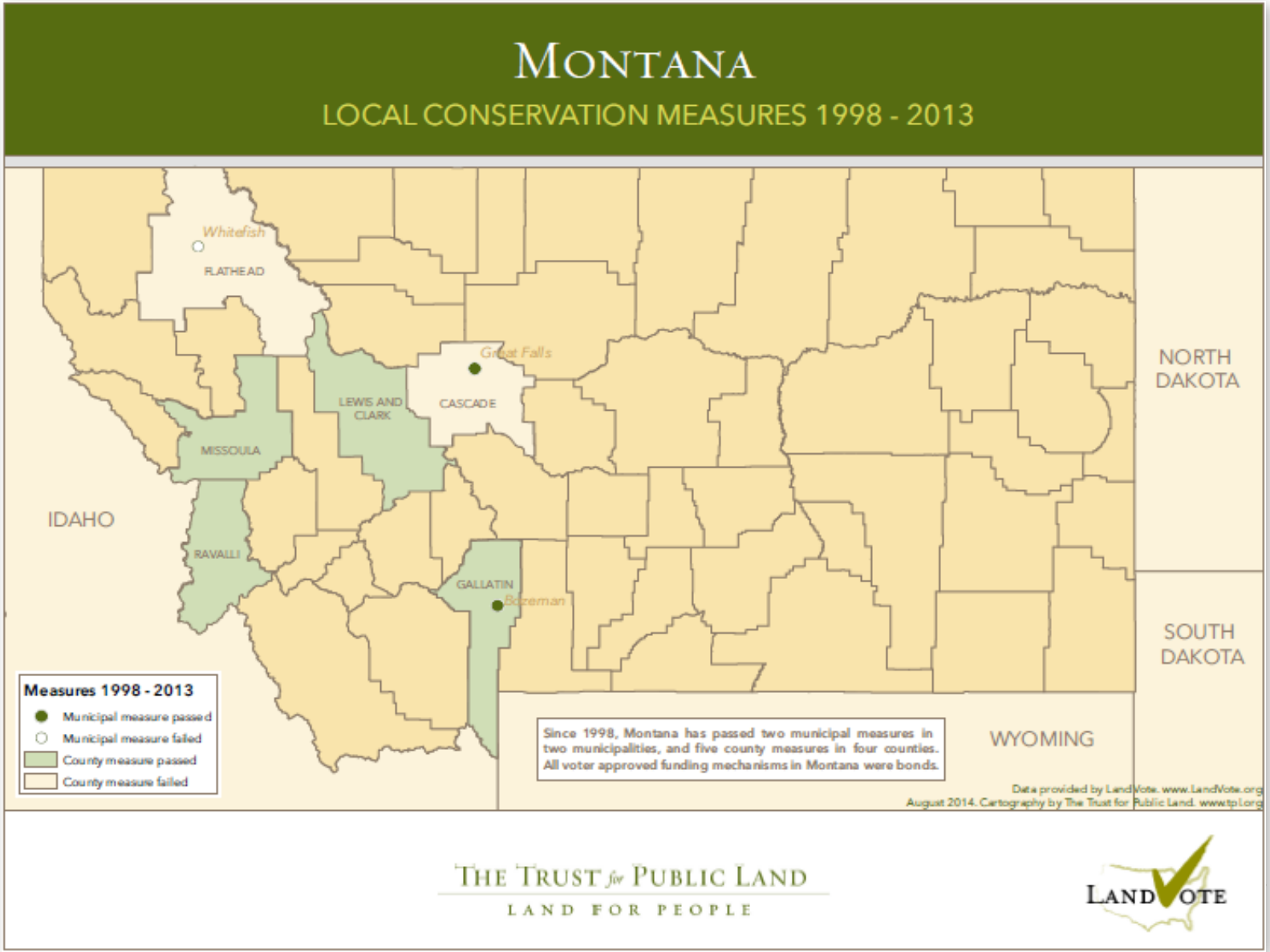
Median home assessed value = $175,000; taxable value = $4,323

Sources: FY15 City Budget, & City Manager.

Local Water Quality District – novel option

- 1991 authority to protect, preserve & improve surface/ground water quality
- Annual fee on all property using water or producing waste
- Pros and Cons

Local Montana conservation success since 1998



Key questions for funding success

- Jurisdiction
- Funding Mechanism
- Amount (and duration)
- Voter Support/Tax Tolerance
- Purposes/Uses of Funds
- Timing (choice of election date)
- Management/Accountability elements

Public opinion survey

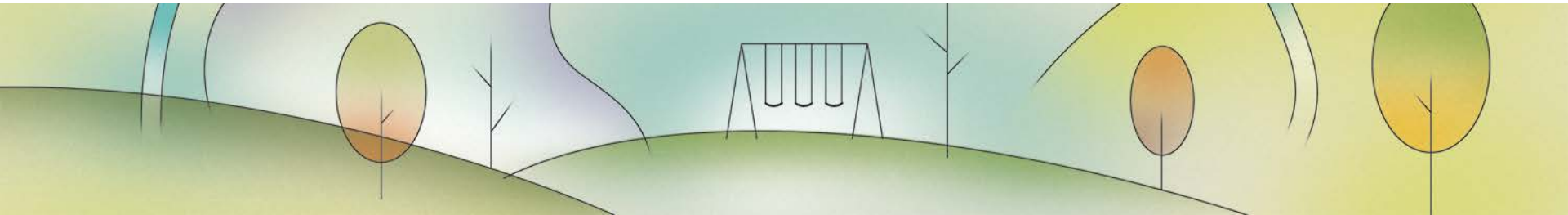
- Determine support for funding land conservation
- Test voter priorities/benefits
- Sample ballot language
- Understand tax tolerance
- Fiscal safeguards, accountability elements
- Find out best messengers & messages

Next Steps

- Conduct public opinion survey in January 2015
- Survey data determines
  - If this is the right year and election
  - Proper funding mechanism
  - Best ballot language & messaging
  - Proper amount

Dee Frankfourth & David Weinstein

Conservation Finance Program

Dee.Frankfourth@tpl.org

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