GALLATIN COUNTY

The Dollars and Sense of COUNTYWIDE ZONING

COMPARING THE COST OF PLANNED AND UNPLANNED GROWTH

Gallatin County's landscape of farm and ranch lands, open spaces, and vibrant communities add up to a quality of life matched by few places in the United States.

These attractions are leading to unprecedented growth in Gallatin County. This pattern of widely dispersed development is straining, and in some cases, quickly eroding the very values that attract people and business to our county. In addition to the conversion of ranchlands and the loss of open space, these growth patterns are placing increasing fiscal burdens on the county.

Gallatin County is Montana's fastest growing county – in fact, its growth rate is in the top 3% of all counties in the United States. Since 1990, Gallatin County's population has grown by 73%; since 2000, its annual growth rate has actually accelerated. If the county returns to these growth rates when the national economy rebounds, a result that many experts believe is likely, the county's population will more than double in size to almost 180,000 in the next 20 years.

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The county's growth pattern has changed dramatically as its population has grown. In contrast with traditional patterns of growth, in which most development took place in the county's cities and towns, more and more homes are being built farther out into the countryside and converting land from farms and ranches into subdivisions. For example, while the populations of cities in the county grew by 98% since 1970, the population in rural areas outside of towns has grown by 239%.

The Sonoran Institute assessed the cost to taxpayers of keeping up with these growth trends. We compared the fiscal impacts of sprawl in Gallatin County with a more consolidated growth pattern in which most future development occurs in towns, rather than dispersed out in rural areas. We found a significant difference in costs between the two scenarios - so significant that these costs should be an important factor in the county's growth managment policy decisions.

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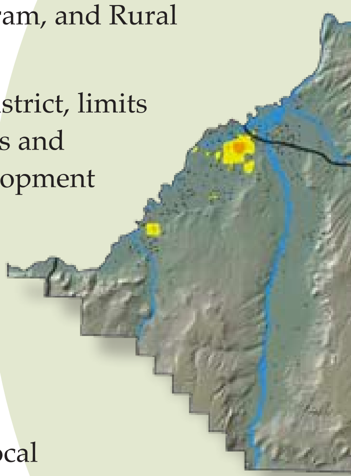
Future growth was projected under two scenarios: a "busines
and an "alternative" scenario that simulates the effect of Gall

In response to these trends, in 2006 the County Commissioners proposed a growth management plan that would limit residential growth in rural areas and direct most new homes to the edges and undeveloped portions of existing communities using a variety of incentives and regulations. The growth management tools chosen by the Commissioners include Neighborhood Planning efforts, a Transfer of Development Rights program, and Rural Zoning.

The rural zoning district, known as the AG 160 zoning district, limits new homes in rural areas to a density of one per 160 acres and allows for additional homes under a Rural Cluster Development provision. When homes are clustered away from prime agricultural soils and other natural resources, the permitted density increases to one per 40 acres.



It is important to note that the model projects the same number of homes for each scenario.

Many studies have demonstrated that fiscal impacts to local governments (and thus to taxpayers) are reduced when widely scattered development is limited and development is instead encouraged closer to infrastructure and services.

The Sonoran Institute recently partnered with Rural Planning Institute on a Fiscal Impact Analysis for Gallatin County. The study compares the cost to county taxpayers of providing road and sheriff services under two future growth scenarios.

The first scenario, the "business-as-usual" scenario, continues recent sprawling growth patterns.

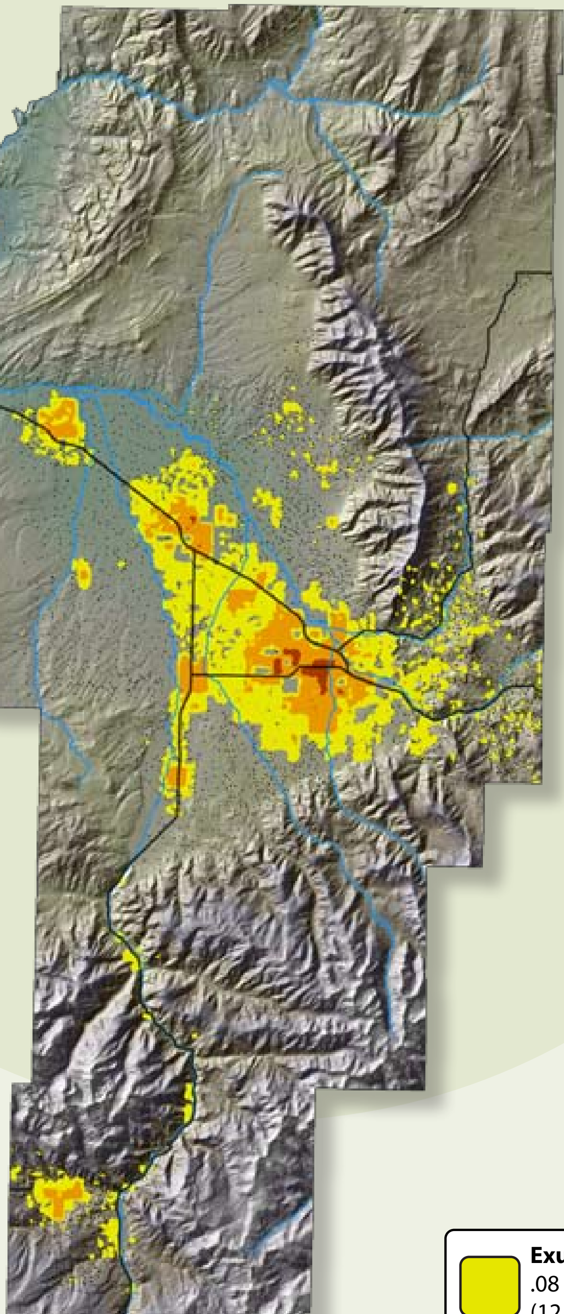
The second, an "alternative" scenario, simulates the consolidated growth patterns that would result if the county adopts its proposed countywide zoning ordinance.

The traffic modeling results show significantly more driving under the business-as-usual scenario than in the alternative scenario.

This study compares the cost to county taxpayers of providi
road and sheriff services under the two scenarios.

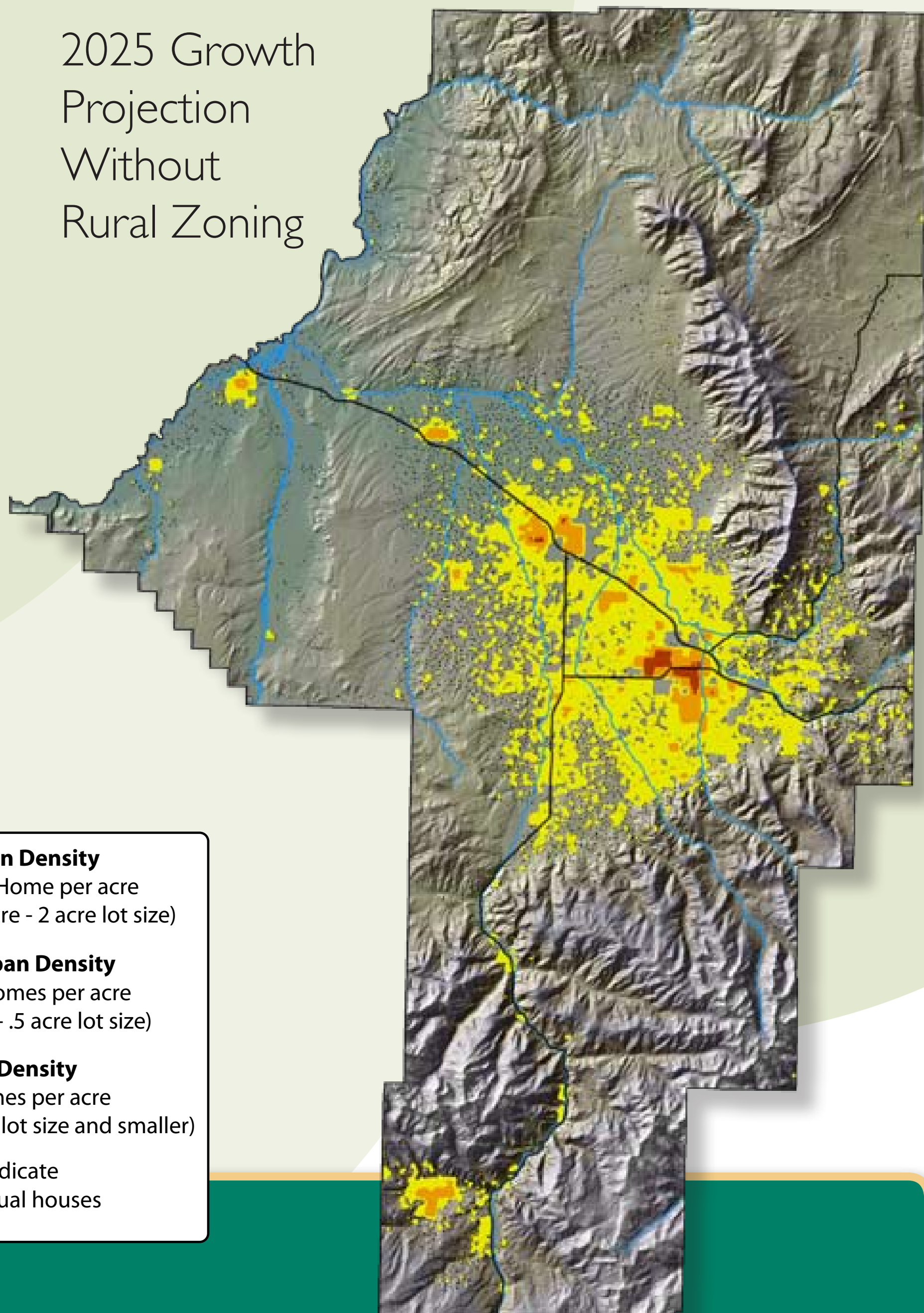
ss-as-usual" scenario that continues recent growth trends, atin County's proposed AG 160 zoning district.

2025 Growth Projection With Rural Zoning



The difference is dramatic: the area of land developed under the business-as-usual scenario is 137,000 acres, compared to 98,000 in the alternative scenario.

2025 Growth Projection Without Rural Zoning



Exurban Density
.08 - .5 Home per acre
(12.5 acre - 2 acre lot size)

Suburban Density
.5 - 2 Homes per acre
(2 acre - .5 acre lot size)

Urban Density
+2 Homes per acre
(.5 acre lot size and smaller)

Dots indicate individual houses

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THE KEY FINDINGS OF THE STUDY

MORE COMPACT DEVELOPMENT

The alternative scenario, incorporating rural zoning and encouraging development in and near existing communities, resulted in a much more compact development pattern by the year 2025 than the business-as-usual pattern, which continued the dispersed development patterns of the recent past. The difference was dramatic; the area of land developed under the business-as-usual scenario is 137,493 acres, compared to 98,533 in the alternative scenario.

REDUCED COST FOR ROADS AND SHERIFF SERVICES

Under the business-as-usual scenario, the dispersed rural residential development results in significantly more driving. In contrast, in the alternative scenario traffic levels would be much lower, reflecting much shorter trips. Directing the majority of future housing units close to municipalities will result in dramatically reduced traffic loads on county roads.

The more compact growth pattern resulting from countywide zoning could save taxpayers $53 million between 2010 and 2025.

Maintaining the current level of service for Gallatin County roads and bridges and sheriff's services from 2010 – 2025 will cost nearly $88 million under the business-as-usual development pattern. Under the alternative scenario, the combined costs for roads, bridges, and sheriff's services in the same period will cost nearly $34 million.

When these two areas of county expenditures are totaled, and then contrasted under the two scenarios, the implication of more consolidated versus more dispersed growth is particularly stark. The alternative scenario – resulting in less sprawl and significantly fewer miles of newly constructed and maintained roads and dramatically reduced traffic load on county roads as county vehicles and county residents make shorter trips – is projected to save the county over $53 million between 2010 and 2025.

	ROAD COSTS	SHERIFF COSTS	ROADS AND SHERRIFF COMBINED COSTS
Business-as-Usual Scenario	$70,385,700	$17,356,600	$87,742,300
Alternative Scenario	$20,184,000	$13,735,800	$33,919,800
Alternative Scenario Costs Savings	**$50,201,700**	**$3,620,800**	**$53,822,500**

SONORAN INSTITUTE

Shaping the Future of the West

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This document is a summary of Fiscal Impact Study completed for Gallatin County by the Sonoran Institute and Rural Planning Institute. You can obtain a free copy of the study by contacting the Sonoran Institute.