
MEETING MINUTES

IMPACT FEE ADVISORY COMMITTEE

November 20, 2014 3:00pm

Jack Reidy Conference Room – 140 W. Pine, Missoula, MT 59802.

Members Present: Janet Donahue Chair, Nick Kaufman, Dick Ainsworth, Jerry Ford, Jim Galipeau, Derek Goldman, Kate Sutherland.

Members Absent: John Freer,

Staff Present: Dee Andersen, Kevin Slovarp, Mike Haynes, Bruce Bender, Donna Gaukler, Dale Bickell.

Others: Caitlin Piserchi.

A. Minutes to approve [April 17, 2014](#).

Nick Kaufman motioned to approve minutes as submitted

Motion passed unanimously.

B. [FY14 Impact fee](#) revenue/expenditure review,

Central Services Director, Dale Bickell reviewed the impact fee revenue/expenditure summary and [projections report](#).

FY14 revenues are down from FY13 and up from FY12.

There is very little expenditure activity outside of traffic impact fees.

The bank fees for credit card transactions are not separately identified.

The projection report shows what the impact fee balance would be with every project known about to FY2019. An annual revenue estimate of \$780,000 was used, which is conservative.

Chief Administrative Officer, Bruce Bender, reviewed the proposed Hillview Way Special Improvement District. He discussed the funding methodology, and said he and Roy Koegan brainstormed to allocate disparity amongst the property owners. The undeveloped properties assessment would be based on potential land use, with one assessment per lot. They would not be assessed until the land was actually developed. The City is currently working on an agreement with the property owners. The current plan is to bond the assessment through the road district which the land owners would reimburse if and when they develop.

Janet Donahue asked if using this methodology would cost anymore.

Mr. Bender said no, it won't increase any costs.

Dick Ainsworth asked if land owners don't develop their land, what then?

Mr. Bender said the City will not receive any money. We are asking for a 40 year agreement which will cap the assessment and accrue interest until the end of the bond. A single family dwelling would be \$1,700, and with interest \$2,400 at the end of 20 year cap. The City Council expressed concerns about the strength of the protest. The final protest numbers came in at 22%. Out of 882 parcels 195 protested. He is hopeful it will be resolved in December.

Derek Goldman asked what the land owners concerns were in regard to the protest?

Mr. Bender said they wanted the funding to come from another source. Some felt the appearance of a deferred SID was burdensome on the land and could be problematic to sell.

Kevin Slovarp, City Engineer, said he heard feedback that protesters wanted everyone who drove that road to contribute not just the property owners.

Public Comment: Caitlin Piserchi asked what SID stands for.

The committee explained it is a special improvement district, which is an assessment that is paid by property owners for the construction or maintenance of infrastructure projects either city-wide or in targeted neighborhoods.

- C. Criteria calculation review: [population growth](#) of 2% vs. current annual growth-Mike Haynes (*Requested by committee April 17, 2014.*)

Mike Haynes, Development Services Director, gave a brief analysis of the City's annual population growth since the year 2000. Using data collected from the U.S Census, and City of Missoula Building permits, he estimated an average annual growth at between 1.1 and 1.2%. Approximately 900 new residents each year. This figure does not include University Students.

Nick Kaufman, said it would depend on if you were looking at multi-dwelling permits or single family units and felt the actual number was closer to .9%

Mr. Bender asked the committee if they wanted to lower the calculation methodology from 2% to 1%.

Mr. Kaufman said with an aging population, constraints on wells, declining university enrollment, and both hospitals are in decline, he feels 1% would be a better number.

Mr. Haynes suggested 1% might be more appropriate.

Ms. Donahue said we would need a motion to change the number.

The committee discussed the options and the impact of the change. It is one of many calculations that can be used. The change would not take effect until January 2015.

Jim Galipeau motioned changing the calculation criteria from 2% to 1% effective January 1, 2015.

Jerry Ford seconded the motion

Upon a voice vote, the motion passed unanimously.

D. New funding request: [Grant Creek Trail](#)-Donna Gaukler.

The Grant Creek Trail project has been in the CIP for several years, and is identified in the Long Range Transportation Plan. This project was Grant Creek neighborhood initiated and supported. It is an 8' wide asphalt biking and pedestrian trail starting from the north end of the Rocky Mountain Elk Foundation trail, running 2 miles along and to the west of Grant Creek Road and ending near the City/County line. The trail will connect to the rest of Missoula's non-motorized system via the bike lanes on Reserve Street and is urgently needed to alleviate unsafe bike and pedestrian conditions.

All easements have been secured and the construction began in July 2014. The funding sources for this project include CTEP funds, 2006 Open Space Bond and private donations. Impact fees are needed to complete the project because of unforeseen and necessary change orders due to underground springs and high water tables that have created poor soil conditions along the trail.

The project provides new infrastructure and expands transportation capacity. It is eligible for \$325,500 but the request to the committee today is for \$30,000 in Park Impact fees. This trail is a significant improvement to all who live in Grant Creek area.

Mr. Galipeau said he is trying to imagine where in Grant Creek these bicyclists and pedestrians are going to commute or walk to up there?

Ms. Gaukler said for example you can pull in behind the Hilton Hotel and go to Cemetery Road which leads to Scott and Toole and then Downtown. The trails are constructed in segments. The next trail segment to connect will be the Milwaukee Trail under Reserve Street.

The committee discussed the amount of the request.

Ms. Donahue asked for a motion.

Kate Sutherland moved to approve the Park Impact Fee request for up to \$30,000 to complete the Grant Creek Trail project.

Derek Goldman seconded the motion.

Upon a voice vote, the motion passed unanimously.

E. South 3rd Street request for funding increase. [Project costs & funding summary](#)

Mr. Bender said due to increased cost of materials and engineering fees, they are \$600,000 short to complete the project. He asked the committee to make an exception from the standard 33 -1/3% of the total project cost to 52%.

The committee discussed the calculations.

Ms. Sutherland asked about the assessments for curbs and sidewalks.

Mr. Kaufman said he would pass on this vote.

Mr. Galipeau stated that the committee voted to cap the IFAC funding at 33%.

Ms. Donahue confirmed that.

Mr. Bender explained that originally there were to be federal funds available for this project and that is no longer the case.

Mr. Kaufman confirmed that it is common in construction to experience unforeseen expenses or an increase in material costs as you proceed through a project.

Mr. Bender said one reason why it the costs became higher than anticipated was tying the road into property owner's lots.

Ms. Sutherland asked if there were other funds that could be leveraged within the City and what would they have done if no IFAC funds were available.

Mr. Bender said there is no other source of funding available.

The committee discussed the project funding summary and asked for the total dollar amount being requested.

In addition to the \$1,120,000 approved in 2012, \$670,760 is being requested to bring the total amount of impact fees funding the project to \$1,765,000. If this request is approved Transportation Impact Fees will fund 52% of the entire cost of the project, which totals \$3.4 million.

Mr. Goldman questioned if this increase was in compliance with the IFAC ordinance and state statute.

Mr. Bender said this committee sets their own criteria not the state statute.

Ms. Sutherland did not want to amend their 1/3 rule. She preferred to treat it as a cost increase from what had been originally approved. Ultimately, it would change the overall percentage of impact fee funding and she did not want to set a precedent.

Mr. Kaufman and Ms. Donahue agreed.

Mr. Goldman expressed concerns about any legal issues that could arise.

The committee discussed the impact this might have on future projects like Hillview Way. They were concerned at being asked to increase their set funding criteria again should any unexpected costs occur.

Ms. Sutherland stated she has not seen any projects come in at the original proposed cost since joining this committee.

Kevin Slovarp, City Engineer, said the project cost are still the same? It is just a higher percentage of impact fees.

Ms. Donahue asked for a motion.

The committee debated the motion language. Once again they said they were uncomfortable increasing the percentage and wanted to approve it as a project cost over-run. They would have liked this request to come forward earlier in the year.

Ms. Sutherland stated that the request for \$670,760 is only \$65,000 more than a 25% increase from the original capacity formula. She said it falls within their set percentages to comfortably approve the request.

Ms. Sutherland moved to approve the request. She said the committee approved \$1,120,000 in 2012. Using the original capacity formula, we could have approved up to \$1,360,000. With our motion to allow a 25% increase, this request fits close enough to our capacity measures and as there is no other source to leverage the funds, the committee is recommending approval of up to a \$670,760 increase for a total amount of \$1,765,000 Transportation Impact Fees.

Mr. Goldman seconded the motion.

Upon a voice vote the motion passed, with Nick Kaufman abstaining.

The meeting was adjourned at 3:50 p.m.

Respectfully submitted,

Dee Andersen

Administrative Assistant.