
AGENDA

IMPACT FEE ADVISORY COMMITTEE

April 10, 2014 -3:00 pm

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

- **Members Present:** Dick Ainsworth acting as Chair, Nick Kaufmann, Derek Gold, John Freer, Kate Sutherland.
 - **Members Absent:** Janet Donahue , Jim Galipeau, Jerry Ford, Elaine Hawk.
 - **Staff Present:** Bruce Bender, Leigh Griffing, Dee Andersen.
 - **Public Comment: None**
- A. Approval of Minutes-dated [May 30, 2013](#) and [November 14, 2013](#)

Minutes were approved as submitted.

- B. [MCA 7-6-1604](#)- *Impact Fee Advisory Committee.*
- C. [Ordinance 3364](#)- Section 15.66.130-Impact Fee Advisory Committee

The committee and staff discussed the role of the IFAC committee as set forth by Montana Code Annotated and City of Missoula Ordinance 3364 which states the committee shall monitor the process of calculating, assessing and spending impact fees. It shall also serve in an advisory capacity to the governing body.

Nick Kaufman said he agrees with the role of the committee.

- D. Review the [Impact Fee Criteria Checklist](#) and possible amend the content.

John Freer stated that this form was created to make it easier for the committee to review and for staff to identify the projects. He said the formatting looks much better now. It had gotten completely out of order.

Dee Andersen stated that staff appeared to have kept using the same form by deleting out the old info and inserting new info causing the formatting to get completely out of order. This form will allow info to be inserted in but the formatting to be locked.

Mr. Bender said that he recalled this committee spent a lot of time on this criteria.

Mr. Freer commented that it was fairly ambiguous at the beginning to quantify the criteria.

E. Developing a formula for project cost over-runs.

Bruce Bender referred to the November 14, 2013 meeting minutes. He said Ms. Donahue had suggested developing a formula for cost-over runs. Last fall the committee had expressed concerns regarding cost over-runs for the Scott/Toole round-about. He said in this instance, there was more impact fee funding eligible so we came back for more money when the project was completed. The committee stated they wanted to be brought in before the project was finished not afterward. He said that often project changes happen rapidly and it can be difficult to pull a meeting together and not tie up the construction.

Nick Kaufman said he recalled some discussion about projects coming back to the IFAC committee if additional impact fees were needed. But said he sees in the impact fee ordinance the committee doesn't even make recommendations.

Mr. Bender said you could imply that because it says review the process of advising and spending so you basically have a role in the whole ordinance. He said the staff and City Council likes to use them in an advisory capacity.

Mr. Bender explained that a new special district is being proposed for the FY15 Budget. It is called the Public Safety and Justice District and will fund a training facility for the Police Department on the North side of Missoula. It is an expansion, so it is eligible for impact fee funds but we haven't even thought about requesting any. He wasn't sure we have enough funds captured for the size of a project like this. He thought they were in the negative except for the transportation impact fees.

Dick Ainsworth asked if we are we still hearing complaints from developers in regards to impact fees. He had heard that some developers were threatening not to move forward on certain projects because of the cost of the fees.

Mr. Bender said not recently, but initially we did. The last project he remembered that had a lot of push back was for carports that were being assessed as if they were garages. It was decided that they were not garages and could not be interpreted as such.

Kate Sutherland asked about the annual review of criteria and measurements. She is not sure if she has been a part of the review process.

Mr. Bender said we use the November meeting as the annual review and revenue update.

Ms. Sutherland stated that in regards to project cost over-runs, if the project increases the impact fee portion would increase at the same percentage with the project. Then the advisory board would *not* have to weight in. That way staff could develop a logical budget to deal with cost over-runs. It could be a really good tool. The annual review would be very important. We could review the criteria at that time to see if it was still applicable. The criteria states that impact fees can increase by 2% of annual growth. Have we even grown 2% in the last year?

Mr. Kaufman said not quite.

Ms. Sutherland suggested that review and discussion is their role.

Mr. Freer agreed. In the methodology we should be looking at he fees to not to exceed a specific amount as the project grows. For example, if the project cost increased but did exceed 33% the staff does not have to come back for additional approval. He asked if the 33% that has been standard is official.

Mr. Bender said it's been the calculation and logic used.

Mr. Freer stated that in the past when there were requests to increase the capacity of the project by 50-60% the committee felt 33% would be palatable. But if we never formally stated that, maybe it needs clarification and can be added to what Ms. Sutherland proposes.

Mr. Kaufman in regards to clarify the criteria, we say 2% or actual growth rate.

Mr. Bender said the Parks Department uses that methodology.

Mr. Bender suggested that on #4 of the criteria form to add: *not to exceed 33%*. That way if the costs increase once you have approved the criteria the percentage has not changed. He said that in the past he has treated them like the City Council and if the costs increased he brought it back to them for additional approval. He said they made a similar motion for the Hillview Way project and approved 33% not to exceed \$500,000.

Ms. Sutherland stated that the committee would not want to recommend draining the account on any one project.

Mr. Bender asked if they wanted to make a motion and make a decision, or wait until you have a full committee next week.

Mr. Freer said the criteria form was for reviewing project by project basis. We can put a cap. Some of the smaller balances have gone in the negative.

Mr. Kaufman said staff has spent a tremendous amount of time with us and anything we can do to make it more predictable for them is something he would support.

Mr. Bender said sometimes there will be problems like South 3rd to Reserve Street. The first two phases will be done this year. By the time the third phase begins it will not be an accurate dollar amount any more. He said next week he is bringing two new TIGER grant projects for Russell Street. The Council already approved the resolution because of a last minute deadline to receive the grant funding, but the IFAC committee hasn't heard anything about them yet. We are asking 20 million.

Mr. Freer suggested the following motion:

MOTION: The committee recommends and approves that once impact fee funding is approved based on criteria, available Transportation Impact Fee Funds can be used for a justified amount up to 33% of the actual project costs without additional review and recommendation of the Impact Fee Advisory Committee, as long as the project costs do not exceed Impact Fee Funding Criteria estimates by 25%.

Ms. Andersen read motion and it was affirmed as accurate and recommended for vote at April 17, 2014 meeting.

The committee discussed prior projects and how the funding was requested.

The committee requested the revenues/expenditures and project criteria be reviewed at the annual November meeting.

The Meeting was adjourned at 4:22 pm.

Respectfully submitted,

Dee Andersen
Administrative Secretary