
IMPACT FEE ADVISORY

COMMITTEE MINUTES

November 14, 2013, 3:00 pm

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

- A. **Members Present:** Janet Donahue Chair; John Freer, Jim Galipeau, Jerry Ford, Kate Sutherland, Elaine Hawke.
- B. **Members Absent:** Derek Goldman, Dick Ainsworth, Nick Kaufman.
- C. **Staff Present:** Bruce Bender, Leigh Griffing, Mike Haynes, Kevin Slovarp.
- D. **Public Comment:** None.
- E. **Approval of Minutes-dated:** [July 18, 2013](#)- approved as submitted.
- F. **[FY13 Revenue /Expenditure Reports Update](#)** –Leigh Griffing, Interim Assistant Finance Director gave a brief overview. FY13 Impact fee revenue was \$1,135,381.30. In FY12, it was under a million at \$910,710.64. Currently for FY14, \$900,000 is budgeted yet revenues are trending high with year-to-date totals at \$510,842.79. The committee discussed the possibility that there is some seasonality to impact fee revenue with building permit activity dropping off in November and picking back up in February.

Ms. Sutherland commented that with the upcoming significant changes in the energy code she is seeing clients wanting to get their permits before those changes go into effect and suggested we may not see a drop off until March or April. She stated that the changes to the energy code are not quite clear yet.
- G. **[FY13 Parks Impact Fee Expenditures Summary Update](#)**–Bruce Bender stated that Donna Gaukler couldn't make the meeting so she provided a Parks impact fee status update in the attached memo. In summary, efforts continue on Fort Missoula Regional Park. In the next year, they may be some consideration for a County-wide bond to provide additional funding to move that project forward.
- H. **[FY13 Traffic Impact Fee Cost Update](#)**-Kevin Slovarp, City Engineer gave costs updates for the following projects:

- a) **S. 3rd Street W - Russell to Reserve.** \$341,052.14 of impact fee revenue has been spent so far on data collection and preliminary engineering. They are in the final design of phase II. They will begin work on phase I and II this summer construction season. In terms of the approved impact fees for design, he feels they are on-budget. Once construction begins they will have a better idea on the impact fee numbers estimated for construction costs.
- b) **Van Buren St. Phase I-III. Poplar St to Montana Ave.** Mr. Bender said one of the most difficult things to estimate is the Street Department equipment and labor costs on these projects. The Van Buren Street project is a good example of that. Originally, we only anticipated the Streets labor cost to be \$222,000, but the actual costs are closer to \$500,000. This was due to poor soil conditions, which required more extensive road work. They had to remove road and base but initially thought they would just be overlaying asphalt and patching it in. This could happen with the 3rd Street project. As the final costs come in we could end up requesting approval to spend additional Transportation Impact Fees.

Mr. Galipeau wanted to know how these estimates are arrived at.

Mr. Bender explained when budgeting labor it's almost a percentage. For estimating equipment we use a blue book rate. When they say "Actual Costs: its being tracked on the computer for actual time spent, equipment and materials.

I. Additional Funding Request:

a) Scott/Toole Street Project-MOTION PASSED

Mr. Slovarp stated that there are two reasons for the additional Transportation Impact Fee funding being requested for this project. The first reason was due to a mistake on his part, he miscalculated the cost estimate by only including the Streets Division materials and not any labor or equipment. The second reason is that the scope of the project increased. Initially only the intersection was going to be improved but it expanded down Spruce to Toole. The road was repaved; the parking area has new curbs and landscaping. The total project has gone from an estimated \$270,000 to an actual cost of \$350,000. In the original request the calculation allowed a 33% capacity, but the budget didn't require it so Steve King requested only 27%. Mr. Bender requested an additional \$47,500.

The committee expressed concerns about how this project would have been funded if IFAC didn't approve the increase and how the City Council approved the project without identifying the funding mechanism.

Mr. Bender said we would have had to go into other sources like the road district or gas tax. Gas tax isn't doing very well so it would be a burden if not approved.

Ms. Donahue wanted to know what part of this project the City Council approved.

Mr. Bender said they approved the contracts and they approved expending the monies.

Mr. Slovarp said there was some bid alternatives on the concrete and they voted to approve project as presented, they didn't think we had the money but suggested finding a way.

Mr. Galipeau asked when projects get expanded; the additional costs are not coming out of the City Budget but other sources?

Ms. Donahue stated that usually it means something else is not getting done.

Mr. Galipeau said if impact fees are picking up the costs, then are we covering things that should be paid for by the City.

Mr. Freer said he has questions and concerns about how we use in-kind labor. He doesn't see an obvious alternative and will vote to approve the request because it will change traffic patterns and he will use it.

Ms. Sutherland asked if in the future every time a project is expanded it is going to be the Impact fees that will cover the over-runs so no other funding source has to. No road district or gas tax contribution?

Mr. Bender said he feels it's a legitimate use of impact fees.

Ms. Sutherland said she knows it's a legitimate use, but is this going to be the standard process?

The committee discussed the way the funding should be identified for expanded projects and how and when the formula is calculated- at the beginning or the end of the project.

Ms. Donahue stated that in the future, she would like to consider requests for additional IFAC funding as the project is being expanded- not when the project is done.

Mr. Bender said it gets confusing with in-kind labor. Separate purchases come in incrementally as we are buying asphalt and gravel.

Mr. Slovarp agreed and stated that we never know what the true costs will be until the project is completed.

Mr. Freer said he is wondering if the committee should do a methodology for cost overruns if it fits their current criteria.

Ms. Sutherland moved to approve the \$47,500 request for additional transportation impact fees for the Scott/Tool Street project.

Upon a voice vote, the motion carried with Jim Galipeau voting nay.

Ms. Sutherland stated that in the future, she does not want to come to the end of the project and budget in what ever percentage they agree to.

Mr. Galipeau stated that he doesn't want the City Administration to be discouraged from asking for less and then going up to 33%.

Mr. Slovarp stated that he will be mindful to stay well below the 33%.

Ms. Donahue stated that for the next meeting she would like to discuss the following:

- Updating the criteria form
- Developing a formula for cost over-runs
- When the scope of the project changes by a certain amount meeting to review additional costs requests.

b) Old Hwy 93 Improvements-MOTION PASSED

The proposed improvements located between Reserve Street and Brooks on Old Hwy 93, consist of new curb, sidewalk, center turn lane, bike lane, boulevard and multi-use trail. The improvements are being considered in phases. Phase 1 will begin in FY14 and include preliminary engineering, surveying, data collection and right-of- way services for all roadway improvements. This phase will also include final design and construction of a portion of the Missoula to Lolo trail along the north side of the highway. Phase II is estimated to begin in FY17. The total estimated construction costs for the roadway improvements are \$1,000,000. Transportation Impact Fees for FY14 are requested in the amount of \$110,000. Total project Transportation Impact Fees are currently estimated at \$333,334 or 1/3 of the total estimated project costs.

Mr. Slovarp said they received a TIGER Grant to design and construct the trail. He said they want to make sure the trail is located in a spot that will not have to be moved when the roadway goes in. The remainder of the project can be completed at a later date they are uncertain when the road will be built so there is no final design at this time.

Mr. Freer asked if the committee hasn't already approved this.

Ms. Donahue stated that they have approved and haven't spent it.

The committee discussed the CIP and different phases of the project.

Ms. Donahue moved the committee recommends and approves the expenditure of transportation impact fees up to 1/3 of the entire costs not to exceed \$500,000 in total transportation impact fees for the Preferred Alternative 5A Miller Creek Road Project for Old U.S. Highway 93.

Mr. Freer seconded the motion.

Upon a voice vote, the motion carried unanimously.

The committee discussed the next meeting days as follows:

- ✓ April 10, 2014 to review the criteria forms and possibly amend the content.
- ✓ April 17, 2014 to discuss and review procedures for assessing criteria and developing a policy for project cost over runs.

Committee Secretary Dee Andersen agreed to correct the formatting on the criteria forms before the April 10 meeting.

The meeting was adjourned at 4:50 pm.

Respectfully submitted,

Dee Andersen

Supporting Documents & Links:

- [Links to FY13 Impact Fee Reports](#)
- [Parks Impact Fee Summary/CIP forms](#)
- [Transportation Impact Fee Summary-Scott/Toole](#)
- [Traffic Impact Fee Cost Update](#)
- [Scott/Tool CIP Form](#)
- [Scott /Tool Impact Fee Criteria](#)
- [New CIP Form-Old Hwy 93 Improvements](#)
- [Old Hwy 93 Improvements Impact Fee Criteria](#)