

Missoula City Council Public Works Committee Minutes

**February 3, 2021, 1:15 pm
ZOOM Webinar**

Members present: Stacie Anderson, Mirtha Becerra (chair), John P. Contos, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Jesse Ramos, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, Heidi West

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

1.2 Approval of the Minutes

2. PUBLIC COMMENT

3. COMMITTEE BUSINESS

3.1 Agreement with Eric Maurer for the purchase of 1337 West Broadway

Introduced by Mayor Engen

The City is pursuing the purchase of two properties located by Missoula Water. Wooden Images and Re-Compute Computers. The Public Works Department and Missoula Water are out of space for employees. The acquisition of these properties will help with that. The purchase of Wooden Images building would help with parking and customer access. When the time is right, the intention is to sell properties along with the Sleepy Inn, and the money would go back to the utilities and Missoula Redevelopment Agency (MRA). In the interim, it allows the City to serve citizens better and take care of employees.

Ross Mollenhauer Interim Public Works Deputy Director of Utilities presenting. The property located at 1337 West Broadway is the Recompute building to the East of Missoula Water Building, sharing a common wall. This City is excited to have more office space. They currently have several people sharing offices, which doesn't work great for meetings and phone calls. The property was appraised, and the value is almost identical to the purchase price at a cost not to exceed \$550,000.

Mr. Hess asked if a land swap was available for Missoula Water to utilize? Mr. Engan replied that the intention is to take the revenue and apply it to any new city facilities.

Ms. Beccera asked Julie Gardner to explain the appraisal process. Ms. Gardner said an outside provider was hired to do the appraisal and provided comparable properties. Mr. Mollenhauer commented that the price is lower for the 1359 property and the appraisal helped identify some items noticed in the inspection about the building condition. Mr. Keene added the appraisal to make sure the City's offers were at fair market value. The City also had a full building inspection to identify the condition of the building. The recompute building is in much better condition than the wooden images. The City can get some office space out of the recompute building, and the wooden images building will be primarily a property purchase.

Mr. von Lossberg asked if someone could explain the City Treasury Loan Process? Mr. Bickel replied These are in the Missoula Water budget, but the revenue is still pending the sale of a few properties that Missoula Water is still working on. The loan is a timing issue.

Two members of the Public Works Committee voted against the purchase, the item will be placed under Committee Reports for the Monday, February 8, 2021, Council Meeting.

Moved by: Jordan Hess

Approve and authorize the Mayor to sign an agreement with Eric Maurer to purchase the property at 1337 West Broadway for a cost not to exceed \$550,000.00.

AYES: (9): Stacie Anderson, Mirtha Becerra, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Amber Sherrill, Bryan von Lossberg, and Heidi West

NAYS: (2): Jesse Ramos, and Sandra Vasecka

ABSENT: (1): John Contos

Vote results: Approved (9 to 2)

3.2 Agreement with John and Mark Bakula for the purchase of 1359 West Broadway

Introduced by Mayor Engen

The City is pursuing the purchase of two properties located next to Missoula Water. Wooden Images and Recompute Computers. The Public Works Department and Missoula Water are out of space for employees. The acquisition of these properties will help with that. The purchase of Wooden Images would help with parking and customer access and the Recompute Computers Building will be office space. When the time is right, the intention is to sell properties along with the Sleepy Inn, and the money would go back to the utilities and Missoula Redevelopment Agency (MRA). In the interim, it allows the City to serve citizens better and take care of employees.

Ross Mollenhauer Interim Public Works Deputy Director of Utilities presenting. The property located at 1359 West Broadway is the Wooden Images building next to the customer parking area for Missoula Water. The property was appraised, and the purchase price is not to exceed \$225,000.

Mr. Hess asked if a land swap was available for Missoula Water to utilize? Mr. Engan replied that the intention is to take the revenue and apply it to any new city facilities.

Ms. Beccera asked Julie Gardner to explain the appraisal process. Ms. Gardner said an outside provider was hired to do the appraisal and provided comparable properties. Mr. Mollenhauer commented that the price is lower for the 1359 property and the appraisal helped identify some items noticed in the inspection about the building condition. Mr. Keene added the appraisal to make sure the City's offers were at fair market value. The City also had a full building inspection to identify the condition of the building. The Recompute Computer building is in much better condition than the Wooden Images. The City can get some office space out of the Recompute Computers building, and the Wooden Images building will be primarily a property purchase.

Mr. Ramos commented that he appreciates the appraisals were done and the price was negotiated. He is concerned about the bridge financing and doesn't think Tax Increment Financing (TIF) funds should be utilized this way. He will speak to the rest in the Council Meeting on Monday night.

Moved by:

Approve and authorize the Mayor to sign an agreement with John and Mark Bakula to purchase the property at 1359 West Broadway for a cost not to exceed \$225,000.00.

AYES: (9): Stacie Anderson, Mirtha Becerra, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Amber Sherrill, Bryan von Lossberg, and Heidi West

NAYS: (2): Jesse Ramos, and Sandra Vasecka

ABSENT: (1): John Contos

Vote results: Approved (9 to 2)

3.3 A Resolution and an Ordinance Establishing the Sxwtpqyen Area Transportation Special Impact Fee

Jeremy Keene Director of Public Works & Mobility presenting

The proposal is to create a special Transportation impact fee for the Sxwtpqyen Area, and this is part of the Mullan Better Utilizing Investments to Leverage Development (Build) project. The Mullan BUILD project is part of the 13 million BUILD Grant that the City and the County will use to construct a transportation and utility improvement that will support the implementation of the master plan. With local funding and federal grant, the City has 50% of the money needed. The money from the grant will construct the elements with blue dots on the map. The map is in the presentation and can be found here

<https://pub-missoula.escribemeetings.com/Meeting.aspx?Id=0aaafa6e-b82f-4da3-90c6-8a0dd0ea50f3&Agenda=Agenda&lang=English>

The grant money is a good start in creating the network, but the City needs to look for ways to fund the project's remainder, shown as orange dots. The City has tried for more grant money and was not successful, and now they are looking at local development fees to fund the rest. The fees also have to be proportional to the development demand. The City will develop an Ordinance establishing a fee and then a resolution to establish the fee schedule. Samples are attached to the agenda at the link above.

The City is looking at two fees: Transportation Special Impact Fee, which is being presented today, and the Water/Sewer Development fee. The Water/Sewer Fees will be brought to Council in a few weeks. The impact fees are a way to assess costs to the cost providers. If the City did not consider this Special Impact fee, the City would use The Road District or another fund that would affect all citizens. The impact fee places the cost on the people who benefit from the services. This fee should translate to lower housing costs.

The impact fees are a one-time fee by new development that will go to fund capital improvements. The special fees are to fund specific projects and are limited to those things. There has to be a need for the improvements, and the fee payor needs to benefit from these improvements.

A Public Meeting will be held on February 22, 2021, and the Final Consideration will be March 1, 2021, and take effect March 31, 2021.

Ms. Merritt asked how this would apply to properties that are already in the development process. Mr. Keene replied that the trigger for the fees is the building permit. The majority of the development has not started yet, and the few that have the City is working out a cost-share plan with them.

Mr. Hess thanked the team for putting this together and believes this is a good way to capture the rest of the cost and get the road network built.

Ms. Sherrill asked when the City could reapply for a BUILD grant. Mr. Keene replied that they are an annual opportunity, and they expect that sometime this spring or summer, there will be a grant opportunity. If the City was to get a future grant that would reduce this amount, the City would pay back some of the fees.

Moved by: Jordan Hess

Motion for February 3, 2021: [First reading and preliminary adoption] I move the City Council set a public hearing on February 22, 2021 and preliminarily adopt an ordinance creating chapter 15.70 Missoula Municipal Code entitled "Sxwtpqyen Area Transportation Special Impact Fee" to establish impact fees for new development in accordance with the results of an official impact fee study commissioned by the City of Missoula for the Mullan BUILD Project. I move the City Council set a public hearing on February 22, 2021, on a resolution generally establishing Sxwtpqyen Area Special Transportation Impact Fees as proposed by Missoula Public Works and Mobility Department effective March 31, 2021.

AYES: (12): Stacie Anderson, Mirtha Becerra, John Contos, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Jesse Ramos, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, and Heidi West

Vote results: Approved (12 to 0)

3.4 Review items held in City Council committee

Review the follow items held in the Public Works committee to determine if they require a new sponsor and/or whether or not they will continue to be held in committee.

3.4.1 Traffic Control Devices Including Marked Crosswalks Administrative Rule

This has been incorporated into the Public Works Manual and The Public Works Committee decided to remove this.

3.4.2 St. Patrick's Hospital W. Pine Street Right-of-Way Vacation Between May and McCormick Streets

The St Patricks Hospital project has changed many times and would need to be represented to the Public Works Committee. The Committee decided to remove this time.

4. ADJOURNMENT

2:01