

Missoula City Council Administration and Finance Committee Minutes

January 29, 2020

12:30 PM

City Council Chambers

140 W. Pine Street, Missoula , MT

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

Members absent: **Jesse Ramos**

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

1.2 Approval of the Minutes

Change to January 15, 2020, meeting minutes:

Correction on item 3.2 regarding the GIS Professional Services Agreement for Aerial Imagery - the minutes indicate that Amber Sherrill voted no and Sandra Vasecka voted yes. The correct vote information was SHERRILL voting YES and VASECKA voting NO. Corrected minutes stand as approved.

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No public comment.

3. COMMITTEE BUSINESS

3.1 Review items held in City Council committees

5 minutes

One item held on referral list: Parental Leave Policy sponsored by Heidi West. Plan to keep the item for now.

No motion—review held items and identify those that can be removed and/or assigned a new sponsor.

3.2 Resolution adopting the 2019 Service Area Report Impact Fee Study and associated fees and Ordinance amending Impact Fee regulations and procedures

30 minutes

Dale Bickell, City of Missoula Chief Administration Officer, presented the agenda item and introduced Carson Bise, principal with consultant firm TischlerBise hired for the impact fee study.

Mr. Bickell shared a PowerPoint presentation.

Mr. Bise described impact fees and explained the 2019 Service Area Report and Impact Fee Survey.

Stacie Anderson asked for clarification on the legal framework for how impact fees can be used as it is important to understand the laws that dictate impact fee usage. Mr. Bise explained the state and federal requirements around impact fees. Ms. Anderson emphasized that the City is following the law related to how impact fees can be used, on which projects, and for what reasons.

Mr. Bise proceeded with his presentation.

Heather Harp asked whether different methodologies are being used for different projects. Mr. Bise explained that the same methodology is being used for all projects with the exception of the Police Department evidence room and that he would expound upon that later in the presentation.

Mr. Bise proceeded with his presentation.

Jordan Hess asked about dedicated revenue funding for neighborhood parks and Mr. Bise explained how that works. Mr. Hess asked Mr. Bickell to explain the funding for neighborhood parks. Mr. Bickell explained.

Mr. Bise proceeded with his presentation.

Stacie Anderson asked a question related to impact fee for Fire services. Mr. Bise explained the growth projection numbers. Mrs. Anderson followed up with how does the City use impact fees to build the Police evidence locker room compared to the this Fire example.

Julie Merritt asked for clarification related to the 10-year demand.

Mr. Bise explained both and gave examples, then proceeded with his presentation.

Jordan Hess asked for clarification related to the difference in commuter patterns between vehicles and alternative modes of transportation like walking or biking; Mr. Bise explained.

Mr. Bickell explained the fees and allocations recommended by City administration.

Mrs. Anderson pointed out there was a technical issue with the streaming and recording audio, which was corrected.

Mr. Bickell shared a comparison of other communities with impact fees.

Mrs. Anderson stated the impact fees have always been a fixed, flat fee and not based on a percentage, but compared to the Percentage of Median Home Price slide, that could be confusing for some. Mr. Bickell concurred impact fees have been a flat fee and have not changed since 2007. Mrs. Anderson also noted it is also hard to compare Missoula to Whitefish because Whitefish has a Local Option Sales Tax to use for alternative funding, and Missoula is not allowed to do so per state legislature.

Mr. Bickell noted that although Whitefish has a Local Option Sales Tax, it also has impact fees. It is not an apples-to-apples comparison. Mr. Bickell reviewed the "next steps" timeline of dates for the impact fee process (Monday, February 3 - Public Hearing on the adoption of the 2019 Service Area Report and Impact Fee Study and setting rates;

Monday, February 24 - Public Hearing on ordinance changes; Thursday, January 30, 5:30pm - open house with development community) and Chairwoman Gwen Jones clarified the motion for today's vote.

Heidi West asked for clarification whether impact fees are used on new construction and not extensive remodels. Mr. Bise explained that impact fees are designed for new building permits with further explanation related to size. Mr. Bickell provided additional comments. Mrs. West requested that the presentation of the Peer City slide also include the peer city median house price.

Heather Harp asked that because fees haven't been increased since 2007, whether there could be incremental impact fee increases considered on a more regular basis, for a smaller bump in the rate at a time. Mr. Bickell stated yes that with the new study to rely on, Council could consider impact fee changes annually on a budgetary basis. She asked too, if all the projected impacts could be placed on one slide for comparison, and stated she and he could talk after the meeting for clarification.

Amber Sherrill asked what is the average number of years these studies are conducted. Mr. Bickell confirmed the study was conducted in 2007 and implemented the transportation impact fee the same year, but no other increases occurred.

She also inquired about how impact fees relate to affordable housing and Mr. Bise clarified.

Julie Merritt asked what the Impact Fee Advisory Committee comments were related to this study from the IFAC meeting held this morning. Mr. Bickell stated the committee adopted the study and it is compliant with state law. He further explained that the Impact Fee Advisory Committee has no authority to establish fees - that is Council policy approval - but IFAC is discussing the eligibility of projects.

Mrs. Anderson made the motion and previewed questions she will bring to the next meeting. Committee Chairwoman Jones recommended Mrs. Anderson present these questions related to the housing policy instead and they would not be appropriate related to the rate structure.

Mrs. West asked how impact fees interact with the Adaptive Reuse ordinance for historic buildings related to the potential new use of a building. Mr. Bickell responded to how impact fees would be used related to change of use.

No public comment.

Voice vote was taken and was unanimous in favor to set the public hearing on Monday, February 24, 2020.

Moved by: Stacie Anderson

[First reading and preliminary adoption] Set a public hearing on February 24, 2020 and preliminarily adopt an ordinance generally amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" to update the procedures and requirements associated with impact fees in accordance with the 2019 Service Area Report and Fee Study.

AYES: (10): Stacie Anderson, Mirtha Becerra, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, and Heidi West

ABSENT: (2): John Contos, and Jesse Ramos

Vote results: Approved (10 to 0)

4. ADJOURNMENT

Meeting adjourned at 1:34 PM.