

**ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
April 14, 2010 10:35am**

Members present: Stacy Rye, Chair; Ed Childers; Renee Mitchell; Pam Walzer; Jason Wiener; Dick Haines; Lyn Hellegaard; Roy Houseman; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

Others present: Bruce Bender, Brentt Ramharter, Rod Austin, John Horner, Ellen Buchanan, Matt Ellis, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [March 17, 2010](#) and [March 24, 2010](#) approved as submitted.

B. Public Comment on items not listed on the agenda-None.

II. Consent Agenda

A. Approve claims (accounts payable). -Consent Agenda (Brentt Ramharter)

Motion: The committee recommends the City Council approve [claims](#) totaling \$909,945.66 ([Detailed claims](#)) 4/20/10

Motion: The committee recommends the City Council approve [claims](#) totaling \$258,118.66 ([Detailed claims](#)) Acted on 4/12/10

Motion: The committee recommends the City Council approve [claims](#) totaling \$ \$150,452.05 ([Detailed claims](#)) Acted on 4/05/10

Motion: The committee recommends the City Council approve [claims](#) totaling \$ 269,591.88 ([Detailed claims](#)) Acted on 4/05/10

B. Confirm the reappointment of Ellen Buchanan as the city's representative to the Downtown Business Improvement District Board of Trustees for a term commencing June 1, 2010 and ending May 31, 2014 ([memo](#)).—Regular Agenda (Mayor Engen) (Referred to committee: 04/12/2010) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council confirm the Mayor's reappointment of Ellen Buchanan as the City's representative to the Downtown Business Improvement District Board of Trustees for a term commencing June 1, 2010 and ending May 31, 2014.

Stacy Rye said she would like to reappoint Ms. Buchanan.

Jon Wilkins moved to approve the reappointment.

Upon a voice vote the motion carried unanimously.

C. Confirm the reappointments of Hal Fraser and Nancy Moe to the Missoula Redevelopment Agency Board for a term commencing May 1, 2010 and ending April 30, 2014 ([memo](#)).—Regular Agenda (Mayor Engen) (Referred to committee: 04/12/2010) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council confirm the Mayor's reappointments of Hal Fraser and Nancy Moe to the Missoula Redevelopment Agency Board for a term commencing May 1, 2010 and ending April 30, 2014.

Ellen Buchanan, Missoula Redevelopment Agency Director, said Ms. Moe and Mr. Fraser are long standing members of the MRA Board and supports their reappointment.

Pam Walzer moved to reappoint

Upon a voice vote the motion passed unanimously.

- D. Missoula Civic Television Advisory Commission Annual Report ([memo](#)).—Regular Agenda (Joel Baird and Ginny Merriam) (Referred to committee: 03/22/10) **HELD IN COMMITTEE FOR DISCUSSION APRIL 21, 2010.**

Regular Agenda

- A. [Ordinance](#) amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" for the purpose of adding subparagraph no. 4 titled "Downtown Transportation Impact Fee." ([Boundary Map](#)) ([memo](#)) ([A&F](#)) (Returned from Council floor: 04/05/2010) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council adopt an [ordinance](#) amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" by revising Section 15.66.120 Missoula Municipal Code, adding subparagraph no. 4 titled "Downtown Transportation Impact Fee" to establish a transportation impact fee reduction calculation for commercial and residential new development in the downtown area and adding exhibit "A" defining the boundary of the downtown area of the City of Missoula for transportation system improvements with new development; to be effective 30 days from the date this ordinance is adopted.

Motion: The committee recommends the City Council adopt a [resolution](#) designating \$30,200 of the Transportation Impact Fees to transportation improvements in the Downtown Transportation Impact Fee Area.

Jason Wiener explained he had sent this item back from Council Floor out of a concern about the impact of reducing the fees on the overall fund balance. Since then he has looked at the fund balance and found that there is substantially more than he thought there was and is no longer concerned with the immediate impact of the reduction. The fund balance is currently at \$965,000. His original and ongoing reservations are in regards to the "*Trip Adjustment Factor*" which is the area where Council has discretion. We have to do a study that outlines the cost of the impact of a development and set the fee to some percentage of that. It has to be a study area wide fee. The effect, if there is less impact in the core of the city than on the fringe of the city of and everyone pays the same fee is that the core of the city ends up pays higher than the percentage of the impact that the Council set as policy while something that requires more extensive infrastructure actually pays proportionately less. Since we have made a commitment to develop in areas that has infrastructure in place already there is an imbalance there. This amendment attempts to address this imbalance by studying how much lower the impacts are within downtown. He said he was supportive of the impulse behind this. Originally his idea was to float the fees area wide so any revenue lost from the fund would be recovered in re-setting the fees, but said he was fine not doing that right away. He moved to adopt the ordinance with the following corrections in the language suggested by Ed Childers:

- In the heading of the second table change *feet* to fee and spell out *GFA* which stands for Gross Floor Area.

He suggested they discuss rebating the Transportation Impact Fees. He asked, with possible future studies of this nature do we want to make a practice of retroactively reducing and rebating fees when they have already been paid and the decision to go with the project has already been done? If we do a study for Russell to Reserve and it comes back with fee reductions are we going to rebate those back to the beginning of the fee as well.

Ed Childers stated that it has not been the practice of the City of Missoula to give back two years of fees when doing an ordinance fee reduction, so what prompted us to do this now if it's not something we ordinarily do? Its \$30,000 and the places it would go he is in support of. He said he has the same question as Mr. Wiener, is this something we will continue to do? It doesn't seem correct.

Bruce Bender, Chief Administrative Officer, said he sees it as an extension of the original ordinance. It was the public comment and Council comment about being concerned that the downtown area had less trip generation and less impact. So the idea came from the original ordinance it just took about 2 years to get it brought forward. In that time one of the larger

payments came from a building that is under construction right now and if this would have come forward sooner we wouldn't have charged them the fee.

Mr. Childers said he remembers the discussion regarding the original ordinance and it did not say to go ahead and build things and if fees are lowered we would give money back. Did that discussion occur when the Garlington Building was being envisioned or previous to that? He said he understands the impulse to do this, but he does not remember discussing refunds if the fees were reduced, just as there was no intention to go back and charge them more if the fees increased. Maybe we should have put that in there but we didn't.

Bob Jaffe would like to make an amendment to strike the portion to rebate the fees.

Mr. Wiener said to strike section 4c of the draft ordinance.

Stacy Rye asked if that was a friendly amendment.

Mr. Wiener said yes he would be fine with him.

Jon Wilkins asked about the building under construction and if we told them they would get refunded their fees.

Mr. Bender said he is not aware of any developers expecting reimbursements the only public statement made was to the Impact Advisory Committee that they were recommending reimbursements

Dick Haines asked for clarification on the ordinance and stated that once again Missoula's reputation for being business friendly gets a good shining.

Mr. Childers replied that he doesn't understand that, why does this make us not business friendly? We have a dollar amount on the table that we can do other projects that we need to do-

Lyn Hellegaard asked what the plan is for the \$30,000. Will it be restricted to projects downtown.

Mr. Bender said it could be used for projects like a traffic signal on Cregg Lane and Orange Street your CIP can allocate the funding.

Ms. Hellegaard replied so the \$30, 000 will be restricted for downtown projects?

Mr. Bender said not it is not ear marked.

Ms. Hellegaard can we earmark it?

Ms. Rye said yes we can, we will be discussing the CIP in the next few weeks. When we discuss the CIP you can put that out on the floor.

Ms. Hellegaard replied that she needs that today or she will not support the ordinance.

Ms. Rye requested that Ms. Hellegaard make an amendment.

Ms. Hellegaard moved to amend the main motion that the \$30,000 not refunded to the business will be earmarked for a downtown specific project.

Mr. Wilkins will support this amendment.

Mr. Bender said since you are working on a ordinance I would suggest to make that action separate and we can earmark the \$30,200 to be used in the downtown area but to do it by ordinance would be difficult as it is a Budget item. He said he would suggest a motion by the Council.

Ms. Rye amendment is withdrawn.

Ms. Walzer said she would support a downtown project a light or we can earmark for issue of transportation and agrees with Ms. Hildegard's motion.

Bob Jaffe asked if the entire \$900,000 in the Transportation Impact Fee Fund is earmarked for the Miller Creek project.

Mr. Bender said no \$300,000 to Miller Creek so there is excess money there. The Budgeting process is a way to earmark this through the CIP.

Mr. Wilkins wanted a guarantee of the earmark before he votes to support.

Mr. Wiener said the best way to do this would be to adopt the resolution directing the \$30,200 to be earmarked for the Downtown Impact Fee area. We could adopt resolution in the spirit of today and put it on the calendar for Monday.

Mr. Haines asked if there has there been any contact with these developers and do they have any idea have they may have money some coming that we are going to earmark for something else.

Mr. Bender no there has been no contact.

Ms Rye called for Public Comment

Public Comment:

Matt Ellis, 412 W. Alder, said through the MDA and we had made this request for the Downtown Area to mitigate the cost of construction because as you have pointed out, the Impact Fee didn't necessarily apply to downtown as we don't create the need. We were told at the time that they weren't sure if it was legal. He understands the time it has taken and his sole priority is to get this approved. He said it would be really good for downtown.

Rod Austin, Downtown Business Improvement District, asked about the range of 33- 42% for residential. He said creating residential for downtown is one of our biggest challenges. One of his concerns about housing downtown is mainly high end condos and that's not what we are after.

Mr. Bender replied that based on traffic volumes the single dwelling was reduced by 42% and the multi dwelling housing that was reduced by 33%.

Mr. Austin requested they shoot for the 42%.

Mr. Wiener clarified that the study differentiated between single and multiple dwellings and more trips were generated by apartments.

Dave Strohmaier he is support of this motion and is also support of the \$30,200 being earmarked for downtown projects.

Mr. Wiener clarified that the motion is to the amendment minus paragraph 4c and a companion resolution directing the \$30,204.57 be a separate line item in this years CIP for traffic projects within the map area.

The motion carried with Mitchell and Hellegaard voting nay.

III. Held in committee

- A. An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
- B. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- C. Review the FY 2010-14 CIP projects in committee ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/23/09)
- D. Clarify position of council member who also serves on the board of a non-profit agency that has dealings with the city. ([memo](#)) – Regular Agenda (Ed Childers) (Referred to committee: 07/20/2009)

- E. [Resolution](#) of the Missoula City Council establishing a tourism business improvement district consisting of non-contiguous lands within the City of Missoula for the purpose of aiding tourism, promotion and marketing within the district. ([Exhibit A](#)) ([Exhibit B](#)) ([memo](#)) ([A&F](#)) (Returned from Council floor: 10/05/09)
- F. Recommended refunding of the 2001 general obligation bond Issues in order to save future interest costs ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/22/10)
- G. Missoula Civic Television Advisory Commission Annual Report ([memo](#)).—Regular Agenda (Joel Baird and Ginny Merriam) (Referred to committee: 03/22/10)
- H. [Ordinance](#) amending Chapter 15.66 Missoula Municipal Code entitled "Development Impact Fee Procedures and Requirements" for the purpose of adding subparagraph no. 4 titled "Downtown Transportation Impact Fee." ([Boundary Map](#)) ([memo](#)) ([A&F](#)) (Returned from Council floor: 04/05/2010)
- I. Recommended refunding of the 2001A General Fund Obligation Bond issue in order to save future interest costs ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/05/10)
- J. Ratification of recommended refunding of the 2001A General Fund Obligation Bond issue in order to save future interest costs ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/05/10)

IV. Adjournment

The meeting was adjourned at 11:13am

Respectfully Submitted,

Dee Andersen

Administrative Secretary
Finance Department