



MULLAN

— BUILD —

MULLAN BUILD PROJECT

BREAKOUT SESSION C

FUNDING + FUTURE
CONSIDERATIONS

BUILD GRANT APPLICATION PROCESS

- Missoula County & the City of Missoula partnered to apply for a federal BUILD grant in 2019.
- 127-page application outlined uses of project funds, selection criteria, project readiness, benefit cost analysis and more.
- **\$13 million** was rewarded to the project.
- The grant request noted **\$23 million** in needs.
- With a **\$10 million discrepancy**, local government agencies faced prioritizing project elements for 2021 construction.

EXECUTIVE SUMMARY

What will the project do?

The Mullan BUILD project will complete over 3 miles of roads, 3.7 miles of new trails, and 0.5 miles of stream restoration and flood control.

The completed project:

1. Creates jobs, increases housing supply, and provides places for new and expanding businesses in one of Montana's fastest growing communities
2. Alleviates traffic congestion and reduces travel times
3. Provides safe, convenient walking and biking corridors for school children, and non-motorized and transit users

Why is this project needed?

Growth is rapidly occurring on the northwest edge of Missoula and the road grid isn't keeping up. The lack of connecting streets funnels traffic through the busiest intersection in Montana, causing lengthy commutes. The transportation infrastructure is

the greatest constraint to continued orderly growth of the area. With these transportation improvements, the Missoula economy will benefit from an additional 1,500 acres of infill development with room for 2,950 new homes and 11 million square feet of commercial and industrial space.



Why Support this Project?

Public Safety	Economic Development	Reduce Congestion
Improves safety of non-motorized users	Creates 349 construction jobs, supports 7,000 permanent future jobs	2.7 million hours saved in reduced delays
Reduces injuries, fatalities, and property damage	Potential for \$2.6 billion in new taxable value from commercial, industrial, and residential development, including construction of a new VA hospital and workforce housing adjacent to Missoula's only Opportunity Zone	137 million fewer vehicle miles
Improves emergency response times, evacuation routes, and flood risk	Increases tax revenues and reduces maintenance costs	142 million fewer vehicle trips
		Reduces vehicle emissions by 6.4 million kilograms of carbon monoxide

OVERVIEW OF BUILD PROJECT SCOPE



MULLAN BUILD FUNDING SUMMARY*

SOURCES OF PROJECT FUNDS	NON-FEDERAL	FEDERAL	% OF TOTAL
Missoula County	\$800,000		2.0%
Missoula County Parks & Trail Bond	\$500,000		1.3%
City Transportation Impact Fees	\$2,000,000		5.0%
2019 BUILD Grant		\$13,000,000	32.5%
Sewer Special Development Fees	\$1,750,000		4.4%
Water Special Development Fees	\$3,250,000		8.1%
Transportation Special Impact Fee	\$18,700,000		46.8%
TOTAL	\$27,000,000	\$13,000,000	100%
PROJECT TOTAL	\$40,000,000		

* Does not include r/w or dry utility costs

PROJECT PRIORITY

- 1 MARY JANE BOULEVARD SOUTH
- 2 MARY JANE BOULEVARD NORTH
- 3 TIPPERARY WAY TRAIL
- 4 GEORGE ELMER DRIVE SOUTH
- 5 ENGLAND BOULEVARD
- 6 MULLAN TRAIL
- 7 GEORGE ELMER DRIVE NORTH
- 8-1 FLYNN LANE TRAIL - EAST*
- 8-2 FLYNN LANE TRAIL - WEST*
- 9 MILWAUKEE TRAIL
- 10 GRANT CREEK TRAIL AND STREAM RESTORATION

* The Flynn Lane Trail was originally prioritized lower than the Tipperary Way Trail. However, because the Tipperary Way Trail does not have land available to build this connection, and the Flynn Lane Trail does, this trail segment moved up in ranking to be constructed in 2021. Tipperary Way Trail still remains a top priority and will be built as soon as possible.

PRIORITIZATION FRAMEWORK

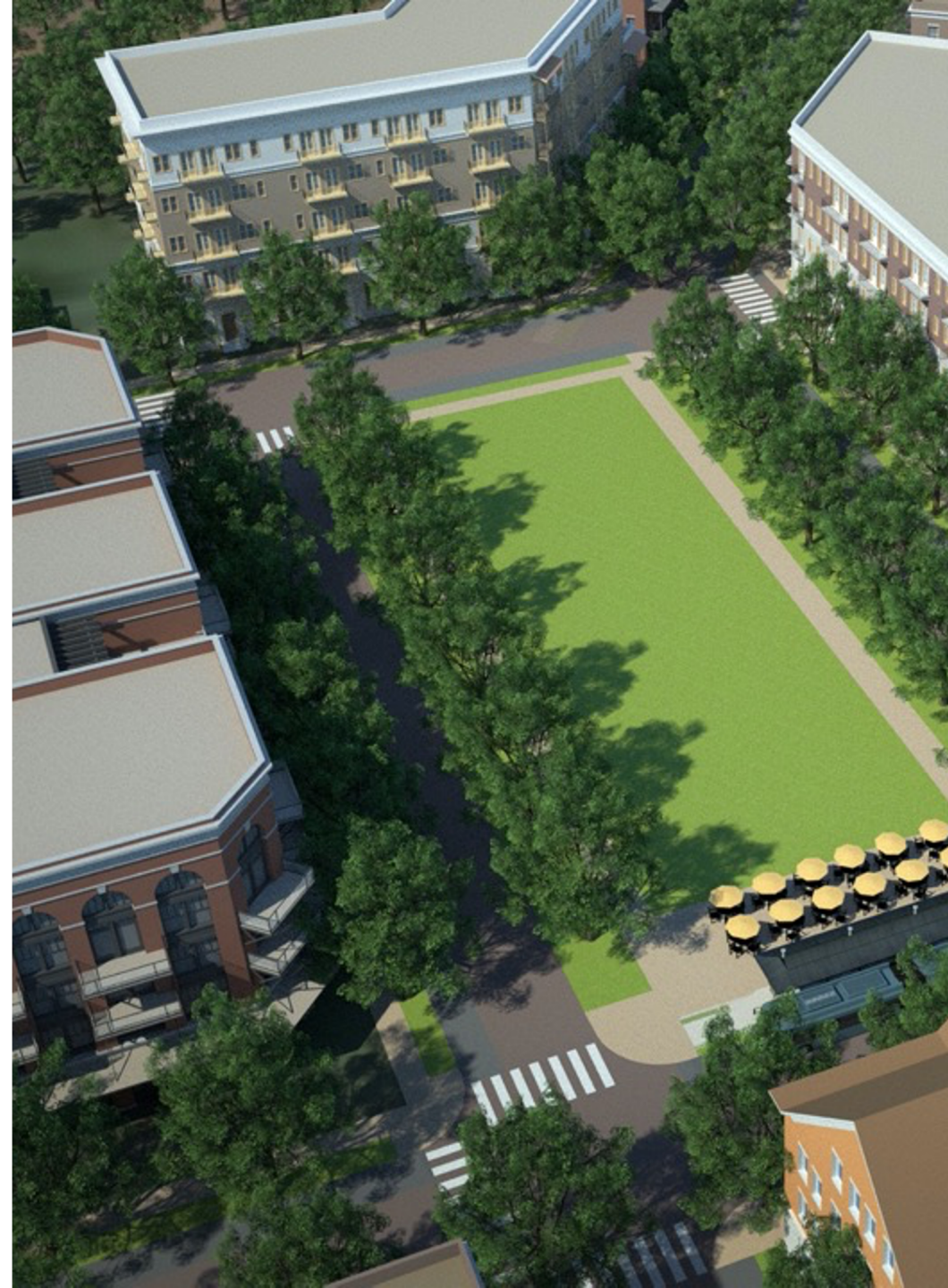
- Safety
- Traffic congestion relief
- Access to land for economic development
- Options for all modes of travel
- Potential environmental and permitting challenges

SPECIAL DISTRICT DEVELOPMENT IMPACT FEES

TRANSPORTATION IMPACT FEE
UTILITY DEVELOPMENT FEE (OR 'LATECOMERS FEE')

GOALS

- Equitably assess the cost of infrastructure necessary to support high-quality, sustainable development
- Proactively construct new roads and utilities ahead of development
- Plan for growth
- Avoid piecemeal construction
- Reduce overall costs
- Mitigate the impacts of development



HOW DO DEVELOPMENT IMPACT FEES WORK?

- Impact fees are one-time payments by new development to fund the capital improvements necessary to accommodate new demand from development.
- Special District fees would be in addition to existing Citywide fees already in place to fund specific improvements within the special district[s].

“RATIONAL NEXUS”

- **Need** for infrastructure improvements
- Fee payor **benefits** from the improvements
- Fee is **proportional** to the development’s demand on infrastructure

**PROPOSED SPECIAL DISTRICT
TRANSPORTATION IMPACT FEE
BENEFIT AREA**

Missoula
Int'l Airport

200

Mullan Rd

Ranch Club

Flynn Ln

263

Mullan Rd

93

S 3rd St W

Orchard Hon



STUDY AREA PROJECTIONS



PROJECT PRIORITY

- | | | | |
|-----------------------------|----------------------------|------------------------------|---|
| 1 MARY JANE BOULEVARD SOUTH | 4 GEORGE ELMER DRIVE SOUTH | 7 GEORGE ELMER DRIVE NORTH | 9 MILWAUKEE TRAIL |
| 2 MARY JANE BOULEVARD NORTH | 5 ENGLAND BOULEVARD | 8-1 FLYNN LANE TRAIL - EAST* | 10 GRANT CREEK TRAIL AND STREAM RESTORATION |
| 3 TIPPERARY WAY TRAIL | 6 MULLAN TRAIL | 8-2 FLYNN LANE TRAIL - WEST* | |

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TRANSPORTATION COSTS

Project	Transportation & Stormwater
Mary Jane Boulevard South	\$4,524,000
Mary Jane Boulevard North	\$5,319,000
Flynn Lane Trail	\$206,000
George Elmer Drive South	\$4,584,000
England Boulevard	\$4,470,000
Mullan Trail	\$499,000
George Elmer Drive North	\$6,850,000
Tipperary Way Trail	\$631,000
Milwaukee Trail	\$141,000
Grant Creek Trail/Restoration	\$1,600,000
Total	\$28,824,000

Construction Cost	\$28,824,000
Preliminary Engineering	\$963,000
Final Engineering	\$2,456,000
Construction Manager	\$425,000
Construction Administration (8%)	\$2,306,000
Total Project Cost	\$34,974,000

Transportation costs include trails, stormwater, and related stream restoration.

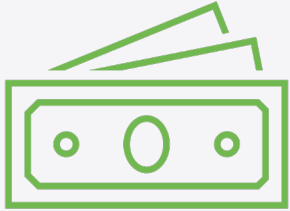
IMPACT FEE ANALYSIS

Mullan Road Transportation Impact Fee	
Total Project Cost	\$34,974,000
Federal Funding (2019 BUILD Grant)	(\$13,000,000)
Missoula County Funding	(\$1,300,000)
City of Missoula Citywide Impact Fee Funding	(\$2,000,000)
Impact Fee Eligible Costs	\$18,674,000

Estimated City Capital Cost	\$18,674,000
30-Year Increase in VMT	674,022
Capital Cost per Vehicle Miles Traveled	\$27.71

Impact fee eligible costs are found by reducing the total cost by other funding sources.

— This represents the cost of growth within the study area. —



PROPOSED SPECIAL DISTRICT TRANSPORTATION IMPACT FEE SCHEDULE

Fee Component	Cost per VMT
Roadway Improvements	\$27.71
Net Total	\$27.71

Residential

Size of Unit (square feet)	Vehicle Trip Ends	Trip Adj. Factor	Average Trip Length	Trip Length Wgt. Factor	Maximum Supportable Fee per Unit
750 or Less	4.37	54%	13.09	121%	\$1,035
751 to 1,000	5.50	54%	13.09	121%	\$1,303
1,001 to 1,250	6.37	54%	13.09	121%	\$1,509
1,251 to 1,500	7.09	54%	13.09	121%	\$1,680
1,501 to 1,750	7.69	54%	13.09	121%	\$1,822
1,751 to 2,000	8.22	54%	13.09	121%	\$1,948
2,001 to 2,250	8.68	54%	13.09	121%	\$2,057
2,251 to 2,500	9.09	54%	13.09	121%	\$2,154
2,501 to 2,750	9.47	54%	13.09	121%	\$2,244
2,751 to 3,000	9.81	54%	13.09	121%	\$2,324
3,001 to 3,250	10.12	54%	13.09	121%	\$2,398
3,251 to 3,500	10.41	54%	13.09	121%	\$2,466
3,501 to 3,750	10.68	54%	13.09	121%	\$2,530
3,751 to 4,000	10.93	54%	13.09	121%	\$2,590
4,000 or More	11.17	54%	13.09	121%	\$2,647

Nonresidential

Development Type	Vehicle Trip Ends	Trip Adj. Factor	Average Trip Length	Trip Length Wgt. Factor	Maximum Supportable Fee per 1,000 Sq. Ft.
Retail	37.75	38%	8.39	66%	\$2,201
Office	9.74	50%	8.18	73%	\$806
Industrial	4.96	50%	8.18	73%	\$410
Institutional	10.72	50%	8.18	73%	\$887



TRANSPORTATION IMPACT FEE REVENUE PROJECTION

- Over 30 years, fees will recover all growth-related costs
- 85% residential, 15% nonresidential

Infrastructure Costs for Transportation Facilities

	Total Cost	City Cost	Growth Cost
Roadway Improvements	\$34,974,000	\$20,674,000	\$18,674,000
Total Expenditures	\$34,974,000	\$20,674,000	\$18,674,000

Projected Development Impact Fee Revenue

		Single Family \$2,393 per unit	Multifamily \$1,137 per unit	Retail \$2,201 per KSF	Office \$806 per KSF	Industrial \$410 per KSF	Institutional \$887 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2020	2,634	1,908	396	266	368	326
Year 5	2025	3,458	2,505	511	327	678	366
Year 10	2030	4,282	3,101	625	388	988	406
Year 15	2035	5,105	3,698	740	449	1,298	446
Year 20	2040	5,929	4,294	854	510	1,608	486
Year 25	2045	6,752	4,891	969	570	1,917	526
Year 30	2050	7,576	5,487	1,083	631	2,227	566
30-Year Increase		4,941	3,579	687	365	1,860	240
Projected Revenue		\$11,825,000	\$4,071,000	\$1,511,000	\$294,000	\$762,000	\$213,000
						Projected Revenue =>	\$18,676,000
						Total Expenditures =>	\$18,674,000
						Non-Impact Fee Funding =>	\$0

UTILITY DEVELOPMENT FEES ('OR LATECOMERS FEES')

TWO OPTIONS



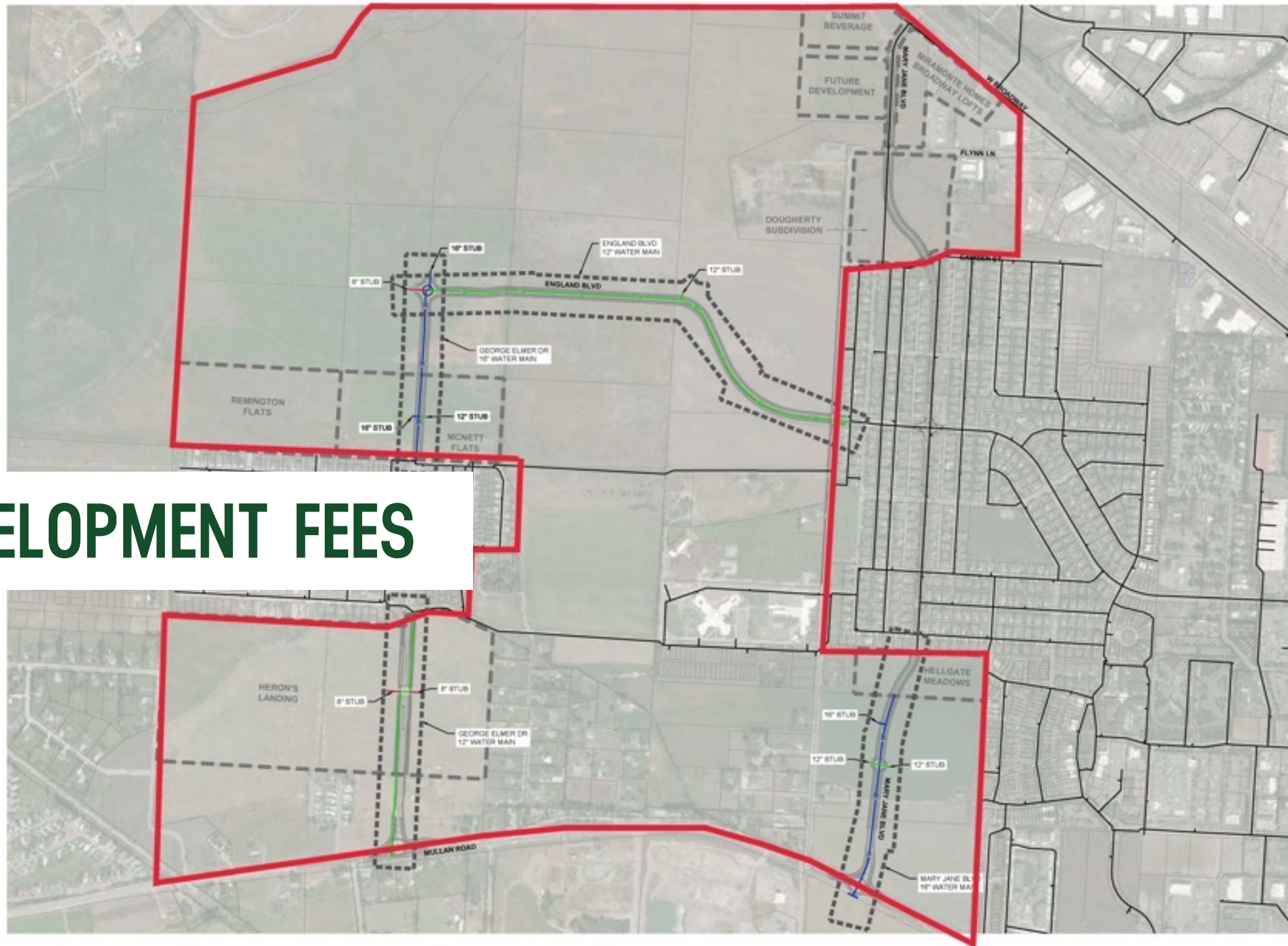
Special Utility District



Individual Benefit Areas

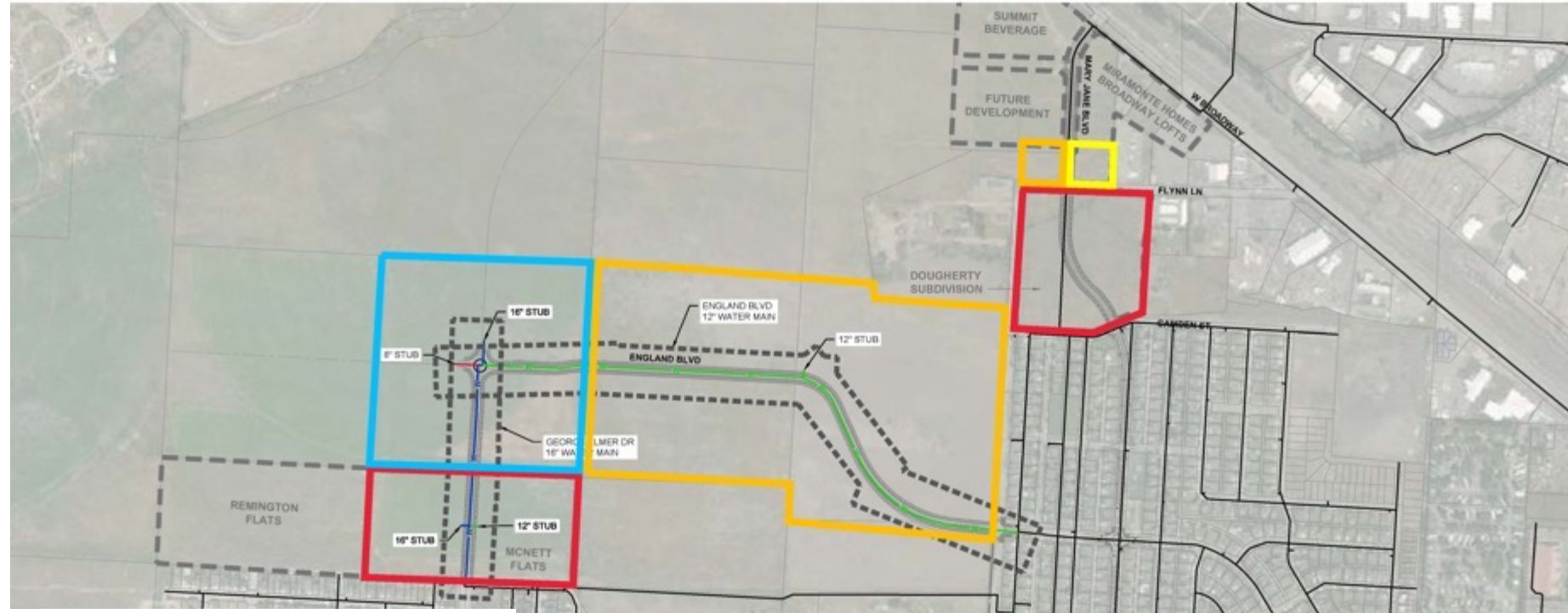
UTILITY DEVELOPMENT FEES

SPECIAL DISTRICT
EXAMPLE



UTILITY DEVELOPMENT FEES

INDIVIDUAL BENEFIT AREAS
EXAMPLE



UTILITY DEVELOPMENT FEES

- Missoula's Water and Sewer utilities will finance the upfront cost of water and sewer mains
- Once final costs are known, Utility Development Fees will be calculated and will be approved by City Council
- These fees will assign the cost of water and sewer mains running through private properties to the developers of those property, except the City will pay for upsize costs
- Developers will also be responsible for the actual cost of all water and sewer service or mainline stubouts that they have requested
- Utility development fees will be collected before building permits are issued
- This method is consistent with typical development practice in Missoula. Developers are typically required to pay the cost to extend water and sewer mains and services through their property



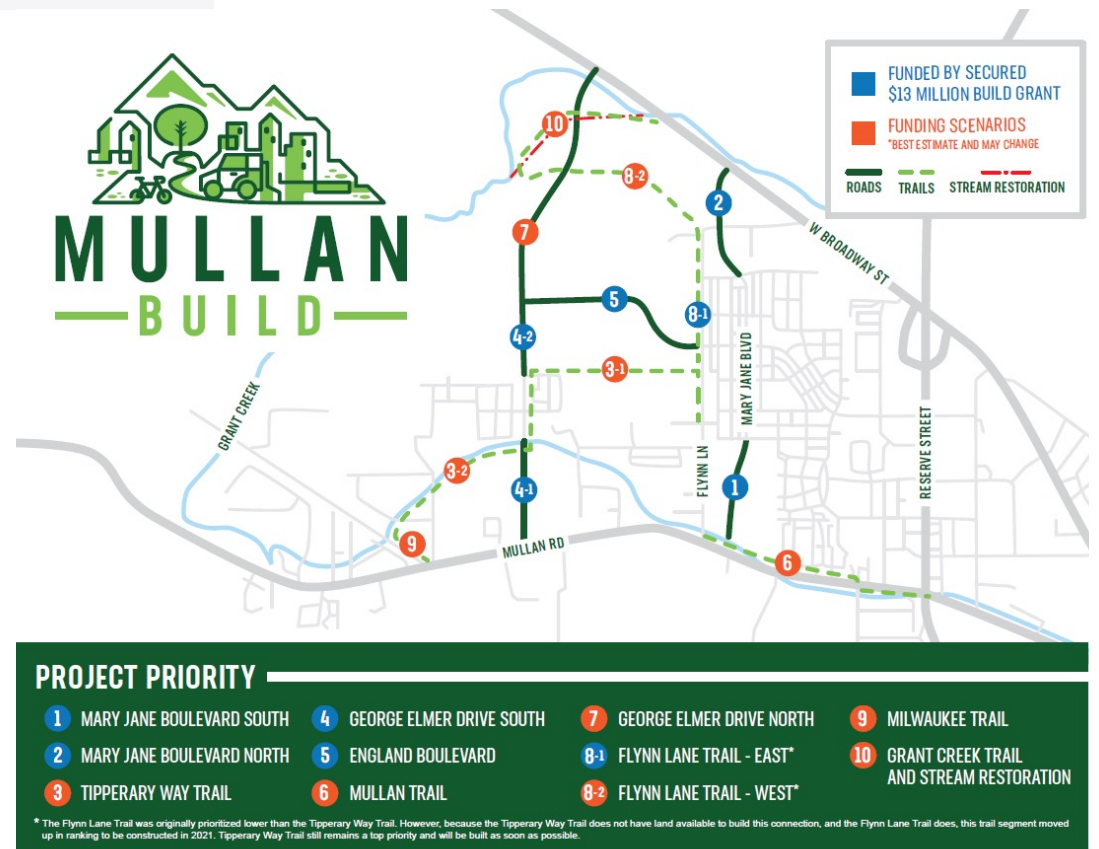
FUTURE FEDERAL GRANTS

Continue to pursue grant opportunities



IMPLEMENTATION OF FUTURE PROJECTS

- Grant Creek Restoration
- Milwaukee Trail
- Tipperary Way Trail
- Flynn Lane Trail
- Mullan Road Trail





QUESTIONS?



EMAIL BECCA@BIGSKYPUBLICRELATIONS.COM



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