



Builders: Impact fee would drive business away

*By JOHN STANG
The Daily Inter Lake*

Kalispell's proposed road-impact fees are too steep, some housing and commercial-development representatives told the Kalispell City Council on Monday.

Three builders' representatives contended that significant transportation-impact fees could discourage businesses from building in Kalispell.

"You may be shooting the goose that lays the golden egg," said attorney Tia Robbin, representing Phil Harris, who is building the Hutton Ranch Plaza.

Meanwhile, Doug Rauthe, director of Northwest Montana Human Resources, said road-impact fees would hurt low-income people in a self-help house-building program sponsored by his organization.

"We can't offer an affordable-housing program in Kalispell if impact fees are imposed," Rauthe said.

The council did not discuss impact fees after a public hearing on the subject. The council plans to discuss road-impact fees at a workshop session — no date has been scheduled — before voting on whether to approve them.

An impact fee is a one-time charge against a new house or building to offset the extra costs of the city providing the additional services to take care of it.

Kalispell imposes water, sewer, drainage, fire and police impact fees. The government is also thinking about adding a parks impact fee.

The council is considering whether to add a transportation-impact fee to pay for extra roads and other improvements created by construction or annexation.

The proposed transportation impact fees are \$691 for a house, \$454 for each apartment, and \$352 for each condominium and townhouse.

The proposed formulas for business buildings are much more complicated, based on the type of business plus either the numbers of rooms or square footages within the structures.

These formulas are based on businesses wanting to attract as much traffic as possible. Consequently, new business buildings would pay significantly higher transportation-impact fees than new homes.

Previous impact fees have attracted little controversy. But the proposed transportation-impact fees for businesses — especially big ones — are dramatically higher than those for water, sewer, drainage, fire and police.

On Monday, Charles Lapp, who is affiliated with the Flathead Building Association, said that high road-impact fees would discourage business owners from seeking annexation into Kalispell, possibly choosing to locate in Evergreen instead.

Grant Nelson, vice president of Goldberg Properties, said his company is wooing a grocery store for northern Kalispell, which likely would not materialize with a significant impact fee. Goldberg developed the Lowe's and Costco stores, and owns 20 acres between Lowe's and the U.S. 93 Bypass route.

Tom Jentz, city planning director, said a grocery store likely would pay a roads-impact fee in the range of tens of thousands of dollars.

Jentz said any project that applies for a building permit before approval of a roads-impact fee would be exempt.

Consequently, the Hutton Ranch Plaza's buildings — including its 14-screen movie theater — would not have to pay the fees, Jentz said.

The movie screen-related fee has popped up in impact-fee discussions as an extreme example of a business-related transportation-impact fee because, the 14 screens would translate to about a \$700,000 fee — which won't materialize because construction is under way.

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