



Kalispell City Council

After Public Hearing, Council Poised for Road Impact Fee Vote

By Dan Testa, 3-03-09

With a vote set for March 9, opponents and supporters of the proposed transportation impact fees made their impassioned cases before the Kalispell City Council one last time in a public hearing on the issue Monday night.

After two years of deliberation and debate, both those who favor and those who oppose the traffic impact fees have refined their arguments, and out of the 23 citizens who spoke to the council, little new information was offered by either side. Instead, it was a kind of encore performance, as impact fee supporters argued new development must pay this new cost in order to help fund the road improvements necessitated by the new traffic the growth will generate. Otherwise, they said, the burden would be borne by longtime Kalispell residents who can't endure any tax increases.

The business community, on the other hand, comprised of local bankers, developers, contractors and other executives argued, as they have for months, that the deeply flawed proposed traffic impact fees unfairly targeted commercial retail development, are possibly out of line with state law, fail to take into account the road improvements developers already pay for and would snuff out any new business and construction at a time when the valley's economy is extraordinarily fragile.

But in many cases, after opponents of the impact fees made clear the proposal should be tabled, they conceded that if the council insisted on implementing them in some form, there should be some concessions built in to give a break to developers who already have their projects



Caption: File photo by Lido Vizzutti/Flathead Beacon

underway.

The council is considering three alternatives for adopting the traffic impact fees. The first would be to simply adopt the fees as they exist in the traffic engineer's report – a scenario unlikely to garner majority support on the council, due mainly to the harmful effect on existing projects that Kalispell's biggest developers claim.

The second alternative would exempt from the fees any development with a preliminary plat approved between July 1, 2004 and July 1 2009 for six years following the approval of the plat. This idea, introduced by Councilman Bob Hafferman, would exempt nearly every major commercial and residential development on Kalispell's northern end, including the main shopping center of the Glacier Town Center by Wolford Development, Spring Prairie shopping center and Hutton Ranch Plaza, as well as more than 1,500 homes in various northern developments.

The third alternative would implement the impact fees at a rate of 75 percent of the scheduled charge for any new construction that applies for a building permit within two years of the city's adoption of the traffic impact fees, April 1, 2011.

The city council must also decide, prior to adopting the traffic impact fees, how much to reduce the list of Capital Improvement projects that the fees would pay for. Reducing the list of projects would reduce the fees developers must pay, and since the city lacks the funds to pay its share of many of these projects, like a Grandview Drive extension that would require construction of a bridge, it's unclear how these projects might ever get done. One plan would cut the \$12-million list of projects in half; another plan would cut it even further.

Mark Goldberg, Denver-based developer of Spring Prairie Center, said developers in recent years have done far more to construct new roads and improve existing roads than the city government, and that Kalispell should be doing everything it can, not only to foster growth, but to maintain a stable population and business climate in the face of the economy.

“Your problem is making sure this town and this community doesn't shrink, that the people attracted here over the last five, six years don't leave,” Goldberg told the council. “There are jobs being lost; there are businesses being closed and that's your challenge when it comes to economics.”

Other members of the business community, from Denise Smith of the Flathead Business and Industry Association to Kalispell Chamber of Commerce President Joe Unterreiner to Flathead Building Association Government Affairs Director George Culpepper all argued against the impact fees.

Supporters of the fees, meanwhile, questioned why the council was considering how to accommodate unsustainable growth by developers by giving them breaks in the impact fee schedule as Kalispell continues to cut back on the city services it currently offers for the people

already living here.

“We’re having a lot of problems here, and still you want to keep expanding and expanding when we can’t afford it, and then put the cost of expanding on the taxpayers,” Roxanna Brothers said, going on to note how minimally city roads have been plowed after recent storms and the lack of attention by the city to improving Kalispell’s core.

Mayre Flowers of Citizens for a Better Flathead emphasized that a portion – not all – of the cost of road improvements planned to be paid for by impact fees went to developers, and that grandfathering or fee reductions aren’t appropriate for developers who have known for years now that Kalispell was moving to adopt the fees.

“We need to ensure that new growth pays its portion as well as the taxpayers that are continually, year after year, paying their portion,” Flowers said. “Those developments have known for years that this city is looking into impact fees, so I do not think grandfathering is appropriate.”

But the emotional testimony made clear that when the council takes up the issue of transportation impact fees at its next meeting, it will be a vote that could dramatically alter – for better or worse – the future of Kalispell. **[End of article]**

Comment By Marie, 3-03-09

One thing I fail to understand is how joe citizen out there can fail to understand that business owners and developers are taxpayers too.

Comment By Fubar, 3-03-09

Impact fees are discriminating and highly illegal. Lawsuits are pending with a couple of cities over their use (or illegal use) of impact fees. 09 legislature is going to change some of the laws of such ludacris ruling.

Comment By Gman, 3-04-09

It’s pretty doubtful that the 09 Legislature will substantively change the Impact Fee Act. The only bill out there is SB231 and that is only a procedural change.

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