



KALISPELL CITY COUNCIL

Business Leaders Warn Road Impact Fees Will Stifle Kalispell's Economic Growth

By Dan Testa, 10-14-08

After a work session Monday night where Kalispell's major developers and business leaders found much to object to in the city's proposed transportation impact fees, Kalispell City Council does not appear ready to vote to implement those fees any time soon.

Instead, Mayor Pam Kennedy directed city staff to draw up a list of the problems with the proposed fees that the city's business leaders pointed out over the course of the three-and-a-half-hour meeting and send those issues back to the Transportation Impact Fee Advisory Committee (TIFAC) for consideration.

The meeting clearly left some TIFAC members, who have been deliberating over many of these issues for nearly two years, frustrated that the city council is once again putting some of the tougher decisions involved in implementing the traffic impact fees back on the committee.

"We go back with a certain concept of what you want us to do – it's been vague and it's been fuzzy," said TIFAC member Jerry Reckin. "I think you need to tell us what questions you want us to answer...give us direction...otherwise we're going to go through this same thing over and over."

But the TIFAC members' frustration was matched by Kalispell's business leaders, who rattled off a list of problems with the traffic impact fees they have been telling city officials about, in public and private meetings, for months. An impact fee is a one-time charge by the city to new developments to pay for the new services required. Impact fees are already in place for police, fire, water, sewer and drainage systems, but the more expensive traffic impact fees are intended to pay for the road improvements surrounding a new development to accommodate the increase in traffic that new development will create.

The developers of most of Kalispell's major commercial and residential projects on Kalispell's south and north sides say the current funding mechanism for assessing the impact fees – among other issues – unfairly targets commercial developments, particularly retail. They also have been asking whether developers with existing projects under construction can be grandfathered in to avoid the fees, saying it's unfair to assess an additional expense to a project that has already been budgeted – even though many of those projects have build out periods lasting decades. Developers also suggested a phase-in period, which would allow smaller contractors and developers to avoid the hit of having to pay the fees upon pulling a building permit, as a way to ease the implementation of the fees.

Mark Goldberg, developer of the Spring Prairie Center in north Kalispell, brought in his own traffic engineer from Denver to dispute the funding mechanism for the impact fees proposed by the city's traffic engineer, Randall Goff, of HDR Engineering Inc.

"I don't think that Mr. Goff has taken the time or really delved into the key elements of his own report," Goldberg said. "Either have a peer review done of Mr. Goff's work or start all over again."

Like many of the speakers, Semitool CEO Ray Thompson warned the traffic impact fees will stifle Kalispell's growth at a fragile economic time, and that traffic impact fees would weigh heavily on any decisions by Semitool to expand facilities in Kalispell.

"My concern is whether we're going to exist at all because of the burden of our social responsibilities," Thompson said. "Semitool is a key thing to this area and you've got to be careful how you make your plans."

Mayre Flowers, of Citizens for a Better Flathead, told the council that Kalispell's business leaders have had much greater access to the city's public officials than average taxpayers have.

"We can bring in attorneys and we can bring in consultants and one segment of the population can pay for that," Flowers said. "You have taxpayers and homeowners who are also stretched to the limit and we need to find a way to do this fairly."

While everyone agreed the meeting was productive, it ended on an inconclusive note, with the TIFAC members planning to work out issues the council has kicked back to them several times before, and almost everyone in the room acknowledging

that after almost two years of deliberation, the toughest political questions – the eventual cost and structure of the transportation impact fees – have yet to be taken up by the city council.

“Right now the (TIFAC) committee is fumbling because they don't know exactly where we stand on these issues,” Councilman Randy Kenyon said at the end of the meeting. “We're just fumbling here, kind of a rudderless ship and you as a committee don't really know where you're going.”

“We're not going to please everybody in this room,” Kenyon added. “If we continue to move forward here simply trying to please almost everybody here it's simply not going to work – we're going to be here for many Christmases.” **[End of article]**

Comment By pay up ray, 10-15-08

“Semitool CEO Ray Thompson warned the traffic impact fees will stifle Kalispell's growth .”

Isn't this the guy that needed and received a tax break from the city?

Didn't he buy the old Costco building? He sounds solvent to me.

Pay your taxes buddy and stop telling us we have to pay your way.
Jeez, what a turd!

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