

[Print Page](#)

Study released to county on impact fees

By AMY MAY /Daily Inter Lake

In a study released to Flathead County this week, Maryland-based consulting company TischlerBise outlined the county facilities that might benefit from impact fees. The list included Flathead Parks and Recreation, the Flathead County Library System, law enforcement, the jail and roads.

As more people move into the county, a facility's ability to serve is stretched thin.

Assistant Planning Director B.J. Grieve described impact fees as a way for growth to shoulder some of its own expenses.

The 20 -page study explores growth in Flathead County and a number of other possible impact fees.

According to the study, Flathead County has constantly been one of the fastest growing counties in the state. The county's population has increased by more than 12,000 people in the last seven years. The growth has an impact on the county's ability to maintain current levels of service.

The study goes on to say that Flathead County's revenue sources lack diversity, like any counties in Montana. Property taxes fund about 55 percent of the county's non-enterprise operations. The next largest source is intergovernmental revenue. Because of state law, the county's major source of revenue is constrained.

The study says that the increase in the county's value does not match the increase in market values, essentially preventing local taxes from increasing at the same rate as property values.

As a result, the county may have to increase current rates on revenue sources, find new revenue sources and/or face deterioration in levels of service.

The roads in Flathead County are in need of additional funding, but it appears that funding road improvements via impact fees might be less feasible than anticipated.

The study says that while road impact fees would provide Flathead County with additional funding, it would not be in the county's best interest to pursue impact fees that would strictly fund paving existing unpaved roads, which is currently the county's paving policy. The report noted that using impact fees to pave only existing unpaved roads could likely bring about legal challenge as it would concentrate spending in very small pockets and would benefit only a handful of properties.

Grieve said this finding came as a bit of a shock to him.

"The impact fees for the roads would be more difficult to implement than I had imagined," he said.

That is not to say that road impact fees in Flathead County are not possible.

The consultant's study states that imposing impacts fees to pave existing unpaved roads might make sense if the roads fit three criteria. The road must be identified as a major collector or arterial, it must serve a large geographic area and it must be possible to argue that the capacity of the road needs to be expanded. Flathead County's Transportation Plan will likely address these criteria.

Flathead County Parks and Recreation currently operates about 90 parks. These parks include athletic facilities, equestrian center, community arks, open space, trails and water access. Staff has indicated that the department lacks funding to secure needs for land and improvements in the future. The report said parks and recreation is a strong candidate for impact fees. The impact fee would contain several components including, land, recreation improvements, trails and recreation center. This fee would be assessed only against residential development.

The Flathead County Library System operates five facilities in Kalispell, Whitefish, Marion, Bigfork and Columbia Falls. According to staff, the library system is in need of an additional 52,500 square feet in addition to the current total of 45,890 square feet. The county is considering constructing a new expanded library in downtown Kalispell. Costs have been identified at \$18 million and it is estimated that the county will shoulder \$14 million of that. An impact fee assessed on the library system would likely contain a cost component for the expansion of the main library. Impact fees for additional branch expansions would depend on further research. The report recommends impact fees be assessed to the library. The fee could only be assessed against residential development.

The Flathead County Detention Center currently serves the sheriff's patrol and administrative functions, as well as a jail with space for 92 beds. The report states that the jail is close to reaching capacity. Growth has also led to increases in patrol and administrative staff, further stressing space constraints. The county has identified the need for an addition to the current county jail that would provide an additional 90 beds. The estimated cost for this addition is around \$16 million. The study recommends that a law enforcement and jail impact fee be prepared. The fee would be assessed against both residential and nonresidential development.

The Flathead County Impact Fee Committee will meet Monday to discuss future steps. The meeting will be held at noon in the second-floor conference room of the Earl Bennett Building at 1035 1st Ave. West, in Kalispell.

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