



DEVELOPER MARK GOLDBERG BEGINS SEARCH FOR NEW TENANTS

Kohl's, PetSmart No Longer Plan to Open in Kalispell

By Dan Testa, 3-26-09

Two major retailers with long-term plans to construct new stores in Kalispell's north side have recently backed out, due to factors including the deteriorating economy and the city's deliberation over adopting traffic impact fees.

Kohl's Department store, which was scheduled to begin construction this summer, and PetSmart pet supply store will not be building in Spring Prairie Center, according to its developer Mark Goldberg.

Goldberg said he learned two weeks ago Kohl's, the anchor retailer for the third phase of his development, wasn't moving forward. With its departure, other smaller tenants that would only build if there were an anchor store opted out as well. The result is that the entire third phase of the development is essentially shuttered until a new anchor tenant can be located, Goldberg said, and his reaction to the news was succinct: "Disappointment."

Several reasons led to Kohl's decision not to come to Kalispell, Goldberg said. Chief among those was Kohl's recent purchase of 27 Mervyns department stores, a chain that filed for bankruptcy in July of last year and which closed many of its locations. The deal gave Kohl's the option of opening new stores in bigger markets, and in stores that were already built. The increasingly dismal retail environment, coupled with the acquisition of these new locations, decreased the incentive for Kohl's to build a new store in Kalispell.

And while Kalispell City Council's recent vote to adopt transportation impact fees may not have been the chief reason Kohl's opted out, Goldberg said it played a large role, given that Kohl's bought the Mervyns locations when debate over the



traffic impact fees – and uncertainty over whether the fees would be adopted and their cost – was at its height, adding a big unknown to a decision to open in Kalispell.

“It certainly has a great deal to do with the impact fees,” Goldberg said. “It’s not the only reason, but it’s certainly a very central part of it.”

“We could have executed it last year, but the impact fee thing held everything up,” he added.

Since Kalispell City Council’s March 9 vote to adopt traffic impact fees, which charge developers fees to pay for road improvements necessitated by the increased traffic generated by the new construction, the development community has been taking a wait-and-see approach to assess what the effects of the fees, coupled with the recession, will be on Kalispell’s economy.

Goldberg was among the more than 120 people to put his name on a petition submitted to the city council Monday asking it to reconsider its decision to adopt the traffic impact fees.

Speculation has also been rife that someone in the business community will challenge the impact fee policy in court, though Goldberg said he wasn’t planning such a move at present.

“We’re certainly not preparing a lawsuit at this time, but we are looking at everything there is,” he said. “I think that myself and others who signed that petition would like to see reasonability in these fees.”

As for what happens next for Spring Prairie Center, Goldberg said he is not planning to wait for the economy to improve to begin searching for a replacement for Kohl’s, but instead has begun looking for a new anchor tenant immediately.

“We’re going to work at it urgently, very urgently,” Goldberg said. “We have no choice.” **[End of article]**

Comment By Bill M., 3-26-09

How much money lost in construction jobs, building materials, store employees.....

Comment By Merna, 3-26-09

This means more people still looking for work this summer and more people leaving our community because they can’t find jobs. Construction industry employees are our friends and neighbors. I’m very sad about this.

Comment By MaryG, 3-26-09

Am I reading between the lines properly? The city could have closed this deal but fees became a problem causing delay.

Comment By Chance, 3-26-09

This is a shame. The City should be ashamed of themselves. They had the opportunity to create jobs and they just flushed it right down the toilet.

But, I told you so....taxes would kill it. Funny thing is....Jentz was thrilled Kohl's was coming. Read the other article and my comment to it.

http://www.flatheadbeacon.com/articles/article/in_kalispell_a_boom_year_in_commercial_building/9156/

Comment By MaryG, 3-26-09

Hey, Whitefish and Columbia Falls, are you watching how well we handle our business here in Kalispell? Is there a message here?

Comment By traffic tickets, 3-26-09

this is what will be running Kalispell soon traffic tickets

Comment By TruthSeeker, 3-26-09

I predict by the end of 2010 our city and county Gov't will be in total chaos, and they will push through super inflated property tax levels and emergency sales taxes.

Let's do the smart thing - and fire them all.

Seriously, how much proof and many examples of our local gov. not being able to do anything but ask for more money do we need?

Comment By A new year..., 3-26-09

I don't think retail is the answer to Kalispell's economic woes. We need Industry! We need to bring in manufacturing. Look at what Salt Lake City has done- They are further than us from any major sea port, etc., and they have a good industrial base. We need to follow their example, or something similar if we are going to get out of this mess.

Comment By littlehawk12, 3-26-09

i wished we could build an AK-47 plant.....they sell like hotcakes!!!!!!

Comment By Henry F., 3-26-09

Manufacturers don't like Montana's State Income Taxes. It's hard to hire a top paid engineer who can keep much more of his pay living somewhere else. Property taxes are high too. Throw in some tough impact fees (taxes) and businesses keep looking. Check out what percent of MSU and UM grads stay in state. The good news might be that if our supreme leader can make this a socialist nation, the government may order that new businesses must locate in states that don't have many manufacturing plants.

Comment By Roark, 3-26-09

The City government is a mini version of Obama's self destructive economic policies. I'm sure that Pam-a-saures Rex and Reckin are as happy as can be that they have driven another business away.

Comment By littlehawk12, 3-26-09

communities and states need to learn how to sustain themselves.this area was once greatly known for its immaculate farm and ranching products.what i am saying is ,let us use the resources around us to create our own jobs .even mining for minerals.then we have slaughter plants,organic veggies ,organic beeves,buffalo ect ect.then we have long term jobs .construction jobs building these facilities plants ..steel mining,gold mining,silver mining and their refineries.equipment maintenance ,plant inspectors.plant maintenance ect ect.but this is impossible now because of the enviro. loonies.and a facist over taxed and over regulated gov that we currently have.each area of our country has different uses to barter and trade amongst each other with.a country made up of states that used to rely on their own first.then take care of each other later.that is what made this country great at one time.now we all want to rely on some outside MEGA rich corp. to come save our bacon.that is the problem.we need to get rid of the green nazis only then will we find true peace and prosperity.....

Comment By box store hater, 3-26-09

I wonder what kind of shape Kalispell would be in if its citizens gave a rip about anything but pinching personal pennies. Just think about all the nice, ethical, hardworking families that could be in the retail business. Like in the good old days... Buy Local.

Comment By Oliver T., 3-26-09

Well, the citizens for a better flathead should be happy. Charles Dickens would love this mess. He already created an Artful Dodger and Fagin. We just need to update the music. "May I have some more?" will be the theme song.

Comment By littlehawk12, 3-26-09

y'all are awesome! build a newly expanded unwanted downtown airport while we are at it ...hay what an awesome idea .they are right on clue ,what a great city gov we have...

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