

# Whitefish studies impact-fee fate

By LYNNETTE HINTZE/The Daily Inter Lake | Saturday, January 5, 2013

A committee tasked with reviewing Whitefish's impact fees has recommended for a second time that the city should drop some of the fees.

The committee will present its findings to the Whitefish City Council on Monday. Then it's up to the council whether to schedule a vote on the committee's recommendations

More than a year ago, the Impact Fee Advisory Committee advised the City Council to terminate impact fees for water, City Hall, Emergency Services Center and the parks maintenance building, and keep the wastewater, stormwater and paved trail fees.

In February 2012 the council decided to delay a decision until a five-year review of impact fees could be completed.

That review was done during a work session in September 2012, and while the council accepted the five-year update it postponed a decision on eliminating any fees until several questions that had come up could be answered.

In November the city staff delivered the needed information to the council during another work session, but the council decided it wanted to hear again from the Impact Fee Advisory Committee.

The committee met in early December to fine-tune its earlier recommendation and voted to recommend discontinuing the City Hall, EMC and parks maintenance building fees. Committee members opted to recommend retaining the water impact fee this time around, along with the other fees that originally were recommended for retention.

Once a year the city's impact fee advisory committee — which includes Myra Appel, Don Kaltschmidt, Bill Halama, City Council member Chris Hyatt and Whitefish Finance Director Rich Knapp — is required by law to review how much money has been collected from impact fees and what it's being used for.

The rationale for discontinuing some of the fees centered around three factors for the committee: Fewer fees would make the city more competitive with Kalispell and Columbia Falls; there's a perception that new construction in Whitefish is too expensive; and there's a perception there are too many small impact fees in Whitefish.

Streamlining the fees would encourage growth, the committee agreed.

The impact fees for new construction took effect in late 2007 at the end of an unprecedented growth spurt in the resort town when it was difficult for the city to keep up with infrastructure needs.

Prior to that, the city spent seven years exhaustively studying impact fees and their feasibility and decided the fees would be one of the most viable revenue sources available to offset expected financial shortfalls for capital improvements.

The economic downturn that stymied new construction in Whitefish and the rest of the Flathead Valley started not long after the city adopted the impact fees.

In 2012 the city charged \$6,443 in impact fees per single family residence. That includes \$2,314 for water, \$1,864 for wastewater, \$210 for stormwater, \$813 for Emergency Services center, \$771 for City Hall and \$29 for the park maintenance building.

Whitefish's total \$6,443 in impact fees per home compares with \$6,357 in Kalispell and \$4,731 in Columbia Falls, according to information supplied by Knapp.

As of Sept. 30, 2012, the city had a cash balance of \$1.2 million from impact fee revenue and had spent \$154,762 for stormwater, \$150,957 for the Emergency Services Center and \$3,805 for the parks maintenance building, along with close to \$41,000 for administrative fees.

The administrative expenses incurred by collecting impact fees are charged at a rate of 5 percent on top of impact fee rates.

*Features editor Lynnette Hintze may be reached at 758-4421 or by email at [lhintze@dailyinterlake.com](mailto:lhintze@dailyinterlake.com).*