



## More study needed

By JOHN STANG  
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Council tells panel to look again at traffic-impact fees

Someone is going to foot the bills to get Kalispell's roads up to snuff to handle traffic generated by upcoming business projects.

The questions are:

How much extra should the new businesses pay? How much extra should Kalispell taxpayers pay? What would be fair? What would be economically smart? The Kalispell City Council pondered those questions Monday — and decided that its impact fee advisory committee should study the issue more. The council set no deadline for the committee.

"I have never gone through a traffic-impact fee [proposal] that isn't contentious," said Randy Goff of Portland-based HDR Engineering, which is advising the City Council on this matter.

An impact fee is a one-time charge against a new house or building to offset the extra costs of the city providing the additional services to take care of it.

The proposed transportation-impact fees are \$691 for a house, \$454 for each apartment, and \$352 for each condominium and townhouse. These figures have sparked very little debate.

But the proposed formulas for commercial buildings are much more controversial and complicated, based on the type of business plus either the number of rooms or square footages within the structures. The business-related road-impact fees will be significantly higher than the home-related fees, because businesses try to attract traffic.

Those business-related transportation-impact fees potentially could be in the tens or hundreds of thousands of dollars, according to the HDR and Kalispell impact fee committee's report to the council.

Some developers and construction trades businesspeople argued Monday that such huge road-impact fees could hurt their projects and discourage business development in Kalispell.

Ken Kalvig, a land-use attorney representing developer Bucky Wolford, said Wolford read the

report. Wolford is developing the 481-acre Glacier Town Center project just north of Kalispell, and is expected to seek annexation soon. If the fees get set before Wolford files certain paperwork at City Hall, he faces a gigantic road-impact fee.

Wolford "has always maintained he is willing to pay his fair share [in impact costs]. ... He is shocked at the report's conclusions," said Kalvig, who is also on Flathead County's fledgling impact fee study committee, which has not made recommendations to the county commissioners.

Kalvig said the HDR report did not provide enough information to justify the formulas it used to calculate business-related impact fees.

Developers Mark Goldberg and Phil Harris also opposed the HDR report's recommendations for such business-related fees — saying they would hurt retail development, while siphoning the business-fee money to roadwork far away from commercial areas. They asked that the formulas be restudied and changed.

Construction businesspeople Myrna Terry and Charles Lapp also contended the current recommendations should be studied more and changed.

Impact fee committee members James Cossitt and Jerry Reckin said the recommended fees are needed so the public won't have to pay additional taxes.

Also, Cossitt and council member Hank Olson said discouraging some business developments might be good. A high business-related road-impact fee might discourage a venture that has a marginal chance of success, while businesses with good potential for success won't be scared away, they said.

"Are you discouraging [new businesses], or bringing them down to a manageable level?" Cossitt said.

Council members wondered whether the proposed business-related fee structure is too complicated.

They also wanted impact-fee figures from similar Montana cities to see how the recommended Kalispell fees stack up. And they wanted some other tweaking explored.

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