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Committee split over Kalispell road impact fees

By JOHN STANG/Daily inter Lake

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An impact fee advisory committee is divided 2-2 over whether the Kalispell City Council should adopt its current road impact fee proposal.

And that split after two years of wrangling about road fees caused frustrated committee member Jerry Reckin to walk out of Tuesday's committee session, saying: "You'll get my resignation at the next meeting. I can't do this any longer."

Reckin and Jim Cossitt voted to recommend that the council adopt a mildly revised road impact fee plan.

"It's time to have the council make the decision," Reckin said.

"If we wait too long, it becomes a moot point because development would already be out there," he said, referring to north Kalispell's commercial area where several major projects are on the drawing board.

If a building permit is received prior to the road impact fees being adopted, that individual project becomes exempt from the fee.

Committee chairwoman Myrna Terry and Mark Owens voted against the recommendation to the council, wanting more discussion on the topic later. Committee member Justin Sliter was absent.

However, Terry also said developers can make their own business decisions based on eventual high or low road impact fees, but the current limbo means nothing will be done.

The committee's split stance will go to the council for a workshop session on Monday. Interim City Manager Myrt Webb hopes to get the proposal to a formal council vote on Jan. 20.

An impact fee is a one-time charge on a new home or commercial building that is built in or annexed into Kalispell. Its purpose is to help the city pay the extra capital costs of serving that structure.

The proposed road impact fees are controversial because new buildings would be assessed fees depending upon the amount of traffic they are expected to create.

The impact fee on a new single-family home, which has minimal impact, would be \$729. But business projects likely to create lots of traffic — such as Glacier Town Center and its planned 577,000-square-foot shopping center — can expect

to pay larger amounts in the hundreds of thousands of dollars.

Some development interests say the potential fees could reach several million dollars — a figure that some city officials believe could be inflated.

"What we find unsettling is the sheer amount of the fees," said Mark Goldberg, developer of the Spring Prairie Center shopping complex in northern Kalispell.

On Tuesday, development and some business interests continued to slam the proposal.

They argued that the methodologies and raw figures are flawed in calculating the fees. And they contended that since the proposal has been revised several times, its validity should be viewed with suspicion.

They also argued that the fees would discourage new business developments during economically troubled times.

"It'd be a great mistake to do anything that would deter development," said Howard Mann, developer of the Silverbrook Estates residential area at Kalispell's northernmost tip.

Mann noted he needs the commercial development earmarked for the south side of his site to recoup the \$4.5 million that he invested in major sewer lines to serve Silverbrook and much of the to-be-developed area in northern Kalispell. The future Glacier Town Center project would have to pay to hook up to his installed sewer trunk lines.

Steve Larson, representing the Montana Department of Natural Resources and Conservation, said high road impact fees would hamper the state's efforts to get the best prices for land that it is leasing in the commercial area south of West Reserve Drive and west of U.S. 93.

Randy Goff, the Portland-based consultant who did the legwork on the proposal, and the city staff countered that the fee system is solidly based on the best available numbers and proven traffic formulas.

They said the proposed Kalispell fee system would charge developers and businesses less than a road impact fee system adopted by Bozeman.

And they contended that no other viable impact fee system — other than phasing it in or grandfathering it — has been proposed by developers.

City Public Works Director Jim Hansz said that several revisions in the plan mean that it has been improved.

One major disputed point is how many extra vehicle trips per day Kalispell might expect in 2020. That is a key number in determining the road impact fees.

Last November, Goff calculated that number at 142,031.

Goff has revised that estimate to 134,118.

Cossitt said the developers are seeking numbers and information on methodologies that are more precise than what is feasible in a practical sense. He contended that while all the internal numbers can't be pinned down in real world situations, Goff's figures are reasonably close to being applicable in the real world.

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