

Council asked to end transportation impact fees

By TOM LOTSHAW/Daily Inter Lake | Posted: Tuesday, January 10, 2012 10:00 pm

At the request of new council member Phil Guiffrida III, the Kalispell City Council will hold a work session to discuss whether the city's transportation impact fees should be eliminated.

Guiffrida, who took office Monday, asked for legislation to repeal the fees at the next regular council meeting Jan. 23.

Other council members agreed to at least hold a work session Tuesday, Jan. 17.

Transportation impact fees were established in 2009, joining the city's other impact fees for water, sewer, police, fire and storm water services.

The one-time fees are charged for new construction, expansions, additions and renovations that lead to additional demand on city infrastructure. Money raised from the fees goes into dedicated funds to help cover future costs associated with growth.

During a public comment period at Monday's meeting, Planning Board member Chad Graham said the city's transportation impact fees are too high and stifle development.

Graham also pointed to a routine, two-year review of the transportation impact fees last November by the city's impact fee advisory committee.

That review suggested transportation impact fees should be increased by about 12 percent for the next two years, a recommendation that has yet to be taken up by the council.

The review relied on a 2008 study by HDR Engineering Inc. that projected 7,700 new residential dwellings in the city and 134,118 new average daily trips on city streets by 2030.

Based on those growth projections, city staffers calculated that about \$6.9 million in impact-fee-funded road work will be needed to maintain the same level of service on city roads.

Graham called the 2008 study that the fee increase was based on "speculative and out of touch with the construction economy today."

"What was tried in the past is not working at present," Graham told the council.

Guiffrida said he agreed with that assessment.

The suggested transportation impact fee increase of 12 percent would result in charges of \$395 per single-family residence, \$278 per apartment unit and \$242 per condo or townhouse.

Transportation impact fees for nonresidential uses are calculated based on development type, gross square footage, the number of dwelling units or beds in hospitals, nursing homes or other care facilities, and average daily traffic projections or the results of an actual traffic study.

The fee would go to \$55 per average daily trip, up from the \$49 approved two years ago.

Under statute, impact fees must be reviewed and readjusted every two years.

The city's impact fee advisory committee has already completed similar two-year reviews for the sewer, water and storm water impact fees. None of those have been brought before the council for action.

In other business Monday, the council:

- Voted 5-4 to elect council member Kari Gabriel as council president. Gabriel will replace Duane Larson, who opted not to run for re-election after 22 years on the council.
- Voted 9-0 to approve a professional services contract with HDR Engineering Inc. for an estimated 1,286 billable staff hours. The company will help with a repair of the wastewater treatment plant's primary digester and the replacement of its concrete lid.
- Voted 8-1 to set a Jan. 23 public hearing on proposed amendments to the West Side Urban Renewal Plan. The amendment would add three proposed projects that could possibly extend the life of the West Side Tax Increment Finance District.

Council member Bob Hafferman voted against the hearing, calling the projects a "ruse" to hang on to the \$2 million in the TIF fund and keep the roughly \$400,000 of tax increment the district generates each year flowing into city coffers.

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