

# Kalispell committee still wrestling with impact fees

By TOM LOTSHAW The Daily Inter Lake | Sunday, July 21, 2013 10:00 pm

Conversation about what to do with Kalispell's water and sanitary sewer impact fees continues Tuesday among impact fee advisory committee members who have wrestled with the question for months.

Earlier this spring, the committee agreed to recommend that Kalispell increase its minimum water impact fee from \$2,213 to \$2,567 as recommended by a fee analysis by Morrison-Maierle.

That proposal was promptly returned to the committee by members of the Kalispell City Council who questioned a 2 percent estimated growth rate used in the fee's calculation and wanted it reconsidered.

For the third time in three months, impact fee committee members are slated to review and vote on the appropriateness of that growth rate and possibly wrap up a water impact fee review process that has lasted since last October.

Kalispell has not adjusted its water or sanitary sewer impact fees since 2008 despite two rounds of studies.

Public Works Director Susie Turner will discuss sanitary sewer impact fees and some of the trends that are driving increases in those fees.

Morrison-Maierle recommends Kalispell increase its minimum sewer impact fee from \$2,499 to \$4,257 — a significant spike in development costs some members of the impact fee committee have been unwilling to support.

Finally, the impact fee committee will also discuss or vote on recommending some other way for the Kalispell City Council to raise money to pay for growth-driven, capital improvement projects normally paid for with money from impact fees.

That approach could keep fees from increasing as Kalispell continues to slowly emerge from a long economic downturn, committee members have said.

Several "alternative funding" methods have been pitched.

One is to raise the utility rates Kalispell's water or sewer customers pay, folding capital improvements projects into the mix of maintenance and operations that rates are normally used to pay for.

Chad Graham, chairman of the impact fee committee, and council member Phil Guiffrida III have pitched another idea: Take some percentage of the property taxes paid by new growth for a set number of years and allocate it to be used for capital improvements. That approach would, however, take money from maintenance and operations budgets of city departments.