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### Some buildings to be exempt from impact fees

By **JOHN STANG/Daily Inter Lake**

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Wal-Mart Supercenter, a Hilton Homewood Suites hotel and another proposed Hutton Ranch Plaza building won't have to pay road impact fees if they obtain building permits by Oct. 1.

A proposed Kohl's department store — which now has been canceled — also would have qualified for the Oct. 1 impact-fee exemption.

These and other exemptions from Kalispell's new road impact fees surfaced Monday when they were questioned by Mayre Flowers, director of Citizens For A Better Flathead.

Flowers questioned two city memos — from Planning Director Tom Jentz to his department's files on March 17 and from Interim City Manager Myrt Webb to the City Council on April 16 — that laid out the potential exemptions.

On March 9 the council passed 8-1 a road impact fees law that was watered down from the original proposal. The new law went into effect on April 1.

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 road impact fee for a new house will be about \$355 through April 1, 2011, and roughly \$473 after that date.

For a new 1,000-square-foot, 24-hour convenience store, the fee would be \$10,608 if it is built or annexed prior to April 1, 2011 — or \$14,238 after that date. The more traffic a building generates, the higher the impact fee.

On Monday, Jentz said that the city used six-month grace periods in the past to implement impact fees for fire and police protection plus drainage, water and sewer improvements.

Consequently, Jentz said, the city is using the same six-month grace periods with road impact fees so it treats each fee's implementation equally. Six months is the maximum time that can legally pass before a new application would have to be submitted.

This means that if a project already had entered paperwork to apply for a building permit by April 1, it had until Oct. 1 to receive the permit in time to be exempt from the new road impact fee law.

Forty-two projects — mostly houses, townhouses and small apartment complexes — had submitted the appropriate paperwork by April 1. No new projects can legally try to beat this deadline, Jentz said.

The memos listed six projects applying for building permits in 2009 prior to April 1, with the last submission Flathead County's new 911 center on March 13. The other 36 applications were made prior to this year.

In 2008, Wal-Mart, the Hilton Homewood Suites Hotel and a retail shell building at Hutton Ranch Plaza began the application process — which means they have until Oct. 1 to fulfill their requirements and receive building permits.

Construction on the 176,000-square-foot Wal-Mart Supercenter is expected to begin this summer, a company official said last week.

Last November, representatives for the Wal-Mart and Kohl's projects said those ventures would not materialize if Kalispell adopted road impact fees.

A few weeks ago, Kohl's abandoned its planned store in Spring Prairie Center, citing a desire to tackle other markets, with some blame also put on road impact fees.

However, Jentz said the impact fees had no effect on Kohl's decision to withdraw since it began its building permit paperwork in June 2008. Wal-Mart began its paperwork to obtain a building permit last December.

Other major Kalispell projects that can avoid road impact fees if they receive building permits by Oct. 1 are:

- n The proposed pre-release center for prison inmates on U.S. 93 South.

- n The 65-unit Calaway Apartments complex on Meridian Road.

- n The new 911 dispatch center in northwestern Kalispell.

- n A Montana Club restaurant, bar and casino building that will replace the Sawbuck Saloon.

A potential grace period for projects that have begun paperwork was not highlighted in the past two years of public discussions on the controversial road impact fees.

"That is a back-door process," Flowers said. "It's very disappointing. It's not the up-front process that the public is expecting."

Council member Randy Kenyon said: "I feel a little blindsided by this. ... The mantra [during the impact fee debates] was building permit, building permit, building permit" being granted by April 1 to become exempt from the fees.

Jentz apologized for the confusion, saying the city staff wanted to follow its past procedures to avoid potential lawsuits.

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