

# Council approves increase in water impact fee

By TOM LOTSHAW/The Daily Inter Lake | Posted: Tuesday, November 5, 2013 11:00 pm

Kalispell's water impact fees are going up for the first time in more than five years, following the City Council's passage Monday of a resolution to increase them.

A mandatory two-year review of the impact fees dragged on through two rounds of contracted studies — one in 2010 and another done in 2012 after the prior study was never acted on and became outdated.

The proposed adjustment then was reviewed by Kalispell's Impact Fee Advisory Committee for almost one year before its members voted to support it.

A resolution to increase the fees cleared the City Council on a 6-3 vote. It was supported by Randy Kenyon, Tim Kluesner, Wayne Saverud, Jeff Zauner, Jim Atkinson and Kari Gabriel and opposed by Bob Hafferman, Phil Guiffrida III and Mayor Tammi Fisher.

The action increases Kalispell's minimum water impact fee from \$2,213 to \$2,567 per "equivalent residential unit." That's the one-time charge for a 3/4-inch water connection. Higher fees are charged for projects with larger or additional connections.

Arguments were varied against the fee increase.

Hafferman said that Kalispell's existing fee is generating plenty of money to pay for water-related capital improvement needs. He also questioned the validity of the study that supported the increase.

"We don't need an increase, we need better information furnished to this council to make decisions," Hafferman said. "I would like to see better presentation in a simplified form that is readable to this council and the public. This junk furnished by consultants is a waste of money. I don't know how much it cost. I hope it wasn't too many ERUs."

Guiffrida said he understands the need for impact fees as a way to raise money for growth-driven infrastructure upgrades, but he added that he wants to make the process simpler and easier to understand. He also questions if it's fair to impose a fee that can vary every two years when it's reviewed and adjusted as required by Montana law, causing one developer to potentially pay more than another developer.

"I'm not willing to keep pushing the status quo. That is why I won't support it tonight," Guiffrida said.

Fisher called the impact fee methodology "completely screwed up" and said she doesn't think the state has any right to tell cities how or when to calculate the fees. "I have yet in my three-and-three-quarter years on council been able to look at an impact fee formula that makes sense and is responsive to the community," she said, adding that it makes no sense to raise the fees in a bad economy.

Zauner argued that the water impact fee adjustment was thoroughly reviewed and found to be sound.

"We provide a service, we also have to be able to cover our costs for the service we provide, that new growth demands and existing growth needs. Based on the recommendation coming from committee and the info staff gave at the last presentation, I will vote in support," Zauner said.

Kalispell's sewer impact fees face much larger potential increases but remain under review by the Impact Fee Advisory Committee. The city also charges impact fees for storm water, police and fire services. All are due for reviews.

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