



Corvallis grapples with impact fees

By JOHN CRAMER Ravalli Republic

HAMILTON - Ravalli County's growth rate has slowed considerably since the 1990s when it was the fastest-growing county in the state.

But community leaders say further population growth is inevitable, so they're asking: Who should pay for capital improvements required by new development - existing residents or newcomers?

In the Corvallis School District, the answer is new residents.

That's the word from the county's impact fee advisory committee, which is recommending the county commission adopt the school district's request for impact fees as a way to help pay for new construction within the district.

A public hearing is tentatively scheduled at 2 p.m. July 22 at the county administration building.

Impact fees can only be adopted by a unanimous vote by the commission, which received the five-person advisory committee's unanimous recommendation on June 11.

Impact fees are a mandatory one-time payment to help pay for capital improvements to accommodate growth.

The fees were first adopted in the United States in the 1950s for water and sewer capital improvements and were expanded in the 1970s to include schools, roads, parks, libraries, police, fire and other public services.

According to a 2008 survey, 27 states, mostly in high-growth areas of the West and South, have adopted impact fees.

Nine states have impact fees for schools, although "the political power of state builder's associations" has prevented fees in other states, according to the Ravalli's advisory committee's report.

Nationwide, the average school impact fee is \$4,693 per single-family housing unit.

The Montana Legislature authorized impact fees in 2005 based on a bill co-sponsored by Sen. Rick Laible, R-Darby.

School districts across Montana are watching what happens in Corvallis, which could be the first school district in the state to adopt impact fees.

In its report, Ravalli's advisory committee said the Corvallis School District needs impact fees to prepare for projected enrollment growth.

The district wants to impose a \$4,000 impact fee on each new residential housing unit within the school district boundaries except in Pinesdale.

“Should existing taxpayers continue to fund the demand for services from new residents (as is currently the case in Ravalli County)?” the report said. “Or, should new residents pay their own way by including in the cost of new construction an up-front fee that reflects the impact new residents will have on public services?”

The impact fees would be phased in over five years and collected when a builder pays for a septic or sewer permit.

In the first year, \$1,000 would be paid, then \$1,400 in the second year, \$800 in the third year and \$400 in each of the fourth and fifth years.

Monies raised from impact fees would go into an interest bearing account to finance building projects, not operating costs.

Local supporters say impact fees help to pay for growth-related capital improvements, but opponents say the fees would impose a financial burden on builders, their workers, first-time home buyers and low-income families.

In its report, the advisory committee said Corvallis' proposal meets all state requirements that local communities must satisfy before adopting impact fees.

Corvallis district trustees started working on fees several years ago when school enrollment was climbing and home construction was booming.

The district's student population growth has since flattened, but school trustees expect enrollment to rebound over the next 10 to 15 years.

In its report, the advisory committee recommended the school district update the data used to justify the fees as of the beginning of the 2009-2010 school year. The district should conduct subsequent updates at least every three school years.

Public comments against fees outnumbered those in favor by a margin of 2.5 to one, but the advisory committee's report said "this is not a sports event, with the result determined by the team with the highest score.

"Evaluating the merits of the proposal involves far more than merely counting the number of comments in favor and those in opposition," the report said.

Most of the public comments opposing fees had little or nothing to do with whether the Corvallis proposal meets legal requirements and benefits the school district and existing taxpayers in the long term, the report said.

The opposing comments also didn't address whether Corvallis is expecting long-term growth and who should pay for the additional services required by new residents, the report continued.

The Florence School District is the only other district in the county that has completed the impact fee study required by the state.

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