



Road fees would hit new businesses hardest

By JOHN STANG
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Owners of new business buildings would pay the lion's share of Kalispell's proposed transportation impact fees.

New homes likely would be assessed a much smaller share, the Kalispell City Council learned at a Monday workshop session. The council took no action on the fee proposals.

An impact fee is a one-time charge against a new house or building to offset the extra costs of the city providing additional services to handle it.

Kalispell already has water, sewer, drainage, fire and police impact fees.

The council is considering whether to add a transportation fee to pay for extra roads and street maintenance caused by new construction or annexation. The council expects to look at a parks fee later.

The proposed transportation fees are \$691 for a house, \$454 for each apartment, and \$352 for each condominium and townhouse.

The proposed formulas for business buildings are much more complicated, based on the type of business plus either the number of rooms or square footage within the structures.

The formulas are based on the fact that businesses want to attract as much traffic as possible, city officials said. Consequently the streets leading to them would suffer much more wear and tear than an outlying residential road.

"You get congestion because of commercial development. That's why Center Street is congested," Kalispell Public Works Director Jim Hansz said.

However, council members received sticker shock when they saw road impact fee calculations for some businesses.

Under the proposed fee structure, the Hilton Garden Inn would have had to pay a transportation

impact fee of \$59,472. And the new First Interstate Bank building would have had to pay \$109,451 in transportation impact fees.

However, the fees would apply only to buildings and houses whose plans are approved after the council passes a fee system.

Council Member Tim Kluesner wondered if huge transportation impact fees might drive major businesses to set up outside Kalispell. But other council members contended that in-town locations provide better spots to attract customers.

Some council members said the transportation impact fees are a way to pay for the extra roads and maintenance without raising taxes on all Kalispell residents.

"We are so behind the eight ball in the development of roads that these [financial] numbers are real. ... It's gotta happen. ... Or people are gonna pound on our doorsteps and say: 'You're not providing basic functions such as roads,'" council member Jim Atkinson said.

Incoming council member Wayne Saverud — who will be sworn in next Monday — said that huge corporations with big buildings will have the legal and engineering staffs to dispute the city's calculations and appeal to the council for lesser impact fees. He said small businesses won't have those resources to contest the city's fee calculations.

Consequently, Saverud said steps need to be taken to ensure major corporations and mom-and-pop stores have a level field in being assessed and being able to appeal their fees to the council.

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