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2017

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Board President Chad Graham and Members of Kalispell Planning Board
City of Kalispell Planning Board
201 First Avenue East
Kalispell, Montana 59901

Subject: Comments on the Downtown Plan

Dear Board President Graham and Members of the Planning Board:

I appreciate the City and the Planning Board creating the draft Downtown Plan that does a good job of laying out a vision for historic downtown of Kalispell as defined on page 4. The Kalispell Chamber strongly backs a vibrant and economically healthy downtown. Kalispell is the center of the Flathead Valley's most iconic places like Flathead Lake, Glacier National Park, and destination ski resorts. It is the center of commerce, health care, education, and government. And, downtown is the center of Kalispell.

The Downtown Plan does a good job of laying out a vision for Main Street improvements and character, the couplet, parking, financial tools, potential for city lots, and more. In the long term, this vision will serve Kalispell well. In the near term, the downtown faces challenges that are fundamentally different than those facing commercial development at the northern end of town and should not be underestimated.

Attracting private investment downtown is substantially different and more challenging than in undeveloped areas of the city or in unincorporated areas of the county:

- **Site assembly** – it is more difficult to assemble sites to attract major investment.
- **Small sites** – owners of smaller sites can sometimes struggle with financing, marketing, design, and development expertise.
- **Liquor license** – the report documents the challenges of expanding a dining/entertainment district given the state of liquor license in Montana.
- **Marketing is disbursed** – since there are dozens of sites with dozens of owners the marketing effort is disbursed.
- **Aging infrastructure** – Fortunately, downtown has developed infrastructure. The challenge for investment is that it can be old and poorly located.
- **Impact fees** – Under the current impact fee schedule, developers have the same impact fee schedule downtown with substantial infrastructure in place as a developer in a "green field" with little or no infrastructure. There are no county impact fees currently.
- **Disconnect with other districts** – The downtown district is disconnected, for planning and marketing purposes, from the Westside Tax Increment District, which runs from the Fairgrounds to the Glacier Rail Park, and the Airport Tax Increment District.

There are some actions that the City Council and the Planning Board might consider which have the potential to accelerate the urban renewal of downtown Kalispell:

- **Consider alternative uses for City owned lots** – the City has some of the best located sites in the downtown area. The Key Issues and Strategies section (page 32) provides some analysis for how this might happen.
- **Consider adjusting the impact fee schedule lower** – Is it possible to lower the impact fee schedule to compensate for the existing infrastructure downtown and the lower relative costs of installing new infrastructure in “green field” environments and unincorporated county areas?
- **Consider a marketing effort to attract developers and investment downtown** – the city or planning board might convene business support organizations to help a marketing effort to attract developers and investment to downtown and the B3 zone.

Despite the challenges of urban renewal in the downtown core, there are some encouraging signs in the local economy that may help accelerate growth and jobs. We are seeing record visitation in Glacier National Park that is boosting Kalispell’s tourism economy. Residential and commercial construction is at its strongest since the start of the Great Recession. Health care jobs in the county are growing at a rate placing it in the top 5% of all areas in the country. These are encouraging signs for downtown, Kalispell, and the Flathead Valley.

With Warm Regards,



Joe Unterreiner, President and CEO
Kalispell Chamber of Commerce
Convention and Visitor Bureau

*Founded in 1904, the Kalispell Chamber consists of 725 members.
These businesses and organizations employ over half of the workforce in Flathead County, Montana.*