

RAILROAD CORRIDOR PLAN 'NEEDED'

CONSULTANTS GIVE POSITIVE PRESENTATION TO KALISPELL CITY LEADERS

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Big plans to breathe new life into Kalispell's railroad corridor are financially feasible with a little careful planning over the next decade, hired consultants told city leaders on Monday.

The core area revitalization plan is not only doable, it's needed to ensure that part of the city can thrive again, said Jose Ometeotl, a consultant with Willdan Financial Services.

Kalispell adopted the plan last winter after two years of legwork and community outreach. It lays out a formal vision to attract private investment to a historically industrial area that has lost its industrial base.

Major goals are to pull out the rail spur that runs through the city and move the last two businesses using it to an industrial park the Flathead County Economic Development Authority is building at the city's eastern edge.

That would create room for a linear park through the railroad corridor and allow for new street and sidewalk extensions and more parking. It also would open a large swath of the city for residential and commercial redevelopment.

Willdan Financial Services was hired to examine the plan's feasibility and market opportunities in the core area. The firm presented its findings to five City Council members at Monday's meeting, laying out cost estimates, phasing plans and possible funding sources detailed in a 63-page analysis.

One of the biggest targeted funding sources is the city's West Side Tax Increment Finance District. It holds \$2.5 million and pulls about \$400,000 of tax increment into its coffers each year.

Willdan found Kalispell could accomplish much of the core area plan using that mature tax increment district and still have anywhere from \$5.7 million to \$7.9 million left over at the end of 25 years when it expires.

That would be after Kalispell contributed \$3.9 million of the \$4.4 million estimated cost to fully develop the linear park and contributed \$2.6 million to help develop the rail park and move CHS Kalispell and Northwest Drywall and Roofing there.

The linear park may take 10 to 12 years to fully develop.

As proposed, it would run through the railroad corridor and connect to Kalispell's other trails; turn the railroad overpass on East Idaho Street into a gateway bridge for pedestrians; build several playgrounds or fitness stations; connect Fifth, Sixth, Seventh and Eighth avenues through the railroad corridor; and build an outdoor amphitheater with several hundred seats at Woodland Park.

Kalispell Center Mall could tie into the linear park by choosing to develop a clock-tower pedestrian plaza on the north side of the shopping center.

The final amount of money left in the West Side Tax Increment Finance District would depend on the final scope of the project and on the amount of redevelopment that occurs in the core area. The most conservative estimate assumes no new development and no growth in the tax base.

"This project does not eliminate your ability or flexibility to continue with additional projects. This is not your one project you can do with your TIF funds," Ometeotl told the council.

Willdan and city staffers explored the process for removing railroad tracks. It starts with a formal application to the federal Surface Transportation Board.

The firm's analysis makes some assumptions. Chief among them is that BNSF Railway will agree to transfer the land under the railroad tracks to the city at no cost and also agree to pull the old tracks out at no cost.

Many details remain to be worked out.

"The big issues were helping us all know how we could go about this, what are the steps, what are the potential funding sources and if we are even in the ball park. We were in the ball park. In fact we were quite safely in it," Community Development Manager Katharine Thompson said about the feasibility study.

Meanwhile, Kalispell and Flathead County Economic Development Authority will start working on some of the initial implementation steps and start pursuing some state and federal grant opportunities identified in the Willdan analysis.

An \$8.7 million federal grant request to the U.S. Department of Transportation that was submitted earlier this June would help develop road and rail infrastructure at the rail park, but no one is counting on it.

Additional grant money would speed up implementation of the core area plan and help spread out the burden on major funding sources like the West Side Tax Increment Finance District.

"It's interesting to see how the feasibility study demonstrates that even with very conservative assumptions there is significant money left in the TIF at the end of 25 years," Thompson said of Willdan's findings. "That's encouraging for the council and the community to hear, that this isn't putting all of our eggs in one basket, that it still leaves some funds available to do other important work if they so choose."

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