

COLTON LEE COMMUNITIES

**REQUEST FOR GROWTH POLICY AMENDMENT
STAFF REPORT #KGPA-20-01**

**ANNEXATION AND INITIAL ZONING OF B-2 UPON ANNEXATION
STAFF REPORT #KA-20-01**

**KALISPELL PLANNING DEPARTMENT
May 6, 2019**

This is a report for the Kalispell City Planning Board and the Kalispell City Council regarding a request from Colton Lee Communities, LLC for a growth policy amendment, annexation, and initial zoning of B-2 (General Business) for a 3.27 acre parcel of land. A public hearing has been scheduled before the Planning Board for May 12, 2020, beginning at 6:00 PM in the Kalispell City Council Chambers. The Planning Board will forward a recommendation to the Kalispell City Council for final action.

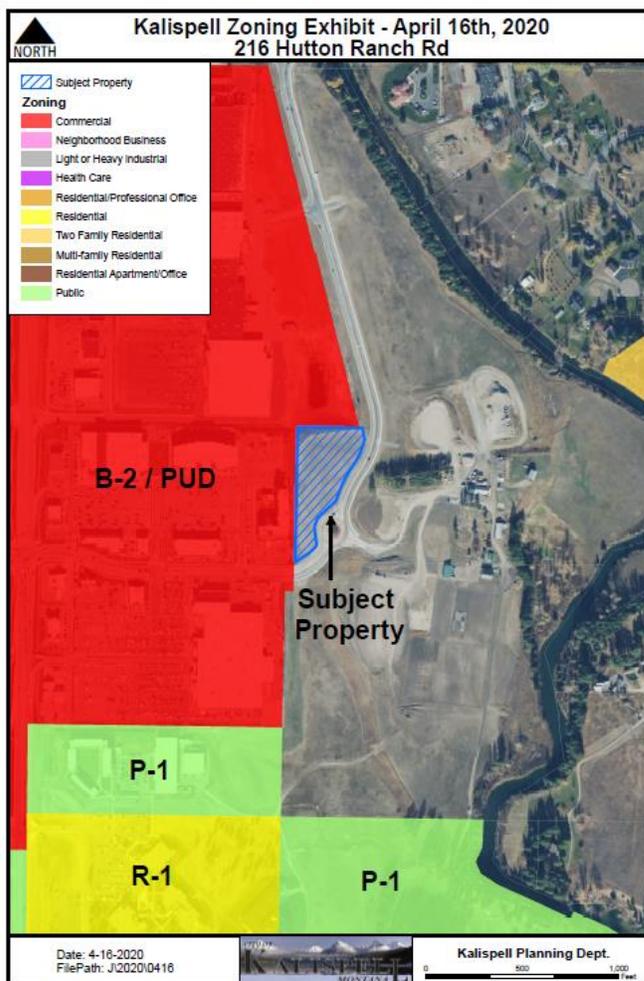
- A. Petitioner:** Colton Lee Communities, LLC
940 Emmert Ave, Suite 200
Belmont, CA 94002

- B. Background Information:** A request has been submitted by Colton Lee Communities, LLC for a growth policy amendment, annexation, and initial zoning of B-2 on 3.27 acres of land. The property is currently owned by Flathead Valley Community College. The growth policy amendment is necessary to designate the property as B-2 upon annexation. The subject property is currently within the county and zoned county SAG-10. It is undeveloped at this time, although city services are available. There are presently no specific development proposals, but it is anticipated that it will develop as multi-family residential with a commercial component. It is currently designated in the Growth Policy as Urban Residential and the proposed amendment would change the designation to Commercial.

- C. Location and Legal Description of Property:** The subject property is generally located near Hutton Ranch Plaza to the east of Hilton Homewood Suites at the northwestern portion of the roundabout on Hutton Ranch Road. The property address is 216 Hutton Ranch Road and can be described as Tract 1 of COS 21115 in the North ½ of Sec 31, T29N, R21W, P.M., M., Flathead County, Montana.



- D. Existing Zoning:** The subject property is currently zoned county SAG-10, which, under the Flathead County zoning regulations, is a “district to provide and preserve agricultural functions, and to provide a buffer between urban and unlimited agricultural uses, encouraging separation of such uses in areas where potential conflict of uses will be minimized, and to provide areas of estate-type residential development.”
- E. Proposed Zoning:** The proposed zoning for the property upon annexation is B-2 (General Business), which is a “district which provides for a variety of sales and service establishments to serve both the residents of the area and the travelling public. This district depends on the proximity to major streets and arterials and should be located in business corridors or in islands. This zoning district would typically be found in areas designated as commercial and urban mixed use on the Kalispell Growth Policy Future Land Use map.”
- F. Existing Land Use:** The subject property is currently undeveloped on generally flat land adjacent to a major retail development.



G. Adjacent Land Uses:

- North: Retail center & undeveloped
- East: FVCC accessory facilities
- South: Retail center, FVCC & undeveloped
- West: Retail center

H. Adjacent Zoning:

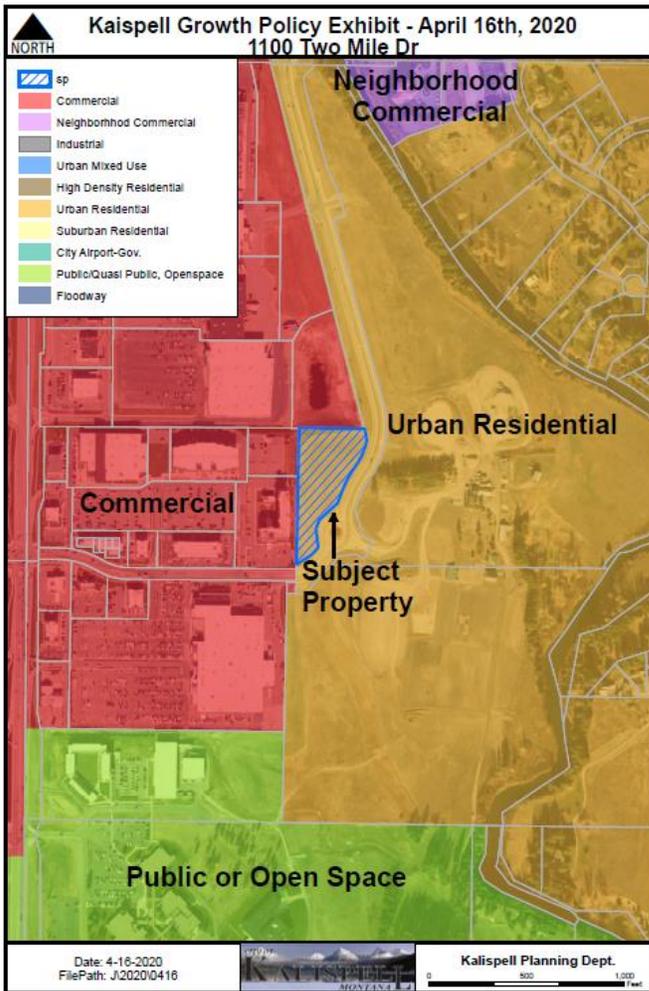
- North: City B-2/PUD & County SAG-10
- East: County SAG-10
- South: City B-2/PUD & County SAG-10
- West: City B-2/PUD

I. General Land Use Character: The subject property sits at the edge of Hutton Ranch, one of the larger retail centers in the valley. It is next to Hilton Homewood Suites and the movie theatres as well as being across the street from Wal-Mart. At the same time, this property is part of an extensive amount of undeveloped land owned by Flathead Valley Community College on the other side of Hutton Ranch Road. The undeveloped property runs to the Stillwater River with a mix of primarily residential uses and some offices on the east side of the river. The college is selling this portion of the property to the applicant.

J. Utilities and Public Services:



Sewer:	City of Kalispell upon annexation
Water:	City of Kalispell upon annexation
Refuse:	Private contractor
Electricity:	Flathead Electric Cooperative
Gas:	NorthWestern Energy
Telephone:	CenturyTel
Schools:	School District #5, Edgerton Elementary
Fire:	City of Kalispell upon annexation
Police:	City of Kalispell upon annexation



K. Existing Growth Policy: The existing designation of the property under the growth policy is Urban Residential. The proposed designation is Commercial. The current city limits line follows the boundary between the existing Commercial and Urban Residential designations. The boundary line in the growth policy followed existing property lines when established and pre-dated the extension of Hutton Ranch Road as a looped connection to Reserve Drive and the Bypass. At that time, the subject 3.27 acre property was part of the larger property to the east, but was split from the larger tract with the construction of the road extension.

I. EVALUATION OF THE GROWTH POLICY AMENDMENT

The evaluation and review of growth policy amendments follows the public interest criteria. The Growth Policy Plan-It 2035 is used to provide a general and comprehensive outline of community goals and expectations about where and how the subject property should develop. The following criteria for evaluation are as follows:

- Changes in circumstances that warrant the amendment;
- Growth Management;
- Land Use: Housing/Business and Industry;
- Natural Environment;
- Community and Recreation Facilities;
- Transportation; and
- Public infrastructure and services.

The Growth Policy Future Land Use Map depicts the subject property as Urban Residential. The applicant is requesting a growth policy amendment for the portion of the property that is Urban Residential be changed to Commercial.

Urban Residential is defined as residential neighborhoods developed at densities not to exceed 12 dwellings per acre on an overall site basis. An integrated development plan within a suburban neighborhood could include single family down to 2,500 square feet, duplexes and triplexes, townhomes and limited mixed uses.

Commercial is anticipated along major arterials to provide areas for commercial uses that require space for outdoor display of merchandise as well as general retail, offices, restaurants, and other uses consistent with general business zoning districts, including multi-family. The expansion of additional commercial districts along arterials is anticipated to occur at such time as the development or redevelopment of existing commercial districts have significantly developed to avoid the creation of new commercial district and leapfrog development. Expansion of commercial areas should be contingent upon the provision of public services and adequate infrastructure with consideration given to anticipated impacts on the neighborhoods, streets and the natural environment.

The proposed plan amendment will be considered in the context of the current Kalispell Growth Policy Plan-It 2035, as well as current and future development trends for the area.

A. Has there been a change of circumstances under which the proposed plan amendment is being made that warrants its consideration?

The Kalispell Growth Policy is a useful tool in providing guidance to the community, developers, decision makers and staff when anticipating growth trends and expansion of the city limits. However, although there have been recent upgrades in the text of the Kalispell Growth Policy, there has not been a significant recent review of the Kalispell Growth Policy Future Land Use Map in this area. The Growth Policy provides that updates should be considered when there are significant changes such as changes in public infrastructure and services.

Originally, the boundary line in the growth policy followed existing property lines when the Land Use Map was established. That map pre-dated the extension of Hutton Ranch Road as a looped connection to Reserve Drive and the Bypass. At that time, the subject 3.27 acre property was part of the larger property to the east, but was split from the larger tract with the construction of the road extension.

The changes occurring in this immediate neighborhood coupled with the changes and improvements to the transportation system which will allow convenient access to this site create a changed and improved environment for Commercial on the entire property. The infrastructure projects in the area were not in place when the growth policy and accompanying map were adopted. The extension infrastructure projects in this neighborhood support the requested amendment.

B. Does the proposed plan amendment further the overall goals and objectives of the growth policy when considering the specific elements of the plan?

Growth Management: Two primary mechanisms for managing growth in the City of Kalispell are (1) to rely on redevelopment and infill within the current City limits; and (2) annexation of outlying areas. A goal of the growth policy is to provide a comprehensive, effective growth management plan that provides for all the needs of the community, is adaptable to changing trends and is attuned to the overall public welfare.

The changes to the Kalispell Growth Policy Future Land Use Map from Urban Residential to Commercial can be supported by the following goals and policies contained in the Kalispell Growth Policy Plan-it 2035:

Chapter 1, The Economy, Goal 2 states, *“monitor the growth trends within the valley in order to be in tune with the changing economy.”*

The valley is growing and the subject property is located in an ideal location for infill growth. The existing land use designation of Urban Residential does not encourage the highest and best use of the property, as it does not take full advantage of the existing infrastructure and would provide for only low-intensity residential which would be a conflicting land use with the existing developments adjacent the property.

Chapter 3, Community Growth and Design, Goal 2 states, *“to encourage housing types that provide housing for all income sectors and income levels within the community.”*

Commercial zoning districts provide for a variety of housing options in addition to the more expected business uses. The proposed land use change to Commercial allows for a greater diversity of housing options than under the current designation.

Chapter 4 – Business and Industry, Goal 3, states, *“Provide adequate areas within the community for commercial and industrial development that meets the needs of present and future businesses in terms of cost, type, design and location.”*

The proposed land use amendment would allow for potential development as multifamily or a variety of other commercial uses. The subject property is adjacent to Hutton Ranch Road, with ready access to Highway 93 and the Bypass. It is immediately adjacent to a major retail center and would utilize the same public infrastructure serving the existing development, with adequate streets and utilities available for commercial development.

Chapter 4 – Housing, Goal 1 of the Kalispell Growth Policy states, *“Provide an adequate supply and mix of housing that meets the needs of present and future residents in terms of cost, type, design and location.”*

The requested land use change of Commercial provides a potential mix of housing types to meet the needs of present and future residents. Likely, the land use will result in the construction of more multi-family housing.

The Commercial land use designation would be an extension of the existing Commercial designation within the city limits to the north, west and south. The existing Urban Residential designation covers property located outside the city limits on property currently owned by FVCC.

Land Use: The subject property related to the requested growth policy amendment is currently undeveloped. Future development of the property at a higher intensity than the current designation is logical and a natural extension of the existing development in the area. General goals and polices of the growth policy encourage the orderly development in the growth policy area with space for future expansion while ensuring compatibility of adjacent land use. The requested growth policy amendment would change the existing Urban Residential land use categories to allow for commercial uses, including multi-family residential. This land use designation change is a reasonable request due to how the neighboring properties have developed and completion of infrastructure projects. Those projects include the construction of the Hutton Ranch Road extension as a connection to the north end of the bypass and the extension of city water and sewer to the property. The infrastructure improvements have dramatically changed the conditions in the area and its development potential.

Business and Industry: Chapter 4 – Business and Industry Goal 1 states, “*encourage the development and growth of prosperous commercial and industrial districts, each with a viable mix of business, suitable infrastructure, and coordinated development pattern that reduces business costs and increases business opportunities.*”

Without the growth policy amendment, zoning for the property would limit uses to primarily single-family or low-density multi-family developments. As land immediately adjacent to an existing high-density commercial area and bounded on the east by an arterial, the existing designation does not provide for a coordinated development pattern. A change to a commercial designation allows for more compatible development.

Natural Environment: The natural environment is an important part of what makes a neighborhood or community an appealing place to live, which may be jeopardized as growth occurs. Various key sectors of the area’s economy depend on and impact the natural environment. In this case, the proposed land use change would not have an effect as the subject property is within an urban area, surrounded by existing development and an arterial. There are no apparent environmental impacts or site hazards. However, it is possible that the proposed change will allow for infill development, further reducing the demand for development on the fringes of the city.

Community and Recreational Facilities: Community recreational facilities will not be affected by the proposed land use change. Any development that happens on the site will be reviewed at the time a building permit or other specific development proposal is submitted, and the appropriate recreational amenity standards will be placed on a development at that time, if applicable.

Transportation: Chapter 8 on Transportation includes a policy to “coordinate land use and transportation so higher-intensity development is located in well-established areas near arterial and collector streets.” The subject property is located adjacent to a major retail center and an arterial street. It is appropriate for the property to develop with a higher-intensity use than would currently be allowed under the existing Urban Residential designation.

Infrastructure and Public Services: Infrastructure and the provisions of public services are among the highest priority issues for service providers in the growth policy area. Adequate provision of services for new development in both the rural and urban areas are important considerations when

considering planning for future land uses. Chapter 9, Public Infrastructure Services, contains the following goals and policies which support the requested map amendment.

Sewer:

Goals: *“Make public sewer available to areas that are in close proximity to services as directed by the extension of services plan.”*

Sewer service is located south of the property within Hutton Ranch Road. Future development of the site would include extending services to the property and extending the main the entire length of the property as the property develops.

“Ensure the wastewater treatment plant and sewer collection system has adequate capacity to accommodate future development.”

The wastewater treatment plant has adequate capacity for this development.

Policies: *“New sewer mains should be designed and constructed to accommodate future expansion of the sewer system.”*

Any development of the site will include requirements that the property is developed in accordance with the City of Kalispell Construction Guidelines and extension of services plan. Prior to construction the development will be reviewed by Public Works determining compliance with those requirements.

Water:

Goals: *“Consider future needs with the replacement or installation of mains.”*

Future development of the site will be reviewed for compliance with the city’s extension of services plan. There is an existing water main at the south end of the property in Hutton Ranch Road.

“Provide adequate pressure and flows to meet firefighting and user needs.”

Any development of the site will include requirements that the property is developed in accordance with the City of Kalispell Construction Guidelines and facilities plans, which accounts for pressure and fire flows to meet firefighting needs. Prior to construction the development will be reviewed by Public Works and Fire Department determining compliance with those requirements.

Policies: *“Water lines and utility easements should be extended to the farthest extent of new developments to facilitate orderly growth to adjacent lands in the future.”*

Future development of the site will be reviewed for compliance with the city’s extension of services plan.

Storm Water Management:

Goals: *“Ensure adequate storm water management facilities for all incorporated urban areas.”*

Any development of the site will include requirements that the property is developed in accordance with the City of Kalispell Construction Guidelines, which accounts for storm water facilities. Prior to construction the development will be reviewed by Public Works determining compliance with those requirements.

Policies: *“The quantity and rate of runoff from a developed piece of property should not exceed that which would occur had the property remained undeveloped.”*

Public Works regulations require that all the runoff from the development be maintained on-site. Prior to construction, development of the site will be reviewed by Public Works determining compliance with those requirements.

Police Protection:

Recommendations: *“As the community grows, ensure that the law enforcement agencies have adequate staffing and resources.”*

The Police Department has been notified of the land use change and will not have any level of service issues if the property were to develop at the more intensive uses provided for with the Commercial land use category.

Policies: *“Adequately staff law enforcement agencies.”*

As stated above, the police department has been notified of the proposed amendment and does not see any level of service issues if the property were to develop.

Fire and Ambulance Services:

Goals: *“Adequately staff and operate fire companies to be able to handle demand and provide effective fire and EMS response and mitigation.”*

The Fire Department has been notified of the amendment and will not have any level of service issues if the property were to develop at the more intensive uses provided for with the Commercial land use category

Policies: *“All new construction, occupancy remodeling and/or change of documented occupancy use shall be required to comply with adopted fire, electrical and building codes.”*

Future development of the site will be required to comply with the Uniform Fire Code and International Fire Code.

II. ANNEXATION EVALUATION

1. Compliance with the growth policy:

Two primary means for managing growth in the City of Kalispell are redevelopment/infill within the current city limits and annexation of outlying areas. A goal of the growth policy is to provide a comprehensive, effective growth management plan that provides for all the needs of the community, is adaptable to changing trends and is attuned to the overall public welfare. Chapter 9, Public Infrastructure and Services, includes a goal to “make public water and sewer available to areas that are in close proximity to services,” and annexation allows for such extensions to happen.

In addition, the city council adopted an annexation policy in 2011, with a corresponding map, as an addendum to the city’s growth policy document. The purpose of the annexation policy is to give the Planning Board, the Council, and the development community direction when property owners outside of the city limits are requesting annexation. The property proposed for annexation is adjacent to the city limits and falls inside the city’s direct annexation boundary.

2. Municipal Services:

Municipal water and sewer mains are located within Hutton Ranch Road bordering the property on the south and can be readily extended by the applicant to serve the site. The site is currently protected by the West Valley Kalispell Rural Fire District and the Flathead County Sheriff’s office. The applicant has submitted a Notice of Withdrawal from Rural Fire District. At the time of annexation, the property will be served by the Kalispell Fire Department. The site lies approximately 2500 feet from fire station 62 and is readily serviceable by the city fire, police and ambulance services, all of which now respond to the adjacent neighborhoods within the City of Kalispell.

Given the level of existing services available to and in place, annexation of the property will not overburden the municipal services in place.

3. Distance from current city limits:

The subject property is immediately adjacent to the existing city limits line along its western and northern property lines. It is a logical extension of the existing city limits.

4. Cost of services:

Once annexed to the city, full city services will be made available to the property owner. Any necessary infrastructure associated with this development will be required to be constructed in accordance with the City of Kalispell’s Design and Construction Standards and any other development policies, regulations or ordinances that may apply.

The cost to serve the land proposed for annexation is shown in the attached cost of service analysis – Initial Annexation. The analysis is only an estimate based on a variety of

assumptions. The analysis does not take into consideration changes in methods of assessment and estimated costs associated with services. The information can only be used as a general estimate of the anticipated cost of services and revenue.

The property is currently undeveloped. The total cost of services is estimated to be \$0 per year. Based on the city's taxation and assessment policies, the property will generate approximately \$2,383 per year in total annual revenue to the city (\$1,133 in taxes and \$1,249 in assessments). Based on this analysis, the annexation will be net gain to the city of \$2,383.

II. INITIAL ZONING AND ZONE CHANGE EVALUATION BASED ON STATUTORY CRITERIA

The statutory basis for reviewing a change in zoning is set forth by 76-2-303, M.C.A. Findings of fact for the zone change request are discussed relative to the itemized criteria described by 76-2-304, M.C.A. and Section 27.29.020, Kalispell Zoning Ordinance. The site is currently zoned county SAG-10. The applicants are requesting city B-2.

The Kalispell Zoning Regulations state that the intent of the B-2 zoning district is to “provide for a variety of sales and service establishments to serve both the residents of the area and the travelling public. This district depends on the proximity to major streets and arterials and should be located in business corridors or in islands. This zoning district would typically be found in areas designated as commercial and urban mixed use on the Kalispell Growth Policy Future Land Use map.”

1. Does the requested zone comply with the growth policy?

The Kalispell Growth Policy Future Land Use Map currently designates the subject property as Urban Residential. However, the applicant has included an application to amend the growth policy designation to commercial. As mentioned above, the B-2 Zoning District would typically be found in areas designated as Commercial on the Kalispell Growth Policy Future Land Use Map.

2. Will the requested zone have an effect on motorized and non-motorized transportation systems?

Upon annexation, there will be no change in use on the property and no impact on transportation. When the property redevelops, traffic impacts would be reviewed as part of a subdivision or conditional use permit. It is adjacent to Hutton Ranch Road with a likely access off of the existing roundabout next to the southeastern portion of the property.

3. Will the requested zone secure safety from fire, panic, and other dangers?

Adequate access and public facilities are available to the site in the case of an emergency. There are no features related to the property which would compromise the safety of the public. All municipal services including police and fire protection, water and sewer service are

currently available to the area.

4. Will the requested zone promote the public health, safety and general welfare?

As with safety from fire and other dangers, the general health, safety, and welfare of the public will be promoted through general city regulations designed to regulate allowable uses when the property is developed. In this case, the requested zoning classification of B-2 will promote the health and general welfare by restricting land uses to those that would be compatible with the adjoining properties and those in the vicinity.

5. Will the requested zone provide for adequate light and air?

Setback, height, and lot coverage standards for development occurring on this site are established in the Kalispell Zoning Ordinance to ensure adequate light and air is provided.

6. Will the requested zone facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements?

All public services and facilities are available to the property. Specific details for provision of services will be addressed when the property develops.

7. Will the requested zone promote compatible urban growth?

The requested city B-2 Zoning District is similar zoning as the surrounding city properties and is consistent with the type of growth projected for this area in the Growth Policy. This zoning district maintains and is compatible with the established land use pattern in this area.

8. Does the requested zone give consideration to the character of the district and its particular suitability for particular uses?

The proposed B-2 Zoning District is consistent with the adjacent commercial development of the area. It also gives due consideration of the suitability of this property for the allowed uses in the zoning district, such as proximity of city services. Specific aspects of any future development on the property will be reviewed at the time of development consistent with regulations then in effect.

9. Will the proposed zone conserve the value of buildings?

Value of the buildings in the area will be conserved because the B-2 Zoning District will promote compatible and like uses on this property as are found on other properties in the area. Future development in the area will be reviewed for compliance with the dimensional standards and design review criteria to ensure its appropriateness for the area and compatibility with the surrounding neighborhoods.

10. Will the requested zone encourage the most appropriate use of the land throughout the municipality?

Urban scale development should be encouraged in areas where services and facilities are available. In this case, sanitary sewer and water are located within the public right-of-way adjacent to the property. The proposed zoning is consistent with the proposed growth policy future land use designation and is compatible with current zoning in the immediate area.

RECOMMENDATION

It is recommended that the Kalispell City Planning Board and Zoning Commission adopt staff report #KGPA-20-01 and recommend to the Kalispell City Council that the Kalispell Growth Policy Future Land Use Map be amended from Urban Residential to Commercial on the entire property.

It is recommended that the Kalispell City Planning Board and Zoning Commission adopt Staff Report #KA-20-01 as findings of fact and recommend to the Kalispell City Council that the subject property be annexed and zoned B-2 (General Business) upon annexation.