

# EVERGREEN ENTERPRISE AREA

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Addendum to the  
Kalispell City-County Master Plan Year 2010

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*Promoting economic diversity in Evergreen, MT using infill development of  
existing highway commercial corridors.*  
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ADOPTED BY:  
FLATHEAD COUNTY  
RESOLUTION NO. 790Z  
DECEMBER 21, 2015

## **I. INTRODUCTION**

This document is an addendum to the Kalispell City County Master Plan Year 2010 (KCCMP). The KCCMP was originally adopted in 1986 by Flathead County and the City of Kalispell as a master plan covering the City of Kalispell and a surrounding rural planning jurisdiction. Since that time the KCCMP has been amended and supplemented from time to time. On March 19, 2007 the KCCMP was incorporated as an addendum to the Flathead County Growth Policy.

This addendum document supplements the text, goals, policies and map(s) found in the KCCMP and is hereby entitled the 2016 Evergreen Enterprise Area (EEA) document. The EEA is an additional element of the KCCMP and the Flathead County Growth Policy pursuant to 76-1-601(5) Montana Code Annotated.

## **II. EVERGREEN ENTERPRISE AREA HISTORY**

The KCCMP was adopted in 1986 by Flathead County and the City of Kalispell. At that time, the large scale development of commercial land uses along U.S. Highway 2 and MT Highway 35 in Evergreen was limited by the lack of public sewer services, but the future availability of those services was contemplated within the KCCMP.<sup>1</sup> In 1990, an interlocal agreement for sanitary sewer treatment services was signed between the City of Kalispell and Flathead County Water and Sewer District No. 1 – Evergreen (EW&SD). Soon afterwards, a Rural Special Improvement District (RSID) was created to finance installation of a wastewater collection system, and wastewater collection in the Evergreen area started in 1994. A retail sales and service business boom occurred in Evergreen along U.S. Highway 2 and MT Highway 35 due to visible, accessible and relatively affordable land, access to sewer and water services, and reluctance at the time by the City of Kalispell to annex new land for commercial growth. Multiple zoning amendments, both privately and publicly initiated, changed most of the zoning in these areas to “B-2 General Business” (B-2) and “B-3 Community Business” (B-3), with limited areas of “I-1 Light Industrial” (I-1) and “I-1H Light Industrial – Highway” (I-1H) zoning.

The retail sales and service business boom in Evergreen continued until the early 2000’s. However, by the mid 2000’s, much of the available and developable highway frontage within the RSID boundary had been developed. At the same time, the City of Kalispell was following a more open annexation policy for new commercial development north of city limits and providing significant commitments for wastewater services. Commercial growth now began booming in north Kalispell, and the center of gravity for retail sales and service businesses in Flathead County shifted rapidly.

As the first decade of the 2000’s came to a close, the majority of the developed Evergreen commercial corridor was zoned either B-2 or B-3 to allow for retail sales and service businesses. The corridor now faced three challenges. The first challenge was a significant and historic local, state and nationwide overall economic decline. The second challenge was the impacts of aging commercial buildings and infrastructure and the third was retail sales and service businesses being pulled towards new commercial growth

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<sup>1</sup> Kalispell City County Master Plan, Chapter 8, “Sewer,” page 69.

opportunities on the north side of Kalispell. These challenges prompted some existing businesses in Evergreen to close and some to relocate to north Kalispell.

To be clear, many local, regional and national retail sales and service businesses chose to remain in Evergreen. Some businesses and landowners even “doubled down” by remodeling and freshening structures. However, a pattern of vacant or under-utilized commercial structures and land was emerging. Starting in approximately 2010, the Flathead County Planning and Zoning Office (FCPZ) began noticing a trend in phone calls from landowners, real estate professionals and business owners proposing to re-purpose existing commercial structures for land uses such as light assembly and manufacturing. Unfortunately, the prevailing retail sales and service oriented B-2 and B-3 zoning could not accommodate these proposals. Zoning amendments on individual properties were frequently not workable due to the prolonged processing timeline and outdated planning documents that created a lack of predictability in the process. Some prominent and relatively affordable structures in a populated and developed area of Flathead County with excellent visibility and accessibility remained vacant or under-utilized during this time. A public perception began to emerge that the existing zoning and a lack of diversity in permitted land uses was contributing to economic challenges in Evergreen.

At approximately this same time, a fourth challenge to the Evergreen community emerged. A Federal Emergency Management Agency (FEMA) initiated study of the floodplain in Evergreen resulted in large areas of the community being added to the “Special Flood Hazard Area” or “100-year floodplain.” Revisions to the Flood Insurance Study (FIS) and Flood Insurance Rate Map (FIRM) panels in Evergreen in the spring of 2013 made zoning map amendments and development in some flood-prone areas even more difficult.

On June 12, 2013 the Evergreen Chamber of Commerce approached the Flathead County Planning Board seeking ideas for re-invigorating the U.S. Highway 2 and MT Highway 35 commercial corridors in Evergreen. Since many existing retail sales and service businesses in Evergreen continued to thrive as conforming uses in the B-2 and B-3 zoning, large-scale re-zoning was not desirable. After discussions and workshops with the Evergreen Chamber of Commerce and the Flathead County Planning Board, FCPZ developed an overlay zone to add to the existing B-2 and B-3 zones along the highway commercial corridor that permitted a variety of land uses that complemented Evergreen’s competitive advantages. Referred to as the Evergreen Enterprise Zoning Overlay (EEZO), the new overlay borrowed existing language from elsewhere in the Flathead County Zoning Regulations and listed “Light assembly and manufacturing, fabrication and processing, repairing, packing, storage facilities, warehousing and distribution of products and equipment provided that such uses do not produce objectionable impacts beyond lot lines and do not involve materials that are explosive, hazardous or toxic” as a permitted use that was placed on top of the existing B-2 and B-3 zoning. Examples of such uses were listed, and references to the underlying bulk and dimensional requirements as well as administration, interpretation, enforcement and placement of uses were included. Areas within the EEZO that were also designated as 100-year floodplain

would still require compliance with the Flathead County Floodplain and Floodway Management Regulations, but those regulations would serve to ensure mitigation in flood-prone areas. A land use inventory was conducted to serve as a “baseline” for future study of the effectiveness of the EEZO and on December 19, 2013 the Flathead County Commissioners adopted the EEZO, effective for one year beginning on January 01, 2014.

Near the end of the first year, FCPZ conducted a second land use inventory as part of a study of the effectiveness of the EEZO.<sup>2</sup> The study verified the economic circumstances that warranted the EEZO and found that although there was no significant quantifiable impact of the EEZO after one year, the qualitative impact as relayed to FCPZ by Evergreen community members was resoundingly positive. Community members indicated that the presence of “enterprise” zoning in Evergreen created excitement and enthusiasm, and the greater diversity of allowable land uses in the EEZO caused businesses that may have previously passed over Evergreen to take another look at investing in the community. The positive contributions of the EEZO to the general welfare of the Evergreen community were documented in the study, and on December 18, 2014 the EEZO was extended by the Flathead County Commissioners for one year.

On May 13, 2015 members of the Evergreen Chamber of Commerce Board of Directors spoke to the Flathead County Planning Board during public comment at a regularly scheduled Planning Board meeting. The Evergreen Chamber spoke about the many benefits of the EEZO and the support of the community and Montana West Economic Development and asked that the Planning Board allocate resources to make the interim zoning overlay permanent prior to the expiration of the extension at the end of 2015. After discussion and consideration of many possible projects for the FCPZ Fiscal Year 2016 work plan, the Planning Board placed development and processing of a permanent replacement of the interim EEZO on the work plan.

### **III. AREA**

The “Evergreen Enterprise Area” created by and discussed within this addendum to the KCCMP is the area informally referred to as the highway commercial corridors in Evergreen, Montana and interim zoned with the EEZO from January 01, 2014 to December 31, 2015. For the purposes of this document, the EEA boundary includes the following:

- Those areas zoned B-2 or B-3 within 1,500’ of U.S. Highway 2 in Evergreen, Montana, beginning at the intersection with Woodland Park Drive on the west and continuing east, then north to the intersection with Rose Crossing;
- Those areas zoned B-2 or B-3 within 1,500’ of MT Highway 35 in Evergreen, Montana, beginning at the intersection with U.S. Highway 2 on the west and continuing east to the intersection with Helena Flats Road;
- Those areas zoned B-2 or B-3 within 1,500’ of West Reserve Drive in Evergreen, Montana between the intersection with Cheery Lynn Road on the west and U.S. Highway 2 on the east.

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<sup>2</sup> Required by 76-2-206(4)(a) Montana Code Annotated

As of August, 2015 the EEA includes 439 parcels zoned B-2 and 34 parcels zoned B-3. A map of the boundary of EEA is included with this document as “Attachment A.”

#### **IV. EXISTING CHARACTERISTICS**

##### **1. Land Uses**

A land use inventory of the area within the boundary of the EEA was conducted by FCPZ in the fall of 2014. Each parcel within the EEA was inventoried and photographed. A copy of the land use inventory is included with this document as “Attachment B.”

In the fall of 2014, there were 439 parcels zoned B-2 and 34 parcels zoned B-3 within the boundary of the EEA for a total of 473 parcels. Some parcels had one land use on multiple parcels, and some parcels had multiple land uses on one parcel. The area within the boundary of the EEA had 255 business, 86 residential, 5 religious, 3 government, 2 fraternal, 1 utility and 1 open space (cemetery) land uses. The land use inventory found that retail sales and service is the most prevailing land use, but also documented that business and residential land uses are interspersed in the EEA. Business land uses generally tend to dominate the highway frontage and around major intersections such as the U.S. Highway 2 and MT Highway 35 intersection, as well as near the intersections of U.S. Highway 2 and West Evergreen Drive and Reserve Drive. Some land uses that may appear to be residential are in fact conforming businesses operating in a residential structure. Map 2.3b in the Flathead County Growth Policy visually confirms this interspersed nature of land uses within the EEA.

The area around the EEA boundary is a blend of light industrial land uses and residential land uses of various densities. Light industrial land uses include light assembly and manufacturing. Residential land uses adjacent to the EEA boundary are a mixture of densities from single family homes to manufactured home parks to multi-family apartment complexes. These land uses may be impacted by the land uses within the EEA and should be considered when planning for the EEA.

As established in Section III of this document, the EEA is the same area that is currently zoned B-2 and B-3 along the Evergreen highway commercial corridor. Many of the existing B-2 and B-3 zoning classifications along the Evergreen highway commercial corridor were adopted or added as the corridor developed in the 1990s, well after the adoption of the KCCMP in 1986. Interestingly, the future land uses map entitled “Kalispell City-County Planning Jurisdiction Master Plan Map Year 2010” (KCCMP Map) found in the 1986 KCCMP does not appear to have been amended each time a B-2 or B-3 zoning classification was adopted along the Evergreen highway commercial corridor. Therefore, large areas that became (and are currently) zoned B-2 or B-3 are still designated on the 1986 KCCMP Map as “Suburban Residential” and “High Density Residential.” This inconsistency does not invalidate the plan or zoning amendments because Chapter 1 of the KCCMP clearly explains that the plan must be considered in its entirety and adequate implementation of the plan (such as zoning) requires carefully

weighing the text, the KCCMP Map and the Goals and Objectives. However, as we approach 2016 it is clear that the KCCMP Map that is a part of the KCCMP has become outdated with regards to the Evergreen highway commercial corridor and the EEA now being discussed. A copy of the current KCCMP Map centered on the EEA is included with this document for reference as “Exhibit A.”

## **2. Population**

There is no formal population count within the EEA boundary, but reasonable estimates can be made. According to the U.S. Census Bureau,<sup>3</sup> the entire Evergreen, Montana Census Designated Place (CDP) encompasses approximately 8 square miles and had a population of 7,616 persons in 2010. The Evergreen population is an equal mix of male and female and is slightly younger than the overall population of Montana, with 26.3% of the population under age 18 (compared to 22.6% for all of Montana).

Unless it is a home-based business, there typically is no permanent population associated with a business land use. Additionally, the B-2 and B-3 zoning classifications do not allow single family dwellings as a permitted use. As mentioned previously, there were 86 residential land uses within the EEA in 2014. According to the 2014 FCPZ land use inventory, the residential land uses within the EEA boundary consist primarily of single family homes that pre-date the current zoning. It is reasonable to estimate that with an average of 2.45 persons per household in the Evergreen CDP, there are approximately 210 permanent residents within the EEA.

## **3. Economy**

The economy within the boundary of the EEA is predominantly based on a variety of highway-accessed retail sales and service businesses. Examples of such businesses include cellular phone sales and service, new and used auto sales and service, restaurants, medical clinics, casinos, gas stations and convenience stores, hair salons, coffee shops, real estate and insurance sales, motels, pawn shops and building material sales. The commercial land uses in the EEA provide both employment and necessary goods and services to the local Evergreen community and Flathead County as a whole.

According to data available from the Department of Revenue and processed by the Flathead County GIS Department, in 2015 the real estate within the boundary of the EEA had a total taxable market value of \$45,081,931.00 and the improvements on that real estate had an additional taxable market value of \$90,024,449. Maps illustrating the low to high range of 2015 taxable market valuations for real estate (value per acre) and improvements on land within the boundary of the EEA are included with this document as “Attachment C” and “Attachment D” (respectively). Attachment C shows that taxable market valuations for real estate per acre are highest within the boundary of the EEA for smaller lots with connections to sewer and water and highway frontage.

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<sup>3</sup> <http://quickfacts.census.gov/qfd/states/30/3025075.html>

Attachment D shows that taxable market valuations for improvements are highest for larger structures with ample parking, connections to sewer and water, and direct highway access. Attachments C and D confirm the value of developed real estate and improvements with sewer and water and direct highway access.

According to data provided by the Department of Revenue and processed by the Flathead County GIS Department, in 2014 (the most recent year for which collection data is available) a total of \$1,991,715.31 in taxes was collected within the boundary of the EEA. A map showing 2014 taxes collected as a range from properties paying the lowest amount of taxes to the highest amount of taxes is included with this document as “Attachment E.” Attachment E demonstrates the importance to the community of thriving, successful, high visibility, highway frontage commercial properties in the Evergreen highway corridor.

#### **4. Services and Infrastructure**

##### **i. Emergency**

According to data provided and processed by the Flathead County Office of Emergency Services, in 2014 there were 3,823 calls to 911 that originated within the EEA. The number of calls to 911 includes administrative and emergency calls and indicates the high level of emergency service support provided within the EEA.

The EEA is entirely within the Evergreen Fire District. In 2009 the Evergreen Fire District built a new fire station (Station 81) at 2236 Highway 2 East. This station is located almost perfectly in the geographic middle of the EEA and provides fire services as well as Basic and Advanced Life Support services. The Flathead County Sheriff’s Office provides law enforcement services to the EEA. Of the 4-5 deputies typically on patrol at a given time, one is usually assigned to the Kalispell and Evergreen area. Law enforcement response times in the Evergreen area are therefore typically quicker than other more rural areas of Flathead County.

##### **ii. Water and Wastewater**

The majority of the land within the EEA is also within the EW&S. There are only approximately 20 existing homes and/or businesses that are both within the EEA and the EW&SD that are not connected to water and/or sewer, but service could be provided upon request.<sup>4</sup> As of August 2015, water lines within the EEA extend as far north as Town Pump and Wendy’s on the north side of East Reserve Drive and West One Bank on the north side of West reserve Drive. Sewer lines within the EEA go further north and are available to serve businesses as far north as the railroad track crossing.

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<sup>4</sup> Email correspondence with Roberta Struck, Evergreen Water and Sewer, August 13, 2015.

There are approximately 11 parcels north of the U.S. Highway 2 railroad track crossing that are within the EEA boundary and currently zoned B-2 but are outside the EW&SD. Properties not connected to EW&SD mains utilize private on-site systems such as wells for water supply and septic tanks and drain fields for wastewater disposal. These properties could be served by the EW&SD if a landowner or developer wished to request annexation into the District and extend sewer and/or water lines to the properties.

The entire Evergreen public water and sewer service system is adequately sized and built to accommodate current flows. The sewer lines are all relatively new, having been installed in the early 1990s. A new Interlocal Agreement was signed in 2015 with the City of Kalispell that allows Evergreen 782,000 gallons per day (over a 75 day average) of sewage flow. According to the EW&SD's engineer, this is more than adequate to provide service to existing customers.

### **iii. Transportation**

Most properties within the boundary of the EEA are adjacent to and served directly by federal or state highways. U.S. Highway 2, MT Highway 35 and MT Highway 548 (Reserve Drive) comprise the backbone of the EEA. The area was studied as part of the 2006 Kalispell Area Transportation Plan (KATP). The KATP was prepared by Robert Peccia & Associates for the Kalispell Technical Advisory Committee in cooperation with the City of Kalispell, the Montana Department of Transportation (MDT) and the Federal Highway Administration. The plan was adopted by the Kalispell City Council on April 21, 2008 but was not adopted by the Flathead County Commissioners. The KATP looked at a planning horizon to 2030 and assessed levels of service, crash data, residential and commercial growth projections and made recommendations for improvements.

In 2006 the KATP found that some intersections within the EEA were performing at a Level Of Service (LOS) "E" or "F." A LOS of "F" indicates a high level of vehicle delay and traffic congestion. Flathead Drive and U.S. Highway 2 and Helena Flats Road and MT Highway 35 were a LOS "F" in the evening and the intersections at the former Walmart location and Shopko, as well as U.S. Highway 2 and West Evergreen and Reserve Drives were a LOS "E." Crash data in 2006 were reviewed and eight intersections in need of further study and possible safety mitigation were identified. Two of these intersections were within the EEA, at U.S. Highway 2 and MT Highway 35 and at U.S. Highway 2 and Reserve Drive.

Three recently completed safety improvements have added to the quality of the transportation infrastructure available to businesses within the boundary of the EEA. A long-standing issue with storm water drainage in



the area of the McDonalds restaurant was mitigated with a new 1.85 mile underground pipe system to carry storm water to the Stillwater River. Safety issues at the intersection of Spring Creek Drive and U.S. Highway 2 were mitigated by adding a turn lane and traffic signal and improving drainage on Spring Creek Drive within about 450 feet of U.S. Highway 2. Near the intersection of Montclair Drive and U.S. Highway 2 a traffic actuated flasher was installed on a warning sign to alert westbound traffic of vehicles entering from Montclair.

Traffic counts on highways within the EEA rank as some of the highest in Montana. The roughly one-mile section of U.S. Highway 2 from the intersection of Flathead Drive on the west to the intersection with MT Highway 35 on the east had a 2014 Annual Average Daily Traffic (AADT) range of 21,100 to 29,250, the second highest range of AADT values as categorized statewide by the Montana Department of Transportation (MDT).<sup>5</sup> AADT values for U.S. Highway 2 from the intersection with MT Highway 35 on the south to the intersection with Rose Crossing on the north are in the third highest range of values categorized by MDT at 15,770 to 21,100. Significant traffic volume is also found within the EEA on MT Highway 35 and MT Highway 548 (Reserve Drive), with AADT values of 11,850 to 15,770.

According to traffic data for 2007 through 2012 provided by MDT,<sup>6</sup> AADT values for locations within the EEA generally went down between 2007 and 2012. In 2007, there were 32,380 AADT on U.S. Highway 2 just east of Flathead Drive. By 2012, the same area had dropped to 26,200 AADT. This trend is observable for multiple locations within the EEA, such as U.S. Highway 2 west of the intersection with MT Highway 35 and U.S. Highway 2 south of Evergreen Drive. During the same time period of 2007 through 2012, AADT values for the area of U.S. Highway 93 north of Kalispell increased as values within the EEA decreased. For example, AADT on U.S. Highway 93 south of Grandview Drive went from 25,700 AADT in 2007 to 34,850 in 2012. These data confirm a land use trend first described in Section II of this document.

Some properties within the EEA are not directly adjacent to and/or do not derive access directly from a federal or state highway. These properties are within a few hundred yards of a highway and access a county road such as Sunset Drive, Spring Creek Drive, Meadowlark Drive, Poplar Drive, West or East Evergreen Drive, West or East Cottonwood Drive, River Road, Montclair Drive or Bernard Road. As of 2015, the Flathead County Road Department is aware of some imperfections with alignment, drainage and

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<sup>5</sup><http://mdt.maps.arcgis.com/home/webmap/viewer.html?webmap=8a0308abed8846b6b533781e7a96eedd&extent=-116.2848,43.146,-103.8043,50.0897>

<sup>6</sup> Provided to FCPZ staff by James Freyholtz via email, 08/21/15.

traffic volume within the boundary of the EEA and continues to monitor citizen complaints and work closely with MDT on safety concerns.

## **5. Environment**

The EEA is a highly developed, auto-urban environment and with one exception, few environmental constraints can be identified. The EEA is not generally associated with wildlife or wildlife habitat, critical native vegetation, agricultural or timber production, agricultural water user facilities, steep slopes, important soils or historical features. The environmental constraint that is found within the EEA is 100-year and 500-year floodplain, as identified on FEMA's Flood Insurance Rate Maps (FIRMs). A map showing the EEA and the 100-year and 500-year floodplain boundaries as of August 20, 2015 is included with this document as "Attachment F."

Floodplains associated with the Stillwater and Flathead Rivers cover a portion of the EEA. Of the 523.54 total acres within the EEA, 221 acres (or 42%) are unregulated 500-year floodplain, and 133 acres (or just over 25%) are regulated 100-year floodplain. Properties that are entirely or partially within the regulated 100-year floodplain may have significant development constraints under federal, state and local laws. However, it is a common misconception that property within the 100-year floodplain may not be developed. In fact, land within the 100-year floodplain may be developed but some level of mitigation is required for most types of development and must be reviewed and permitted by FCPZ. For example, new construction, alteration and substantial improvement of commercial structures is allowed with a permit, but the development must have the lowest floor two feet above the base flood elevation or be flood proofed in accordance with the Flathead County Floodplain and Floodway Management Regulations (FCF&FMR). This mitigation allows for commercial use of properties within the regulated 100-year floodplain, but provides protection for the landowner and community in the event of a 100-year flood.

As an additional measure for community safety, some land uses that are either potentially hazardous or involve important community infrastructure are forbidden in the 100-year floodplain. The disposal of solid and hazardous waste is not allowed in the 100-year floodplain, and critical facilities that provide essential community care and emergency operation functions such as schools and fire stations are not allowed in the 100-year floodplain. Within the EEA the Evergreen Fire and Rescue Station #81 at 2236 Highway 2 East is the only critical public facility but it is not located within the 100-year floodplain.

## **V. PROJECTED TRENDS**

### **1. Land Uses**

Land uses within the EEA consist primarily of retail sales and services. In the coming years, commercial buildings built in Evergreen during the retail sales and service boom of the late 1990s and early 2000s will approach and pass 20-25 years of age. Many regional and national retail sales and service businesses

demand fresh, modern-looking buildings and access to the highest traffic-volume areas of a community so difficult decisions will be made by retailers. Many local businesses with investments and connections in the Evergreen community will continue to “double down” on Evergreen and expand and improve their businesses and buildings. However, some retail sales and service businesses will choose to chase the latest retail “energy” elsewhere in the Flathead Valley. Those businesses that choose to re-locate may leave behind aging structures that are less likely to be re-occupied by new retail sales and service businesses due to declining traffic volumes and aging appearances. The existing B-2 and B-3 zoning will continue to serve many successful retail sales and service businesses, but will prevent a diversification of allowable land uses and therefore broader utilization of existing structures. Without taking action to increase allowable use in the EEA, two current trends may continue:

1. The Evergreen community will continue to look to diversify land use options and fill commercial structures but existing B-2 and B-3 zoning will hinder this and zoning amendments will continue to be unworkable due to the length of the process and challenges complying with the outdated KCCMP Map in the KCCMP.
2. Business owners looking at Evergreen as an affordable, developed area such uses as light assembly and manufacturing, fabrication and processing, repairing, packing, storage, warehousing and distribution will encounter difficulties with existing zoning as well as the many necessary steps to amend the zoning and will simply look elsewhere.

## **2. Population**

According to Chapter 3 of the Flathead County Growth Policy, the Evergreen CDP experienced a 23% increase in population from 2000 to 2010. The Growth Policy states that continued population growth can be anticipated in areas served by public water and sewer. While population projections for the Evergreen CDP are not available, Flathead County population estimates are available from the Montana Department of Commerce’s Census and Economic Information Center through 2060<sup>7</sup> and show a continuing population increase from the current 2015 population of 96,422 to 127,403 by 2016. Due to the large areas of higher-density residential zoning (single and multi-family), continued access to public water and sewer services and relative affordability of housing in Evergreen, continued steady population growth around the EEA can be anticipated. This continued population growth all around the EEA is a source of both employees and customers for a more diverse base of commercial land uses along the highways.

## **3. Economy**

It is difficult to accurately project trends in the economy of any area. Many variables impact the economy as a whole and changes occur rapidly. However,

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<sup>7</sup>[http://ceic.mt.gov/Documents/PopulationProjections/EMRI/StateTotals/eREMI\\_MT\\_CountyComparisons\\_TotalPopulation\\_April2013.pdf](http://ceic.mt.gov/Documents/PopulationProjections/EMRI/StateTotals/eREMI_MT_CountyComparisons_TotalPopulation_April2013.pdf)

based on currently observable trends in the Evergreen area, there are some projections worth presenting. In 2015 the zoning within the majority of the Evergreen highway commercial corridor is predominantly B-2 and B-3. These two similar zoning classifications dominate the corridor due to a boom of retail sales and service businesses that originated with the introduction of public water and sewer services in Evergreen in the 1990s and continued to the mid-2000s. As some retail sales and service businesses chase the retail heart of the Flathead Valley to other areas, they leave behind structures and increasingly outdated zoning. When landowners encounter difficulties filling commercial structures, options include letting the structures sit vacant or filling them with businesses that under-utilize the space. Both of these scenarios can lead to decreased curb appeal, loss of vibrancy in the community, and decreases in tax revenue.

However, many commercial structures that may have reached the end of the first generation of use for retail sales and service can be re-purposed and utilized for non-retail businesses that require many of the existing valuable attributes such as ample accessible parking, maximum interior square footage, proximity to employees, etc. but do not have as much concern for modern, trendy appearance and the highest traffic volumes. Many of these businesses also offer jobs that pay better wages than the previous retail jobs, and serve to increase traffic again with the coming and going of employees. According to the Bureau of Labor Statistics, light assembly and manufacturing jobs typically pay higher wages in Montana than retail sales and service jobs.<sup>8</sup>

Diversifying allowable land uses within the EEA can also help to stabilize and possibly increase the tax base. However, the economic impacts of diversifying commercial land uses and infilling areas of existing services and infrastructure extend beyond tax revenue. Creating a planning and land use regulatory environment that encourages infilling within the boundary of the EEA by making a greater diversity of land uses allowable would be a benefit to the entire community.

#### **4. Services and Infrastructure**

##### **i. Water and Wastewater**

In July of 2015, a new 20-year interlocal agreement was signed between the City of Kalispell and the EW&SD. The agreement allows Evergreen to generate up to 782,000 gallons per day of wastewater. According to the EW&SD's engineer, in 2015 the district is using about 450,000 gallons per day so 782,000 will accommodate significant growth within the district. Future infill development or re-development within the EEA that may generate significant wastewater flow would be required to provide adequate infrastructure upgrades to pipes and pumps as deemed necessary by the district prior to providing beginning service. According to the EW&SD General Manager, the City of Kalispell will also be "auditing"

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<sup>8</sup> [http://www.bls.gov/oes/current/oes\\_mt.htm](http://www.bls.gov/oes/current/oes_mt.htm) (Production, #51-0000, \$36,680/yr. compared to Sales & Related, #41-0000, \$32,780/yr., Personal Care & Service, #39-0000, \$24,680/yr., Food Prep. & Serving, #35-0000, \$21,170/yr.)

commercial users throughout the system in the future to ensure sewage quality falls within certain limits. This audit, the district's own monitoring of new users, and requirements for pre-treatment if necessary will protect the system in the future. Existing access to water and sewer infrastructure and service is a primary reason why the EEA is an efficient location to diversify and increase permitted land uses.

**ii. Transportation:**

Up to date traffic projections for the roadways within the EEA are not available. The most recent data available for the Kalispell area are found in the 2006 KATP. The traffic projections in the KATP are somewhat dated due to changes in land uses since the document was created in 2006. Furthermore, the KATP was not formally adopted by Flathead County. However, the information presented in the KATP is referenced by MDT engineers and appears to be the best available data regarding vehicle traffic in the EEA. The KATP presents a "moderate growth" scenario of the county-wide population reaching 121,778 and employment reaching 87,589 by 2030. The KATP breaks down areas of population and employment growth geographically by census tract and block and allocates some of both types of growth into the Evergreen area. Based on these assumptions, projected traffic volumes within the boundary of the EEA will be in the range of 48,000 to 68,000 AADT by 2030 on U.S. Highway 2 and 24,001 to 36,000 AADT on MT Highway 35. Again, these projections already seem aggressive based on traffic counts since the study was written in 2006 that were presented in Section IV of this document.

The KATP provides recommendations for transportation improvements in the area covered by the study. The KATP defines Transportation System Management (TSM) improvements as relatively low-cost, "tune-up" type improvements and recommends 29 TSM improvements. Three of the recommended TSM improvements totaling approximately \$550,000 (2007 dollars) are within the EEA at three intersections: U.S. Highway 2 and Woodland Park Drive, U.S. Highway 2 and MT Highway 35, and U.S. Highway 2 and Evergreen Drive. The KATP defines Major Street Network (MSN) improvements as projects needed to meet the anticipated traffic demands of the year 2030 and recommends two MSN improvements totaling \$26,700,000 (2007 dollars) within the EEA. The KATP recommends expanding U.S. Highway 2 East from the intersection with Woodland Drive to the intersection with MT Highway 35 to a six-lane roadway and expanding MT Highway 35 from the intersection with U.S. Highway 2 to the intersection with MT Highway 206.

More current information regarding upcoming committed improvement projects was provided by MDT's Regional Traffic Engineer.<sup>9</sup> A pavement

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<sup>9</sup> Email to FCPZ staff, 08/21/15.

resurfacing project on U.S. Highway 2 from Cottonwood drive to Reserve Drive is planned for 2016, and a signal is scheduled to be installed at the intersection of MT Highway 35 and Helena Flats Road in 2017. The development of the Glacier Rail Park (at such time as funding becomes available) will be required to improve the intersection of U.S. Highway 2 and Flathead Drive/Woodland Park Drive to mitigate traffic impacts. Future changes in traffic (volume or type) from individual approaches onto county, state or federal roadways within the EEA will be required to apply for and receive an approach permit. The approach permit process ensures safe access to roadways and may require privately funded infrastructure improvements, such as with Glacier Rail Park. Large increases in traffic, or noteworthy changes to the type of traffic (larger design vehicles) may trigger these privately funded improvements. Existing access to a carefully monitored and maintained highway system is another primary reason why infill and a greater diversity of allowable land uses in the EEA is both efficient and beneficial to the community.

## **5. Environment**

On November 4, 2015 37 revised FIRM panels will become effective throughout Flathead County. Within the EEA there will be some minimal changes to the floodplain boundaries adjacent to the Stillwater River based on a new detailed study of that area. Approximately 2 acres of land north of Montclair Drive and west of the River Road will be added to the 100-year floodplain. This will be added to the existing 133 acres of regulated 100-year floodplain within the EEA.

The FCF&FMR will continue to regulate development within the 100-year floodplain as a condition of participation in the National Flood Insurance Program (NFIP). Infill development and re-development that meets the definitions of new construction, alteration or substantial improvement of a structure in the 100-year floodplain will require review by FCPZ. Commercial structures will be permitted if built on properly engineered fill or adequately flood proofed and certified. The Letter of Map Amendment (LOMA) and Letter of Map Revision based on Fill (LOMR-F) process will be available to landowners and developers to remove property either erroneously mapped in the floodplain or elevated with properly permitted fill material (respectively). Given the scale of 100-year floodplain within the EEA relative to the overall floodplain of the Flathead and Stillwater Rivers, and the existing commercially developed nature of the majority of land within the EEA, it is likely that little harm will come to the community from properly designed, engineered, reviewed and permitted commercial development in the future.

## **VI. ISSUES**

The scope of this addendum to the KCCMP is to address three land-use issues currently impacting economic development and re-development in the EEA:

1. The current KCCMP and corresponding KCCMP Map from 1986 still show large areas of what has become commercially developed property in the EEA as designated for residential land uses. The plan and maps are outdated. Pursuant to Montana law, privately initiated zoning amendments must comply with the plan and must therefore either amend the plan or offer lengthy explanations of compliance with the text and goals and objectives of the plan. Planning staff seeking to encourage infill and or re-development in Evergreen must recommend costly privately initiated plan amendments and write lengthy reviews of text and goals and policies. Many landowners and business owners simply look elsewhere and the Evergreen community gets frustrated.
2. Existing B-2 and B-3 zoning classifications were applied in the EEA in the 1990s when properties were rapidly developing with predominantly retail and service businesses. In 2015, many existing land uses still fit within the B-2 and B-3 zoning classifications, but the large-scale application of only those two zoning classifications throughout the EEA limits the diversity of land use alternatives in Evergreen. Land and aging commercial structures throughout the EEA that cannot be sold, leased or rented for retail sales and service businesses may be underutilized or left vacant. Under-utilization and vacancy of structures and property can create negative impacts to the community such as lower tax base, wasted public infrastructure and services, and even blight. Publicly or privately initiated re-zoning overlooks the importance of the B-2 and B-3 zoning classifications to existing retail and service businesses and also trades one limiting use-oriented zoning classification for another. In 2015 and beyond, the Evergreen community needs planning and zoning that allows for a greater diversity of permitted land uses in the EEA. A change in the EEA to increase allowable land uses would enhance and complement the competitive advantages of doing business in the Evergreen community. Evergreen, MT has a conveniently located population base, existing public services and infrastructure, convenient transportation alternatives and existing commercial buildings and land that are visible, accessible and relatively affordable.
3. FEMA's FIRMs dating back to the 1980s showed some of the EEA in the 100-year floodplain. Revisions to the FIRMs in 2013 and 2015 put more of the EEA into the 100-year floodplain. The current master plan for the EEA (the KCCMP) guides development away from floodplains<sup>10</sup> and zoning used as an implementation technique is required by law to comply with the plan.<sup>11</sup> Future infill and re-development efforts in the EEA and partially in the 100-year floodplain that require zoning amendments to diversify land uses may encounter difficulties complying with the KCCMP. Since federal, state and local regulations allow elevated or structurally flood proofed commercial development in the floodplain with proper permitting, plans and zoning should not prevent infill of commercially developed property provided that the development can and does comply with these regulations.

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<sup>10</sup> Kalispell City County Master Plan, Chapter 1, "Goals and Objectives," page 6 & Chapter 3, "Summary," page 24.

<sup>11</sup> 76-2-203(1)(a) Montana Code Annotated.

## **VII. GOALS & POLICIES**

To that end, the following Goal and corresponding Policies are hereby added to the KCCMP:

1. Flathead County's goal is:  
Vibrant highway commercial corridors in Evergreen, Montana filled with a variety of successful businesses that fully utilize existing services and infrastructure and that meet the many needs of the community.
2. To achieve the goal, it will be the policy of Flathead County to:
  - i. Respect and preserve the conforming status of the many successful existing businesses within the EEA by maintaining the B-2 and B-3 zoning within which the area has historically developed and upon which many businesses have relied.
  - ii. Use planning and zoning to add to and diversify allowable business types in the historically retail sales and service-oriented EEA.
  - iii. Consider the compatibility of allowable businesses types in the EEA with existing adjoining residential communities.
  - iv. Allow commercial land uses in the flood fringe of the 100-year floodplain in the EEA provided that all new construction, alteration and substantial improvement of structures within the flood fringe of the 100-year floodplain is reviewed and approved in conformance with the FCF&FMR.

## **VIII. IMPLEMENTATION**

### **1. Master Plan Amendments:**

- i. This EEA document is hereby adopted as an addendum to the KCCMP.
- ii. As an integral part of this addendum to the KCCMP, the KCCMP Map is hereby amended as shown in Exhibit B to update the EEA to the "Commercial" land use classification found in Chapter 5 (page 45) of the KCCMP.
- iii. The following sub-type of "Commercial" land use classification is hereby added to the existing sub-types of "Commercial" land use classifications described in Chapter 5 (pages 45-47) of the KCCMP:
  - Evergreen Enterprise Commercial Overlay: An overlay land use classification to allow diversification of commercial land uses within the Evergreen highway commercial corridor. This overlay promotes infill in an area of existing services and infrastructure by adding land uses such as light assembly and manufacturing,



fabrication and processing, repairing, packing, storage facilities, warehousing and distribution of products and equipment provided that such uses do not produce objectionable impacts beyond lot lines and do not involve materials that are explosive, hazardous or toxic. Within the Evergreen Enterprise Area, such uses are allowable adjacent to existing residential communities where compatible.

- iv. As a final integral part of this addendum to the KCCMP, the KCCMP Map is hereby further amended as shown in Exhibit C to overlay the “Commercial” land use classification in the EEA with the “Evergreen Enterprise Commercial” sub-type of land use classification.

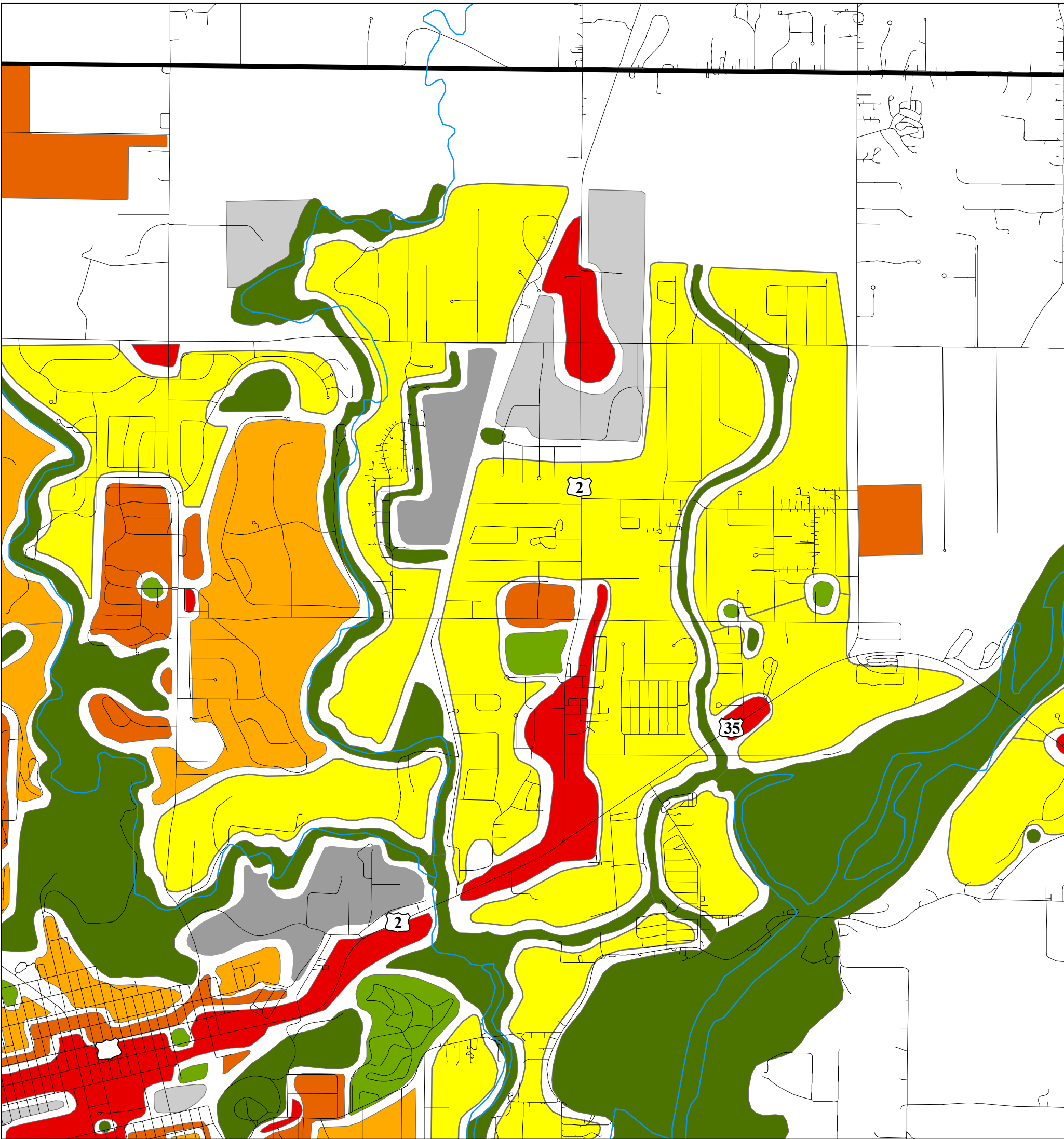
## **2. Zoning Text Amendment**

A text amendment to the Flathead County Zoning Regulations (FCZR) should be made in accordance with the requirements outlined in Section 2.08 of that document to add an “Evergreen Enterprise Overlay” (EEO) to the use districts listed therein. The EEO should be defined as an overlay zone to maintain existing zoning and conforming status of existing businesses while adding permitted uses that diversify allowable businesses.











## **3. New Zoning District**

A new overlay zoning district should be created on top of the existing B-2 and B-3 zoning classifications in the EEA, the area described in Section III of this document.

**Exhibit A:**  
**Kalispell City-County Planning Jurisdiction**  
**Master Plan Map Year 2010**  
Current Evergreen Area Land Use Designations



**LEGEND**

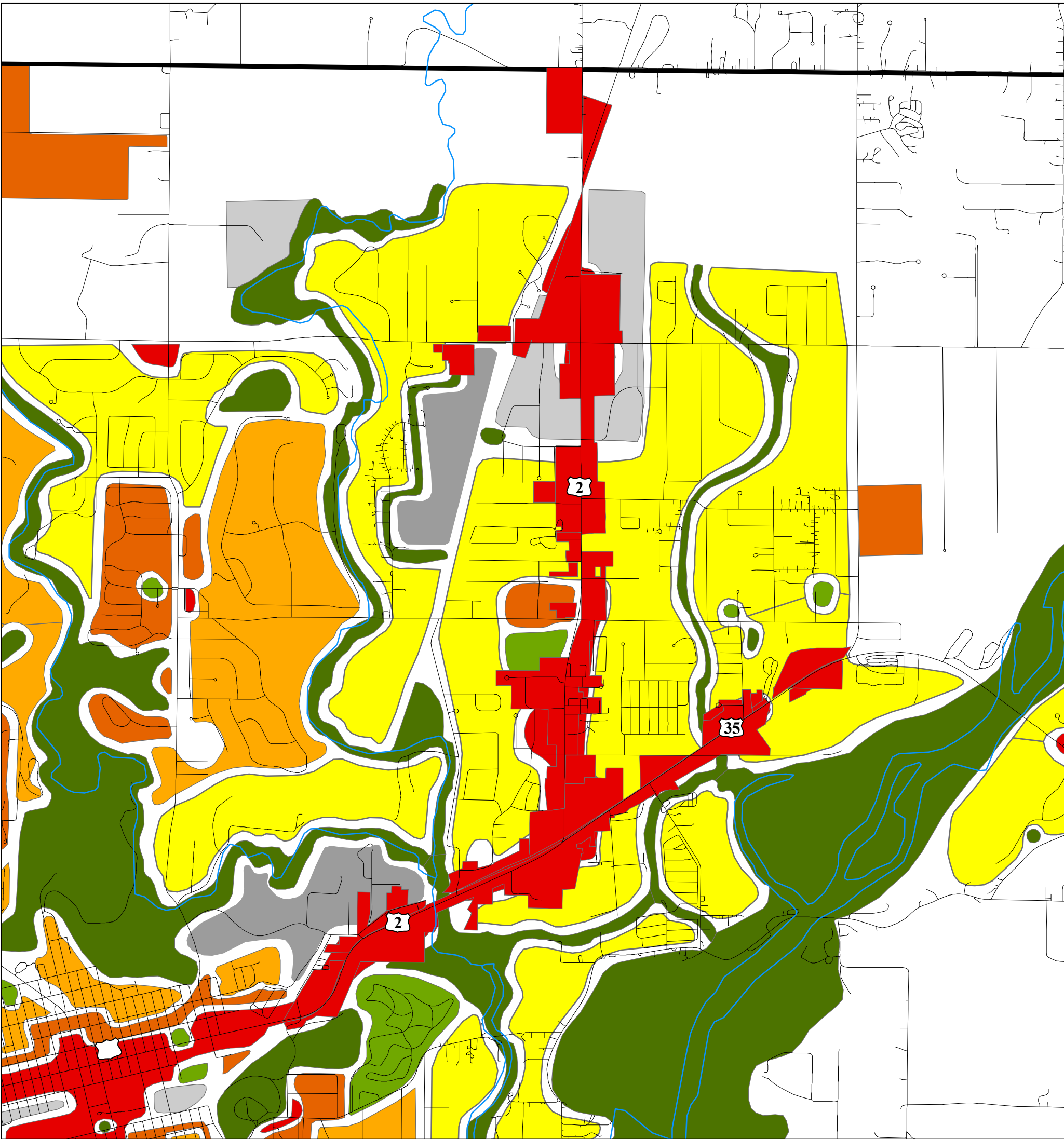
- |  |  |
|--|--|
|  HIGH DENSITY RESIDENTIAL |  LIGHT INDUSTRIAL   |
|  URBAN RESIDENTIAL        |  HEAVY INDUSTRIAL   |
|  SUBURBAN RESIDENTIAL     |  PUBLIC             |
|  COMMERCIAL               |  PARK / OPEN SPACE  |
|  MEDICAL - PROFESSIONAL   |  AG. / SILVICULTURE |







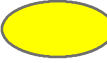





Map date: 9/21/2015

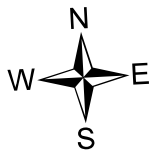
**Exhibit B:**  
**Kalispell City-County Planning Jurisdiction**  
**Master Plan Map Year 2010**

With Updated Commercial Land Use in Evergreen Enterprise Area



**LEGEND**

- |  |  |
|--|--|
|  HIGH DENSITY RESIDENTIAL |  LIGHT INDUSTRIAL   |
|  URBAN RESIDENTIAL        |  HEAVY INDUSTRIAL   |
|  SUBURBAN RESIDENTIAL     |  PUBLIC             |
|  COMMERCIAL               |  PARK / OPEN SPACE  |
|  MEDICAL - PROFESSIONAL   |  AG. / SILVICULTURE |



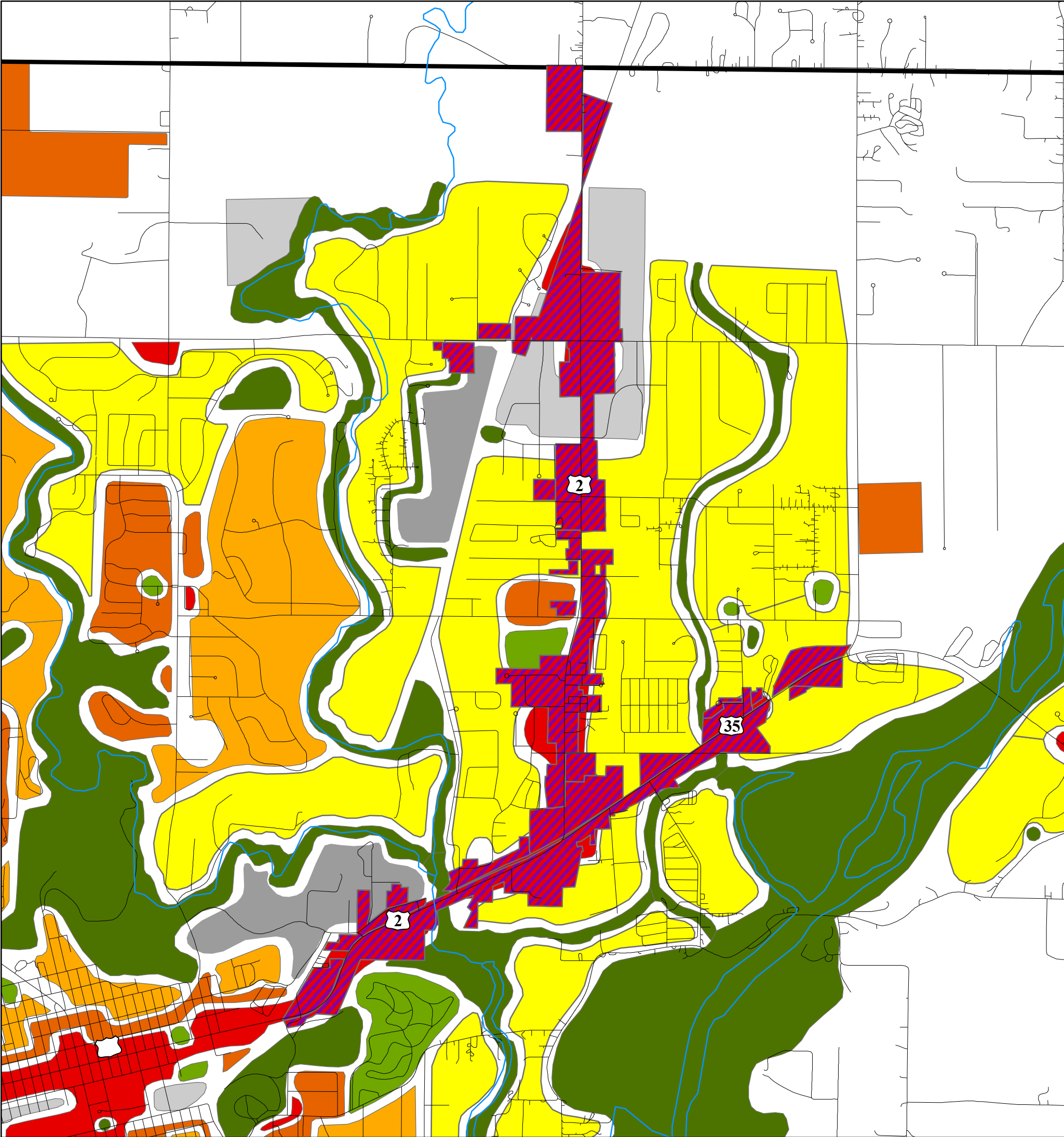
Map date: 9/21/2015

# Exhibit C:












## Kalispell City-County Planning Jurisdiction

### Master Plan Map Year 2010

With Evergreen Enterprise Commercial Overlay



#### LEGEND

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|---|--|
|  HIGH DENSITY RESIDENTIAL        |  LIGHT INDUSTRIAL   |
|  URBAN RESIDENTIAL               |  HEAVY INDUSTRIAL   |
|  SUBURBAN RESIDENTIAL            |  PUBLIC             |
|  COMMERCIAL                      |  PARK / OPEN SPACE  |
|  MEDICAL - PROFESSIONAL          |  AG. / SILVICULTURE |
|  EVERGREEN ENTERPRISE COMMERCIAL |  |

