

GRANT CREEK VILLAGE

City of Missoula Rezone Application

Rezone and Development Agreement Request

<u>Revision</u>	<u>Date</u>
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PROPOSED REZONE AND GROWTH POLICY COMPLIANCE

KJA Development, LLC is requesting to rezone the parcels located at 2900 Expo Parkway and 2920 Expo Parkway in Missoula, Montana, shown on Exhibit B, from C1-4 Neighborhood Commercial, B2-2 Community Business, RM1-35 (multi-dwelling), and Residential 5.4 to RM1-45 (multi-dwelling) with an accompanying development agreement. The development proposed will include a mixture of rental units in four-story multi-family residential buildings, and low-density multi-family buildings. The purpose of the rezone is to allow the development to meet the vision and goals found in the ***Our Missoula 2035*** growth policy, and to allow additional development flexibility to meet Missoula's housing needs, which have changed rapidly and substantially over the past decade. The development will include 700 total rental units, approximately 622 one-, two- and three-bedroom apartment residences, along with 78 low-density multi-family units, designed to accommodate significant future growth anticipated in the Missoula community for years to come. This request comes at a critical time for the City, as development costs continue to rise and developable land is at a premium. Given the site's location and context, rezoning this property to accommodate future growth makes sense and aligns with *Our Missoula 2035's* goals and policies focused on growing inward, efficiently. Further detail on this zone change request is provided below.

1) Intent of Rezoning Request

A rezone is being requested to allow for an end use that substantially meets intent of the current zoning. This zoning request also meets the intent of *Our Missoula 2035* and the 1980 Grant Creek Master Plan and will help the City meet the growing housing demand. The issue created by the cross zoning of the parcel would create an end use that is substantially out of character of the formally adopted *Our Missoula 2035*, the Grant Creek Master Plan and the approved zoning. It could provide some of the housing that is so desperately needed in the community, but again it does not meet the intent of *Our Missoula 2035*, nor would it allow for the most effective use of the property.

Missoula has a major housing stock problem, which has only become further strained since the onset of the Covid-19 pandemic in March 2020. As lifestyles shifted and companies moved to work-from-home models, people are more able than ever to work where they want to live, rather than having to live where they work. Fortunately, Missoula continues to attract new business, industry, and talent to western Montana based on the high quality of life we all enjoy. With many companies indicating that work-from-home will be a permanent change to their culture, cities like Missoula must plan to meet the additional influx of remote workers while meeting the needs of current residents – and much of that hinges upon housing affordability and availability.

While the rise of work-from-home is certainly not the only contributing factor exacerbating Missoula's housing shortage, it does provide a striking example of the new and unforeseen circumstances that have changed the realities of Missoula's housing market. As early as 2015, when *Our Missoula 2035* was adopted by the City, it was projected an additional 9,000 residential units of all types would be needed to accommodate future growth. The 2019 Missoula Area Land

Use Element predicted an influx of 30,000 new county residents in the next 20 years. The study projected a need for 21,000 to 45,000 new housing units throughout the county. By the summer of 2020, Missoula's rental vacancy rate stood at less than half a percentage point, and the median home sale prices had skyrocketed above \$400,000. These data reinforce there is a pressing need for housing of all types in Missoula today, and this need is not expected to abate in the coming decades.

2) Issues and Opportunities Under Current Zoning

The history of the existing zoning of the property can be traced to the 1980 Grant Creek Area Plan, shown in Figure 1. The existing zoning districts were adopted by the City to meet the intent of this area plan.

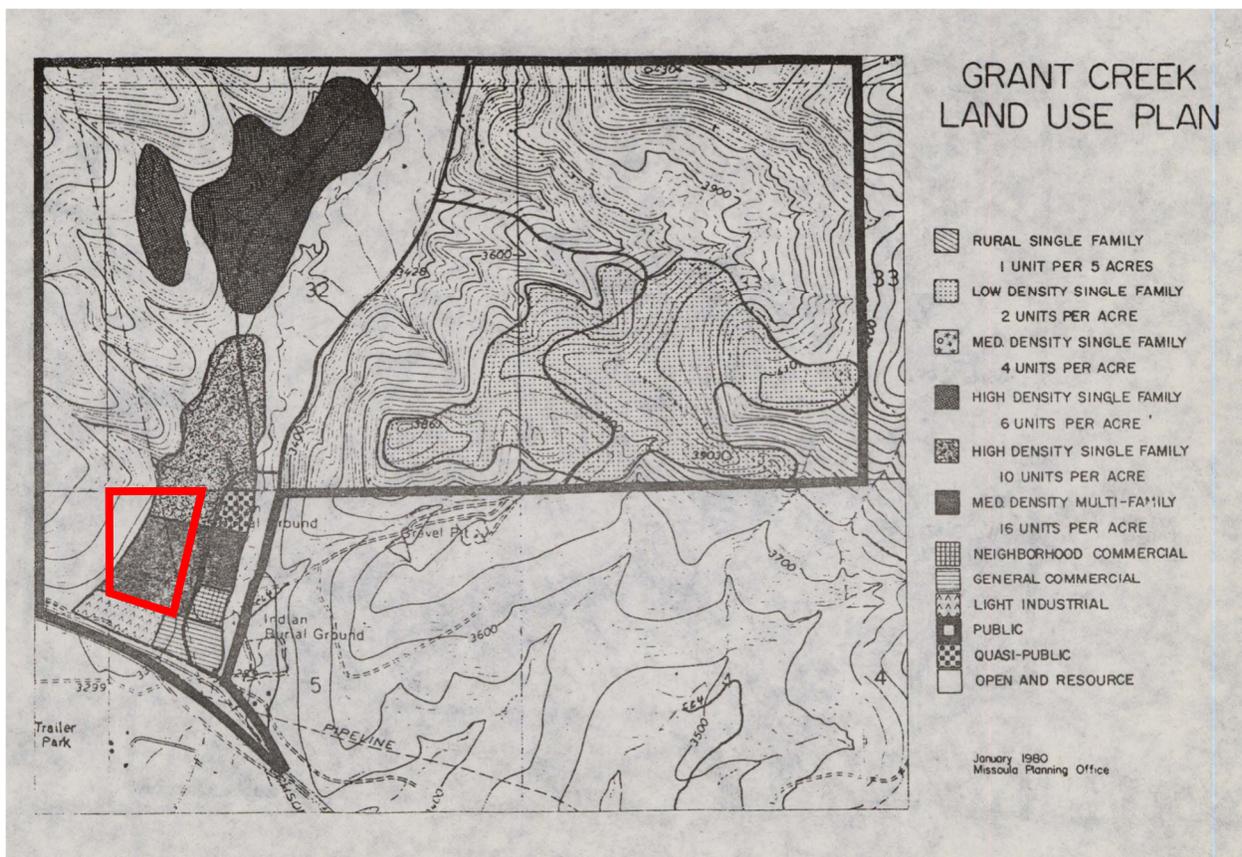


Figure 1. 1980 Grant Creek Area Plan Land Use Map. The subject property is highlighted in red.

The 1980 Area Plan provides for Light Industrial, General Commercial, and Neighborhood Commercial uses along Expo Parkway. In subsequent years, these recommended land uses have been realized with the construction of several hotels, restaurants, and gas stations along Expo Parkway and lower Grant Creek Road. The 1980 Area Plan envisions a medium-density multi-family land use across the Grant Creek Village parcel, as a transition to the single-family land uses envisioned to the north. The single-family land uses have been realized with the construction of the Prospect subdivision to the north of the parcel.

The zoning in place today, the equivalent districts of which were originally adopted in 1989, shown on Exhibit B, is a clear implementation of the 1980 Grant Creek Area Plan. The C1-4 district applied to the southern parcel would allow for the Light Industrial, General Commercial, and Neighborhood Commercial uses the 1980 Plan envisioned along Expo Parkway. The RM1-35 multi-family district applied to much of the northern parcel would allow for construction of the medium-density multi-family residential development envisioned, and the R5.4 zoning present along the northern parcel boundary provides for a transition between the multi-family residential and neighboring single-family development to the north. The Missoula City Council enacted its current zoning code, Title 20, in 2009, updating the text of the existing regulations without rezoning the parcels. Thus, for over thirty years, the City has designated most of the property for multi-family residential development, with potential commercial uses along Expo Parkway and a transition to the single-family residential development to the north. The existing zoning upholds the spirit of both the 1980 Grant Creek Area Plan and *Our Missoula 2035*.

Unfortunately, an administrative provision of Title 20 has created a situation that brings the property substantially out of compliance with *Our Missoula 2035* and the 1980 Area Plan. Designed as a means of explaining the effects of the new regulations on a parcel with two or more zoning districts, known as split zoning, [Section 20.01.100E](#) requires the City to apply the R5.4 zoning to the entire northern parcel of the property, despite it affecting less than 20% of that parcel along the transition strip to the single-family development to the north.

When considering the administrative provision that effectively rezones the entire northern parcel to R5.4, the existing zoning does not meet the intent of *Our Missoula 2035* or the 1980 Area Plan. The existing zoning would, by-right, allow for construction of 344 residential units on the southern parcel and 158 residential units on the northern parcel. However, site constraints including topography, utility easements, a pipeline easement, and the public streets that would be required to access single-family homes on the northern parcel, drastically reduce the number of units that would be buildable by-right under the Title 20 Ordinance. Thus, the rezone and development agreement are being proposed to allow a more effective use of the parcel, to contribute more substantially to Missoula's housing stock, to fully implement and meet the intent of the 1980 Area Plan and *Our Missoula 2035*, and to assure that the spirit of the prior planning efforts is still being upheld.

3) Project Alignment with Established Policy

Based on the opportunities and constraints presented above, the applicant is requesting RM1-45 zoning be applied to the entirety of the project site. RM1-45 zoning allows for up to 43 residential spaces per acre, which would allow for construction of 1,195 units on approximately 30.4 developable acres between the two parcels that make up the project site, after hillside protection standards are applied. The applicant recognizes that a rezone alone and development at this maximum density would not honor the 1980 Grant Creek Area Plan or result in a product that reflects the best use of the property with minimum impact to its surroundings. Thus, a development agreement is proposed to supplement the requested RM1-45 zoning.

The proposed development agreement will cap development on the subject property at 700 dwelling units – yielding a density across the developable acreage of 23 units per acre. The

proposed density closely aligns with the medium-density multi-family development envisioned in the 1980 Area Plan, and substantially complies with the high-density residential land use envisioned in *Our Missoula 2035*. Furthermore, the development agreement will provide substantially increased setbacks along the eastern and northern boundaries of the property. Smaller low-density multi-family situated between the proposed multi-family buildings and the northern property boundary will honor the vision in the 1980 Area Plan, providing for a transition to lower intensity land uses located to the north and east of the subject property.

Important to note is how the requested rezoning to RM1-45 with a development agreement also substantially complies with the 2015 Growth Policy Future Land Use Map and the more recent 2019 Missoula Area Land Use Element, which, although adopted by the County, involved substantial collaboration with and input from, the City. Approximately 87% of the subject property is designated by *Our Missoula 2035* as Residential High Density, stipulating a base density of 24 units per acre or higher. RM1-45 is one of the most appropriate districts available to implement this land use designation effectively. The City Growth Policy calls for a focus inward approach to encourage infill development in the urban core and where infrastructure already exists. This approach promotes mixed-use, increased density, and enhanced connectivity while limiting sprawl and promoting efficient use of existing infrastructure. The combination of the rezone and development agreement will allow the property to be used in a way that can more effectively meet the City's pressing housing needs, while still honoring past planning efforts and the character of the area.

PROVISION OF PUBLIC SERVICES

It is critical to recognize that no comprehensive land use map or plan can adequately address all potential community impacts resulting from a single site-specific development proposal. The following evaluation clearly articulates how the proposed rezoning will facilitate efficiencies in transportation, the provision of public services such as water, sewer, and wastewater, and create continuity between growth and existing resources such as schools, parks, and other requirements established by Montana state law.

Mobility: Grant Creek Village is accessed via Expo Parkway and Stonebridge Road, both classified as Urban Local Streets with on-street parking permitted. Expo Parkway and Stonebridge Road provide a connection to Grant Creek Road, which will allow access to either North Reserve Street, or Interstate 90. These are two of the largest transportation corridors in the Missoula Valley, providing efficient connections to downtown, the University of Montana, and Missoula International Airport via Interstate 90, along with connections to commercial services along North Reserve and West Broadway.

The impacts to vehicular surface transportation were analyzed in a traffic impact study prepared by Abelin Traffic Services. The traffic impact study analyzed Grant Creek Village's impacts to the existing transportation network, using historical traffic data from the Montana Department of Transportation, traffic observations made in October 2019 and March 2021, and the design of intersection improvements built by the Montana Department of Transportation at North Reserve

and Interstate 90. The traffic impact study found that, when considering the improvements to this intersection, Grant Creek Village will not create any new roadway capacity problems in the area.

Mountain Line’s Long-Range 2043 Network includes plans to serve North Reserve and Lower Grant Creek Road via the future Route 15A, which would operate in conjunction with Route 15 and 15B. Figure 2 shows a preliminary map of the route alignments. The map represents planning and transit modeling for the future routes, and the exact route alignments will be determined based on the population growth of the area through the 2020s. Future transit service to North Reserve and Lower Grant Creek is contingent on the creation of demand to satisfy the requirements of full public bus service. In the interim, the developer is working with Missoula Ravalli TMA (MRTMA) to create a van share and carpooling program to provide opportunities for the residents to have an alternative mode of transportation that is not reliant on single-occupant vehicle trips. The site plan will include designated parking spaces for ride share vans. The development agreement will include a requirement for the provision of a bus stop along Expo Parkway for use by future transit service and school buses. The project will include a network of sidewalks and trails through the development, providing interconnectivity between the site amenities, shown on Exhibit A.

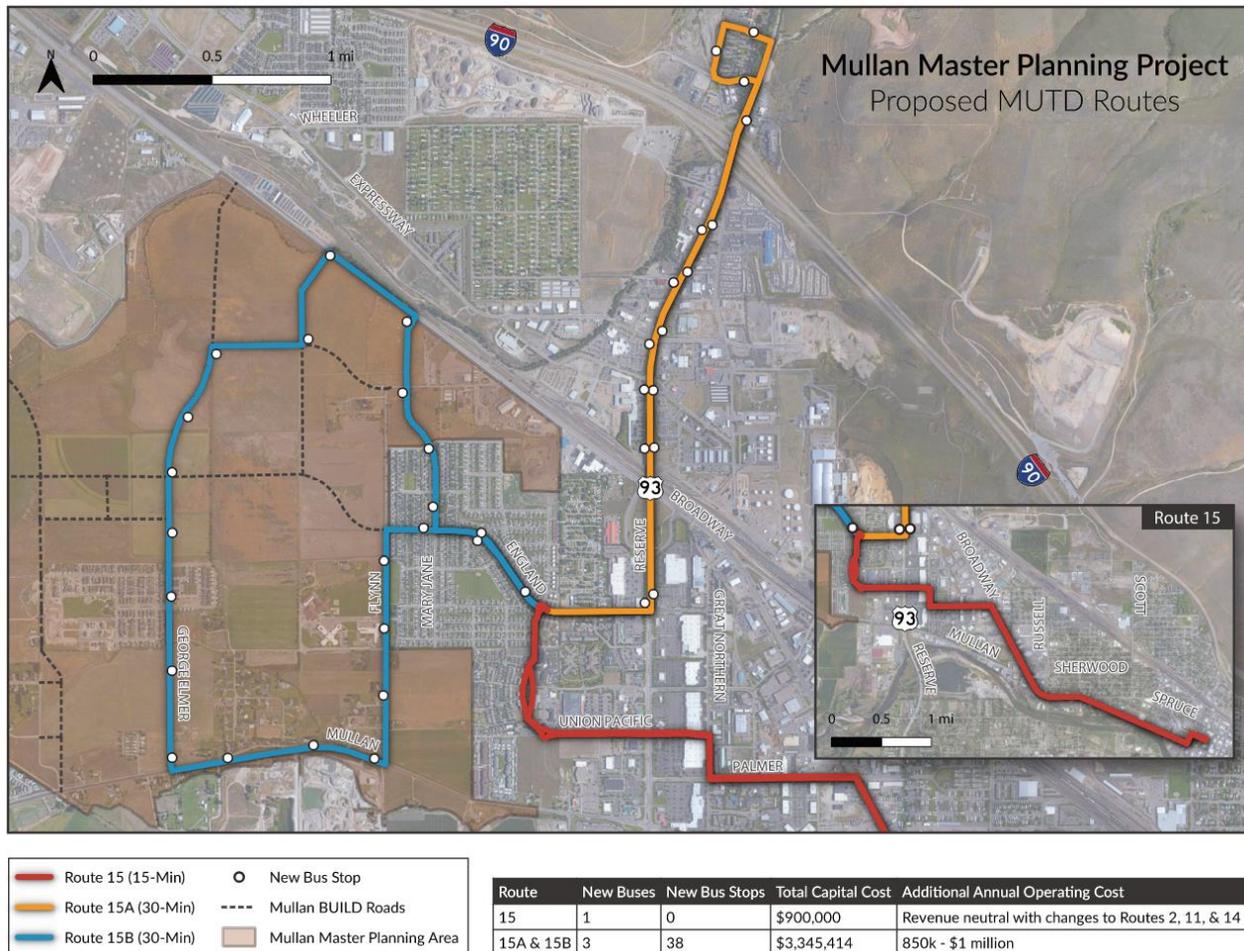


Figure 2. Missoula Urban Transportation District Future Route Map. Proposed transit routes to serve North Reserve.

In an effort to further reduce the demand for single-occupancy vehicle trips originating from the development, and to address the recent rise of work-from-home models in many occupations, the clubhouse building in the center of the development will include provisions for a potential co-working space for residents of the development.

Public Utilities: Water supply for domestic use, fire protection, and landscaping irrigation will be provided through connection to the City of Missoula’s public water distribution system. To address concerns of insufficient water pressures and flow rates along Expo Parkway and further north in Grant Creek, the applicant has purchased a booster pump and generator for the existing Grant Creek booster station to improve the water distribution system in the vicinity. Sanitary sewer connections to the City’s existing collection system will be provided from each building. The City of Missoula has verified sufficient capacity of the sewer collection mains serving the project.

The project utilizes several storm water best-management practices (BMPs) to protect the Grant Creek watershed. The Montana Department of Environmental Quality MS4 General Permit requires that all regulated projects implement these BMPs, designed to remove 80 percent of total suspended solids (TSS) from storm water runoff discharged to the watershed. The project will utilize hydrodynamic separation, settling basins, permeable concrete paver parking lot sections, and trash baffles to treat all storm water runoff generated from impervious buildings and surfaces prior to discharge into the Grant Creek watershed. Underground detention storage constructed on site, shown in Figure 3, provides flood control and water temperature control for the development.



Figure 3. Underground detention storage installed for stormwater management.

Schools: The parcel is located within the Hellgate Elementary and Middle School District, approximately 3.4 miles away from the campus, and the Big Sky High School District. Hellgate Elementary has recently undergone remodels and additions to the school campus in preparation

for an increase in population throughout its district. As of August 2020, school district enrollment stood at 1,530 students. The recent addition and remodel completed in 2019 increased the school district's capacity to 1,800 students: with a stretch capacity of 2,000 students prior to constructing new school facilities. Historically, Mullan Reserve and Brooklyn West, similar multi-family developments within the school district, have contributed approximately three students per eleven dwelling units. As proposed, the Development Agreement permits a maximum of 700 dwelling units, so the development could be expected to contribute approximately 191 additional students to the Hellgate School District. Even with the addition of these students, the Hellgate School District will retain additional capacity to accommodate future growth based on the improvements completed in 2019.

The preliminary site plan dedicates area for a licensed day care provider to operate a potential residential day care facility on-site. The daycare would provide approximately 400 square feet of leasable space for a licensed daycare provider to operate services. According to the National Resource Center for Health and Safety in Child Care and Early Education, 42-45 square feet per child is recommended for a day care facility. Should the daycare facility expand in the future, a conditional use permit would be sought to allow a facility with more than 12 children.

Parks and Open Space: Because the nearest City Park, Pleasant View Park, is approximately one mile away, the project intends to provide residents with numerous recreational opportunities on-site. The RM1-45 zoning requested in the development agreement will allow for increased green space at an equivalent density, when compared to the existing RM1-35 zoning, through the addition of a fourth floor. Grass activity areas for residents to use for dog walking and for children to play will be provided, as required under the Title 20 zoning regulations and development agreement. A large common area totaling over two acres, shown in Figure 4, will be constructed in the center of the development, with a pool, clubhouse, playground, grills, seating, and turfed open space for residents to enjoy. The large open hillside on the west side of the property will remain as undeveloped open space with approximately 0.7 miles of trails for residents to recreate on. A fenced dog park will provide space for pet owners to allow their dogs to run off-leash, without concern for them becoming loose through the rest of the neighborhood. The development agreement contains the provisions for the recreational spaces.



Figure 4. Proposed central common area with clubhouse and pool.

Furthermore, the development plans for the site include provisions for a potential community garden. Additional provisions will be made for a potential self-serve dog wash and bike tuning workshop for residents of the development to use. Should residents choose to recreate offsite, connections to offsite recreational opportunities include the Grant Creek Trail, which connects to bike lanes and sidewalks on Reserve Street to access the rest of the Missoula trail system. Sidewalks and bike lanes will create interconnectivity between Expo Parkway, Stonebridge Road, and the rest of the trail system. The Grant Creek Trail continues north into the Grant Creek valley, where the Ravine Trailhead provides access to the Rattlesnake National Recreation Area. Additionally, the North Reserve-Scott Street Master Plan identifies planned improvements to expand the Grant Creek Trail southward and to build trail connections linking the Grant Creek area to the Scott Street plan area and further east toward the City Center.

PROMOTION OF COMPATIBLE URBAN GROWTH

The requested rezoning will provide for compatible urban growth. The project will locate dense residential buildings in an area where they belong and have been planned for, as is evident in the past planning efforts and *Our Missoula 2035*. The project has access to existing utilities, services and a robust transportation network that can sustain it, with room for future growth and expansion of transit services. The rezone will allow an additional floor on the buildings, opening opportunity for additional on-site recreational amenities and reducing building sprawl. Altogether, the project considers compatibility with the neighborhood planning efforts, citywide planning efforts, and surrounding land uses to create a development with a reasonable urban form and density, which will not detract from the surrounding landscape. The development density of approximately 23 dwelling units per acre will blend with the surroundings, with building types providing a transition to adjacent neighborhoods.

PUBLIC HEALTH, SAFETY, AND WELFARE

The proposed development will promote public health, safety, and the general welfare by promoting infill residential development in an area with access to existing sewer, water, emergency services, and transportation. Emergency services including fire protection, EMS, and police patrol are available serving the development. Law enforcement personnel will address potential problems of noise, property damage, or personal injury with no unusual impacts anticipated. The development must comply with the construction and design provisions of the International Fire Code. The Missoula Fire Department has confirmed that there are no issues with fire access to the property. Developments with over 200 dwelling units are required to provide at least two points of access, and the proposal will provide at least three points of access. The emergency vehicle routes through the project will be constructed to City and NFPA standards and are subject to review during permitting of each phase of the project. Additionally, Fire Logistics, Incorporated of Hamilton, Montana prepared a Risk Analysis and Fire Protection and Emergency Plan for the development and surrounding neighborhood, attached to the rezone application. The City of Missoula Fire Department has addressed the evacuation plan as seen in the correspondence included as Exhibit C.

The value of adjacent land uses and buildings will be preserved. The single-family development to the north is over 60 feet higher in elevation; thus, the 45-foot tall buildings allowed under the development agreement will not impact light or views in the development to the north. The adjacent properties to the east benefit from large utility easements guaranteed to provide a buffer, as well as the expanded 30-foot side setback proposed in the development agreement. The area to the west is open grass hillside, and will remain as such, providing open space with trails and dog runs for residents of the development. There is no evidence to indicate the zone change and development would negatively impact the value of surrounding buildings. The request for RM1-45 zoning in lieu of the existing RM1-35 allows for the construction of four-story buildings, making it economical to install elevators in the buildings. Utilization of elevators in the buildings presents the opportunity to have accessible units on all four floors, a desirable alternative to the three-story buildings common in the Missoula area which restrict those units to the first floor only. The buildings will also feature an internal common corridor, creating a safer controlled access environment for the residents.

NEIGHBORHOOD CHARACTER

The property has historically been used as a large gravel pit with significant earth removal. The developable area is a flat pad remaining from historic excavation activities. The proposed development offers a vast improvement to the neighborhood compared to its present state as a barren site. Surrounding adjacent land uses are mixed, with commercial and freeway to the south, commercial and multi-family to the east, and single-family residential to the north. The single-family residential to the north will be well buffered through the development agreement's 120-foot setback, the 60-foot elevation difference between the homes and the developable area of the Grant Creek Village site, and the proposed low-density multi-family development shown in Figure 5.



Figure 5. Proposed low-density multi-family development as buffer between single-family and apartment buildings.

CHALLENGES OF CHANGING CONDITIONS

As early as 2015, when *Our Missoula 2035* was adopted by the City, it was projected an additional 9,000 residential units of all types would be needed to accommodate future growth. The 2019 Missoula Area Land Use Element predicted an influx of 30,000 new county residents in the next 20 years. The study projected a need for 21,000 to 45,000 new housing units throughout the county. By the summer of 2020, Missoula's rental vacancy rate stood at less than half a percentage point, and the median home sale prices had skyrocketed above \$400,000. Missoula faces an unprecedented shortage of housing of all types, and the proposed zoning amendment will help bring a large new stock to the market in a relatively short time horizon. As the rate of growth remains strong, and market demands continue to shift, it is imperative the City and the development community remain nimble and willing to shift policy and approach to meet the demands of a growing and changing community.

BEST INTERESTS OF THE CITY

Ultimately, the requested zoning of RM1-45 substantially complies with *Our Missoula 2035*, and this policy document is intended to reflect the desires, interests, and priorities of the community as a whole. Compliance with *Our Missoula 2035* is a strong indicator that development decisions are being made in support of the City's best interests. The proposed development agreement will offer assurances that the development will honor the 1980 Grant Creek Area Plan. Furthermore, the development agreement will create a series of neighborhood amenities within the development that will create a highly desirable, livable neighborhood, beyond the typical expectations of a large-scale housing development. Agency comments support the proposed

rezoning, including the Office of Housing and Community Development which notes the expected development aligns with many goals of the City's recently adopted housing policy, A Place to Call Home.

According to Our Missoula 2035, the City will need an additional 9,000 housing units to accommodate the expected growth. The Grant Creek Village project, as proposed, can provide 7.5% of the new stock on just 30.4 acres of already-disturbed, former gravel pit land. To provide this quantity of the needed housing with entirely single-family homes, or even townhomes, would result in the loss of over 100 acres of farmland, open space, or other vacant tracts. The proposed rezoning and project offer a way for the community to make more effective use of a property that will offer a substantial increase to Missoula's housing stock, in a desirable location, and in a manner that will honor the existing neighborhood and past community planning efforts.