CITY OF SHELBY

GROWTH POLICY

February 2012

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CHAPTER I *INTRODUCTION*

The Shelby Growth Policy Plan will provide a framework to better understand the current challenges for Shelby, as well as a guide for local government to implement solutions. Through the use of regulatory controls and prudent utilization of assistance programs, the ultimate purpose of this plan is to render to the citizens of Shelby, a better place to live, work and play in their community.

HISTORY

1890 The routing of the railroad connecting Lethbridge, Alberta with Great Falls, resulted in the establishment of the Town of Shelby. The Town became a distribution center for sheep and cattle ranchers within a 150 square mile area.

1896 The townsite was laid out and a large water reservoir was built, which eliminated the long trek to the Marias River for the daily water supply. Rapid growth resulted from the solution of Shelby's water problems.

1910 Shelby was incorporated.

1914 Toole County was established with Shelby as the county seat.

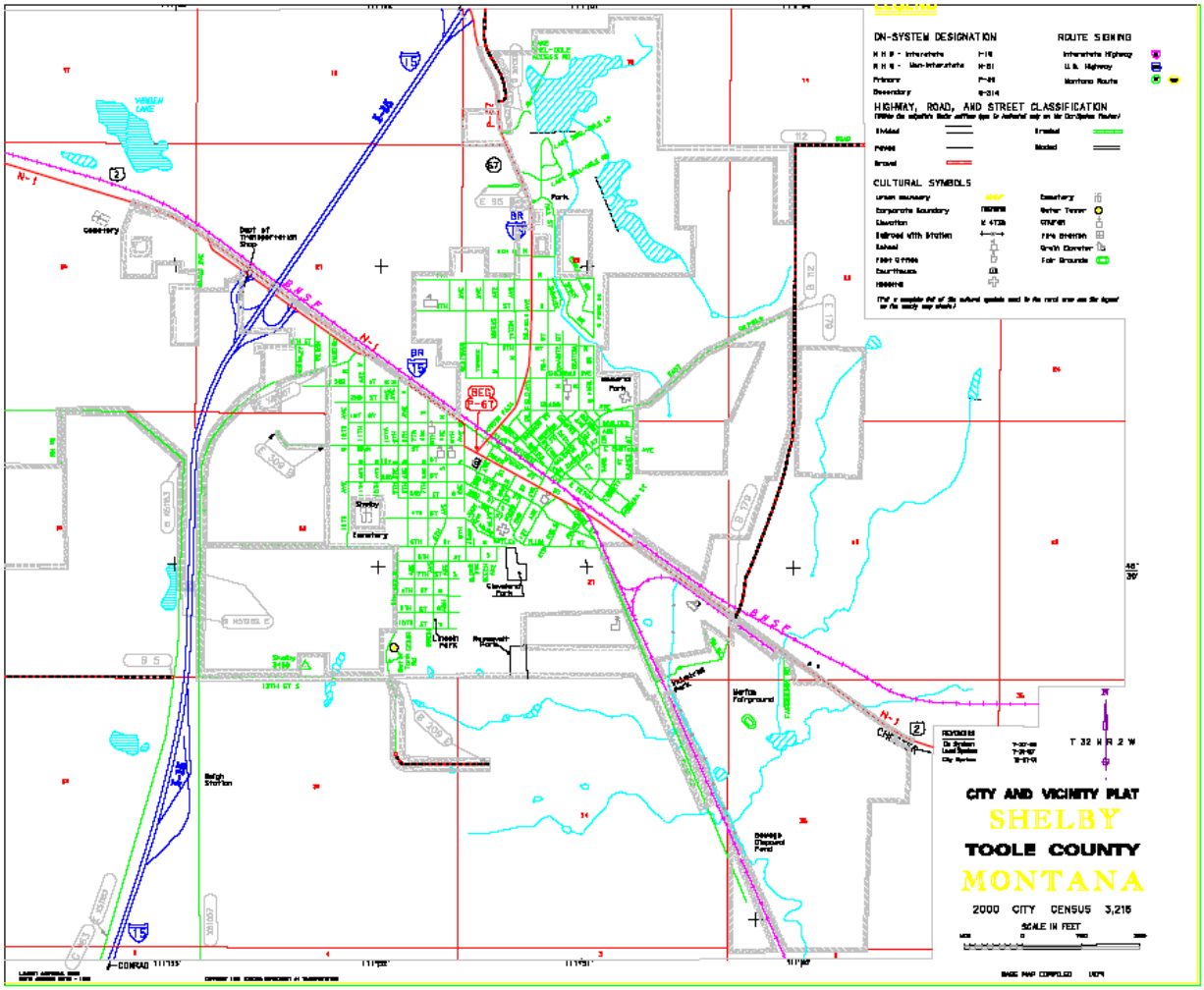
1943 Shelby becomes the "Gateway to Alaska" with the completion of the Alaskan Highway. This firmly establishes Shelby as an important transportation hub.

REGIONAL SETTING

Toole County, with an area of 1.3 million acres is located in the north-central part of Montana. To the north is the Canadian/United States border and the Canadian Province of Alberta; to the east is Liberty County; Pondera County is to the south and Glacier County is to the west. Shelby, the county seat, is located in the southwestern portion of the county and is the largest city.

Shelby lies at the junction of Interstate 15 and U.S. Highway 2. Interstate 15 extends from Southern California to the Canadian border and is a heavily traveled route serving the Intermountain States of Utah and Idaho as well as Montana and Canada. Highway 2 extends from Michigan to Everett, Washington, paralleling the mainline of the Burlington Northern Santa Fe Railroad's "Hi-Line" route and providing direct access to Glacier Park. This combination of highway junction and railroad line makes Shelby a major transportation center for the region.

The major industries in Toole County revolve around farming, ranching, transportation and oil production.



Shelby, Montana

GOALS & OBJECTIVES

1. Provide for orderly development of the planning area.
   Objectives
   - Update the city zoning ordinance
   - Guide future development to areas of greatest community benefit and least environmental impact.
   - Coordinate with Toole County to update subdivision regulations and provide for review of subdivision proposals

2. Promote new business opportunities and support improvements to existing business establishments.
   Objectives
   - Work to improve the economy by encouraging growth in agricultural support services and Port of Shelby related activities
   - Encourage expansion of recreation and cultural activities
   - Work to identify new industrial and commercial development

3. Maintain the rural values and lifestyle
   Objectives
   - Establish subdivision review procedures to prevent or mitigate the effects of incompatible land uses.
   - Promote improvements to community services and provide opportunities for increased public involvement and increase public awareness.

GOALS & POLICIES - LAND USE

ISSUE: Development in environmentally incompatible areas is costly to existing residents.

GOAL: Encourage development in areas with few environmental hazards in order to minimize social and infrastructure costs

Policy: New development should be encouraged in areas that are relatively free of environmental problems.

Policy: Prime farmland should be protected from urbanization and sprawl.

ISSUE: Much of the existing subdivided land in and around Shelby is currently vacant.

GOAL: Coordinate planning and service provision efforts with Toole County to direct development to existing developing areas.

Policy: Encourage landowners to develop or sell platted lots and blocks.

Policy: Provide incentives for landowners to develop the existing subdivided lands.

PUBLIC SAFETY

The City of Shelby recognizes the need to provide safe living and working surroundings for its citizens. Ensuring the provision of adequate safety services is directly linked to that end. In order to accommodate Shelby's safety service needs, the city must work to ensure that adequate fire, law enforcement and emergency management services are provided.

ISSUE: Local citizens desire adequate fire fighting, law enforcement and emergency response apparatus training and facilities.

GOAL: Ensure that emergency services are provided with adequate fire fighting and emergency response equipment.

Policy: Provide appreciation, support and assistance to ensure there are adequate volunteer personnel providing essential emergency services to the area.

ISSUE: Emergency medical services are critical to residents of Shelby and must be maintained at an adequate level for the area.

GOAL: Ensure that emergency medical services are available to the citizens of Shelby and the surrounding area.

Policy: Promote increased funding for equipment and training opportunities for personnel.

Policy: Assist local agencies in preparing emergency management plans.

Policy: Review all proposed developments for effects on emergency services.

Infrastructure

Water supply, sewage and solid waste disposal are essential for the operation of any city or town. While these services are usually taken for granted, without coordinated, conscientious planning for future growth these services may become inefficient and inadequate.

ISSUE: The city's infrastructure must adequately serve the needs of the changing population. Improvements to the service systems must meet the State of Montana and Federal standards and must be provided in a cost effective and affordable manner.

Water System

GOAL: Complete water line replacement projects.

Policy: Insure the City of Shelby water supply remains safe and of sufficient volume to serve the City and it’s anticipated growth.

Sewer System

GOAL: Create an effective land use pattern that permits the logical and efficient extension of city services.

Policy: Continue to maintain the system with preventative maintenance and a regular cleaning schedule.

Policy: Encourage cluster type development patterns that can make use of existing water and sewer services

Policy: Encourage the design and development of residential subdivisions adjacent to and within the existing city limits on municipal services.

Policy: Require that any development outside the existing city limits be connected to the public water and sewer systems.

TRANSPORTATION

In order to accommodate increasing traffic levels Shelby must continue to work to establish a cost effective, efficient road system that supports the desired land development patterns.

GOAL: Maintain and continue to improve the condition and service level of the existing street system.

Policy: Maintenance of the existing street system should remain a high priority. Items should be identified in the Shelby Capital Improvements Plan and evaluated and updated on a regular basis.

Policy: Coordinate with the Montana Department of Transportation to encourage solving the problem intersections in Shelby.

Policy: Any development should pay a proportional share of the cost of improvements to the existing street system necessitated to address the impacts of such developments.

Policy: Consider provisions for non-motorized and pedestrian features in the design of roadway and bridge projects.

GOAL: Identify and protect future road corridors to serve future developments and city streets.

Policy: Require and acquire when possible, rights-of-way in the planning and platting process.

Policy: Ensure that streets in new developments efficiently connect to the existing street network.

GOAL: Coordinate with the emergency service providers in order to provide adequate access for emergency vehicles.

Policy: Review proposed developments for accommodation of emergency vehicles with regard to such items as cul-de-sac lengths and maximum road grades.

HOUSING

The mayor, city council and planning board recognize that providing for adequate housing is essential for all Shelby residents. There is a continuing need for diversity in the price, type, density and location of housing.

The housing stock in both Shelby and Toole County are typically older construction over 30 years old. Older homes are more likely to have deferred maintenance and require modernization to upgrade to new appliances, energy efficiency features, and accommodations for an aging population.

ISSUE: Not all residents are able to afford market rate housing in Shelby.

GOAL: Work toward ensuring all residents of Shelby have an opportunity to obtain safe, sanitary, and affordable housing.

Policy: Work to maintain an adequate land supply for diversity of all housing opportunities.

Policy: Consider the location needs of various types of housing with regard to proximity of employment and access to transportation and services.

Policy: Promote dispersal of affordable housing throughout the city.

Policy: Initiate periodic analysis to determine immediate and long range affordable housing needs.

Policy: Study and consider innovative housing programs to reduce dependency on subsidized housing.

Policy: Encourage preservation, rehabilitation, and redevelopment of existing housing, with special attention to historic structures and historic areas.

Policy: Encourage compatible mixed-use development.

Policy: Secure Community Development Block Grant funds for housing rehabilitation.

Policy: Secure HOME funds for housing development.

Policy: Develop on-going housing program including clearance, demolition and infrastructure for housing.

ECONOMIC DEVELOPMENT

A healthy economy is essential to the vitality and quality of life in any city and provides jobs for local residents and the tax base for the community.

GOAL: Sustain and strengthen the economic well-being of Shelby's citizens.

Policy: Stimulate the retention and expansion of existing businesses, new businesses, value-added businesses, wholesale and retail businesses, and industries including agriculture, mining, manufacturing/processing and forest products.

Policy: Stabilize and diversify the county's tax base by encouraging the sustainable use of its natural resources.

Policy: Identify and pursue primary business development that compliments existing businesses that are compatible with communities, and utilizes available assets.

Policy: Identify and pursue targeted business development opportunities to include, but not limited to, manufacturing/heavy industry, telecommunications, and youth/social services.

Policy: Promote the development of cultural resources and tourism, such as the Dempsey/Gibbons heavyweight fight, in order to broaden Shelby's economic base.

Policy: Foster and stimulate well-planned entrepreneurship among the city's citizenry.

Policy: Promote a strong local business environment. Support and strengthen business support mechanisms such as chambers of commerce, development organizations and business roundtable organizations.

Policy: Improve local trade capture for Shelby businesses. Promote local shopping as well as well-planned businesses and new businesses.

Policy: Network with and support other economic development efforts in the region and statewide, in recognition of Shelby's interdependence with other communities and to leverage available local resources.

BUSINESS DISTRICT DEVELOPMENT

ISSUE: Commonly known as the Central Business District or CBD, this area of any community is where, in the past, that the community's primary business transpired. It continues, commonly to be where the majority of the professional offices are located and where much the traditional commerce takes place. However as the economy of rural Montana changes, CBDs have become much less viable. Often controlled by out of sate absentee landowners who care little about the city's economy it has become increasingly difficult for communities to revitalize their CBD's

GOAL: Create 200 new jobs in Shelby's business districts.

- Policy: Continue to encourage the utilization of the empty structures in the central and highway business districts.
- Policy: Continue to encourage the expansion of local business.
- Policy: Continue to address the infrastructure needs of the business districts.
- Policy: Develop a revolving loan fund for utilization by existing businesses seeking to expand and for new businesses seeking to locate in the community.

REGULATORY MEASURES

Provide a current zoning ordinance and zoning plan to accomplish the objectives of the Growth Policy.

Provide a subdivision regulation, which will insure adequate streets, compatible land uses, and adequate provisions for community facilities.

Adopt policies and procedures to provide both airspace protection and land use compatibility with Shelby Airport operations.

CHAPTER II *NATURAL RESOURCES*

A major element in Shelby's future is directly related to the area's abundant natural resources.

LAND

Land is the basic foundation for the economy in Shelby and Toole County. The 1,200,000 acres of rolling prairies surrounding Shelby are used for livestock grazing and for growing wheat, barley and mustard. Approximately 10,000 acres are irrigated.

Unlike many other counties in Montana, Toole County is primarily privately owned. Of the nearly 1.3 million acres in the County, over 1,000,000 acres are privately owned. Public ownership consists of slightly over 92,000 acres of State land, slightly over 82,000 acres are federally owned with approximately 1100 acres owned by cities and the County. Roughly 90% of the land in Toole County is devoted to agriculture.

Toole County varies in elevation from 2,850 feet above sea level at Tiber Reservoir in the south to over 7,000 feet at West Butte in the Sweet Grass Hills in the north.

VEGETATION

The types of natural or native ground cover provide important input when considering the types of plants for beautification or park development.

Most of the native vegetation is range plants. Predominate grasses include blue gama, needle and thread, western wheat grass, green needle grass and Sandberg blue grass. Shrubs include Gardner Saltbrush, silver sage and greasewood, all of which grow well in saline soils.

There are no native tree species, although Cottonwood trees can be found on the moist soils in the region.

MINERALS

Petroleum and natural gas are the two natural resources found in Toole County. The Toole-Glacier border field is one of the largest natural gas fields in Montana. The Kevin-Sunburst fields measures 500 square miles.

The number of producing wells has been declining for the past several years. However, horizontal drilling techniques, used successfully in other parts of the country, are currently being considered as a method of reactivating the older, unproductive oil fields.

CLIMATE

Shelby has a steppe or semi-arid climate with an average annual precipitation of only 10.86 inches, due mainly to the rain shadow effects from the mountains to the west. The area is fortunate in the fact that 75 percent of this moisture falls during spring and summer growing season. Temperatures can range from below -40F to 100F. However, the temperature extremes occur infrequently. Severe cold seldom lasts for more than two or three days because of warm winds from the southwest, called "Chinooks". Temperatures in the 90's may occur 10 to 15 days a year, while 100-degree temperatures are reached on less than one day in five years. The average January temperature is 16.9F, while July temperatures average 67.6F. Low humidity tempers the effects of these variations. Sunshine is abundant, with clear, blue skies predominating throughout the year.

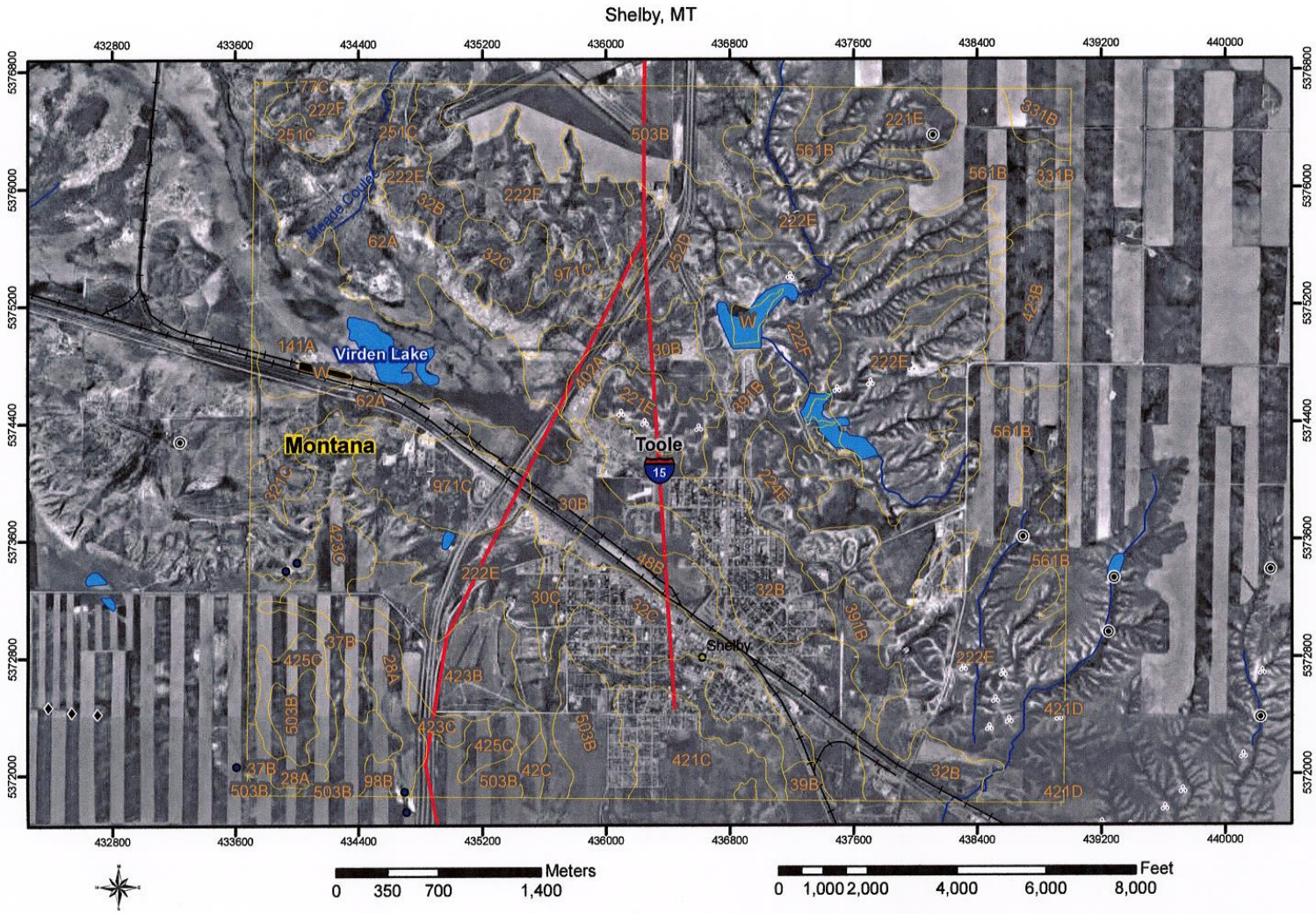
SOILS

There are four major soil types that can be found within the City's jurisdictional area. The following maps illustrate the limitations of these soils for building sites, septic tank absorption fields, street construction, drainage, and landscaping potential. A map of the jurisdictional area has been prepared showing the areas covered by the various soil types.

Construction in all soils in the Shelby Jurisdictional Area must consider two basic conditions- physical characteristics and chemical properties. Physical characteristics include frost heaving and freeze potential, shrinking and swelling of the soil when exposed to water, compaction of soil and building settling and drainage. Chemical properties consist mostly of electrolytic corrosion of ferrous metals and rapid deterioration of certain types of concrete. Problems can be compounded when high ground water is present, especially when a certain depth must be provided to overcome potential frost problems. Problems also exist in some areas for the construction of large structures, where compaction and settling of the solid is required for several years before actual construction may begin. This is evident at the Shelby High School for example. Generally, the areas requiring soil compaction are areas of high water tables.

Soils in this area are generally fertile, but the best farmlands are located farther from the city of Shelby. Water is an additional limiting factor in all agricultural endeavors in Toole County. Wind erosion has been widespread as well, with substantial amounts of topsoil being lost. This area is witness to good fertility and crop yields, but wise use and good soil conservation measures must be practiced.

SOIL SURVEY OF TOOLE COUNTY, MONTANA



USDA Natural Resources Conservation Service

Web Soil Survey 1.1
National Cooperative Soil Survey

5/18/2006
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Shelby, MT

MAP LEGEND

- Soil Map Units
- Cities
- Detailed Counties
- Detailed States
- Interstate Highways
- Rails
- Water
- Hydrography
- Oceans
- Escarpment, bedrock
- Escarpment, non-bedrock
- Gulley
- Levee
- Slope
- Blowout
- Borrow Pit
- Clay Spot
- Depression, closed
- Eroded Spot
- Gravel Pit
- Gravelly Spot
- Gulley
- Lava Flow
- Landfill
- Marsh or Swamp
- Miscellaneous Water
- Rock Outcrop
- Saline Spot
- Sandy Spot
- Slide or Slip
- Sinkhole
- Sodic Spot
- Spoil Area
- Stony Spot
- Very Stony Spot
- Perennial Water
- Wet Spot

MAP INFORMATION

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov

Coordinate System: UTM Zone 12

Soil Survey Area: Toole County, Montana
Spatial Version of Data: 1
Soil Map Compilation Scale: 1:24000

Map comprised of aerial images photographed on these dates:
7/20/1991

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend Summary

Toole County, Montana

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
28A	NISHON CLAY LOAM, 0 TO 1 PERCENT SLOPES	75.0	1.1
30B	MARVAN SILTY CLAY, 0 TO 4 PERCENT SLOPES	410.5	6.1
30C	MARVAN SILTY CLAY, 4 TO 8 PERCENT SLOPES	26.3	0.4
32B	KOBASE SILTY CLAY LOAM, 0 TO 4 PERCENT SLOPES	331.5	4.9
32C	KOBASE SILTY CLAY LOAM, 4 TO 8 PERCENT SLOPES	232.5	3.5
37B	EVANSTON CLAY LOAM, 0 TO 4 PERCENT SLOPES	50.8	0.8
39B	FERD LOAM, 0 TO 4 PERCENT SLOPES	15.8	0.2
42C	JOPLIN CLAY LOAM, 4 TO 8 PERCENT SLOPES	15.0	0.2
48B	VANDA SILTY CLAY, 0 TO 4 PERCENT SLOPES	76.7	1.1
62A	VAEDA SILTY CLAY LOAM, 0 TO 2 PERCENT SLOPES	405.9	6.0
77C	TINSLEY GRAVELLY SANDY LOAM, 2 TO 8 PERCENT SLOPES	0.4	0.0
98B	KREMLIN LOAM, 0 TO 4 PERCENT SLOPES	11.9	0.2
141A	MCKENZIE CLAY, SALINE, 0 TO 2 PERCENT SLOPES	376.0	5.6
221E	HILLON-KEVIN CLAY LOAMS, 15 TO 25 PERCENT SLOPES	257.5	3.8
222E	HILLON-NELDORE COMPLEX, 8 TO 25 PERCENT SLOPES	1,392.5	20.7
222F	HILLON-NELDORE COMPLEX, 25 TO 70 PERCENT SLOPES	483.3	7.2
224E	HILLON-JOPLIN LOAMS, 8 TO 25 PERCENT SLOPES	129.0	1.9
251C	BASCOVY CLAY LOAM, 2 TO 8 PERCENT SLOPES	71.4	1.1
252D	BASCOVY-NELDORE CLAYS, 8 TO 15 PERCENT SLOPES	116.5	1.7

Toole County, Montana

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
321C	KOBASE SILTY CLAY LOAM, CALCAREOUS, 4 TO 8 PERCENT SLOPES	36.6	0.5
331B	PHILLIPS-ELLOAM CLAY LOAMS, 0 TO 4 PERCENT SLOPES	47.4	0.7
391B	FERD-CREED-GERDRUM COMPLEX, 0 TO 4 PERCENT SLOPES	154.5	2.3
402A	GERDRUM-ABSHER COMPLEX, 0 TO 2 PERCENT SLOPES	29.9	0.4
421C	JOPLIN-HILLON CLAY LOAMS, 2 TO 8 PERCENT SLOPES	129.2	1.9
421D	JOPLIN-HILLON CLAY LOAMS, 8 TO 15 PERCENT SLOPES	0.2	0.0
423B	JOPLIN-HILLON CLAY LOAMS, 0 TO 3 PERCENT SLOPES	325.5	4.9
423C	HILLON-JOPLIN CLAY LOAMS, 3 TO 8 PERCENT SLOPES	105.5	1.6
425C	JOPLIN-TELSTAD CLAY LOAMS, 2 TO 8 PERCENT SLOPES	84.8	1.3
503B	TELSTAD-JOPLIN CLAY LOAMS, 0 TO 4 PERCENT SLOPES	581.3	8.7
561B	SCOBEY-KEVIN CLAY LOAMS, 0 TO 4 PERCENT SLOPES	523.7	7.8
971C	NELDORE-BASCOVY CLAYS, 2 TO 8 PERCENT SLOPES	195.9	2.9
W	WATER	18.7	0.3

Dwellings and Small Commercial Buildings

Toole County, Montana

[The information in this table indicates the dominant soil condition but does not eliminate the need for onsite investigation. The numbers in the value columns range from 0.01 to 1.00. The larger the value, the greater the potential limitation. The table shows only the top five limitations for any given soil. The soil may have additional limitations]

Map symbol and soil name	Pct. of map unit	Dwellings without basements		Dwellings with basements		Small commercial buildings	
		Rating class and limiting features	Value	Rating class and limiting features	Value	Rating class and limiting features	Value
28A:							
NISHON	95	Very limited		Very limited		Very limited	
		Ponding	1	Ponding	1	Ponding	1
		Depth to saturated zone	1	Depth to saturated zone	1	Depth to saturated zone	1
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
30B:							
MARVAN	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
30C:							
MARVAN	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
						Slope	0.5
32B:							
KOBASE	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
32C:							
KOBASE	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
						Slope	0.5
37B:							
EVANSTON	85	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
39B:							
FERD	85	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
42C:							
JOPLIN	85	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Slope	0.5
						Shrink-swell	0.5
48B:							
VANDA	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1

Dwellings and Small Commercial Buildings

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Dwellings without basements		Dwellings with basements		Small commercial buildings	
		Rating class and limiting features	Value	Rating class and limiting features	Value	Rating class and limiting features	Value
62A:							
VAEDA	90	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
77C:							
TINSLEY	85	Not limited		Not limited		Somewhat limited	
						Slope	0.13
98B:							
KREMLIN	85	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
141A:							
MCKENZIE	85	Very limited		Very limited		Very limited	
		Ponding	1	Ponding	1	Ponding	1
		Depth to saturated zone	1	Depth to saturated zone	1	Depth to saturated zone	1
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
221E:							
HILLON	55	Very limited		Very limited		Very limited	
		Slope	1	Slope	1	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
KEVIN	30	Very limited		Very limited		Very limited	
		Slope	1	Slope	1	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
222E:							
HILLON	50	Somewhat limited		Somewhat limited		Very limited	
		Slope	0.63	Slope	0.63	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
NELDORE	35	Very limited		Very limited		Very limited	
		Slope	1	Slope	1	Slope	1
		Depth to soft bedrock	1	Shrink-swell	1	Depth to soft bedrock	1
		Shrink-swell	1	Depth to soft bedrock	1	Shrink-swell	1
222F:							
HILLON	45	Very limited		Very limited		Very limited	
		Slope	1	Slope	1	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
NELDORE	40	Very limited		Very limited		Very limited	
		Slope	1	Slope	1	Slope	1
		Depth to soft bedrock	1	Shrink-swell	1	Depth to soft bedrock	1
		Shrink-swell	1	Depth to soft bedrock	1	Shrink-swell	1

Dwellings and Small Commercial Buildings

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Dwellings without basements		Dwellings with basements		Small commercial buildings	
		Rating class and limiting features	Value	Rating class and limiting features	Value	Rating class and limiting features	Value
224E:							
HILLON	50	Very limited		Very limited		Very limited	
		Slope	1	Slope	1	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
JOPLIN	35	Somewhat limited		Somewhat limited		Very limited	
		Slope	0.63	Slope	0.63	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
251C:							
BASCOVY	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
				Depth to soft bedrock	0.46	Slope	0.13
252D:							
BASCOVY	50	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Slope	1
		Slope	0.63	Slope	0.63	Shrink-swell	1
				Depth to soft bedrock	0.46		
NELDORE	35	Very limited		Very limited		Very limited	
		Depth to soft bedrock	1	Shrink-swell	1	Slope	1
		Shrink-swell	1	Depth to soft bedrock	1	Depth to soft bedrock	1
		Slope	0.63	Slope	0.63	Shrink-swell	1
321C:							
KOBASE	85	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
						Slope	0.5
331B:							
PHILLIPS	50	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
ELLOAM	35	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
391B:							
FERD	40	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
CREED	35	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
GERDRUM	20	Not limited		Not limited		Not limited	

Dwellings and Small Commercial Buildings

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Dwellings without basements		Dwellings with basements		Small commercial buildings	
		Rating class and limiting features	Value	Rating class and limiting features	Value	Rating class and limiting features	Value
402A:							
GERDRUM	55	Not limited		Not limited		Not limited	
ABSHER	30	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
421C:							
JOPLIN	55	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
						Slope	0.13
HILLON	40	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
						Slope	0.13
421D:							
JOPLIN	45	Somewhat limited		Somewhat limited		Very limited	
		Slope	0.63	Slope	0.63	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
HILLON	40	Somewhat limited		Somewhat limited		Very limited	
		Slope	0.63	Slope	0.63	Slope	1
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
423B:							
JOPLIN, CALCAREOUS	50	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
HILLON	35	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
423C:							
HILLON	50	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Slope	0.5
						Shrink-swell	0.5
JOPLIN, CALCAREOUS	35	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Slope	0.5
						Shrink-swell	0.5
425C:							
JOPLIN, CALCAREOUS	50	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
						Slope	0.13

Dwellings and Small Commercial Buildings

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Dwellings without basements		Dwellings with basements		Small commercial buildings	
		Rating class and limiting features	Value	Rating class and limiting features	Value	Rating class and limiting features	Value
425C:							
TELSTAD	35	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
						Slope	0.13
503B:							
TELSTAD	50	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
JOPLIN	40	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
561B:							
SCOBEY	50	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
KEVIN	40	Somewhat limited		Somewhat limited		Somewhat limited	
		Shrink-swell	0.5	Shrink-swell	0.5	Shrink-swell	0.5
971C:							
NELDORE	45	Very limited		Very limited		Very limited	
		Depth to soft bedrock	1	Shrink-swell	1	Depth to soft bedrock	1
		Shrink-swell	1	Depth to soft bedrock	1	Shrink-swell	1
						Slope	0.13
BASCOVY	40	Very limited		Very limited		Very limited	
		Shrink-swell	1	Shrink-swell	1	Shrink-swell	1
				Depth to soft bedrock	0.46	Slope	0.13
W:							
WATER	100	Not rated		Not rated		Not rated	

Dwellings and Small Commercial Buildings

Soil properties influence the development of building sites, including the selection of the site, the design of the structure, construction, performance after construction, and maintenance. This table shows the degree and kind of soil limitations that affect dwellings and small commercial buildings.

The ratings in the table are both verbal and numerical. Rating class terms indicate the extent to which the soils are limited by all of the soil features that affect building site development. "Not limited" indicates that the soil has features that are very favorable for the specified use. Good performance and very low maintenance can be expected. "Somewhat limited" indicates that the soil has features that are moderately favorable for the specified use. The limitations can be overcome or minimized by special planning, design, or installation. Fair performance and moderate maintenance can be expected. "Very limited" indicates that the soil has one or more features that are unfavorable for the specified use. The limitations generally cannot be overcome without major soil reclamation, special design, or expensive installation procedures. Poor performance and high maintenance can be expected.

Numerical ratings in the table indicate the severity of individual limitations. The ratings are shown as decimal fractions ranging from 0.01 to 1.00. They indicate gradations between the point at which a soil feature has the greatest negative impact on the use (1.00) and the point at which the soil feature is not a limitation (0.00).

"Dwellings" are single-family houses of three stories or less. For dwellings without basements, the foundation is assumed to consist of spread footings of reinforced concrete built on undisturbed soil at a depth of 2 feet or at the depth of maximum frost penetration, whichever is deeper. For dwellings with basements, the foundation is assumed to consist of spread footings of reinforced concrete built on undisturbed soil at a depth of about 7 feet. The ratings for dwellings are based on the soil properties that affect the capacity of the soil to support a load without movement and on the properties that affect excavation and construction costs. The properties that affect the load-supporting capacity include depth to a water table, ponding, flooding, subsidence, linear extensibility (shrink-swell potential), and compressibility. Compressibility is inferred from the Unified classification. The properties that affect the ease and amount of excavation include depth to a water table, ponding, flooding, slope, depth to bedrock or a cemented pan, hardness of bedrock or a cemented pan, and the amount and size of rock fragments.

"Small commercial buildings" are structures that are less than three stories high and do not have basements. The foundation is assumed to consist of spread footings of reinforced concrete built on undisturbed soil at a depth of 2 feet or at the depth of maximum frost penetration, whichever is deeper. The ratings are based on the soil properties that affect the capacity of the soil to support a load without movement and on the properties that affect excavation and construction costs. The properties that affect the load-supporting capacity include depth to a water table, ponding, flooding, subsidence, linear extensibility (shrink-swell potential), and compressibility (which is inferred from the Unified classification). The properties that affect the ease and amount of excavation include flooding, depth to a water table, ponding, slope, depth to bedrock or a cemented pan, hardness of bedrock or a cemented pan, and the amount and size of rock fragments.

Information in this table is intended for land use planning, for evaluating land use alternatives, and for planning site investigations prior to design and construction. The information, however, has limitations. For example, estimates and other data generally apply only to that part of the soil between the surface and a depth of 5 to 7 feet. Because of the map scale, small areas of different soils may be included within the mapped areas of a specific soil.

The information is not site specific and does not eliminate the need for onsite investigation of the soils or for testing and analysis by personnel experienced in the design and construction of engineering works.

Government ordinances and regulations that restrict certain land uses or impose specific design criteria were not considered in preparing the information in this table. Local ordinances and regulations should be considered in planning, in site selection, and in design.

Sewage Disposal

Toole County, Montana

[The information in this table indicates the dominant soil condition but does not eliminate the need for onsite investigation. The numbers in the value columns range from 0.01 to 1.00. The larger the value, the greater the potential limitation. The table shows only the top five limitations for any given soil. The soil may have additional limitations]

Map symbol and soil name	Pct. of map unit	Septic tank absorption fields		Sewage lagoons	
		Rating class and limiting features	Value	Rating class and limiting features	Value
28A:					
NISHON	95	Very limited		Very limited	
		Restricted permeability	1	Ponding	1
		Ponding	1	Depth to saturated zone	1
		Depth to saturated zone	1		
30B:					
MARVAN	85	Very limited		Not limited	
		Restricted permeability	1		
30C:					
MARVAN	85	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.92
32B:					
KOBASE	85	Very limited		Not limited	
		Restricted permeability	1		
32C:					
KOBASE	85	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.92
37B:					
EVANSTON	85	Somewhat limited		Somewhat limited	
		Restricted permeability	0.5	Seepage	0.5
39B:					
FERD	85	Very limited		Not limited	
		Restricted permeability	1		
42C:					
JOPLIN	85	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.92
				Seepage	0.5

Sewage Disposal

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Septic tank absorption fields		Sewage lagoons	
		Rating class and limiting features	Value	Rating class and limiting features	Value
48B:					
VANDA	85	Very limited		Not limited	
		Restricted permeability	1		
62A:					
VAEDA	90	Very limited		Not limited	
		Restricted permeability	1		
77C:					
TINSLEY	85	Very limited		Very limited	
		Filtering capacity	1	Seepage	1
				Slope	0.68
				Content of large stones	0.01
98B:					
KREMLIN	85	Somewhat limited		Somewhat limited	
		Restricted permeability	0.5	Seepage	0.5
141A:					
MCKENZIE	85	Very limited		Very limited	
		Restricted permeability	1	Ponding	1
		Ponding	1	Depth to saturated zone	1
		Depth to saturated zone	1		
221E:					
HILLON	55	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	1		
KEVIN	30	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	1		
222E:					
HILLON	50	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	0.63		

Sewage Disposal

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Septic tank absorption fields		Sewage lagoons	
		Rating class and limiting features	Value	Rating class and limiting features	Value
222E:					
NELDORE	35	Very limited		Very limited	
		Depth to bedrock	1	Depth to soft bedrock	1
		Slope	1	Slope	1
222F:					
HILLON	45	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	1		
NELDORE	40	Very limited		Very limited	
		Depth to bedrock	1	Depth to soft bedrock	1
		Slope	1	Slope	1
224E:					
HILLON	50	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	1		
JOPLIN	35	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	0.63	Seepage	0.5
251C:					
BASCOVY	85	Very limited		Very limited	
		Restricted permeability	1	Depth to soft bedrock	1
		Depth to bedrock	1	Slope	0.68
252D:					
BASCOVY	50	Very limited		Very limited	
		Restricted permeability	1	Depth to soft bedrock	1
		Depth to bedrock	1	Slope	1
		Slope	0.63		
NELDORE	35	Very limited		Very limited	
		Depth to bedrock	1	Depth to soft bedrock	1
		Slope	0.63	Slope	1
321C:					
KOBASE	85	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.92

Sewage Disposal

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Septic tank absorption fields		Sewage lagoons	
		Rating class and limiting features	Value	Rating class and limiting features	Value
331B:					
PHILLIPS	50	Very limited		Not limited	
		Restricted permeability	1		
ELLOAM	35	Very limited		Not limited	
		Restricted permeability	1		
391B:					
FERD	40	Very limited		Not limited	
		Restricted permeability	1		
CREED	35	Very limited		Not limited	
		Restricted permeability	1		
GERDRUM	20	Somewhat limited		Somewhat limited	
		Restricted permeability	0.5	Seepage	0.5
402A:					
GERDRUM	55	Very limited		Not limited	
		Restricted permeability	1		
ABSHER	30	Very limited		Not limited	
		Restricted permeability	1		
421C:					
JOPLIN	55	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.68
				Seepage	0.5
HILLON	40	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.68
421D:					
JOPLIN	45	Very limited		Very limited	
		Restricted permeability	1	Slope	1
				Seepage	0.5
		Slope	0.63		

Sewage Disposal

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Septic tank absorption fields		Sewage lagoons	
		Rating class and limiting features	Value	Rating class and limiting features	Value
421D:					
HILLON	40	Very limited		Very limited	
		Restricted permeability	1	Slope	1
		Slope	0.63		
423B:					
JOPLIN, CALCAREOUS	50	Very limited		Somewhat limited	
		Restricted permeability	1	Seepage	0.5
HILLON	35	Very limited		Not limited	
		Restricted permeability	1		
423C:					
HILLON	50	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.92
JOPLIN, CALCAREOUS	35	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.92
				Seepage	0.5
425C:					
JOPLIN, CALCAREOUS	50	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.68
				Seepage	0.5
TELSTAD	35	Very limited		Somewhat limited	
		Restricted permeability	1	Slope	0.68
503B:					
TELSTAD	50	Very limited		Not limited	
		Restricted permeability	1		
JOPLIN	40	Very limited		Somewhat limited	
		Restricted permeability	1	Seepage	0.5
561B:					
SCOBEY	50	Very limited		Not limited	
		Restricted permeability	1		

Sewage Disposal

Toole County, Montana

Map symbol and soil name	Pct. of map unit	Septic tank absorption fields		Sewage lagoons	
		Rating class and limiting features	Value	Rating class and limiting features	Value
561B:					
KEVIN	40	Very limited		Not limited	
		Restricted permeability	1		
971C:					
NELDORE	45	Very limited		Very limited	
		Depth to bedrock	1	Depth to soft bedrock	1
				Slope	0.68
BASCOVY	40	Very limited		Very limited	
		Restricted permeability	1	Depth to soft bedrock	1
		Depth to bedrock	1	Slope	0.68
W:					
WATER	100	Not rated		Not rated	

Sewage Disposal

This table shows the degree and kind of soil limitations that affect septic tank absorption fields and sewage lagoons. The ratings are both verbal and numerical. Rating class terms indicate the extent to which the soils are limited by all of the soil features that affect these uses. "Not limited" indicates that the soil has features that are very favorable for the specified use. Good performance and very low maintenance can be expected. "Somewhat limited" indicates that the soil has features that are moderately favorable for the specified use. The limitations can be overcome or minimized by special planning, design, or installation. Fair performance and moderate maintenance can be expected. "Very limited" indicates that the soil has one or more features that are unfavorable for the specified use. The limitations generally cannot be overcome without major soil reclamation, special design, or expensive installation procedures. Poor performance and high maintenance can be expected.

Numerical ratings in the table indicate the severity of individual limitations. The ratings are shown as decimal fractions ranging from 0.01 to 1.00. They indicate gradations between the point at which a soil feature has the greatest negative impact on the use (1.00) and the point at which the soil feature is not a limitation (0.00).

"Septic tank absorption fields" are areas in which effluent from a septic tank is distributed into the soil through subsurface tiles or perforated pipe. Only that part of the soil between depths of 24 and 72 inches or between a depth of 24 inches and a restrictive layer is evaluated. The ratings are based on the soil properties that affect absorption of the effluent, construction and maintenance of the system, and public health. Saturated hydraulic conductivity (Ksat), depth to a water table, ponding, depth to bedrock or a cemented pan, and flooding affect absorption of the effluent. Stones and boulders, ice, and bedrock or a cemented pan interfere with installation. Subsidence interferes with installation and maintenance. Excessive slope may cause lateral seepage and surfacing of the effluent in downslope areas.

Some soils are underlain by loose sand and gravel or fractured bedrock at a depth of less than 4 feet below the distribution lines. In these soils the absorption field may not adequately filter the effluent, particularly when the system is new. As a result, the ground water may become contaminated.

"Sewage lagoons" are shallow ponds constructed to hold sewage while aerobic bacteria decompose the solid and liquid wastes. Lagoons should have a nearly level floor surrounded by cut slopes or embankments of compacted soil. Nearly impervious soil material for the lagoon floor and sides is required to minimize seepage and contamination of ground water. Considered in the ratings are slope, saturated hydraulic conductivity (Ksat), depth to a water table, ponding, depth to bedrock or a cemented pan, flooding, large stones, and content of organic matter.

Saturated hydraulic conductivity (Ksat) is a critical property affecting the suitability for sewage lagoons. Most porous soils eventually become sealed when they are used as sites for sewage lagoons. Until sealing occurs, however, the hazard of pollution is severe. Soils that have a Ksat rate of more than 14 micrometers per second are too porous for the proper functioning of sewage lagoons. In these soils, seepage of the effluent can result in contamination of the ground water. Ground-water contamination is also a hazard if fractured bedrock is within a depth of 40 inches, if the water table is high enough to raise the level of sewage in the lagoon, or if floodwater overtops the lagoon.

A high content of organic matter is detrimental to proper functioning of the lagoon because it inhibits aerobic activity. Slope, bedrock, and cemented pans can cause construction problems, and large stones can hinder compaction of the lagoon floor. If the lagoon is to be uniformly deep throughout, the slope must be gentle enough and the soil material must be thick enough over bedrock or a cemented pan to make land smoothing practical.

Information in this table is intended for land use planning, for evaluating land use alternatives, and for planning site investigations prior to design and construction. The information, however, has limitations. For example, estimates and other data generally apply only to that part of the soil between the surface and a depth of 5 to 7 feet. Because of the map scale, small areas of different soils may be included within the mapped areas of a specific soil.

The information is not site specific and does not eliminate the need for onsite investigation of the soils or for testing and analysis by personnel experienced in the design and construction of engineering works.

Government ordinances and regulations that restrict certain land uses or impose specific design criteria were not considered in preparing the information in this table. Local ordinances and regulations should be considered in planning, in site selection, and in design.

CHAPTER III *POPULATION*

The most convenient measure of an area's economic strength and growth is through an analysis of its population trends. A population study is the basis upon which all future developments should be based. Forecasts and estimates of future population provide the necessary dimensions which permit the planning process to allocate areas and facilities in proper proportion and size.

Planning for the needs of future utilities, housing areas, highways and major streets, and number and types of schools is based upon population forecasts.

While it is widely recognized that analysis of past population trends don't necessarily predict the future, they are a convenient measure of an area's economic strength. Forecasts and population estimates are the basis for future developments and provide the necessary parameters to determine the proper proportion of areas, services and facilities.

A significant factor in the growth of Shelby and the surrounding area, is the construction of the Correctional Corporation of America, a Tennessee based company, construction of a 552-bed prison in Shelby. At present the anticipated impact would be the creation of approximately 170 primary jobs.

SUMMARY

The most pertinent facts relating to the planning area population are summarized below:

1. The city had lost population from 4,017 in 1960 to 2,763 in 1990. The population in 2000 rebounded to 3,216 people.
2. As a percentage of Toole County's population the city of Shelby continues to increase from 30 percent in 1960, growing to 56.5 percent in 1980, and increasing to 61.0 percent in 2000.
3. Toole County's birth rate continues to decline. Since 1960 the under 5 age bracket has gone from 1,089 to 367 in 1990, dropping again in 2000 to 153.
4. The number of school age children (5-14) is greater than in 1960 - and has been on the rise since 1970.
5. The high school age (15-19) has continued to decline, from 538 in 1960 to 321 in 1990 to 231 in 2000.
6. The 25 to 34 age group bottomed out in 1970 at 574 people. This is the most volatile age group with this population increasing by 222 from 1970 to 1980, but declining by 119 from 1980 to 1990. This age group showed a dramatic decrease in 2000 declining from 677 to 403 people.
7. The 35 to 44 age group dipped to 540 people in 1980 and had increased to 776 in 1990. In 2000 there were 546 people in this age group.
8. The number of persons per household has continued to decline.
9. A large increase in population has come in the group of people 65 and over. This age range group has increased from 617 in 1960 to 837 in 2000. In 1990 this age group made up 15.9 percent of the population of Toole County, second only to the 35 to 44 age group (16.9 percent).

TABLE 1: PERSONS PER HOUSEHOLD

	1950	1960	1970	1980	1990	2000
MONTANA	3.22	3.25	2.82	2.70	2.53	2.45*
TOOLE COUNTY	3.27	3.50	2.70	2.60	2.64	2.47*
SHELBY	NA	3.31	2.63	2.50	2.39	2.34*

*Average household size

ANALYSIS

There are several striking trends that become apparent when analyzing the Toole County population statistics. The first and foremost is the "graying" of the area's people, a trend that mirrors much of the United States and the rest of Montana. As the "baby boomers" age this will result in an even more dramatic effect on the area's population. Factors that influence the increase in the 65 and older population growth can be attributed to many factors. "Seniors" are not only living longer, they are leading more fulfilling and rewarding lives. Many of this area's seniors have returned to the area, coming home after finishing careers in other areas of Montana or the United States. Others have retired from farming. Others have chosen to retire in this, preferring the clean air and water to the congestion, smog and traffic. Many other people have simply lived their entire life in this area and never left.

Growth over this period has been slow but steady at an average rate of 3% per year, with the only population decline occurring for the state in the ten-year period between 1920 and 1930. Except for the 1950-1960 decade, when the rate of growth was 14 percent, population gains and resulting growth rate have been relatively small. Table 3, Population Change 1920-1990 and Table 4, Percent Population Change by Decade, 1920-1990, indicate population changes for the State, County and Shelby over the 70 year period, in terms of real numbers and percentages of increase or decrease.

Over the last 80 years, beginning in 1920, Toole County has grown by 1,573 residents. Even with Toole County's variations in population growth during this time, its share of the statewide population has remained remarkably constant, as shown in Table 4. During the 10 year period from 1980 to 1990, Toole County lost 513 people, this is in addition to a loss of 280 residents in the 1970-1990 period, but still much lower than the 2000 person decrease in population in the 1960 to 1970 time period. The county's population rebounded to 5,267 in 2000, due to the population increase in the city of Shelby.

Shelby, Toole County's major city, had a 1990 population of 2,763. This figure is 12% lower than the 1980 population of 3,142. As indicated in Table 3 the percentage change in population each decade had been considerably greater for Shelby than the changes occurring in the county as a whole. The present census figures (since 1960) show a drastic turn of events as the population change for Shelby closely parallels that of Toole County.

TABLE 2: POPULATION ESTIMATES (1971 Shelby Comprehensive Plan)

	TOOLE COUNTY		**SHELBY**	
YEAR	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
1950	NA	6,807	NA	3,058
1960	NA	7,904	NA	4,017
1970	NA	5,839	NA	3,111
1980	7,710	5,557	5,210	3,142
1990	8,230	5,046	5,920	2,763
2000	8,730	5,267	6,800	3,304

POPULATION 2000

The population of the State of Montana has increased by approximately 350,000 persons (39%) over the past eighty (80) years to its present level of 902,165 persons in 2000.

TABLE 3: POPULATION CHANGE, 1920-2000

YEAR	MONTANA	TOOLE COUNTY	SHELBY
1920	548,889	3,724	NA
1930	537,606	6,714	2,004
1940	559,456	6,769	2,538
1950	591,042	6,807	3,058
1960	647,767	7,904	4,017
1970	694,409	5,837	3,111
1980	786,690	5,559	3,142
1990	799,065	5,046	2,763
2000	902,195	5,267	3,304

TABLE 4: PERCENT POPULATION CHANGE BY DECADE 1920-2000

YEAR	MONTANA	TOOLE COUNTY	SHELBY
1920 – 1930	- 2.1	80.3	NA
1930 – 1940	4.1	0.8	26.6
1940 – 1950	5.6	0.6	20.5
1950 – 1960	9.6	16.1	31.4
1960 – 1970	7.2	-26.1	-22.6
1970 – 1980	13.3	-4.8	1.0
1980 – 1990	1.6	-9.2	-12.1
1990 – 2000	12.9	4.4	19.6

This convergence of population growth rates between the city and the county reflect a greater concentration of county population in Shelby. As shown in Table 5, Shelby's share of the county's population has risen from 30 to 61 percent in the 60 year period since 1930. This follows both the State and national trend which indicate a greater urbanization of population. Although this trend is not quite as pronounced as in other areas of Montana where growth is occurring in counties around Montana's larger cities. Toole County's population is definitely becoming more concentrated in Shelby.

TABLE 5: SHARE OF PARENT AREA POPULATION

YEAR	TOOLE COUNTY % OF MONTANA	SHELBY % OF TOOLE COUNTY
1920	0.70	NA
1930	1.20	29.9
1940	1.20	37.5
1950	1.20	44.5
1960	1.20	50.8
1970	0.80	53.8
1980	0.70	56.5
1990	0.63	54.7
2000	0.58	62.7

Shelby is the only "urban" area in Toole County according to the statistical classifications of the U.S. Census Bureau, which defines "urban" as incorporated areas with a population of 2,500 or more people. Toole County's other incorporated communities are considered "rural" by the Census. In 1950, 43.7% of Montana's total population was in the "urban" classification. By 1970 the urban population accounted for over 50% of the population of the State. The 1990 census shows Toole County's urban population at 55% of the total.

The population of the other incorporated communities in Toole County, Kevin and Sunburst, are shown in Table 6. Changes in population are also shown in this table. Both of these communities followed the same general pattern as Shelby, gaining slightly in population between 1950 and 1960, and then loosing population in the last three decades. Since 1970, the population in both Kevin and Sunburst has been below the 1950 level. Table 6 also points out the changes in relative importance of the incorporated and unincorporated population. The share of the county population living in the unincorporated areas of the county has decreased consistently since 1950. The rate of decrease between 1960 and 1970 in the unincorporated areas was slightly higher than the overall rate of decrease for Toole County and approximately the same as Shelby.

TABLE 6: POPULATION OF INCORPORATED PLACES 1950-2000

YEAR	1950	1960	1970	1980	1990	2000	Change 80 – 90	Change 1990 – 2000
Kevin	351	375	250	208	185	178	-11.1%	-3.78%
Sunburst	845	882	604	476	437	415	-8.0%	-5.03%
Shelby	3,058	4,017	3,111	3,142	2,763	3,304	-12.1%	19.6%

TABLE 7: TOTAL INCORPORATED AREA

YEAR	1950	1960	1970	1980	1990	2000	Change 80 – 90	Change 90 – 2000
Number	4,254	5,274	3,965	3,826	3,385	3,897	-11.5%	12.5%
Percent	61.9 %	66.7%	67.9%	68.8%	67.0%	73.99%		

TABLE 8: TOTAL UNINCORPORATED AREA

YEAR	1950	1960	1970	1980	1990	2000	Change 1980 – 90	Change 1990 – 2000
Number	2,613	2,630	1,872	1,733	1,661	1,370	-4.2%	-17.5%
Percent	38.0%	33.2%	32.0%	31.1%	32.9%	27.6%		

TABLE 9: TOTAL COUNTY POPULATION

YEAR	1950	1960	1970	1980	1990	2000	% Change
	6,867	7,904	5,837	5,559	5,046	5,267	-23.3%

The rural, or non-urban population, is categorized as "farm" or "non-farm" by the Census Bureau. The "farm" component of rural population has been declining for a number of years throughout the U.S. as well as in Montana. This decline of farm population is a reflection of the mechanization of agriculture, the cost of labor, and the decrease in the number (but increased size) of farms.

The "non-farm" category includes people living in incorporated areas under 2,500 persons as well as those living in the country. The "non-farm" portion of rural population in Montana continues to increase. In contrast to Montana and the rest of the country as a whole, Toole County shows a decrease in its "non-farm" rural population from 2,363 in 1950 to 1,837 in 1990. The majority of this decrease can be accounted for by analyzing the decline in population in Kevin and Sunburst.

TABLE 10: COMPOSITION OF RURAL POPULATION

	TOOLE COUNTY			
YEAR	TOTAL RURAL	RURAL NON-FARM	% NON-FARM STATE	% ALL RURAL TOOLE CO
1950	3,809	2,363	59.2	62.1
1960	3,887	2,286	71.6	56.8
1970	2,728			
1980	2,417	1,329*	NA	54.9
1990	2,283	1,837	NA	80.5
2000	2,241	1,736	90.6	42.5

*1970 Definition

The previous analysis emphasizes the importance of Shelby as the primary population center for Toole County. The increasing loss of population in the rural areas of the county and the increasing importance of urban areas in Montana are displayed in Table 11. This table shows the change in population by Census Divisions of the county between 1960 and 2000. All divisions in the county registered decreases in the last 20 years. The greatest losses were registered by Kevin and Sunburst. In light of the open space and suburban nature of the Shelby area, the continued improvement of highway facilities, and the availability of utilities within the community, continued concentration of Toole County's population within Shelby can be expected.

POPULATION CHARACTERISTICS

With a few exceptions, birth rates across the country have declined since 1960. Additionally, in most agriculturally oriented areas (those similar to Toole County) there has been a general out migration of people in the child bearing, child raising age group.

TABLE 11: POPULATION OF COUNTY CENSUS DIVISIONS 1960-2000

	1960	1970 (% Change)	1980 (% Change)	1990 (% Change)	2000 (% Change)
Toole County	7,904	5,839 (-26.1)	5,559 (-4.8)	5,046 (-9.2)	5,267 (4.4)
Shelby Division	4,017	3,111 (-22.5)	3,142 (1.0)	2,763 (-12.0)	3,216 (16.4)
Shelby City	4,017	3,111 (-22.5)	3,142 (1.0)	2,763 (-12.0)	3,304 (19.6)
South Toole				3,524 (-3.6)	3,874
Sunburst Division	2,775	1,904 (-31.3)	1,627 (-14.5)	1,522 (-6.4)	1,393 (-8.5)
Kevin Town	395	250 (-3. 6)	208 (-16.8)	185 (-11.0)	178 (-3.8)
Sunburst Town	882	604 (-31.5)	476 (-21.1)	437 (-8.1)	415 (-5.0)

TABLE 12: DISTRIBUTION OF MAJOR AGE GROUPS (MONTANA)

AGE	1960	%	1970	%	1980	%	1990	%	2000	%
<5	83,102	12.3	57,054	8.2	64,455	8.1	59,257	7.4	54,869	6.1
5-9*									61,963	6.9
5-14	144,090	21.3	150,876	21.7	122,777	15.6	128,276	16.5		
10-14*									62,298	7.7
15-19	50,767	7.5	70,346	10.2	74,622	9.4	56,813	7.1	71,310	7.9
20-24	39,578	5.9	51,522	7.4	74,018	9.4	47,769	6.0	58,379	6.4
25-34	80,611	12.0	79,879	11.5	132,925	16.9	123,070	15.4	103,279	11.5
35-44	85,975	12.8	74,998	10.8	88,419	12.2	126,756	15.8	141,941	15.8
45-54	73,274	10.8	77,837	11.2	73,677	9.3	82,306	10.3	135,088	14.9
55-64	51,950	7.7	63,161	9.1	71,238	9.1	68,321	8.5	85,811	9.4
65+	65,420	9.7	68,736	9.9	84,559	10.7	106,497	13.3	120,949	13.4

The number of persons less than five years old in 1990 decreased substantially in the State as well as Toole County (Table 12). In fact, there was almost half the number of preschool children (those under five) in Toole County in 1990 than there was in 1980. Table 13, which shows the actual changes between 1960 and 1990, notes the number of preschoolers in Toole County declined by 622.

TABLE 13: DISTRIBUTION OF MAJOR AGE GROUPS (TOOLE COUNTY)

(For purposes of illustration, 1980 has been included in both halves of table)

AGE	YEAR 1960	%	% MT	YEAR 1970	%	% MT	YEAR 1980	%	% MT
<5	1,089	13.8	12.3	424	7.3	8.2	521	9.3	8.1
5-9*									
5-14	1,832	23.2	21.3	371	23.5	21.7	825	14.8	15.6
10-14*									
15-19	538	6.8	7.5	558	9.5	10.2	512	9.2	9.4
20-24	414	5.2	5.9	285	4.9	7.4	453	8.1	9.4
25-34	974	12.3	12.0	574	9.8	11.5	856	15.4	16.9
35-44	1,091	13.8	12.8	654	11.2	10.8	540	9.7	12.2
45-54	807	10.2	10.8	800	13.7	11.2	576	10.3	9.3
55-64	542	6.9	7.7	584	10.0	9.1	620	11.1	9.1
65+	617	7.8	9.7	589	10.1	9.9	656	11.8	10.7
65-74*									
75-84*									
85+*									

Age	YEAR 1980	%	% MT	YEAR 1990	%	% MT	YEAR 2000	%	% MT
<5	521	9.3	8.1	367	7.2	7.4	282	5.4	6.1
5-9*							364	6.9	6.9
5-14	825	14.8	15.6	878	17.4	16.5			
10-14*							420	8.0	7.7
15-19	512	9.2	9.4	321	6.3	7.1	397	7.5	7.9
20-24	453	8.1	9.4	191	3.8	6.0	241	4.6	6.5
25-34	856	15.4	16.9	737	14.6	15.4	593	11.3	11.4
35-44	540	9.7	12.2	754	14.9	15.8	891	16.9	15.7
45-54	576	10.3	9.3	528	10.4	10.3	774	14.7	15.0
55-64	620	11.1	9.1	451	8.9	13.3			
65+	656	11.8	10.7	819	16.2	13.3			
65-74*							411	7.8	6.9
75-84*							321	6.1	4.8
85+*							105	2.0	1.7

* Indicates age groups beginning in the 2000 census

Elementary school population (those between the ages of five and fourteen years) increased in both the State and Toole County from 1980 to 1990. Both the State of Montana and Toole County experienced a "bottoming out" of this age group in 1980 and a slight rebound in 1990. Toole County saw the population of this age group decline from 1832 in 1960 to 878 in 1990.

The population of high school age people, those 15 to 19 years of age, decreased significantly between 1980 and 1990 in both Toole County and the State of Montana. In the State as a whole, the 1980 to 1990 decline was compared to an increase in this group from 1960 to 1980. Toole County saw an increase of 20 persons in this age group from 1960 to 1970, but witnessed a significant decrease from 558 to 321 from 1970 to 1990.

In 1970, in the State, there was a substantial gain in the number of persons of college and young working age over the 1960 level. The 20 to 24 year old age group increased by 11,944 over the 1960 figures. In the same time period, Toole County lost 129 persons in this age bracket, representing a 31% decrease. In both the State and Toole County, significant decreases were noted in this age group from 1980 to 1990. The large decrease in 20-24 year olds can be accounted for by the increase in the number of persons in that age group leaving both the state and the county in search of employment opportunities.

In the 25 to 34 age category, the state as a whole showed a decrease of 9,855 persons for 1990. As shown in Table 9, this age group also declined in Toole County in the 1980 to 1990 period. These figures indicate that while employment opportunities may have declined within the state in the last ten years, employment opportunities for this age group have also decreased in Toole County.

In the 35 to 44 age group, the State as a whole showed an increase in this age group from 88,419 to 117,356, reversing an earlier trend of significant losses in population in this age category. In fact, with the exception of a slight decrease in the 55 to 64 age category, both Montana and Toole County's population showed a significant increase in the over 35 in age population. Especially in the over 65 age group from 84,559 in 1980 to 106,497 in 1990 statewide and from 656 in 1980 to 819 in 1990 in Toole County.

For the State and particularly for Toole County, there is a general outmigration of persons in the age groups from 20 to 34. This outmigration is partially explained by lack of employment opportunities. It is also explained in part by the fact that this age group represents a very mobile group of people and represents both college graduated and technically trained individuals who very often must move to pursue employment opportunities. The rather substantial increase in the over 55 age group includes a number of persons who have already retired from one career, such as military or other government service, and who find it economically feasible to live in the rural community on their retirement pensions and in many cases to establish small business enterprises which supplement their retirement checks. The increase in the 35-44 age category is partially the result of awareness to the pressures of living in more densely populated areas, big city crime and the desire of people to return to the more natural environment of smaller, less densely populated areas.

Toole County showed a significant percentage increase in the number of persons in the retirement age group (percentage of people who are under 15 years of age and 65 and over). We see that the 65 years old and older had an increase in absolute numbers as well. A comparison of dependency ratio for 1980 and 1990 shows 35.9 and 37.7, respectively. The ratio for Toole County in 1970 was 40.8. The dependency ratio is a measure of the percentage of persons capable of self-support has decreased in the last two decades.

The relative importance of the various age groups and shifts that have occurred are evident in Tables 8 and 9, which give the percentage distribution of the population as well as absolute numbers for both the State of Montana and Toole County. Graphs 1 and 2 give a graphic description of population in Toole County in 1980 and 1990 showing both age and sex distribution. The distribution for Toole County in 1980 is very similar to that of Montana. The most noticeable shift in the state and Toole County between 1980 and 1990 was because of a much smaller percentage of young adults, those 20 to 24 years of age.

Montana continues to "age" as the "boomers" reach middle age and with birth rates once again declining. In 1960 the median age 27.6, in 1970 it dropped to 27.1, but in 1980 it increased to 29 and then to 33.8 in 1990. It is to be expected that if the present decline in birth rates continues, the median age will continue to rise.

In 1970 the Toole County median age rose well above the state's median age for the first time in twenty years. This trend has continued through 2000 increasing to 39.1 years. The continued rise is due to both the large outmigration of young people from Toole County and also to the decline in preschool children.

TABLE 14: MEDIAN AGE

YEAR	1960	1970	1980	1990	2000
Montana	27.6	27.1	29.0	33.8	37.5
Toole County	25.9	30.0	29.9	35.4	39.1

In response to the decreasing birth rate and the outmigration of persons in the 20 to 34 year old age groups, the average number of persons per household in Toole County dropped from 2.69 in 1980 to 2.46 in 1990 and is much lower than the State average of 2.70.

TABLE 15: PERSONS PER HOUSEHOLD

YEAR	1950	1960	1970	1980	1990	2000
Montana	3.22	3.25	3.20	2.70	2.53	
Toole County	3.27	3.50	3.12	2.69	2.46	
Shelby	NA	3.31	2.98	2.62	2.39	2.34

The decrease in population for Toole County resulted in a lowering of the overall population density of the county. The number of persons per square mile in Toole County in 1990 was 2.6 persons, compared to 4.1 persons in 1960. Overall population density for Toole County has been lower than that for the State since 1950, with the State even showing a slight increase in 1990.

TABLE 16: POPULATION DENSITY-PERSONS PER SQUARE MILE

Year	Montana	Toole County
1950	4.1	3.5
1960	4.6	4.1
1970	4.8	3.0
1980	5.4	2.9
1990	5.5	2.6
2000	6.2	2.8

CONCLUSION

The population of Shelby and Toole County has stabilized since the 1990 census. Other factors may play an important part in though, most significant being Shelby's important location relative to the North American Free Trade Agreement (NAFTA).

CHAPTER IV *ECONOMIC ELEMENT*

Toole County is Montana's 34th most populous county and Shelby is the state's 24th largest city. The Port of Sweetgrass, 35 miles north of Shelby is the major entry on the Alaska-Canadian Highway. It's the busiest port between eastern Washington and Central North Dakota. As Homeland Security continues to be a focal point, Federal employment for monitoring the border will remain strong. Overall, government employment is one-third of the total employment countywide. Correction Corporation of America continues to operate the Crossroads Correctional Facility, a 552-bed private prison. Currently employment at the correctional facility numbers 165 people. Oil and gas extraction and other mining activities also provide strong employment with about 11% of the total private wages. Fritz, a UPS business, helps boost the transportation and warehousing employment to make it one of the top private industry sectors. Agriculture is also important to the area's economy. Toole County is eighth in Montana for the largest number of oilseed and grain farms. The grains, oilseeds, dry beans, and dry peas category is the number two agricultural industry in Montana in terms of sales and revenues, according to the 2002 Census of Agriculture. The median income for Toole County households in 2002 was $29,338, compared to Montana's median income of $34,105 for the same year.

PER CAPITA PERSONAL INCOME

In 2004 Toole had a per capita personal income (PCPI) of $28,100. This PCPI ranked 15th in the state and was 102 percent of the state average, $27,657, and 85 percent of the national average, $33,050. The 2004 PCPI reflected an increase of 12.3 percent from 2003. The 2003-2004 state change was 5.7 percent and the national change was 5.0 percent. In 1994 the PCPI of Toole was $18,373 and ranked 12th in the state. The 1994-2004 average annual growth rate of PCPI was 4.3 percent. The average annual growth rate for the state was 4.5 percent and for the nation was 4.1 percent.

TOTAL PERSONAL INCOME

In 2004 Toole County had a total personal (TPI) income of $144,516,000. This TPI ranked 33rd in the state and accounted for 0.6 percent of the state total. In 1994 the TPI of Toole was $97,265,000 and ranked 31st in the state. The 2004 TPI reflected an increase of 10.7 percent from 2003. The 2003-2004 state change was 6.7 percent and the national change was 6.0 percent. The 1994-2004 average annual growth rate of TPI was 4.0 percent. The average annual growth rate for the state was 5.2 percent and for the nation was 5.2 percent.

COMPONENTS OF TOTAL PERSONAL INCOME

Total personal income includes income received by the residents of Toole County. In 2004 net earnings accounted for 63.9 percent of TPI (compared with 61.7 in 1994); dividends, interest, and rent were 21.8 percent (compared with 21.5 in 1994); and personal current transfer receipts were 14.3 percent (compared with 16.7 in 1994). From 2003 to 2004 net earnings increased 14.9 percent; dividends, interest, and rent increased 3.6 percent; and personal current transfer receipts increased 4.5 percent. From 1994 to 2004 net earnings increased on average 4.4 percent each year; dividends, interest, and rent increased on average 4.1 percent; and personal current transfer receipts increased on average 2.4 percent.

EARNINGS BY PLACE OF WORK

Total Personal Income of persons employed in Toole County increased from $97,882,000 in 2003 to $111,492,000 in 2004, an increase of 13.9 percent. The 2003-2004 state change was 7.4 percent and the national change was 6.3 percent. The average annual growth rate from the 1994 estimate of $72,917,000 to the 2004 estimate was 4.3 percent. The average annual growth rate for the state was 5.3 percent and for the nation was 5.5 percent.

Table 1. Toole County Farms and Ranches

Toole County Farms and Ranches	
Total Farms and Ranches	**405**
Oilseed & Grain Farming	200
Vegetable & Melon Farming	0
Fruit & Tree Nut Farming	0
Greenhouse, Nursery & Floriculture Production	0
Sugar Beets, Hay & All Other Crops	110
Beef Cattle Ranching & Farming	56
Cattle Feedlots	3
Dairy Cattle & Milk Production	0
Hog & Pig Farming	1
Poultry & Egg Production	3
Sheep & Goat Farming	6
Animal Aquaculture & Other Animal Production	26

Source: USDA, National Agricultural Statistics Service, 2002 Census of Agriculture.

Following is a table that outlines the in and out migration of employees in Toole County.

Table .2 Place of Residence compared to Place of Work

2000 Toole County Commuters by Location			
County of Residence	*# Who Work in Toole County*	*County of Work*	*# Who Live in Toole County*
Broadwater County	2	Out of State	41
Cascade County	41	Cascade County	15
Flathead County	30	Fallon County	6
Glacier County	117	Fergus County	4
Hill County	2	Flathead County	3
Jefferson County	2	Glacier County	56
Liberty County	21	Hill County	2
Missoula County	6	Lewis & Clark County	4
Phillips County	2	Liberty County	26
Pondera County	111	Mineral County	5
Sheridan County	4	Missoula County	7
Silver Bow County	7	Phillips County	5
Sweet Grass County	3	Pondera County	35
Teton County	8	Teton County	10
Toole County	2,016	Toole County	2,016
		Yellowstone County	4

Source: 2000 U.S. Census Bureau Data.

The following table outlines the various major occupational categories by gender according to the 2000 Census.

Table 3. Major Occupational Categories

Summary of Major Occupational Categories By Gender
2000 Census-Equal Employment Opportunity Data
Employed Persons 16 Years and Older - Toole County

Occupation	Total	Male	Female
Total	2,280	1,202	1,078
Management, professional, and related occupations:	692	408	284
Management, business, and financial operations occupations:	393	292	101
Management, except farmers and farm managers	135	77	58
Farmers and farm managers	196	176	20
Business and financial operations occupations:	62	39	23
Professional and related occupations:	299	116	183
Education, training, and library occupations	145	32	113
Healthcare practitioners and technical occupations:	83	24	59
Service occupations:	554	208	346
Protective service occupations:	125	75	50
Food preparation and serving related occupations	168	61	107
Building and grounds cleaning and maintenance occupations	109	54	55
Personal care and service occupations	67	5	62
Sales and office occupations:	541	142	399
Sales and related occupations	179	90	89
Office and administrative support occupations	362	52	310
Farming, fishing, and forestry occupations	71	57	14
Construction, extraction, and maintenance occupations:	206	206	0
Construction and extraction occupations:	106	106	0
Installation, maintenance, and repair occupations	100	100	0
Production, transportation, and material moving occupations:	216	181	35
Production occupations	60	45	15
Motor vehicle operators	98	83	13
Material moving workers	45	41	4

Source: U.S. Census Bureau, Equal Employment Opportunity File, www.census.gov/eeo 2001.

The largest sector of employment in Shelby and Toole County is government employment with 657 people. Local government accounts for the largest number at 504 followed by Federal employment. Retail trade is also a significant employment sector in the local economy followed closely by transportation and warehousing and the accommodation and food services sector. Efforts are underway to increase the transportation and warehousing, wholesale trade and other value-added industries.

Table 4. Employment by Industry

Toole County Employment By Industry*
Annual Averages 2003

Industry	# of Establishments	Average Annual Employment	Annual Wages Paid
TOTAL ALL INDUSTRIES	266	2,014	$50,205,848
TOTAL PRIVATE	224	1,357	$31,913,266
MINING	25	114	$3,413,936
Oil & Gas Extraction	19	68	$1,966,377
Support Activities for Mining	6	46	$1,447,559
UTILITIES	3	31	$1,375,314
CONSTRUCTION	16	47	$1,288,559
Specialty Trade Contractors	10	25	$723,181
MANUFACTURING	6	28	$717,815
WHOLESALE TRADE	19	111	$3,113,567
RETAIL TRADE	26	204	$3,630,585
Motor Vehicle & Parts Dealers	4	18	$427,917
Building Material & Garden Supply Stores	4	26	$397,716
Food & Beverage Stores	4	45	$823,531
Gasoline Stations	4	39	$532,628
Miscellaneous Store Retailers	3	21	$241,005
TRANSPORTATION & WAREHOUSING	18	178	$5,492,904
Support Activities for Transportation	10	112	$3,045,078
INFORMATION	5	42	$981,151
FINANCE & INSURANCE	8	60	$1,739,080
Credit Intermediation & Related Activity	4	44	$1,335,555
Insurance Carriers & Related Activities	4	16	$403,525
REAL ESTATE & RENTAL & LEASING	6	9	$271,184
PROFESSIONAL & TECHNICAL SERVICES	17	39	$846,758
PRIVATE HEALTH CARE & SOCIAL ASSISTANCE	19	81	$2,055,569
Ambulatory Health Care Services	13	57	$1,649,369
ARTS, ENTERTAINMENT, & RECREATION	6	78	$1,910,368
ACCOMMODATION & FOOD SERVICES	28	163	$1,485,553
Accommodation	3	28	$249,763
Food Services & Drinking Places	25	135	$1,235,790
OTHER SERVICES	15	27	$338,007
Repair & Maintenance	5	6	$127,434
Membership Associations & Organizations	8	18	$139,322
TOTAL GOVERNMENT	42	657	$18,292,582
Local Government	17	504	$10,922,433
State Government	11	37	$1,327,066
Federal Government	14	116	$6,043,083

Source: Montana Department of Labor & Industry, Research & Analysis Bureau. (Totals may not add due to nondisclosure of confidential industry data or to rounding.) *This data is based on the Quarterly Census of Employment and Wages (QCEW) series which compiles data reported by all employers covered under Montana unemployment insurance.

CHAPTER V *LAND USE*

To determine how Shelby should expand in the future and what efforts must be made to insure desirable and adequate spatial allocations for future land use requires that a detailed determination of existing land use be made.

LAND USE SURVEY

A land use survey was conducted in the spring of 2004 by an on-site inspection of each parcel within the study area.

The results of the survey have been plotted graphically on a map showing the entire planning area and on a more detailed map of the incorporated city.

Land uses were grouped into the following categories:

Residential: Single Family
Multi Family
Mobile Homes

Commercial

Industrial

Public: Parks
Public Facilities

Institutional: Cultural
Religious
Prison

Streets

Railroad Land

2006 LAND USE

Table V – 1 is a tabulation of existing land use areas within the Shelby city limits.

LAND USE CLASSIFICATION	ACRES	%
Residential	181.00	8.34
Commercial	53.83	2.48
Industrial	39.5	1.82
Public		
Parks	373.44*	17.21
Public Facilities	1044.22	48.13
Institutional	124.30	5.73
Streets	342.91	15.81
Railroad Land	10.40	.48
TOTAL	**2169.60**	**100**

* Does not include Williamson Park

The analysis shows that Shelby differs significantly from the typical city. The most substantial variation occurs in the amount of developed land devoted to streets. This large street acreage is the result of numerous short blocks, unnecessarily wide streets, the annexation of numerous rights-of-way and many irregular intersections. The large street area increases maintenance costs and decreases the amount of taxable property.

The percentage of land used by commercial enterprises is greater than that in a typical city. This indicates that land is relatively inexpensive in Shelby and is not fully utilized. Since the commercially zoned land is not being fully utilized, required utilities and public services must be extended over a broader area. Future commercial expansion should consider more efficient use of present land before additional areas are developed.

Industrial use in Shelby is slightly less than typical. Shelby has an advantageous transportation location, which is presently being utilized in promoting new marketing activities. Land devoted to railroad use is lower than that for the typical city only because of an irregular city boundary, which reduces the amount of track within the corporate limits.

The amount of park and public land is far greater than that found in a typical city. This is especially true in regard to public and semi-private land use. Detailed analysis of public lands is conducted in the community facilities section of this report.

The percentage of land devoted to residential land use is less than that in a typical city. This higher than average density of housing is the result of small lots in the older areas of the city. If the present trend, established in the last ten to fifteen years, of larger lot sizes for new developments is continued, the amount of land in residences should begin to approach a more normal residential density.

Development has taken place in and around Shelby west and east of town along U.S. Highway 2.

Residential

From the north city limits to Gallatin St, new residential growth is taking place on large lots. No houses in this area are in need of major repairs.

The area lying south of Gallatin St and extending to the Burlington-Northern Santa Fe Railroad tracks is generally an area of older houses. There are 15 mobile homes in this area. Fifty percent of the residential structures in this area are substandard.

From 7th Avenue West to the city limits is an area of middle-aged residences. Nearly one-third of Shelby's population is housed in this area. About five percent of the housing in this area is considered substandard.

The area known as Shelby Heights, which is bounded on the east by 5th Avenue, on the north by 5th Street South, and on the south and west by the city limits, has scattered residential development on small blocks resulting in a large amount of land being devoted to streets. Twenty-two percent of the dwelling units in this area are mobile homes and over thirty percent of the dwelling units are substandard.

O'Haire Heights, in the southeast sector of the city, is an area of newer homes in good condition.

An area of moderately old homes on small lots lies to the northeast of O'Haire Heights. This area is presently serving as a buffer zone between the commercial area and O'Haire Heights.

Residential development outside the city limits consists mostly of a few scattered farmsteads, rural homes, and mobile homes

Commercial

Commercial development in Shelby is concentrated along the major traffic ways. The Central Business District extends along Main Street from 2nd Avenue to 3rd Avenue. This is the core shopping area, which serves a large area as a convenient retail shopping center.

Areas of commercial development outside the Central Business District have occurred north of the Central Business District along Oilfield Avenue, where the commercial development is primarily oriented to tourist and commercial establishments. There is also a mixture of commercial services and retail establishments oriented toward the adjacent residential area. These commercial uses are basically convenience rather than primary retail.

Another commercial area lies along Teton Avenue just north of the Burlington-Northern Santa Fe Railroad tracks. This commercial area formed around the railroad when rail service was a major form of personal transportation. The decline in these establishments has been caused by a decline in rail service. There is a high rate of vacancy and structural deterioration in this area.

Strip development of highway-oriented commercial extends west of the city along U.S. Highway 2.

Industrial

Shelby has a relatively small amount of land in industrial use. This is reflected by the economy of the city, showing a lack of manufacturing and secondary industries. Industrial uses are generally located along the Burlington-Northern Santa Fe Railroad tracks east of the city.

Parks

Parkland in the city accounts for 17.21 percent of the developed land. The high percentage includes the fair grounds, which are maintained by Toole County.

Public Lands

The amount of land within the jurisdictional area under public ownership is 48.13 percent. The large percentage of public land includes the city's sewage lagoons and the city shop and landfill.

Streets & Alleys

Shelby's basic gridiron layout of small blocks in the south residential area and the canted street layout in the Central Business District, the aggressive annexation of rights-of-way, and the area north of the tracks has resulted in a larger than normal percentage of land being used for streets and alleys.

LAND USE ANALYSIS

The following observations can be made from the Land Use Inventory:

1. Residential development is presently concentrated in the northwest areas of the city.
2. Multi-Family uses are generally located on the fringes of the Central Business District and within two blocks east and west along Oilfield Avenue
3. Mobile homes are concentrated in the east and southwest areas of the city.
4. Commercial land uses are developed in strips along Main Street, Teton Avenue, Oilfield Avenue and U.S. Highway 2 west of the city. The major concentrations are as follows:
   a. Central Business District-on Main Street between Third Avenue and Second Avenue.
   b. Service Businesses-located in linear strips along Oilfield Avenue and U.S. Highway 2 west of the city.
   c. Along Teton Avenue north of the Burlington-Northern Santa Fe Railroad tracks.

   Other commercial uses are scattered within the jurisdictional area.
5. Industrial land use generally follows the Burlington-Northern Santa Fe Railroad tracks with the major concentration located between the tracks southeast of the Central Business District.

LAND USE FORECASTS

By combining the population and economic forecasts with the existing land use inventory, future land use consumption can be estimated.

Residential

The overall residential density of Shelby is generally at a desirable density. However, the small lot sizes in the older residential areas result in some crowding of single-family dwelling units. Further residential growth will be regulated by zoning and subdivision regulations, causing a decrease in such crowded conditions.

Areas of future residential expansion potential are as follows:

1. The area along the northeastern city limits, where there is over 25-acres of vacant land with existing available utility hookups.
2. The area surrounding the high school where new growth is presently taking place.
3. The area south in the sparsely developed areas to the south and west.

These three areas encompass 135.2 acres of vacant residential land.

Industrial

A sound industrial base should be developed to stabilize the local economic and physical growth.

The area along the Burlington-Northern Santa Fe Railroad that presently contains the majority of the existing industrial use has sufficient area to continue industrial expansion.

Parks, Public & Semi-Public Land Use

These uses are covered in detail in the community facilities section of this report.

Commercial

The present downtown area is a homogeneous line of commercial establishments. Shelby should strive to contain primary commercial growth within the present Central Business District by adding depth to the commercial development along Main Street. A separate Central Business District revitalization plan should be developed addressing the potential uses of the vacant Main Street buildings.

CHAPTER VI *UTILITIES*

EXISTING WATER SYSTEM

The City of Shelby water system is supplied from twelve wells, ten of which are supplied by pumps and are located in a shallow aquifer in the Williamson Park along the northern bank of the Marias River 5.1 miles south of the City. The production capacity of these pumps range from 90 gallons per minute (gpm) to 320 gpm and vary in depth from 30 to 50 feet. The twelve wells that are in use have a total maximum flow of 1,500 gallons per minute against a total dynamic head of 450 feet. This total head is a combination of the friction loss in the supply lines and the difference in elevation between the wells, the 500,000 gallon water tank located west of the city, the 1.5 million gallon water tank in the northwest part of the city and the 50,000 gallon tank at the airport and the one million-gallon reservoir located in the southwest part of the City.

The level of the water in the reservoirs is monitored and signals are transmitted from the reservoirs into the wells. The wells are thereby operated automatically to maintain the water within the reservoir at predetermined levels. These reservoirs are connected to the distribution system by 8 and 10-inch diameter feeder mains. The reservoir maintains pressure with a low level pressure district between 30 and 70 pounds per square inch (psi).

There is a 1.5 million-gallon reservoir located northeast of town, which is connected to the distribution system with a 14-inch diameter feeder main. There is also a 100,000 gallon elevated tank located north of the City which is connected to the low level pressure district by approximately 2,600 feet of six inch diameter feeder main. These three tanks are ideally located to provide flows into the distribution system from three different directions. The overflow of all three tanks is at the same elevation and is interconnected through the distribution piping.

The area in the southern portion of the City, with an elevation above 3,400 feet, has a separate high level pressure district that is served by a booster station which has two pumps. One is a 300 gpm constant speed pump which maintains the pressure by operating continuously and the other is an 800 gpm pump. This high level district has approximately 24 blocks with an estimated population of about 575. The maximum hour consumption has been estimated to be about 2 ½ times the maximum day rate of 630 gpm for that number of homes. Therefore, the operation of the booster pump is required during limited periods in the summer months when there have been high demands placed on the system. The reliability of the water supply and fire protection in this area is solely dependent upon the booster station being in operation. To place this system on a par with the balance of the City will require the construction of an elevated storage tank. For the storage to be adequate to meet the residential fire demands and the potential consumption of this area requires storage capacity of at least 250,000. An elevated storage tank in this area would also allow the extension of water into Shelby Heights and provide a method to loop the City's water to the west of Interstate 15. The City recently extended its water main to include the area west of Interstate 15.

The existing water distribution system has cast iron, asbestos cement, and PVC pipe. In the 1970's, 1980's and 1990's a water main replacement program effectively updated the piping in most of the distribution system.

Engineering evaluations of the Shelby water system indicate that a projected maximum daily water usage for the year 2000 would be 2.73 MGD. With 2.6 million gallons of total storage available, the City's distribution system is capable of providing a flow of 2.73 MGD for 23 hours. At the current rate of growth, it is anticipated this capacity is sufficient until the year 2000.

Records kept by the City of Shelby indicate that in 1990 there were 1,134 residential and 218 commercial customers. On June 30, 1992, there were 1,063 residential and 181 commercial customers. The number of people per household according to the 1990 census was 2.44. This is in comparison to June 30, 1971 when there were 946 residential and 266 commercial customers, with a household size of 3.29 and a 1961 figure of 809 residential and 292 commercial customers with a household size of 4.9.

LAND FILL

The existing land fill site encompasses approximately 70 acres and is owned by the City of Shelby. The site is located one mile northeast of the city adjacent to the Shelby City Shop complex.

The site is open between the hours of 7:30 a.m. to 3:00 p.m. Monday through Friday. The daily operation and maintenance of the site is handled by a city employed attendant. The City of Shelby provides a Caterpillar 953 track loader for maintaining the site. The site is fenced with a locked gate at the road and employs a gate attendant who monitors dumping.

EXISTING WASTEWATER TREATMENT & COLLECTION SYSTEM ANALYSIS

The existing wastewater treatment system is a facultative waste stabilization pond consisting of three cells with surface areas of approximately 13 acres, 18 acres, and 15 acres. The system was upgraded with new piping, transfer structures, discharge structure, and erosion control measures in 1984. Raw wastewater can be discharged to either Cell 1 or 2. Treated water from Cell 1 can also be by-passed around Cell 1 directly to Cell 3 when desired.

The existing system is currently operated as a controlled discharge facility. Water is only discharged when effluent quality is satisfactory. The pond levels are typically drawn down as far as possible in November. All discharge is then stopped, and the water is stored until the effluent quality is again satisfactory - usually in April or early May. The ponds are then drawn down as far as possible. Discharge is stopped and the flow is again stored until the late summer or fall. The facility operates very well within the requirements of the discharge permit.

To extend the life of the system, lagoon cell #1 is in need of dredging.

Design Loads

Existing influent flows are not metered. Instantaneous effluent flow rates are recorded but total effluent flow is not. As such there is no way to know the actual existing daily flow being discharged to the lagoon. Influent flow measurements that were taken in 1980 as part of the Wastewater Facility Plan dated January 1983 indicated average daily flows of about 330,000 gpm. The 1983 Facility Plan estimated flow contributions of 92 gpd/capita during dry weather and 111 gpd/capita during wet weather.

The projected population in Shelby in the year 2016 is estimated at 4,567. Based on per capita flow rates in the 1983 Facility Plan, the projected year 2016 daily domestic dry weather flow from the Shelby is projected to be 420,164 gpd while the wet weather flow is projected to be 506,937 gpd.

The total projected flow in the year 2016 is projected to be 436,414 gpd during dry weather, and 523,187 gpd during wet weather.

Industrial Flow. Flows from commercial establishments such as motels and restaurants are merged with the domestic flow projections and are not considered industrial.

Total Design Flow. The total dry weather design flow in the year 2016 is projected to be 1,236,414 gpd while the wet weather flow is projected to be 1,323,187 gpd.

BOD and TSS Loads

Domestic Loads. Shelby does not currently monitor the influent BOD or TSS concentration. The 1983 Facility Plan estimated a BOD load of 0. 17 pounds per capita per day (ppcd). Current Water Quality Division standards (WQB 2) require design be based on at least 0.20 ppcd of BOD and 0.22 ppcd of TSS unless information is provided to justify a different value. These minimum values are utilized herein since alternative justification is not available.

Based on the required estimated per capita contributions, the total domestic BOD design load is 945 ppd and the TSS load is 1040 ppd.

Industrial Load. No allowance is made for industrial discharge.

Total Design Loads. In the year 2016 the total design BOD load is projected to be 945 ppd and total design TSS load is projected to be 1040 ppd.

Recommendation

A review was accomplished to serve the area between Highway 2 and Front Street and between the sewage lagoon and the railroad track tying the BNSF East-West railroad with BNSF South railroad. This review included placing an interceptor sewer from Plum Street by NETA Industrial area to the connection with the proposed new industrial site.

Only an interceptor sewer was considered for the area between Highway 2 and Front Street.

Shelby Heights - New Development Area Collection System

Analysis was based on constructing a new collection system in the alleys of the undeveloped area in Shelby Heights. The design would be based on 8 and 10 inch PVC sanitary sewer pipe with manholes and service pipe stubouts. Modification of the Lift Station at Plum Street and 1st Street Southeast would be required.

EXISTING STORM DRAIN SYSTEM

The Storm Drainage Analysis was accomplished in the first part on the extension of the storm drain system on the Northerly side of U.S. Highway 2 and the BNSF Railroad. The major purpose would be to provide drainage along Highway and the low areas on both sides of the BNSF Railroad.

The second part of the Storm Drain Analysis was accomplished on providing storm water drainage for the existing development in Shelby Heights and the planned development area. This analysis is associated with the existing street improvements and the new street construction.

The affected part of the storm drain analysis was accomplished by providing storm drainage for North Shelby including providing west of the viaduct.

The fourth part of the storm drainage system includes providing storm drainage for south Shelby, including storm surge areas south of Main Street in the Johnson Park area.

CHAPTER VII *COMMUNITY FACILITIES*

For the purpose of this section, community facilities include those public and private facilities normally provided to satisfy the needs of people in a community. These facilities can be grouped into four categories:

1) Cultural
2) Governmental
3) Recreational
4) Educational

To provide Shelby with the types of public facilities that citizens of the community and surrounding area enjoy requires a commitment from public officials and large expenditures of public funds. The community has benefited from a commitment from past city administrations that understood the necessity of providing the funding required to provide the excellent public facilities that Shelby citizens enjoy.

CULTURAL FACILITIES

Shelby Civic Center

Built in 1949, in the northeast section of the City to house a Marine Corps unit, the building had served as the local National Guard Headquarters before the Montana National Guard gave the facility to the City of Shelby. The complex is used extensively by the public providing racquetball courts, weight rooms, basketball court, and is used for numerous aerobics and other recreational activities.

Churches

The City of Shelby and the surrounding area are served by six churches of various denominations. Churches are conveniently located throughout the community.

Library

A community's public library contributes greatly to the health and public pride of a community. The library disseminates information, provides community education and encourages the development of an informed citizenry, as well as providing entertainment. In Shelby, a dedicated library staff of three, guided by a librarian and Board of Directors, provide this valuable public facility. Toole County's library includes over 18,000 physical items and this number is constantly being added to and expanded as funds become available.

Museum

The colorful origins of Shelby and Toole County are a source of pride and interest for all the area's residents and visitors. The Marias Museum of History and Art fulfill these needs and contribute to the community by properly displaying artifacts and memorabilia and attracting both students and tourists. The museum was incorporated by the Shelby History Group in 1963 and became a county museum in 1971. In 1977, the acquisition of the Fulton Home located on the corner of 12th Avenue and 1st Street North enabled the museum to move, in 1979, from the Shelby Library, thus freeing up valuable space in that facility. The museum's room displays include a parlor, schoolroom, bedroom and doctor/dentist office. Other exhibits include Native American artifacts, dinosaur bones and fossils, clothing, and railroad and oil industry related items. The museum also includes a large collection of items from the 1923 Jack Dempsey-Tom Gibbons prizefight, including a model of the 40,000-person octagon arena.

GOVERNMENTAL FACILITIES

City Hall

The Shelby City Hall, a brick building located at 112 First Street South was remodeled in 1998. This remodeling revitalized an abandoned building that previously housed the old Toole County Hospital. The building houses the City Hall Office (Finance Officer, Mayor, and staff), Council Chambers, Community Development/Planning office, Port Authority (NETA) office and some storage.

Fire Station

The Shelby Volunteer Fire Department is located between Main Street and First Street South next to the Historic City Hall on Montana Avenue. The building was constructed in 1988 and currently houses three engines and two trucks. The fire alarm system is a central siren electrically operated from the sheriff's office. The City currently has a Class 5 ISO rating. The department's inventory includes a 1990 GMC Top Kick with a pumping capacity of 1000 Gallons Per Minute (GPM) and a tank capacity of 1000 gallons. It carries 600 feet of three-inch hose, 350 feet of 1 ½-inch hose, 300 feet of 1 ¾-inch hose and 250 feet of one-inch hose. Also housed there is a 1986 Superior with a pumping capacity of 1500 GPM and a tank capacity of 1000 gallons, a 1978 Ford F700 with a pumping capacity of 750 GPM and a 750 gallon tank and two GMC K350 trucks one with a 200 gallon tank and the other with a 500 gallon tank. The Department is comprised of 28 volunteers under the direction of a chief, assistant chief and fire marshal.

Presently no aerial fire equipment is available to reach buildings exceeding two stories in height or to provide elevated stream capacity required for industrial fire protection. Therefore, a 65-foot elevating platform fire truck is recommended which will provide these capabilities.

Toole County Public Safety Facility

Toole County operates a consolidated law enforcement program with the City of Shelby. The Toole County Safety Facility was constructed in 1977. The office of the Sheriff is located in this building. All emergencies, fire, police and ambulance, are dispatched from one central location. The facility has seven jail cells and one holding cell and a classroom. The facility also has its own electrical generation in case of power failure.

RECREATIONAL

Shelby Senior Citizen Center

The Shelby Senior Citizen Center is located at 739 Benton Avenue. The Center provides many services and activities to the senior population of the City, County and surrounding area. The center serves meals Monday through Friday, has a meals on wheels program, provides transportation service five days a week, has a health maintenance program, home-maker service and energy assistance. Activities include exercise classes, cards, bingo, potlucks, and dances.

Parks

Recreation area use is affected by population, leisure time, income, and ease of travel. This factor means that more people, with more money, more time and better transportation mean greater demands for recreational use areas. By establishing objectives and inventorying and evaluating present the current Growth Policy was evolved to meet this increasing demand.

One objective of a park system is preservation or development of natural resources for the benefit of the community. Another is a to provide adequate recreational facilities for the population. These two objectives can best be obtained by formulating policies to provide the best park system for the City.

The following park descriptions establish standards for Shelby parks:

> The playground is a small park, or a part of a neighborhood park, which is specifically for preschool and elementary school age children and has play equipment for just these ages, with the associated open space for other uses. A toddler area is sometimes included with benches for parents and is usually separate from the other areas.
>
> The neighborhood park is larger and serves the neighborhood and offers physical recreation for all ages. Facilities commonly include ball diamonds, paved court areas and other multiple use areas, open play areas, with rest rooms and drinking fountains. Playfields are often combined with neighborhood parks or community parks. These provide for outdoor basketball, tennis, football and baseball and softball diamonds.

Community parks often include barbecue areas, shelters for picnics, wading and swimming pools, picnic areas, flower gardens, concessions, drinking fountains, rest rooms, band shells, and ice skating rinks.

A district park is built around a natural or man-made resource and serves the entire urban area.

Table1. Planning Design Standards for Recreational Areas

Type of Area	Acres Per 1,000 Population	Site Size Ideal	in Acres Min	Radius of Area Served
Playgrounds	1.5	4	2	.05 miles
Neighborhood Parks	2.0	10	5	0.5 miles
Playfields	1.5	15	10	1.5 miles
Community Parks	3.5	100	40	2.0 miles
District Parks	2.0	200	100	3.0 miles

The above figures reflect a much more urbanized setting and use 10.5 acres per 1,000 population as a standard. A criteria of 12 acres per 1,000 population has been deemed more applicable to a less urbanized, rural oriented community. Shelby now has six developed parks with a total of 350.79 acres. Applying 12 acres per 1,000 population to the present population of 3,216, the present need is for 38.59 acres. Thus Shelby is fortunate in having adequate parks and parkland to serve its needs far into the future.

In addition, in November of 2001, the citizens of Shelby passed a mill levy to provide the city with approximately $40,000 in recreation funds each year. This money will be used to provide needed playground equipment and other recreational facilities for the foreseeable future.

District parks in the area include the Marias Valley Fair Grounds, Williamson Park and the Lake Shel-oole Recreational Area. The Lake Shel-oole Recreational Area encompasses 330 acres of land with 50 acres developed for boating, swimming, picnic areas, ball diamonds, camping and fishing. The Marias Valley Fairgrounds acts as a district recreation area that each year draws crowds from the surrounding area and southern Canada. Williamson Park, located approximately 8 miles south of Shelby serves as an over-night camping area and a picnic area.

TABLE 2. Recommended Park Development

Name	Area Acres	Proposed Use	Existing Use
Aronow	4.59	Continue as is	Neighborhood Park & Playground
Andy Anderson	.22	Continue as is	Neighborhood Park
City Hall	.86	Continue as is	Neighborhood Park
Cleveland	5.22	Neighborhood Park & Playground	Vacant
Johnson (pool)	8.80	Continue as is	Community Park
Johnson	15.38	Continue as is	Community Park
Lincoln	1.67	Continue as is	Community Park & Playground
Roosevelt	5.78	Neighborhood Park & Playground	Vacant
Roadrunner	.92	Neighborhood Park & Playground	Vacant
Lake Shel-oole	330	Continue as is	Community Park
Williamson Park	8.20	Continue as is	Community Park

Medical

Shelby is fortunate to have the newest, most modern health care facility on the hi-line. Constructed in 1981, the hospital has 20 acute care beds and a 43-bed nursing home. Amenities include private phones, cable television, and private bathrooms in each patient room. Two beds are devoted to intensive and coronary care. The facility offers all basic hospital heath care, laboratory, X-ray, respiratory therapy, physical therapy, general and special nursing care, labor, delivery and nursery care, intensive care unit, and both in-patient and out-patient services. The hospital provides the latest in high tech equipment such as ultrasound, computerized EEG and EKG, arterial blood gas analyzer and the latest in coronary care equipment. The Marias Medical Center is also one of the area's largest employers with over 100 employees.

EDUCATIONAL FACILITIES

Schools

The basic purpose of the school inventory is to determine how much impact and enrollment growth Shelby schools can absorb before expansion becomes necessary. Communities are outgrowing their schools by both enrollment increases and curriculum changes. The addition of such items as special education and computer sciences has greatly altered the size and type of class space required, which can result in a school to be "outgrown" even though actual enrollment has not increased. The rising cost of building and finishing schools is encouraging their use for activities, such as adult education and summer recreation and other summer education programs, outside normal school hours. Interactive television and other products of the "information superhighway" will continue to place demands on school facilities for alternative uses. New sites, when selected must account for changes is social lifestyles and must be chosen and sized to allow for parking, future expansion and located to accommodate future residential growth. The following table shows school enrollment from 1985 to 2006.

Table 3. Enrollment

Year	K-5	6-8	9-12	Total
2006	254	98	186	538
2005	297	105	189	591
2004	305	93	181	579
2003	331	101	200	632
2002	302	150	197	649
2001	293	169	224	686
2000	320	168	233	721
1999	299	168	237	704
1998	319	161	233	713
1997	323	198	214	735
1996	320	206	220	746
1995	326	203	239	768
1994	335	204	241	780
1993	363	175	238	776
1992	353	167	221	741
1991	351	174	196	721
1990	342	176	191	709
1989	360	163	189	712
1988	403	156	168	727
1987	361	144	194	699
1986	325	139	190	654
1985	324	143	212	679

In November 2001 the citizens of Shelby passed a school bond issue to replace the aging elementary schools with one elementary school that is located adjacent to the existing high school.

CHAPTER VIII *HOUSING*

The recently completed Community Needs Assessment for the City of Shelby indicates that the city has grown significantly since 1990, an unusual circumstance for an eastern Montana city. The rapid growth affecting western Montana has spilled over into some of the larger cities and towns in the cast, including Shelby, and people unable to locate in other areas because of housing shortages and costs are settling in Shelby.

The community has an aggressive economic development program that has been successful in attracting business and industrial development that created many local jobs. The Port of Northern Montana, supported by county tax levies and strongly endorsed by Shelby residents, has had a significant success in economic development efforts. The most frequent reason given by respondents to the recent survey for their moving to Shelby in the last five years has been employment.

Other factors affecting the population and housing supply in Shelby are the vastly improved medical facilities and senior services. Significant effort and funding have been expended on a new hospital and nursing home, subsidized senior housing and other opportunities for seniors. Of appeal to seniors is AMTRAK service with daily stops in Shelby. Senior citizens responding to the needs assessment survey cited small town friendliness and caring neighbors as an important reason why they located in or stay in Shelby. The Marias Heritage Center, an assisted living facility that accommodate approximately thirty-six senior citizens, has recently added four apartments bringing the total to forty apartments. This project, completed in November, 1998 involved the conversion of the old Toole County Hospital into the assisted care facility and a new city hall.

As a result of these factors and developments, occupancy rates and the purchase price of suitable dwelling units have escalated significantly. The information contained in the following study and plan illustrates the existing conditions in housing availability, affordability, and suitability, and the continuing efforts that should be made by city government.

The city of Shelby is actively pursuing an ongoing effort for developing and improving housing for residents of Shelby, incorporating funds from private and public sources to create partnerships that will produce the greatest benefit from limited funds.

SUMMARY

1. The data collected for the growth policy from several sources indicate that the population of Shelby is growing at a more rapid rate than the census estimates. An increase of at least 8 percent, and as much as 23 percent, is indicated.
2. The number of occupied housing units has increased by 10 percent over 1990. New housing units total sixty-six. Over 50 percent of the new units are mobile or modular homes.
3. New residents are workers and job seekers with fewer children, or are older households without children.
4. There are strong indications that the population numbers will be maintained and will likely increase, especially among the elderly. Aggressive economic development efforts will increase job availability.
5. Overall, the majority of Shelby's housing stock is in poor condition. Renters who cannot qualify for subsidized housing units have a difficult time finding housing in suitable condition, especially for families.
6. Based on rent rates revealed by the needs assessment survey, rents continue to be affordable in Shelby. Subsidized rentals are plentiful, with short waits for qualifying tenants. Non-subsidized rentals are inexpensive but in poor condition. Without further subsidies, current rents in Shelby would not support debt service for new construction.
7. At current rents, landlords cannot afford the rehabilitation needed on most affordable rentals. Lowered rents are necessary for landlords to compete for tenants with federally subsidized rentals.
8. Affordable homes available for purchase by lower income families are in poor condition and would need substantial rehabilitation to qualify for conventional financing.
9. Mobile homes continue to be an important source of affordable housing for lower income families.
10. The greatest housing need in Shelby is rehabilitation of existing housing, especially rentals.

CONCLUSIONS

1. The Postal Service shows an increase of 134 occupied housing units since 1990. The City hookups show an increase of 128 units. The landlords, property owners, and building permits show an estimated occupancy increase of 238 units. The survey multiplier of 2.7 persons per household would show population increases of 661, 598, and 644 respectively for each source, or 24 percent, 22 percent, and 23 percent. Using the census multiplier of 2.4 reduces the increase to 10 percent, 8 percent, and 9.9 percent respectively. According to the 2000 Census Shelby grew by a total of 453 people for a growth rate of 16.4 percent.
2. City Building Permits show a net increase of 66 dwelling units since 1990. Thirty-six are mobile or modular homes and forty-six units have been demolished, assumed to be those classified as "other vacant" in the census count units that are considered uninhabitable. Many of the new units occupy lots where demolition occurred.
3. Nearly 50 percent of respondents to the survey said they moved to Shelby because of employment opportunities.
4. The Marias Heritage Center personal care facility, the Port of Entry at Sweetgrass, the regional prison, and other economic development projects by the Port of Shelby will continue to create and maintain a secure job base. School population has declined by six percent since 1992-93. Crossroads Manor, a 68-unit complex for senior citizens, reports a near 0 percent vacancy rate.

5 . The results of the Community Needs Assessment Survey and door to door windshield surveys reveal that more than 60 percent of Shelby housing units are in substandard condition. At least 4.1 percent need substantial rehabilitation.

6. Survey information shows a substantial increase in the percentage and numbers of total renters who pay $300 per month or less for their rental unit. Many of these renters complain about the poor condition of their units. There are nearly 150 units of low income rent subsidized housing in Shelby, including senior housing. It is assumed that the subsidized units are keeping rents low, and consequently the non-subsidized units are not generating enough income for rehabilitation and upkeep.

7. Eighty-one percent (81 percent) of the rent rates charged in Shelby are less than $300. The balance is less than $500. These rent rates would not provide debt service for new construction, without rent subsidies, grants and contributions of more than 90 percent of the cost.

8. Realtor information shows housing units selling for very low prices, approximately the value of the lots. These are reported to be purchased for demolition and removal to make room for new units. This creates confusing and artificially low statistics for average values of sold units. Appraiser generated values show suitable housing units escalating in price double to triple the average value shown in 1990.

9. Fifty two percent of all new units in Shelby since 1990 are mobile or modular homes.

ASSESSMENT OF HOUSING STOCK, HOUSING PROFILE

The information on housing in Shelby was obtained from several sources. The 1990 census supplied basic population, income and housing data. A community needs assessment was completed in 1997, from the results of a community-wide citizen survey, interviews with city personnel, business people, and city building permit records. That information has been supplemented by the Growth Policy update, information provided by appraisers, realtors, utility companies, the schools, postal service and city records.

A. NUMBER OF HOUSING UNITS

Census Housing Numbers:

The 1990 census showed that Shelby had a total of 1,302 housing units, of which 168 were vacant, for a 12.9 percent vacancy rate. The 2000 census shows that Shelby had an increase of 47 units over 1990 or 1,349 housing units. Of the 1990 housing units nine of the vacant units were held for seasonal or recreational use and 62 were classified as "other vacant", which includes camping trailers and units without complete kitchen or bathroom facilities. Subtracting these units from the total number of housing units indicates that in 1990 there were 1,231 units available for year round occupancy. Of these, 415 were reported as rental units.

Of the 1,231 units, 55 were vacant for rent, 23 vacant for sale only, and 19 sold or rented but not occupied, bringing the total number of occupied housing units in 1990 to 1,134.

In the 2000 census there were 153 vacant units for a vacancy rate of 11.3 percent. Ten of the vacant units were held for seasonal, recreational or occasional uses and 38 were of the “other vacant” category, leaving 1,301 units available for year-round occupancy. By the 2000 census the number of rental units had declined to 380 units with 55 reportedly being “for rent.” Forty-five units were “for sale only’ and eight were “rented or sold and not occupied.” There were 1,196 occupied housing units in 2000.

Table 1. Census Housing Numbers in 1990

	HOUSING UNITS	PERCENT
TOTAL	1302	100.0
OCCUPIED	1134	87.1
Owner Occupied	774	59.5
Renter Occupied	360	27.6
VACANT	168	12.9
For Rent	55	4.2
For Sale Only	23	1.8
Rented or Sold, Not Occupied	19	1.5
For Seasonal, Recreational, or Occasional Use	9	.07
For Migrant Workers	0	0
Other Vacant	62	4.8

Table 2. Census Housing Numbers in 2000

	HOUSING UNITS	PERCENT
TOTAL	13492	100.0
OCCUPIED	1196	88.7
Owner Occupied	8164	60.5
Renter Occupied	380	28.2
VACANT	153	11.1
For Rent	52	3.9
For Sale Only	45	3.3
Rented or Sold, Not Occupied	8	0.6
For Seasonal, Recreational, or Occasional Sale	10	0.7
For Migrant Workers	0	0
Other Vacant	38	2.8

2. Housing Types:
   Most of the housing units in Shelby (64.2 percent) in 1990 are family homes. Fifty-seven single-family homes were vacant. Mobile homes made up 15 percent (195) of the total housing units, of which 67 were vacant. Apartments in structures of five to fifty units comprised 13.6 percent of the total housing units, with 21 vacant. The remaining units were duplex, triplex, and four-plex, with 23 vacant. These numbers INCLUDE the "other vacant," presumably not habitable or not year around units.

Table 3. Housing Types (Units In Structure), 1990

H20/21/22. UNITS IN STRUCTURE BY TENURE (UNIVERSE: HOUSING UNITS)

	TOTAL		VACANT	
	NUMBER	**PERCENT**	**NUMBER**	**PERCENT**
TOTAL	1302	100.0	168	12.9
1, DETACHED	821	63.1	52	4.0
1, ATTACHED	14	1.1	5	0.4
2	44	3.4	14	1.1
3 OR 4	26	2.0	9	0.7
5 TO 9	91	7.0	8	0.6
10 TO 19	41	3.1	13	1.0
20 TO 49	46	3.5	0	0.0
50 OR MORE	0	0.0	0	0.0
MOBILE HOME	195	15.0	67	5.1
OTHER	24	1.8	0	0.0

3. Changes in Housing Numbers Since 1990:

The city building permits records issued since 1990 show that through July 1997, permits for the construction or placement of 66 residential units were issued. Twelve were multifamily units built under one permit, 18 were new stick built, and 36 were modular or mobile homes. Eight mobile homes were replaced (these are not included in calculations of total units.) Demolition permits were issued for 46 residential units. These are assumed to be among those counted as 'other vacant' in the census numbers, and therefore not habitable, and not included in our calculations of current units. The city building permit records indicate that Shelby has had a net gain of 66 housing units as of July 1997.

Table 3. 1997 Housing Numbers

Total 1990 Year round Units Available for Occupancy	1,231
Units Constructed or Placed Since 1990	66
Estimated 1997 Units Available for Year-around Occupancy	1,297

B. HOUSING CONDITION (SUITABILITY):

1. Age of Housing:

Of the housing stock in Shelby, 26.6 percent was built before 1940. The number of housing units increased in fairly even increments, except for a surge from 1970 to 1979 that produced 21 percent of all the housing units in Shelby. Only 7.2 percent of Shelby's housing units were built after 1980. Not designated in these numbers were the 195 mobile homes that were included in the total, but these are assumed to be included in the numbers of units built after 1970.

Table 4. Age of Housing, 1990

H25/26/27. YEAR STRUCTURE BUILT BY TENURE (UNIVERSE: HOUSING UNITS)

	TOTAL		VACANT	
	NUMBER	**PERCENT**	**NUMBER**	**PERCENT**
TOTAL	1302	100.0	168	12.9
1989 TO MARCH 1990	0	0.0	0	0.0
1985 TO 1988	14	1.1	14	1.1
1980 TO 1984	79	6.1	3	0.2
1970 TO 1979	282	21.7	8	0.6
1960 TO 1969	154	11.8	38	2.9
1950 TO 1959	279	21.4	48	3.7
1940 TO 1949	148	11.4	10	0.8
BEFORE 1940	346	26.6	47	3.6
MEDIAN YEAR BUILT	1956			

OCCUPIED UNITS

	TOTAL		OWNER		RENTER	
	NUMBER	**PCT**	**NUMBER**	**PCT**	**NUMBER**	**PCT**
TOTAL	1134	78.1	774	59.4	360	27.6
1989 TO 3/1990	0	0.0	0	0.0	0	0.0
1985 TO 1988	0	0.0	0	0.0	0	0.0
1980 TO 1984	76	5.8	36	2.8	40	3.1
1970 TO 1979	274	21.0	143	11.0	131	10.1
1960 TO 1969	116	8.9	95	7.3	21	1.6
1950 TO 1959	231	17.7	207	15.9	24	1.8
1940 TO 1949	138	10.6	107	8.2	31	2.4
BEFORE 1940	299	23.0	186	14.3	113	8.7

2. <u>Housing, Condition (Substandard Units)</u>:

Door to door surveys of housing conditions have been conducted in several Shelby neighborhoods over the last 15 years. This information may be obsolete, since housing rehabilitation programs were conducted in these neighborhoods subsequent to the surveys. Therefore, for this study of housing conditions we have relied on information from the 408 respondents to the recent community needs assessment.

Table 5 shows the number of housing units in Shelby reported as needing repair by the respondents. Non-respondents (leaving the question blank) among the 408 questionnaires returned, or those indicating no deficiencies were classified as not

substandard. Responding households that checked only one deficiency from the list of options were classed as needing minor repair. Units that received two or more checks indicated a need for more substantial repair.

Table 5. Estimated Number of Homes Needing Repair

Total Number of Occupied Housing Units Responding	408
Total Number of Homes of Respondents Needing Repair	249
Total percentage of Homes Needing Repair	60 %
Total Number of Housing Units	1297
Percentage Needing Repair	60 %
Total Number Needing Repair	778
Percent of Homes Needing Substantial Repair	41 %t
# of Homes Needing Substantial Repair	532
percent of Homes Needing Minor Repair	19 %
# of Homes Needing Minor Repair	246

Thirty-six percent of the respondents reporting needing housing repairs have low or very low income. Projected citywide this could mean that over 280 housing units occupied by low and by low and very low-income households need repair.

Of the respondents occupying dwellings needing repair, 30 percent said they would definitely apply if low interest loans and grants were available. An additional 22 percent would like more information. This indicates that at least 233 and as many as 400 households in Shelby would participate in the city's housing rehabilitation program. Fifty-six percent of all landlords responding to the survey, representing at least 70 units, would participate in a rehabilitation program if it were offered.

C. HOUSING AVAILABILITY

1. Rental Occupancy Rate:

   According to the recent survey, after the lack of good paying jobs and problems with street conditions, a growing problem affecting the quality of life in Shelby is the lack of decent affordable housing.

   Six percent of the households responding to the survey reported one or more persons without a regular place to live within the past twelve months. Citywide, this would translate to at least 73 persons. These persons reportedly waited an average of nine months for appropriate affordable housing.

   The 1990 census showed a total of 55 vacant rental housing units and 23 units for sale.

   Extensive interviews with property managers and landlords in Shelby produced statistics that show low vacancy rates for rentals in Shelby, except for those units in poor condition. The managers of rent subsidized, low income, and senior citizen apartments report a near 0 percent vacancy, except when apartments are being cleaned after tenants move. There are at least 150 units of rent subsidized multifamily housing in Shelby, including over seventy units for senior citizens. Realtors and other property managers of private rentals report vacancies from 10 percent to 12 percent, and a high turnover rate due to the poor condition of many units. Averaging these rates produces an estimate vacancy rate of 4 percent.

D. HOUSING AFFORDABILITY:

Low and very low income is defined by households that earn less than 80 percent or 50 percent of the county median, respectively, adjusted by family size. Following are the low and very low income definitions, by family size, for Toole County, including Shelby.

Table 6. Low and Very Low Income, Toole County

Family Size	1	2	3	4	5	6	7	8
VLI*	$13350	$15300	$17200	$19100	$20650	$22150	$23700	$25200
LI**	$21400	$24400	$27500	$30550	$33000	$34500	$37900	$40350

* Very Low Income

** Low Income

According to the respondents of the Needs Assessment survey, Shelby suffers from a lack of housing in decent condition affordable to low and very low-income households and families.

1. Rent rates:

   Housing affordability is gauged by the percentage of income paid by a household for rent and utilities, or house payment plus taxes and insurance. This should not exceed 30 percent of gross income. In 1990, the average (mean) rent charged in Shelby was $259. Thirty percent of all renters in Shelby paid more than 30 percent of their household income for rent. Twenty-three percent paid more than 35 percent. 22 households in this category were over 65 years of age. The following table shows that the poorest households pay the largest percentage of income for rent.

Table 7. Rent Rates as a percent of Income, 2000

H50. HOUSEHOLD INCOME IN 1989 BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (UNIVERSE: SPECIFIED RENTER-OCCUPIED HOUSING UNITS)

	TOTAL		0 – 19 %		20 – 24 %	
	NUMBER	%	NUMBER	%	NUMBER	PCT
TOTAL	360	1000	161	44.7	33	9.2
UNDER $10,000	154	42.8	29	8.1	13	3.6
$10,000 - $19,999	106	29.4	41	11.4	11	3.1
$20,000 - $34,999	62	17.2	53	14.7	9	2.5
$35,000 - $49,999	28	7.8	28	7.8	0	0.0
$50,000 OR MORE	10	2.8	10	2.8	0	0.0

	25 – 29 %		30 – 34 %		35 %	NOT COMPUTED		
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
TOTAL	49	13.6	26	7.2	82	22.8	9	2.5
UNDER $10,000	27	7.5	10	2.8	66	18.3	9	2.5
$10,000 - $19,999	22	6.1	16	4.4	16	4.4	0	0.0
$20,000 - $34,000	0	0.0	0	0.0	0	0.0	0	0.0
$35,000 - $49,999	0	0.0	0	0.0	0	0.0	0	0.0
$50,000 OR MORE	0	0.0	0	0.0	0	0.0	0	0.0

Table 8. Age of Householder by Gross Rent as a percent of Household Income 2000

H51. AGE OF HOUSE HOLDER BY GROSS RENT AS A PERCENTAGE OF 1989 INCOME
(UNIVERSE: SPECIFIED RENTER-OCCUPIED HOUSING UNITS)

			15 – 64 YEARS		65+ YEARS	
	NUMBER	**PCT**	**NUMBER**	**PCT**	**NUMBER**	**PCT**
TOTAL	360	100	249	69.2	111	30.8
Less than 20 percent	161	44.7	129	35.8	32	8.9
20 - 24 percent	33	9.2	25	6.9	8	2.2
25 – 29 percent	49	13.6	18	5.0	31	8.6
30 – 34 percent	26	7.2	8	2.2	18	5.0
35 percent	82	22.8	60	16.7	22	6.1
NOT COMPUTED	9	2.5	9	2.5	0	0.0

According to the 1997 survey, changes in the rent structure are unique. Rent rates in Shelby have not increased significantly. The median rent reported by respondents to the survey was $277 per month, compared to $259 in 1990. The significant change in rents according to survey respondents has been a higher percentage of all renters paying rents in a lower category (less than $300 per month. One conclusion that could be reached from this is that owners of nonsubsidized rental property have lowered their top rents to compete with the units that receive subsidies. The problem with this strategy is that without the subsidies, landlords cannot produce the profits necessary to maintain and improve their property (hence the higher vacancy rate among private landlords). Another possibility is that most of the units reported as vacant in 1990 have become dwellings at low rents in spite of their poor condition. Considerable added research would have to be conducted to reach a definite conclusion about this curious circumstance.

2. Owner Occupied Housing, Affordability

In 1990 only 9.6 percent of owners paid more than 35 percent of their income for mortgage payments, taxes and insurance. This compares with 22 percent of renters who paid more than 35 percent.

Realtors report approximately twenty units for sale in Shelby, as of September 1, 1997, near the same number that were vacant for sale in 1990. However, as shown in Table 9 below, houses selling in the affordable range ($40,000 to $60,000) are disappearing. The only units in that range now on the market need substantial rehabilitation, or are mobile homes. Thirty-six mobile and modular homes have been placed in the past six years. Realtor information indicates that households seeking affordable units are buying dilapidated structures and clearing them to make room for mobile and modular homes.

Considering the demographics and income levels of Shelby households, the housing price increase and the poor condition of any remaining affordable housing are the most important considerations. Income levels have not increased at the same pace as housing costs, and down payment and closing costs are still an important consideration for young families.

In 2000 the Census sampled the housing units in Shelby for value. At that time, 61.9 percent of the owner occupied housing units in Shelby were valued at less than $50,000. 29.4 percent were valued between $50,000 and $74,999. The balance, 8.7 percent were valued between $70,000 and $100,000. These figures resulted in an average value of $45,946. Median value (50 percent above, 50 percent below), was $44,600.

Table 9. Housing Values, 1990

H61/62. VALUE (UNIVERSE: SPECIFIED OWNER-OCCUPIED HOUSING UNITS)

		NUMBER	%
TOTAL		619	100.0
LESS THAN $15,000		50	8.1
$15,000-TO $19,999		14	2.3
$20,000-TO $24,999		29	4.7
$25,000-TO $29,999		27	4.4
$30,000-TO $34,999		62	10.0
$35,000-TO $39,999		88	14.2
$40,000-TO $44,999		43	6.9
$45,000-TO $49,999		70	11.3
$50,000-TO $59,999		82	13.2
$60.000-TO $74,999		100	16.2
$75.000-TO $99,999		54	8.7
OVER $100,000		0	0
MEAN VALUE: (ALL)	$45,946		
MORTGAGED	$48,324		
NOT MORTGAGED	$43,808		
MEDIAN VALUE	$44,600		

In 1997, local appraisers and realtors provided information on current prices for residential properties. According to the appraiser, a majority of these units are new structures that qualify for HUD/FHA or other program financing. The average price for homes sold in 1996 was $64,000 including mobile homes, which skewed the average downward. Through July 1997, the average price was $85,900 (no mobiles). For the first time in 1996, houses appraised between $100,000 and $200,000 appeared in the Shelby area.

1) According to the City building permit records, the years 1993 and 1994 were the highest for demolition, with 20 units eliminated. At the same time, realtor sales records show a number of units in those years selling from $5,000 to $15,000 (sometimes for three and four bedroom houses). It is assumed that these units were sold for the lots, and demolished by the buyers. The low selling prices skewed prices downward those two years.

2) Realtors handle the sales of many more mobile homes and older homes in bad condition that do not qualify for underwritten financing than are apparent in the appraiser numbers. These low priced units skew averages downward.

3) Wells Fargo Bank promotes a program of Class B and C mortgages for higher risk borrowers and properties, mostly fixer-uppers that put people in their own homes. This skews downward the initial cost and monthly homeowner costs that aren't reflected in the survey information.

E. HOUSING ACCESSIBILITY-NEED FOR ASSISTED LIVING PERSONAL CARE UNITS:

In 1990, 60 (14 percent) of people over the age of 65 living in their own homes indicated mobility impairment. 13 percent of the respondents to the survey reported mobility problems. Projected citywide, this could calculate to over 160 people with problems with mobility. According to the survey, most of these problems comprise stairs, getting

in and out of the tub, and unsteady gait. Less frequently cited were wheelchair use and hearing problems.

Thirteen percent of the respondents indicated that they or a relative need assisted living care. Again, this would translate to more than 160 people. According to the census, approximately 50 of these now receive some type of personal care. Some of this care comes from friends and relatives.

Managers of the senior housing complexes report that a majority of their tenants relocating from other cities and states move to Shelby not only to be near family, but because of the excellent medical services and accommodations for senior citizens.

The Marias Heritage Center, a personal care facility with a 40 apartment capacity, has recently been completed and is open. The facility is owned and operated by Toole County. It has been strongly accepted by the community, both in responding to the community needs survey and the subsequent special ballot conducted by the Toole County Commissioners.

POPULATION NUMBERS, DEMOGRAPHICS

The 1990 census reported 2,763 persons living in Shelby. According to the 2000 census, Shelby's population has increased to 3,216.

The average number of people per household in 1990 was 2.4, while the average size of the households of respondents to the survey was 2.7. Average household size was 2.34, according to the 2000 census.

A. CALCULATING BY DEMAND FOR SERVICES POPULATION:

City records of active services indicate an estimated total of 1,262 housing units receiving city water. This includes multifamily units and mobile home courts where the landlord pays the water bill. According to census statistics, this would be an increase of 128 occupied units in the City. Using the survey multiplier, multiplied by the estimated total of occupied housing units, the increase in population would be 644, or 23 percent. Using the census multiplier of 2.4 units, the increase would be 266, or 9.9 percent.

B. INCREASE IN DEMAND FOR POST OFFICE STREET DELIVERY:

The Shelby Post Office reports that currently there are approximately 1,335 'possible' sites for residential delivery. This means street addresses, including all apartments, mobile home courts and vacant units. These would include those that are uninhabitable, reported as 'other vacant' in 1990, and not yet demolished. For this reason we are using a slightly higher vacancy rate than the 4 percent rate of habitable units reported by property managers. With a vacancy rate of 5 percent, the total number of occupied units according to post office information would be 1,268. The 2.7 persons per unit multiplier produced by the survey would indicate a current population of 3,424, and increase of 661, or 24 percent. Using the census multiplier of 2.4, the increase would be 280, or 10 percent.

C. DEMOGRAPHICS OF POPULATION, INCREASES:

Considerable economic development activity has taken place in the Shelby area since 1990, attracting workers and their families. The Port Authority, an arm of county government, has been aggressive and successful in economic development efforts. Fully 50 percent of the respondents to the survey indicated that they moved to Shelby due to job opportunities. Therefore, it is assumed that a large number of the new population is a household that contains working age persons. At the same time, school population is declining, suggesting that in-migrating families are smaller or have no children.

1. Elderly:
   Shelby and Toole County have a large and growing elderly population, both in numbers and percentage. The 1990 census reported that 17 percent of the Shelby population (482 persons) was over the age of 65. The 2000 census reported that 16.5 percent of Shelby's population was over 65 years of age. Even though the percent dropped the actual number of people over 65 increased by 47 persons to 529. Twenty eight percent of all households (315) in Shelby contained persons over 65 years of age in 1990. Twenty six percent of the respondents to the 1997 survey were over age 65. The 2000 census results show that 28.9 percent of the households contained persons over 65 years of age, increasing from 315 in 1990 to 346 in the year 2000. The elderly are being attracted to Shelby by excellent medical services, transportation, and other senior services. According to the recent survey the percentage of low and very low-income households in Shelby has increased from 44 percent in 1990 to 52 percent in 1997.

   The 1990 census reported 162 single persons and 136 couples over the age of 65 occupying housing units. Fifty-five (41 percent) of these households had income below the poverty level. Of those who rented, 40 (36 percent) paid more than 30 percent of their income for housing and 22 (20 percent) paid more than 50 percent of their income for housing.

2. Families with School Age Children:
   Shelby elementary schools report declining employment, in spite of increasing overall population. This suggests that the population increase is older people and households, and the size of families and number of families with children is declining.

Table 10. Shelby Schools Enrollment Totals

Year	Students
1992 – 1993	774
1993 – 1994	751
1994 – 1995	768
1995 – 1996	746
1996 – 1997	735
1997 - 1998	726

   Conversely, the Toole County welfare office reports a change in the types of families enrolled for benefits. A majority of these are reported to have preschool children and single heads of household. If the city sustains this population, the school enrollment in K-8 would significantly increase within few years.

3. Single Heads of Household

Fifteen percent of the households responding to the survey contained children with a single head of household. This compares to 8.5 percent reported in the 1990 census. This could indicated (1) a sharp increase in the number of single heads of household, as suggested by a verbal report from the welfare office, or (20 a bias in the survey sample. Since the survey was a 100 percent sample, the increase in the number is assumed to be correct. Forty-seven percent of the single heads of household reported low to very low income. City-wide this might mean that at least 90 households containing children earns low to very low income. This compares with 34 (37.4 percent) similar households who in 1990 reported income below the poverty level.

CONSTRAINTS TO AFFORDABLE HOUSING DEVELOPMENT, HOUSING ASSISTANCE, HOUSING REHABILITATION

Numerous constraints exist that affect any effort to improve or create housing, from difficulty in finding funding to the NIMBY (not in my back yard) attitude. Shelby is fortunate to have a significant number of rental units with rent subsidies. Apparently, this need is being fulfilled at the present time, although households sometimes have to accept less than satisfactory dwellings temporarily while waiting for a vacancy in the subsidized units. Therefore, the discussions in the following sections concerning the construction of new affordable housing are less applicable currently than it may be in the future. The most important constraints are those affecting housing rehabilitation.

A. Zoning, Land Use, Environmental Issues

1. Zoning:

The City of Shelby has zoning that provides for a wide variety of housing types. The city has annexed large tracts of land immediately adjacent to the city for all types of development including residential subdivision, industrial and commercial. This has helped significantly in increasing the tax base and job opportunities.

Land areas already annexed into the city offer the best opportunity for new housing development. The city still contains numerous housing units and other formerly commercial property that should be cleared and the lots made available for housing. Zoning regulations would not apparently interfere with this process in most locations. Building lots are relatively inexpensive, but the cost of clearance could raise the overall cost of a lot. The City of Shelby has a demolition program and is helpful in assisting property owners.

2. Environmental:

Two EPA sites are being cleaned up along the railroad right of way in Shelby, in the form of leading underground tanks. There is no evidence that these sites affect any residential area. Respondents to the survey complained about odors from the stockyards that are located close to town, but this is on an intermittent basis since the prevailing wind usually sweeps the odor away from town.

Shelby contains a number of sites and buildings with considerable historic value. A housing rehabilitation program conducted in any area of town would have to be sensitive to and designed to preserve Shelby's historic resources.

3. Flood Plain/Storm Drainage:

Shelby has considerable land area that is plagued with storm drainage problems. Since the construction of Lake Shel-oole, some of the problems on the north side have been alleviated, but at least four areas of Shelby still need extensive storm

drainage. Any housing or rehabilitation program design would have to include provision for protecting new or improved properties from potential damage or loss from storm water run-off.

4. Land Use:

With few exceptions, Shelby has well defined areas for industrial, commercial and residential development, with generous areas allowing mobile homes. Some of the older areas of town are showing marked deterioration, and attract lower income households due to increasing housing costs and decreasing supply of affordable housing elsewhere in Shelby. These areas need attention and assistance with revitalization and rehabilitation.

B. Construction Costs and Contractor Availability

Construction and rehabilitation costs have not escalated in eastern Montana to the degree of the increases in the western part of the state, partially caused by very busy contractors building

Profitable high end housing. Established factors in eastern Montana are the rising costs of materials, transportation and lack of competition among contractors due to local building activity. Several small contracting firms have been formed recently in the Shelby and north central area, which are capable of a full range of rehabilitation activities.

C. Competition for funding (public funds):

Nearly every community in western Montana, in addition to those located along the Interstate Highways all over the state, is experiencing excessive population increases and housing shortages. Allocations of housing funds by the federal government are not increasing proportionately. Competition is intense for inadequate funding allocations that, at Federal level, are still based on obsolete or incorrect population figures generated by the 1990 census. Montana programs have been successful in linking programs through leveraging to produce maximum benefits. By combining smaller amounts from several programs and private sources, cost effectiveness is maximized through by lowering the cost of administering individual programs.

POTENTIAL AND STRATEGY FOR PROVIDING IMPROVED HOUSING OPPORTUNITIES:

A. Calculating the housing needs in Shelby in the next five years.

Several assumptions and well-supported conclusions must be made in order to set reasonable goals for providing opportunities for suitable housing affordable to low and very low households in Shelby for permanent year-around occupancy. The estimates are based on previous successful projects:

1. The population growth described in Part 11 is presumed to be accurate. Shelby is becoming the retirement area of choice for much of north central Montana, due to expanding medical services, transportation (bus and train), job opportunities and housing suitable for senior citizens. The elderly population will continue to increase due to the new assisted living facility and other improving services.
2. Current population will be sustained and will continue to grow due to economic development efforts. The Marias Heritage Center, the Port of Entry at Sweetgrass, and other developments through the efforts of the Port Authority will continue to attract and retain workers.

3. The housing affordability limits for suitable housing for low and very low-income households have been reached and exceeded in Shelby. Even though job opportunities seem to be better than in many Hi-Line communities most of the new jobs created are lower paying service jobs, and households are not generating the wealth required for substantial debt service on homes.
4. Housing available and affordable to low and very low income households is in poor condition. Survey responses indicate that 60 percent of all Shelby housing is substandard, and 63 percent of rental housing is in need of substantial rehabilitation.
5. At least 280 households in Shelby would like to buy affordable housing if down payment, closing costs and interest subsidy assistance were available.
6. Although the citywide average of low and very low-income households is 53 percent, the total income for many households in Shelby is 20 percent to 30 percent of the county median income or less. Many are senior citizens. The multifamily housing complexes available for senior citizens report near 0 percent vacancy and some have waiting lists.
7. There are an adequate number of housing units available for purchase in Shelby, but realtors report a shortage of housing priced at under $50,000. Most of the available lower priced housing is in substandard condition. In order for low-income families to purchase these homes, they would need assistance with down payment and closing costs, and then with funds to rehabilitate the units.
8. Shelby has conducted three housing rehabilitation programs over the last fifteen years, but the best efforts barely made an impression on the scope of the problem. According to statistics developed by this study, Shelby has approximately 500 homes that require substantial rehabilitation. Based on the cost of past programs around Montana, these might require each an average investment of $15,000 ($8,000 to $10,000 for multifamily rentals and $15,000 to $20,000 for single family units), for a total of $7.5 million. In addition, 234 units need less expensive repair, probably between $5,000 and $7,500 each, for a total of $1.4 million to $1.75 million. This is a massive amount to obtain and to justify.
9. Mobile homes are an increasingly important element for providing affordable housing for low and very low-income households. City lots zoned for mobile home placement are in adequate supply, and still priced modestly.

The above factors considered together indicate that progress can be made by using careful and innovative strategy. The City should resume its housing rehabilitation program, and incorporate factors that would assist low and very low-income families in the purchase of housing units, or with rent subsidies.

B. Housing Rehabilitation Strategies:

Shelby's highest housing need has been established in Parts I and 11 as rehabilitation of deteriorated housing units, including both rentals and owner occupied. The most significant problem is the massive scope of the rehabilitation and revitalization needed, and the competition for the available funding. Shelby investors have been successful in obtaining funding for constructing a significant number of rent subsidized units for senior citizens and low-income families. In order to keep tenants, owners of non-subsidized housing have by all indications dropped rents to the same level or lower than 1990 rents. Consequently, these rent rates do not provide enough profit for significant maintenance or rehabilitation, and privately owned rentals are in seriously substandard condition.

Housing rehabilitation in Montana has become more and more complex and wider in scope in the past ten years. Most successful programs combine up to ten sources of funds and in-kind service to produce maximum impact and visible improvement in a community. By careful scheduling of each element of a program, all objectives, for both the community and the funding agencies can be achieved. HUD/CDBG, HUD/HOME, Federal Home Loan Bank/AHP, USDA/RD/HPG and other programs can be combined to address every element of the community's housing needs.

Included in a comprehensive program should be:

1. Rental Rehabilitation: This element of a comprehensive program has the highest degree of benefit for the very low-income households. Special arrangements can be made with landlords to improve the units to an acceptable level of health and safety for the tenants and still retain affordability. Care should be taken to avoid placing debt on -these units that would raise rents to low income households beyond affordability.

2. Homeowner Rehabilitation: A large share of homeowners whose units are in need of rehabilitation are senior citizens who have lived in the same location most of their lives, and lack the income and dispensable funds to maintain the economic life of their property. The homes occupied by these households are important to the overall housing stock of the community, and preservation of these units is part of a well-planned long-term strategy. The same sources of funds listed in 1. can be used for homeowner rehabilitation. Part of this element would include helping low income families purchase and renovate substandard but affordable housing.

3. Other Rehabilitation for Neighborhood Revitalization: For property owners who cannot qualify for public funds, local banks are generally eager to participate in community revitalization programs. In an effort to comply with the Community Reinvestment Act, banks will offer special rates and terms, lowered fees and other incentives to households who do not qualify for public funds.

4. Conversion of Commercial Structures to Affordable Housing: Most eastern Montana communities have empty commercial buildings with potential for other uses. When affordable rentals are in short supply, cooperation among local, state and federal government, private owners and banks can produce techniques to convert and retrofit these sturdy buildings to residential use. Issues that could arise are asbestos and lead base paint abatement, ownership, tax consequences, zoning and land use, and off street parking. Successful projects have been completed in Lewistown and Miles City, among others.

5. Demolition and Cleanup: A revitalization project should include the demolition and removal of buildings that cannot be rehabilitated or retrofitted for housing. In-kind labor, donated service and incentives can be used to complete this element of a program.

C. Role and Benefit of Non-profit Housing Agencies:

In the last five years, more and more of the funds available for creating housing affordable to low and very low income households are being secured by non-profit agencies and Housing Authorities. The non-profit designation allows these agencies to access funds and mechanisms not available or too cumbersome for local governments. Generally, these agencies confine their scope of services to providing affordable housing without the distractions and demands experienced by local governments.

Following are descriptions of strategies developed and being utilized by non-profits agencies in Montana. In some cases, housing authorities do not qualify for these programs.

D. Securing and establishing Sites for Housing Development:

1 . Land Trusts for Affordable Housing: This mechanism saves the homeseeker from having to pay for land when purchasing or renting a home. The non-profit agency purchases (usually with public funds) or receives a donation of land. A private donor can receive a significant tax advantage. A sale price to the non-profit below appraised value also qualifies for tax deduction on the discount. Several communities have utilized this mechanism for producing both single family homeowner and multifamily rental units.

   Once secured by the non-profit, the land is placed in a permanent long-term trust for the benefit of low and very low-income families. Housing Authorities would have to have the consent and cooperation of the local government, since they are by statute an arm of local government. Land donated or sold for less than the appraised value serves as match for federal and state funds.

2. Long Term Use: Government agencies recognize a 99-year lease as constituting ownership. Securing land for affordable housing construction or buildings for retrofit by lease can save the non-profit agency considerable up-front acquisition and construction costs. It would also save a property owner from possible tax on capital gains resulting from sale of the property. A lease agreement could be negotiated with the property owner, with lease payments to begin after the construction is completed. Permanent affordability would be assured by the non-profit agency.

3. Land donated by local governments: Land owned by public entities, (e.g. local governments), is ideal for housing trusts, since the non-taxable status remains unchanged and no funds are required for acquisition. The local government can donate the land to a non-profit housing development organization to provide matching funds when required. Infrastructure improvements on donated land can be installed with grant funds.

E. Developing Innovative Financing for Affordable Housing:

To make a significant impact on housing needs and to establish and maintain affordability, multiple sources of funding must be used. Each federal and state agency has its own goals and objectives, but all respond to a high degree of "leveraging", that is, dividing the various components of a project among all the available funding sources to balance the demand on each. Non-profit agencies in the state have become more and more innovative in using leveraging techniques to make the most of shrinking public and private funds. Many programs are available only to non-profit 501(c)(3) housing organizations.

Part V describes most of the program available for housing development, rehabilitation, rental assistance, neighborhood revitalization and other housing needs. Shelby, with a population of less than 10,000, is eligible for all the programs administered by the Farmers Home Administration (now titled Rural Development). So far, funding for this agency has not been significantly reduced, but demand has intensified in eligible communities all over Montana.

SOURCES OF FUNDING FOR AFFORDABLE HOUSING AND HOUSING REHABILITATION

A list of addresses, contact persons and phone numbers for the following programs is in the Appendix.

1. Community Development Block Grants (CDBG)

CDBG is a HUD funded program that makes grants to state government, which in turn passes funds to local governments through a competitive application process. This source usually distributes around $1.5 million annually for housing projects, in amounts up to the maximum of $400,000 per project. No projects proposing to use CDBG alone have been awarded funding since 1984. The CDBG program allows the greatest amount of flexibility in developing leveraging techniques, and is highly utilized by non-profits. Recently, CDBG has been utilized for site preparation and infrastructure for the construction of affordable housing, as well as housing rehabilitation, conversion of existing buildings, and new housing construction.

Montana's CDBG application process is complex, and most other funding applications can be adapted from the CDBG. The Department of Commerce is currently studying ways it might simplify the program.

2. HOME Investment Partnership Program (HOME)

HOME is a federal program first funded in 1992, for the purpose of helping local governments and certified non-profit organizations provide affordable housing assistance to low and very low income families. In Montana, approximately $3.5 million is awarded annually by competitive process, and requires matching funds in amounts that vary from year to year, but will not exceed 25 percent of the HOME funds requested. Eligibility of matching sources is extremely restrictive. The HOME program also requires long-term monitoring to assure that the assisted units remain affordable to low income families. In practice, the majority of HOME funds will assist very low-income households.

HOME funds may be used for a wide variety of housing assistance, including rent assistance for families unable to afford the rapidly escalating rents in Montana. Proposals can be effectively combined with CDBG to maximize impact on locally identified housing needs.

3. Rural Development Agency

Formerly known as the Farmers Home Administration, the RD has approximately 15 different programs addressing rural housing. Several are available to local governments. A common use of RD funds has been for infrastructure improvements. This could be used to prepare sites for affordable housing.

All communities in Montana with population of less than 10,000 are eligible to apply for and administer Housing Preservation Grant (HPG) funds for housing rehabilitation. The agency accepts applications on a competitive basis for an annual allocation of around $180,000. They are usually able to obtain additional funding for worthy applications that exceed the base allocation. Although the guidelines issued by the District RD offices do not require it, successful applications always propose using HPG funds in concert with other programs, to benefit the lowest income households in a community. RD usually funds two to four projects a year, in amounts from $50,000 to $90,000 each.

4. Human Resource Development Council (HRDC)

The HRDC organizations serve every area of the state, and administer a number of programs to assist housing needs of very low-income households. These funds, services, and activities can be effectively linked with rehabilitation efforts to maximize the benefits and impacts of a program. Without exception, the funding level is low and waiting lists are long and restrictive. Contact with the individual HRDC organization would establish the feasibility of help from this source.

Some of the programs to very low income households traditionally handled by the HRDC's are: Rent assistance (payments of part or all of monthly rent), low income energy assistance program (payment of part or all of heat bills), weatherization funds (insulation, storm doors and windows, weather-stripping, etc.) homeless shelter, and transitional housing for homeless. A few of the HRDC groups are becoming active in the construction of affordable housing, especially rental units and homeless shelters.

The HRDC of District IX, Inc., of Bozeman is in the unique position of being one of twelve organizations nationwide who have access to a $300 million fund for low and very low income housing that utilizes a partnership of Fortune 500 companies, federal mortgage funds and low income housing tax credits. The future of this program will rest with the fate of the Low Income Housing Tax Credits in the next Congress. (See #10, this section.)

5. Federal Home Loan Bank of Seattle

The FHLB is a private wholesale bank serving other banks in eight western states and the territory of Guam. Consequently, a local bank that is a client of FHLB must be involved in order to access this source. For 1996, FHLB had over $8 million in grants available by competitive application. In addition, nearly $300 million is available in loans, which may be combined with the grant funds to produce affordable financing for rehabilitation, rental construction and home ownership. A "Challenge Fund" recoverable grant of $10,000 or less is available to help with planning and predevelopment costs. FHLB had over $300,000 in challenge funds available for 1995.

This program is extremely flexible and well funded. A local bank that is a customer of FHLB must apply for and disburse all funds, and assumes the long term responsibility of assuring continued affordability of the assisted housing units. 'Therefore, a secure partnership must exist between the bank and the local government. Two banks in Shelby, First Bank and First Security Bank are eligible to apply for FHLB funds. First Security has prior experience with the program.

6. Montana Board of Housing

Millions of dollars are provided each year through programs administered by the Montana Board of Housing. Most of these programs serve low and very low-income households by reduced interest, multifamily rental housing programs, and low income housing tax credits. This is an excellent source of funds for constructing housing on trust land, and for pairing with local banks or Federal Home Loan Bank funds. Especially helpful are low interest funds for constructing multifamily rental units.

7. Local Bank Funding

Since 1985, partnerships between local government and the community banking institutions have been an integral part of housing construction and rehabilitation. In Toole County, banks have been helpful in providing construction financing, utilizing federal programs for down payment and other assistance. Under certain circumstances, federal funds can be used to increase the bank's collateral by providing principal

buydown, to subsidize interest, and other innovative techniques. Some banks will defer or waive loan and escrow and fees, appraisals and title insurance to lower costs to borrowers and help fulfill Community Reinvestment Act requirements.

A common use of local bank funding is construction financing, after long term financing has been approved by the state or federal agencies. Federal Home Loan Bank funds can be used to subsidize interest on interim loans, for projects that will serve low income households (50 percent of median income or less).

8. Past Program Income

The design of an affordable housing program could include the use of program income from past federal programs to add impact to the project. DOC requires that income from CDBG grants (interest, principal and repayments on rehabilitation loans and loans to businesses for economic development, or fees recovered from public facilities projects) be used for projects eligible for CDBG funding, and at least 51 percent of those funds must continue to benefit low and very low income families. Therefore, any of this income a community might have available should be included in the budget for a new project. These funds can be used to soften the burden of administering programs that do not carry allowance for administration.

9. Private Investment Through IRS Low Income Housing, Tax Credits

The 1993 federal, budget reinstated tax credits for investors in low income housing. Private investors who pay for substantial rehabilitation of existing, or new construction of, rental units that are permanently held for very low income households can receive federal income tax credits. Arrangements for the use of tax credits are an effective way to generate private investment from individuals and corporations needing the tax credit. The Low-Income Housing Tax Credit process is complicated, and restrictions cover the entire period of the credit (10 years.) Utilizing this source would require enlisting the aid of a knowledgeable professional familiar with the process. The Montana Board of Housing administers the Low-Income Housing Tax Credit program.

10. Local Initiatives Support Corporation (LISG)

This agency is the largest community-based development intermediary in the nation. A nonprofit organization funded primarily by donations from Fortune 500 companies, LISC channels funds to community based development organizations. Since its creation in 1979, LISC and its affiliates have provided $1.7 billion to over 1,300 community development corporations nationwide. In late 1995, LISC released a $302 million Rural Initiative to lend at reduced interest rates to community development corporations in rural areas. The District IX HRDC in Bozeman is one of the nonprofit development organizations qualified to participate in the rural initiative, the only one in Montana.

PART VI. SCHEDULE

Several key elements will come to play in establishing a schedule for a housing program. Some of these elements (constraints) have been discussed in Parts III and IV. The most serious limitation will be competing for available funding.

Following is a tentative schedule of activities that is manageable and achievable, in terms of staff, arranging cooperation among local and state governments, and obtaining funding. This modest program will fall short of meeting the affordable housing needs of Shelby. The numbers of households needing homebuyer assistance and housing rehabilitation far exceeds all the resources combined that could possibly provide funding to meet these needs. The projects described in the schedule are the most that can be achieved, given the shrinking public funds and the fierce competition for the limited amount still available.

EQUAL HOUSING OPPORTUNITY

GOALS AND OBJECTIVES

GOALS:

1. Provide decent, safe, low-cost, energy efficient housing for elderly and low-income households in the city of Shelby.

2. Increase housing choices and fair housing opportunities to all citizens of Shelby.

3. Encourage private sector investment in housing for low income and elderly households through cooperation with local lenders and investors.

4. Revitalization and reverse decline in neighborhoods in Shelby.

Encourage affordable and appropriate assistance with housing costs to low income and elderly households, single heads of households, minorities and disabled.

OBJECTIVES

1. Actively pursue the creation of assisted living facilities for senior and other mobility and self-care limited citizens.
2. Diligently pursue an ongoing program of housing rehabilitation of substandard units occupied by low and very low income throughout the city of Shelby.
3. Encourage the cleanup and revitalization of specific neighborhoods by offering assistance with demolition, fire training exercises, enforcement of the Abatement of Dangerous Buildings and other codes, and sponsoring cleanup campaigns in the city.
4. Encourage cooperation among all branches of city and county government and civic groups for the improvement of public facilities serving low income neighborhoods, through matching funds, in-kind services, and grant contributions, to reduce impact on low income households from taxes, assessments and fees.
5. Seek out and explore all possibilities for funding housing and neighborhood improvements, rent subsidies and energy conservation for low income families and elderly, including local financial institutions, state and federal grant funding, and by continuing to develop a local revolving loan fund for households unable to afford improvements with conventional funding.

CHAPTER IX *TRANSPORTATION*

This section of the Plan covers the modes and routes upon which people and goods move within the Study Area.

COMMERCIAL TRANSPORTATION

Modes of commercial transport serving Shelby are: the Burlington-Santa Fe Railway, providing freight service and AMTRAK, providing rail passenger and freight service across the Hi-Line. The Northern Transit Interlocal recently began providing bus service from Shelby to Great Falls on Mondays and Thursdays and to Kalispell on Tuesdays and Wednesdays.

STREETS AND HIGHWAYS

The streets and highways within the jurisdictional area include U.S. Highway 2, Interstate 15 and the Shelby street system.

U.S. Highway 2 is a major East-West route extending from Minneapolis to Everett, Washington. The highway bisects Shelby and a portion of Front Street is included in the route.
Interstate 15 is a controlled access highway extending from the Mexican border south of San Diego, California to the Canadian Border.

The area street system provides for traffic ways that have a minimum conflict with city adjacent land use and which provide sufficient capacity to handle present and future traffic flows. Shelby has a large amount of land committed to the existing street system. The major street plan sets forth paving and maintenance programs and identifies the condition of the various city streets.

FUNCTIONAL CLASSIFICATION

The Shelby street and highway system can be separated into freeway, arterial, collector and local access functional classifications.

The function of the freeway is to provide rapid movement of large volumes of traffic between major population centers. It has no function other than to provide unimpeded traffic flow. Freeways have full control of access with no access to abutting property. Access and egress are provided at specified points in the form of grade separated interchanges. Interstate 15 functions as a freeway.

The arterial component of the street and highway system provides traffic movement between communities, areas in a community and major traffic generators. Arterials also serve as a link between the long-haul freeways and the local street pattern. Since the prime function of the arterial is traffic movement, regulation of parking, access control, restriction of turning movements, and automatic control devices are sometimes required. U.S. Highway 2 and Oilfield Avenue are examples of arterials in the Shelby area.

Collectors form the transition from the minimum access of the arterial system to the complete access of the local street system. The collector provides occasional access points into abutting property, but its main purpose is to link the local access streets with the arterial street system. Examples of collector streets in Shelby are Twelfth Avenue and Blaine Avenue.
Local Access Streets provide direct access to abutting property. It is undesirable to have through traffic moving on these routes. All streets not shown as arterials or collectors are considered to be local access streets.

MAJOR STREET SYSTEM

The streets with the Shelby Planning Area have been classified according to their desirable function. The Major Street System map shows the existing system and recommended improvements.

TRAFFIC VOLUMES

The 1997 traffic volume on U.S. Highway 2 is 4,660 vehicles per day just east of the Interstate 15 overpass and is the highest recorded traffic volume in the Shelby area. The 1995 traffic volume on U.S. Highway 2 was 6,380. Other portions of Highway 2 accommodate significant amounts of traffic as well. The second highest traffic count in the Planning Area is at Third and Main at 4,010 vehicles per day. Where traffic turns north to Highway 2, Fifth and Main, the traffic count is 3,830 vehicles per day. Coyote Pass carries 3,400 vehicles per day and also represents the south end of Oilfield Avenue. The north end of Oilfield Avenue also carries significant numbers of vehicles at 990 vehicles per day.

Traffic counts on the collector component of the major street and highway system includes Second Street between Fifth and Sixth Avenue South and Seventh Avenue South between Main and First Street North. Traffic counts at these two locations are 220 and 530 vehicles per day respectively. However, from observation it is estimated that the highest volume on the collector system occurs on Galena Street and West Dawson Avenue and could exceed 500 vehicles per day. Traffic volumes on the local street system have not been measured. If any link on this system is carrying traffic volumes in excess of 1,000 vpd, the street system is not functioning properly and congestion on one of the higher functional streets is causing traffic to divert through a residential neighborhood. The situation can be corrected by upgrading the collector street to alleviate the congestion.

Table 2, Table 3 and Map 1 show the locations and the traffic counts for various areas around Shelby.

STREET CAPACITIES

The adequacy of the present street and highway system to carry existing and projected traffic volumes can be measured by comparing the calculated capacity of the street to the volume of traffic it will be expected to handle. Street capacity is determined by the physical characteristics of the street. Width, cross-section design, intersection design, and intersection spacing are the most important and permanent factors. Operational characteristics can also alter the street capacity. These include such variables as signal timing, turning movements, percentage of trucks, parking, pedestrian volumes and adjacent land uses. These factors may vary with time causing the street capacity to vary over a 24-hour or weekly period. Since all of the factors which affect capacity cannot be estimated for the future, an approximate capacity is used to evaluate the major street system. For planning purposes, street capacities are expressed in 24-hour terms.

Table _____ shows the estimated capacities for each of the functional classification categories.

Table 1. Street Capacity

Roadway Type	Capacity (vpd)*
Freeway	50,000 +
Arterial (4 Lane) **	12,800 – 16,5000
Arterial (4 Lane)***	10,000 – 13,000
Arterial (2 Lane)***	8,000 – 10,000
Collector	4,000 – 5,000

* vehicles per day
** no parking
*** curb parking

RECOMMENDED IMPROVEMENTS

Comparing existing and projected volumes on the major street and highway system to the capacities indicates that Main Street is the only link in the system where the traffic volume exceeds the estimated capacity.

Front Street, which provides a bypass of the downtown area, has an adequate cross-section to handle future traffic volumes. The structural condition of this street has recently been improved and helps to relieve congestion on Main Street by diverting a larger amount of through traffic from the downtown area.

Oilfield Avenue has sufficient capacity to meet future traffic needs for the Planning Area. Recommended improvements to this route are aimed at making it an attractive approach and exit from the city. Reconstruction of Coyote Pass, the overpass connecting Oilfield Avenue and Main Street will begin in 2004. The project will include widening the overpass and the removal of the access approach on the eastside of the overpass.

The extension of Eleventh Street South to Plum Street, Fifth Street South and Ninth Street South will provide a collector loop when connected to South Front Street. The exact location of this section will require additional study due to the difficult terrain.

A collector loop to serve new residential development in the area east of the present city limits and north of the Burlington Northern-Santa Fe tracks is proposed. This loop begins with the extension of Treasure Avenue east to Benjamin Road. The proposed new route then extends south, crossing the BNSF tracks and intersecting U.S. Highway 2.

CENTRAL BUSINESS DISTRICT PARKING

In order for the Shelby Central Business District (CBD) to remain a healthy and active retail center in the community, an adequate supply of convenient parking must be provided. Failure to provide parking will result in the scattering of normal downtown business operations to areas where there is available land for parking. This could result in a drop in the city tax base as downtown properties decline in value.

The importance of downtown parking is emphasized by the fact that a parking space located in a healthy downtown area can generate up to $10,000 per year in retail sales. From this fact it can be seen that the provision of only a few parking spaces in a critical area can determine the success or failure of a downtown business.

PARKING SUPPLY

An analysis of the adequacy of the existing parking supply to meet present and future parking needs was carried out for the Central Business District. The parking study area is bounded on the north by Front Street, on the south by First Street South, on the east by Second Avenue, and on the west by Fifth Avenue. An inventory of all parking spaces available within this area was made. It was determined that there were a total of 356 curb parking spaces in the parking study area. None of the curb parking spaces are presently metered.

An inventory of off-street parking spaces showed an estimated 270 parking spaces. This figure is not exact due to the many unmarked, informal parking areas in which the number of parking spaces is determined by the parking pattern established by the first car entering the parking area. The total parking supply available to the CBD is 632 spaces.

The following table illustrates the traffic counts for various roads in the vicinity for the years 1994 through the year 2003.

Table 2. TRAFFIC COUNTS 1991 – 2003

Station #	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1	2470	2460	2570	2690	2620	2690	2710	2730	2760	2780
2	2310	1470	1800	1880	1740	2290	2430	2630	2440	2920
3	2680	2770	2250	2080	3040	2510	2840	2970	2620	
4	1520	1360	1350	1670	1480	1670	1650	1830	1930	1730
5	1630	1860	1460	1280	1740	1790	1700	1840	1860	1880
6	1440	1150	950	910	1160	1380	1120	1130	1170	1070
7	1100	990		810	1110	730	980	960	1050	950
8	80	80		90	90	90	110		110	120
9	70	70		90	70	80	110		100	100
10	5160	6380	5100	4660	4300	5050	5060	5700	5500	4960
11	4970	4040	4380	3830	3210	3430	3820	4350	4000	3820
12	5290	4670	4520	4010	3700	4040	4180	5010	4060	4150
13	1870	1560	1390	1250	1910	1840	1470	1560	1870	1470
14	4720	4250	3810		2960	3080	4160	4460	3730	3820
15	1220	990		990	850	1030	1090	980	1130	1030
16		960	750	920		1250		820		
17			370	530		240				
18			270	220				310		

Table3. STATION LOCATION DESCRIPTIONS

Station Number	Route	Location Description
1	**I-15**	**Mile Post 362.5; 1 mile SW of Shelby Interchange**
2	**I-15**	**Mile Post 364; .5 miles NE of Shelby Interchange**
3	**I-15**	**Mile Post 365.5 .5 miles N of Shelby Interchange**
4	**US 2**	**Mile Post 265; 1 miles NW of Ethridge**
5	**US 2**	**Mile Post 277.5; 1 mile**
6	**US 2**	**Mile Post 281; 2 miles SE of FAP 67 in Shelby**
7	**US 2**	**Mile Post 285.5; .5 miles E of FAS 417**
8	**FAS* 417**	**Mile Post .5; .5 miles S of US 2 (not shown on map)**
9	**FAS 417**	**Mile Post 7; 7 miles SE of US 2 (not shown on map)**
10	**US 2**	**Mile Post 279 .5 miles SE of Shelby Interchange**
11	**US 2**	**(5th) Ave) between 1st St N and Main (Shelby)**
12	**US 2**	**(Main) SE of 3rd Avenue (Shelby)**
13	**US 2**	**NW of S city limits of Shelby**
14	**FAP** 67**	**Business Route 15 between Main and Front (Shelby)**
15	**FAP 67**	**Business Route 15 MP .5 N of N city limits of Shelby**
16	**Off System**	**Sheridan Avenue between Hill and N Granite (Shelby)**
17	**Off System**	**7th Avenue between 1st St North and Main St (Shelby)**
18	**Off System**	**2nd Avenue South between 5th and 6th Avenues (Shelby)**

*FAS = Federal Aid Secondary System
**FAP = Federal Aid Primary System

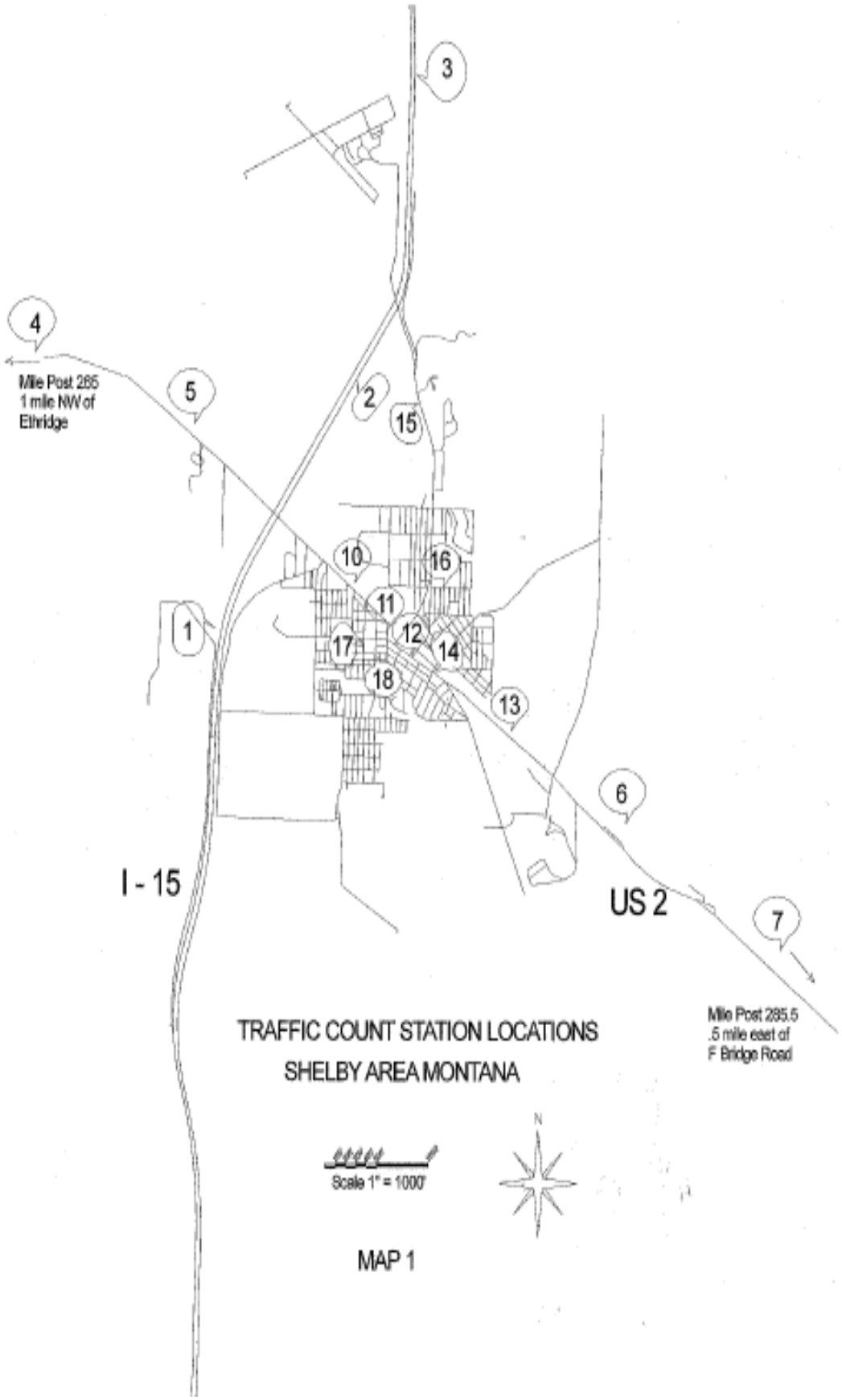

3
4
Mile Post 285
1 mile NW of
Ethridge
5
2
15
10
16
11
1
12
17
14
18
13
6
I - 15
US 2
7
Mile Post 285.5
.5 mile east of
F Bridge Road
TRAFFIC COUNT STATION LOCATIONS
SHELBY AREA MONTANA
Scale 1" = 1000'
N
MAP 1

Table3. AUTOMATIC RECORDER DATA BY MONTHS 2005

LOCATION: I-15 JUST NORTH OF THE MARIAS INTERCHANGE (RP 359.6) (see number 1 of map)
LARGE TRUCKS: 23%

MONTH	AVERAGE DAILY NUMBER OF VEHICLES — DAY OF THE WEEK							AVERAGE DAY SUNDAY THRU SATURDAY	AVERAGE WEEKDAY MONDAY THRU THURSDAY	PERCENT THE AVERAGE DAY IS OF THE AVERAGE WEEKDAY	PERCENT THE MONTH DAILY AVERAGE IS OF THE YEAR DAILY AVERAGE
	SUN	MON	TUE	WED	THR	FRI	SAT				
JAN	1936	2234	22343	2179	2288	2466	2191	2234	2261	98.80%	82.14%
FEB	2106	2433	2395	2415	2695	2978	2863	2555	2485	102.84%	93.95%
MAR	2237	2512	2636	2595	2788	3050	2666	2641	2633	100.30%	97.09%
APR	2254	2591	2701	2701	2704	3090	2847	2698	2674	100.90%	99.21%
MAY	2429	2593	2687	2866	2858	3078	2800	2759	2751	100.28%	101.44%
JUN	2278	2887	2971	3006	3105	3231	2851	2976	2992	99.44%	109.41%
JUL	3087	3166	3324	3396	3482	3819	3293	3367	3342	100.74%	123.79%
AUG	2852	3165	3096	3256	3398	3485	3112	3195	3229	98.95%	117.47%
SEP	2228	2573	2624	2996	2853	3100	2633	2672	2687	99.48%	98.26%
OCT	3323	2602	2545	2703	2682	3009	2621	2628	2633	99.80%	96.62%
NOV	2136	2265	2464	2596	2515	2740	2388	2443	2460	99.33%	89.84%
DEC	1973	2360	2591	2767	2671	2679	2239	2469	2597	95.05%	90.77%
DAILY AVG. FOR YEAR	2354	2615	2698	2765	2837	3060	2709	2720	2729	99.67%	

CHAPTER X *IMPLEMENTATION STRATEGY*
(76-1-601 (2) (f) M.C.A.

The Shelby Growth Policy is required by state statute to include an implementation strategy that includes the following:

(i) a timetable for implementing the growth policy:

Since the City of Shelby has an adopted Growth Policy, the Growth Policy will be revised by including the elements required by the growth policy statute as information becomes available.

(ii) a list of conditions that will lead to a revision of the growth policy. The following conditions will lead to a revision of the growth policy:

a) mandates dictated by changes in state laws.
b) a population of 5,000 as determined by the official census of the United States.
c) the relocation of a major employer to Shelby that has 100 or more employees.

(iii) a timetable for reviewing the growth policy at least once every 5 years and revising the policy if necessary.

The Shelby Growth Policy will be reviewed by the Shelby City-County Planning Board at their annual meeting each year. At that meeting, the Planning Director or the mayor will present any recommendations for revisions to the growth policy.

IMPLEMENTATION RESOURCES

The Shelby Growth Policy sets the goals and objectives of the community. This section provides a list of financial, statutory and program resources, which are available to local governments and community organizations, as they strive to undertake activities in support of realizing their vision for the future.

CAPITAL IMPROVEMENTS FINANCING

Local Mechanisms for Debt Financing

Municipalities can make use of various kinds of debt financing to meet their infrastructure needs. These include general obligation bonds, special improvement district bonds and revenue bonds. Debt financing enables local governments to finance major infrastructure projects using future revenue from special assessments, user fees, and other forms of revenue. The city incurs various administrative costs in conjunction with issuing bonds. These costs include the retention of legal counsel and financial consultants, the establishment of reserve funds and the preparation of the prospectus and various required documents. These bonds provide tax-free interest earnings to purchasers and are therefore subject to detailed scrutiny under both state and federal law. The citations in the Montana Code Annotated (MCA) are listed below, for each type of bond described.

General Obligation Bonds 7-7-4201, MCA allows municipalities to issue general obligation bonds (GO Bonds). GO bonds are backed by the full faith and credit of the city or town and must be approved by the voters in an election and are typically payable from ad valorem taxes (taxes based on the value of property) and are expressed in mills.

Revenue Bonds
Under 7-7-4401, MCA, a city or town may issue revenue bonds to finance any project or activity authorized. Revenue bonds are retired through the payment of earnings including user fees incurred by a public enterprise. Revenue bonds have no claim on the city's taxable resources, unless specified (through a special guarantee, for example). Bonds may be issued in the form of general obligation bonds, revenue bonds or a combination.

Special District Financing
Cities may use the creation of special districts to pay for a variety of costs.

Special Improvement Districts
Section 7-12-4102, MCA authorizes the creation of special improvement districts (SID's). The city or town council has the power to create SID's designating them by number. The property owners in the proposed district can also initiate the creation of a SID. Although not required, property owners within the proposed district will often submit a petition to the City or Town Council requesting that the district be created.

Before any formal action is taken, cost estimates are prepared and include a range of costs, which might be anticipated in association with undertaking the proposed construction or maintenance. Once the project has been defined and cost estimates prepared, the Council passes a, "Resolution of Intent" to create the district. The resolution informs the property owners of the size of the district, the nature of the improvements, the project engineer, cost estimates method of assessment and duration. The affected property owners are given due notice of the intent to create the district and opportunity to protest.

If less than 50 percent of those property owners protest, the municipality may proceed with the creation of the SID. Cities may use SID's to finance a number of improvements including:

- to protect the safety of the public from open ditches carrying water;
- to purchase or build municipal swimming pools and other recreational facilities:
- to grade, pave and undertake other street improvements;
- to acquire, construct, or reconstruct sidewalks, crosswalks, culverts, bridges, gutters, curbs, steps, parking and planting;
- to acquire, construct, or reconstruct sewers, ditches, drains, conduits and channels, for sanitary and/or drainage purposes, with outlets, cesspools, manholes, catch basins, flush tanks, septic tanks, connecting sewers, ditches, drains, conduits, channels and other appurtenances;
- to acquire, construct, or reconstruct waterworks, water mains and extensions of water mains, pipes hydrants, hose connections for irrigating purposes; and for a variety of other infrastructure improvements.

The city governing body may order and create special improvement districts covering projects abutting the city limits and include properties outside the city where the special improvement district abuts and benefits that property. Property owners within the proposed district boundaries outside the city may not be included in the SID if 40% of those property owners protest the creation of the SID.

Lighting Special Improvement Districts
Under 7-12-4301, MCA, the governing body of any city or town is authorized to create special lighting district on any street or streets or public highway for the purpose of lighting them, assess costs and collect costs by special assessment against the property.

Park Maintenance Districts
Under the provisions outlined in Section 7-12-4001, MCA a city or town, upon petition of 10% or more of the qualified electors of a proposed park maintenance district, or upon a resolution of intent adopted by the governing body, may submit to the electors of the proposed district the creation of a park maintenance district. The district may be created for the purposes of, but not limited to:

- moving,
- irrigation,
- turf repair,
- recreation facilities
- equipment maintenance,
- tree trimming,
- tree replacement,
- tree removal
- the removal of other debris.

Other Local Mechanisms

Capital Improvement Fund
Under Section 7-6-4134, MCA, a municipal government may establish a capital improvement fund in an amount not to exceed 10% allowed under Section 7-6-4452 MCA, which enables the levying of up to 65 mills for general purposes. Funds may be used for the replacement, improvement, and acquisition of property, facilities, or equipment, if a capital improvement program has been formally adopted by resolution of the city or town governing body.

Sewer and Water Depreciation Schedules
Municipal governments are authorized to incorporate replacement and depreciation into water and sewer user fees under Section 7-13-4307, MCA.

Resort Tax - In order to rectify the inequities experienced by Montana resort communities, which must provide services not only for seasonal tourists but also for residents, the 1985 Montana Legislature passed the local option resort tax. (Section 7-6-4461 through Section 7-6-4469, MCA). Communities wishing to take advantage of the Resort Tax must meet the following criteria:

- the population of the incorporated community is less than 5,500;
- the area derives the primary portion of its economic well-being related to current employment from businesses catering to the recreational and personal needs of persons traveling to or through the area for purposes not related to their income production, and demonstrated by an economic analysis of the proposed area using specific methodology that analyzes income, property income, government transfer payments and employment data.
- the area had been designated by the Montana Department of Commerce as a resort area (The Department of Commerce does not conduct the required economic analysis. The candidate area is responsible for securing the professional analysis).

The local electorate imposes, amends or repeals the resort tax. The rate may not exceed 3% and taxes collected may be used for any local government activity, undertaking or administrative service, including the costs resulting from the imposition of the tax. Bonds may be issued; the debt to be serviced by resort tax receipts.

Contact: Montana Department of Commerce, Helena (406) 444-4214.

State and Federal Mechanisms

Treasure State Endowment Program (TSEP)

This is a state-funded program, administered by the Montana Department of Commerce (MDOC). It is designed to assist communities in financing capital improvements to public facilities including drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems and bridges and is authorized under Section 90-6-701 through 710, MCA. Funds are derived from the Montana coal severance tax and made available to local governments as matching grants, loans and grant/loan combinations. TSEP can also make deferred loans to local governments for preliminary engineering study costs. However, the local government must repay the loan whether or not they succeed in obtaining financing for the construction phase of the project. Funds may not be used for annual operation and maintenance; the purchase of non-permanent furnishings; for refinancing existing debt, except when required in conjunction with the financing of a new TSEP project; or costs incurred prior to the grant award.

Generally, grant awards cannot exceed $500,000 and the municipality must provide at least a 50 percent match, which can include other grant funds. One of the most critical issues that a municipality must address is the ability to commit other funding sources to the project. TSEP grant funds are intended to keep projects reasonably affordable. As stated above, there are a number of ways in which local governments can provide matching funds for projects. In addition to local sources, municipalities should evaluate other potential outside grant and loan sources. A thorough analysis of the feasibility of using these various funding mechanisms is a critical component in developing a proposal to TSEP and to other grant programs as well. Applications are evaluated based upon the applicant's ability to borrow funds or otherwise finance the project without the use of TSEP funds.

Eligible applicants include incorporated cities and towns, counties, consolidated governments and municipality or multi-county water, sewer, or solid waste districts.

Municipalities may form partnerships with other eligible applicants to provide the most appropriate and cost effective solution. Such partnerships would be particularly useful for bridge projects, which often involve a number of jurisdictions.

Project proposals are submitted to the MDOC every two years. Applications are due in May in the year proceeding the legislative year. MDOC staff reviews the proposals in a two step process. The first step ranks project applications based on program criteria. In the second stage of review, applications are evaluated based upon the applicant's ability to borrow funds or otherwise finance the project without the use of TSEP funds. This evaluation is based on the premise that applicants should receive grant funds only to the extent that they cannot afford to finance their projects without TSEP funds.

It is clear that the municipality should evaluate the feasibility of using all other available funding sources as a preliminary step to seeking TSEP funding. The Governor reviews the information prepared by the MDOC staff and submits recommendations to the Legislature, which makes the final decision on funding awards.

Contact: TSEP staff in Helena (406) 444-3757 or write to the Treasure State Endowment Program, Montana Department of Commerce, P.O. Box 200501, 1424 Ninth Avenue, Helena, MT 59620-0501.

Montana State Revolving Loan Fund (SRF)
The SRF provides loans for water pollution control systems, wastewater systems and non-point source control projects. Eligible applicants include counties, municipalities, other legally authorized public bodies, water/sewer districts and authorized tribal organizations. Planning funds are also available.

Funds are made available in the form of loans for 100% of project costs. There is no local matching requirement. Loans must be repaid over a period of 20 years or less.

Applications may be submitted at any time in a continuous cycle.

Contact: The Montana Department of Environmental Quality, Helena (406) 444-5322.

Renewable Resources Grant and Loan Program
This program provides loans and grants for water and wastewater projects including feasibility, construction, and rehabilitation; and for other renewable resource related projects. Eligible applicants include local governments, water and sewer districts, irrigation districts, conservation districts, school districts, state agencies and private entities.

Up to $100,000 is available for grants and up to $200,000 for grant/loan combinations. Loans are limited by the ability of the borrower to repay. No local match is required, but local-matching funds can improve a project's ranking.

Applications are due on May 15 on even numbered years.

Contact: Montana Department of Natural Resources in Helena, (406) 444-6668.

Water and Waste Water Disposal Loans and Grants
(U.S. Rural Economic and Community Development Agency)
This program provides grants and loans for the construction, repair and expansion of water and wastewater systems.

Projects may receive up to 75% of total project costs in grants and no maximum for loans. Applications may be submitted any time in a continuous cycle.

Contact: RECD in Bozeman, (406) 585-2520.

The Montana Intercap Program
The Montana Intercap programs are administered by the Montana Board of Investments and provide loans to local governments for a variety of public projects. Up to $500,000 can be made available for each project. The program provides loans at a variable rate plus a one percent loan origination fee on loans over one year and for a term of five or ten years depending on the borrower's legal authority. Short-term loans of less than a year are also available. Interest and principal payments are due biannually (February 15 and August 15 of each year). Loans may be pre-paid without penalty with a 30 day notice. Types of financing include installment purchase loans, general fund loans, general obligation bonds, and revenue bonds. Gas tax revenues may not be used to service debt. Projects that will use special improvement district payments to cover the annual debt are limited to a total loan of $300,000. Intercap funds may be used in association with other grant and loan programs as well as local sources.

Intercap loans can also be used to cover preliminary engineering costs. Preliminary engineering studies are those, which are conducted by a professional consulting, engineer. Funds may not be used for studies conducted by municipality personnel. Many funding programs require preliminary engineering studies for funding applications. Intercap loan

funds can offer a municipality a reasonable alternative for financing these engineering studies.

Monies are continuously available and applications are accepted at any time.

Contact: The Montana Board of Investments at (406) 444-0001 or in writing at 555 Fuller Avenue, Helena, MT 59620.

Public Facilities Community Development Block Grants - Montana Department of Commerce

Montana's Community Development Block Grant (CDBG) Program is a federally-funded competitive grant program designed to help communities of less than 50,000, and is aimed at benefiting low and moderate income persons. Grants are administered by the Montana Department of Commerce (MDOC) and awarded in three categories including economic development, housing and community revitalization, and public facilities.

CDBG grant awards for public facilities projects may not exceed $400,000 and are most often used in combination with other federal, state or local funds to make public improvements. The program requires that applicants provide at least 25 percent local match.

Eligible applicants are limited to general-purpose local governments, cities and towns with less than 50,000 people, and counties. Municipalities may apply for a project, which will include activities within the jurisdiction of an incorporated city or town if the proposed activity will benefit all municipality residents.

Each CDBG project proposal must demonstrate that at least 51 percent of the project's principal beneficiaries will be low and moderate-income persons.

Applications for public facilities funding are submitted to the MDOC in May of each year.

Information regarding applications and application deadlines is available by contacting the Department (see below). Applicants should initially review potential projects with the MDOC staff to determine their eligibility under program guidelines. Proposed projects must be selected through a community-wide needs assessment which incorporates a strong public participation component.

Contact: The Community Development office of the Montana Department of Commerce at (406) 444-2488 or write to the Community Development Block Grant Program, Montana Department of Commerce, P.O. Box 200501, 1424 Ninth Avenue, Helena, MT 59620-0501.

Public Works Program - Economic Development Administration

The Economic Development Administration (EDA) is an agency within the U.S. Department of Commerce. The purpose of the Public Works Program is to assist communities with the funding of public works and development facilities that contribute to the creation or retention of private sector jobs and to the alleviation of unemployment and under-employment. Such assistance is designed to help communities achieve lasting improvement by stabilizing and diversifying local economies, and improving local living conditions and the economic environment of the area.

Grants are awarded up to a participation level of 80 percent but the average EDA grant covers approximately 50 percent of project costs.

Acceptable sources of match include cash, local general obligation or revenue bonds; Community Development Block Grants, TSEP grants and loans, entitlement funds, Rural Development loans; and other public and private financing, including donations.

Projects must result in private sector job and business development in order to be considered for funding. Eligible applicants under this program include any state, or political

subdivision thereof, Indian tribe (and other U.S. political entities), private or public nonprofit organization or association representing any redevelopment area if the project is within and EDA-designated redevelopment area.

Redevelopment areas, other than those designated under the Public Works Impact Program must have a current EDA-approved Overall Economic Development Program (OEDP) in place.

Applications are accepted on an annual-open cycle. The program does not set specific project funding limits.

Contact: Montana Economic Development Representative at (406) 441-1175 or write to the Economic Development Administration, P.O. Box 10074, Federal Building, Helena, MT 59626 for more specific information.

Federal Emergency Management Agency Funds (FEMA)

In case of emergencies that affect infrastructure, the federal government provides relief through the Federal Emergency Management Agency (FEMA).

FEMA dollars are for unanticipated needs that result from disasters and emergencies and are typically not included in a municipality's financial planning process.

FEMA personnel are dispatched to the site of the disaster and are responsible for addressing all elements of repair or replacement as required. They assess the damage, hire the necessary professional consultants, prepare engineering analyses, bid projects and manage contracts.

Contact the FEMA regional office in Denver, Colorado. Telephone (303) 235-4830. Address: Federal Emergency Management Agency, Denver Federal Center, Building 710, P.O. Box 52267, Denver, CO 80225.

ECONOMIC DEVELOPMENT AND CENTRAL BUSINESS DISTRICT REDEVELOPMENT FINANCING

Local Mechanisms

Business Improvement Districts

Section 7-12-1101, MCA provides for the creation of business improvement districts (BID's). BID's may be established upon receipt of a petition signed by the owners of more than 60% of the area of property proposed in the petition to be included in a district. Once created, a Board of Trustees of no less than five and no more than seven persons, appointed by the local governing body governs a BID. The Board is responsible for setting an annual budget and work plan and developing a method of assessment which may include calculations based on area, lot taxable valuation, and/or square footage options. Costs, which may be covered by a BID, include:

- management and operating personnel.
- special police, maintenance or cleaning personnel.
- landscaping, beautification and maintenance of public areas.
- contracts with the local governing body to maintain, operate, or repair public parking facilities.
- contracts with the local governing body to maintain streets, alleys, malls, bridges, ramps, tunnels, landscaping and other public facilities.
- promotion of private business investment and expansion.
- promotion of business activity including advertising, decorating and events management.

Tax Increment Financing Districts

Under the Montana Urban Renewal Law (Section 7-15-4201, MCA), communities may establish tax increment districts for the purposes of revitalizing blighted neighborhoods, central business districts and infrastructure deficient industrial areas. Tax increment financing simply means that new property tax dollars resulting from increases in the market value of real property may be directed to the area where the real property is located. The base property tax (before any improvements to real property) continues to be distributed to the local government and school districts. However, tax dollars which accrue from increases in property values (from rehabilitation, new construction, etc.) are available for reinvestment. A tax increment program is authorized for 15 years or longer if the tax increment revenue is pledged to the payment of tax increment bonds.

*Note - A municipality must identify the specific geographic area where the program will be implemented.

Funds may be used to finance infrastructure within tax increment areas. In the case of industrial infrastructure district, funds may also be used to connect districts to other resources. Tax increment programs depend on substantial investment in property but can work in rural communities that are experiencing some growth.

The use of tax increment financing is restricted to "municipalities" or incorporated areas including consolidated city-county governments. However, as counties are responsible for all off-system bridges, including those that are located in cities and towns, tax increment financing may offer some local funding for bridge repair or reconstruction if the city or town council, or urban renewal agency, approves the use of tax increment funds for bridge improvements. In addition, if a bridge is historic or offers additional recreational opportunities (e.g. for pedestrian or cyclists), the city might provide tax increment funds for improvements as part of their community revitalization program.

*Note - Tax increment financing revenues may be used to retire tax increment revenue bonds or can be used to finance revitalization projects directly.

State and Federal Mechanisms

Community Development Block Grants for Economic Development

Montana's Community Development Block Grant (CDBG) Program is a federally-funded

competitive grant program designed to help communities of less than 50,000, and is aimed at benefiting low and moderate income persons. Grants are administered by the Montana Department of Commerce (MDOC) and awarded in three categories including economic development, housing and community revitalization, and public facilities. Eligible applicants for economic development awards are local governments, which in turn lend funds to for-profit businesses that agree to create jobs for low and moderate-income persons.

The maximum funding for economic development is $400,000 per local government in a program year. Applications are accepted on a continuous basis depending on available funding. The applicant business must prepare a business plan and meet certain thresholds, including providing a 1-to-1 dollar match.

Contact: Montana Department of Commerce, Helena, (406) 444-1759.

HOUSING FINANCING

State and Federal Mechanisms

Montana Department of Commerce Programs

Community Development Block Grants CDBG

Montana's Community Development Block Grant (CDBG) Program is a federally-funded competitive grant program designed to help communities of less than 50,000, and is aimed at benefiting low and moderate income persons. Grants are administered by the Montana Department of Commerce (MDOC) and awarded in three categories:

- economic development,
- housing revitalization
- community revitalization,
- public facilities.

Eligible activities include:

- rehabilitation of substandard housing.
- supporting the construction of new permanent, long-term affordable housing for low and moderate-income families, when a local nonprofit organization sponsors the project.
- acquiring, clearing, or rehabilitating sites or structures for use or for resale for new housing.
- converting existing nonresidential structures for residential use home buyer assistance for low and moderate-income persons.
- demolition of vacant, deteriorated housing units with the intent of making the site available for new housing construction.
- providing site improvements or public facilities to publicly-owned land or land owned by a nonprofit organization to be used or sold for new housing complementary community revitalization activities such as clean up campaign, removal of dilapidated, vacant buildings, improving or constructing sidewalks, streets, street lighting, or neighborhood parks or playgrounds.

CDBG grant awards for housing projects may not exceed $500,000 and have no matching requirements. Eligible applicants are limited to general-purpose local governments - cities and towns with less than 50,000 people and counties. Local governments may apply on behalf of private businesses, private nonprofit corporations or special purpose governmental agencies.

Each CDBG project proposal must demonstrate that at least 51 percent of the project's principal beneficiaries will be low and moderate-income persons.

Program allocations are made annually.

Contact: The Montana CDBG staff, Helena, (406) 444-2488.

Montana Board of Housing (MBOH)

The MBOH administers a number of programs listed below:

Low Income Housing Tax Credit Program

This program provides a tax credit to owners of qualifying rental housing which meets certain low-income occupancy and rent limitation requirements. Eligible applicants include governmental entities, non-profit entities and for profit developers.

Multifamily Risk Sharing Program and the Multifamily General Obligation Program

These programs provide permanent mortgage financing for affordable rental housing which meets certain low-income occupancy and rent limitation requirements. Eligible applicants include governmental entities, non-profit entities and for profit developers.

Single Family Set-A-Side Program

The MBOH has loan prepayments that it can use to purchase FHA insured or VA and RD guaranteed mortgage loans for affordable homes.

Innovative techniques in planning, construction, and building design are encouraged. Eligible applicants include government entities, non-profit entities and for profit developers.

Contact: MBOH, Helena (406) 444-4688.

Montana Home Investment Partnerships Program (HOME)

The HOME program was created by the National Affordable Housing Act of 1990 to expand the supply of decent and affordable housing for low and very-low income Montanan's. Eligible activities include acquisition, new construction, reconstruction, rehabilitation; tenant based rental assistance, homebuyer assistance and transitional housing and Single Room Occupancy units. Eligible applicants include units of local governments and Community Housing Development Organizations.

Contact: Montana Department of Commerce - Home Investment Partnerships Program, Helena, (406) 444-9774.

US Department of Agriculture - Rural Development Programs

Following is a list of Rural Development Housing Programs.

Housing Preservation Grants

Housing Preservation Grants are partnered with Housing Authorities and/or public bodies for the purpose of rehabilitating single or multi-family units, which are, occupied by very low to low income rural persons.

Rural Rental Housing 515 Program

This program provides eligible low and very low-income persons with economically designed and constructed rental facilities suited to their living requirements.

Farm Labor Housing 514 & 516 Program

This program provides loans and grants to finance construction of on and off-site housing for farm laborers and their families.

Section 538 -Guaranteed Rural Rental Housing Program

This program is aimed at those rural residents with low to moderate incomes that are not being served under the 515 program. Eligible applicants include nonprofit corporations, public bodies, and for-profit organizations.

Community Facilities Loan and Grant Programs

These programs assist local governments, nonprofit corporations, and Indian Tribes finance essential facilities such as assisted living centers and group homes.

Contact: USDA Rural Development - Rural Housing Service, Bozeman, (406) 585-2565.

HERITAGE, RECREATION AND TOURISM DEVELOPMENT FINANCING

Local Mechanisms

Property Tax Abatement Program

In 1989, Montana established a property tax abatement program for the restoration, rehabilitation, and expansion of certified residential and commercial properties listed on the National Register of Historic Places or located in a National Register District. For up to five years following completion of the construction, the property may receive tax abatement up to a total of 100 percent of taxes due to the increased value of the property. The tax abatement is only for mills levied for local government and school districts. Local governments establish their own tax abatement program.

Two-mill levy for Museums

Under 7-16-2205, MCA, Montana law permits a county government to levy up to two mills for any museum, facility for the arts or collection of exhibits. Funds can be used for operations, capital improvements, and program development.
Contact: The Montana Arts Council, Helena, (406) 444-6514.

State and Federal Mechanisms

Tourism Infrastructure Investment Program

Travel Montana provides grants to tourism-related non-profit groups for construction and rehabilitation of tourism and recreation attractions and historic sites; purchasing new and/or existing tourism and recreation attractions and historic sites; or artifacts and equipment purchased for a specific tourism project operation. Applications are due August 1st of each year.

Contact: Travel Montana, Helena (406) 444-2654.

Community Transportation Enhancement Program (CTEP)

The Montana Department of Transportation makes funds available for projects under the National Intermodal Surface Transportation and Efficiency Act. The Act provides for 10 percent of all surface transportation funds to be used for enhancement projects including historic preservation. Funds are awarded through local governments on a per capita basis.

Contact: Montana Department of Transportation, Helena, (406) 444-6201.

Resource Indemnity Trust

The Montana Department of Natural Resources makes grants from mining severance taxes to historic preservation projects that emphasize renewable resource management and community development.

Contact: The Department of Natural Resources (406) 444-6700.

Historic Preservation Programs

Federal Tax Credits for Historic Preservation

The Tax Reform Act of 1986 permits a building owner or long term lessee to elect a 20 percent tax credit on qualified rehabilitation expenditures incurred after January 1, 1987 in connection with a certified rehabilitation. A tax credit provides the property owner with a reduction on his or her federal income tax due. In order to be eligible for the credit, buildings must be used for income producing purposes including industrial, commercial or rental residential uses. The building must be listed individually on the National Register of Historic Places, be a part of a National Register district or be under consideration in a pending nomination.

Contact: The State Historic Preservation Office, Helena, (406) 444-7715.

Certified Local Government Program
The Certified Local Government Program is a partnership program between state and local governments, whereby the State Historic Preservation Office provides preservation and planning assistance. Assistance is in the form of matching funds for local preservation programs.

Contact: The State Historic Preservation Office, Helena, (406) 444-7715.

National Trust for Historic Preservation
The Trust provides funding for historic preservation projects through a variety of loan and grant programs.

Contact: The National Trust for Historic Preservation, Mountain/Plains Regional Office, 910 16th Street, Suite 1100, Denver, CO 80202, (30) 623-1504.

Montana Cultural Trust
A portion of the interest earned in the investment of the coal tax revenue is available for projects in the arts and historic preservation for operations, capital, special projects and endowment development. Applications are reviewed during the summer prior to each Montana Legislative session.

Contact: The Montana Arts Council in Helena at (406) 444-6514 or the Montana Historical Society (406) 444-2694.

Montana Arts Council
Administers grant funds (in conjunction with the National Endowment for the Arts - NEA) for cultural resources planning and to sponsor activities and events. The NEA also supports projects in the field of art and architecture and provides support in the activities of local art agencies.

Contact: The Montana Arts Council in Helena, (406) 444-6514.

Montana Committee for the Humanities
The Montana Committee for the Humanities provides funding for historic and prehistoric surveys, for public forums on a variety of issues, for research, and oral history. The Committee also makes funds available for special speakers and conferences. Program activities must involve a humanist, which often fosters cooperative partnerships between communities and local colleges and universities.

Contact: The Montana Committee for the Humanities, Missoula (406) 243-6022.

Private Foundation Grants
Private foundation grants are available to non-profit organizations and local governments (in some cases) for projects, which advance community cultural, historic and heritage resources. A variety of publications and on-line resources provide information on individual foundation programs.

PLANNING ASSISTANCE

State and Federal Mechanisms

Planning assistance for engineering costs and other consulting fees associated with capital improvements project is available through the capital facilities grants programs mentioned in above. In addition, other types of planning funds are available from a variety of sources including the following entities:

The Economic Development Administration (EDA)
The Economic Development Administration provides funds for technical assistance and planning grants for projects, which result in the creation of new employment. Planning grants usually average about $25,000 and require a small cash match.

Contact: EDA Office, Federal Building, Helena, MT (406) 449-5074.

CDBG - Technical Assistance Matching Grants
Montana Department of Commerce provides planning grants of up to $20,000 for affordable housing, capital improvements planning, growth policies and economic development planning.

Contact: Montana Department of Commerce, Helena, MT (406) 444-2488.

Federal Home Loan Bank of Seattle
Community Lending Services provides planning grants of up to $10,000 for affordable housing, economic development and neighborhood revitalization.

Contact: The Federal Home Loan Bank of Seattle, 1501 Fourth Avenue, Seattle, WA 98101 (206) 340-8737.

CHAPTER XI *CAPITAL IMPROVEMENTS PROGRAM*

Under the provisions outlined in Montana's growth policy statute, 76-1-601 M.C.A. growth policies must include, "a strategy for development, maintenance, and replacement of public infrastructure, including drinking water systems, wastewater treatment facilities, sewer systems, solid waste facilities, fire protection facilities, roads, and bridges." The City of Shelby updates its capital improvements plan on a yearly basis. As a result the capital improvements plan will not be included in this document. This is done so the city will not have to follow the growth policy amendment process each time the capital improvements plan is updated. A copy of the current capital improvements plan is available from the City of Shelby Finance Officer, at the city's office located at 112 1st Street South in Shelby, Montana.

CHAPTER XII *REVIEW CRITERIA*

Under Section 76-3-608 (3) (A) M.C.A.

Under the provisions outlined in Section 76-1-601 (2) (i) MCA, growth policies must include a discussion regarding how governing bodies will define the criteria in Section 76-3-608 (3) (a). The basis upon which the local governing body makes a decision to approve, conditionally approve, or disapprove a subdivision is whether the preliminary plat, environmental assessment, hearing and planning board recommendations or additional information demonstrates that development of the subdivision meets the requirements as set forth in Section 76-3 608, MCA. The statute requires that governing bodies must issue "findings of fact" that weigh the effect on the following criteria:

- Agriculture
- Agricultural Water Facilities
- Local Services Natural Environment
- Wildlife
- Wildlife habitat
- Public Health and Safety

The City of Shelby will evaluate and make decisions regarding proposed subdivisions with respect to the criteria in Section76-3-608 (3) (a).

Subdivision review will include written findings of fact as to whether or not the proposed subdivision will have an impact the six criteria outlined by statute.

Definitions

Section 76-1-601 requires the City of Shelby to include definitions of the criteria outlined in Section 76-3-608(3)(a).

Agriculture.

All aspects of farming, including the cultivation and tillage of the soil.

Dairying

The production, cultivation, growing and harvesting of any agricultural or horticultural commodities, including commodities defined as agricultural commodities in the Federal Agricultural Marketing Act [12 U.S.C. 1141j (g).

The raising of livestock, bees, fur-bearing animals, or poultry

Any practices including forestry or lumbering operations performed by a farmer or on a farm as an incident to or in conjunction with farming operations, including preparation for market or delivery to storage, to market, or to carriers for transportation to market.

Agricultural and food product includes a horticultural, viticultural, dairy, livestock, poultry, bee, other farm or garden product, fish or fishery product and other foods.

Agricultural Water User Facilities.

Those facilities, natural or man-made which provide water for agricultural land as defined in 15-7-202, M.C.A., or which provide water for the production of agricultural products as defined in 15-1-101, M.C.A., including but not limited to canals, ditches, pipes and head gates.

Local Services

Those commonly accepted functions associated with the responsibilities of local governmental entities. Includes any and all services that local government entities are authorized to provide.

Natural Environment
The natural phenomena, land, air flora, fauna and water existing in a given area. The physical conditions which exist within a given geographical area, including land, air, water, minerals, flora, fauna, soils, and objects of historical or aesthetic significance.

Wildlife
Living things that are neither human nor domesticated.

Wildlife Habitat
A place frequented by wildlife or an area where wildlife naturally live or grow.

Public Health and Safety
A condition of optimal well-being, free from danger, risk, or injury for a community at large, or for all people, not merely for the welfare of a specific individual or a small class of persons.

The Shelby City Council and the Board of Toole County Commissioners will exempt subdivisions from the "primary" review criteria described in Section 76-3-608 (3) (a), M.C.A. if all of the following conditions are met:

The subdivision is adjacent to the corporate limits of the City of Shelby;
The proposed subdivision will be served by municipal services from the City of Shelby;
The services will be financed by the developer or a special improvement district is created to finance those services;
The proposed subdivision will be annexed into the City of Shelby prior to filing the final subdivision plat;
The proposed subdivision will be zoned and assigned to a Ward at the time of annexation.
The Shelby City Council will exempt subdivisions from the "primary" review criteria described in Section 76-3-608 (3) (a), M.C.A. if the proposed subdivision is located within the corporate boundaries of the City of Shelby.

PUBLIC HEARINGS ON PROPOSED SUBDIVISIONS
The City of Shelby will conduct all public hearings in accordance with the provisions outlined in the Montana Subdivision and Platting Act, Title 76, Chapter 3 Montana Codes Annotated

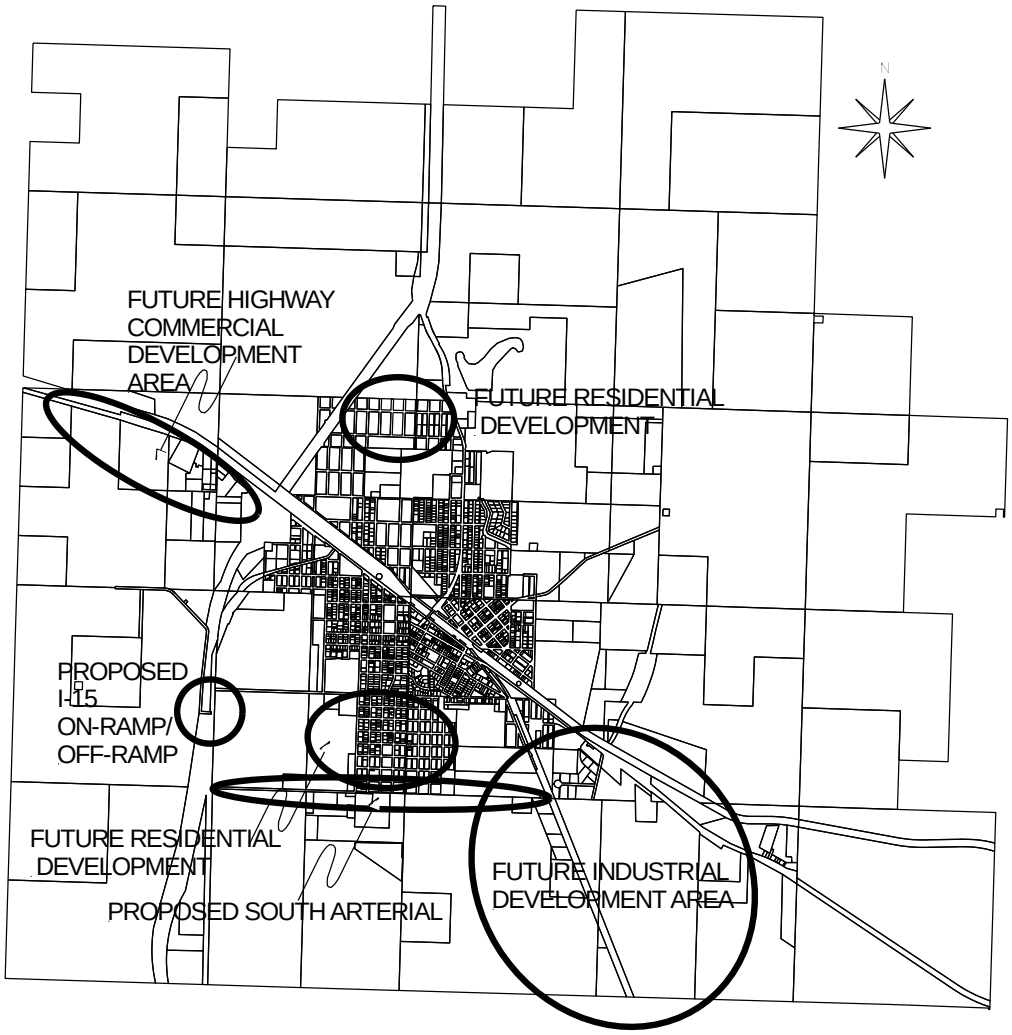
CHAPTER XIII *CITY – COUNTY COOPERATION*

The Montana Growth Policy Statute (76-1-601, MCA) requires governing bodies include in their growth policies, a statement of how governing bodies will coordinate and cooperate with other jurisdictions on growth policies. On April 2, 1990, Toole County and the City of Shelby entered into an agreement to provide for the purpose of conducting county and community planning and to create a city-county planning board. The City of Shelby will continue to work closely with the Toole County Commission to cooperate and coordinate the local planning and economic development efforts. Unlike most other cities in Montana, growth in Toole County has occurred almost exclusively within the Shelby city limits. With the cooperation of Toole County, the City of Shelby has been very aggressively annexing land and extending city services to land adjacent to the City. This has resulted in the construction of a new 500-bed prison and annexation of the county's fair grounds.

As stated in the original agreement, Toole County and the City of Shelby wish to make the most efficient use of their resources for the purpose of conducting county and community planning.

CHAPTER XIV *GROWTH POLICY MAP*

SHELBY GROWTH POLICY



Base Map: Montana Department of Revnue