

**FINAL REPORT
OF THE MILES CITY ZONING COMMISSION
ON DRAFT AMENDMENTS TO ZONING CODE FOR
MEDICAL AND ADULT-USE MARIJUANA DISPENSARIES,
INCLUDING THREE OPTIONS FOR ZONING UPDATES
AUGUST 7, 2025**

A) Introduction:

This report is submitted to the City Council along with three draft ordinances for amendments to the City zoning code to regulate and provide for state-licensed medical and adult-use marijuana dispensaries. The three draft ordinances provide the following three separate options for addressing marijuana dispensaries:

- (1) Option 1 is similar to the ordinance that the Zoning Commission reviewed on January 21, 2025 and recommended approval of to City Council, with the exception of the Zoning Commission's July 1, 2025 recommendation to add a requirement for a legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are met. With that addition, the Zoning Commission recommended Option 1 be adopted by City Council. The City Council did not pass the previous, similar ordinance, which was presented to Council as Ordinance No. 1391 and failed on its second reading on March 11, 2025. That draft ordinance applies distances between dispensaries and certain sensitive land uses and residential and Open Space districts, but allows for dispensaries as *permitted uses* subject to standards and requirements, including the language regarding a legal instrument to certify zoning compliance.
- (2) Option 2 is a simple ordinance that would essentially continue the status quo effect of the current zoning regulations and interim zoning Ordinance No. 1388 (and potentially a subsequent extension ordinance currently under review), which regulate the sale of "adult use marijuana" a/k/a "recreational marijuana" subject to the existing regulations pertaining to the sale of "medical marijuana" as currently in the zoning code. The draft ordinance would replace terminology for "medical marijuana providers" with language inclusive of all marijuana dispensaries so they are treated the same, and allowable only in the Highway commercial (HWC) district, subject to *conditional use permit* review by City Council, and subject to current minimum distances from public or private schools, parks, playgrounds, and religious institutions and other requirements, with other minor amendments to update definitions and other references to medical marijuana to apply to all marijuana. The Zoning Commission recommended that Option 2 not be adopted.
- (3) Option 3 would create a Marijuana dispensaries overlay district (MDOD) that identifies areas where marijuana dispensaries may be located, subject to certain requirements. The draft presented to the Zoning Commission included a requirement that all marijuana dispensaries would require *conditional use permit review* by City Council, but the Zoning Commission's recommendation was to omit the CUP process and replace it with a legal instrument prepared by administration that would require the applicant to provide a document showing all

requirements, including setbacks are met, like the recommendation on Option 1. With that addition and a recommendation to increase the staff-proposed recommendation of 500 feet statutory distance requirements from churches, schools, and child-care facilities to be increased to 1,000 feet, the Zoning Commission recommended Option 3 be the second-best option to be considered by City Council. The draft ordinance also includes updates to definitions similar to the other draft ordinance options.

The proposed amendments were initiated by staff after time passed after Ordinance No. 1391 failed without direction from Council, and it was later discussed with City Council to revisit addressing marijuana dispensaries. After receiving varied and limited direction from Council during later discussions, staff and the City Attorney decided to propose the three options; it is anticipated that only one of the optional ordinances may be adopted, subject to the recommended modifications by the Zoning Commission, public comments, and modifications by Council. A variation of the potential ordinances could also come from the public process.

As a separate but related matter, the City Council passed an ordinance extending interim zoning Ordinance No. 1388 for a period of one year on June 24, 2025. That extension allows additional time for the City to study and consider adoption of comprehensive zoning regulations to address marijuana dispensaries, as presented with the three options and/or by working through modifications to create an ordinance that will best serve the City long-term.

The zoning amendments are proposed in response to voters in Custer County voting to approve a ballot measure approving of the sale of marijuana at medical and adult-use marijuana dispensaries in Custer County in November 2024. Said businesses and sales are/will be regulated by the Cannabis Control Division of the Montana Department of Revenue pursuant to the Montana Marijuana Regulation and Taxation Act (Title 16, Chapter 12, MCA) and associated Administrative Rules of Montana (ARM).

The City Council is scheduled to hold a discussion on the three options on August 12, 2025 during its regular meeting at 6:00 p.m. in the City Hall Conference Room, 17 South 8th Street, Miles City, Montana, 59301. The discussion is intended to obtain City Council feedback on the Zoning Commission's recommendations on the three ordinances, any potential Council-preferred option, and possible modified language so that language can be adjusted to work administratively for the City before an ordinance(s) can go through first and second readings with a public hearing.

B) Municipal Zoning Procedure:

According to 76-2-307, MCA, the City Council appoints the Zoning Commission to recommend the boundaries of the zoning districts and appropriate zoning regulations. The Zoning Commission shall make a preliminary report and hold public hearings on the zoning districts and regulations before submitting its final report, and the City Council shall not hold its public hearings or take action until it has received the final report of the Zoning Commission. The purpose of the June 17 public hearing and July 1 continued hearing was to take and consider public comments and meet the requirements of 76-2-307, MCA for the Zoning Commission to hold its public hearing and make a final report on the draft zoning regulations.

At the June and July public hearings, the Zoning Commission reviewed the draft updates and preliminary report, considered public comments, and directed staff to make the previously-described changes. A public hearing of the City Council will be scheduled for the Council to review the draft ordinances and final report of the Zoning Commission.

Per 76-2-303(2), MCA, a regulation, restriction, or boundary may not become effective until after a public hearing in relation to the regulation, restriction, or boundary at which parties in interest and citizens have an opportunity to be heard has been held. At least 15 days' notice of the time and place of the hearing must be published in an official paper or a paper of general circulation in the municipality. The notice of the Zoning Commission's June 17 public hearing was published in the Miles City Star on May 31, 2025¹, and of the continued hearing on June 25 and 28, 2025. Additional notice of the Council's public hearing will be published as required by state law and the City zoning code.

C) Report/Findings:

This is the final report of the Zoning Commission as required by 76-2-307, MCA. Section D) of this report gives an overview of the draft zoning updates and potential dispensary locations. Section E) provides the purpose and process for zone changes and zoning amendments. Section F) of the report outlines applicable zoning statutes and Zoning Commission's findings regarding the draft regulations' compliance with the zoning code's criteria for zone changes and zoning amendments. Section G) provides the Zoning Commission recommendations to City Council. This report contemplates all three potential options, with recommended findings for all options.

D) Overview of Draft Regulations and Potential Dispensary Locations:

The three draft options for ordinances are intended to revise various sections of Chapter 24 of the current City Codes ("Zoning"). This section of the report gives an overview of the regulations proposed by the three draft ordinances, along with some of the different factors that should be considered for each option. It should be noted there could be elements taken from the different options and used in others to develop an alternative or modified ordinance that is intended to best work for Miles City.

One of the large differences between the three options is how allowed locations for potential future marijuana dispensaries would be determined and regulated. It should be understood the City has discretion regarding where in the municipality dispensaries will be allowed. For example, Section 16-12-207 of the Montana Marijuana Regulation and Taxation Act states the following regarding local regulations and restrictions for marijuana businesses (the "department is the Montana Department of Revenue) – the underlined indicates reviewer's emphasis:

16-12-207. Licensing as privilege -- criteria.

(3) (a) The department shall deny a cultivator license, manufacturer license, adult-use dispensary license, medical marijuana license, or testing laboratory license if the applicant's proposed licensed premises:

¹ Reviewer note: the preliminary report erroneously stated the notice was published June 7th.

- (i) is situated within a zone of a locality where an activity related to the use of marijuana conflicts with an ordinance, a certified copy of which has been filed with the department;*
- (ii) is not approved by local building, health, or fire officials as provided for in this chapter;*
or
- (iii) is within 500 feet of and on the same street as a building used exclusively as a church, synagogue, or other place of worship, as a school or postsecondary school other than a commercially operated school, or as a child-care facility licensed or registered by the department of public health and human services, unless the locality requires a greater distance. This distance must be measured in a straight line from the center of the nearest entrance of the place of worship or school to the nearest entrance of the licensee's premises. This subsection (3)(a)(iii) does not apply if the application is for license renewal and the licensed premises was established before the church, synagogue, or other place of worship or school or postsecondary school or child-care facility existed on the same street.*
- (b) For the purposes of this subsection (3), "school" includes public and private preschools.*
- (c) The provisions of subsection (3)(a)(iii) apply to new license applications submitted on or after January 1, 2024.*

The Montana Department of Revenue has adopted the following administrative rules to implement 16-12-207, MCA:

ARM 42.39.124 DETERMINATION OF PROXIMITY TO PLACE OF WORSHIP OR SCHOOL

- (1) In order to apply the provisions of 16-12-207(3), MCA, to a cultivator licensee, manufacturer licensee, adult-use dispensary licensee, or medical marijuana dispensary licensee, the department must find:*
 - (a) the entrance doors of the premises proposed for licensing and the entrance doors of the place of worship or school are situated on the same street; and*
 - (b) the physical address of the premises proposed for licensing is designated as the same street as the physical address of the place of worship or school; and*
 - (c) the distance, measured in a straight line from the entrance doors of the business proposed for licensing, and the entrance doors of the place of worship or school is 500 feet or less.*
- (2) If the three-part test in (1) is not met in its entirety, the provisions of 16-12-207, MCA, do not apply.*
- (3) The distance between entrance doors is measured by a geometric straight line, regardless of intervening property and buildings. An entrance is considered to be a means of ingress to the premises generally used by the public. This does not include egress-only doors, delivery, or service entrances.*
- (4) In the event that a county or city government should enact an ordinance or resolution supplanting the provisions of 16-12-207, MCA, the restriction shall not apply.*
- (5) A conformed copy of such supplanting ordinance or resolution must be submitted to the department by an applicant or a licensee, in the case where a local government adopts an ordinance or resolution regarding the premises location after the department approves the premises.*

Therefore, the City may increase the distances between dispensaries and places of worship or schools, supplant the statutory distance requirements, and/or otherwise locally regulate zones related to the

use of marijuana and activities. In short, the reviewer believes that the City can regulate allowed and prohibited locations for marijuana dispensaries regardless of the locations prescribed by state law and implementing state rules. The proposed ordinances are also based on the premise that the City should adopt allowed locations that reasonably accommodate these types of businesses that comply with state law, and not prohibit them from the City limits or adopt regulations that preclude them from finding viable locations to locate.

Overview of each draft ordinance:

Option 1: *As previously recommended by the Zoning Commission after modifications to the initial draft ordinance proposed by staff and recommended modifications by the Zoning Commission from the July 1 meeting:*

The following is a general overview of Option 1:

- “Medical and adult-use marijuana dispensaries” are added to the “Permitted Uses” listed in the Highway commercial district (HWC), Heavy commercial/light industrial district (HCLI), and Heavy industrial district (HI). “Medical marijuana providers” is deleted from the Conditional Uses in the HWC District, as both types of dispensaries would become permitted in HWC.
- Sec. 24-71. – “Medical marijuana”, is renamed “Marijana Dispensaries”, and amended to provide reasonable regulations for both types of dispensaries in the above districts consistent with certain requirements of the Montana Marijuana Regulation and Taxation Act, and to clarify that both types of marijuana dispensaries shall not be located in any zoning district where the uses are not explicitly listed as a permitted or conditional use in the zoning district.
- Sec. 24-64. – “Home occupations” is amended to reflect that businesses involving marijuana or marijuana products are not allowed as home occupations.
- Terms and definitions for marijuana dispensaries are added to Sec. 24-201. – Definitions, replacing the current term and definition for “Medical marijuana provider”. These terms and definitions are based on state law definitions. (all three options would do this)

The draft text amendments are intended to keep the City’s administration of marijuana dispensaries as streamlined as possible and allow them in appropriate locations within the City subject to reasonable safeguards, treating them similar to other commercial uses but with additional standards specific to marijuana dispensaries, while not burdening the staff and City Council with an influx of Conditional Use Permits. Option 1 is based on the previous Zoning Commission recommendations after considering the initial draft by staff. The Zoning Commission revised the initial ordinance to remove the Central Business Districts and General Commercial District from the districts where dispensaries would be allowed as permitted uses, increased distance requirements for dispensaries from 500 feet to 1,000 feet from places of worship and schools, and added a 300’ distance from the residential and OS districts.

The following are some of the factors that should be considered that would apply to the Option 1 draft ordinance:

- Where allowed, dispensaries would be “permitted uses”, not requiring conditional use permit review by Council, but the Zoning Commission recommendation adds a requirement for a

legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are met;

- The draft uses various methods of measurements between dispensaries and sensitive land uses and districts, with some being based on statutory methods (e.g., between dispensary entrances and entrances to buildings used exclusively for certain uses; whether dispensaries and other buildings are on the same street, etc.) and some based on distances between dispensaries and the City OS and residential districts;
- The draft uses statutory terms and verbiage for sensitive land uses and distances between entrances of buildings makes them easier to interpret and administer distances;
- The draft would not require distances between dispensaries and *County* residential zoning districts outside the City limits;
- The allowed locations are difficult to map City-wide, if not impossible;
- To determine allowed locations for dispensaries requires site-specific analyses and due diligence. Because allowed locations are impossible to be mapped, and determining allowed locations requires application of the language specific to each potential site and area conditions, it is difficult to predict precisely where dispensaries will or may be located. The language is based on directing dispensaries away from various sensitive land uses and areas, with different methods of measurements depending on the intent. For example, the intent is not to separate dispensaries from all residences, but from areas zoned residential by the City. Likewise, the intent is not to separate dispensaries from any premises that could be considered a park, playground, or part of a religious institution's property (see Option 2), the intent is to provide separation between dispensaries and recognized City parks and similar properties zoned OS (this is a City-specific proposal not associated with what is outlined by state law), as well as buildings used exclusively as a "church, synagogue, or other place of worship, as a school or postsecondary school other than a commercially operated school, or as a child-care facility" as outlined by state law. This is intended to eliminate ambiguity regarding how to measure the distances, what may be deemed a religious institution or park/playground (see Option 2), and whether to measure from a premises or buildings/entrances.
- This may provide for dispensaries in certain locations well beyond those that may be allowed by Options 2 or 3. Option 1 provides objective distance requirements that require the above-noted more site-specific analysis and due diligence, which, if the objective distance requirements represent the desired methodology for determining allowed locations, may result in relatively flexible locations that also are separated from sensitive land uses and areas that result in the locations being in the best interests of the City and its citizens and visitors overall.

Option 2: *Effectively continues the status quo per current zoning and interim zoning Ordinance No. 1388 to subject all marijuana dispensaries to CUP review by City Council as codified currently for medical marijuana providers, with the requirement that dispensaries shall not be located within 1,000 feet of a public or private school, park, playground or a religious institution:*

The following is a general overview of Option 2:

- "Medical and adult-use marijuana dispensaries" replaces "Medical marijuana providers under the "Conditional Uses" listed in the Highway commercial district (HWC).

- Sec. 24-71. – “Medical marijuana”, is renamed “Marijana Dispensaries”, and amended to replace the term medical marijuana with marijuana dispensaries.
- Sec. 24-71 is amended to clarify that marijuana dispensaries are only allowed in the HWC District and require conditional use permit review and approval.
- Sec. 24-64. – “Home occupations” is amended to reflect that businesses involving marijuana or marijuana products are not allowed as home occupations.
- Terms and definitions for marijuana dispensaries are added to Sec. 24-201. – Definitions, replacing the current term and definition for “Medical marijuana provider”. These terms and definitions are based on state law definitions. (all three options would do this)

The following are some of the factors that should be considered that would apply to the Option 2 draft ordinance:

- The draft keeps administration of marijuana dispensaries relatively simple;
- The draft would limit dispensaries to the HWC District only, and only to limited areas of HWC by requiring 1,000 feet between dispensaries and schools, parks, playgrounds, and religious institutions;
- The draft would continue to require conditional use permit review and approval by City Council;
- The draft would leave it open to interpretation regarding what constitutes a public or private school, park, playground or a religious institution and how distances are measured (between buildings or entrances vs. tracts containing the uses, etc.);
- Terms for sensitive land uses are undefined, and thus subject to interpretation by staff and City Council;
- While allowable locations are limited to portions of the HWC District, the precise locations are somewhat difficult to map due to the above interpretation issues. For example, during a recent CUP review for a proposed dispensary, the application was submitted and staff did not find the proposed dispensary to be within 1,000 feet of any religious institution, park, playground, or school. Upon holding the first public hearing with Council, many members of the public commented that the dispensary would be located within 1,000 feet of a park/playground and religious institution, being the Holy Rosary Hospital and grounds. At the second hearing, members of the public commented that the dispensary would also be located too close to the Broadus interchange I-94 off-ramp “park”, a City-maintained center area of the off-ramp roundabout listed under the City’s parks & recreation facilities on the webpage. The Council denied the CUP upon determining the hospital grounds constituted a “park” within 1,000 feet, without making determinations on the other items raised. If Option 2 is adopted, the public may again offer alternative interpretations during CUP reviews. It is anticipated that if Option 2 is adopted, staff will need to make difficult interpretations and take positions on the above matters that would be appealable to the Board of Adjustment; but some may require Council interpretations and decisions upon public hearings and comments if CUP applications proceed to Council review. Option 2 is not ideal for these reasons, as it leaves allowable locations for dispensaries subject to a wide range of interpretations.

The Zoning Commission recommended that Option 2 not be adopted.

Option 3: Marijuana dispensaries overlay district (MDOD):

The following is a general overview of Option 3:

- “Medical marijuana providers is removed from the “Conditional Uses” listed in the Highway commercial district (HWC);
- The Zoning Commission recommendation adds a requirement for a legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are met; this addition is intended to provide for a higher level of review and oversight without a conditional use process;
- The draft would create a “Marijuana dispensaries overlay district (MDOD)”;
- An overlay district map would be adopted that identifies allowable locations for marijuana dispensaries;
- The draft would not “supplant” the requirements in state law regarding distances between dispensaries and certain places of worship, schools, and child-care facilities, but per the Zoning Commission recommendation, would increase the requirements from the statutory distance of 500 feet to 1,000 feet, which would be regardless of the overlay map. The staff recommendation was to keep the statutory requirements of 500 feet regardless of the overlay;
- The MDOD regulations would carry forward some of the current restrictions for medical marijuana providers and hours of operation consistent with Option 2 and state law;
- Terms and definitions for marijuana dispensaries are added to Sec. 24-201. – Definitions, replacing the current term and definition for “Medical marijuana provider”. These terms and definitions are based on state law definitions. (all three options would do this)

Regarding mapping methodologies, to generate the attached overlay map, staff generally followed the following steps:

1. Began with the General commercial district (GC), Highway commercial district (HWC), Heavy commercial/light industrial district (HCLI), and Heavy industrial district (HI) as potential allowed locations for marijuana dispensaries;
2. Eliminated areas known to be within 500’ of tracts containing buildings known to be used exclusively as churches, synagogues, and other places of worship, schools or postsecondary schools other than a commercially operated schools, and child-care facilities; these were measured in a straight line from the known tracts containing those uses as opposed to the statutory methods (between entrances, on the same street, etc.) due to the difficulty in mapping such distances and to take the most conservative approach;
3. Eliminated areas within 300’ of City residential districts and the OS District, and strived to exclude areas within approximately 300’ of County residential districts;
4. Generally adjusted most boundaries to follow tract boundaries, with exceptions for railroad tracts and other large commercial or industrial tracts with potential room for additional buildings that could be developed for dispensaries;
5. Areas with intensive railroad and similar industrial activities that would preclude reasonable locations for marijuana dispensaries were eliminated;
6. Where areas became small and potential spot zones after performing the above steps, the areas were eliminated (example: the HCLI area adjacent to the Yellowstone River bridge);
7. The City Police station property and adjacent railroad property were excluded;

8. The Super 8 hotel property along S. Highway 59 was eliminated due to having very close residences outside the City limits on both the north and south sides, despite the County zoning map showing those tracts as commercially-zoned.

Staff created the map with the idea that the potential locations for dispensaries would be subject to the entire public review process, thus likely resulting in changes to the potential overlay district. While this could mean the potential overlay district could be proposed to be expanded or reduced, staff anticipated that the areas would be more likely to be reduced in area than expanded. To increase the areas would require modifications to the above methodologies, such as the elimination of areas within 300' of City and/or County residential zones. Despite the Zoning Commission's recommendation to increase the distance requirements as described previously, the Zoning Commission did not recommend changes to the proposed overlay district map, so the Option 3 ordinance would further reduce the potential areas for dispensaries relative to the map if adopted and implemented.

The following are some of the factors that should be considered that would apply to the Option 3 draft ordinance:

- Potentially allowed locations for dispensaries are mapped using City discretion to create allowable areas for dispensaries based on a methodology using reasonable criteria;
- The draft would not "supplant" statutory location requirements (distances), which, to some extent, limits the definitiveness of the overlay mapping, particularly per the Zoning Commission recommendation;
- The draft presented by staff to the Zoning Commission would have continued to require conditional use permit review and approval by City Council; however, the Zoning Commission recommendation would add a requirement for a legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are met; this addition is intended to provide for a higher level of review and oversight without a conditional use process;
- Provides for less issues with ambiguous language and open interpretation and administration relative to Option 2;
- Although the Zoning Commission recommended increasing the distance requirements between marijuana dispensaries and certain places of worship, schools, and child-care facilities from 500 feet to 1,000 feet, the Zoning Commission did not recommend changes to the proposed overlay district map attached to the Option 3 ordinance. The revised language in the Option 3 ordinance would therefore further reduce the potential areas for dispensaries relative to the map if adopted and implemented. This reduces the effectiveness of the overlay district and mapping in depicting potential locations where marijuana dispensaries may be located, thus making Option 3 as proposed by the Zoning Commission an option not recommended by the reviewer. It essentially negates the intent of the overlay district.

The Zoning Commission recommended Option 3 be the second-best option to be considered by City Council.

E) Zone changes and zoning amendments – Purpose and Process:

Administration of zone changes and zoning amendments is outlined in Sec. 24-96 of the Zoning Code. The following are the ‘purpose’ and ‘amendment process’ for review of zoning amendments. Other sections applicable to the City Council review, with Zoning Commission-recommended findings based on the zone change criteria, are provided in the next section.

- (a) *Purpose.* Any person may petition for the amendment of the zoning district map and/or these regulations. The amendment procedure shall be as provided here and in MCA 76-2-303. Amendments may also be initiated by the zoning commission or administrator, in which cases steps subsections (b)(1) through (b)(3) below, will not be required.
- (b) *Amendment process.*
 - (1) The applicant shall submit a properly completed application form, the required supporting materials, including a narrative evaluating the amendment request under the amendment criteria in (c) below, and the required application fee at city hall.
 - (2) The administrator shall determine whether the application is complete and sufficient. When an application is determined incomplete or insufficient, the administrator shall provide written notice to the applicant indicating what information must be submitted for the review to proceed.
 - (3) After the application is determined to be complete and sufficient, the administrator shall schedule a public hearing on the application for a zoning amendment on the agenda of the next zoning commission meeting for which the notice requirements can be met (section 24-97), and at which time allows for its proper consideration.
 - (4) The administrator shall give notice of the public hearing in accordance with section 24-97.
 - (5) The administrator shall prepare, or contract for the preparation of, a report that describes the proposed amendment and how it complies, or fails to comply, with the amendment criteria. The report shall include a recommendation for approval, approval with modifications or denial.
 - (6) The zoning commission shall conduct at least one public hearing on the proposed amendment. At the hearing, the zoning commission shall make a report regarding the proposed zone change and consider whether the proposed amendment meets the amendment criteria. The zoning commission shall review the particular facts and circumstances of the proposed amendment and develop findings and conclusions that support its recommendation that the city council approve, approve with modifications, or disapprove it accordingly.
 - (7) The zoning commission's action on a proposed amendment may be tabled, but for no more than 35 days.

- (8) The administrator shall convey the zoning commission's recommendation and all public comments to the city council and, unless the application is withdrawn, place a hearing on the agenda of the next city council meeting for which the notice requirements can be met (Section 24-97), and at which time allows for its proper consideration. The city council shall not hold its public hearing or take action until it has received the report of the zoning commission.
- (9) The administrator shall give notice of the city council's public hearing in accordance with section 24-97.
- (10) The city council shall conduct a public hearing on the proposed amendment. At the hearing, the city council shall consider the recommendation of the zoning commission and all testimony received, then approve, reject, or modify and approve the amendment. Action on the proposed amendment may be tabled, but for no more than 35 days.
- (11) If approved or approved with modifications, the city council shall pass an ordinance effectuating the amendment to the zoning map or regulations, as applicable.
- (12) An amendment to the zoning may not become effective except upon favorable vote of two-thirds of the present and voting members of the city council if a protest against a change is signed by the owners of 25 percent or more of:
 - a. The area of the lots included in the proposed change; or
 - b. Those lots or units, as defined in MCA 70-23-102, 150 feet from a lot included in a proposed change. For purposes of this protest provision, each unit owner is entitled to have the percentage of the unit owner's undivided interest in the common elements of the condominium, as expressed in the declaration, included in the calculation of the protest. If the property, as defined in MCA 70-23-102, spans more than one lot, the percentage of the unit owner's undivided interest in the common elements must be multiplied by the total number of lots upon which the property is located. The percentage of the unit owner's undivided interest must be certified as correct by the unit owner seeking to protest or by the presiding officer of the association of unit owners.
- (13) At the conclusion of the amendment process, the administrator shall notify the applicant of the city council decision within ten days.

F) Amendment Criteria and Recommended Findings

Sec. 21-96(c) of the Zoning Code provides the “Amendment criteria” for zone changes and zoning amendments. The evaluation criteria are listed below, followed by the Zoning Commission’s recommended findings in *italics*.

Reviewer note: The Zoning Commission’s motions did not identify specific changes to the findings presented in the preliminary report to the Zoning Commission, so the reviewer has modified the

recommended findings based on the Zoning Commission’s discussions surrounding the motions, and to reflect the Zoning Commission’s recommendations to the extent possible.

(c) Amendment criteria.

(1) Zoning amendments shall be made:

a. In accordance with the growth policy;

Finding 1-a:

The 2025 Miles City Growth Policy does not specifically address marijuana dispensaries or include any specific City policies, goals, objectives, or actions pertinent to regulating them. The 2025 Growth Policy’s only objective specific to marijuana sales is Economic Objective E.7.a, which is to “Explore Cannabis Tax Option”. This objective is intended to meet Economic Goal E.7, which is to “Diversify the City’s revenue stream”. The objective’s 1-2 year action to implement the goal and objective is Action 23, to: “Establish incentive programs, such as tax abatements, for new businesses and development, prioritizing public improvements”, which is not applicable to these amendments, but shows the City’s priority to encourage new businesses.

The only other reference in the 2025 Growth Policy to marijuana/cannabis is within a discussion about Economic Development on Page 25, which discusses the work of the Southeastern Montana Development Corporation (SEMDC) as follows: “Annually, SEMDC hosts community meetings and reports results from those meetings. The 2023 CEDS Community Meeting lists strengths and concerns specific to Miles City, and working groups voted on specific projects that they felt had the most meaning. Projects that received majority votes during this activity included:

- *For the Economy, allowing cannabis shops to operate in Custer County and implementation of a cannabis tax for increased revenue...”*

There are other implementation measures in the 2025 Growth Policy that are applicable to updating zoning and other land use regulations. These include:

- *Economic Objective E.7.c: “Implement land use regulations that support a resilient tax base for the community.” Objective E.7.c is also to promote Economic Goal E.7, to “Diversify the City’s revenue Stream”. Adopting zoning regulations that reasonably provide for marijuana dispensaries within the City would support this goal and objective.*
- *Economic Objective E.1.e: “Identify barriers in the zoning regulations, and other City codes, and amend them as necessary.” This objective is to promote Economic Goal E.1: “Foster sustained economic growth in Miles City”.*

- *Land Use Objective LU.1.a: “Update land use regulations to provide greater clarity and flexibility.” This objective is to promote Land Use Goal LU.1: “Provide a predictable development environment”.*
- *Land Use Objective LU.3.b: “Focus on public outreach and participation in land use matters related to zoning code updates.” This objective is to promote Land Use Goal LU.3: “Balance property rights with the common interests of the community.”.*
- *Action 16: “Update the zoning regulations to clarify procedures, meet the community's land use and development needs, and provide flexibility while protecting existing residents.” This action is to promote Land Use Objective LU.1.a/Goal LU.1, Economic Goal E.1, and others.*
- *Section 7, Land Use (page 62) states the following: “The Zoning Ordinance should be regularly reviewed by staff and the City’s zoning commission and amended as necessary.”*
- *Section 7, Land Use (page 65) states the following: “A key tool for Miles City to be resilient to these expected projections will be to guide future land uses through the Miles City zoning codes. The zoning text must be revised to provide clear guidelines so that the zoning map and regulations can be a more effective tool to implement this growth policy. The zoning map must be revised to reflect current conditions and expected future trends. The zoning map will be revised as proponents of future development proposals, and land uses to approach the city with zone change requests, and the city will work on revising the zoning map to guide the planning area with land use designations in appropriate geographic, physical, and social settings.”*

Adopting zoning regulations that reasonably provide for marijuana dispensaries within the City, subject to public participation and reasonable safeguards, would support these goals, objectives, and policies in the 2025 Growth Policy.

All three options for a draft ordinance to regulate marijuana dispensaries would support these goals, objectives, and policies in the 2025 Growth Policy and thus accord with the growth policy. Option 3, to create the potential Marijuana dispensaries overlay district (MDOD), may better support the following from the growth policy by providing more clarity and flexibility in where marijuana dispensaries may be located and thus reduce barriers: Economic Objective E.1.e: “Identify barriers in the zoning regulations, and other City codes, and amend them as necessary.”, to promote Economic Goal E.1: “Foster sustained economic growth in Miles City”; and Land Use Objective LU.1.a: “Update land use regulations to provide greater clarity and flexibility.”, to promote Land Use Goal LU.1: “Provide a predictable development environment”. Otherwise, each of the options sufficiently accord to the growth policy, subject to observing the other

elements of the growth policy listed above, such as promoting public participation and considering public comments on the various options.

b. To secure safety from fire and other dangers;

Finding 1-b: *The amendments being proposed are intended to provide for regulation of legal marijuana dispensaries and clarity in where they may be located and what standards dispensaries will be subject to. The amendments proposed by all three options are expected to have no effect on safety from fire or other dangers. None of the three options presented stand out as better meeting this criterion than the others.*

c. To promote public health, safety, and general welfare; and

Finding 1-c: *The amendments being proposed are intended to provide for regulation of legal marijuana dispensaries and some level of clarity in where they may be located and what standards dispensaries will be subject to. The three options would permit dispensaries in different places in the commercial and industrial districts, which would vary from option to option based on how the locations are applied by each. The allowed locations are not expected to be supported or agreed to by everyone, but limiting locations of marijuana dispensaries and subjecting them to reasonable safeguards, as all three options have been drafted to do, will help to promote public health, safety, and general welfare by limiting where they may be located based on distances from sensitive land uses and where the community's children are.*

Further, the state Cannabis Control Division strictly regulates marijuana dispensaries in a manner that protects public health and safety. The proposed amendments provide for a land use activity that is legal in Miles City under state law as voted in by the voters of Miles City and Custer County. Considering these factors, the amendments are expected to have minimal effect on public health, safety, and general welfare.

None of the three options presented stand out as better meeting this criterion than the others.

d. To facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements.

Finding 1-d: *The proposed amendments to provide for legal marijuana dispensaries in appropriate locations and subject to the proposed standards are not likely to have any specific or measurable change to the facilitation of the adequate provision of transportation, water, sewerage, schools, parks and other public requirements. Dispensaries would be allowed in appropriate locations within the City of Miles City (which would vary depending on the ordinance ultimately adopted), subject to existing City requirements that protect the adequate*

provision of transportation, water, sewerage, schools, parks and other public requirements. None of the three options presented stand out as better meeting this criterion than the others.

- (2) In reviewing and making recommendations or decisions on zoning amendments, the administrator, zoning commission, and city council shall also consider:

- a. Reasonable provision of adequate light and air;

Finding 2-a: *The proposed amendments to provide for legal marijuana dispensaries in appropriate locations and subject to the proposed standards are not likely to have any specific or measurable effect on the provision of adequate light and air. The dispensaries will be subject to the specifications and standards of the districts in which they will be located, such as setbacks, maximum building heights, lot coverage, etc., which subjects dispensaries and other allowed land uses in the respective districts to the same standards that provide adequate light and air. None of the three options presented stand out as better meeting this criterion than the others.*

- b. The effect on motorized and non-motorized transportation systems;

Finding 2-b: *With respect to motorized and non-motorized transportation systems, marijuana dispensaries are a land use similar to other allowed land uses in the districts in which dispensaries will be allowed, and are not expected to introduce any impacts on transportation systems. The specifications and standards of the districts in which they will be located currently minimize impacts on motorized and non-motorized transportation systems; as such, no impacts on motorized and non-motorized transportation systems are expected as a result of the proposed text amendments. None of the three options presented stand out as better meeting this criterion than the others.*

- c. The promotion of compatible urban growth;

Finding 2-c: *Marijuana dispensaries are a land use similar to other allowed land uses in the districts in which dispensaries will be allowed, and the subject zoning districts have been arranged to promote compatible urban growth. The specifications and standards of the districts in which dispensaries will be located will promote compatible urban growth; therefore, the proposed amendments to provide for dispensaries in appropriate locations and subject to reasonable standards and location requirements will promote compatible urban growth. None of the three options presented stand out as better meeting this criterion than the others – all three options use distinct but somewhat similar methodologies for limiting locations, which are somewhat subjective and subject to personal opinions.*

- d. The character of the district, and its peculiar suitability for particular uses; and

Finding 2-d: *Marijuana dispensaries are a land use similar to other allowed land uses in the districts in which dispensaries will be allowed, and the subject zoning districts in which the three potential options would allow dispensaries have been arranged with consideration of the character of the districts. Option 2 would limit dispensaries to be located only in the Highway Commercial District, in part because other locations that provide separation from sensitive land uses and some other areas such as residential districts and the OS Districts, where public parks are found, are limited. The other two options would include other districts where dispensaries could locate, subject to distance requirements; considering the proposed standards intended to protect the characters of those districts, acknowledging that if separations between dispensaries and certain areas and land uses are maintained, the characters of the districts would be maintained, and the districts would be suitable for regulated marijuana dispensaries.*

Marijuana dispensaries have become a common land use in Montana cities, and they are strictly regulated by the state under the Montana Marijuana Regulation and Taxation Act. Considering the licensing requirements and other state regulations for marijuana dispensaries, as well as the proposed amendments that are intended to provide for reasonable City regulation of dispensaries, the proposed amendments are likely to have a minimal effect on the characters of the districts. The districts in which dispensaries will become allowed uses are suitable places for licensed commercial marijuana dispensaries.

- e. Conserving the value of buildings and encouraging the most appropriate use of the land throughout the jurisdictional area.

Finding 2-e: *The proposed amendments to regulate and provide for state-licensed medical and adult-use marijuana dispensaries as allowed uses in certain districts will direct a legal land use into appropriate districts, while not allowing marijuana dispensaries in residential districts or in close proximity to certain sensitive land uses and areas. With marijuana dispensaries recently becoming a common land use in Montana cities that are strictly regulated by the state under the Montana Marijuana Regulation and Taxation Act, providing for dispensaries in Miles City is a matter of directing them to appropriate locations and including reasonable safeguards to limit their impacts overall. There is no evidence dispensaries will negatively impact the value of buildings. By directing dispensaries to limited commercial/industrial areas, subject to minimum distances between dispensaries and sensitive land uses and residential and public park areas, the proposed amendments will encourage the most appropriate use of the land throughout the jurisdictional area. None of the three options presented stand out as better meeting this criterion than the others.*

- f. Whether the proposal might be considered illegal spot zoning. Factors to be considered include whether the proposed land use is significantly different

from the prevailing use in the area; whether the area of the proposed zone change is relatively small not only in terms of acreage, but from the perspective of the number of separate landowners who would benefit from the proposed change; and whether the change would amount to special legislation designed to benefit only one or a few landowners at the expense of the surrounding landowners or general public. In order for spot zoning to be considered illegal, all three of the factors must be present.

Finding 2-f: *The three options for proposed amendments would direct marijuana dispensaries to different places in the commercial and industrial districts, which would vary from option to option based on how the locations are applied by each. Marijuana dispensaries are a land use similar to other allowed land uses in the districts in which dispensaries would be allowed, and differ from prevailing uses primarily in terms of the type of products sold, which differ primarily due to sales of adult-use marijuana only recently becoming legal in Miles City and Custer County. The City is attempting to accommodate the newly legal land use with the proposed amendments, and giving three options to do so for public review. Given the proposed standards in each of the three options, and strict requirements of the state, dispensaries are a land use that is different, albeit not “significantly” different from other prevailing uses in the areas allowed by each of the draft ordinances.*

Option 1 would use various specific location requirements that provide objective separation requirements between dispensaries and specific land uses and areas. Option 1 would not base allowed dispensary locations on size of area or number of landowners benefited; nor does there appear to be an attempt to legislate to benefit any specific landowners. Therefore, Option 1 would not be illegal spot zoning.

Option 2 would continue the status quo of the current regulations for medical marijuana providers to become applicable to all marijuana dispensaries, subject to minor changes to apply state definitions for marijuana dispensaries and reflect legal sales of adult-use marijuana. Current regulations do not constitute spot zoning, and the regulations proposed by potential Option 2 would not base allowed dispensary locations on size of area or number of landowners benefited; nor is there an attempt to legislate to benefit any specific landowners. Therefore, Option 2 would not be illegal spot zoning.

Option 3 would create an overlay district comprised of four areas within the City by applying various specific location requirements that provide objective separation requirements between dispensaries and specific land uses and areas. Two of the areas include significant portions of the HWC District that each include multiple tracts and landowners, and with the two areas contiguous with the only separation by an interstate highway, are comprised of a significant number of

tracts/landowners. The other two areas are intended to provide additional options for dispensaries to locate outside of the HWC District and far eastern side of the City. While these areas both include limited numbers of tracts, area sizes, and numbers of landowners, the methodology of the overlay mapping has been intended to provide objective separation requirements between dispensaries and specific land uses and areas, while providing more options, and not special legislation designed to benefit only one or a few landowners at the expense of the surrounding landowners or general public.

Based on the above, none of the spot zoning factors are present for any of the three options, and none should be considered illegal spot zoning.

(3) Other criteria include whether the amendment:

- a. Corrects an inconsistency in the zoning; and

Finding 3-a: *The amendments are intended to provide for marijuana dispensaries in appropriate locations subject to reasonable regulations. The amendments are intended to accommodate marijuana dispensaries, including those for now-legal adult-use marijuana, as recently approved by voters. The current zoning regulations do not contemplate the voter-approved 2024 ballot measure to allow for adult-use dispensaries in addition to medical marijuana dispensaries, and the text amendments would provide for state-licensed and regulated dispensaries in appropriate and reasonable locations. Therefore, to some extent, the proposed amendments correct an inconsistency in the zoning by contemplating current laws for marijuana dispensaries.*

- b. Addresses changing conditions or furthers a specific public challenge such as the need for affordable housing, economic development, mixed use development or sustainable environmental features.

Finding 3-b: *The amendments are intended to provide for marijuana dispensaries in appropriate locations subject to reasonable regulations. The amendments are intended to accommodate marijuana dispensaries, including those for now-legal adult-use marijuana, as recently approved by voters. This addresses the need for the City to accommodate marijuana dispensaries. By allowing dispensaries in the City limits, they will be located where public services are more efficiently available instead of prohibiting them in the City, which could result in more dispensaries in the County, further from the local service center of Miles City. Allowing dispensaries will promote economic development within the City limits as opposed to pushing dispensaries (new businesses) to locations outside the City limits. Therefore, the amendments do address changing conditions and the specific public challenge of accommodating newly legal land uses and supporting economic development that may result from providing for new types of business in appropriate locations within the City.*

Reviewer notes: Although the Zoning Commission recommended increasing the distance requirements between marijuana dispensaries and certain places of worship, schools, and child-care facilities from 500 feet to 1,000 feet with Option 3, the Zoning Commission did not recommend changes to the proposed overlay district map attached to the Option 3 ordinance. The revised language in the Option 3 ordinance would therefore further reduce the potential areas for dispensaries relative to the map if adopted and implemented. This reduces the effectiveness of the overlay district and mapping in depicting potential locations where marijuana dispensaries may be located, thus making Option 3 as proposed by the Zoning Commission an option not recommended by the reviewer. It essentially negates the intent of the overlay district.

Zoning Commission's summary and conclusions on the above findings:

Based on the above recommended findings, all three options for the proposed amendments appear to comply with the applicable criteria, and therefore would be appropriate to reasonably address marijuana dispensaries as of the July 1 public hearing.

The Zoning Commission finds that Option 1, as amended by the Zoning Commission, emerges the best solution to regulate and provide for marijuana dispensaries. While the allowed locations cannot be preemptively and accurately mapped for clarity, Option 1 may result in the most flexible and appropriate locations for dispensaries based on various specific location requirements that provide objective separation requirements between dispensaries and specific land uses and areas. While allowed locations will require an analysis of site-specific and area conditions as opposed to narrower locations shown on a map (per Option 3) and/or simpler language for separations (per Option 2), if a dispensary proponent uses due diligence and a site-specific analysis when determining where a dispensary could be proposed, it is not overly difficult to determine if a site may be considered for a dispensary. Option 1 also allows dispensaries as a permitted use, subject to a requirement for a legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are met. This, as opposed to requiring a Conditional Use Permit review as Option 2 and Option 3 as proposed by staff would require, would reduce administration workload and efforts by staff and City Council, while relying on this current review and adoption process to obtain and allow for public involvement in determining requirements (location and otherwise) for future dispensaries. It would eliminate public reviews of CUPs and application of the CUP criteria, but the distance requirements and other standards in the Option 1 draft ordinance would provide the criteria for dispensaries now, during this review. The CUP process would make it so marijuana dispensaries would continue to be a point of contention that the Council will have to address every time a conditional use permit

is applied for. These factors make Option 1 the preferred option of the Zoning Commission.

Option 2, while simple and consistent with current regulations, and significantly in accordance with the amendment criteria, appears to the reviewer and Zoning Commission to be the third best solution to regulate and provide for marijuana dispensaries. It provides the least flexibility in where dispensaries may be located. The language regarding religious institutions, parks, playgrounds, and schools, and how dispensaries are to be measured from such places (buildings, entrances, tracts, etc.) is open to interpretation that makes allowed locations less predictable for potential proponents of dispensaries, and citizens. This option also provides the least clarity for future administration, and could result in higher potential for controversy and litigation as a result of unclear regulations. For these reasons, the Zoning Commission does not recommend consideration of Option 2.

While Option 3 would best accord with the growth policy by making it clearer, while still being flexible, in where dispensaries are allowed to be located, the Zoning Commission finds that as presented by staff, Option 3's requirement for CUP review, would add to administration workload and efforts by staff and City Council. While the CUP process would maintain a higher level of oversight over individual proposals, include application of the beneficial CUP criteria, and public involvement in what has become a topic with significant public interest in proposed marijuana dispensaries and how they are regulated. As amended by the Zoning Commission, Option 3 would allow dispensaries as a permitted use, subject to a requirement for a legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are met. This, as opposed to requiring a Conditional Use Permit review as Option 2 and Option 3 as proposed by staff would require, would reduce administration workload and efforts by staff and City Council, while relying on this current review and adoption process to obtain and allow for public involvement in determining requirements (location and otherwise) for future dispensaries. It would eliminate public reviews of CUPs and application of the CUP criteria, but the distance requirements and other standards in the Option 3 draft ordinance would provide the criteria for dispensaries now, during this review. The CUP process would make it so marijuana dispensaries would continue to be a point of contention that the Council will have to address every time a conditional use permit is applied for. Option 3 emerges as likely the second-best solution to regulate and provide for marijuana dispensaries.

The recommended findings are subject to change as a result of public comments leading up to and at the public hearing(s) to be held by City Council. Relevant public comments have been considered by the reviewer, staff, and the Zoning Commission,

and should be considered by City Council when considering the proposed amendments and making findings and conclusions on the three potential ordinances.

G) Zoning Commission Recommendation

The Zoning Commission recommends the City Council adopt this report and findings and further recommends the City Council approve the amendments proposed in the Option 1 ordinance as modified by the Zoning Commission. The Zoning Commission recommends the City Council does not consider adoption of the Option 2 ordinance. The Zoning Commission recommends Option 3 as the second-best option to be considered by City Council to create a Marijuana dispensaries overlay district (MDOD) and regulations.

Upon passage of an ordinance by City Council, the official Miles City zoning code (and official zoning map, if an overlay district is adopted) will be amended with an effective date thirty (30) days after its final passage and approval.

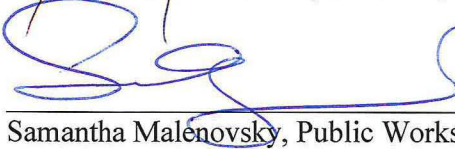
If the City Council chooses to take an alternative action and/or adopt alternative findings of fact, the Council should direct the reviewer/staff of such modifications as part of the motion(s).



Joel Nelson, Contract City Planner (Reviewer)

August 7, 2025

Date



Samantha Malenovsky, Public Works Director

August 7, 2025

Date

ORDINANCE NO. TBD – Option 1

AN ORDINANCE AMENDING THE TEXT OF THE CITY ZONING CODE TO REGULATE AND PROVIDE FOR STATE-LICENSED MEDICAL AND ADULT-USE MARIJUANA DISPENSARIES IN CERTAIN ZONING DISTRICTS AND PROVIDING FOR A HEARING THEREON.

WHEREAS, The current City of Miles City Zoning Code does not specifically provide for adult-use marijuana dispensaries and allows medical marijuana providers upon approval of a conditional use permit in the Highway Commercial District only;

AND WHEREAS, In November 2024, voters in Custer County voted to approve a ballot measure approving of the sale of marijuana at medical and adult-use marijuana dispensaries in Custer County;

AND WHEREAS, The City Council of the City of Miles City finds it in the City's best interest to allow medical and adult-use marijuana dispensaries in appropriate locations within the City subject to reasonable safeguards;

AND WHEREAS, City of Miles City staff have proposed text amendments to the City zoning code to allow licensed medical and adult-use marijuana dispensaries as permitted uses in the Highway Commercial District, Heavy Commercial/Light Industrial Zoning District, and Heavy Industrial District;

AND WHEREAS, To effectuate the above and place reasonable safeguards on the allowance for licensed medical and adult-use marijuana dispensaries in the above-listed zoning districts, the City of Miles City staff have proposed text amendments to the City zoning code to define the uses similar to the Montana Marijuana Regulation and Taxation Act, limit visible displays of marijuana-related depictions, and to clarify acceptable locations for the uses in line with both the Montana Marijuana Regulation and Taxation Act and the above zoning districts;

AND WHEREAS, Section 24-96 of the Code of Ordinances of Miles City, Montana requires that such zoning amendments be referred to the City Zoning Commission for public hearing and recommendation to the City Council prior to any action by the City Council upon such amendments;

AND WHEREAS, The Miles City Zoning Commission, on June 17 and July 1, 2025, upon public hearing and deliberation, recommended to the City Council that such amendments be approved subject to modifications by the Zoning Commission as outlined herein.

BE IT ORDAINED, by the City Council of the City of Miles City, Montana, as follows:

Section 1. The following provisions are amended as follows; no other existing language is changed other than depicted below:

“Medical and adult-use marijuana dispensaries” are added to the “Permitted Uses” listed in the following tables of Permitted and Conditional Uses in the zoning districts as follows:

- Sec. 24-23. - Highway commercial district (HWC), subsection (b), Table II.17: HWC District Permitted and Conditional Uses;
- Sec. 24-24. - Heavy commercial/light industrial district (HCLI), subsection (b), Table II.19: HCLI District Permitted and Conditional Uses; and
- Sec. 24-25. - Heavy industrial district (HI), subsection (b), Table II.21: HI District Permitted and Conditional Uses.

“Medical marijuana providers” is deleted from the Conditional Uses in Sec. 24-23. - Highway commercial district (HWC), subsection (b), Table II.17: HWC District Permitted and Conditional Uses;

Sec. 24-71. – “Medical marijuana”, is renamed and amended as follows (additions are underlined, and deletions are ~~stricken~~):

Sec. 24-71. - ~~Medical marijuana~~ Marijuana dispensaries.

The following requirements apply to ~~medical marijuana providers~~ medical and adult-use marijuana dispensaries.

- ~~Medical marijuana providers~~ Medical and adult-use marijuana dispensaries shall not display, in an open or visible manner to the general public, any ~~medical-marijuana~~ plant, marijuana infused product, or any depictions, caricatures, or other artistic renditions of a marijuana plant, leaf, bud or parts in a manner visible from the exterior of the establishment, structure or building in which the ~~provider~~ dispensary does business.
- ~~Medical marijuana providers shall not be located within 1,000 feet of a public or private school, park, playground or a religious institution.~~ Medical and adult-use marijuana dispensaries shall not be located within 1,000 feet of and on the same street as a building used exclusively as a church, synagogue, or other place of worship, as a school or postsecondary school other than a commercially operated school, or as a child-care facility licensed or registered by the state department of public health and human services. This distance must be measured in a straight line from the center of the nearest entrance of the place of worship or school to the nearest entrance of the licensee's premises. For the purposes of this subsection (b), "school" includes public and private preschools.

- (c) Medical and adult-use marijuana dispensaries within the city limits of Miles City shall not be located in residential districts (RA, RB, RC, SR, MH-A, and MH-RV) or such that the public entrance of the marijuana dispensary is within 300 linear feet of and on and/or facing the same street as properties located in residential districts or the Open Space (OS) District. For purposes of this requirement, the specified distance of 300 linear feet shall be measured in a straight line without regard to intervening structures from the property line of the property zoned residential or OS to the center of the nearest public entrance of the marijuana dispensary. For purposes of this requirement, “properties located in residential districts” or OS do not include public rights-of-ways.
- (d) Medical and adult-use marijuana dispensaries shall not be located in any zoning district where the uses are not explicitly listed as a permitted or conditional use in the zoning district.
- (e) Medical and adult-use marijuana dispensaries may not operate between the hours of 8:00 p.m. and 9:00 a.m. daily.
- (f) Any proposed marijuana dispensary is subject to the applicant providing to the administrator a certification of zoning compliance showing all requirements, including setbacks are met using a legal instrument provided by City administration.

Sec. 24-64. - Home occupations, subsection (e) is amended as follows:

- (e) Businesses established for the purpose of providing, purveying, selling, growing, manufacturing, or otherwise dealing in the procurement, production and sale of ~~medical~~ marijuana or marijuana products shall not be permitted as home occupations.

The term and definition for “Medical marijuana provider” in Sec. 24-201. – Definitions, is deleted and replaced with the following terms and definitions:

Marijuana dispensaries: A premises licensed by the Montana Department of Revenue’s Cannabis Control Division where marijuana or marijuana products may be obtained. These include the following types of marijuana dispensaries:

- (1) *Adult-use dispensary:* A state-licensed premises from which a person may:
 - (a) obtain marijuana or marijuana products from a licensed cultivator, manufacturer, dispensary, or other licensee approved by the state under the Montana Marijuana Regulation and Taxation Act; and
 - (b) sell marijuana or marijuana products to registered cardholders under the Montana Marijuana Regulation and Taxation Act, adults that are 21 years of age or older, or both.

(2) *Medical marijuana dispensary*: The location from which a registered cardholder under the Montana Marijuana Regulation and Taxation Act may obtain marijuana or marijuana products.

Section 2. The Final Report of the Zoning Commission of the City of Miles City, prepared as part of the review of these amendments, and attached hereto as Exhibit “A,” is hereby adopted as Findings of Fact to support the Council’s decision.

Section 3. Prior to final passage, a public hearing shall be held upon this proposed zoning amendments before the City Council at 6:00 P.M. on the ____ day of _____, 2025, in the Council Chambers at City Hall, 17 S. Eighth Street, Miles City, Montana.

Section 4. The City Clerk shall give notice of the date, time and place of such hearing by publication in the Miles City Star at least 15 days prior to the date of such hearing.

Section 5. This ordinance shall be in full force and effect thirty (30) days after its final passage and approval.

Said Ordinance read and put on its first passage this ____ day of _____, 2025.

Dwayne Andrews, Mayor

ATTEST:

Mary Rowe, City Clerk

FINALLY PASSED AND ADOPTED this ____ day of _____, 2025.

Dwayne Andrews, Mayor

ATTEST:

Mary Rowe, City Clerk

ORDINANCE NO. TBD – Option 2

AN ORDINANCE AMENDING THE TEXT OF THE CITY ZONING CODE TO REGULATE AND PROVIDE FOR STATE-LICENSED MEDICAL AND ADULT-USE MARIJUANA DISPENSARIES IN THE HIGHWAY COMMERCIAL ZONING DISTRICT SUBJECT TO LOCATION REQUIREMENTS AND STANDARDS, AND PROVIDING FOR A HEARING THEREON.

WHEREAS, The current City of Miles City Zoning Code does not specifically provide for adult-use marijuana dispensaries and allows medical marijuana providers upon approval of a conditional use permit in the Highway Commercial District only;

AND WHEREAS, In November 2024, voters in Custer County voted to approve a ballot measure approving of the sale of marijuana at medical and adult-use marijuana dispensaries in Custer County;

AND WHEREAS, The City Council of the City of Miles City finds it in the City's best interest to allow medical and adult-use marijuana dispensaries in appropriate locations within the City's Highway Commercial District subject to reasonable safeguards;

AND WHEREAS, City of Miles City staff have proposed text amendments to the City zoning code to allow licensed medical and adult-use marijuana dispensaries as conditional uses in the Highway Commercial District, subject to the zoning code's current requirements for "medical marijuana providers";

AND WHEREAS, Section 24-96 of the Code of Ordinances of Miles City, Montana requires that such zoning amendments be referred to the City Zoning Commission for public hearing and recommendation to the City Council prior to any action by the City Council upon such amendments;

AND WHEREAS, the Miles City Zoning Commission, on June 17 and July 1, 2025, upon public hearing and deliberation, recommended to the City Council that such amendments not be approved; however, the City Council, upon public hearing and deliberation, has determined this ordinance is the best method of addressing marijuana dispensaries as described in the Findings of Fact attached as Exhibit "A", and as such, hereby adopts the amendments outlined in this ordinance.

BE IT ORDAINED, by the City Council of the City of Miles City, Montana, as follows:

Section 1. The following provisions are amended as follows; no other existing language is changed other than depicted below:

“Medical marijuana providers” is deleted from the Conditional Uses in Sec. 24-23. - Highway commercial district (HWC), subsection (b), Table II.17: HWC District Permitted and Conditional Uses, and replaced with “Medical and adult-use marijuana dispensaries” under the “Conditional Uses”;

Sec. 24-71. – “Medical marijuana”, is renamed and amended as follows (additions are underlined, and deletions are ~~stricken~~):

Sec. 24-71. - ~~Medical marijuana~~ Marijuana dispensaries.

The following requirements apply to ~~medical marijuana providers~~ medical and adult-use marijuana dispensaries.

- (a) ~~Medical marijuana providers~~ Marijuana dispensaries shall not display, in an open or visible manner to the general public, any ~~medical-marijuana~~ plant, marijuana infused product, or any depictions, caricatures, or other artistic renditions of a marijuana plant, leaf, bud or parts in a manner visible from the exterior of the establishment, structure or building in which the ~~provider~~ dispensary does business.
- (b) ~~Medical marijuana providers~~ Marijuana dispensaries shall not be located within 1,000 feet of a public or private school, park, playground or a religious institution.
- (c) Applicability. Marijuana dispensaries may be located only in the Highway commercial (HWC) district shown on the Miles City zoning district map.
- (d) Conditional use permit. All marijuana dispensaries require review and approval of a conditional use permit by the city council pursuant to section 24-91 of these regulations.

Sec. 24-64. - Home occupations, subsection (e) is amended as follows (additions are underlined, and deletions are ~~stricken~~):

- (e) Businesses established for the purpose of providing, purveying, selling, growing, manufacturing, or otherwise dealing in the procurement, production and sale of ~~medical marijuana~~ or marijuana products shall not be permitted as home occupations.

The term and definition for “Medical marijuana provider” in Sec. 24-201. – Definitions, is deleted and replaced with the following terms and definitions:

Marijuana dispensaries: Premises licensed by the Montana Department of Revenue’s Cannabis Control Division where marijuana or marijuana products may be obtained. These include the following types of marijuana dispensaries:

- (1) *Adult-use dispensary*: A state-licensed premises from which a person may:
- (a) obtain marijuana or marijuana products from a licensed cultivator, manufacturer, dispensary, or other licensee approved by the state under the Montana Marijuana Regulation and Taxation Act; and
 - (b) sell marijuana or marijuana products to registered cardholders under the Montana Marijuana Regulation and Taxation Act, adults that are 21 years of age or older, or both.
- (2) *Medical marijuana dispensary*: The location from which a registered cardholder under the Montana Marijuana Regulation and Taxation Act may obtain marijuana or marijuana products.

Section 2. Exhibit “A” is hereby adopted as Findings of Fact to support the Council’s decision.

Section 3. Prior to final passage, a public hearing shall be held upon this proposed zoning amendments before the City Council at 6:00 P.M. on the _____ day of _____, 2025, in the Council Chambers at City Hall, 17 S. Eighth Street, Miles City, Montana.

Section 4. The City Clerk shall give notice of the date, time and place of such hearing by publication in the Miles City Star at least 15 days prior to the date of such hearing.

Section 5. This ordinance shall be in full force and effect thirty (30) days after its final passage and approval.

Said Ordinance read and put on its first passage this _____ day of _____, 2025.

Dwayne Andrews, Mayor

ATTEST:

Mary Rowe, City Clerk

FINALLY PASSED AND ADOPTED this _____ day of _____, 2025.

Dwayne Andrews, Mayor

ATTEST:

Mary Rowe, City Clerk

DRAFT

ORDINANCE NO. TBD – Option 3

AN ORDINANCE AMENDING THE TEXT OF THE CITY ZONING CODE AND THE OFFICIAL ZONING MAP TO CREATE A MARIJUANA DISPENSARIES OVERLAY DISTRICT TO REGULATE AND PROVIDE FOR STATE-LICENSED MEDICAL AND ADULT-USE MARIJUANA DISPENSARIES IN THE OVERLAY DISTRICT SUBJECT TO STANDARDS, AND PROVIDING FOR A HEARING THEREON.

WHEREAS, The current City of Miles City Zoning Code does not specifically provide for adult-use marijuana dispensaries and allows medical marijuana providers upon approval of a conditional use permit in the Highway Commercial District only;

AND WHEREAS, In November 2024, voters in Custer County voted to approve a ballot measure approving of the sale of marijuana at medical and adult-use marijuana dispensaries in Custer County;

AND WHEREAS, The City Council of the City of Miles City finds it in the City's best interest to allow medical and adult-use marijuana dispensaries in appropriate locations within the City subject to reasonable safeguards;

AND WHEREAS, City of Miles City staff have proposed amendments to the text of the city zoning code and the official zoning map to create a Marijuana Dispensaries Overlay District to regulate and provide for state-licensed medical and adult-use marijuana dispensaries in the overlay district subject to standards;

AND WHEREAS, The City Council has found after reviewing and considering alternative methods of prescribing allowable locations for marijuana dispensaries that the best way of considering and describing the allowed locations is with an overlay district mapped on the official zoning map, but still subject to state requirements in 16-12-207(3)(a)(iii), MCA for distances between dispensaries and certain places of worship, schools, and child-care facilities;

AND WHEREAS, Section 24-96 of the Code of Ordinances of Miles City, Montana requires that such zoning amendments be referred to the City Zoning Commission for public hearing and recommendation to the City Council prior to any action by the City Council upon such amendments;

AND WHEREAS, The Miles City Zoning Commission, on June 17, 2025 and July 1, 2025, upon public hearing and deliberation, recommended to the City Council that such amendments be considered as the second-best option to address marijuana dispensaries, and the City Council, upon public hearing and deliberation, has determined this ordinance is the best

method of addressing marijuana dispensaries as described in the Findings of Fact attached as Exhibit “B”, and as such, hereby adopts the amendments outlined in this ordinance.

BE IT ORDAINED, by the City Council of the City of Miles City, Montana, as follows:

Section 1. The following provisions are amended as follows; no other existing language is changed other than depicted below:

“Medical marijuana providers” is deleted from the Conditional Uses in Sec. 24-23. - Highway commercial district (HWC), subsection (b), Table II.17: HWC District Permitted and Conditional Uses;

Sec. 24-30, previously a reserved section of the zoning code, is codified as follows to create a Marijuana dispensaries overlay district (MDOD):

Sec. 24-30. - Marijuana dispensaries overlay district (MDOD).

- (a) *Intent.* The intent of the MDOD is to reasonably govern the location of marijuana dispensaries in order to avoid adverse secondary effects which may result from the operation of such businesses.
- (b) *Applicability.* Marijuana dispensaries may be located only in the marijuana dispensaries overlay district shown on the Miles City zoning district map.
- (c) Any proposed marijuana dispensary is subject to the applicant providing to the administrator a certification of zoning compliance showing all requirements, including setbacks are met using a legal instrument provided by City administration.
- (d) Marijuana dispensaries shall not display, in an open or visible manner to the general public, any medical marijuana plant, marijuana infused product, or any depictions, caricatures, or other artistic renditions of a marijuana plant, leaf, bud or parts in a manner visible from the exterior of the establishment, structure or building in which the dispensary does business.
- (e) Medical and adult-use marijuana dispensaries may not operate between the hours of 8:00 p.m. and 9:00 a.m. daily.
- (f) Notwithstanding the above and the location of the MDOD, marijuana dispensaries shall not be located within 1,000 feet of and on the same street as a building used exclusively as a church, synagogue, or other place of worship, as a school or postsecondary school other than a commercially operated school, or as a child-care facility licensed or registered by the state department of public health and human services. This distance must be measured in a straight line from the center of the nearest entrance of the place of worship or school to the nearest entrance of the licensee's premises. For the purposes of this subsection (f), "school" includes public and private preschools.

Sec. 24-71. – “Medical marijuana”, is deleted and incorporated into the other “reserved” sections, whereas “Secs. 24-72—24-79. - Reserved.” becomes “Secs. 24-71—24-79. - Reserved.”;

Sec. 24-64. - Home occupations, subsection (e) is amended as follows:

- (e) Businesses established for the purpose of providing, purveying, selling, growing, manufacturing, or otherwise dealing in the procurement, production and sale of ~~medical~~ marijuana or marijuana products shall not be permitted as home occupations.

The term and definition for “Medical marijuana provider” in Sec. 24-201. – Definitions, is deleted and replaced with the following terms and definitions:

Marijuana dispensaries: A premises licensed by the Montana Department of Revenue’s Cannabis Control Division where marijuana or marijuana products may be obtained. These include the following types of marijuana dispensaries:

- (1) *Adult-use dispensary:* A state-licensed premises from which a person may:
 - (a) obtain marijuana or marijuana products from a licensed cultivator, manufacturer, dispensary, or other licensee approved by the state under the Montana Marijuana Regulation and Taxation Act; and
 - (b) sell marijuana or marijuana products to registered cardholders under the Montana Marijuana Regulation and Taxation Act, adults that are 21 years of age or older, or both.
- (2) *Medical marijuana dispensary:* The location from which a registered cardholder under the Montana Marijuana Regulation and Taxation Act may obtain marijuana or marijuana products.

Section 2. The official Miles City zoning district map shall be updated by City staff to depict the Marijuana dispensaries overlay district (MDOD) as adopted by this ordinance, and as shown on the map attached hereto as Exhibit “A,”.

Section 3. Exhibit “B” is hereby adopted as Findings of Fact to support the Council’s decision.

Section 4. Prior to final passage, a public hearing shall be held upon this proposed zoning amendments before the City Council at 6:00 P.M. on the ____ day of _____, 2025, in the Council Chambers at City Hall, 17 S. Eighth Street, Miles City, Montana.

Section 5. The City Clerk shall give notice of the date, time and place of such hearing by publication in the Miles City Star at least 15 days prior to the date of such hearing.

Section 6. This ordinance shall be in full force and effect thirty (30) days after its final passage and approval.

Said Ordinance read and put on its first passage this _____ day of _____, 2025.

Dwayne Andrews, Mayor

ATTEST:

Mary Rowe, City Clerk

FINALLY PASSED AND ADOPTED this _____ day of _____, 2025.

Dwayne Andrews, Mayor

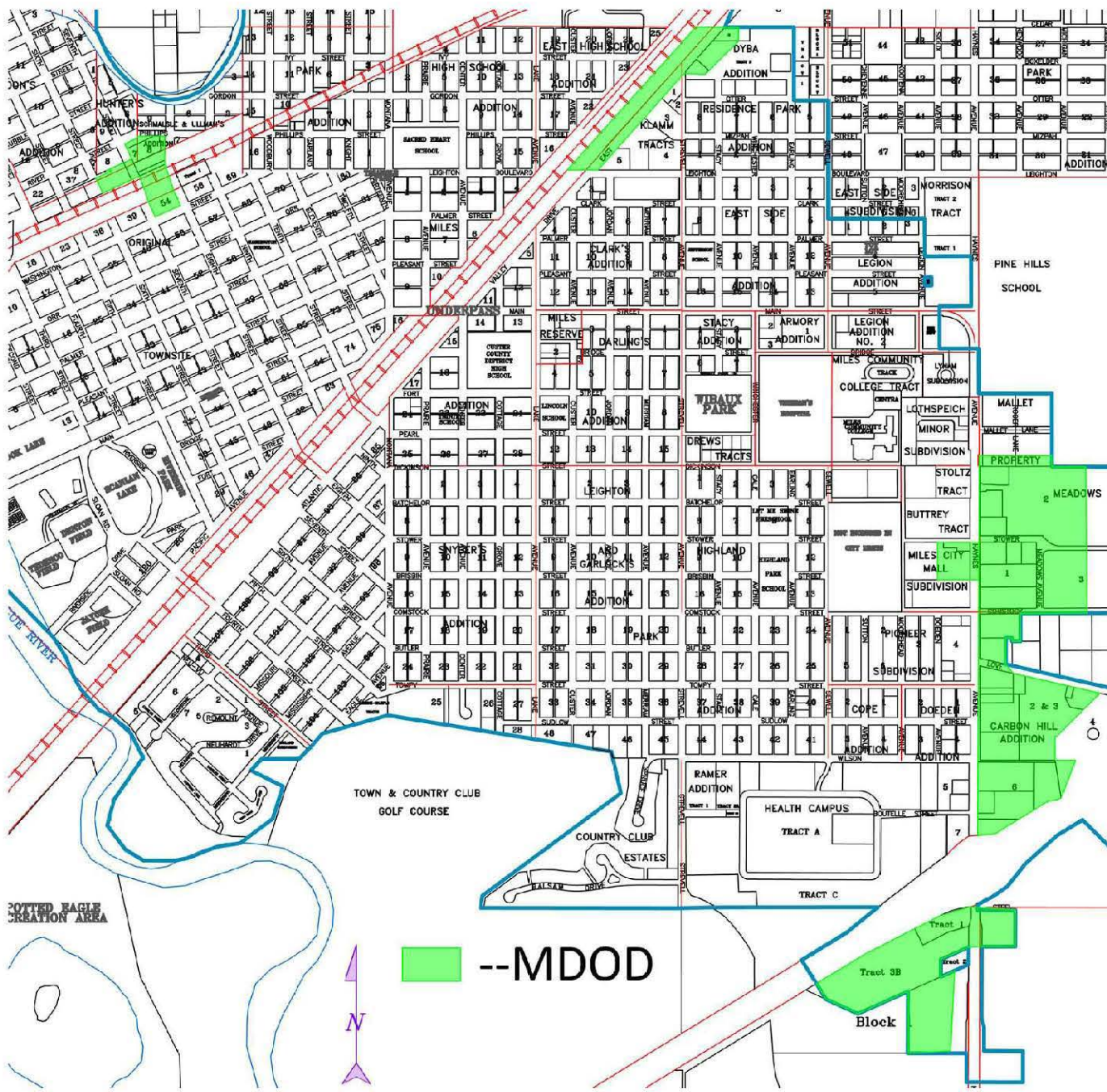
ATTEST:

Mary Rowe, City Clerk

Exhibit "A" to draft marijuana dispensaries ordinance, Option 3

potential Marijuana Dispensaries Overlay District (MDOD) map

-public review Draft v1



CITY OF MILES CITY

Zoning Commission

PO Box 910
Miles City, MT 59301

Public Hearing & Meeting Minutes

July 1, 2025

5:30 pm

The Miles City Zoning Commission met at 5:30 pm in the City Hall Conference Room. Chairperson (CP) Leif Ronning called the meeting to order at 5:30 pm and requested a roll call. Zoning Members (ZM) present were Leif Ronning, Melynda Hould, Amber Rainey and LeRoy Meidinger. ZM Amber Trenka was absent. Also present were Planner Joel Nelson (via Zoom) and Public Works Director (PWD) Samantha Malenovsky as she served as recorder. A quorum was present. Refer to attached sign-in sheet for visitors/citizens present.

Approval of Minutes: CP Ronning called for approval of the minutes from the June 17, 2025 meeting.

****** *ZM Hould moved to approve the minutes from the June 17th meeting, as written, second by CP Ronning. Motion approved 5-0.*

Citizen/Visitor Request: None

Unfinished Business:

Public Hearing (continued): Draft Zoning Code Updates – Amendments to Address Marijuana Dispensaries:

Gary Cridland- 2804 Sudlow, pointed out that in the preliminary report it refers to a variation of the potential ordinance that can come from public process. He stated that option 1 failed and was unanimously defeated by City Council, option 2 is status quo and council unanimously defeated a conditional use permit for a potential dispensary and option 3 basically expands the boundaries and the City Council has already said no to putting it in other areas. Apparently, city staff and council are not in agreement with dispensaries within the City. Stated Rick Huber and Donald Simpson are open to not allowing marijuana dispensaries in any zoning district. States that if we remove the section in Highway Commercial that states marijuana is a conditional use then there would be no dispensaries or operations allowed within the city limits. He would like to recommend and challenge the committee to an option 4 of not allowing the sale of marijuana in the city limits, there seems to be an appetite on the city council to not allowing marijuana in the city limits.

ZM Ronning questioned Mr. Cridland on the election results of marijuana dispensaries. Mr. Cridland stated that that was a county election and ZM Ronning asked if that meant more people in the county voted for the dispensaries than within the city. Mr. Cridland does not see a need to expand dispensaries within our city limits as there are currently two, in the county, that serve the surrounding area.

ZM Hould questioned Mr. Cridland when he stated that council has an appetite for not allowing marijuana dispensaries in city limits when only a few stated they were open to no dispensaries within any zoning district. ZM Meidinger answered stating that council sent it back so there must be some sort of appetite.

Janette Denson, 115 S. Strevell, stated that the essence of the ballot has been fulfilled. She would challenge the city attorney on saying “that the city needs to provide reasonable accommodations.” If the City chose not to allow dispensaries within its limits the City would still receive the 1.5% tax. Please consider to not allow the sale of dispensaries within the city limits.

Peggy Stanley, 23 Balsam, spoke on behalf of Vicki Leesburg and read from a prewritten script. The core of the script discussed how everyone in the community has a voice and not some majority “they” who are rarely present when answers are needed. “They” got their wish when marijuana was voted into the county. The people who do use marijuana prefer to have the dispensaries out of the way so that the “judgy-judgers” don’t see them if they chose to buy. Setbacks need to be at a minimum 1000’ as they best ensure the safety of our community. Ordinance 1391 was defeated as it missed pertinent language and did not contain appropriate setbacks for all areas. If option 4 is not entertained, which is to exclude all dispensaries within the city limits, then please consider a 1000’ setback.

Jamie Schmeling, 506 S. Stacy, is in favor of an option 4 primarily because she doesn’t see any benefits that the community does not already receive from the county dispensaries. Shared a story she heard from a Wyoming teacher and wife of an officer, one of her colleges was hit head on by someone who was under the influence of marijuana and a year later is still dealing with surgeries from the wreck. One of the worries that Ms. Schmeling has is that there are no current regulations to the amount of marijuana you can have in your system before you should not operate a vehicle. Her point is to not try to prohibit someone from having access, just to not allow the sale of marijuana within the city.

Peggy Stanley, 23 Balsam, stated that many of the people she has talked to have said they would not vote for dispensaries again. Lobbying was being done in Miles City by many people who were not from here but from Washington DC and were paid on behalf of dispensaries and local people were told that the tax money would be used for a swimming pool. People voted for it because they thought the tax was going toward a swimming pool and the parks department.

The Zoning committee did a roundtable of their members, starting with ZM Meidinger who stated he is against the sale of marijuana within the City limits.

ZM Hould asked how the fee was divided and where it is stated that the marijuana sales that came from the county would be shared with the city, if the sale of marijuana was not allowed in the city limits. ZM Hould contacted Captain Sloan and asked his opinion on the sale of marijuana, he felt there would be no more impact than any other business that came into town. She also contacted a correction officer with Pine Hills who stated that he saw more violence and accidents as a result of alcohol consumption. ZM Hould contacted the courthouse and received the official ballot results regarding the sale of marijuana, she stated that even if every single person that was registered as a county voter voted the City votes won by a landslide. In this regard she doesn’t see option 4 as an option, she has to listen to the public. In response to the

amount of potential revenue she asked County Commissioner Faycosh about the amounts and he stated there is no information yet and the City would not see a check until September 2025. ZM Hould and Commissioner Faycosh did some math based of 5 million in sales, this number comes from the sales from similar counties, and arrived at \$60,000 in potential revenue for Miles City. ZM Hould stated she did further research on the potential cost of an impact statement regarding marijuana dispensaries and found the potential cost to be between \$30 to \$50 thousand. Refer to attached document for greater detail on discussions.

Peggy Stanley, stated that when she talked to former officer Barney Murnin, he had seen the abuse of marijuana amongst kids at junior high and high school level.

Amber Rainey drafted a statement and referred to that when speaking, statement is attached. She echoed a lot of concerns about keeping marijuana out of the hands of children. The zoning committee's role is to control the substance and she supports the preliminary report. She would like to propose some sort of certificate of zoning compliance report done by the applicant, through a third party, that shows all requirements, including setbacks, are met before approval of a new dispensary within the city might be considered. Prefers option 1, option 3 is second if it follows a 1000' setback.

ZM Meidinger what the safe guards were that were discussed in the three options. Planner Nelson went over each safeguard that was listed in each of the three options. Some listed where the setbacks, location requirements, hours of operations, displays of marijuana symbols and conditional use permit reviews.

ZM Ronning feels this should have been decided weeks ago and feels the initial map was very restrictive and parks were redefined.

Gary Cridland asked if the overlay district was considered spot zoning. This was answered by stating that overlay districts are not spot zoning, they lay over an existing district which does not lose its classification.

Deb Schmeling, 2119 Butler, questions how a vote could be done with one member missing. Answered by stating a quorum of the committee was still present.

Recommendation to City Council: ZM Hould recommended option 1 within an amendment to the CUP process to a legal instrument prepared by administration that would require the applicant to provide a document showing all requirements, including setbacks are meet. Option 3 shall remain the same but also omit the CUP process and replace with a legal instrument prepared by city administration with addition of 1000' setback, option 2 not advised. Motion seconded by Ronning. On roll call motion passed 3-1 with ZM Meidinger voting nay.

Commission Member & Staff Comments: Next meeting schedule is to be determined.

New Business: None

Adjournment: With no further business, on motion, the meeting adjourned at 6:43 pm. Next meeting schedule to be determined.

Leif Ronning
Zoning Commission Chair

DRAFT

PLEASE SIGN IN

Zoning Meeting Date: July 1, 2025

[illegible]

***** The role of the zoning commission is to recommend appropriate regulations to the Council for consideration following a public hearing, and that the commission's recommendation be supported by findings. *****

Several public comments at the second meeting of the zoning commission needed clarification. These are the findings of the concerns.

Findings by ZM Hould:

- 1) In response to public concern regarding a dispensary's impact on law enforcement:

Captain Sloan with the City of Miles City Police Department was asked for his professional opinion on any current or anticipated significant impact a dispensary has or may have on the community of MC. His professional opinion is that a dispensary is a business, just like any other business that may come to MC. Ultimately, every business creates a cumulative effect on the community and law enforcement's responsibility to respond to any call whether it be loitering, traffic control, disorderly conduct, etc. He feels that there is no difference between a dispensary, the smoke shop, the liquor store, Dirty D's Tee's, and any bar. Bars have by far the highest impact on law enforcement. He indicated he would much rather deal with someone who's ingested marijuana versus alcohol. At the end of the day, he sees a dispensary being a drop in the bucket as far as negative impact on law enforcement. He indicated that he has not heard a call to enforcement to either of the dispensaries currently located in the county.

He stated that MC has 2 fewer officers than 40 years ago. Currently there are 15 active officers on staff as opposed to the suggested FBI statistics implying, we should staff 25 officers. He argued that perhaps instead of condemning a legal business that has been voted for, has potential to bring income to MC, that rather we should consider funding the police department appropriately. That would have more impact than a dispensary.

A correctional officer from Montana Department of Corrections was also asked if he thought that having a dispensary within city limits would increase the population of Pine Hills State School and the response was no, he sees more violence and accidents as a result of alcohol consumption.

Sheriff Kelm did not return a call.

- 2) In response to comments that the ballot was clear and that recreational marijuana be sold in Custer County not within MC limits:

It is important to understand that this election occurred by petition. In this instance, a voter initiative was placed on the ballot (by petition of the public) to allow for marijuana sales, and our understanding is that this measure passed in both the city, and in the county. An email from Linda Corbett sent to ZM Hould was provided. (Exhibit 1). It needs clarity, in that the electoral process did not separate the city votes from the county votes. City administration is currently waiting on the election administrator for more information. At this time there is nothing to support the public comment.

3) In response to the amount of tax revenue collected by MC vs. social cost of a dispensary:

There is very limited data analysis available online concerning the economic impact vs. social impact of legalizing marijuana nationwide. If such data was something the Council wanted, a study would have to be paid for, as it would be necessary to be specific to our community. There is no readily available data on what an impact statement of this sort would cost, as it is based on what specific data the community wants to analyze.

CM Rick Huber indicated that he doesn't know what cost the City has already incurred, but he was sure it was asinine.

How much money is the City willing to spend on zoning regulations?

County Commissioner Jeff Faycosh indicated that the County has not yet received any payment from the Department of Revenue, and that the first check was anticipated to be delivered in September 2025. There is no statistical data available on the Department of Revenue Cannabis Division website to estimate what the potential tax generated by recreational dispensaries payable to the City of MC. (Exhibit 2).

The commissioner did, however, calculate an estimate of what would be payable to the City based on a similar county in Montana. His math used an estimated \$5 Million in sales. If that were to occur, the revenue to MC and the town of Ismay (split by population) would be a total of \$60,000. (See exhibit 3)

We know that a dispensary will offer the City some tax revenue even if it is not considerable, but some money is better than no money. A dispensary is a new business. It is a taxable business. It is in line with the Growth Policy. It is economic development. More than tax revenue from a cannabis driven business will be gained. The addition of a new business may offer a sale of real property, a remodel of an existing structure, a new building, etc. thus generating existing businesses (lumber yards, contractors, landlords and motels to host workers, realtors, restaurants) opportunities. It also offers property tax revenue for municipalities.

There are no definitive findings that conclusively provides support that a dispensary will have significant social impacts that cannot be compensated by its economic gain.

According to the Staff Report and Reviewer's findings (written by Joel Nelson and provided to zoning commission):

Option 1 "provides criteria for dispensaries now. It may offer more flexible and appropriate locations suited to Miles City. It allows dispensaries as a permitted use, which would reduce administration workload and efforts by staff and City Council and eliminates the Conditional Use Permit (CUP) process. It is, however, lacking in a higher level of review. Because it is more difficult to map than an overlay, a higher level of review to ensure the location is allowable, a review process should be required."

Option 2 "continues the status quo of the current regulations for medical marijuana providers to become applicable to all dispensaries. It provides the least clarity for future administration and could result in higher potential for controversy and litigation as a result of unclear regulations".

(If an option before us could result in controversy and litigation, why would we suggest this?)

Option 3 "offers an overlay which is easier to determine where the dispensaries may be located. It would best match the growth policy. It requires a conditional use permit review, adding to the administration workload and efforts by staff and the City Council."

ZM Hould's position is that the CUP process is concerning because this topic will continue to be a never-ending public interest war that has the potential to infringe on private property owners regardless of what the overlay map states. It will continue to be a point of contention that the Council will have to address every time a conditional use permit is applied for. For this reason, it would be suggested that the City simplify its review process by creating a new instrument to do such and that it be applied to Option 1 & Option 3 in lieu of the CUP process.

ZM Hould also feels that option 2 should not be considered.

The motion made by ZM Hould:

- a) Option 1 shall include a requirement for the addition of a legal instrument prepared by City staff/administration, at the instruction of the zoning commission, to replace the CUP process with a simpler form of review.
- b) It is recommended Option 2 should not be considered.
- c) Option 3 shall include a requirement for the addition of a legal instrument prepared by City staff/administration, at the instruction of the zoning commission, to replace the CUP process with a simpler form of review.

RE: 2024 Initiative to allow adult-use sales at marijuana dispensaries in Custer County

From Linda Corbett <l.corbett@custercountymt.gov>

Date Tue 6/24/2025 4:25 PM

To melyn timercityproperty.com <melyn timercityproperty.com>

Caution: External (l.corbett@custercountymt.gov)

First-Time Sender [Details](#)

[Report This Email](#) [FAQ](#) [GoDaddy Advanced Email Security](#), Powered by INKY

From: Linda Corbett <l.corbett@custercountymt.gov>

Sent: Tuesday, June 24, 2025 4:18 PM

To: Linda Corbett <l.corbett@custercountymt.gov>

Subject: RE: 2024 Initiative to allow adult-use sales at marijuana dispensaries in Custer County

The electionware results did not separate the votes by Municipality and County. Municipality had the majority of the votes cast.

The majority of Precinct 1 - Washington, 2- CCDHS, 3- Highland Park and 4 - Jefferson are City residents.

Precinct 1 - Washington - 100 County residents - 949 total ballots voted on this issue

Precinct 2 - 8 County residents - 1038 total ballots voted on this issue

Precinct 3 - 320 County residents - 1377 total ballots voted on this issue

Precinct 4 - 289 County residents - 1135 total ballots voted on this issue

Total votes countywide - 3,349 For and 2,437 Against

Exhibit 2

Estimated Cannabis Sales by County - December 2024

County	Local Option Tax_Medical	Local Option Tax_Adult-Use	Estimated Total Adult Use Sales	Estimated Total Medical Sales	Estimated Total County Sales
Beaverhead	3%	-	*	*	*
Big Horn	3%	3%	\$329,889	\$14,806	\$344,695
Blaine	3%	3%	\$150,086	\$29,840	\$179,926
Broadwater	-	-	\$0	\$0	\$0
Carbon	3%	3%	\$491,479	\$25,459	\$516,939
Carter	-	-	\$0	\$0	\$0
Cascade	3%	3%	\$1,634,029	\$250,403	\$1,884,433
Chouteau	-	-	\$0	\$0	\$0
Custer	-	-	*	*	*
Daniels	-	-	\$0	\$0	\$0
Dawson	3%	3%	\$594,604	\$38,955	\$633,559
Deer Lodge	3%	3%	*	*	*
Fallon	-	-	\$0	\$0	\$0
Fergus	-	-	*	*	*
Flathead	-	3%	\$2,317,643	\$369,947	\$2,687,590
Gallatin	3%	3%	\$3,406,278	\$423,251	\$3,829,529
Garfield	-	-	\$0	\$0	\$0
Glacier	-	-	\$236,489	\$31,617	\$268,105
Golden Valley	-	-	\$0	\$0	\$0
Granite	3%	-	\$0	\$0	\$0
Hill	3%	3%	\$536,866	\$89,503	\$626,369
Jefferson	-	-	*	*	*
Judith Basin	-	-	\$0	\$0	\$0
Lake	3%	3%	\$566,743	\$43,021	\$609,763
Lewis and Clark	3%	3%	\$1,423,387	\$269,543	\$1,692,930
Liberty	-	-	\$0	\$0	\$0
Lincoln	-	-	\$358,805	\$35,416	\$394,221
Madison	3%	3%	\$123,165	\$13,338	\$136,503
McCone	-	-	\$0	\$0	\$0
Meagher	-	-	\$0	\$0	\$0
Mineral	3%	3%	*	*	*
Missoula	-	3%	\$2,813,109	\$441,779	\$3,254,888
Musselshell	-	-	\$0	\$0	\$0
Park	3%	3%	\$403,901	\$55,541	\$459,442
Petroleum	-	-	\$0	\$0	\$0
Phillips	-	-	\$0	\$0	\$0
Pondera	-	-	\$0	\$0	\$0
Powder River	-	-	\$0	\$0	\$0
Powell	3%	3%	*	*	*
Prairie	-	-	\$0	\$0	\$0
Ravalli	-	3%	\$651,732	\$97,685	\$749,417
Richland	3%	3%	\$828,786	\$35,580	\$864,366
Roosevelt	3%	3%	\$520,014	\$76,131	\$596,144
Rosebud	3%	3%	\$182,344	\$13,478	\$195,822
Sanders	-	3%	\$122,229	\$9,078	\$131,307
Sheridan	3%	3%	\$93,885	\$14,587	\$108,472
Silver Bow	3%	3%	\$940,167	\$148,121	\$1,088,289
Stillwater	-	-	\$0	\$0	\$0
Sweet Grass	-	-	*	*	*
Teton	-	-	\$0	\$0	\$0
Toole	-	-	\$0	\$0	\$0
Treasure	-	-	\$0	\$0	\$0
Valley	3%	3%	\$129,101	\$21,329	\$150,430
Wheatland	-	-	*	*	*
Wibaux	-	-	\$0	\$0	\$0
Yellowstone	3%	3%	\$3,905,942	\$667,325	\$4,573,267

*Not disclosed due to confidentiality concerns

Exhibit 3

16-12-310. Limit on local-option marijuana excise tax rate — goods subject to tax. (1) The rate of the local-option marijuana excise tax must be established by the election petition or resolution provided for in 16-12-311, and the rate may not exceed 3%.

(2) The local-option marijuana excise tax is a tax on the retail value of all marijuana and marijuana products sold at an adult-use dispensary or medical marijuana dispensary within a county.

(3) If a county imposes a local-option marijuana excise tax:

(a) 50% of the resulting tax revenue must be retained by the county;

(b) 45% of the resulting tax revenue must be apportioned to the municipalities on the basis of the ratio of the population of each city or town to the population of municipalities within the county; and

(c) the remaining 5% of the resulting tax revenue must be retained by the department to defray costs associated with administering 16-12-309 through 16-12-312 and 16-12-317. The funds retained by the department under this subsection (3)(c) must be deposited into the marijuana state special revenue account established under 16-12-111.

(4) For the purposes of this section, "tax revenue" means the combined taxes collected under any local-option marijuana excise tax collected on retail sales within the county.

History: En. Sec. 95, Ch. 576, L. 2021; amd. Sec. 25, Ch. 712, L. 2023

State Tax on marijuana sales is 20% The local option tax in addition to that tax on both medical and recreational marijuana in Custer County.

2024 Estimate sales in a similar county was \$3,171,933.00 which resulted in local option tax of \$95,158

If Custer County had annual sales of \$5,000,000 the optional tax revenue of \$150,000 would be split as follows:

5% to the state \$7,500

45% to Miles City and Ismay based upon population ratio \$60,000

50% to Custer County \$75,000



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+ **State Tax Revenue Distribution**



– **Local Option Tax Distribution**

Local-option marijuana excise taxes are distributed to counties 60 days after the return due date. Counties are then responsible for distributions made to municipalities in that county:

- 50% retained by the county
- 45% apportioned to municipalities on the basis of the ratio of the population of the city or town to the total county population
- 5% retained by Department of Revenue for administration

Local-option tax distributions are calculated using **actual tax collected** during the collection period. Any tax collected or adjusted, regardless of the tax period it applies to, during the collection period will be included in that distribution.

Example of a legal instrument to replace the CUP process.

Certificate of Zoning Compliance as defined by Google AI

2. Certificate of Zoning Compliance:

- This is an official document issued by the local government or zoning authority that verifies a property or proposed development complies with all applicable zoning regulations and land use laws.
- It serves as a confirmation that all conditions stipulated by the zoning authorities have been met before the property can be used or occupied.
- It's often a prerequisite for obtaining building permits or business licenses, making it an essential document for developers and property owners.

Why are these instruments necessary?

- Ensuring Compliance: Zoning permits and Certificates of Zoning Compliance ensure that proposed land use and development projects adhere to local zoning regulations and ordinances.
- Preventing Legal Issues: By obtaining these instruments, property owners and developers can avoid potential legal issues, such as fines, penalties, or even the demolition of non-compliant structures.
- Promoting Orderly Development: Zoning laws, enforced through these permits, contribute to orderly development and land use, ensuring that properties are utilized in a manner that is compatible with the surrounding community.
- Protecting Property Value: Adherence to zoning regulations, verified through these documents, helps protect property values and ensures that properties are safe and well-maintained.

In essence, both zoning permits and Certificates of Zoning Compliance are vital legal instruments that play a crucial role in ensuring responsible land use and development within a community.

Amber
Reiny
comments

Findings:

I'd like to start off by saying I share concerns of marijuana opponents, concern of keeping marijuana out of the hands of children and that marijuana product manufacturing or sales should not be near schools, churches, parks. However, I am supporting the preliminary report findings from Option 1 draft ordinance and Option 3 marijuana overlay district (Adding a Certificate of Zoning Compliance requirement to both options) ^{+ change to \$1000 fee.} This requirement, at the applicants expense, must obtain proper paperwork including surveys from a licensed surveyor that the applicants property meets or exceeds the requirements proposed within the city limits of Miles City, MT. This will be reviewed by city staff and/or zoning committee for approval, instead of the CUP process and being endlessly debated in City Council Meetings, which attributes to the "asinine cost" Councilman Huber describes. A Certificate of Zoning Compliance confirms all conditions stipulated by these options have been met before they can be used or occupied. This must be obtained prior to building permits or business licenses can be issued. These options present an opportunity for our community to benefit from the regulation and responsible use of cannabis.

Citizens voiced concerns that marijuana in the city limits would make their kids unsafe; however An overlay district or Option 1 Draft Ordinance allows us to create specific zones where marijuana businesses are permitted, ensuring there is regulated access to cannabis in a way that minimizes illegal or unregulated sales. It also ensures that businesses are abiding by state and local laws. Keeping our kids safer than the alternative of purchasing black market unregulated marijuana products. It would not only allow for the safe and regulated distribution of marijuana but also ensures that local businesses can thrive in a legal market. This new business is contributing to the economic development of Miles City, it will become a taxable business, which is in line with our growth policy. This new business will create jobs.

In addition, areas where marijuana dispensaries are already located within the county, state regulated sales are already being purchased in the county and/or out of the county and brought into the city limits to consume. It would make more sense to have legal sales in our county and city keeping that money in our county/city vs letting it go to the surrounding counties. Some funds are better than no funds. With a broke city and limited amenities for your children to utilize in the summer could easily be fixed by funds from marijuana sales allocated to the city's park district.

Allowing Option 1 or the proposed marijuana overlay district would allow marijuana dispensaries to operate in an already heavily developed and established area. These long term established

businesses are staples in the Miles City community. These businesses are very unlikely to discontinue or move business operations simply to sell their property to accommodate a business for the sale of marijuana. Stockman Bank is directly in front of an area where a legal marijuana business operates. Stockman Bank sits in an area within the proposed overlay district. To me, there is no difference between being allowed to be sold behind Stockman Bank and potentially out of the Stockman location. That imaginary county line does not protect us. That county line doesn't play a factor for access when it's already in such a dense commercially developed area of town. In addition to these businesses, Red Rock sporting goods, McDonalds, Town Pump, Sleep Inn, Conlins furniture, CAA, Billings Clinic, Unique Creations, Little Caesars, Pizza Hut, Dairy Queen, AgWest Farm Credit, Oreillys, Walmart, Murdochs and Sherwin Williams also sit in the proposed area. Not only would that be a horrible business plan to move locations with the traffic and access the HWY 59S Corridor has for these businesses but the sale price of these buildings, businesses and vacant lots are higher than anywhere else in Miles City with a minimum of price tag of \$500,000 upwards of \$5 million+. A fly by night, marijuana operation is not going to be able to afford the price tag of the few proposed areas. However, an established, reputable operation with heavy assets would be able to afford these areas. Which would lead to safer, higher regulated business operations. Just because the areas are allowed doesn't mean that those areas will be saturated with marijuana operations. There are still state laws such as SB27 that go into effect July 1, 2025 to freeze the footprint of the legal marijuana industry. It makes sense to have these areas away from schools, churches, parks available for established marijuana businesses to operate in our town.

An overlay district can also be used to help fund local public education campaigns around responsible cannabis use, similar to alcohol and tobacco education efforts which will help keep the kids safe and seems to be the biggest concern by marijuana opponents. Maybe more drug education is exactly what we need. The zoning committee can't control "third party individuals" who are providing alcohol and drugs to kids. We can control how, where, and when legal marijuana can be sold in our town.

CITY OF MILES CITY

Zoning Commission

PO Box 910
Miles City, MT 59301

Public Hearing & Meeting Minutes

June 17, 2025

1:30 pm

The Miles City Zoning Commission met at 1:30 pm in the City Hall Conference Room. Chairperson (CP) Leif Ronning called the meeting to order at 1:35 pm and requested a roll call. Zoning Members (ZM) present were Leif Ronning, Amber Trenka, Melynda Hould, Amber Rainey and LeRoy Meidinger. Also present were Planner Joel Nelson (via Zoom) and Public Works Director (PWD) Samantha Malenovsky as she served as recorder. A quorum was present. Refer to attached sign-in sheet for visitors/citizens present.

Approval of Minutes: CP Ronning called for approval of the minutes from the March 10, 2025 meeting.

*** ZM Hould moved to approve the minutes from the March 10, 2025 meeting, as written, second by CP Ronning. Motion approved 5-0.*

Citizen/Visitor Request: None

Unfinished Business: None

New Business:

Draft Zoning Code Updates –Amendments to address Marijuana Dispensaries – three (3) options for potential ordinances; please see attached draft ordinances and preliminary report to Zoning Commission

Planner Nelson explained the three options as presented. First option is the initial zoning commission recommendation that was sent to council for approval, which was voted down by council back in March. This option is based off staff recommendation which included set distances, with a combination of State law and recommendations staff added during the process, with setbacks from residential and open space districts and other modifications as per zoning commission recommendations. It would make dispensaries in the allowed locations permitted uses, so not conditional uses.

Second option is a continuation of the current interim regulation, Ordinance 1388. This limits dispensaries to the Highway/Commercial area and 1000' setbacks from religious institutions, schools, parks and playgrounds. This would subject dispensaries to conditional use review and approval by council.

Third option is an overlay district, also has a conditional use review and approval by council. A map is used to show allowable areas where dispensaries can be located. Planner Nelson further explained what properties were removed due to lot size constraints, zoning setbacks and locations within or around residential, parks, schools, daycare and religious institutions. ZM Ronning asked if the setbacks were based off the state guidelines of 500 feet,

Planner Nelson explained that the setback is based off a straight 500 foot distance instead of the language about being on the same street and measuring from door to door. Planner Nelson elaborated on the mapping.

Planner Nelson stated that Option 3 is further supported by the Growth policy, and the overlay map shows a more definitive way of where dispensaries can be allowed. Option 2 keeps with the current status quo of what is currently in place. Option 1 is harder to map and can be troublesome for staff to get an accurate representation of where dispensaries can be located based off of measurements going from door to door. These are just options and can be intermingled to include what the zoning commission finds in the best interest of the community.

ZM Meidinger questioned why in Ordinance No. TBD-option 1, page 2, (b) was stricken where it discusses setbacks from schools, parks and religious institutions. It was answered by stating this only referred to medical marijuana. Under Section 24-71 this is address with different verbiage and setbacks depending on the building use. Parks is referred to as Open space in (c).

ZM Hould questioned if the Option 3 overlay map could ever be revised or is this something that needs to be followed forever, she also asked how “grandfathering” working with an overlay district. Planner Nelson explained this can be revised by the city, or people could request a zone change to expand it or reduce it. A discussion then ensued regarding how establishment of a church or park could impact future dispensaries and vice versa under the overlay district scenario.

CP Ronning opened the hearing to public comment.

Public Hearing:

Janette Denson, 115 S. Strevell, Page 1 of the preliminary report under Option 2 where it states “with other minor amendments to update definitions and other references” is concerning since it is not defining these amendments. The last sentence on page 1 of the preliminary report is important for the public. She would like to propose no sales within the City of Miles City. The ballot that was passed in 2024 stated the sale of recreational marijuana was within the county, the ballot was passed and has been fulfilled since sales are allowed within Custer County. There is nothing that states it needs to be sold in the City of Miles City. Another option would be to extend Ordinance 1388 by one year so as to properly study this, the State of Montana has issued a moratorium on marijuana licensing.

Planner Nelson stated that the extension of the interim Ordinance is scheduled for the June 24th council meeting. If passed by council this would extend the Ordinance for one year.

Jo Vilhauer, 1116 S. Earling, supports the no sale of recreational marijuana within the city limits as it will not impact the City or the County financially since the City will still receive taxes from sales within the County. Or allow for the Ordinance 1388 to be extended for another year to study the effects of the options on the City. ZM Hould questioned if either citizen had done any research on the actual tax numbers. Ms. Denson stated at the March 11 council meeting it was discussed on the potential tax that the City would received based off million dollar sales. She thought it came to \$16,000. Discussion ensued with other numbers such as \$13,000 suggested.

Rick Huber, 2015 Sudlow, commented the figures should have been in the staff report and not discussed now at a fourth or fifth meeting. These figures should have been brought up in the earlier meetings.

Vicki Leesburg, 24 Agate Drive, had two hand outs for the committee, one was a citizen written Ordinance the other was Ordinance bullet points. She commented that they were told that people can’t write ordinances. She went over the bullet points of the Ordinance. ZM Hould asked

who drafted this Ordinance, Ms. Leesburg stated it was herself and other citizens.

Rick Huber brought up the notices for this meeting and the council meeting on June 24th. He stated that a 1:30pm meeting is not a good time to have a public meeting. He commented that there has probably not been this many people at a zoning meeting before. His desire would be to have meetings at night to see the involvement of the representation of people. There was some confusion between this meeting and the council meeting. It was explained that the interim Ordinance 1388 is not being discussed at this meeting but at the council meeting that will be held on June 24th. This meeting is to discuss something more permanent to be done in place of the interim Ordinance.

Peggy Stanley, 23 Balsam Drive, asked if Option 2 was like Ordinance 1388. It was answered that yes, it is but Ordinance 1388 is only temporary. If the committee chooses to go with Option 2 this would now make regulations of Ordinance 1388 permanent.

Rick Huber questioned why the no dispensaries option was not presented for discussion. Malenovsky stated that this recommendation can be made by the zoning committee. The Committee has the right to recommend either of these options, a mixed up version of these options or something else completely, they are not bound by these 3 options. Mr. Huber questioned how many hours has been put into these reports by staff and time put in by zoning committee members? The option of not allowing sales within the City of Miles City is clean and concise. The majority of the people present were not for dispensaries within the City limits. The amount of time and money that has been put into this is asinine.

Deborah Schmeling, 2119 Butler thinks that better notification needs to be done for these meetings and people are not aware.

Starla Gundlach, 1112 S. Sutton asks to consider not having dispensaries within City limits.

Amber Anderson, 1700 Butler, states that as a healthcare provider she can pinpoint patients that are positively and negatively impacted by marijuana use. States everyone has access under the current situation and we need to protect our valuable people. The only way to do this is to keep dispensaries out of our community so people have to work to get it versus it being given to them when they walk to and from school or when they go to their healthcare provider. The amount generated in city tax does not even cover one accident when under the influence of marijuana. Strongly in favor dispensaries only being allowed beyond the City limits.

Jamie Schmeling, 506 S. Stacy, recommends keeping the sell and distribution of marijuana outside the City limits. She wanted to advocate for persons who may stumble upon it inadvertently, and reflected on a time in Albertson's when she stumbled upon a cloud of marijuana smoke and nearly fell over. It's dangerous. It sent her into a headache and spiraling, almost fainting episode in the store, and all she did was walk through a cloud of smoke. She know that's what it is, because her former husband was a user. Suggested a fourth option, as the committee has opportunity to think outside the box and consider financial ramifications. She thanked everyone for listening.

ZM Trenka asked Planner Nelson for comments after the public.

Planner Nelson stated that Attorney Dan Rice has taken the position that the City needs to make reasonable accommodations for this new legal business. Regarding time and expense that Mr. Huber asked about, it could be calculated by talking to staff. The Zoning commission can make alternate recommendations, they are not locked into these three options. To address the citizen written ordinance, Attorney Rice had reviewed the ordinance and had found multiple parts of it that were not accurate and wouldn't really work, Planner Nelson agrees. There is a process to zoning amendments as referred to in the City's zoning code where anyone can apply for zoning amendments.

Ms. Denson questioned a 'reasonable accommodation' the ballot was clear that it be sold in Custer County which is being fulfilled.

Ms. Schmeling consider the financial ramifications on city staff should dispensaries be allowed within the City. There is a responsibility to review these options to see how they would affect police, ambulance, hospital and the whole community. How would this effect the demand on emergency personnel?

Ms. Vilhauer, had concerns with how noticing was done. Was it done per regulations? Noticing and posting of the hearing was discussed.

Megan Brown, 2402 Main, claims a study was suppose to be done and why it hasn't yet and would like to see a study.

Recommendation to City Council: Proposed Amendments to Address Marijuana Dispensaries and Zoning Commission report/findings; make recommendation based on the 3 options/ordinances presented.

ZM Meidinger did not agree with any of the options presented. He likes the new proposal presented by citizen Leesburg.

ZM Trenka agrees with Meidinger and would like to review the citizen proposal, with input from Attorney Rice and Planner Nelson.

ZM Rainey likes some of the things in option 3 but would like more time to review as she is new to committee.

ZM Hould would like some legal advice to make sure that there is an option to not allow the sale within city limits, has concerns with being sued. Prior to public comment, option 1 was preferred. Although would like to see a conditional use permit attached or a third party review to make sure the measurements were done correctly. Does not like option 2.

ZM Ronning, prefers option 3 to make a reasonable accommodation for dispensaries within the City.

*** ZM Trenka recommends tabling the proposed ordinance and preliminary staff report, seconded by ZM Rainey. Motion passed 3-2, with ZM Ronning and Hould voting Nay.*

Commission Member & Staff Comments: Next scheduled meeting set for July 1st at 5:30pm in the City Hall Conference Room and Planner Nelson clarified for those in attendance the continuation of the hearing to that time and place.

There was further discussion on noticing and ensuring that the notice and agenda would be placed on the city's website.

Adjournment: With no further business, on motion, the meeting adjourned at 3:00 pm.


Leif Ronning
Zoning Commission Chair