

**Final Report of the Miles City Zoning Commission
Last Chance Subdivision Zoning Petition and City-Initiated Zoning
April 22, 2026**

I. GENERAL INFORMATION

A. Meetings

- 1. Zoning Commission Hearing:** Wednesday, April 22, 2026
- 2. City Council 1st Reading
& Public Hearing:** Tuesday, May 26, 2026 at 6:00 pm in the City Hall Conference Room
- 3. City Council 2nd Reading:** Tuesday, June 9, 2026 at 6:00 pm in the City Hall Conference Room (tentative)

B. Project Proponents/Landowners:

- 1. Applicants:**
 - John Peila (Lot 1 of Block 2)
 - Miles City Planning Department/staff (all other lots)
- 2. Landowners:**
 - John C. Peila** (Lot 1 of Block 2, proposed by Mr. Peila for General Commercial (GC) District)
 - ~~John C. Peila~~ **Saddlehorn Apartments, LLLP¹** (Lot 1 of Block 1, proposed by Planning Department as Residential C (RC) District)
 - John C. Peila (Lots 2 & 3 of Block 1, proposed by Planning Department as Residential B (RB) District)
 - Alfred Jordan** (Lots 2 & 3 of Block 2, proposed by Planning Department as Residential A (RA) District)
 - Mindie Cox** (Lot 9 of Block 2, proposed by Planning Department as Residential A (RA) District)
 - Michael Struck and Dena Struck, as Trustees of the Struck Family Trust** (Lot 12 of Block 2, proposed by Planning Department as Residential A (RA) District)
 - John C. Peila (Lots 4 – 8, Lots 10 & 11, Lots 13 – 17 of Block 1, proposed by Planning Department as Residential A (RA) District)

C. Property Descriptions

The Last Chance Subdivision is a 20 lot major subdivision that was submitted to and reviewed and approved by Custer County from 2023 through June 2025. The subdivision was of a ±14.9-acre tract that was wholly surrounded by the City of Miles City until annexed by the

¹ Lot 1 of Block 1 was conveyed to Saddlehorn Apartments, LLLP per Warranty Deed recorded April 30, 2026 as Document No. 188617, records of the Custer County Clerk & Recorder's Office

City in 2025. The Last Chance Subdivision is situated in the S ½ NW ¼ NE ¼ SE ¼, SW ¼ NE ¼ SE ¼ of Section 34, T8N, R47E, P.M.M., in Custer County, Montana.

The lots in the subdivision are located between S. Sewell Avenue and S. Moorehead Avenue and between Stower Street and Comstock Street (Block 1) as well as between S. Sewell Avenue and S. Moorehead Avenue, south of the Miles Community College campus (Block 1). The subdivision is undeveloped with the exception of infrastructure and a home under construction on Lot 9 of Block 2.

D. Project Description

John Peila, the developer of the subdivision and owner of Lot 1 of Block 2 of the subdivision (and most other lots), has filed an application to zone Lot 1 of Block 2 as General Commercial (GC) District. Mr. Peila recently obtained approval of amendments to the 2025 Miles City Growth Policy to provide for the requested GC District designation on Lot 1 of Block 2.

For the rest of the lots in the Last Chance Subdivision, the Miles City Planning Department and City staff are proposing residential zoning district designations, including the Residential C (RC) District for Lot 1 of Block 1, the Residential B (RB) District for Lots 2 & 3 of Block 1, and the Residential A (RA) District for Lots 2 – 17 of Block 2.

The reason the Miles City Planning Department and staff are proposing the zoning districts for all but the above Lot 1 of Block 2 is that the City initiated the annexation proceedings and Mr. Peila only applied for zoning for Lot 1 of Block 2 well after the time of annexation. The residential districts proposed are based on accordance with the 2025 Growth Policy, as amended in 2026, as the future land use map in the growth policy designates the proposed residential lots as “Residential”.

The entirety of the subdivision is currently regulated by City codes and the zoning regulations through interim zoning Ordinance No. 1398, extended by Ordinance No. 1402 for one year in March 2026.

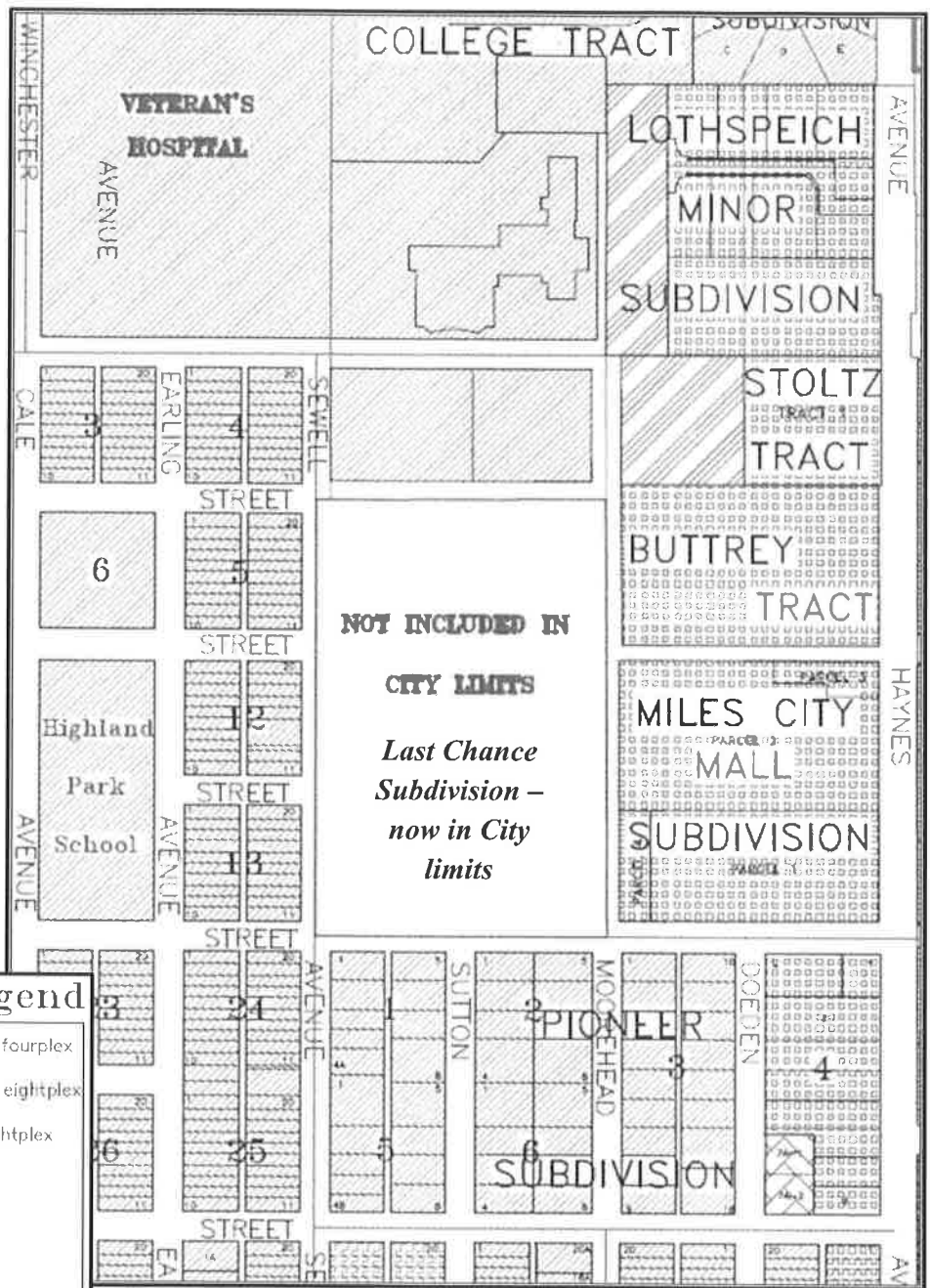
E. Area Zoning and Land Uses

The subdivision is surrounded to the northwest, east, southwest, south, and southeast by the RA District where the primary use is single-family residential and on the north side by the RA District where the Miles Community College campus is located, with student housing adjacent to the Last Chance Subdivision. To the northeast is a privately-owned tract zoned RB District, which is developed with multi-family dwellings. Directly to the east across S. Moorehead Avenue is the Highway Commercial (HWC) District, where commercial uses are located, including Albertsons supermarket, Ace Hardware, the Mexico Lindo restaurant, and other commercial uses.

F. Maps

The following pages and figures include maps pertinent to the proposal.

Figure 1: Zoning Map in the area:



Zoning District Legend















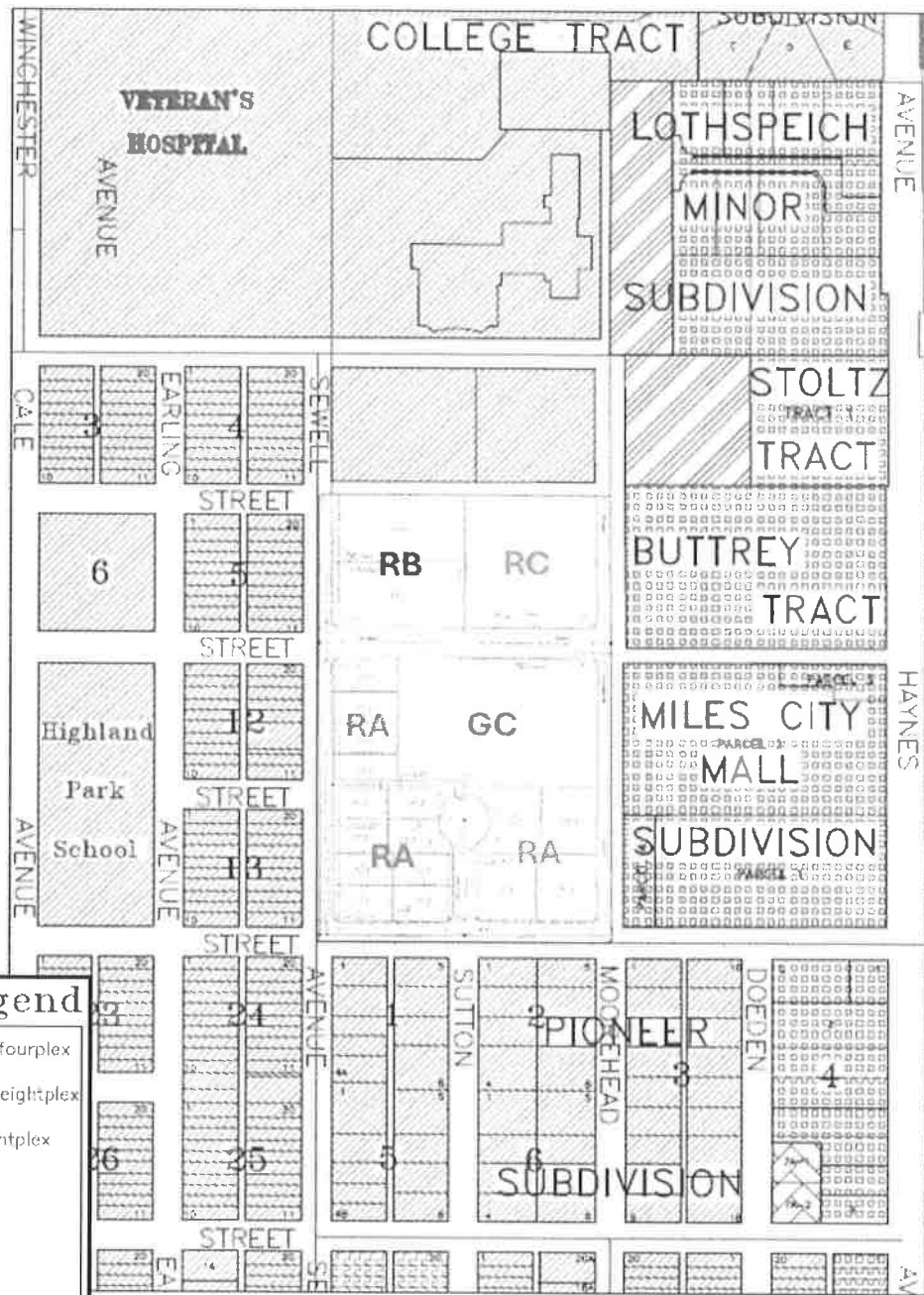
-  RA--Residential, single family to fourplex
-  RB--Residential, single family to eightplex
-  RC--Residential, in excess of eightplex
-  MH-A--Mobile Home Residential
-  MH-RV--Mobile Home-RV Park
-  CBD--Central Business
-  GC--General Commercial
-  HCLI--Heavy Commercial/Light Industrial
-  HI-- Heavy Industrial
-  HWC--Highway Commercial
-  OS--Open Space
-  SR--Semi-Rural
-  MC--Medical Campus
-  SOB--Sex Oriented Business Overlay

Figure 2: Zoning Map in the area with the proposed zoning districts under consideration:



Zoning District Legend

- RA--Residential, single family to fourplex
- RB--Residential, single family to eightplex
- RC--Residential, in excess of eightplex
- MH-A--Mobile Home Residential
- MH-RV--Mobile Home-RV Park
- CBD--Central Business
- GC--General Commercial
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- HI-- Heavy Industrial
- HWC--Highway Commercial
- OS--Open Space
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Figure 3: Map 14, Future Land Use Map of the 2025 Miles City Growth Policy as amended in 2026, page 66:

▼ Map 14. Future Land Use

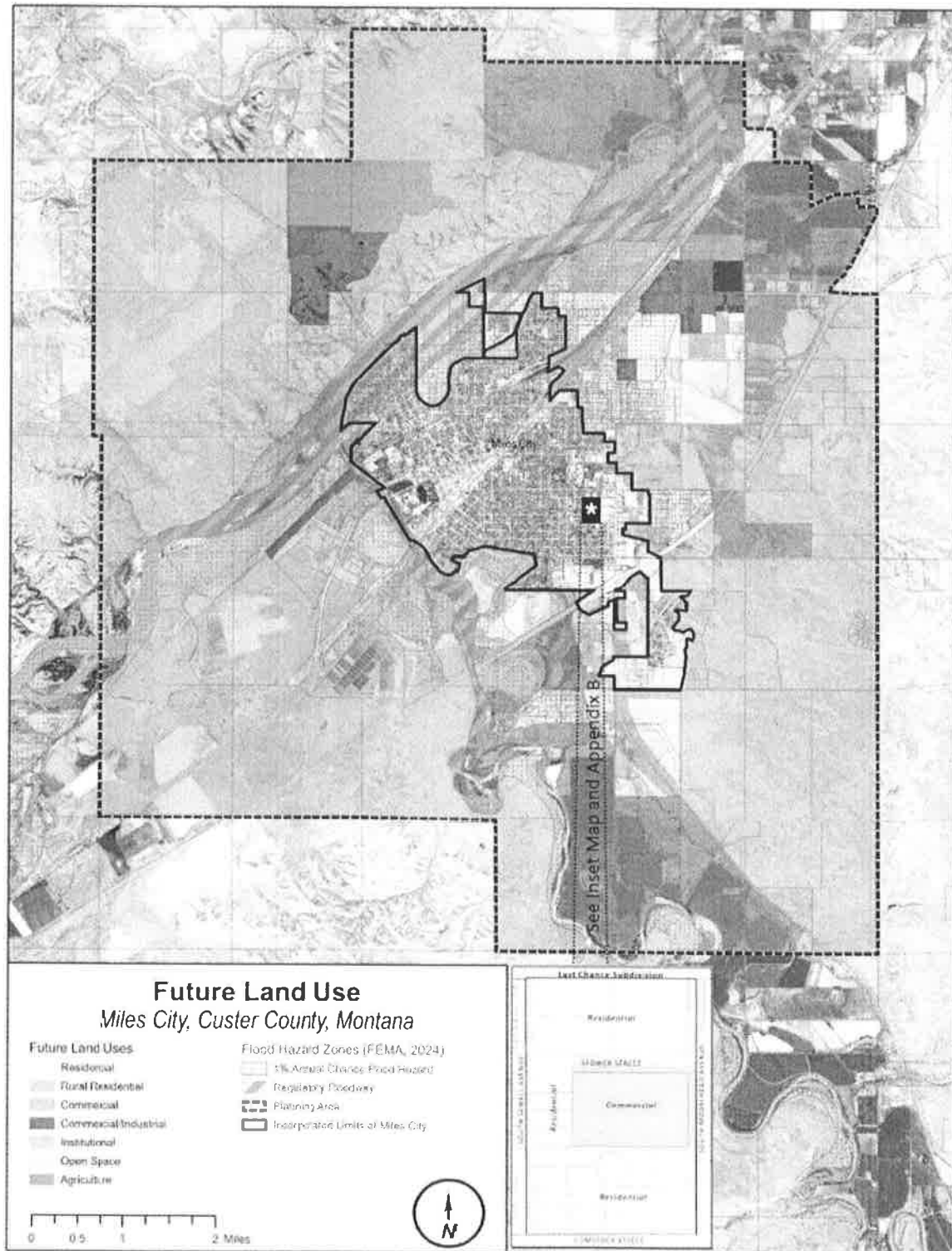


Figure 4: Larger inset map of the Future Land Use Map of the 2025 Miles City Growth Policy as amended in 2026, page 75:

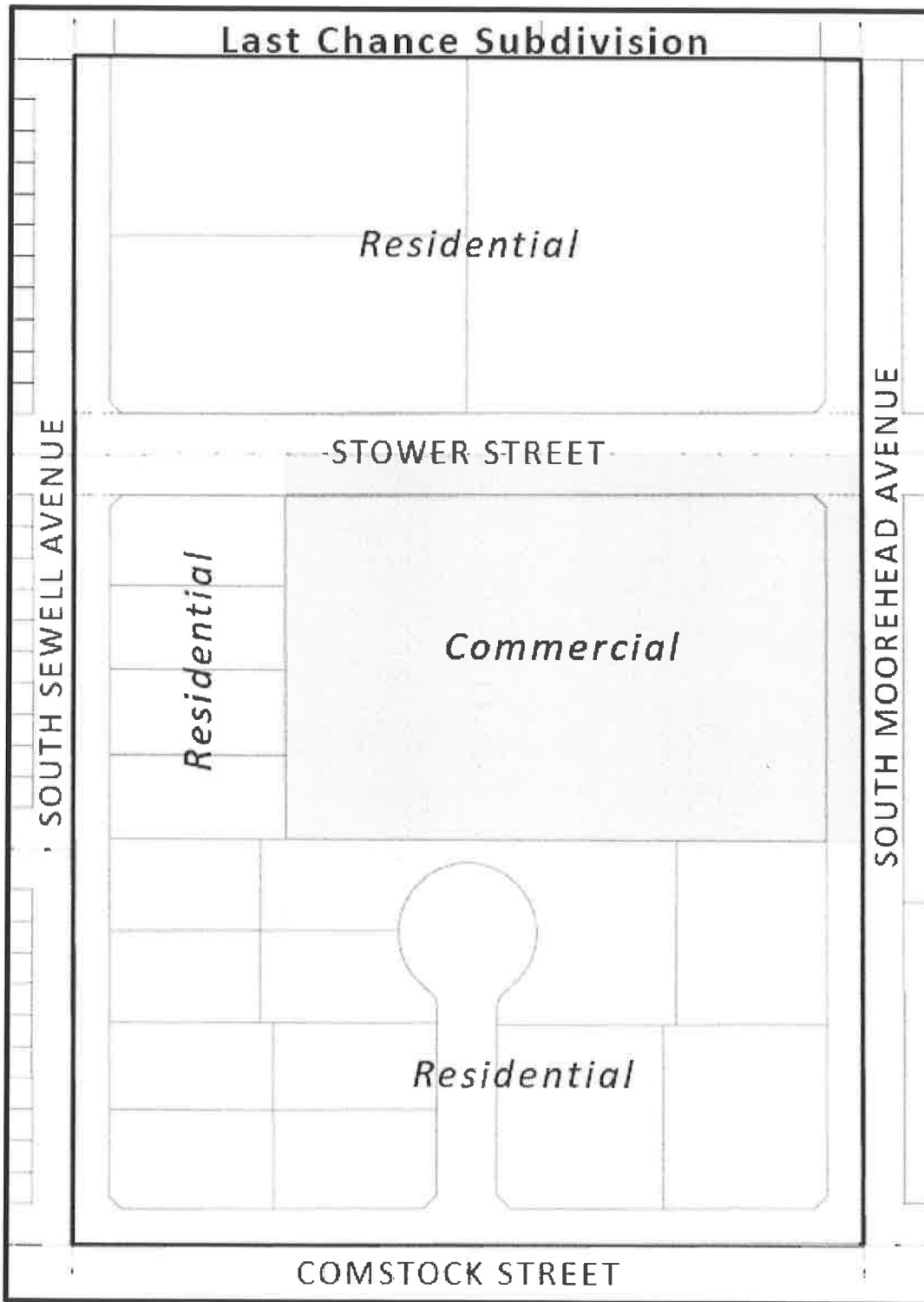
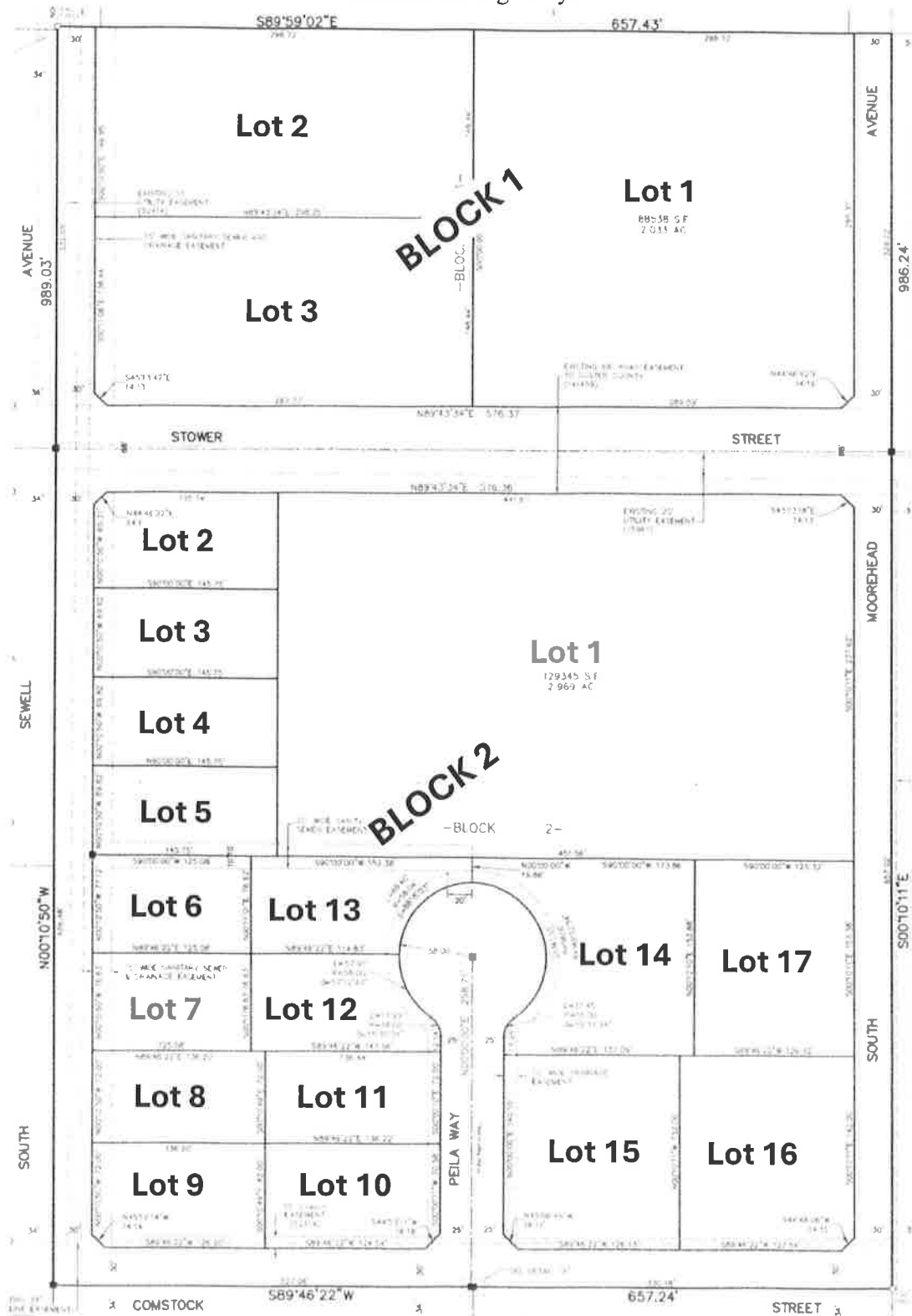


Figure 5: Excerpt of the Last Chance Subdivision plat, with lot/block numbering labeled by the reviewer for legibility:



G. Attachments

The following are attached to this report:

1. Attachment 1: John Peila's zoning petition and narrative responses to the zoning criteria.
2. Attachment 2: Draft ordinance for the proposed zoning.
3. Attachment 3: Draft meeting minutes from April 22, 2026 Zoning Commission meeting/hearing.

II. APPLICABLE REGULATIONS AND RECOMMENDED FINDINGS

A. Zone changes and zoning amendments – Purpose and Process

Administration of petitions for amendments to the official zoning district map is outlined in Sec. 24-96 of the zoning code. The following are the 'purpose' and 'amendment process' for review of zone changes and zoning amendments. Other sections applicable to the review, with recommended findings based on the criteria for zoning, 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.

-NOTE: 2025 Legislation amended several sections of state law pertaining to municipal zoning and notices; the process and draft ordinance have followed the effective and current provisions of Montana Code Annotated (MCA); where conflict exists between state law and the zoning code, the stricter requirements have been followed.

B. 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 reviewer’s and Zoning Commission’s recommended findings in *italics*.

(c) Amendment criteria.

(1) Zoning amendments shall be made:

a. In accordance with the growth policy;

***Finding 1-a:** The applicant for the zoning of Lot 1 of Block 2 as GC District recently petitioned the City to amend the 2025 Growth Policy’s future land use map to provide for the “Commercial” designation, which was approved by the City Council and the amendments are now incorporated into the Growth Policy and effective. The amended Growth Policy’s future land use map designation of “Commercial” makes the proposed GC District for Lot 1 of Block 2 accord to that element of the Growth Policy.*

The rest of the lots in the Last Chance Subdivision are still designated as “Residential” on the 2025 Growth Policy’s future land use map. The proposed mixture of the RA, RB, and RC districts accord to the amended Growth Policy’s future land use map designation of Residential.

There are other implementation measures in the 2025 Growth Policy that are applicable to zoning for the subdivision. The following are additional growth policy findings.

- *Land Use Objective LU.3.a: “Protect private property rights and respect property owners’ wishes to enjoy and gain economic return from their properties and investments while ensuring that other public and private interests are not unreasonably compromised or impacted by land uses and development projects.” This objective is to promote Land Use Goal LU.3: “Balance property rights with the common interests of the community.”*
- *Land Use Objective LU.4.b: “Develop and implement zoning that guides future development but also protects existing development from unwanted impacts.” This objective is to promote Land Use Goal LU.4: “Provide for the*

logical expansion of the City's boundaries that is compatible with existing development and is fiscally responsible."

- *Housing Objective H.4.a: "Update zoning regulations to allow for appropriate density and housing diversity in residential, commercial, and mixed-use districts." This objective is to promote Housing Goal H.1: "Encourage a mix of housing types."*
- *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."*

Approval of the proposed zoning districts would support the above-listed policies, goals and objectives. As such, the proposed zoning is in accordance with the 2025 Miles City Growth Policy.

- b. To secure safety from fire and other dangers;

Finding 1-b: *The Last Chance Subdivision was developed in substantial compliance with City standards for infrastructure that pertain to safety from fire, such as streets and fire hydrants. The subdivision was planned for commercial uses on Lot 1 of Block 1 and Lot 1 of Block 2, and residential on the other lots. Development of individual lots in accordance with the proposed zoning designations and Miles City zoning code and other City requirements will ensure safety from fire and other dangers*

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

Finding 1-c: *The implementation of the City zoning code and provision of City services will promote public health, safety, and general welfare, likely regardless of specific zoning designations, as long as zoning is deemed appropriate for this particular setting. Given the surrounding zoning designations and land uses relative to the subject property, the proposed mixture of zoning designations will provide for continuity in land uses and an appropriate transition from the highway-oriented commercial uses to the east to the residential uses to the west and south, and institutional and student housing uses to the north, promoting the general welfare of the community with sound community planning.*

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

Finding 1-d: *The Last Chance Subdivision was planned and developed for adequate provision of transportation, water, sewerage, and similar public requirements. Municipal water and sewer infrastructure was installed to serve the lots. Surrounding and onsite public streets were improved to City standards to serve the subdivision, and Peila Way was built to serve several lots in Block 2. Sidewalks will be required upon individual lot development. Stormwater from the subdivision is accommodated by stormwater infrastructure installed for the development. Schools are nearby to serve students that will reside in the development, and the subdivision may provide additional housing for the adjacent Miles Community College. The subdivider was required by Custer County to pay a cash-in-lieu of parkland donation to the City of Miles City (instead of Custer County) based on subdivision requirements – those funds can be used for improvements to area City parks that future residents are likely to utilize, such as Wibaux Park, which is as close as four blocks to the northwest of the subdivision. In short, the public requirements for the development were substantially addressed during subdivision review, and the proposed zoning and other City codes will further facilitate adequate provision of public requirements.*

(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 zoning districts will reasonably provide for adequate light and air through application of the various zoning districts' minimum setbacks and yards, maximum lot coverage, and building height requirements. The applicant for the proposed GC District lot notes the maximum building height for the GC District is 40' as opposed to the RC District's maximum building height of 60', while permitted lot coverage is slightly higher in the GC District relative to the residential zones. The specifications and standards for all of the zoning districts were designed to provide for reasonable light and air.*

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

Finding 2-b: *All lots in the subdivision are well served by the area streets accessing the subdivision, several of which were improved to City standards specifically for this subdivision. The Residential A District over much of the property, which allows for single-family dwellings and up to fourplexes per lot, will not significantly contribute to traffic on the streets.*

The proposed GC, RC, and RB districts on the other lots will provide for higher density development and increased expected traffic generation. Comparing expected traffic generation resulting from potential development on the lots proposed for the GC District and RC District is not entirely possible. The GC District allows general commercial uses up to 15,000 square feet as permitted

uses, and general commercial uses in excess of 15,000 square feet as conditional uses. GC also allows for multifamily dwellings as permitted uses. Both the GC and RC districts do not limit the density of multifamily dwellings, and the number of residential dwelling units potentially allowed in either district is limited by the specification standards relative to the lots, such as setbacks, lot coverage, and building heights. While it cannot be predicted very precisely how many dwelling units could be proposed on Lot 1 of Block 2 under either a GC or RC scenario, the number is substantial, and therefore traffic generation could also be substantial. A large apartment complex on the lot under either scenario could result in traffic generation as high and impactful as many of the general commercial uses that could be proposed and/or developed on Lot 1 of Block 2. In short, if comparing development scenarios between a GC or RC designation for Lot 1 of Block 2, expected traffic generation and effect on the motorized transportation system are not entirely predictable; there are residential development scenarios on the lot that could have a greater impact than many potential commercial development scenarios. For example, a 500 unit apartment complex (which could be possible with either GC or RC, although that is not a scale expected in Miles City) could generate an estimated $\pm 3,000$ vehicle trips per day. There are few if any commercial uses in Miles City that would be expected to have similar traffic counts. It should also be noted that the driving surface width of each street Lot 1 of Block 2 may use for access exceeds the minimum driving surface width standard of the highest classification of street, "Arterial", which is 30 feet, which suggests the streets are capable of accommodating any expected development under a residential or commercial scenario. Other standards also do not appear to be of concern; both Stower Street and South Moorehead Avenue should be capable of accommodating the traffic from potential development scenarios that could result from the proposed zoning districts or similar variations.

Regarding the effect on non-motorized transportation system, the subdivision is lacking in sidewalks, which was addressed during subdivision review by tying sidewalk installations to individual lot development. Sec. 20-41(e) of City code states, "Areas where construction required. All persons who reside within a six-block radius of a church, school, convenience store or supermarket shall construct a city sidewalk." City staff administers this provision and determines when it is applied, and sidewalks will be required along the streets abutting all lots when developed. Considering this factor, there should be no or little effect on non-motorized transportation system as a result of the proposed zoning districts.

c. The promotion of compatible urban growth;

Finding 2-c: Given the surrounding zoning designations and land uses relative to the subject property, the proposed mixture of zoning designations will provide for continuity in land uses and an appropriate transition from the highway-oriented

commercial uses to the east to the residential uses to the west and south, and institutional and student housing uses to the north, promoting compatible urban growth. It is consistent with the general discussion in the 2025 Growth Policy, Section 7, "Land Use" on Page 60 that states:

"Miles City also intends to ensure that new development is compatible with existing development by:

- *Adopting zoning that generally extends the existing pattern of development (i.e., more residential near existing residential areas and more commercial near existing commercial areas); and*
- *Planning and working with developers to extend water, sewer, street, sidewalk, parks and other services to development so the services are available when the demand occurs."*

The proposed zoning district does promote compatible urban growth by extending adjacent residential areas with residential zoning designations and adjacent commercial designations with a commercial zoning designation consistent with the 2025 Growth Policy as amended in 2026.

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

Finding 2-d: *This subdivision was considered a "hole" in the City prior to annexation, and given its location outside of the 100 year floodplain, proximity to surrounding developed areas, services, and adequate public infrastructure, much of which was provided at the expense of the subdivision developer, the subdivision is a prime area for infill development and a coordinated continuation of surrounding development patterns. The City is in need of sites for all types of residential uses and more commercial opportunities near commercial centers, which this subdivision has been planned for.*

The zoning districts in Miles City are somewhat unique in that each of the residential districts are different than one another, but in a transitional way. For example, the RA District allows for primarily residential uses, with standards to provide for low intensity development such as larger lot sizes and single-family uses through fourplexes; then the RB District has more flexibility to provide for increased development; and the RC District allows for further increased intensity. Similarly, the adjacent HWC District to the east is a relatively high intensity commercial area, with the GC District being very similar, but at a smaller scale. These aspects are key elements to the Miles City zoning code to not completely separate uses like traditional Euclidean zoning tends to do, but instead to have districts that provide transition, with form-based elements like landscaping buffers between uses, providing for neighborhood commercial uses, and similar provisions.

Further, there are limited vacant RC and RB District lots available for development, and the proposed districts would provide for additional multifamily housing opportunities. The proposed GC District lot is central to the transition from the HWC District to what should be expected to be where multi-family development projects will start. The proposed arrangement of districts gives due consideration to the character of each of the districts and the suitability of the lots for the uses allowed in the districts under consideration.

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

Finding 2-e: *The subdivision is surrounded to the northwest, east, southwest, south, and southeast by the RA District where the primary use is single-family residential and on the north side by the RA District where the Miles Community College campus is located, with student housing adjacent to the Last Chance Subdivision. To the northeast is a privately-owned tract zoned RB District, which is developed with multi-family dwellings. Directly to the east across S. Moorehead Avenue is the Highway Commercial (HWC) District, where commercial uses are located, including Albertsons supermarket, Ace Hardware, the Mexico Lindo restaurant, and other commercial uses.*

The value of residential buildings in the adjacent RA District should be protected by the continuation of the RA and RB districts into the subdivision adjacent to the RA District. The value of the buildings to the northeast in the small, adjacent RB District should not be impacted with the addition of the RC District on Lot 1 of Block 1; the multi-family and similar residential development will be compatible with that use and the other uses on the adjacent Community College buildings zoned RA. The transitional nature of the involved zoning districts, along with the specific uses in place being compatible to the planned uses will reasonably be expected to conserve the value of buildings. As discussed in other findings, the proposed zoning districts provide for compatibility of land uses; this should in turn encourage the most appropriate land throughout the jurisdictional area. In the areas of transition between commercial and residential uses, and denser residential development to lower density existing residential development, effective landscaping implemented as required by Sec. 24-49 of the zoning code for commercial and multi-family dwellings will further protect the values of existing buildings, enhance land use compatibility, and encourage appropriate land uses in the community.

- 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 following is a spot zoning analysis, with findings:*

- *Whether the proposed land use is significantly different from the prevailing use in the area: Given the surrounding zoning designations and land uses relative to the subject property, the proposed mixture of zoning designations will provide for continuity in land uses and an appropriate transition from the highway-oriented commercial uses to the east to the residential uses to the west and south, and institutional and student housing uses to the north. No land uses are being proposed that are significantly different from the prevailing land uses in the area. To the contrary, the proposed zoning districts would provide for continuations of surrounding land uses as infill development occurs. Single-family residences and other allowed uses of the RA District to the general west and south directions will continue on those sides of the subdivision. The community college and associated student housing to the north zoned RA will be compatible with the RB and RC districts proposed for the northern three lots of the subdivision. The proposed GC District lot will be allowed typically smaller scale general commercial uses compared to the adjacent HWC District and highway oriented uses to the east. This factor is therefore not present.*
- *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: The area proposed for zoning is not small – approximately 15-acres, with a mix of four different zoning districts compatible with surrounding zoning and uses. Perhaps it could be stated that only the applicant and owner of Lot 1 of Block 2 would benefit from the approval of the GC District for Lot 1 of Block 2, but considering accordance with the Growth Policy, the mix of uses contemplated being compatible with surrounding development being of benefit to more than the applicant, and the effort taken by the applicant to develop the subdivision to the benefit of the community, this factor is largely inapplicable and therefore not present.*
- *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: With a mix of four different zoning districts compatible with surrounding land uses and zoning, and with appropriate transitions from surrounding uses and districts through the property that was formerly wholly-surrounded by the City and zoning districts, there is not an area that should be*

considered “spot zoning”; there is no “spot” or specific property being uniquely zoned in any way incompatible with the uses allowed in adjacent districts. Further, it does not appear there would be an “expense” to the surrounding landowners or general public due to the compatibility of the proposed districts, particularly given the transitional natures of the various districts and the zoning structure in Miles City.

Because no spot zoning factors are present, and all three of the above factors must be present for it to be considered illegal spot zoning, the proposed zoning would not be illegal spot zoning.

(3) Other criteria include whether the amendment:

a. Corrects an inconsistency in the zoning; and

Finding 3-a: The proposed zoning does not correct an inconsistency in the zoning, but is to apply long-term zoning designations to recently annexed property.

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 proposed zoning addresses the changing condition of the property being recently annexed.

Conclusion on the above findings:

Based on the above findings, the proposed zoning districts substantially comply with the applicable criteria, and is therefore appropriate.

III. ZONING COMMISSION RECOMMENDATION

The Zoning Commission adopted the preliminary report and reviewer-recommended findings as the Zoning Commission’s findings of fact and recommends the City Council approve the zoning districts as proposed and per the draft ordinance attached to this report. This report is the Zoning Commission’s final report to be transmitted to the City Council. Upon final passage of the ordinance by City Council, the official Miles City zoning district map adopted under Sec. 24-11 of the zoning code will be amended by the City of Miles City.



Attachment 1


PETITION FOR ZONE CHANGE

Community Services & Planning

City of Miles City 17 S. 8th Street, P.O. Box 910 Miles City, MT 59301 406-234-3493

Date Received: _____
(to be filled out by City)

Note: If more than one property/petitioner a list of signatures and legal descriptions may be attached to this application.

I,  (Signature) is/are petitioning the City of Miles City to rezone the following property:

LEGAL DESCRIPTION OF PROPERTY:

Street Address or General Location: _____
 Tract/s _____ in Section _____ Township _____ Range _____

OR

Lot/Tract/s Lot 1/Block 2 of Last Chance Subdivision in Section 34 Township 08N Range 47E
(Subdivision Name)
 Assessor Number/s or Geocode 14-1740-34-4-35-01-0000

PRIMARY CONTACT:

Applicant Name: John Peila If a business: Contact Name _____
(Please print) (Please print)
 Address: 200 Kinsey Road
Miles City, MT 59301
 Phone: 406-234-1504 Cell Phone: 406-951-1504 Email: diamondjconstruction@live.com

DESCRIPTIVE DATA:

Total area in acres: 2.969
 Existing Zoning: Residential C Proposed Zoning: General Commercial
 Existing Use: Vacant Lot

Yes No Purpose of the zone change is for pending development/sale. If so please explain the nature of the proposal or state any other reason for requested change: I am proposing this zone change because this lot was approved to be developed as a commercial lot by Custer County before being annexed by the City of Miles City. Further, it is too large to be a residential lot and cannot be subdivided again. The lot will sell in a more timely manner if it is zoned commercial and create a tax base the City of Miles City will benefit from.
Note: All information must be filled in for the application to be complete. Submission of an application is not a guarantee that a zone change will be approved.

Questions related to the criteria for zone changes and zoning amendments:

How would the proposed zone change be in accordance with the growth policy?

The proposed change is not in accordance with the growth policy, however of the entire Last Chance Subdivision, every other lot is residential, in accordance with the Growth Policy and this lot was approved as commercial by Custer County, prior to being annexed. I am submitting a petition to amend the growth policy in accordance with this petition for zone change.

How would the proposed zone change secure safety from fire and other dangers?

When the Last Chance Subdivision was developed the streets were improved and fire hydrants were installed in compliance with city codes. Future development in compliance with city codes, such as building codes and zoning regulations, will secure safety whether commercial or residential development occurs.

How would the proposed zone change promote public health, safety, and general welfare?

The proposed change will have no effect on public health, safety or general welfare, as I stated in the previous question, this subdivision was developed in accordance with all city codes and regulations, the street improvements and fire hydrant installations will promote health, safety and general welfare for residents regardless of zoning.

How would the proposed zone change facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements?

Changing the zoning to commercial will be beneficial because that is how the lot was developed, it has water, sewer and storm drainage required for that size of commercial lot.

How would the proposed zone change ensure the reasonable provision of adequate light and air?

The max building height for RC is 60 feet whereas the max for GC is only 40 feet and although the maximum lot coverage does increase from 70% in RC to 80% in GC, with setbacks and City landscaping requirements for either designation will ensure adequate light and air.

How would the proposed zone change affect motorized and non-motorized transportation systems?

As part of the development of the Last Chance Subdivision, Stower Street on the north side of this lot as widened and paved and curb and gutter was installed which was a huge improvement for motorized transportation, once the lot is purchased the landowner is required to install sidewalks per the covenants which will be beneficial for non-motorized transportation.

How would the proposed zone change promote compatible urban growth?

The proposed change will be very beneficial for urban growth, there are only approximately 10 commercial lots available in Miles City as of November 20, this will be an opportunity for the city to earn more property taxes by zoning the lot commercial and potentially bring more jobs to Miles City.

How would the proposed zone change impact the character of the district, and its peculiar suitability for particular uses?

The lot is located directly across the street from both Ace Hardware and Albertsons; this lot is suitable for commercial property.

How would the proposed zone change work to conserve the value of buildings and encourage the most appropriate use of the land throughout the jurisdictional area?

As I stated in the previous statement, this lot borders two businesses which is why this is an appropriate use for this land.

Describe 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.

Changing the zoning of this lot to commercial would not be considered illegal spot zoning, as it is located just one block off Haynes Ave., which is entirely commercial, so it would not be significantly different from the prevailing use of the area. This is the largest lot of the Last Chance Subdivision, so it is not small in terms of acreage at 2.979 acres, and it will not benefit only some landowners at the expense of others.

Would the proposed zone change correct an inconsistency in the zoning?

No.

Is the zone change intended to address changing conditions or further a specific public challenge such as the need for affordable housing, economic development, mixed use development or sustainable environmental features?

The zone change is not intended to address a specific challenge, however by making the change it will benefit the City of Miles City with an increased tax base, whereas if the lot is zoned Residential, it is unlikely to sell anytime soon, if ever, therefore the City of Miles City is going to lose the opportunity to take advantage of the income from property taxes.

CITY OF MILES CITY

Zoning Commission

PO Box 910
Miles City, MT 59301

Public Hearing & Meeting Minutes

April 22, 2026

5:30 pm

The Miles City Zoning Commission met at 5:30 pm in the City Hall Conference Room. Public Works Director/Recorder Samantha Malenovsky 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-Stein and Steve Palmeri. ZM Leroy Meidinger 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.

Election of Officers: PWD Malenovsky asked for any nominations for a chairperson, ZM Hould nominated ZM Ronning, seconded by ZM Palmeri.

** *Motion for ZM Ronning to stay as Chairperson approved 4-0.*

CP Ronning asked for any nominations for a vice chairperson, CP Ronning nominated ZM Rainey-Stein, seconded by Palmeri.

** *Motion for ZM Rainey-Stein approved 4-0.*

Approval of Minutes: CP Ronning called for approval of the minutes from the November 6, 2025 meeting.

** *ZM Hould moved to approve the minutes from the November 6th meeting, as written, second by CP Ronning. Motion approved 4-0.*

Citizen/Visitor Request: None

New Business:

Public Hearing: Zoning for Last Chance Subdivision

Planner Nelson gave an overview on how the subdivision was annexed and an interim zoning ordinance adopted, and there were previous joint meetings between the planning and zoning boards. In November, the board did not recommend growth policy amendments and recommended keeping the residential designations. After those meetings, Mr. Peila, developer, petitioned the City for a growth policy amendment and zoning petition to allow for Lot 1 Block 2 to become General Commercial. He did not petition to change the other lots, so staff proposes the other lots to remain Residential, as shown on Page 6, Figure 4 of the staff report. Planner Nelson stated that the zoning designations currently being proposed are compliant with zoning criteria, so the staff recommendation is to approve the zone change as presented with the draft findings.

Developer John Peila stated that the area was subdivided and zoned by the county, before being annexed by the City. When the subdivision was annexed into the City, the zoning changed all Residential to match the Growth Policy. Mr. Peila went through years and multiple meetings to try and work with the city and county and have it zoned with commercial and residential properties. He is hoping that this subdivision would be a good fit for the whole town by allowing for a mixed use in this subdivision and bring additional tax dollars into the City.

Mindie Cox, 724 N. Sewell, commented that she is happy with the subdivision. She purchased a piece of the property and currently has a house being built in the subdivision.

Tami Askin, 2312 Pearl owns 2700 Comstock, questioned about sidewalks being put in. It was explained that when a parcel is developed that property owner is required to put in sidewalks as per City standards. There is no sidewalk being placed by the City either in the development or in the surrounding area.

Recommendation to City Council: *ZM Hould made the motion to approve the reviewer's recommendation to adopt and approve the proposed draft and ordinance attached to the report, seconded by CP Palmeri. Motion passed 4-0.*

Unfinished Business: None

Any Other Comments/Discussion: PWD Malenovsky asked to set up a zoning meeting for June as there is a rezone and some changes to the zoning ordinance that staff would like to present.

Adjournment: With no further business, on motion, the meeting adjourned at 5:45 pm. Next proposed meeting scheduled for June 10th at 5:30pm.

[DRAFT]

Leif Ronning
Zoning Commission Chair

[DRAFT]

Samantha Malenovsky
Recorder/Public Works Director