

RESOLUTION NO. 4665

A CITY OF MILES CITY CITY COUNCIL RESOLUTION OF INTENTION TO ADOPT AMENDMENTS TO THE MILES CITY GROWTH POLICY 2025 AND FINDINGS OF FACT FOR THE AMENDMENTS

WHEREAS, the City Council of the City of Miles City adopted the City’s Miles City Growth Policy 2025 (2025 Growth Policy) on January 14, 2025 by Resolution No. 4596; and

WHEREAS, since adoption of the 2025 Growth Policy, the City of Miles City annexed all lots on the Plat of Last Chance Subdivision, including all streets, avenues and rights-of-ways shown on said Plat pursuant to Resolution No. 4642, adopted September 9, 2025; and

WHEREAS, the Last Chance Subdivision is wholly designated as “Residential” on the 2025 Growth Policy’s future land use map on page 66; and

WHEREAS, the developer of the Last Chance Subdivision has petitioned the City of Miles City to amend the 2025 Growth Policy and future land use map as “Commercial” to provide for commercial zoning on Lot 1 of Block 2 of the subdivision; and

WHEREAS, the City Planner drafted amendments to the 2025 Growth Policy amendments to acknowledge the annexation, change the “Residential” designation of Lot 1 of Block 2 of the Last Chance Subdivision on the future land use map to “Commercial” to provide for commercial zoning on Lot 1 of Block 2 as proposed by the developer, and update the definitions of various future land use map designations to better reflect City zoning designations; and

WHEREAS, the amendments to the definitions of the various future land use map designations will better reflect City zoning designations; and

WHEREAS, the other amendments are merely intended to acknowledge the annexation of the Last Chance Subdivision; and

WHEREAS, 76-1-106 of Montana Code Annotated (MCA) authorizes the Planning Board to prepare a growth policy and serve in an advisory capacity to the local governing bodies; and

WHEREAS, 76-1-603, MCA requires the Planning Board to recommend to the governing body by resolution, to adopt a growth policy, not adopt, or take other actions as necessary; and

WHEREAS, the Miles City Planning Board held a public hearing on the Growth Policy amendments on January 20, 2026 in accordance with 76-1-602, MCA; and

WHEREAS, the Miles City Planning Board by resolution recommended the amendments to the Growth Policy attached hereto; and

WHEREAS, the amendments pertaining to the future land use map as requested by the developer's petition will promote the Goals, Objectives, and Actions, and other provisions of the 2025 Growth Policy, as described in the Staff Report adopted by this resolution as findings of fact.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Miles City, Montana to adopt this Resolution of Intention and the Staff Report as findings of fact. The final Resolution approving the amendments will be placed on a properly noticed agenda of the City Council meeting on February 24, 2026 and comments will be accepted until that meeting. Upon final approval of the amendments by City Council by resolution, those portions of the growth policy as specifically amended would be incorporated into the Miles City Growth Policy 2025.

SAID RESOLUTION OF INTENTION PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA, AT A DULY CALLED MEETING THIS 10TH DAY OF FEBRUARY, 2026.

Chris Grenz, Mayor

ATTEST:

Mary Rowe, City Clerk

Presented by:



Growth Policy 2025

CITY OF MILES CITY



Adopted January 14, 2025

Amended _____, 2026



Client Commitment



Empowered Employees



Quality Solutions

MILES CITY GROWTH POLICY 2025

Adopted January 14, 2025 (Resolution No. 4596)

Amended _____, 2026 (Resolution No. ____)

-amendments: see Pages 65 & 66, and Appendix B

-annexation of Last Chance Subdivision not depicted on all maps

Prepared for the:
City of Miles City

Original Version
Prepared by:



SECTION 7: LAND USE

OUTLOOK

Although Custer County population projections suggest that the County population will level out and slightly decrease over the next 20 years, Miles City's population has a historical trend of fluctuations. The projections also do not account for population changes as a result of county residents moving to/from Miles City. The demand for land to accommodate new residential, commercial, and industrial growth will likely be commensurate with economic growth and be market-driven. Due to Miles City's development constraints, the most suitable areas for new development are to the east and south of the City.

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.

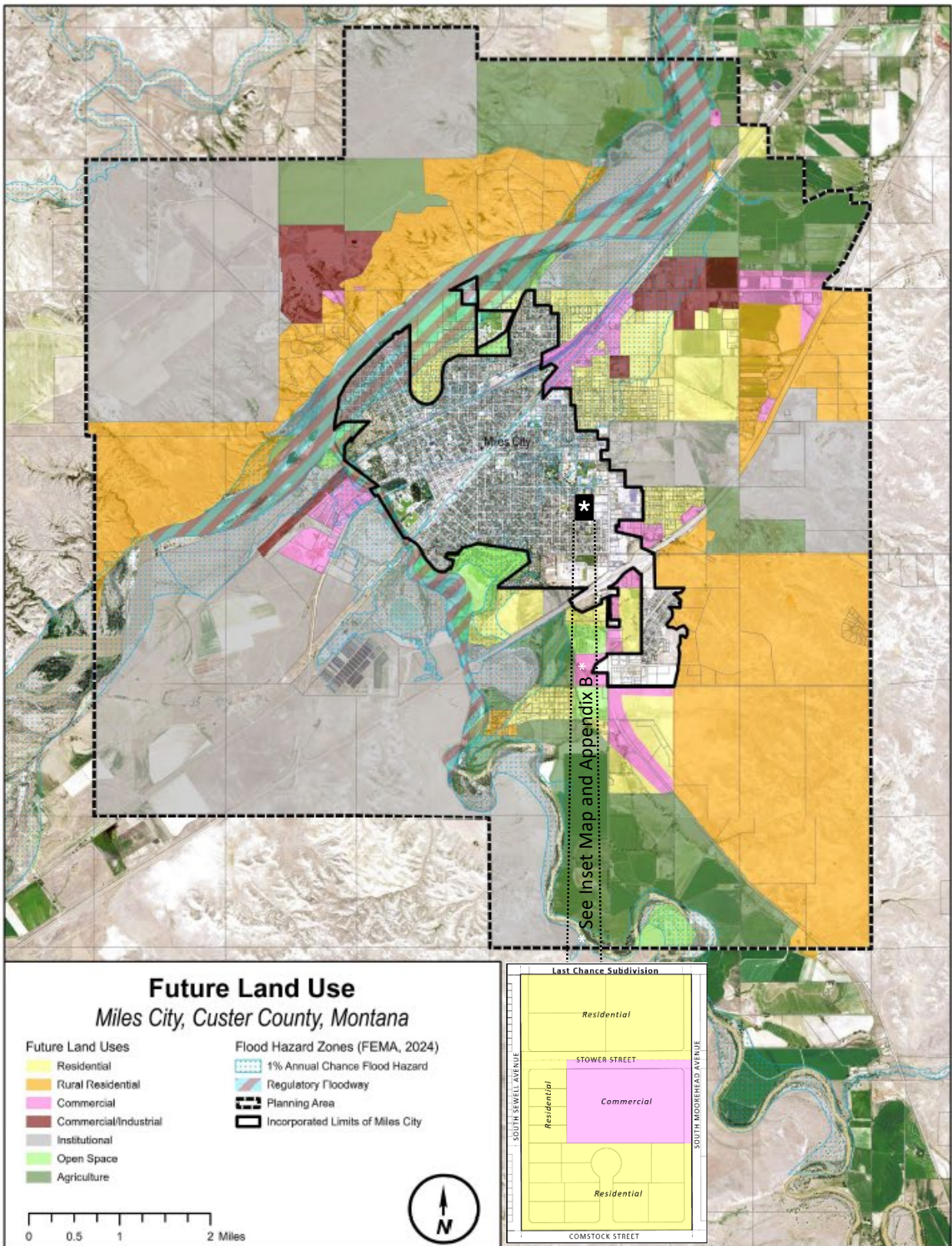
FUTURE LAND USE MAP

The future land use map, shown in Figure 3, is a general blueprint of what the community wants to become and serves as a visual guide for future planning and development. As zone changes and development proposals are considered, each proposal's fit with the future land use map will be considered. The future land use map does not regulate land use proposals but serves as a guide; thus, the land use designations on the map are not as specific as zoning designations. Land use designations on the future land use map are generalized to allow flexibility when Miles City updates its zoning code and map. The following are definitions of each of the designations found on the future land use map:

Residential
<ul style="list-style-type: none">Residential development typical of a more urban setting with the benefit of municipal services. Residential uses include single family, multi-family and mobile homes.
Rural Residential
<ul style="list-style-type: none">Low-density single-family residential development. Residential densities within the rural residential area should be considered for clustered development to attain lot sizes of less than approximately two acres, with open space and agricultural uses preserved; or larger lot sizes should prevail in order to provide rural residential neighborhoods with amenities typical of country living.
Commercial
<ul style="list-style-type: none">Commercial uses which are already established and are expected to continue. Based on the current zoning code, the most appropriate zoning districts for a commercial area are the three commercial districts, which include the "General Commercial (GC) District," the "Highway Commercial (HWC) District," and in some locations the "Heavy Commercial / Light Industrial (HCLI) District".
Commercial / Industrial
<ul style="list-style-type: none">Similar to the commercial designation, a commercial / industrial designation indicates commercial and industrial uses have been established in the area and are expected to continue. Based on the current zoning code, the most appropriate zoning districts for a commercial / industrial area are the "Heavy Commercial / Light Industrial (HCLI) District" or the "Heavy Industrial (HI) District".
Institutional
<ul style="list-style-type: none">Land under public ownership (local, state, and federal). This designation also includes land uses that serve public needs, including the hospital, airport, educational institutions, and correctional facilities.
Open Space
<ul style="list-style-type: none">Land currently with little to no development and not expected to support future development, with uses including parks, cemeteries, and golf courses. Open space land may be in public ownership. The open space designation also includes undeveloped land in the floodway.
Agriculture
<ul style="list-style-type: none">Agriculture uses and very low-density residential development intended to support agricultural uses. Residential development could include new farmsteads and housing for agricultural workers on larger working agricultural operations.

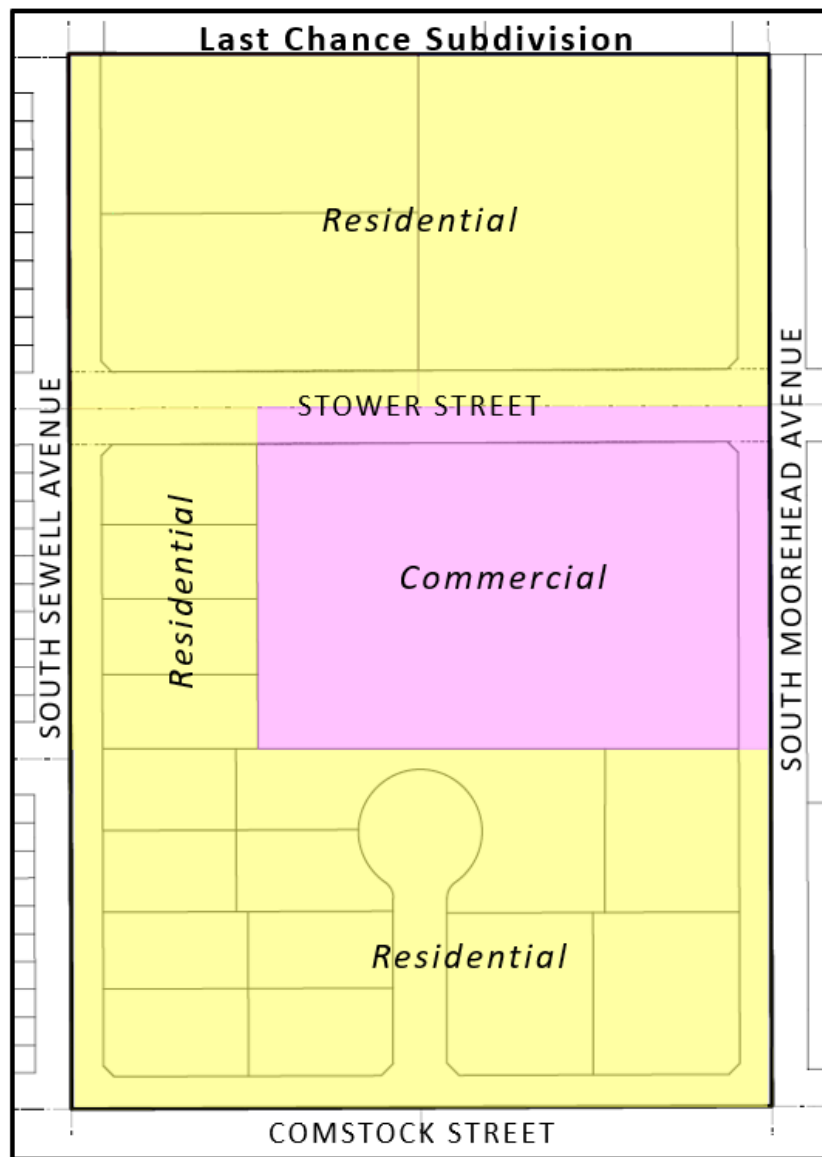
SECTION 7: LAND USE

▼ Map 14. Future Land Use



2026 Updates to reflect annexation of Last Chance Subdivision and future land uses:

In 2025, the City of Miles City annexed the wholly surrounded Last Chance Subdivision by Resolution No. 4642. Following the annexation, the developer of the subdivision petitioned for amendments to the 2025 Growth Policy to change the “Residential” designation on the future land use map on Page 66, and the City Council adopted updates to the future land use map and associated land use designations’ definitions on Page 65, by Resolution No. _____. The adopted amendments amended the cover pages, pages 65 & 66, and added this Appendix B to further explain the amendments. The following map is a larger version of the inset map on the future land use map on Page 66, as amended.



Note: The other various maps within the 2025 Growth Policy have not been updated to reflect the annexation.

MILES CITY PLANNING BOARD RESOLUTION NO. 26-01

A RESOLUTION BY THE MILES CITY PLANNING BOARD ADOPTING FINDINGS OF FACT AND RECOMMENDING TO THE CITY COUNCIL ADOPTION OF AMENDMENTS TO THE MILES CITY GROWTH POLICY 2025

WHEREAS, the City Council of the City of Miles City adopted the City’s Miles City Growth Policy 2025 (2025 Growth Policy) on January 14, 2025 by Resolution No. 4596; and

WHEREAS, since adoption of the 2025 Growth Policy, the City of Miles City annexed all lots on the Plat of Last Chance Subdivision, including all streets, avenues and rights-of-ways shown on said Plat pursuant to Resolution No. 4642, adopted September 9, 2025; and

WHEREAS, the Last Chance Subdivision is wholly designated as “Residential” on the 2025 Growth Policy’s future land use map on page 66; and

WHEREAS, the developer of the Last Chance Subdivision has petitioned the City of Miles City to amend the 2025 Growth Policy and future land use map as “Commercial” to provide for commercial zoning on Lot 1 of Block 2 of the subdivision; and

WHEREAS, the City Planner has drafted amendments to the 2025 Growth Policy amendments to acknowledge the annexation, change the “Residential” designation of Lot 1 of Block 2 of the Last Chance Subdivision on the future land use map to “Commercial” to provide for commercial zoning on Lot 1 of Block 2 as proposed by the developer, and update the definitions of various future land use map designations to better reflect City zoning designations; and

WHEREAS, the amendments pertaining to the future land use map as requested by the developer’s petition will promote the Goals, Objectives, and Actions, and other provisions of the 2025 Growth Policy, as described in the Staff Report adopted by this resolution as findings of fact;

WHEREAS, the amendments to the definitions of the various future land use map designations will better reflect City zoning designations; and

WHEREAS, the other amendments are merely intended to acknowledge the annexation of the Last Chance Subdivision; and

WHEREAS, 76-1-106 of Montana Code Annotated (MCA) authorizes the Planning Board to prepare a growth policy and serve in an advisory capacity to the local governing bodies;

and


WHEREAS, 76-1-603, MCA requires the Planning Board to recommend to the governing body by resolution, to adopt a growth policy, not adopt, or take other actions as necessary; and

WHEREAS, the Miles City Planning Board held a public hearing on the Growth Policy amendments on January 20, 2026 in accordance with 76-1-602, MCA; and

WHEREAS, the Miles City Planning Board in concert with public comments caused to be prepared amendments to the Growth Policy attached hereto.

NOW THEREFORE, BE IT RESOLVED BY THE MILES CITY PLANNING BOARD, the Miles City Planning Board hereby recommends that the City Council adopt the amendments to the 2025 Growth Policy per the attachments. Upon approval of the amendments by City Council by resolution, those portions of the growth policy as specifically amended would be incorporated into the Miles City Growth Policy 2025.

PASSED AND APPROVED this 20th day of January, 2026.



President, Miles City Planning Board



Samantha Malenovsky, Meeting Recorder, Acting Secretary

Staff Report to City Council
Proposed Growth Policy Amendments:
Last Chance Subdivision Petition by John C. Peila
Report Date: February 4, 2026

I. General Information

Type of Request:	Petition to amend the Miles City Growth Policy 2025
Requestor:	John Peila, Developer of the Last Chance Subdivision
Date of Planning Board meeting:	Tuesday, January 20, 2026 at 6:00 p.m.
Date of City Council hearing:	Tuesday, February 10, 2026 at 6:00 p.m. at the City Hall Conference Room, 17 South 8th Street, Miles City

II. Introduction

John Peila has filed a petition to amend the Miles City Growth Policy 2025 (2025 Growth Policy) to provide for consideration of a pending application to amend the official Miles City zoning district map to allow for a City General Commercial (GC) District zoning designation on Lot 1 of Block 2 of the recently annexed Last Chance Subdivision, which is situated in the S ½ NW ¼ NE ¼ SE ¼, SW ¼ NE ¼ SE ¼ of Section 34, Township 8 North, Range 47 East, P.M.M., in the City of Miles City, Custer County, Montana.

The Last Chance Subdivision is wholly designated as “Residential” on the 2025 Growth Policy’s future land use map, so a GC designation would not accord to the growth policy. To accommodate the petitions, City staff are providing potential growth policy amendments to acknowledge the annexation, change the “Residential” designation on the future land use map to provide for commercial zoning on the subject lot, and update the definitions of various future land use map designations to better reflect City zoning designations.

After consideration of the recommendations and suggestions elicited at the Planning Board’s public hearing, the Planning Board recommended by the attached Planning Board resolution that the City Council adopt the proposed amendments, per 76-1-603, MCA.

III. History

The following is the pertinent history of the Last Chance Subdivision leading up to the developer petitioning the City for a growth policy amendment:

1. **November 2022:** The preliminary plat application was submitted to Custer County, along with an application to amend the Custer County zoning map for the subdivision from County AG-1 (Agriculture/Rural Residential) to a mix of County C-1 (Commercial) for two lots in the northeast portion of the subdivision, County R-3 (Residential and Modular

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Home) in the northwest portion of the subdivision, and County R-1 (Residential) in the southern portion of the subdivision.

2. **January 2023:** The preliminary plat application material was submitted to the City of Miles City for comments, and the City Planner provided comments to the County’s contract planners from Great West Engineering. The comments advised the County and subdivider of various City standards and policies to facilitate future annexation of the subdivision into the City.
3. **April 2023:** The subdivision was granted preliminary, conditional approval by the Custer County Board of Commissioners, subject to many conditions of approval requiring compliance with City standards and regulations.
4. **From 2023 through spring 2025:** The subdivider proceeded with meeting the conditions of preliminary plat approval, including improving the streets serving the subdivision, installing water, sewer, stormwater, and other infrastructure, obtaining other required approvals, paying cash-in-lieu of parkland to the City park fund, etc.
5. **From late 2023 through February 2025:** The City worked through updates to the 2015 Miles City Growth Policy until adoption of the Miles City Growth Policy 2025. Both growth policies’ future land use maps designated the Last Chance Subdivision as “Residential”.
6. **May 2025:** The final plat application was submitted to Custer County.
7. **June 2025:** The final plat was approved by the Custer County Board of Commissioners, along with the mix of zone changes, and the final plat was recorded with the Custer County Clerk & Recorder’s Office.
8. **Summer 2025:** The City formally initiated annexation proceedings along with interim zoning providing for residential zoning in accordance with the 2025 Growth Policy.
9. **September 2025:** The City completed annexation of the Last Chance Subdivision by Resolution NO. 4642 and adopted interim zoning by Ordinance No. 1398, which will expire March 23, 2026, unless extended. With annexation, the City staff needed to promptly update the official Miles City zoning district map, and a joint meeting was to be held by the City Planning Board and Zoning Commission to obtain recommendations for land use designations.
10. **October/November 2025:** The Planning Board and Zoning Commission met twice to consider zoning for the subdivision, and whether the future land use map of the 2025 Growth Policy should be updated to provide for commercial designations similar to those approved by Custer County. The City Planner kept the developer apprised of the meetings and encouraged his participation. The developer submitted a written request to keep the

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three acre parcel general commercial, which the City Planner notified the members of the boards of. The Planning Board and Zoning Commission provided guidance to staff to not proceed with a growth policy update to provide for commercial designations, and to proceed with residential zoning per the interim zoning ordinance. The City Planner then informed the developer of the guidance received from the Planning Board and Zoning Commission.

11. **November 2025:** The developer submitted a letter to the City staff to express his disagreement with the recommendation to zone all lots of the Last Chance Subdivision as residential, and inquired about the appeal process. The City Planner advised the developer that he could petition for a growth policy amendment and amendment to the zoning district map to provide for consideration of commercial designation(s).
12. **December 2025:** The developer submitted petitions for (1) a growth policy amendment and (2) an amendment to the zoning district map to provide for consideration of a commercial designation on Lot 1 of Block 2 of the subdivision and a General Commercial (GC) District designation of the lot on the official Miles City zoning district map.

Then on **January 20, 2026**, the Planning Board held a properly noticed public hearing, and passed the resolution recommending the City Council adopt the proposed amendments.

IV. Applicable City Policies, Regulations, and State Laws

The Miles City Growth Policy 2025 (2025 Growth Policy) is the primary City guidance document that outlines City policies applicable to revisions to the growth policy. However, the growth policy does not specifically address amendments proposed by private parties; it only provides “conditions and timing for review and revision” based on City-driven revisions, further discussed below. The growth policy does, however, include several implementation measures that apply to an amendment as discussed in the reviewer analysis and Planning Board findings in Section VI of this report, below.

Page 68 of the 2025 Growth Policy’s section for “conditions and timing for review and revision” is as follows:

CONDITIONS AND TIMING FOR REVIEW AND REVISION

The document will be reviewed and amended as necessary every five years from its adoption date. The City Planning Board will be responsible for reviewing the Plan and making any recommendations regarding revisions or changes to the City Council. Future reviews will include an evaluation of every section of the Plan. It is anticipated that a full update of the Plan will be necessary within ten years of its original adoption.

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Ideally, at least a cursory review should occur on an annual basis in order to set work plans and gauge progress. Updates to the growth policy are expected based on the findings of these periodic reviews. Other conditions that will lead to review and revision are:

- *A dike being built that will accommodate additional development and redevelopment in the existing floodplain*
- *Significant changes in population characteristics, economic conditions, housing, public facilities and land use needs from those envisioned in this plan*
- *A change in growth policy law or the legal setting that mandates revision*

State law (Montana Code Annotated or MCA) outlines the following regarding growth policy adoption (“the board” is the applicable planning board), and other provisions to be aware of:

TITLE 76. LAND RESOURCES AND USE

CHAPTER 1. PLANNING BOARDS

Part 6. Growth Policy

76-1-602. Public hearing on proposed growth policy.

- (1) Prior to the submission of the proposed growth policy to the governing bodies, the board shall give notice and hold a public hearing on the growth policy.*
- (2) The board shall publish a notice of the time and place of the hearing as provided in 7-1-2121 if the governing body is a county commission or as provided in 7-1-4127 for a time period in accordance with 7-1-4127(7)(b) if the governing body is a city commission or a town council. [revised 2025 by House Bill 394]*

76-1-603. Adoption of growth policy by planning board. *After consideration of the recommendations and suggestions elicited at the public hearing, the planning board shall by resolution:*

- (1) recommend the proposed growth policy and any proposed ordinances and resolutions for its implementation to the governing bodies of the governmental units represented on the planning board;*
- (2) recommend that a growth policy not be adopted; or*
- (3) recommend that the governing body take some other action related to preparation of a growth policy.*

76-1-604. Adoption, revision, or rejection of growth policy.

- (1) The governing body shall adopt a resolution of intention to adopt, adopt with revisions, or reject the proposed growth policy.*
- (2) If the governing body adopts a resolution of intention to adopt a growth policy, the*

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governing body may submit to the qualified electors of the area covered by the growth policy proposed by the governing body at the next primary or general election or at a special election the referendum question of whether or not the growth policy should be adopted. A special election must be held in conjunction with a regular or primary election.

- (3) *A governing body may:*
- (a) revise an adopted growth policy following the procedures in this chapter for adoption of a proposed growth policy; or*
 - (b) repeal a growth policy by resolution.*
- (4) *The qualified electors of the area covered by the growth policy may by initiative or referendum adopt, revise, or repeal a growth policy under this section. A petition for initiative or referendum must contain the signatures of 15% of the qualified electors of the area covered by the growth policy.*
- (5) *A master plan adopted pursuant to this chapter before October 1, 1999, may be repealed following the procedures in this section for repeal of a growth policy.*
- (6) *Until October 1, 2006, a master plan that was adopted pursuant to this chapter before October 1, 1999, may be revised following the procedures in this chapter for revision of a growth policy.*
- (7) *Except as otherwise provided in this section, the provisions of Title 7, chapter 5, part 1, apply to an initiative or referendum under this section.*

76-1-605. Use of adopted growth policy.

- (1) *Subject to subsection (2), after adoption of a growth policy, the governing body within the area covered by the growth policy pursuant to 76-1-601 must be guided by and give consideration to the general policy and pattern of development set out in the growth policy in the:*
- (a) authorization, construction, alteration, or abandonment of public ways, public places, public structures, or public utilities;*
 - (b) authorization, acceptance, or construction of water mains, sewers, connections, facilities, or utilities; and*
 - (c) adoption of zoning ordinances or resolutions.*
- (2) (a) *A growth policy is not a regulatory document and does not confer any authority to regulate that is not otherwise specifically authorized by law or regulations adopted pursuant to the law.*
- (b) *A governing body may not withhold, deny, or impose conditions on any land use approval or other authority to act based solely on compliance with a growth policy adopted pursuant to this chapter.*

V. Amendments and Planning Board Resolution

The Planning Board resolution and amendments attached to this report reflect potential

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amendments to the applicable pages of the 2025 Growth Policy and a new Appendix B for a clearer supplemental map showing the amendment to the future land use map, with a further explanation of the amendments. The Page 65 amendments are intended to revise the definitions of various future land use map designations to better reflect City zoning designations. For example, the “Commercial” definition references the “LC local commercial district”, a zoning district that no longer exists on the official Miles City zoning district map.

VI. Reviewer Analysis and Planning Board Findings

- A. The developer of the Last Chance Subdivision went through the extensive subdivision and zoning processes with Custer County to obtain the necessary approvals for the subdivision with a mix of residential and commercial lots. The City was involved in the subdivision review and approval processes while the City updated its growth policy. The growth policy updates adopted in 2025 were not focused specifically on planning for the Last Chance Subdivision, and the updates resulted in a “Residential” designation on the growth policy’s future land use map, which was the same designation in the 2015 Growth Policy’s future land use map.

Per the growth policy, *“Land use designations on the future land use map are generalized to allow flexibility when Miles City updates its zoning code and map.”* The developer has petitioned the City to amend the growth policy to provide for a “Commercial” designation on the future land use map to allow a commercial zoning designation on Lot 1 of Block 2 of the subdivision, and has submitted a petition to amend the official Miles City zoning district map to provide for zoning of General Commercial (GC) District on that lot.

The developer’s petition to amend the growth policy explains the rationale behind the petition and the extensive costs of obtaining necessary approvals, including a County zone change to commercial for this lot and another lot that may be proceeding with an affordable housing project. It also discusses the limited availability of commercial lots in the City, and notes that the developer recognizes the need for housing in Miles City and that is why 75% of the land in the subdivision is zoned residential, which is noteworthy given several growth policy provisions that are further discussed below.

- B. The growth policy does not provide a specific process for the review of petitions from citizens to amend the growth policy, but the City should consider the amendments following the implementation measures of the growth policy and applicable state laws. Section 1 of the growth policy outlines the Goals and Objectives of the growth policy, followed by the Action Plan & Implementation Schedule, which lists specific actions to be taken to implement the Goals and Objectives. An overview of applicable Goals, Objectives, and Actions that would be supported by the proposed growth policy

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amendments, as well as reviewer- and Planning Board-recommended findings are as follows:

1. **Economic Goal E.1** is to *“Foster sustained economic growth in Miles City.”*
 - a. **Objective a** to achieve that Goal is to *“Identify limitations for existing businesses to grow.”* Limited availability of vacant commercial lots within and around existing commercial properties limits the ability for businesses to expand, whereas a “Commercial” designation on one ±3-acre lot adjacent to a commercial district will promote this Goal and Objective.
 - b. **Objective b** to achieve that Goal is to *“Attract businesses providing living wage jobs.”* Limited availability of vacant commercial lots within and around existing commercial properties limits the ability for new businesses to locate in commercial areas of Miles City, whereas a “Commercial” designation on one ±3-acre lot adjacent to a commercial district will promote this Goal and Objective.
 - c. **Objective c** to achieve that Goal is to *“Undertake a market analysis that identifies commercial gaps, retail leakage, and strategies for a resilient economy.”* While the proposed amendments do not include the undertaking of a market analysis, providing additional commercial development next to a commercial area and close to relatively dense residential development would facilitate economic growth, and with the identified needs for both residential and commercial development within the City and mixture of residential and commercial development that would be provided by retaining the commercial designation approved by the County, a commercial designation on one lot would address the overall needs of the community.

2. **Economic Goal E.3** is to *“Support industrial and commercial development.”*
 - a. **Objective c** to achieve that Goal is to *“Work with commercial and industrial developers on how the City can accommodate their needs while mitigating adverse impacts.”* Working with this developer to accommodate his plans for a commercial lot would promote Goal E.3 and associated Objective c if any identified adverse impacts can be mitigated. No specific adverse impacts have been identified to date. The City staff contemplated commercial uses during the subdivision review when providing comments to the County and planning for provisions of services, and given the proximity of existing commercial development and mitigation offered by zoning requirements (e.g., landscaping, setbacks, maximum building heights, etc.), substantial adverse impacts are not expected. Accommodating the developer’s needs for providing for commercial development within the subdivision as planned and reviewed by the City and County would promote this Goal and Objective, thus according to the growth policy.

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3. **Land Use Goal LU.1** is to *“Provide a predictable development environment.”*
 - a. **Objective a** to achieve that Goal is to *“Update land use regulations to provide greater clarity and flexibility.”* Part of the City’s land use regulations includes the official Miles City zoning district map. Approval of the growth policy amendments to provide a “Commercial” designation on the future land use map would allow for the pending zoning petition for a GC District designation to proceed and give clarity and flexibility to the developer, promoting this Goal and Objective.

4. **Land Use Goal LU.3** is to *“Balance property rights with the common interests of the community.”*
 - a. **Objective a** to achieve this Goal is to *“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.”*

The developer of the Last Chance Subdivision planned for a mixture of land uses in the subdivision, including two commercial lots and the rest residential. The developer wishes to retain the ability for one lot in the subdivision to be a commercial lot, with the rest of the lots in the subdivision left with a residential designation. Approval of the proposed commercial designation on one lot adjacent to highway-commercial uses would respect the developer/property owner’s wishes to enjoy and gain economic return from his property and substantial investments he made through the development process. Other public and private interests will not be unreasonably compromised or impacted by a commercial land use/development on one lot adjacent to existing commercial development, particularly with mitigations provided by the City zoning code. Approval of the commercial designation presented by the petition would protect the developer’s private property rights while according to many other provisions of the growth policy.

5. **Housing Goal H.4** is to *“Encourage a mix of housing types.”*
 - a. **Housing Objective a** is to *“Update zoning regulations to allow for appropriate density and housing diversity in residential, commercial, and mixed-use districts.”*

Part of the City’s land use regulations includes the official Miles City zoning district map. Approval of the growth policy amendments to provide a “Commercial” designation on the future land use map would allow for the pending zoning petition for a GC District designation to proceed. The GC District allows multifamily dwellings as permitted uses, so the commercial designation would not preclude the most likely housing type that would be proposed on the lot; it would simply

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allow the additional flexibility of a commercial land use(s). A mix of housing types would still be achievable with a commercial designation, and provide for appropriate housing density and diversity in a mixed-use area, thus promoting this Goal and Objective.

6. **Action 16**, which supports some of the above Goals and Objectives, is to *“Update the zoning regulations to clarify procedures, meet the community's land use and development needs, and provide flexibility while protecting existing residents.”* With part of the City’s land use regulations being the official Miles City zoning district map, approval of the growth policy amendments to provide a “Commercial” designation on the future land use map would allow for the pending zoning petition for a GC District designation to proceed, thus following this implementation Action 16. Other stated Actions do not appear to be directly applicable to the review of the petition to amend the growth policy.
- C. Upon the reviewer’s review of the 2025 Growth Policy, other growth policy provisions to consider with the proposed amendments include a discussion in 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.”*
- This policy statement would be followed with approval of the proposed amendments, as it would allow the proposed zoning petition to proceed and provide for zoning that extends the existing pattern of development, with additional commercial uses next to an existing commercial area. The City staff have worked with this developer to ensure infrastructure is extended to the new subdivision, with consideration for his commercial plans.
- D. On Page 67, Section 8, “Implementation of the Growth Policy”, there is a discussion about a Community Survey held during the outreach portion of the updates. It stated, *“88% of respondents felt Miles City needs more commercial development. The most popular need*

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identified in the open-ended responses included an indoor pool. The top four (4) types of commercial development:

1. *Youth/Family Entertainment*
2. *Recreational Facilities*
3. *Retail*
4. *Restaurants*

The proposed amendments would respond to the identified need for commercial development, and provide for the above top four types of commercial development if project proponents on the subject lot choose to propose the above-listed uses, which would be allowed in the GC District.

- E. The City Planner/reviewer and Planning Board have found no provisions that the proposed amendments would specifically conflict with. There are Goals and Objectives that would also support keeping the “Residential” designation, such as those that promote additional housing; however, given the Goals, Objectives, and Actions listed above that support commercial development, as well as the allowance for multifamily dwellings in the GC District as permitted uses, the Planning Board recommends the City Council adopt this findings in this staff report as findings of fact and approve the amendments by resolution of intention and subsequently by resolution.

VII. Planning Board Recommendation

Through review of the developer’s petition for a growth policy amendment and the above analysis and findings, the Planning Board adopted the above analysis as findings of fact and recommended, by Miles City Planning Board RESOLUTION NO. 26-01, that the City Council adopt the findings of fact and approve the amendments attached to Resolution No. 4665, a resolution of intention. Upon approval of the amendments by City Council by final resolution, the portions of the 2025 Growth Policy as amended would be incorporated into the Miles City Growth Policy 2025.

VIII. City Council Action

After consideration of the recommendations and suggestions elicited at the Council’s public hearing, the City Council should take action on the proposed amendments. Below are potential actions that the City Council should consider, with language that could be incorporated into potential motions underlined. **Any alternative findings would need to be made by motion(s) and affirmative vote(s).**

**Staff Report to City Council
Proposed Growth Policy Amendments:
Last Chance Subdivision Petition by John C. Peila
Report Date: February 4, 2026**

A. Adopt:

Approve and adopt Resolution No. 4665, a resolution of intention to adopt amendments to the Miles City Growth Policy 2025 and findings of fact for the amendments. A final resolution would then be created and placed on the next regular City Council agenda.

B. Adopt with Revisions:

Approve and adopt Resolution No. 4665, a resolution of intention to adopt amendments to the Miles City Growth Policy 2025 and findings of fact for the amendments, subject to revisions as determined by the City Council. The Council would need to direct the staff as to how to revise the resolution to reflect the action, and staff will prepare a revised resolution of intention and amendments to reflect the motion, vote, and action.

C. Reject:

Reject the amendments by NOT approving or adopting Resolution No. 4665 as presented, and adopt alternative findings of fact as determined by the City Council to support the action. The Council would need to direct the staff as to changes to the findings of fact to reflect the action.

To: City of Miles City Personnel

From: John Peila

Date: December 15, 2025

RE: Petition to Amend Growth Policy

The intention of this letter is to petition to amend the City of Miles City Growth Policy, specifically to amend the future land use map located on page 66 of the Growth Policy to allow for Lot 1, Block 2 in the Last Chance subdivision to be zoned commercial as it was approved by Custer County when this land was subdivided.

When this project started in 2023, I understood that there was a probability that the city would annex the property after development was completed, consequently myself as well as my engineer, KLJ Engineering, have worked with the City of Miles City in addition to Custer County to ensure all parties were satisfied with the completed project. I have spent millions of dollars developing these lots and paying engineering fees to make sure the entire process was done in accordance with all laws and regulations pertaining to subdividing and zoning. In addition, even though this land was in the county, I also paid \$54,300.00 to the Miles City Park Fund as part of the subdividing process. This project was a huge investment in our city and will now provide the city with more housing as well as an increased tax base. That said, I am also looking forward to a return on my investment.

I recognize the need for housing in Miles City and that is why 75% of the land in the subdivision is zoned residential. However, given the proximity to other commercial businesses, the 2.97-acre commercial lot is the right use for that land. The subdivision originally had two commercial lots, but I have already signed a contract for the lot directly behind Albertsons (Lot 1, Block 1) to be used for a low-income housing complex, which is much needed in our community. As of November 20, 2025, there are 38 homes listed for sale in the City of Miles City and an additional 42 residential lots available, however there are only 12 other commercial lots available not including my lot at the Last Chance Subdivision.

The subdivision cannot be subdivided again, and this nearly 3-acre lot is too large for a residential lot and does not have the services installed for a residential lot. Ultimately, this will cause the lot to sell much slower and prevent the city from gaining any tax base on this property for a very long time, if ever.

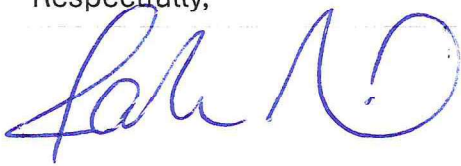
I attended the City Council meeting on September 23, at that meeting city council members were in favor of keeping the zoning as it was approved by Custer County. City

Attorney Dan Rice expressed his support and indicated that although this zoning does not align with the current growth policy, that didn't mean changes couldn't be made to the growth policy to allow for this commercial lot. In addition, a letter of support for this subdivision, mainly the commercial lot, was submitted by Todd Steadman, owner of Ace Hardware, the neighboring business. That letter is attached.

In conclusion, I have done everything throughout this process to work with the City of Miles City, I have contributed a large sum of money to the Park Fund, and I have made a huge investment in our city. In return, I am asking for the support of the city to amend the Growth Policy to allow the zoning of the subdivision as it was approved. Although it is not the avenue I would like to go, I am fully prepared to obtain legal counsel if needed.

Thank you for your time and consideration.

Respectfully,

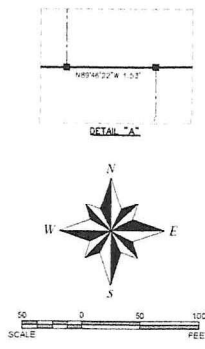
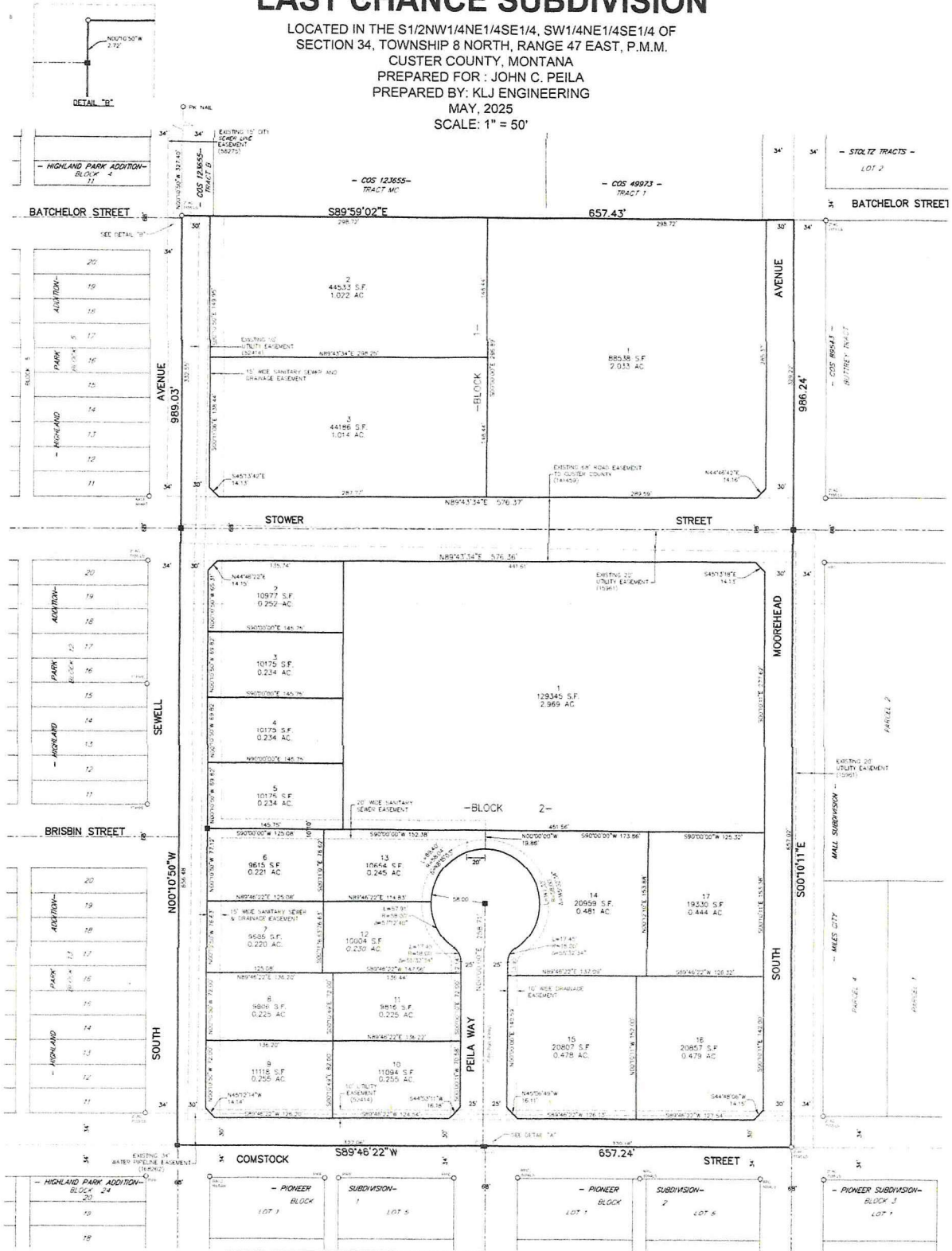
A handwritten signature in blue ink, appearing to read "John Peila". The signature is fluid and cursive, with a large, stylized "P" and "I".

John Peila

Owner – Last Chance Subdivision

PLAT OF LAST CHANCE SUBDIVISION

LOCATED IN THE S1/2NW1/4NE1/4SE1/4, SW1/4NE1/4SE1/4 OF
SECTION 34, TOWNSHIP 8 NORTH, RANGE 47 EAST, P.M.M.
CUSTER COUNTY, MONTANA
PREPARED FOR : JOHN C. PEILA
PREPARED BY: KLJ ENGINEERING
MAY, 2025
SCALE: 1" = 50'



- LEGEND**
- * FOUND PROPERTY CORNER AS NOTED
 - * SET INTERSECTION MONUMENT 6"X18" REBAR WITH CAP MARKED WITH THE LICENSE NUMBER OF THE UNDERSIGNED LAND SURVEYOR AND "PL"
 - ⊥ * SET 5/8" X 18" REBAR AND CAP MARKED WITH THE LICENSE NUMBER OF THE UNDERSIGNED LAND SURVEYOR AND "PL", UNLESS OTHERWISE NOTED
 - ◇ * COMPUTED POSITION NO MONUMENT SET
 - * EXISTING EASEMENT
 - - - * EASEMENT CREATED BY THIS PLAT

BASIS OF BEARINGS

PROJECTION: TRANSVERSE MERCATOR
 HORIZONTAL DATUM: NAD83(2011) (EARTH 2010 2000)
 HORIZONTAL UNITS: INTERNATIONAL FOOT (F)
 CENTRAL MERIDIAN DETERMINED AT THE SECTION CORNER COMMON TO SECTIONS 4 AND 5, T. 8 N. R. 47 E. AND SECTIONS 22 AND 33, T. 8 N. R. 47 E. P.M.M. WHICH IS A 3" (GOLD BRASS) CAP LOCATED AT LATITUDE 46°23'50.9938" N, LONGITUDE 105°51'48.8996" W.
 BEARINGS SHOWN ARE LOCAL GRID BEARINGS
 DISTANCE SHOWN ARE LOCAL GRID DISTANCES
 COMBINED SCALE FACTOR: (C.S.F.) 0.999960292

BY: **KLJ**
 2611 Center Street
 P.O. Box 93023
 Billings, MT 59103

Fwd: Peila

From Todd Steadman <steadman@midrivers.com>

Date Sun 9/21/2025 2:22 PM

To John peila <diamondjconstruction@live.com>

My letter of support to Joel.....just an fyi.....if something else needs to be done please let me know.....

From: Todd Steadman <steadman@midrivers.com>

Date: September 21, 2025 at 2:20:16 PM MDT

To: joel@geoplant.com

Subject: Peila

Joel,

Todd Steadman here from ACE Hardware in Miles City MT.

I am the eastern neighbor of John Peila's proposed re zoned sub division. I also own the property on 715 S Haynes that borders this.

I will not be able to attend Tuesday's public meeting as I am working and unavailable. But I did want to go on record of having the new subdivision having my full support! It's great for Miles City and the neighborhood to Finally have something done with this undeveloped field that has existed in the middle of MC my entire life.....and I'm 55:)

I am not sure contacting you is the correct way to go about this BUT the City's letter didn't have any method of contacting anyone.....other than showing up for the meeting.

Thanks for your help!

Sincerely,

Todd Steadman

Sent from my iPhone

City Planning Board

PO Box 910
Miles City, MT 59301
(406) 234-6339

Meeting Minutes

January 20, 2026
6:00 pm

Call to Order: The City Planning Board met in the Conference Room on Tuesday, January 20, 2026 at 6pm. Public Works Director Samantha Malenovsky called the meeting to order at 6:13 pm, and on roll call Planning Board Members (PM) present were Amber Rainey, Steve Palmari, Robert Hutchings, Leif Ronning, Eddie Pulecio, John Goff with Brandon Birkeland absent. A quorum was present.

City Planner Joel Nelson and Kirbye McNamee were present via Zoom and Public Works Director (PWD) Samantha Malenovsky was present and recorder. Refer to sign in sheet for attending citizens.

Election of Officers: PWD Malenovsky asked for nominations for President. PM Ronning nominated Goff seconded by Palmeri. PM Goff nominated Rainey, seconded by Pulecio, PM Rainey declined nomination. PM Rainey nominated Palmeri seconded by Hutchings. Nominations closed. PM Ronning and Palmeri voted for Goff. PM Hutchings, Goff, Pulecio, Rainey and Ronning voted for Palmeri. Steve Palmeri became Board President (PP)

PP Palmeri asked for nominations for Vice-President PM Rainey nominated herself seconded by Palmeri. All in favor, PM Rainey became Vice-President

Approval of Minutes: PM Hutchings moved to accept the minutes from the November 6, 2025 meeting, seconded by Ronning. PP Palmeri asked for any discussion or corrections. Hearing none, PP Palmeri asked for a vote on the motion to accept the past meeting minutes, the Board voted 6-0 in favor.

Citizen/Visitor Request: None

Unfinished Business: None

New Business: *Proposed amendments to the Miles City Growth Policy 2025; per petition by John Peila, developer of the recently annexed Last Chance Subdivision.*

Planner Nelson gave an overview of the planning packet. A growth policy amendment is being requested by the developer John Peila of the Last Chance Subdivision. Mr. Peila is requesting a zoning petition for Lot 1, Block 2 from Residential to General Commercial (GC). Currently the Growth Policy future land use map does not allow for GC in this area. Furthermore, staff is proposing a few amendments to the definitions of the future land use map designations to better reflect city zoning designations within the Growth Policy. The staff report gives a history of this subdivision including joint meetings between the Planning Board and Zoning Commission. The discussion between these two groups reflected a desire to not change the Growth Policy to allow for GC in this area, this prompted Mr. Peila to submitted this zone change petition, the draft planning board resolution addresses this petition. There are findings in accordance with the growth policy to support approving the amendments and petition. Staff recommendations to approve to council the staff amendments and zoning petition. Potential planning board actions where given on page 10, section 8 for use on motions.

PM Ronning asked for clarification on what exactly would be voted on. Planner Nelson explained that the findings of fact, staff recommended amendments to the growth policy, which reflect Peila's petition is what would be voted on to go before council. Staff recommends approval of the resolution and amendments as presented. If council approves the Planning Board's recommendation the next step would be to go before the Zoning Commission for zoning of GC on the commercial lot and the residential districts per the interim zoning ordinance for the rest of the subdivision.

PM Hutchings stated that in Peila's letter there was reference that the Last Chance subdivision would not allow for further subdividing, was the planner and board aware of this. Planner Nelson stated that the City's regulations have no limitations on further subdividing but the developer has private covenants that the developer put on the subdivision, the city has no say over covenants nor does it regulate covenants.

PM Goff asked what is the major difference between a conditional use permit and GC. Planner Nelson explained that conditional use allows for small scale retails and restaurants, limited to 5,000 square feet in size, whereas a GC allows for a broader use of commercial within setback restraints and still allowing residential.

PM Rainey requested clarification on what parcel was being requested to change to GC. Lot 1, Block 2 is the only lot requesting the zone change, refer to the Growth Policy, page 75, Appendix B.

Public Hearing: PP Palmeri opened the hearing calling for proponents. John Peila spoke on behalf of the petition, stating that the original idea was to have a combination of residential and commercial, this would be a good transitional point of that area. Originally there was going to be more commercial but a lot has since been sold and apartments are going up instead. Changing the private covenant when lots have already been sold could cause liabilities with those owners. Peila commented that when developers come to town and find a lot that is not zoned the way they want most don't move forward with the purchase as they don't want the hassle of the additional steps. Peila also stated that if it was GC now it would be easier to change to RC if it doesn't work, right now he doesn't know what is going to go there he just wants more options for future development. He is asking to change the Growth Policy to allow for GC on Lot 1, Block 2 of the Last Chance subdivision.

PP Palmeri asked three times for opponents, hearing none the public hearing was closed.

PP Palmeri asked when the Last Chance Subdivision was annexed why didn't its county zoning designation stay the same, or close to the City's zoning. Planner Nelson explained that annexation was pursued by the City, an interim zoning is done initially to align the zoning with the City zoning and growth policy. The change is needed as the growth policy refers to this area as a future land use for residential only.

PM Goff questioned if this zone change would limit the City's ability to say what can and can't go in this area as this could cause some of the residential area to suffer. Planner Nelson stated that General Commercial is very open to a variety of uses, including multi-family residential. Currently there are a lot of commercial districts that abut residential. Both districts have restriction such as building height, landscaping requirements and setbacks that help the two transition in neighborhoods. With all the regulations that General Commercial has there will be some transitional buffer between commercial and residential.

PP Palmeri asked if this is not considered spot zoning why does the growth policy have to change. Planner Nelson explained that the future land use map stated this would be residential and zone changes need to accord to the growth policy. A zone change petition could be processed without a change to the Growth Policy but this could potentially cause litigation issues based off the residential designation on the future land use map.

Action Item: Miles City Planning Board Resolution No. 26-01 A RESOLUTION BY THE MILES CITY PLANNING BOARD ADOPTING FINDINGS OF FACT AND RECOMMENDING TO THE CITY COUNCIL ADOPTION OF AMENDMENTS TO THE MILES CITY GROWTH POLICY 2025

PM Pulecio made a motion to approve Action Item A, seconded by Ronning. Motion passed 5-1 with Rainey voting against.

Any Other Comments/Discussion:. None

Adjournment: PP Palmeri asked for a motion to adjourn. PM Goff so moved, seconded by Hutchings. Motion passed unanimously, and the Planning Board adjourned at 6:55pm.

Respectfully Submitted,

DRAFT

Samantha Malenovsky
Acting Meeting Recorder

DRAFT

Steve Palmeri, President, Planning Board (date)

