

**FINAL REPORT
OF THE MILES CITY ZONING COMMISSION
ON DRAFT TEXT AMENDMENTS TO ZONING CODE:
STORAGE/SHIPPING CONTAINERS
AUGUST 13, 2026**

A) Introduction:

This report is submitted to the City Council along with draft ordinances for text amendments to the City zoning code (**Ordinance No. 1408(a) and Ordinance No. 1408(b)**). The proposed text amendments were initiated by the Zoning Administrator and Contract City Planner to address storage/shipping containers in the various zoning districts. The Zoning Commission held a public hearing on the draft updates on July 23rd and continued the hearing to August 13th.

The proposed ordinance reviewed by the Zoning Commission on August 13th would have also added requirements for accessory buildings in residential districts, including adding language prohibiting accessory buildings on lots until the primary/main building is constructed or under construction concurrently with the primary building. However, the Zoning Commission recommended an ordinance be presented to the City Council to address the shipping container matters, but tabled the accessory building portions until the September 16 Zoning Commission meeting. As such, this report and findings have been modified to reflect the Zoning Commission's recommendations, and **Ordinance No. 1408(a)** reflects those recommendations.

Ordinance No. 1408(b) is also being presented to the City Council for potential consideration by staff. This version of the ordinance includes the language prohibiting accessory buildings on lots until the primary/main building is constructed or under construction concurrently with the primary building, and includes other minor modifications made by the Zoning Commission to the recommended shipping container ordinance. The City Council technically has the option to adopt either ordinance or make modifications. **At the first reading, both ordinances should be passed so that they can both move forward for the public hearing, second reading, and potential adoption.**

The Zoning Commission is scheduled to meet again on September 16th to consider and hold a public hearing on alternatives to the requirements for accessory buildings in residential districts. That does not preclude the City Council from adopting Ordinance No. 1408(a) or Ordinance No. 1408(b).

B) Municipal Zoning Procedure:

According to 76-2-307, MCA, the City Council appoints the Zoning Commission to recommend the boundaries of the zoning districts and appropriate zoning regulations. The Zoning Commission shall make a preliminary report and hold public hearings on the zoning districts and regulations before submitting its final report, and the City Council shall not hold its public hearings or take action until it has received the final report of the Zoning Commission. The purpose of the July 23rd public hearing and continued August 13th public hearing was to meet the requirements of 76-2-307, MCA for the Zoning Commission to hold its public hearing and make a final report on the draft zoning regulations.

At the August public hearing, the Zoning Commission reviewed the draft updates and a preliminary report. The Commission recommended adoption of what is being presented to the City Council as Ordinance No. 1408(a).

Per 76-2-303(2), MCA, a regulation, restriction, or boundary may not become effective until after a public hearing in relation to the regulation, restriction, or boundary at which parties in interest and citizens have an opportunity to be heard has been held. Per the zoning code, at least 15 days' notice of the time and place of the hearing must be published in an official paper or a paper of general circulation in the municipality. Per state law, notices must be published twice, with the first notice published at least 15 business days before the hearing or action to be taken. The notices of the first Zoning Commission public hearing were published in the Miles City Star on June 27 and July 3, and of the continued public hearing on August 1. Additionally, the City Council's September 8 public hearing is being noticed in the Miles City Star on August 15 and 22 in accordance with state law and the zoning code.

C) Report/Findings:

This is the final report of the Zoning Commission as required by 76-2-307, MCA as it pertains to the shipping container ordinance presented as Ordinance No. 1408(a). Section D) of this report gives an overview of the draft zoning updates. Section E) provides the purpose and process for zone changes and zoning amendments. Section F) of the report outlines applicable zoning statutes and preliminary findings regarding the draft regulations' compliance with the zoning code's criteria for zone changes and zoning amendments. Section G) provides the reviewer recommendations to the Zoning Commission.

D) Overview of Draft Regulations:

The draft ordinances are intended to revise various sections of Chapter 24 of the current City Codes ("Zoning"). The updates in the draft ordinances are relatively self-explanatory. The following is a general overview of the text amendments being proposed:

- In residential districts, the use tables add reference to a new Sec. 24-73 for shipping containers;
- In Ordinance No. 1408(b) only, the following language is added to Sec. 24-63: "*All accessory buildings in residential districts are prohibited until the primary/main building is constructed; concurrent construction of accessory and primary buildings is allowed.*" This language is consistent with the following accessory use in the use tables in residential districts: "*Accessory uses and buildings that are accessory to the permitted use of the primary building on the same lot, subject to Sec. 24-63*". The intent is to require that accessory buildings such as garages and shops be accessory to a primary building, such as a residential dwelling. This was previously proposed by staff and the Zoning Commission, but removed by the City Council when Ordinance No. 1387 was adopted. The issue has continued to be problematic, so was proposed again by staff, but not recommended by the Zoning Commission with Ordinance No. 1408(a).
- Sec. 24-63 adds references to the definition of shipping containers, similar structures, temporary buildings, and the new Sec. 24-73 – Shipping containers.
- A new Sec. 24-73 – Shipping containers is added. Subsection (a) includes regulations specific to shipping containers in residential districts; subsection (b) includes regulations specific to

shipping containers in commercial and industrial districts; and subsection (c) includes regulations specific to shipping containers in the Open Space (OS) District, which applies primarily to City-owned parks and similar properties.

- Proposed Sec. 24-73(a)(2) and Sec. 24-73(b)(2) have been modified relative to previous versions of the ordinance to change the requirement that shipping containers used as components of a permanent permitted building(s) and subject to and in compliance with applicable building codes may be allowed if the shipping container(s) is in clean condition, free of graffiti, rust, and dents, and painted a uniform color free from typical shipping container badging and signage. This replaces the language regarding the shipping container(s) being not visible outside of the building due to siding, roofing, and other structural coverings that will result in no visibility of the shipping container(s).
- In Sec. 24-80 (Permits required), a new “temporary use permit” is added, requiring a permit for placement and/or use of shipping containers and similar structures, buildings, or objects in any zoning district, with exceptions.

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

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

(a) *Purpose.* Any person may petition for the amendment of the zoning district map and/or these regulations. The amendment procedure shall be as provided here and in MCA 76-2-303. Amendments may also be initiated by the zoning commission or administrator, in which cases steps subsections (b)(1) through (b)(3) below, will not be required.

(b) *Amendment process.*

- (1) The applicant shall submit a properly completed application form, the required supporting materials, including a narrative evaluating the amendment request under the amendment criteria in (c) below, and the required application fee at city hall.
- (2) The administrator shall determine whether the application is complete and sufficient. When an application is determined incomplete or insufficient, the administrator shall provide written notice to the applicant indicating what information must be submitted for the review to proceed.
- (3) After the application is determined to be complete and sufficient, the administrator shall schedule a public hearing on the application for a zoning amendment on the agenda of the next zoning commission meeting for which the notice requirements can be met (section 24-97), and at which time allows for its proper consideration.
- (4) The administrator shall give notice of the public hearing in accordance with section 24-97.
- (5) The administrator shall prepare, or contract for the preparation of, a report that describes the proposed amendment and how it complies, or fails to comply, with the

amendment criteria. The report shall include a recommendation for approval, approval with modifications or denial.

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

owner's undivided interest must be certified as correct by the unit owner seeking to protest or by the presiding officer of the association of unit owners.

- (13) At the conclusion of the amendment process, the administrator shall notify the applicant of the city council decision within ten days.

F) Amendment Criteria and Recommended Findings

Sec. 21-96(c) of the Zoning Code provides the “Amendment criteria” for zone changes and zoning amendments. The evaluation criteria are listed below, followed by the reviewer’s and Zoning Commission’s recommended findings in *italics*, with the Zoning Commission’s recommended modifications ~~stricken~~ to reflect the Zoning Commission’s recommendation to not adopt the amendments adding requirements for accessory buildings in residential districts to require a primary building to allow an accessory building, per proposed Ordinance No. 1408(a). If the City Council chooses to adopt Ordinance No. 1408(b) instead, the findings could be adopted with the stricken language restored.

(c) Amendment criteria.

(1) Zoning amendments shall be made:

- a. In accordance with the growth policy;

Finding 1-a:

The reviewer has evaluated the 2025 Miles City Growth Policy for applicable City policies relevant to the proposed text amendments, and the following are recommended findings regarding whether the amendments would be in accordance with the 2025 Growth Policy:

- *Land Use Objective LU.1.a: “Update land use regulations to provide greater clarity and flexibility.” This objective is to promote Land Use Goal LU.1: “Provide a predictable development environment”. The proposed amendments are intended to more specifically address shipping containers and similar buildings ~~as well as buildings in residential districts of questionable uses, being buildings in residential districts that have no primary use and no primary building to be accessory to.~~ The uses addressed by the updates have been problematic for City staff, have been the subjects of complaints by citizens, and the zoning regulations are not entirely clear in general to these uses. While the regulations for such uses will become less flexible, the regulations will become clearer for all involved, and more predictable for citizens as well as project proponents, thereby promoting Land Use Objective LU.1.a and Land Use Goal LU.1.*
- *Land Use Objective LU.3.b: “Focus on public outreach and participation in land use matters related to zoning code updates.” This objective is to promote Land Use Goal LU.3: “Balance property rights with the common interests of*

the community.”. The Zoning Commission will have held two meetings on the issues, and the Council has discussed the matters, with public comment accepted throughout. Notice has been given of the proposed amendments to promote public outreach and participation in the zoning code updates, which have been initiated largely as a result of public comments and complaints by citizens regarding minimally-regulated shipping containers~~—and shop buildings in residential districts of unknown or questionable uses~~. The Zoning Commission and Council will accept and consider public comments through the review process. The Council has discussed the issues repeatedly and the regulations have been drafted with consideration of these discussions and public concerns. The proposed regulations have been drafted with the intent to balance property rights with the common interests of the community. By the Zoning Commission and Council encouraging and considering public participation in the update process, the updates will accord to Land Use Objective LU.3.b and Land Use Goal LU.3.

- *Land Use Objective LU.4.b: “Develop and implement zoning that guides future development but also protects existing development from unwanted impacts.” The proposed regulations have been drafted with the intent to protect existing residential neighborhoods from unwanted impacts that have been identified through citizen complaints regarding shipping containers~~—and buildings of questionable uses~~. Extending the regulations to also apply to shipping containers in a modified manner in non-residential districts will further quell impacts from otherwise minimally regulated uses of shipping containers in those areas.*
- *Land Use Objective LU.7.c: “City Zoning Code will comply with state statute and best practices.” This objective is to promote Land Use Goal LU.7: “Ensure that the City zoning code is properly administered and enforced, and provides for safe, efficient development that is in the best interests of the City.”. The zoning updates will promote this goal and objective by adding regulations for shipping containers~~—and accessory buildings~~ that are clearer, are in the best interests of the City by addressing problematic uses, and by following best practices to provide uniform zoning regulations that also avoid gray areas that drive complaints and citizen concerns.*
- *Action 16: “Update the zoning regulations to clarify procedures, meet the community's land use and development needs, and provide flexibility while protecting existing residents.” This action is to promote Land Use Objective LU.1.a/Goal LU.1, Economic Goal E.1 (Foster sustained economic growth in Miles City), and others. The proposed updates have been drafted to clarify zoning requirements for shipping containers~~—and accessory buildings~~, which have driven citizen complaints. The zoning regulations will remain flexible*

while protecting residents of residential districts from uses that have become problematic and unpredictable. The proposed updates are consistent with and carry out Action 16 and will promote the associated goal and objective.

- *Section 7, Land Use (page 62) states the following: “The Zoning Ordinance should be regularly reviewed by staff and the City’s zoning commission and amended as necessary.” Updating the zoning regulations to address current trends and the community’s needs follows the policy to regularly review and update the zoning code.*
- *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.” Updating the zoning regulations to reflect current conditions, expected future trends and the community’s needs follows the above-stated policy.*

Approval of the proposed text amendments would support the above-listed goals, objectives, actions, and stated policies, and not be contrary to the Growth Policy. As such, the text amendments are in accordance with the 2025 Miles City Growth Policy.

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

Finding 1-b: *The amendments being proposed are intended to provide for improved clarity and address recent trends that have driven citizen complaints. The amendments are not expected to have a noticeable effect on safety from fire or other dangers.*

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

Finding 1-c: *The amendments being proposed are intended to provide for improved clarity and address recent trends that have driven citizen complaints. Specifically addressing citizen concerns and staff issues with administration of shipping containers throughout the City ~~and accessory buildings on otherwise vacant lots in residential areas~~ will help the zoning code function better overall and in a manner that addresses recent land use trends that negatively impact the general welfare of the public. The amendments are expected to have a positive effect on general welfare by improving City administration of the zoning code. The amendments are not expected to have a noticeable effect on public health or safety.*

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

Finding 1-d: *The amendments being proposed are intended to address recent problematic trends and improve clarity and are not likely to have any specific or measurable change to the facilitation of the adequate provision of water, sewerage, schools, parks and other public requirements. The language more clearly requiring shipping containers to be located outside the public rights-of-ways may improve the City transportation system.*

- (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 amendments being proposed are intended to better address recent problematic trends, improve clarity in the zoning code regarding shipping containers ~~and buildings of questionable uses in residential areas~~, and may improve the facilitation of the adequate provision of light and air by limiting and restricting the number, locations, and uses of shipping containers ~~and buildings of questionable uses in residential neighborhoods~~.*

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

Finding 2-b: *The amendments being proposed are intended to address recent problematic trends and improve clarity. The language more clearly requiring shipping containers to be located outside the public rights-of-ways and off sidewalks may better protect the City transportation system. ~~Limiting potential non-residential uses initially proposed as forms of accessory buildings without primary uses for them to be accessory to would limit potential impacts on City streets and sidewalks in residential zones.~~*

- c. The promotion of compatible urban growth;

Finding 2-c: *The updates would limit the proliferation of shipping containers throughout the City ~~and buildings of questionable uses in residential districts~~, which are not entirely compatible with the purposes of the City zoning code or consistent with the general welfare of the community. The proposed amendments address uses that tend to be incompatible with residential neighborhoods. Furthermore, the updates are intended to address recent problematic trends and improve clarity of the zoning regulations, which in turn will further promote compatible urban growth.*

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

Finding 2-d: *The limitations on shipping containers and similar buildings ~~and provisions to better address accessory buildings in residential districts such as garages and shops to require them to be accessory to a primary building~~ will limit*

the proliferation of shipping containers overall ~~and non-residential uses in the residential districts~~. The amendments will maintain character of the districts and better ensure suitability of uses.

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

Finding 2-e: *~~Requiring accessory buildings such as garages and shops to be accessory to a primary building will limit the proliferation of non-residential uses in the residential districts, which will conserve the value of buildings and encourage appropriate residential uses by not allowing buildings of questionable or non-residential uses. The limitations on shipping containers and similar buildings will conserve the value of buildings and encourage appropriate uses of residential in residential areas. The other amendments being proposed are intended to provide for improved administration and clarity of the zoning regulations which in turn should have a positive effect on the value of buildings and encourage the most appropriate use of the land throughout the jurisdictional area.~~*

- 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 proposed amendments are text amendments only, and not a zone change that could be determined illegal spot zoning. The amendments ~~for accessory buildings are intended to apply on a City-wide basis in residential districts, and the regulations for shipping containers and similar buildings would apply City-wide, but with different regulations for the residential vs non-residential districts. Because these regulations would apply on a City-wide basis but are dependent upon the residential or non-residential districts, and do not benefit one or a few property owners, none of the spot zoning factors are present.~~*

(3) Other criteria include whether the amendment:

- a. Corrects an inconsistency in the zoning; and

Finding 3-a: *The text amendments are intended to correct several inconsistencies in the zoning, such as the current regulations not requiring “accessory” buildings and uses to be accessory to a primary building. The updates would also clarify the*

applicability of zoning regulations to temporary buildings, and eliminate current grey areas.

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

Finding 3-b: *The amendments are intended to provide for improved administration and clarity of the zoning regulations on a City-wide basis to addresses recent staff and community challenges, specifically shipping containers that do not fit with residential neighborhoods and should be addressed City-wide, and ~~accessory buildings of questionable uses that are not accessory to a primary building~~. The uses being addressed by the amendments are entirely intended to address changing conditions and specific public challenges.*

Zoning Commission's conclusion on the above findings:

Based on the above findings, the proposed text amendments comply with the applicable criteria, and are therefore appropriate.

G) Zoning Commission Recommendation:

The Zoning Commission recommends the City Council adopt this report and findings and further recommend the City Council approve the text amendments of the proposed ordinance. Upon passage of the ordinance by City Council, the official Miles City zoning code will be amended with an effective date thirty (30) days after its final passage and approval.