

EXHIBIT A

Plan for Annexation and Extension of Services

City of Miles City, Montana

December 8, 2015

A. Introduction

The City of Miles City hereby recognizes that Montana State law has established municipal governments for the purpose of providing local government services essential for sound urban development of communities as well as for the protection of health, safety and welfare in areas either already being intensively used or undergoing development for residential, commercial, industrial, institutional and governmental purposes.

Per *Montana's Annexation Laws: An Evaluation*, November 1980, Montana Legislative Council,

“Historically, the purpose of Montana’s annexation statutes have been simply to provide expanding communities with:

1. a united and effective single form of government;
2. orderly growth through uniform regulations such as building codes, planning, and zoning standards; and
3. an equal sharing of community resources and financial responsibility for those resources by people living in an area united by social, political, and economic interests.”

B. Long Range Plan

In 2013 Miles City had an estimated population of 8,487. The Miles City Growth Policy projects the City could reach a population of 10,000 people by 2035. In addition to considering the impacts and additional needs created by individual growth and development projects on a case-by-case basis, plans and studies for the following facilities and services will be consulted when annexation is considered.

1. Miles City Growth Policy and Zoning – The Miles City Growth Policy and the Miles City Zoning Ordinance, which may be updated from time to time, will be used to guide growth and development in newly annexed areas.
2. Water and Sewer – Miles City operates a municipal water supply system and a wastewater collection and treatment system that provide capacity for properties located both within and outside of the City boundary. At this time a study is underway to

determine the existing capacity of both systems and identify improvements necessary to accommodate projected growth. One of the products of the study will be a long range capital improvements plan to help prioritize and budget for upgrades, expansions and larger maintenance projects. Miles City intends to operate and maintain sewer and water facilities in accordance with state and federal standards.

3. Streets, Sidewalks, Parks and Trails – Miles City maintains approximately 81 miles of streets and many miles of sidewalks. Miles City is currently developing a transportation plan for street, sidewalk and trail improvements. The Miles City Growth Policy also shows and describes several park and trail improvements for both recreation and transportation. Miles City intends to continue to maintain streets, sidewalks, parks and trails in accordance with current policies, as may be modified from time to time.
4. Storm Drainage – The City maintains curbs, gutters, storm drains and over 22 miles of subsurface storm water drainage lines. No major improvement or expansion plans have been made. When new development occurs, Miles City will accept storm drainage improvements under the policies then in effect. Miles City intends to continue to maintain storm drainage facilities in accordance with current municipal, state and federal policies, as may be modified from time to time.
5. Street Lighting – Street lighting is provided through lighting districts. No plans have been created to expand the districts. Instead, when new development occurs, lighting districts will be expanded or developed to fund the maintenance of new street lights.
6. Public Safety – Police protection is provided by the Miles City Police Department. Fire protection, inspection and emergency medical services are provided by the Miles City Fire and Rescue. At this time there are no specific plans for expansion. Instead, additional equipment and personnel will be added as needed over time in accordance with Miles City’s policies in effect at the time of development.
7. Garbage Collection – The Custer County Solid Waste District provides garbage collection via the local landfill. Curbside service is available through Miles City Sanitation through private contracts. No plans have been made, or are anticipated to be made, to change this arrangement.

C. General Annexation Policies

The following are general policies the City of Miles City plans to use to guide annexation.

1. Miles City may seek to utilize any and all methods for annexation authorized under Montana law (Montana Code Annotated Title 7, Chapter 2). All annexation proceedings will follow the requirements of Montana law in every respect.
2. Municipal services will be available to property that is annexed within a reasonable time (generally not to exceed five years) on substantially the same basis and in the same manner as such services are available to the rest of the municipality. Municipal services should be available when development occurs and demand for sewer, water, streets and other services begins. If it is likely that the area proposed to be annexed

will not have municipal services available when development occurs, the area should not be annexed.

3. Properties outside of the City municipal boundary will not be connected to or receive service from the City's water and/or sewer systems without either annexation or the property owner submitting a waiver of the right to protest annexation as a requirement for receiving service.
4. For those properties currently receiving water and/or sewer service that are not within the City limits, the City may require the property owner(s) to consent to annexation or waive the right to protest annexation as a condition of continued water and/or sewer service.
5. The City will consider in a timely manner any property owner's petition requesting annexation of land that is eligible for annexation in accordance with state statutes.
6. The City has no plans to extend services to specific annexation areas at this time. The City cannot predict the exact future extensions and requirements for new services because new mains and streets and the need for other services are typically initiated by private parties based on the market for new development, and the exact specifications needed for such facilities and services will be determined when development takes place.
7. The City plans to pursue annexation opportunistically; in other words, when conditions for annexing certain properties or areas are ripe. This means the City does not plan to extend services and add new areas to the community each and every year, but instead when expansion is in the best interest of the citizens of Miles City in accordance with the policies in effect when annexation and development are proposed.
8. In addition to the use of special improvement districts and payback agreements (F and G below) and in accordance with 76-3-510, MCA, the developer(s) or property owner(s) of annexed property will generally be required to extend all infrastructure improvements, including but not limited to: water lines, sewer lines, fire hydrants, reservoirs, pump stations, lift stations, culverts, storm drainage systems, streets, sidewalks, parks and trails, street lighting, traffic control devices, street name signs, and such other improvements as may be required by the City, at the developer's or property owner's expense. The infrastructure improvements will be constructed in accordance with the City of Miles City Subdivision Regulations, the most recent edition of the Montana Public Works Standard Specifications, and DEQ Regulations. The infrastructure improvements shall be in compliance with applicable codes and standards and be of adequate size and design to accommodate the needs of the proposed development. All proposed infrastructure shall be reviewed and approved by the City Public Works Director, and as-built drawings as required by the City Public Works Director and the City Public Utilities Director shall be submitted to the City prior to final acceptance of the infrastructure. All infrastructure necessary to serve newly annexed areas shall be in place concurrently with occupancy of the areas.

9. Sewer systems shall be designed in such a manner as to avoid the requirement for lift stations when feasible. Existing streets and rights-of-way shall be utilized where practical, and streets shall typically be extended in a grid pattern.
10. The developer(s) or property owner(s) shall be responsible for providing fire protection appurtenances and required water flow pressures and volume, at the developer's or property owner's expense, as required by the applicable Fire Code enforced by the City and reviewed and approved by the City Fire Chief and the State Fire Marshall, based on the use of land and the type of construction employed.
11. Municipal services of police, fire, garbage collection, and streets and street maintenance services, street lighting, parks and recreation facilities and all general administrative services shall be provided to annexed property on substantially the same basis and in the same manner as provided to the rest of the municipality.
12. Once newly developed facilities have been installed and areas annexed, the entire municipality will tend to share the tax burden for these facilities and services, and if so, no new City-wide bond issue is planned for the sole purpose of financing provision of municipal services to annexed areas.
13. Properties proposed for development in areas which do not have immediate access to City water and/or sewer, but where services are in close proximity, may be required to install dry sewer lines in anticipation of the extension of City water and sewer into the area within a reasonable time, generally not to exceed five years. Once adequate water and sewer facilities are within 200 feet of the site, or if a new subdivision lot is within 500 feet of City water and sewer, connection may be required at the property owner's or developer's expense.
14. As new City streets and sidewalks are constructed, and as existing streets are improved, storm drainage infrastructure shall be installed or improved to City, State Department of Environmental Quality (DEQ), and Environmental Protection Agency (EPA) standards. It is the responsibility of the developer(s) or property owner(s) to convey storm water from their property to an appropriate point of disposal as approved by the Public Works Director. If there is no storm sewer conveyance system available to the site, storm water generated as a result of the development shall be retained on site in accordance with applicable DEQ regulations.
15. The developer(s) or property owner(s) shall provide all necessary right-of-way and/or easements, or additional right-of-way or easements if less than adequate right-of-way or easements exist in property proposed for annexation.
16. The City has adequate water supply and sewer treatment and disposal facilities, funded by existing taxpayers and rate payers, to support existing development and, where City capacity is not sufficient for new development, the City intends to increase capacity as soon as possible.
17. All property owners located in a newly annexed area will be required to comply with all City, State, and Federal laws, statutes, regulations, ordinances, and resolutions, including but not limited to zoning, building codes, fire prevention ordinance and fire

codes, fireworks ordinances, dog license ordinance, business license ordinance, and all other laws, statutes, regulations, ordinances, and resolutions.

D. Off-Site Infrastructure Requirements

1. In the event that annexation necessitates off-site infrastructure improvements, the developer(s) or property owner(s) of the property proposed for annexation will be responsible for bearing the initial costs of such improvements, unless otherwise determined by the City Council.
2. The City may require reimbursement from a developer(s) or property owner(s) for City financed infrastructure that was installed in anticipation of future development on property that is proposed for annexation. Reimbursement costs shall be proportional to the additional capacity and facilities made necessary or used by the new development.
3. It shall be the responsibility of the developer(s) or property owner(s) to extend all roadways and utilities from the existing City facilities to the site of development in accordance with all City standards and specifications, including the provision for appropriate easements. It shall further be the responsibility of the developer(s) or property owner(s) to construct all streets and utilities to the furthest boundary of the property to be developed or annexed when it is deemed appropriate by the City Council, Public Works Director and Public Utilities Director in order to facilitate future development.

E. Policies for Providing Services in Existing Developed Areas

1. Property that is proposed for annexation and has existing infrastructure shall generally be required to upgrade the infrastructure to City standards as a condition of annexation. However, the City may choose to participate in upgrades to existing infrastructure, may waive upgrade requirements, or may allow phased improvements in certain instances based on the policies provided in this plan and additional, locally specific factors.
2. Prior to annexation, the City may require the developer(s) or property owner(s) to provide the City with a report describing the following:
 - a. The approximate year or period in which the existing area was developed.
 - b. The location, size and condition of the existing infrastructure, including but not limited to, water and sewer lines, fire hydrants, streets, and storm drainage.
 - c. The size and location and legal purpose of all existing rights-of-way and easements.
 - d. The report shall also include the estimated costs associated with correcting the deficiencies and bringing the utility or improvement to City standards. The City may require such a report to be prepared by a professional engineer at the cost of the developer(s) or property owner(s).
3. When capital improvements funded by landowners are required as a pre-requisite to annexation, the City Clerk shall mail ballots to all landowners within the annexation

area and provide them 30 days to return the ballots. Should a negative vote be cast by over 50% of the residents in the section or sections to be annexed in such election, the area may not be annexed.

F. Special Improvement Districts

The City Council, in its discretion, may approve the formation of a Special Improvement District to pay for the installation, construction and upgrading of infrastructure improvements. The boundaries of the Special Improvement District shall be the area benefiting from the improvements in accordance with the laws of the State of Montana.

G. Payback Agreement

If a developer(s) or property owner(s) of property annexed pays the entire cost of infrastructure improvements, and such improvements will benefit other property that may be developed or annexed in the future, the City Council may, in its discretion, authorize a Payback Agreement. The Payback Agreement may provide that developer(s) or property owner(s) that connect to the infrastructure improvements in the future shall reimburse the developer(s) or property owner(s) that initially paid for the improvement a portion of the cost of the improvement. The Payback Agreement shall include a method of calculating the amount of reimbursement. The method of reimbursement may be based upon lot size, front footage, or other means that the City Council deems reasonable. The payback period shall not exceed 10 years from the date of completion of construction or installation of the improvement. The Payback Agreement shall set forth the specific area that may benefit from the improvement and that will be subject to the Payback Agreement. In addition to capital improvements, the costs that may be reimbursed under a Payback Agreement may include engineering, design and inspection fees. Any and all terms and conditions of a Payback Agreement are subject to approval by the City Council.

H. Custer County Water and Sewer District

1. The City and the Custer County Water and Sewer District No. 2 currently share an interlocal agreement for the mutual development and operation of water and sewer facilities. In general terms, the City provides water and the use of its water and sewer facilities to users within the district in exchange for a fee. Put another way, the City provides water and sewer capacity in unincorporated areas at present.
2. Prior to annexation of property currently within the District, the City Council will draft and provide a plan for the transfer of services and infrastructure to the Board of Custer County Commissioners and the Custer County Water and Sewer District for review and comment, which will be duly considered by City Council and acted upon at a regularly scheduled public meeting. Because of the unique circumstances of each annexation area, the municipal services and infrastructure needed in a particular area, as well as the requirements for the orderly transfer of services and infrastructure, will be developed when annexation of a particular area is proposed.
3. The City shall employ the same process (2 above) with other districts as necessary.

4. When property that is currently within a district is annexed into the City, the City will provide police and fire protection, street and street maintenance services, street lighting, parks and recreation and all general administrative services of the City of Miles City to annexed property immediately upon annexation on substantially the same basis and in the same manner as provided to the rest of the municipality, in accordance with the policies provided in this plan.

I. Petition(s) for Annexation

If a property owner(s) petitions the City to have property annexed pursuant to Montana Code Annotated Title 7, Chapter 2, Part 46, the property owner(s) shall submit a petition(s) for annexation in a form provided at City Hall. The petitioner(s) shall also provide the City with the following:

1. A map depicting all of the tracts of land proposed for annexation.
2. A list with the legal description, and the names and mailing addresses of the owner(s) of each tract of land in the area proposed for annexation from the records of the Custer County Clerk and Recorder or a licensed title company.
3. Concurrent with a petition for annexation, the petitioner shall also propose one or more zoning designations for the property to be annexed, and a site plan or preliminary plat indicating the sizes of lots, proposed land uses and density of development anticipated for the property.

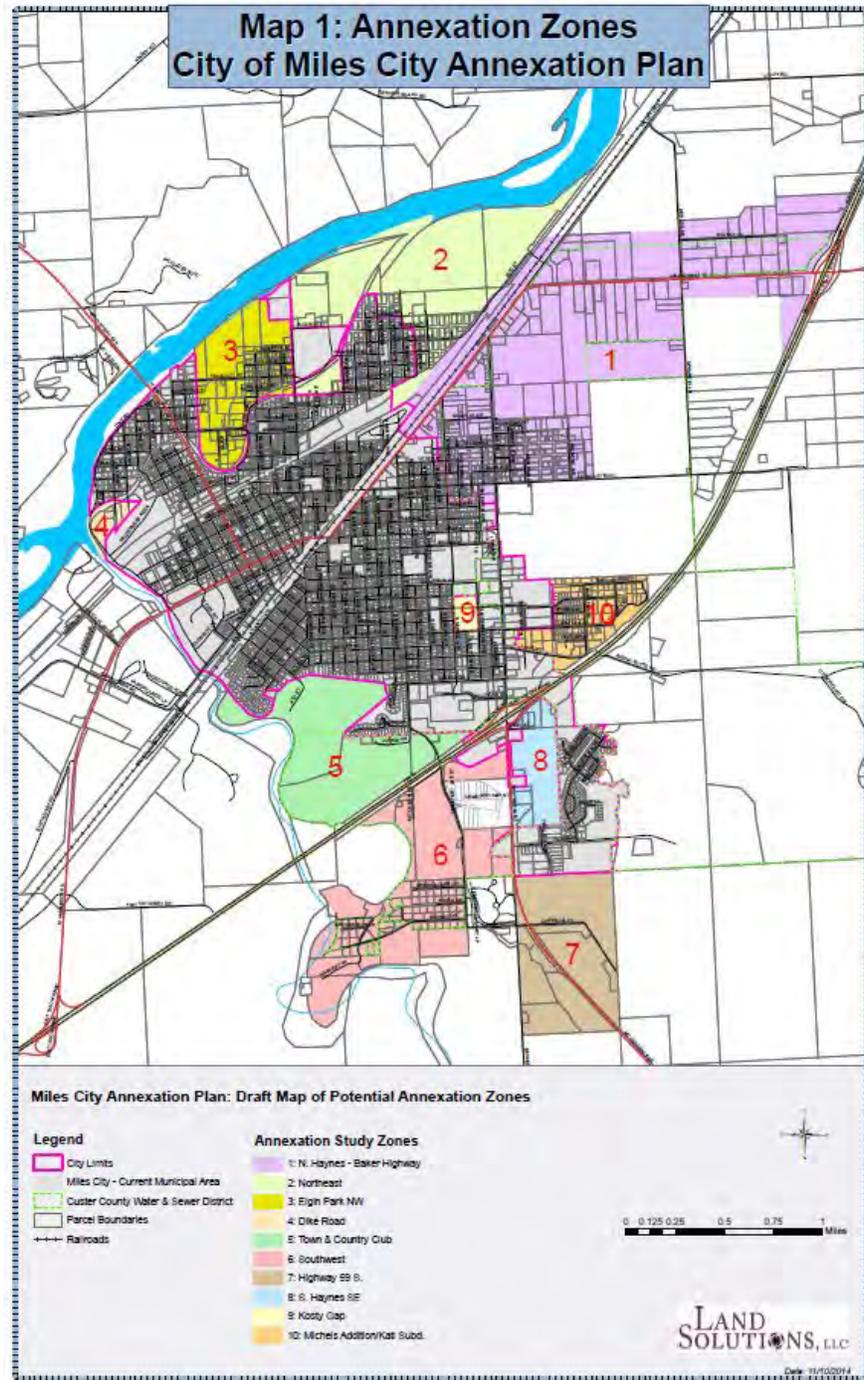
J. Areas Considered for Annexation

Currently there are several areas adjacent to and near the perimeter of the City of Miles City that are natural extensions of the City but which are not presently located within the corporate boundaries. Some of these areas are already extensively developed and are deriving benefits from the City without paying their just and equal share for municipal services. Other areas are not extensively developed, but given the current growth trends in the Miles City area and projected demand for residential, commercial and industrial development, certain areas will be attractive for development in the future.

As part of this plan, potential “Annexation Study Areas” were created so that the City could evaluate where annexation might naturally occur within the next five to 10 years, and where the City might want to encourage or even pursue annexation and development. Map 1 illustrates the 10 areas adjacent to Miles City that are identified as potential areas with attributes that lend them to consideration for annexation either partially or completely, depending on conditions at the time of proposed annexation and development. These areas total $\pm 2,754$ acres (± 4.3 square miles). The attributes considered during creation of this plan include but are not limited to:

- Proximity to the current City limits and developed areas of the community;
- Relationship to the adopted 100-year floodplain, with preference that future annexed areas be outside the jurisdictional floodplain;

- Zoning district designations and land use types;
- Proximity to municipal and other public infrastructure, including transportation facilities and water and sewer lines (infrastructure maps located in Appendix);
- Environmentally sensitive areas, such as wetlands;
- Expected needs for new development in terms of acreage, proximity to services, and qualities of the land in the vicinity of Miles City; and
- Benefits of including municipal properties and infrastructure into the City of Miles City.



The following narratives describe the 10 potential Annexation Study Areas, summarizing certain attributes of each area including approximate acreages, parcel sizes, zoning, areas within flood zones, etc., as well as the potential for annexation and development. Included following each description is a map of the annexation area showing streets and highways, zoning districts, and the mapped floodplain and floodway.

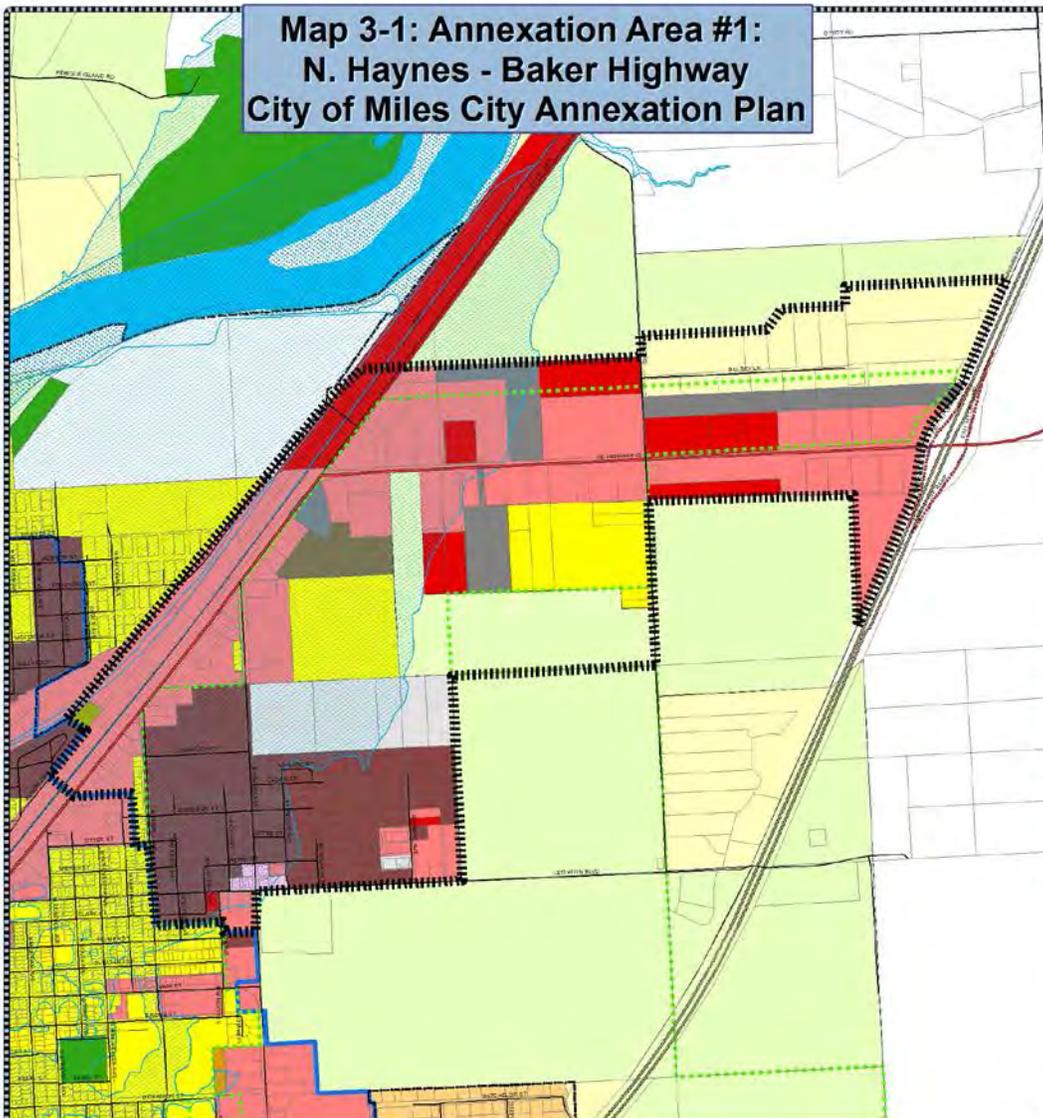
1. N. Haynes – Baker Highway (Map 3-1): The N. Haynes – Baker Highway Annexation Study Area is located adjacent to and near the northeast side of the city limits. The area

is approximately 1,012-acres in size. The western ±465-acres of the area is located within the 100-year floodplain, with none of it within the floodway. ±643-acres of the area are within the Custer County Water and Sewer District. Parcel sizes range from typical City lot sizes of ±5,000 square feet to ±52-acres. Significant commercial and industrial development is located here and there is room for additional commercial and industrial development in this area.

Portions of this area are prime candidates for annexation because of the existing types and scale of development, the number of small lots that are likely to already receive some City services, and because of the state and local transportation infrastructure in place. The furthest extents of the area were based largely on the existing development and zoning district designations, to not include a substantial area of the AG zoning district into the zone; however ±87-acres of the AG zoning district has been included for consideration due to its proximity to existing roads and developed properties and to include additional area outside the 100-year floodplain.

Notwithstanding the presence of the floodplain, this is an area in which the City intends to grow with commercial, industrial and residential development. Properties could benefit from the extension of municipal water and sewer. City streets should generally be extended in a grid pattern.

**Map 3-1: Annexation Area #1:
N. Haynes - Baker Highway
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #1, N. Haynes - Baker Highway,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #1: N. Haynes - Baker Highway
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



0 325 650 1,300 1,950 2,800
Feet

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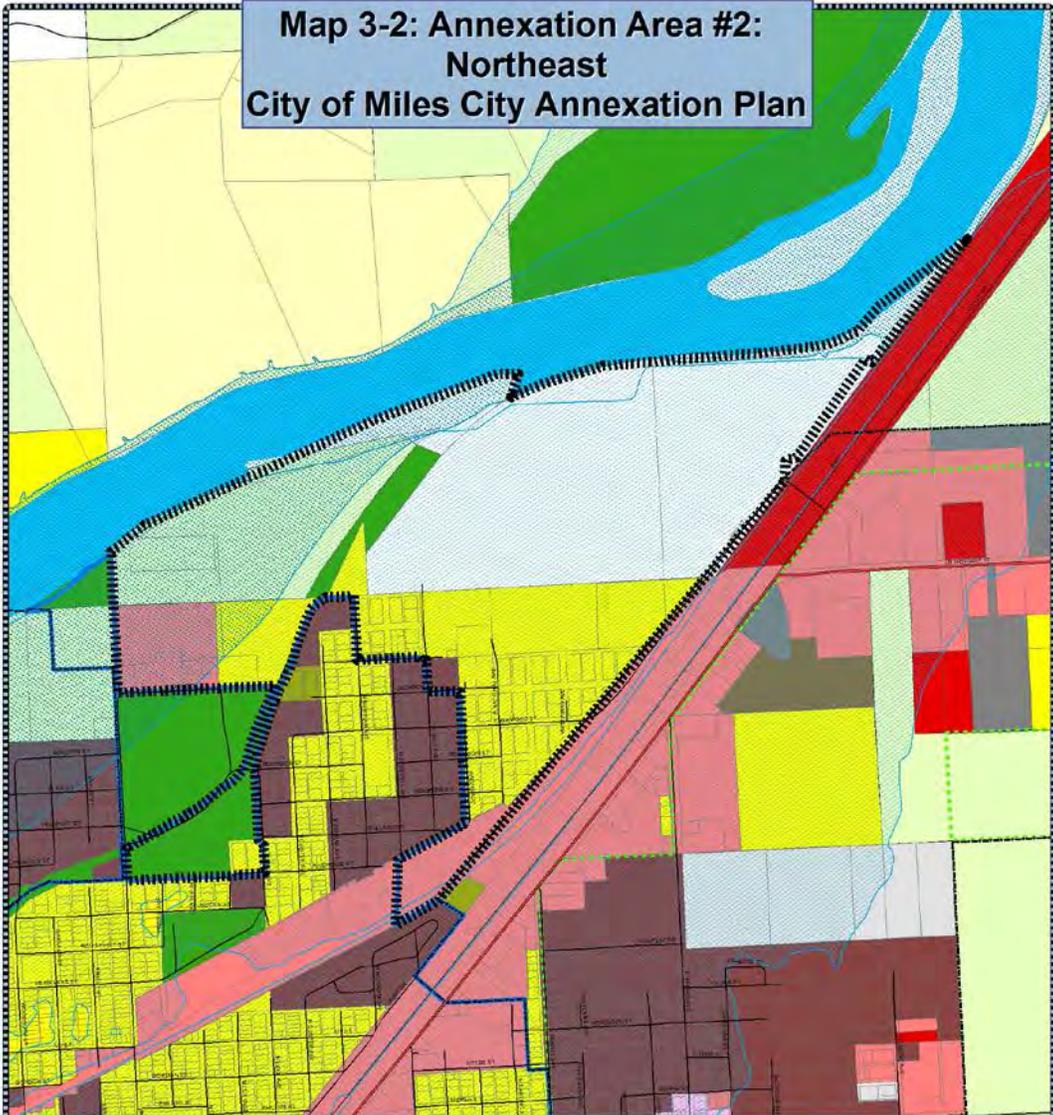
Date: 3/27/2015

2. Northeast (Map 3-2): Annexation Study Area 2 is located adjacent to and near the northeast side of the City limits between the west side of the BNSF railway property and the Yellowstone River. The entire area, at ±410 acres, is located within the 100-year floodplain, with ±92 acres of it within the floodway. Parcel sizes range from typical city lot sizes of ±5,000 square feet to over 100 acres. The City of Miles City owns over 170 acres of the area along the Yellowstone River.

This area was selected for consideration because of the existing smaller lots and development in the southern portion, City infrastructure in place near the southern portions, and because Miles City owns a large portion of the area. The furthest extents of the area were based on the City's ownership. Water is already extended in a portion of the area with sewer nearby.

Because of the presence of the floodplain, municipal growth and annexation in this area is not expected to be significant over the next five to ten years.

**Map 3-2: Annexation Area #2:
Northeast
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #2, Northeast,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #2: Northeast
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



0 240 480 960 1,440 1,920
Feet

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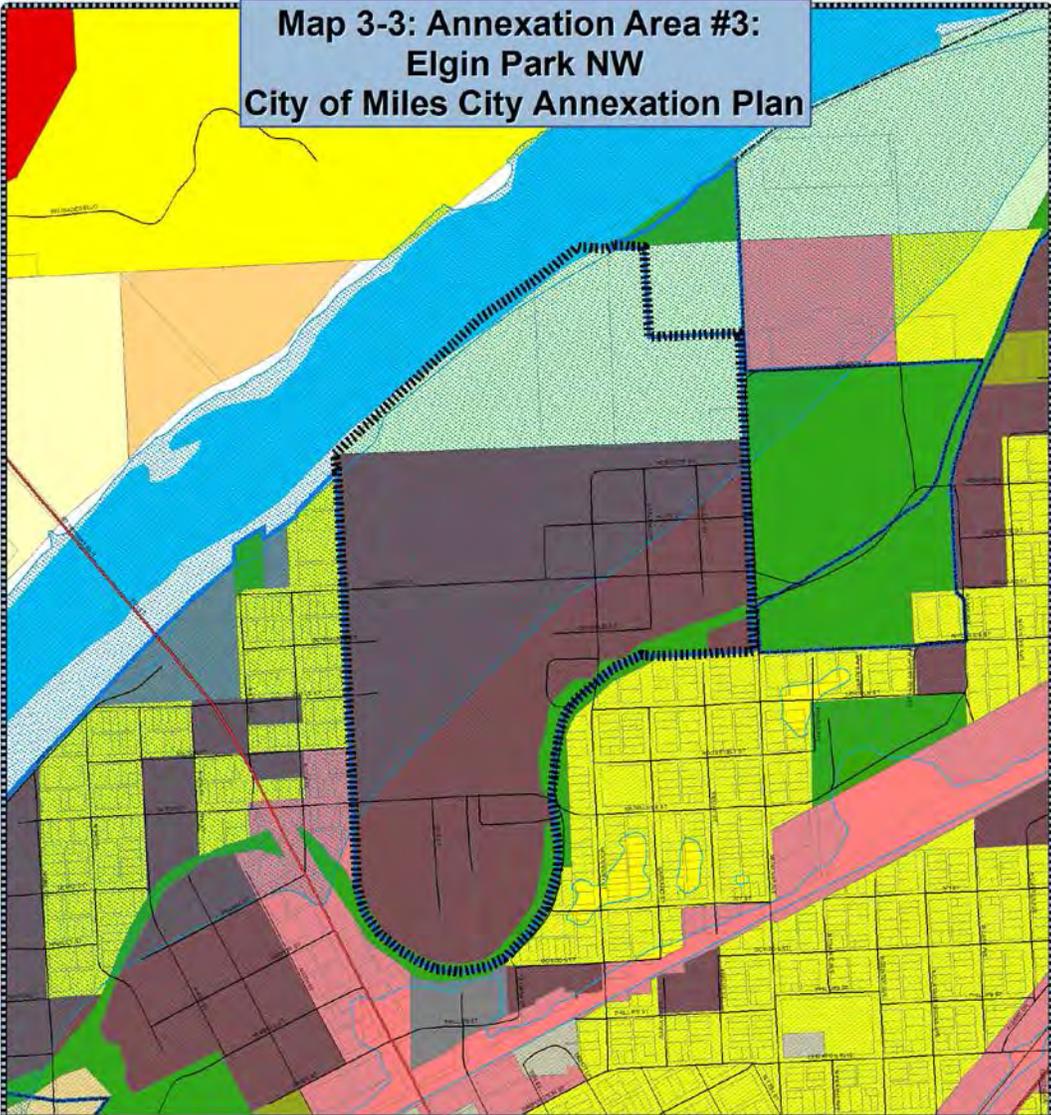
Date: 3/27/2015

3. Elgin Park NW (Map 3-3) – Annexation Study Area 3 is located adjacent to the north side of the City limits between Slough Road and the Yellowstone River. The Elgin Park NW Annexation Area is comprised of approximately 184 acres. The entire area is located within the 100-year floodplain, with ±116 acres of it within the floodway. None of the area is within the Custer County Water and Sewer District. Parcel sizes generally range from typical City lot sizes of ±5,000 square feet to ±32 acres.

This area was selected for consideration because of the number of small lots, existing development in the southern portion that already receives some City services, close proximity to the downtown and also nearby city utilities.

Because of the presence of the floodplain, municipal growth and annexation in this area is not expected to be significant over the next five to ten years.

**Map 3-3: Annexation Area #3:
Elgin Park NW
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #3, Elgin Park NW,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #3: Elgin Park NW
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



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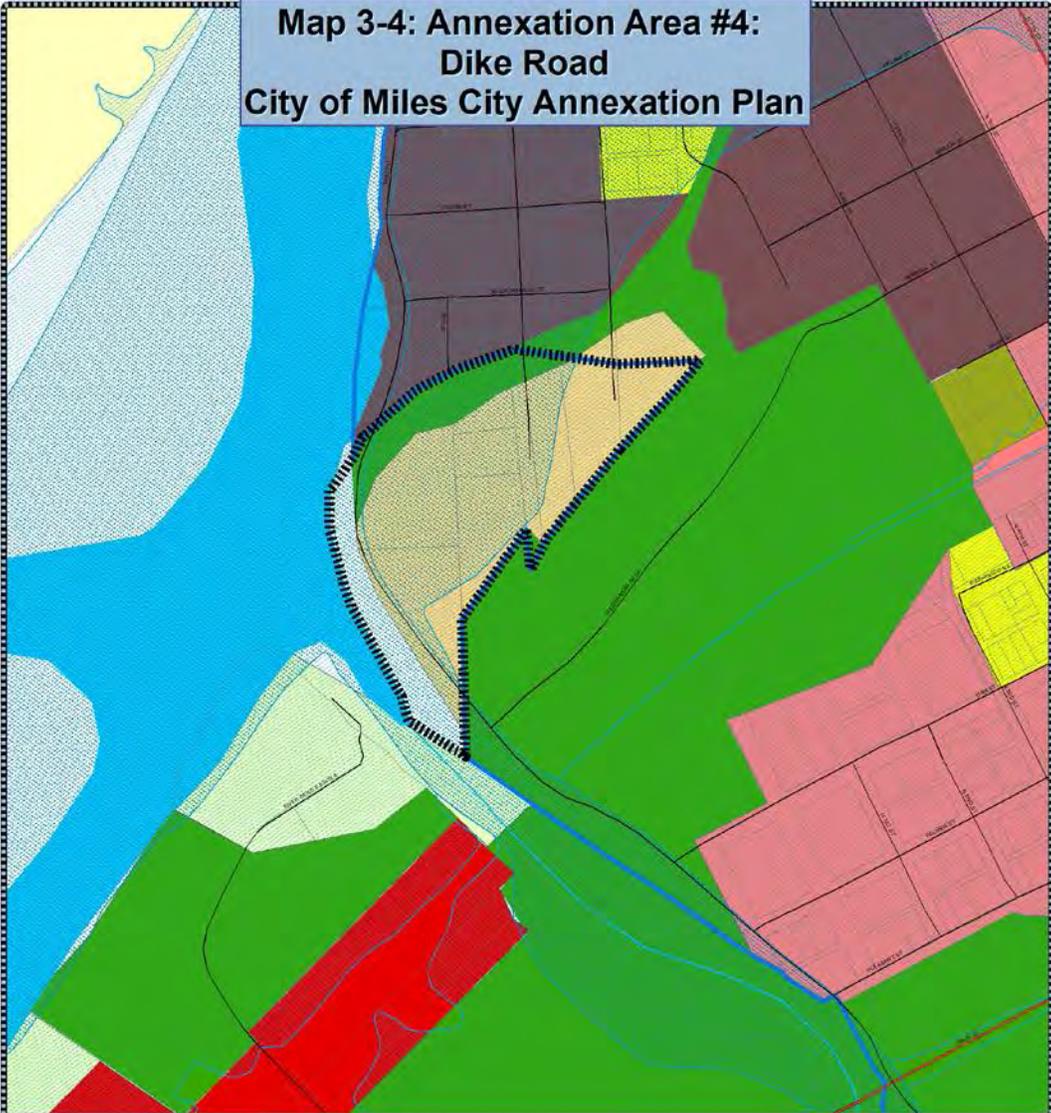
Date: 3/27/2015

4. Dike Road (Map 3-4): Annexation Study Area 4 is located adjacent to and near the west side of the City limits north of the confluence of the Tongue River and the Yellowstone River. This area is approximately 24 acres. The entire area is located within the 100-year floodplain, with ±18-acres of it within the floodway. Parcel sizes range from approximately ±1 to ±3.5 acres.

This area was selected for consideration based on relatively small lots sizes as well as proximity to downtown and municipal services.

Because of the presence of the floodplain, municipal growth and annexation in this area is not expected to be significant.

**Map 3-4: Annexation Area #4:
Dike Road
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #4, Dike Road,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #4: Dike Road
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



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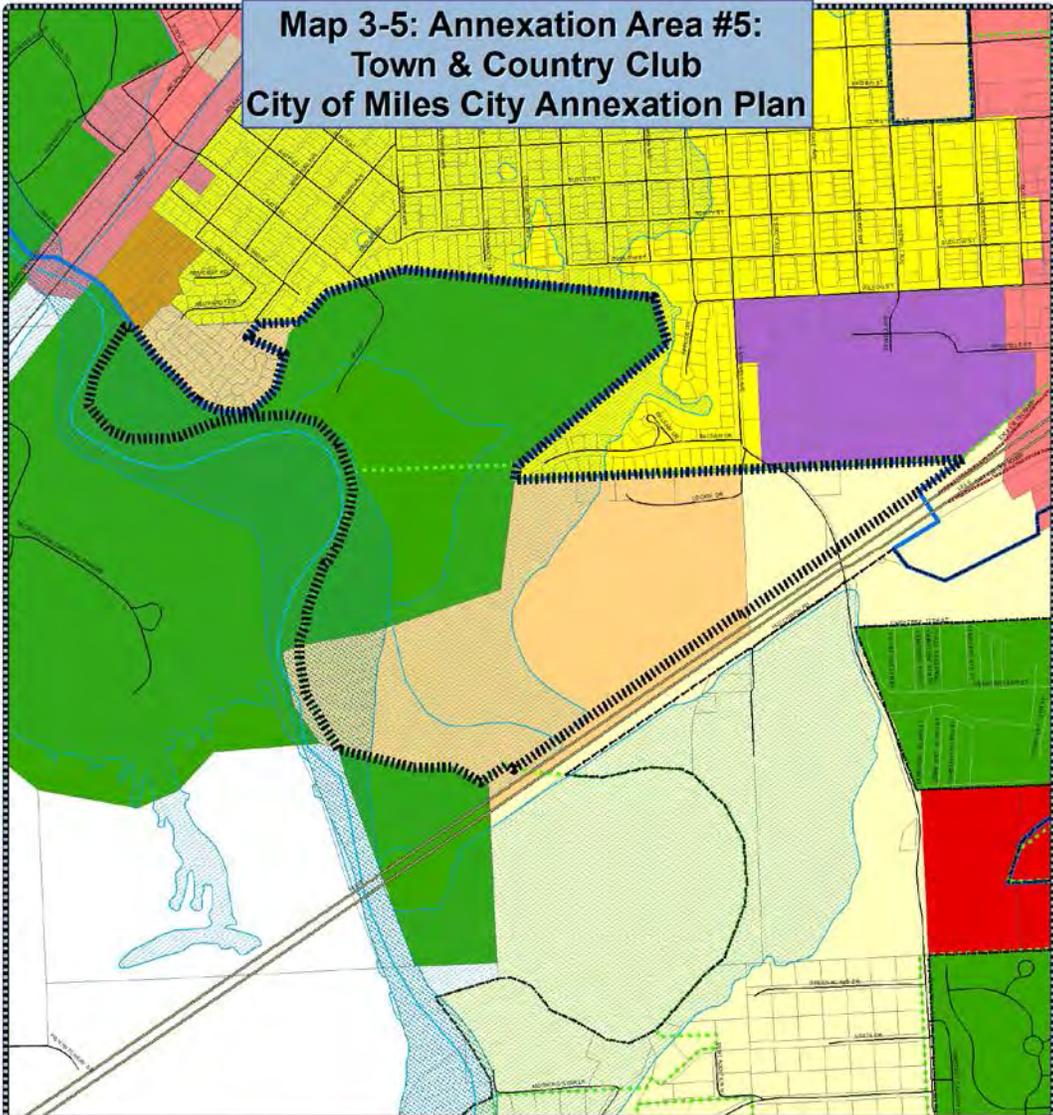
Date: 3/27/2015

5. Town & Country Club (Map 3-5): Annexation Study Area 5 is located adjacent to the southwest side of the City limits between the City and the Yellowstone River. This area is approximately 276-acres. ±163 acres of the area are located within the 100-year floodplain, with ±36 acres of it within the floodway, leaving ±113 acres free from such constraints. ±178-acres of the area is within the Custer County Water and Sewer District. Parcel sizes range from ±1.5-acres to ±122-acres.

This area was selected for consideration because of the existing development (medical and residential) and the City infrastructure in place nearby. South Strevell Avenue already functions as a main north-south thoroughfare, which has the potential to bring traffic from this area into the downtown. Additionally, the acreage outside of the floodplain, although located along the interstate, is topographically suited for development.

The City will strongly consider petitions for annexation of developments in Annexation Area 5 and may seek annexation in part to facilitate development and to benefit properties by the extension of municipal water and sewer.

**Map 3-5: Annexation Area #5:
Town & Country Club
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #5, Town & Country Club,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #5: Town & Country Club
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



0 200 400 800 1,200 1,600 Feet

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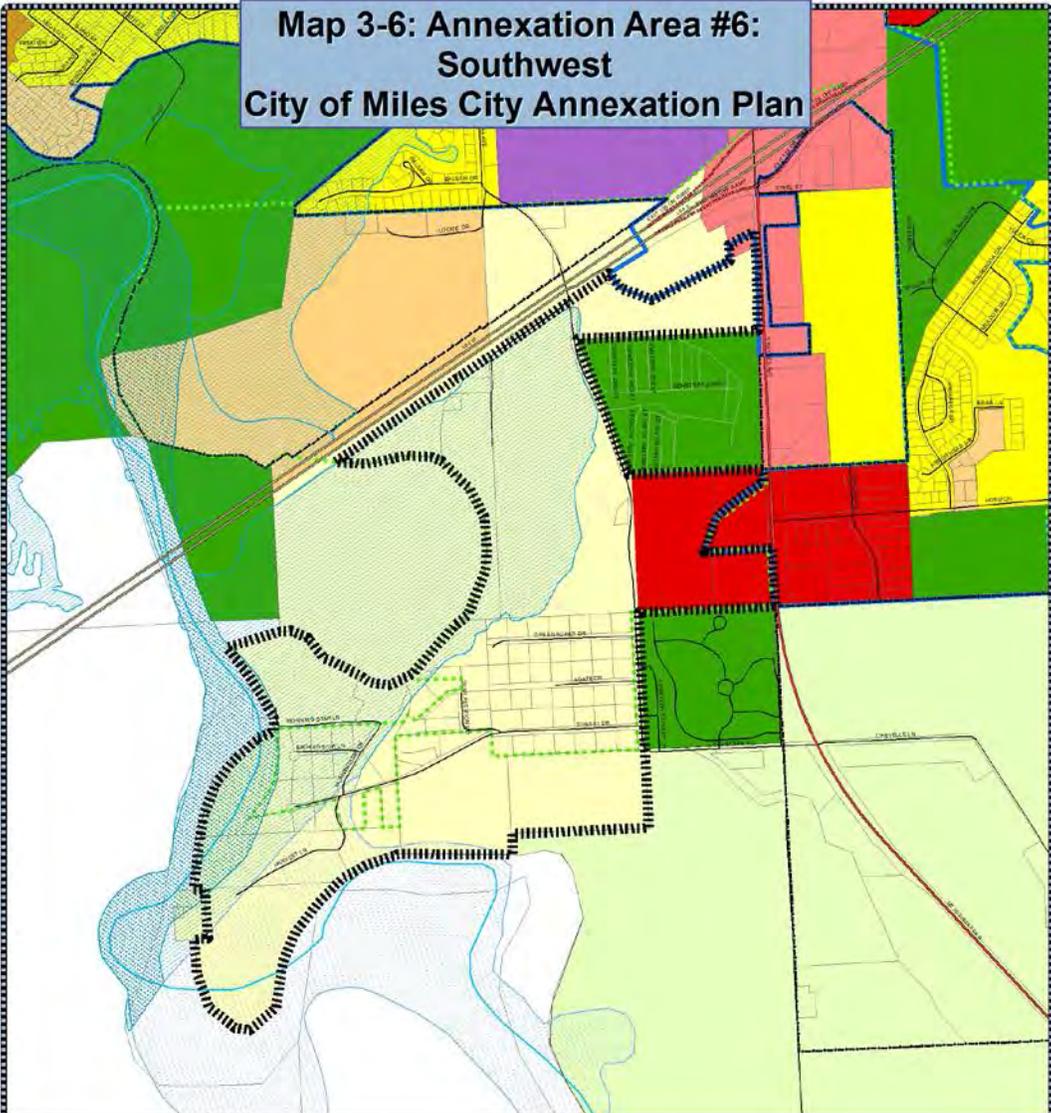
Date: 3/27/2015

6. Southwest (Map 3-6): Annexation Study Area 6 is located adjacent to the southern City limits on the south side of I-94 and the west side of S. Haynes Avenue. This area is approximately 370 acres. The western ±179-acres of the area is located within the 100-year floodplain, with ±15 acres of it within the floodway. ±235 acres of the area are within the Custer County Water and Sewer District. Parcel sizes range from + ±0.75-acre to ±70-acres. The residential neighborhoods in this area are served by private wells and septic systems.

This area was selected for consideration because of the existing development, the state and local transportation infrastructure in place, and the large area of land outside the jurisdictional floodplain. The westerly extent of the area was based on existing parcel boundaries, while the easterly extents were based on using S. Haynes Avenue as a dividing line between this and Annexation Area 8, and not including the Custer County or Boot Hill Cemetery properties or the state-owned Eastern Montana State Veterans Cemetery. The southern extent is the transitional line between the SR and AG zoning districts.

The parcel along S. Haynes Ave. has immediate potential for development and annexation. Other areas, particularly outside of the floodplain, are candidates for annexation.

**Map 3-6: Annexation Area #6:
Southwest
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #6, Southwest,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #6: Southwest
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
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- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



0 240 480 960 1,440 1,920 Feet

LAND SOLUTIONS, LLC

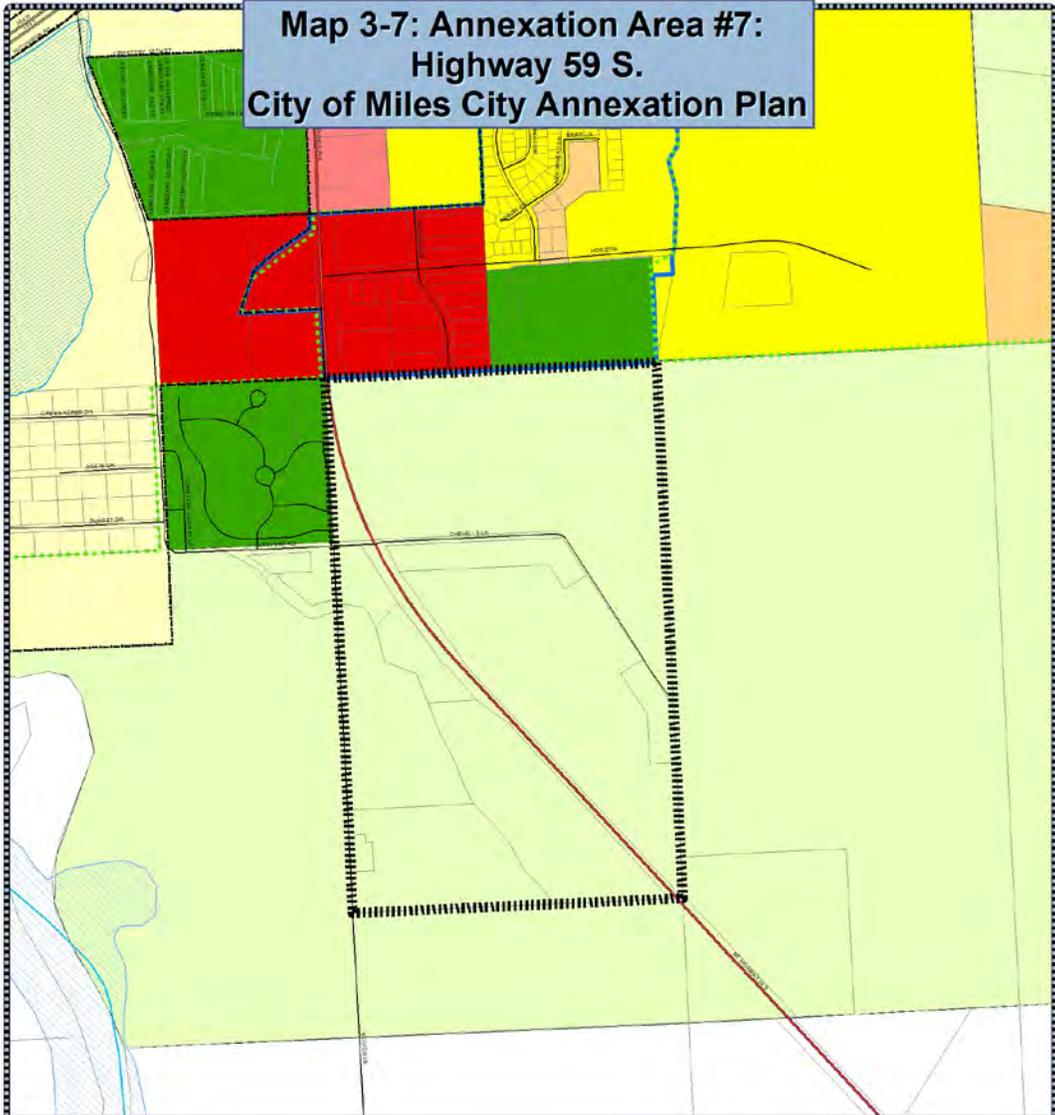
Date: 3/27/2015

7. Highway 59 (Map 3-7): The Highway 59 Annexation Area is approximately 260-acres. None of the area is located within the 100-year floodplain. None of the area is within the Custer County Water and Sewer District. Parcel sizes range from ±1-acre to ±94-acres.

This area was selected for consideration and because of the state and local transportation infrastructure in place, the existing development in the area, and its location outside the 100-year floodplain. The furthest extents of the area were based on current parcel boundaries.

The City expects development and annexation in this area and intends to work with developers to extend services in accordance with City policies.

**Map 3-7: Annexation Area #7:
Highway 59 S.
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #7, Highway 59 S.,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #7: Highway 59 S.
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



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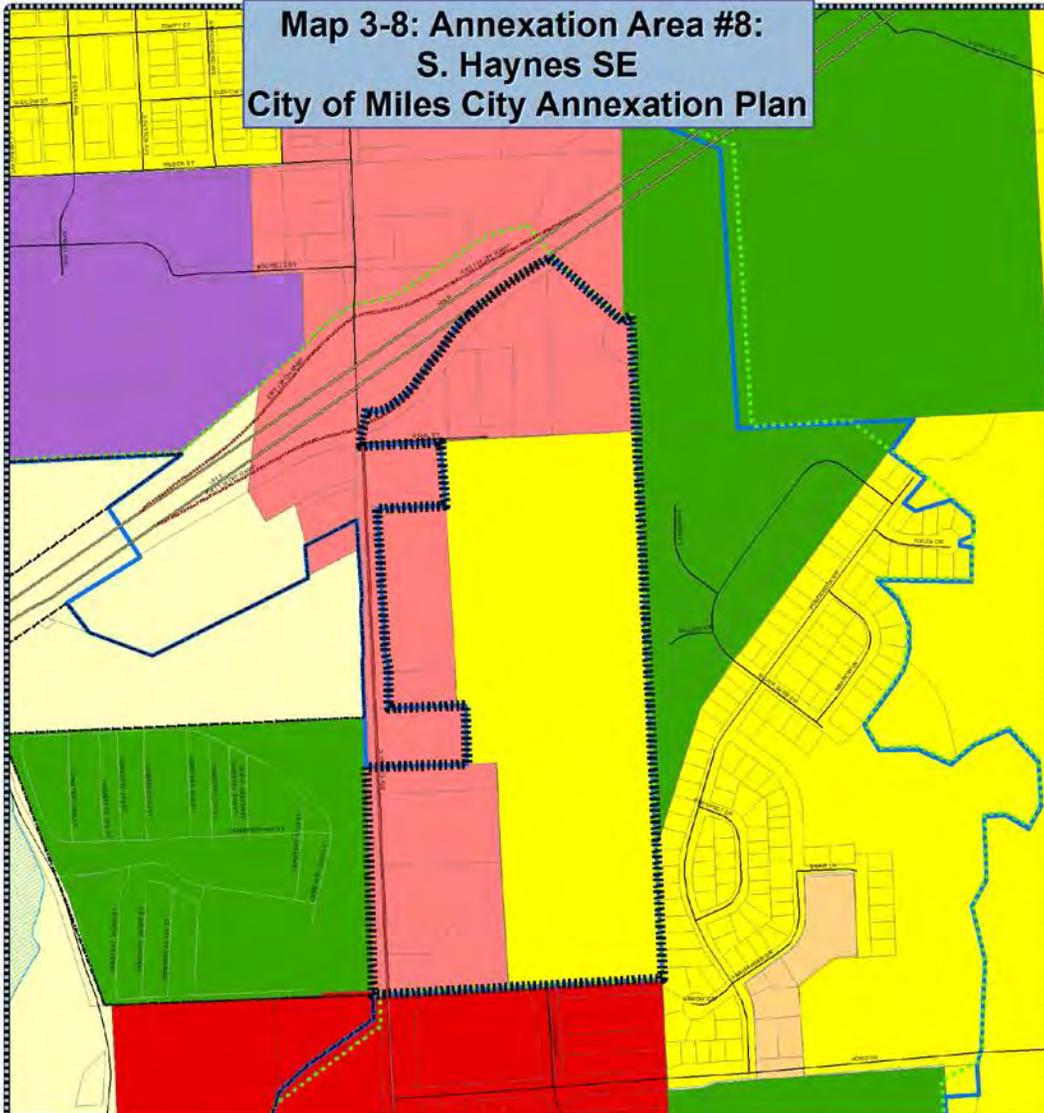
Date: 3/27/2015

8. South Haynes SE (Map 3-8): Within the next five to ten years the City anticipates growth and annexation in Annexation Study Area 5. This area contains approximately 90-acres. None of the area is located within the 100-year floodplain. The entire area is within the Custer County Water and Sewer District. Parcel sizes range from ±0.6-acre to ±57-acres.

This area was selected for consideration because of the existing development in the area, the state and local transportation infrastructure in place, and its location outside the 100-year floodplain. The furthest extents of the area were based on the current City limits, as the area is almost nearly surrounded by the City limits. The western extent is along S. Haynes Avenue and the east is bordered by residential development.

The City expects development and annexation in this area and intends to work with property owners and developers to extend services in accordance with City policies.

**Map 3-8: Annexation Area #8:
S. Haynes SE
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #8, S. Haynes SE,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #8: S. Haynes SE
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
- A Residential (A)
- B Residential (B)
- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



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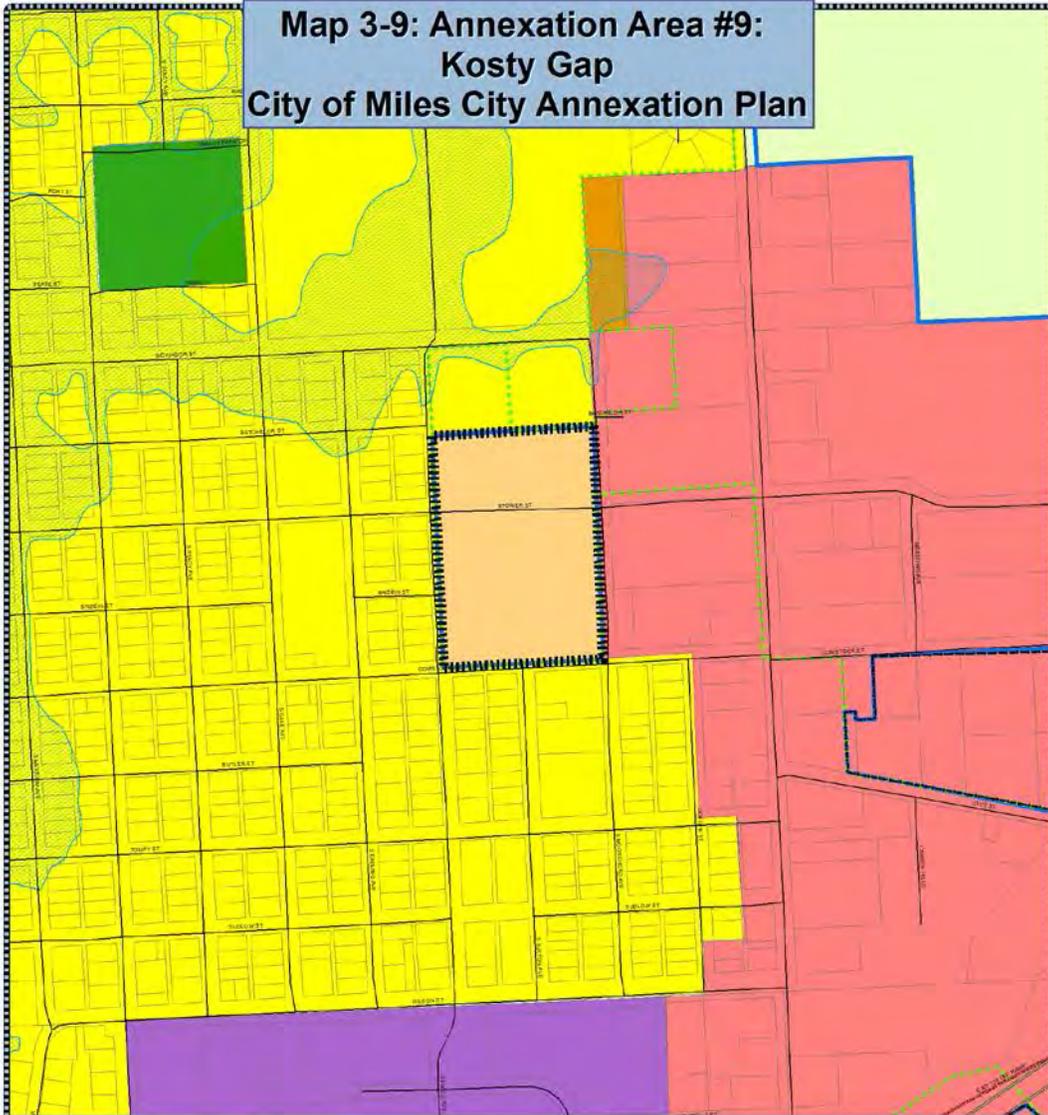
Date: 3/27/2015

9. Kosty Gap (Map 3-9): Annexation Study Area 9 is a ±13-acre parcel fully surrounded by the City limits in the eastern portion of the City, referred to in this plan as the “Kosty Gap Annexation Area.” This area is comprised of one parcel of land owned by Kosty Properties LLC. None of the area is located within the 100-year floodplain. The area is fully within the Custer County Water and Sewer District. The area is within the B Residential zoning district.

This study area was selected for consideration because the parcel is wholly surrounded by the City, is outside the 100-year floodplain, is located just south of Miles Community College and west of a main commercial area.

The City plans to encourage development and annexation of this area.

**Map 3-9: Annexation Area #9:
Kosty Gap
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #9, Kosty Gap,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #9: Kosty Gap
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

- General Commercial (GC)
- Heavy Commercial (HC)
- Local Commercial (LC)
- Industrial (I)
- Light Industrial (LI)
- Medical Campus (MC)
- Historic Mixed Use (HMU)
- Mobile Home-Residential (MH-A)
- Mobile Home (MH-B)
- Mobile Home Park (MH-C)
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- C Residential (C)
- Semi-Rural (SR)
- Open Space (OS)
- Agricultural (AG)



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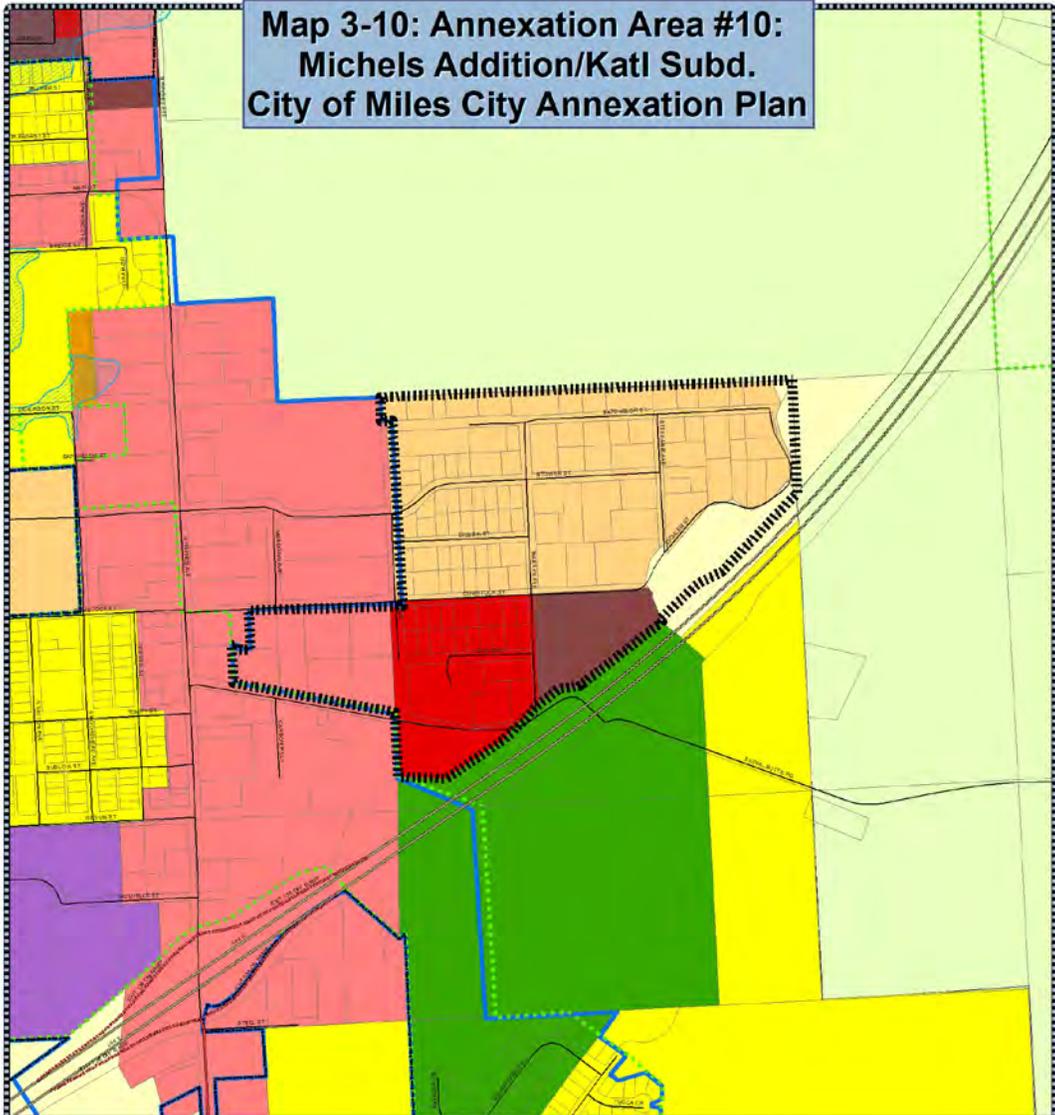
Date: 3/27/2015

10. Michels Addition/KATL Subdivision (Map 3-10): Annexation Study Area 10, the Michels Addition/KATL Subdivision Annexation Area, is located adjacent to the east side of the City limits on the north side of I-94. This area is approximately 115-acres. None of the area is located within the 100-year floodplain. The entire area is within the Custer County Water and Sewer District. Parcel sizes range from lot sizes of $\pm 10,000$ sq. ft. to $\pm 26,000$ sq. ft.

This area was selected for consideration because of the existing commercial, residential and recreational development, the state and local transportation infrastructure in place, and its location outside the 100-year floodplain. The northern extent of the area was based on the existing zoning district designations, with the north boundary being the transitional boundary between the SR and AG zoning districts.

This area is predominantly built out, with a low number of developable vacant parcels. The City may seek to annex this area as part of a program to bring those parcels receiving water and sewer into the City limits.

**Map 3-10: Annexation Area #10:
Michels Addition/Katl Subd.
City of Miles City Annexation Plan**



**Miles City Annexation Plan:
Map of Annexation Area #10, Michels Addition/Katl Subd.,
with Zoning Districts and Floodplains**

Legend

- Annexation Area #10: Michels Addition/Katl Subd.
- Other Annexation Study Zones
- City Limits
- Custer County Water & Sewer District
- Parcel Boundaries
- Railroads
- 100 Year Floodplain - FEMA Zone A
- 100 Year Floodplain - FEMA Zone AE
- FLOODWAY

Zoning Districts Legend

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- Open Space (OS)
- Agricultural (AG)



LAND SOLUTIONS, LLC

Date: 3/27/2015

K. Additional Factors to Be Considered by City Council

Several of the annexation study areas have features that lend themselves to consideration for future annexation. However, these areas are not guaranteed to be accepted for annexation and the City is not planning to pursue annexation in all of the areas. Prior to accepting or rejecting any proposed annexation the City Council shall consider the following additional factors:

1. The compatibility and historic identity between the City and the area being considered for annexation;
2. The quantity and quality of parks, trails, open space, public recreation facilities and developable land located within or to be provided in the candidate area;
3. Needs of the annexation area for present and future municipal services and the City's capabilities for providing such services;
4. The City's plans for extension of municipal services into the annexed area;
5. Anticipated tax consequences to residents of the City and the area being considered arising from the annexation;
6. Concerns and interests of existing districts (e.g. the Custer County Water and Sewer District), residents, businesses and other affected entities located within the area proposed for annexation; and
7. Effect of annexation on the development of land located within the area to be annexed.

Appendix

Infrastructure Maps

Water
Sewer
Storm Water