

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the City), hereby certify that the attached resolution is a true copy of Resolution No. 02-17933, entitled: **RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1360; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND** (the "Resolution" was duly adopted by the City Council of the City at a meeting on December 9, 2002, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.)

I further certify that, upon vote being taken on the Resolution at said meeting, the following Councilmembers voted in favor thereof: _____;
_____;
voted against the same: _____;
_____;
or were absent: _____.

WITNESS my hand officially this 9th day of December, 2002.

Marita Herold, CMC City

Clerk

RESOLUTION NO. 02-17933

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1360; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND

BE IT RESOLVED by the City Council of the City of Billings (the City), Montana, as follows:

Section 1. Proposed Improvements; Intention To Create District. The City proposes to undertake certain local Improvements (the "Improvements") to benefit certain

property located in the City. The Improvements consist of Water, Sanitary Sewer, Storm Drainage, Street Lights, and Street Improvements to Millennium Circle, South 29th Street West, South 30th Street West, South 31st Street West, Gabel Road, South 32nd Street West, Hesper Road, Spring Creek Lane, and Broso Park Drive as more particularly described in Section 5. The total estimated costs of the Improvements are \$8,735,000. The costs of the Improvements are to be paid from the sale of Special Improvement District bonds hereinafter described. It is the intention of this Council to create and establish in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended, a Special Improvement District (the "District") for the purpose of financing costs of the Improvements and paying costs incidental thereto, including costs associated with the sale and the security of Special Improvement District bonds drawn on the District (the "Bonds"), the creation and administration of the District, the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the Bonds are \$8,735,000. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements in an amount not less than \$8,735,000.

Section 2. Number of District. The District, if the same shall be created and established, shall be known and designated as Special Improvement District No. 1360 of the City of Billings, Montana.

Section 3. Boundaries of District. The limits and boundaries of the District are depicted on a map attached as Exhibit A hereto (which is hereby incorporated herein and made a part hereof) and more particularly described on Exhibit B hereto (which is hereby incorporated herein and made a part hereof), which boundaries are designated and confirmed as the boundaries of the District. A listing of each of the properties in the District is shown on Exhibit E hereto (which are hereby incorporated herein and made a part hereof).

Section 4. Benefited Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibits A, B, and E are hereby declared to be the Special Improvement District and the territory which will benefit and be benefited by the Improvements and will be assessed for the costs of the Improvements as described in Section 7. The property included within said limits and boundaries is hereby declared to be the property benefited by the Improvements.

Section 5. General Character of the Improvements. The general character of the Improvements is to provide the following Improvements:

- Installation of a water main in:
- Millennium Circle
 - South 30th Street West from Gabel Road to Hesper Road
 - South 31st Street West within Gabel Road Commercial Center Subdivision
 - South 32nd Street West from Gabel Road north along Trans Tech Center Subdivision

- Spring Creek Lane
- Broso Park Drive.

Installation of sanitary sewer main in:

- Millennium Circle
- South 29th Street from Overland Avenue to Hogan's Slough
- South 31st Street West within Gabel Road Commercial Center Subdivision
- South 32nd Street West from Gabel Road north along Trans Tech Center Subdivision and from Gabel Road South to Conrad Road
- Spring Creek Lane
- Broso Park Drive

Installation of storm drain in:

- Millennium Circle
- South 29th Street West from the Bannister Drain to Gabel Road
- South 30th Street West from Gabel Road to Hesper Road,
- South 31st Street West within Gabel Road Commercial Center Subdivision
- South 32nd Street West from Gabel Road north along Trans Tech Center Subdivision, and from Gabel Road South to Conrad Road
- Hesper Road from Gabel Road to Canyon Creek Ditch
- Spring Creek Lane
- Broso Park Drive

Construction of Street Improvements including curb & gutter, sidewalks, and asphalt to:

- Millennium Circle
- South 29th Street West from the Bannister Drain to Gabel Road
- South 30th Street West from Gabel Road to Hesper Road
- South 31st Street West within Gabel Road Commercial Center Subdivision
- South 32nd Street West from Gabel Road north along Trans Tech Center Subdivision, and from Gabel Road South to Conrad Road
- Hesper Road from Gabel Road to Canyon Creek Ditch
- Spring Creek Lane
- Broso Park Drive
- Mountain Pass Road
- Gabel Road from the Railroad Tracks east of South 29th Street West to South 32nd Street West, and from Hesper Road to Zoo Drive.

Construction of Street Lights to:

- South 29th Street West from the Bannister Drain to Gable Road
- South 32nd Street West fronting Trans Tech Center Subdivision, Gabel Road Commercial Center Subdivision, Tierra Yellowstone Industrial Park Subdivision,

and Certificate of Survey No. 1147

- Gabel Road from South 29th Street West to South 32nd Street West, and from Hesper Road To Zoo Drive

Section 6. Engineer and Estimated Cost. Engineering, Inc.; P.O. Box 81345; Billings, MT 59108, shall be the engineer for the District. The Engineer has estimated that the costs of the Improvements, including all incidental costs, is \$8,735,000.

Section 7. Assessment Methods; Combination of Methods. The costs of the improvements described in Exhibit D shall be assessed to properties within the District for one or more of the 31 assessment items, as shown on Part III, and shall be assessed on frontage and actual area methods of assessment, as described in Sections 7-12-4162, 4163, and 4164 M.C.A., as particularly applied and set forth in this section 7.

7.1.1 Actual Area Method.

- a) Assessment A includes the costs of Water Mains, Sanitary Sewer Mains, Storm Drain Mains, Street Improvements, and Streetlights for South 32nd Street West fronting Trans Tech Center Subdivision. The total cost for Assessment A is \$270,276.63 and shall be assessed against each lot, tract, or parcel of land in Trans Tech Center Subdivision. The total assessable area of Assessment A is 1,157,008 square feet. The costs of the improvements associated with Assessment A per square foot of area shall not exceed \$. 23359965. The assessment for each lot, tract, or parcel of land for Assessment A is shown on Part III, hereto.
- b) Assessment B includes the costs of Water Mains, Sanitary Sewer Mains, Storm Drain Mains, Street Improvements, and Streetlights for South 32nd Street West fronting the parcel to become Gabel Road Commercial Center Subdivision. The total cost for Assessment B is \$177,779.45 and shall be assessed against each lot, tract, or parcel of land to be Gabel Road Commercial Center Subdivision. The total assessable area of Assessment B is 1,305,156 square feet. The costs of the improvements associated with Assessment B per square foot of area shall not exceed \$.13621318. The assessment for each lot, tract, or parcel of land for Assessment B is shown on Part III, hereto.
- c) Assessment C includes the costs of a Water Service, Sanitary Sewer Mains, Storm Drain Mains, Street Improvements, and Streetlights for South 32nd Street West for lot 1 of Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment C is \$129,049.99 and shall be assessed against lot 1 in Tierra Yellowstone Industrial Park. The total assessable area of Assessment C is 83,613 square feet. The costs of the improvements associated with Assessment C per square foot of area shall not exceed \$1.54342019. The assessment for each lot, tract, or parcel of land for Assessment B is shown on Part III, hereto.

- d) Assessment D includes the costs of Water Service, Sanitary Sewer Mains, Storm Drain Mains, Street Improvements, and Streetlights for South 32nd Street West fronting Certificate of Survey No. 1147. The total cost for Assessment D is \$195,270.62 and shall be assessed against each lot, tract, or parcel of land in Certificate of Survey No. 1147. The total assessable area of Assessment D is 326,700 square feet. The costs of the improvements associated with Assessment D per square foot of area shall not exceed \$.59770621. The assessment for each lot, tract, or parcel of land for Assessment D is shown on Part III, hereto.
- e) Assessment E includes the costs of Street Improvements and Streetlights for Gabel Road fronting Tract 2 of Certificate of Survey No. 2297 Amended. The total cost for Assessment E is \$51,831.50 and shall be assessed against Tract 2 in Certificate of Survey No. 2297 Amended. The total assessable area of Assessment E is 97,182 square feet. The costs of the improvements associated with Assessment E per square foot of area shall not exceed \$.53334466. The assessment for Tract 2 for Assessment E is shown on Part III, hereto.
- f) Assessment F includes the costs of Storm Drain Mains, Street Improvements and Streetlights for Gabel Road fronting Certificate of Survey No. 1401. The total cost for Assessment F is \$266,505.79 and shall be assessed against Tract 4A in Certificate of Survey No. 1404. The total assessable area of Assessment F is 696,785 square feet. The costs of the improvements associated with Assessment F per square foot of area shall not exceed \$.38247922. The assessment for Tract 4A for Assessment F is shown on Part III, hereto.
- g) Assessment G includes the costs of Water Services, Sanitary Sewer Services, Storm Drain Mains, Street Improvements, and Streetlights for Gabel Road fronting the parcel to become Gabel Road Commercial Center Subdivision. The total cost for Assessment G is \$357,104.57 and shall be assessed against each lot, tract, or parcel of land to be Gabel Road Commercial Center Subdivision. The total assessable area of Assessment G is 1,305,156 square feet. The costs of the improvements associated with Assessment G per square foot of area shall not exceed \$.27361064. The assessment for each lot, tract, or parcel of land for Assessment G is shown on Part III, hereto.
- h) Assessment H includes the costs of Water Services, Sanitary Sewer Services, Storm Drain Mains, Street Improvements, and Streetlights for Gabel Road fronting Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment H is \$305,592.58 and shall be assessed against Lots 1-7, Block 1 in Tierra Yellowstone Industrial Park Subdivision. The total assessable area of Assessment H is 249,532 square feet. The costs of the improvements associated with Assessment H per square foot of area shall not exceed \$1.22466291. The assessment for Lots 1-7, Block 1 in Tierra Yellowstone Industrial Subdivision for Assessment H

is shown on Part III, hereto.

- i) Assessment I includes the costs of Storm Drain Mains, Street Improvements, and Streetlights for Gabel Road fronting Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment I is \$337,712.30 and shall be assessed against Lot 1, Block 3-A, and Lots 1 and 2, Block 5 in Tierra Yellowstone Industrial Park Subdivision. The total assessable area of Assessment I is 344,234 square feet. The costs of the improvements associated with Assessment I per square foot of area shall not exceed \$.98106014. The assessment for Lot 1, Block 3-A, and Lots 1 and 2, Block 5 for Assessment I is shown on Part III, hereto.
- j) Assessment J includes the costs of Street Improvements, and Streetlights for Gabel Road fronting Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment J is \$72,933.33 and shall be assessed against Lot 3, Block 5 in Tierra Yellowstone Industrial Park Subdivision. The total assessable area of Assessment J is 113,499 square feet. The costs of the improvements associated with Assessment J per square foot of area shall not exceed \$.64259010. The assessment for Lot 3, Block 5, for Assessment J is shown on Part III, hereto.
- k) Assessment K includes the costs of Storm Drain Mains, Street Improvements, and Streetlights for South 29th Street West fronting Millennium Market Subdivision. The total cost for Assessment K is \$72,171.92 and shall be assessed against each lot, tract, or parcel of land in Millennium Market Subdivision. The total assessable area of Assessment K is 81,253 square feet. The costs of the improvements associated with Assessment K per square foot of area shall not exceed \$.88823704. The assessment for each lot, tract, or parcel of land for Assessment K is shown on Part III, hereto.
- l) Assessment L includes the costs of Water Services, Storm Drain Mains, Street Improvements, and Streetlights for South 29th Street West fronting Parkco Industrial Subdivision. The total cost for Assessment L is \$197,218.00 and shall be assessed against each lot, tract, or parcel of land in Parkco Industrial Subdivision. The total assessable area of Assessment L is 587,668 square feet. The costs of the improvements associated with Assessment L per square foot of area shall not exceed \$.33559425. The assessment for each lot, tract, or parcel of land for Assessment L is shown on Part III, hereto.
- m) Assessment M includes the costs of Storm Drain Mains, Street Improvements, and Streetlights for South 29th Street West fronting Certificate of Survey No. 1401. The total cost for Assessment M is \$279,657.55 and shall be assessed against each lot, tract, or parcel of land in Certificate of Survey No. 1401. The total assessable area of Assessment M is 1,307,888 square feet. The costs of the improvements associated with Assessment M per square foot of area shall not exceed \$.21382378. This assessment includes \$84,110.72 of past improvement costs to be re-

covered by the City of Billings from the Armory. The \$84,110.72 includes \$62,710.72 for the Armory's portion of a change order to W.O. 98-13, which constructed the sanitary sewer main in South 29th Street West; \$2,300.00 for the Armory's portion of the change order to W.O. 99-03 for the overlay on South 29th Street West, and \$19,100.00 for the Armory's portion of storm improvements to South 29th Street West & Gabel Road by SID 1339 which was paid out of W.O. 98-10. The assessment for each lot, tract, or parcel of land for Assessment M is shown on Part III, hereto.

- n) Assessment N includes the costs of Storm Drain Mains, Street Improvements, and Streetlights for South 29th Street West fronting Certificate of Survey No. 2158 Amended. The total cost for Assessment N is \$407,972.57 and shall be assessed against each lot, tract, or parcel of land in Certificate of Survey No. 2158 Amended. The total assessable area of Assessment N is 467,569 square feet. The costs of the improvements associated with Assessment N per square foot of area shall not exceed \$.87253982. The assessment for each lot, tract, or parcel of land for Assessment N is shown on Part III, hereto.
- o) Assessment Q includes the costs of Water Mains, Water Services, Storm Drain Mains, Storm Drain Services, and Street Improvements for South 30th Street West fronting Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment Q is \$158,633.77 and shall be assessed against Lots 7 and 8, Block 1-A of Tierra Yellowstone Industrial Park Subdivision. The total assessable area of Assessment Q is 192,025 square feet. The costs of the improvements associated with Assessment Q per square foot of area shall not exceed \$.82610999. The assessment for Lots 7 and 8, Block 1-A for Assessment Q is shown on Part III, hereto.
- p) Assessment R includes the costs of Water Mains, Water Services, Storm Drain Mains, Storm Drain Services, and Street Improvements for South 30th Street West fronting Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment R is \$78,761.52 and shall be assessed against Lots 8 and 9, Block 2-A of Tierra Yellowstone Industrial Park Subdivision. The total assessable area of Assessment R is 68,354 square feet. The costs of the improvements associated with Assessment R per square foot of area shall not exceed \$1.15225905. The assessment for Lots 8 and 9, Block 2-A for Assessment R is shown on Part III, hereto.
- q) Assessment S includes the costs of Water Mains, Storm Drain Mains, and Street Improvements for South 30th Street West fronting Tierra Yellowstone Industrial Park Subdivision. The total cost for Assessment S is \$50,438.43 and shall be assessed against Lot 1, Block 3-A of Tierra Yellowstone Industrial Park Subdivision. The total assessable area of Assessment S is 101,917 square feet. The costs of the improvements associated with Assessment S per square foot of area shall not exceed

\$494,897.17. The assessment for Lot 1, Block 3A for Assessment S is shown on Part III, hereto.

- a) Assessment T includes the costs of Water Mains and Services, Storm Drain Mains and Services, and Street Improvements for South 30th Street West for Lots 2,3, and 4, Block 3 in Tierra Yellowstone Industrial Park Subdivision. The total estimated cost for Assessment T is \$203,022.95 and shall be assessed against Lots 2,3,and 4, Block 3 in Tierra Yellowstone Industrial Subdivision. The total assessable area of Assessment T is 371,875 square feet. The total cost of the improvements associated with Assessment T per square foot shall not exceed \$.54594407. The assessment for Lots 2,3, and 4, Block 3 in Tierra Yellowstone Industrial Park Subdivision for Assessment T is shown on Part III, hereto.
- r) Assessment U includes the costs of Water Mains, Sanitary Sewer Mains, Storm Drain Mains, and Street Improvements for South 31st Street West fronting the parcel to become Gabel Road Commercial Center Subdivision. The total cost for Assessment U is \$610,071.77 and shall be assessed against each lot, tract, or parcel of land to be Gabel Road Commercial Center Subdivision. The total assessable area of Assessment U is 1,305,156 square feet. The costs of the improvements associated with Assessment U per square foot of area shall not exceed \$.46743207. The assessment for each lot, tract, or parcel of land for Assessment U is shown on Part III, hereto.
- s) Assessment V includes the costs of Water Mains, Sanitary Sewer Mains, Storm Drain Mains, and Street Improvements for Millennium Circle fronting Millennium Market Subdivision. The total cost for Assessment V is \$568,286.73 and shall be assessed against each lot, tract, or parcel of land in Millennium Market Subdivision. The total assessable area of Assessment V is 564,203 square feet. The costs of the improvements associated with Assessment V per square foot of area shall not exceed \$1.00723806. The assessment for each lot, tract, or parcel of land for Assessment V is shown on Part III, hereto.
- t) Assessment Y includes the costs of Public Utilities Department Trunk Water and Sewer Fees for Transtech Subdivision. The total cost for Assessment Y is \$195,040.96 and shall be assessed against each lot, tract, or parcel of land in Transtech Center Subdivision. The total assessable area of Assessment Y is 1,157,008 square feet. The costs of the improvements associated with Assessment Y per square foot of area shall not exceed \$.16857356. The assessment for each lot, tract, or parcel of land for Assessment Y is shown on Part III, hereto.
- u) Assessment Z includes the costs of Public Utilities Department Trunk Water and Sewer Fees for the parcel to become Gabel Road Commercial Center Subdivision. The total cost for Assessment Z is \$196,817.52 and shall be assessed against each lot, tract, or parcel of land to be Gabel Road

Commercial Center Subdivision. The total assessable area of Assessment Z is 1,305,156 square feet. The costs of the improvements associated with Assessment Z per square foot of area shall not exceed \$.15080000. The assessment for each lot, tract, or parcel of land for Assessment Z is shown on Part III, hereto.

- v) Assessment AA includes the costs of Storm Drain Mains, and Street Improvements for Hesper Road fronting Gabel Subdivision, 2nd Filing. The total cost for Assessment AA is \$91,882.81 and shall be assessed against each lot, tract, or parcel of land in Gabel Subdivision, 2nd Filing. The total assessable area of Assessment AA is 2,548,613 square feet. The costs of the improvements associated with Assessment AA per square foot of area shall not exceed \$.03605208. The assessment for each lot, tract, or parcel of land for Assessment AA is shown on Part III, hereto.
- w) Assessment AB includes the costs of Storm Drain Mains, and Street Improvements for Tract 3 of Certificate of Survey No. 3077. The total cost for Assessment AB is \$91,882.81 and shall be assessed against Tract 3 of Certificate of Survey No. 3077. The total assessable area of Assessment AB is 2,173,470 square feet. The costs of the improvements associated with Assessment AB per square foot of area shall not exceed \$.04227471. The assessment for Tract 3 of Certificate of Survey No. 3077 for Assessment AB is shown on Part III, hereto.
- x) Assessment AC includes the costs of Storm Drain Mains, Street Improvements, and Street Lights for Gabel Road fronting Certificate of Survey No. 3077, and Tract 3, Certificate of Survey No. 2295. The total cost for Assessment AC is \$684,802.89 and shall be assessed against Certificate of Survey No. 3077, and Tract 3, Certificate of Survey No. 2295. The total assessable area of Assessment # 24 is 4,702,563 square feet. The costs of the improvements associated with Assessment AC per square foot of area shall not exceed \$.14562333. The assessment for each lot, tract, or parcel of land for Assessment AC is shown on Part III, hereto.
- y) Assessment AD includes the costs of Water Mains, Sanitary Sewer Mains, Storm Drain Mains, and Street Improvements for Broso Park Drive, Spring Creek Lane, and Mountain Pass Road, fronting Tract 3, Certificate of Survey No. 3077. The total cost for Assessment AD is \$2,124,321.04 and shall be assessed against Tract 3, Certificate of Survey No. 3077. The total assessable area of Assessment AD is 2,173,470 square feet. The costs of the improvements associated with Assessment AD per square foot of area shall not exceed \$.97738687. The assessment for Tract 3, Certificate of Survey No. 3077 for Assessment AD is shown on Part III, hereto.

7.1.1 Lump Sum Method.

- a) Assessment O includes the costs of Sanitary Sewer Mains in South 29th Street

West to service Parko Industrial Subdivision. The total cost for Assessment O is \$29,489.33 and shall be assessed against Lots 3-A, 4-A-1, and 4-B in Parko Industrial Subdivision. The total number of Sanitary Sewer Mains to be provided under Assessment O is 3. The total cost of the improvements associated with Assessment O shall not exceed \$29,489.33. The cost of Assessment O for each tract shall not exceed \$9,829.77658956. The assessment for Lots 3-A, 4-A-1, and 4-B in Parko Subdivision for Assessment O is shown on Part III, hereto.

- b) Assessment P includes the costs of Railroad Crossings for Gabel Road and South 29th Street West. The total cost for Assessment P is \$52,897.42 and shall be assessed against Tracts 1-B and 2 of Certificate of Survey No. 2297 and Tract 2-B of Certificate of Survey No. 1401. The widening of the existing Gabel Road Crossing is considered a .5 quantity and shall each be assessed against Tracts 1-B and 2 of Certificate of Survey No. 2297. The South 29th Street West Crossing is considered a 1.0 quantity and shall be assessed against Tract 2-B of Certificate of Survey No. 1401. The total cost of the improvements associated with Assessment P is \$52,897.42. The assessment against Tracts 1-B and 2 of Certificate of Survey No. 2297 shall not exceed \$8,816.23597921, and the assessment against Tract 2-B of Certificate of Survey No. 1401 shall not exceed \$35,264.94. The assessment for Tracts 1-B and 2 of Certificate of Survey No. 2297 and Tract 2-B of Certificate of Survey No. 1401 for Assessment P is shown on Part III, hereto.
- c) Assessment AE includes the costs of previous projects completed adjacent to the Armory at Tract 4A of Certificate of Survey No. 1401. The total cost for Assessment AE is \$84,110.72 and shall be assessed against Tract 4A of Certificate of Survey No. 1401. The assessment for Tract 4A of Certificate of Survey No. 1401 for Assessment AE is shown on Part III, hereto.

7.1.1 Frontage Method.

- a) Assessment W includes the costs of Public Utilities' Sanitary Sewer Fees. The total cost for Assessment W is \$157,723.49 and shall be assessed against Lots 1 – 6, Block 1-A in Tierra Yellowstone Subdivision, Lots 1 – 4, 16, and 17, Block 1 in the parcel to become Gabel Road Commercial Center Subdivision, Lot 2 in Parko Industrial Center Subdivision, and Lots 1 and 12, Block 1 in Millennium Market Subdivision. The total frontage of Assessment W is 2,944.8 linear feet. The cost of Assessment W improvements, per linear foot of frontage, shall not exceed \$53.56. The assessment for Lots 1 – 6, Block 1-A in Tierra Yellowstone Subdivision; Lots 1 – 4, 16, and 17, Block 1 in the parcel to be Gabel Road Commercial Center Subdivision; Lot 2, Parko Industrial Center Subdivision; Lots 1 and 12, Block 1 in Millennium Market Subdivision for Assessment W is shown on Part III, hereto.

- b) Assessment X includes the costs of Public Utilities' Lateral Water Fees. The total cost for Assessment X is \$235,738.98 and shall be assessed against Lots 1 – 7, Block 1-A in Tierra Yellowstone Subdivision, Tract 24 of Certificate of Survey No. 1147, Lots 1 – 4, 16, and 17, Block 1 in the parcel to be Gabel Road Commercial Center Subdivision, Lot 2, 3-A, 4-A-1, 4-B, 5-A, and 5-B in Parko Industrial Center Subdivision, and Lots 1 and 12, Block 1 in Millennium Market Subdivision. The total frontage of Assessment X is 4,401.4 linear feet. The cost of Assessment X improvements, per linear foot of frontage, shall not exceed \$53.56. The assessment for Lots 1 – 7, Block 1-A in Tierra Yellowstone Subdivision, Tract 24 of Certificate of Survey No. 1147, Lots 1 – 4, 16, and 17, Block 1 in the parcel to be Gabel Road Commercial Center Subdivision, Lot 2, 3-A, 4-A-1, 4-B, 5-A, and 5-B in Parko Industrial Center Subdivision, and Lots 1 and 12, Block 1 in Millennium Market Subdivision for Assessment X is shown on Part III, hereto.

7.2. Assessment Methodologies Equitable and Consistent With Benefit. This Council hereby determines that the methods of assessment and the assessment of costs of the specific improvements against the properties benefited thereby as prescribed in this Section 7 are equitable in proportion to and not exceeding the special benefits derived from the respective improvements by the lots, tracts, and parcels to be assessed therefore within the District.

Section 8. Payment of Assessments. The special assessments for the costs of the Improvements shall be payable over a term not exceeding 15 years, each in equal semiannual installments of principal, plus interest, or equal semiannual payments of principal and interest, as this Council shall prescribe in the resolution authorizing the issuance of the Bonds. Property Owners have the right to prepay assessments as provided by law. Further, all owners shall have the opportunity to prepay their assessments prior to sale of the SID bonds.

Section 9. Method of Financing; Pledge of Revolving Fund; Findings and Determinations. The City will issue the Bonds in an aggregate principal amount not to exceed \$8,735,000 in order to finance the costs of the Improvements. Principal of and interest on the Bonds will be paid from special assessments levied against the properties in the District. This Council further finds it is in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and hereby authorizes the city to enter into the undertakings and agreements authorized in Section 7-12-4225 in respect of the Bonds.

In determining to authorize such undertakings and agreements, this Council has taken into consideration the following factors:

- (a) **Estimated Market Value of Parcels.** The estimated market value of the

lots, parcels, or tracts in the District as of the date of adoption of this resolution, as estimated, by the County Assessor for property tax purposes ranges from \$945.00 to \$1,629,559.00, and is set forth in Exhibit E. The average market value is \$67,583.37 with the median being \$32,442.00. The estimated market value of the lots, parcels, or tracts after the Improvements have been completed as estimated by the Engineer based on the current market values of the properties for property tax purposes, will increase as a result of the Improvements in an amount not less than the amount of proposed assessment of each lot, tract, or parcel of land.

(b) **Diversity of Property Ownership**. There are 76 parcels to be assessed within the District. Of the 76 parcels, one property owner owns 26 parcels, one property owner owns 7 parcels, one property owner owns 6 parcels, one property owner owns 5 parcels each, one property owner owns 4 parcels each and the remaining 28 properties are owned by a variety of property owners.

(c) **Comparison of Special Assessments and Property Taxes and Market Value**. Based on an analysis of the aggregate amount of the proposed, any outstanding special assessments (whether or not delinquent), and any delinquent property taxes (as well as any known industrial development bonds theretofore issued and secured by a mortgage against a parcel in the District) against each lot, parcel, or tract in the District in comparison to the estimated market value of such lot, parcel, or tract after the Improvements, the City concludes that, overall, the estimated market value of the lots, tracts, or parcels of land in the District exceeds the sum of special assessments, delinquent property taxes, and current assessments and is set forth in Exhibit E.

(d) **Delinquencies**. An analysis of the amount of delinquencies in the payment of outstanding special assessments or property taxes levied against the properties in the District shows that of 76 properties, 2 properties, or 2.6%, is delinquent as set forth in Exhibit E.

(e) **The Public Benefit of the Improvements**. The total estimated cost of installing these public improvements is \$8,735,000.00, the full cost of which would be recovered through direct assessments to property owners within the District. The public improvements contemplated under the terms of this proposed District include the installation of water mains in South 30th Street West south of Gabel Road; Millennium Circle West of 29th Street West; Millennium Circle North of Gabel Road; and in streets south of Hesper Road East of Gabel Road. The new water mains would provide needed water system for new development in the area. The street improvements to be built from Hesper Road to Zoo Drive on Gabel Road would give an alternate route to the large traffic volumes that enter Billings by Shiloh Road from the Zoo Drive Interstate Exit. The street improvements to Gabel Road from South 29th to South 32nd Streets and to South 29th from Gabel Road north will greatly improve a deficient arterial road conditions. The public improvements contemplated under the

terms of this proposed District are required by the City Subdivision, Site Development and Zoning Ordinances in order for the parcels to develop.

(f) **Remaining Special Improvement Districts.** An analysis of the number and amount of existing Special Improvement Districts shows that there are no Sid's currently being assessed to properties in the contemplated district.

(g) **Raw Land Requirement.** The total cost of the proposed SID is \$8,735,000.00. Exhibit F demonstrates that the Raw Land Requirement as set forth in the Special Improvement District Policy Resolution adopted by the City of Billings City Council on May 11, 1987 is satisfied. The policy states that more than 51% of the properties within the District have occupied structures located thereon. The proposed SID has 53.42% of the District with occupied structures on the properties.

Section 10. Reimbursement Expenditures.

10.01. Regulations. The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

10.02. Prior Expenditures. Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures permitted to be reimbursed under the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Improvements have been paid by the City before the date 60 days before the date of adoption of this resolution.

10.03. Declaration of Intent. The City reasonably expects to reimburse the expenditures made for costs of the Improvements out of the proceeds of Bonds in an estimated maximum aggregate principal amount of \$8,735,000.00 after the date of

payment of all or a portion of the costs of the Improvements. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

10.04. Budgetary Matters. As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Improvements, other than pursuant to the issuance of the Bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

10.05. Reimbursement Allocations. The City's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the Improvements. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Improvements and shall specifically identify the actual original expenditure being reimbursed.

Section 11. Public Hearing Protests. At any time within fifteen (15) days from and after the date of the first publication of the notice of the passage and approval of this resolution, any owner of real property within the District subject to assessment and taxation for the cost and expense of making the Improvements may make and file with the City Clerk until 5:00 p.m., M.T., on the expiration date of said 15-day period (January 10, 2003), written protest against the proposed Improvements, or against the extension or creation of the District or both, and this Council will at its next regular meeting after the expiration of the fifteen (15) days in which such protests in writing can be made and filed, proceed to hear all such protests so made and filed; which said, regular meeting will be held on Monday the 13th day of January 13, 2003, at 7:30 p.m., in the Council Chambers, at 220 North 27th Street, in Billings, Montana.

Section 12. Notice of Passage of Resolution of Intention. The City Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the Billings Times, a newspaper of general circulation in the county on December 26, 2002, and January 2, 2003, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to every person, firm, corporation, or the agent of such person, firm, or corporation having real property within the District listed in his or her name upon the last completed assessment roll for state, county, and school district taxes, at his last-known address, on or before the same day such notice is first published.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana,

this 9th day of December 2002.

THE CITY OF BILLINGS:

Charles F. Tooley

Mayor

Attest:

Marita Herold, CMC

City Clerk