

99-17469

**RESOLUTION NO. 99-17458**

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1342; 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, street paving, curb and gutter, and appurtenant devices, as more particularly described in Section 4. The total estimated costs of the Improvements are \$232,396.08. As used herein, the costs of the Improvements shall include the costs of construction and contingency, engineering, testing, and construction administration. The costs of the Improvements are to be paid from the following sources: (1) Special Improvement District bonds hereinafter described; and (2) \$132,797.76 of cash contribution by S.D. Helgeson, Inc., the owner of 12 of the 21 lots in the District (the "Developer Properties"), as more particularly described in Sections 6 and 9(f). 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 a portion of the 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, and 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 \$118,000.00. 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 \$250,797.76.

**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. 1342 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 B 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 Exhibits D, E and F 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 B, C, D, E and F 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 1. 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 the construction of the following in the 1,192 centerline feet of Eastlake and Westlake Circle.

- a) Water mains and services;
- b) Sanitary sewer mains and services;
- c) Street base gravel and asphalt paving; and

d) Concrete curb and gutter.

**Section 6. Engineer and Estimated Cost.** Engineering, Inc. shall be the engineer for the District. The Engineer has estimated that the costs of the Improvements, including all incidental costs, is \$250,797.76. The principle developer, S.D. Helgeson, Inc., will make a cash contribution to the project in the amount of \$132,797.76 as described in Section 9(f). The remaining costs of \$118,000.00, which includes costs associated with the sale of Bonds and other incidental costs, will be financed by the sale of the Bonds as described in Section 1 and assessments to pay the Bonds will be levied against all 21 parcels in the District as shown in Exhibit D (which is attached hereto and incorporated herein) and as more fully explained in Section 7.

**Section 7. Assessment Methods.**

**7.1. Property to be Assessed.** All properties within the District are to be assessed for the costs of the Improvements, as specified herein. The costs of the Improvements shall be assessed against the property in the District benefiting from the Improvements, based on the assessable area and equal amount method of assessment described in Section 7-12-4162, MCA, as particularly applied and set forth in this Section 7.

**7.2. Assessable Area.** All properties in the District will be assessed for their proportionate share of the costs of the Improvements. For the purposes of equitably apportioning special benefit to each lot, tract or parcel of land in the District, the Engineer has determined that each lot shall equally bear the costs of Improvements and has assigned an assessable area to each lot, tract or parcel as set forth in Exhibit D hereto to arrive at an equal cost for the Improvements.

The costs of the Improvements attributable to each lot in the District is \$11,066.48. The owner of the Developer Properties will make a cash contribution of \$132,797.76 which represents a cash contribution toward the costs of Improvements for each of the 12 lots in the amount of \$11,066.48. That amount shall be assessed against each lot, tract, or parcel of land in the District for that part of those costs that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts, or parcels of land in the District, exclusive of streets, avenues, and alleys. The total assessable area of Developer Properties parcels to be assessed is 135,720 square feet (11,310 square feet per lot for 12 lots). The costs of the Improvements and the properties share of the incidental costs assessable to Developer Properties parcels per square foot of assessable area shall not exceed \$0.978468629. The assessment for each of the Developer Properties parcels is shown on Exhibits D, E and F attached hereto.

The costs of the Improvements attributable to the 9 parcels in the District not making a cash contribution to the cost of the Improvements (the "Non-Developer Properties"), shall consist of the full cost of the Improvements assessable against each lot (\$11,066.48) for a total of \$99,598.32, plus the proportionate share of the incidental costs of issuing the Bonds (\$2,044.63 per lot). The total of \$118,000.00 shall be assessed against each lot, tract, or parcel of land in the District that is not owned by Developer Properties for that part of the costs of the Improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all non-Developer Properties lots, tracts, or parcels of land in the District, exclusive of streets, avenues, and alleys. The total assessable area of non-Developer Properties parcels is 101,790 square feet (11,310 square feet per lot for 9 lots). The costs of the Improvements and the properties share of the incidental costs to be financed by the Bonds assessable to non-Developer Properties parcels per square foot of assessable area shall not exceed a total of \$1.159249461. The assessment for each of the non-Developer Properties parcels for the Improvements is shown on Exhibit D hereto.

**Section 8. Payment of Assessments.** The special assessments for the cost of the Improvements shall be payable over a term of 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 Bonds. Property owners have the right to prepay assessments as provided by law.

**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 \$118,000.00 in order to finance a portion of the costs of the improvements. Principal of and interest on the Bonds will be paid from special assessments levied against the 21 parcels in the District, as described in Section 7 hereof. 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, is set forth in Exhibits E and F hereto (which are hereby incorporated herein and made a part hereof). The special assessments to be levied under Section 7 against each lot, parcel or tract in the District is less than the increase in estimated market value of the lot, parcel or tracts a result of the construction of the Improvements.

b) **Diversity of Property Ownership.** There are a total of 21 parcels within the district boundaries. No improvements, public or private, are located on any of the parcels within the District.

Twelve (12) of these parcels are owned by S.D. Helgeson, Inc. There are 7 owners of the remaining 9 lots, with Schneiter Enterprises owning 3 lots, and 6 separate individual parties owning one lot each.

c) **Comparison of Special Assessments, Property Taxes and Market Value.** As noted on Exhibit E, the average market value for all lots within the District is \$2,579.52 with a low of \$1,222.00, a high of \$3,986.00 and a median of \$3,245.00. This low market value is directly related to the fact that these lots are unable to be developed until such time as the Improvements contemplated under this District are installed.

Discussions with local real estate professionals indicate that the existing market values in no way represent the true market value of subdivided golf course properties served by full public improvements. The market value of other recently developed subdivisions in Billings with similar sized parcels with similar types of surrounding units, have market values of between \$30,000.00 and \$50,000.00. According to local real estate professionals, it is expected that these lots, given their location inside of Lake Hills Golf Course, would have similar market values upon the completion of the improvements contemplated by this district.

It is expected that the increase in market value will exceed the sum of the special assessments and current property taxes.

All of the parcels included within this district are subject to existing assessments under existing Special Improvement Districts 1245 and 1259. As shown on Exhibit G attached hereto and incorporated herein, SID 1245 is scheduled for payout in November, 1999. The average payoff under this SID is \$9.97 with a low of \$8.23 and a high of \$14.86. The average annual principal payment is \$9.97. SID 1259 will be paid out in May 2000 and has an average payoff per parcel of \$75.41, a low of \$61.85, and a high of \$112.62. The average annual principal payment is \$37.68.

Given the low average payoff amount and per year principal payment, these existing special assessments, together with the assessments proposed under this District, when considered relative to the increase of market value of the properties as described above, would not be expected to create an unusual need for loans from the Revolving Fund.

d. **Delinquencies.** Exhibit H (attached hereto and incorporated herein) shows the delinquency history of the parcels included within this district for tax years 1993 through 1998.

Obviously, the parcels within this District have a long history of delinquent tax payments. The primary basis for the large delinquency rate has been attributed to the inability to develop these lots due to the lack of public improvements. Historically, these parcels, together with other undeveloped parcels in Lake Hills Subdivision, have been delinquent for three or more years and subsequently were placed on County tax rolls. These parcels would then be obtained at County Tax Auction. Many times they were purchased sight unseen by non-resident owners. The attraction to bidding on the properties was the fact that they were located within the interior of the Lake Hills Golf Course. However, upon discovering that the parcel could not be developed, the new owner would let the parcels, once again, become delinquent and the parcel would ultimately return to the County tax rolls.

During the last several years, the County Clerk and Recorder, under approval of the County Commissioners, abandoned the practice of placing individual tax deed parcels from this area on the County Tax Deed Auction. Rather, he aggregated the delinquent tax parcels into groups of parcels and then negotiated with local developers to acquire these parcels in whole. In this particular area, Lakewood Properties, Inc. acquired options on approximately 200 parcels in Lake Hills Subdivision. This District represents the second phase of development of these parcels. Lakewood Properties has exercised their options on the lots within Lake Hills Subdivision and do, in fact, own fee title interest in the properties. Based on past history of other developments by Lakewood Properties, no unusual rate of delinquency would be expected. Lakewood Properties sold 12 of these lots in the District to S.D. Helgeson, Inc. who owns and lives in a new home immediately adjacent to the District. In addition, the cash contributions referenced in Sections 6 and 9(f) reflect participation by S.D. Helgeson, Inc. for 12 lots that they own, and provides additional security that, in order to recover their initial cash investment, S.D. Helgeson, Inc. will make their annual tax and District special assessment payments.

As noted above, the primary reason why the properties within this area have become delinquent in the past is due to the inability for these parcels to develop given the lack of public improvements. Given the desirable location of these parcels (within the interior of Lake Hills Golf Course) and the high levels of residential development currently occurring in Billings (including adjacent areas of Lake Hills Subdivision that do have existing public improvements), it would be expected that development on the lots within this District would begin almost immediately.

Therefore, given the ability to now develop these in a relatively short time frame, it is unlikely that unusual delinquencies in tax payments will occur. As a result, loans from the Revolving Fund to this District would not be anticipated.

e. **The Public Benefit of the Improvements.** Improvements contemplated under this District are required by the City Subdivision, Site Development and Zoning Ordinances in order for the parcels to develop with single family residential structures. (It should be noted that all lands within the District are zoned Residential, R-9600, the least dense residential zoning in Billings.) Further, the improvements contemplated under this District are consistent with the improvements recommended under the Lake Hills Stormwater Management Master Plan.

f. **Other Factors.** As previously noted, the majority property owner in this District, S.D. Helgeson, Inc. will pay a cash contribution to the project. The total cash contribution is equal to \$132,797.76 (\$11,066.48 per parcel) and represents 57.14 percent of the construction and administrative costs of the Improvements. This condition is necessary to satisfy the City's Special Improvement District Policy regarding raw land subdivision.

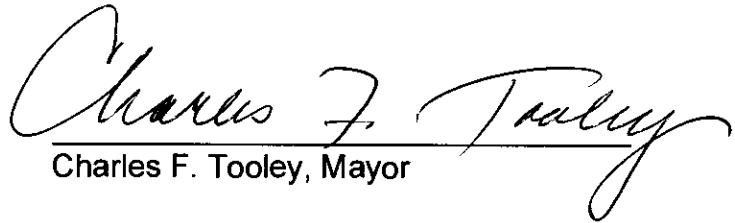
The Developer Properties are shown in Exhibit I, attached hereto and incorporated herein.

**Section 10. Public Hearing Protests.** At any time within 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 (July 9, 1999), 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 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 12th day of July, 1999 at 7:30 p.m., in the City Council Chamber, at City Hall, in Billings, Montana.

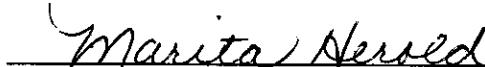
**Section 12. Notice of Passage of Resolution of Intention.** The City Clerk is hereby authorized and directed to publish or cause to be published a copy of the notice of passage of this resolution in the Billings Times, a newspaper of general circulation in the County on June 24, 1999 and July 1, 1999, 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, as 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 14th day of June, 1999.



Charles F. Tooley, Mayor

Attest:



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Marita Herold, CMC, City Clerk

**EXHIBIT \_A\_, COST ANALYSIS**

81078.12  
(eastwestlake)  
April 12, 1999

**ENGINEER'S OPINION OF PROBABLE COST**  
**S.I.D. No. 1342**  
**EASTLAKE & WESTLAKE CIRCLE**  
**LAKE HILLS SUB, 23rd & 24th FILINGS**

FOR: SPECIAL IMPROVEMENT DISTRICT NO. 1342  
TO PROVIDE WATER, SANITARY SEWER AND STREET IMPROVEMENTS  
LAKE HILLS SUB., BILLINGS, YELLOWSTONE COUNTY, MONTANA.

**SCHEDULE I - UTILITIES**

ITEM NO.	EST. QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
101	2	EA	CONNECT TO EXISTING SEWER MAIN	@ \$800.00 /EA=	\$1,600.00
102	1,073	LF	8-INCH SANITARY SEWER	@ 22.00 /LF=	23,606.00
103	21	EA	6-INCH SEWER SERVICE TEE	@ 145.00 /EA=	3,045.00
104	460	LF	6-INCH SEWER SERVICE PIPE	@ 20.00 /LF=	9,200.00
105	6	EA	SANITARY SEWER MANHOLE	@ 1,500.00 /EA=	9,000.00
106	30	VF	EXTRA DEPTH MANHOLE	@ 75.00 /VF=	2,250.00
107	2	EA	CONNECT TO EX. 8-INCH WATER MAIN	@ 750.00 /EA=	1,500.00
108	1,160	LF	8-INCH WATER MAIN	@ 22.00 /LF=	25,520.00
109	1	EA	8-INCH GATE VALVE	@ 800.00 /EA=	800.00
110	2	EA	8 x 8 x 6-INCH HYDRANT TEE (RELOCATED)	@ 260.00 /EA=	520.00
111	1	EA	8 x 8 x 6-INCH HYDRANT TEE (NEW)	@ 280.00 /EA=	280.00
112	6	EA	8-INCH BEND	@ 200.00 /EA=	1,200.00
113	2	EA	FIRE HYDRANT (RELOCATE)	@ 950.00 /EA=	1,900.00
114	1	EA	FIRE HYDRANT (NEW)	@ 1,600.00 /EA=	1,600.00
115	2	EA	6-INCH HYDRANT VALVE (RELOCATE)	@ 660.00 /EA=	1,320.00
116	1	EA	6-INCH HYDRANT VALVE (NEW)	@ 700.00 /LF=	700.00
117	56	LF	6-INCH HYDRANT PIPE	@ 24.00 /EA=	1,344.00
118	21	EA	1-INCH WATER SERVICE	@ 125.00 /LF=	2,625.00
119	520	LF	1-INCH WATER SERVICE PIPE	@ 15.00 /EA=	7,800.00
120	196	CY	TYPE TWO BEDDING	@ 26.00 /EA=	5,096.00

**SUBTOTAL SCHEDULE I - UTILITIES** **\$100,906.00**

**ENGINEER'S ANALYSIS OF PROBABLE COST**  
**S.I.D. No. 1342**  
**LAKE HILLS SUB, 23rd & 24th FILING, EASTLAKE & WESTLAKE CIRCLE**

**SCHEDULE II - STREETS**

ITEM NO.	EST. QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
201	1,580	CY	UNCLASSIFIED STREET EXCAVATION	@ 4.00 /CY=	6,320.00
202	1,090	CY	1 1/2-INCH BASE GRAVEL	@ 16.00 /CY=	17,440.00
203	820.00	TN	ASPHALT SURFACE COURSE	@ 22.00 /TN=	18,040.00
204	53.00	TN	ASPHALT OIL	@ 130.00 /TN=	6,890.00
205	2,384	LF	STANDARD CURB AND GUTTER	@ 9.80 /LF=	23,363.20
206	6	EA	ADJUST MANHOLE TO GRADE	@ 250.00 /EA=	1,500.00
207	4	EA	ADJUST VALVE BOX TO GRADE	@ 200.00 /EA=	800.00
208	3	EA	INTERSECTION MONUMENT BOX	@ 350.00 /EA=	1,050.00
209	2	EA	9 BUTTON ROAD END SIGN (REMOVE)	@ 50.00 /EA=	100.00
<b>SUBTOTAL SCHEDULE II - STREETS</b>				= \$	<b>75,503.20</b>
					<b>\$176,409.20</b>
					<b>\$12,348.64</b>
					<b>\$188,757.84</b>

**ENGINEER'S ANALYSIS OF PROBABLE COST**  
**S.I.D. No. 1342**  
**LAKE HILLS SUB, 23rd & 24th FILING, EASTLAKE & WESTLAKE CIRCLE**

<b>ADMINISTRATIVE COSTS</b>		
SID PRECREATION DOCUMENTS		\$5,200.00
PRELIMINARY ENGINEERING AND DESIGN		\$16,200.00
CONSTRUCTION LAYOUT AND REVIEW		\$18,400.00
QUALITY CONTROL AND TESTING		\$3,780.00
WATER AND SEWER EXTENSION APPLICATION		\$58.24
		<hr/>
SUBTOTAL ADMIN. COSTS	=	\$43,638.24
SUBTOTAL CONSTRUCTION PLUS ADMIN. COSTS	=	\$232,396.08
LESS 57% CASH CONTRIBUTED TO SID FOR 12 LOTS	=	(\$132,797.76)
SUB-TOTAL SID COSTS	=	\$99,598.32

**Cost Analysis**

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<b>COST PER LOT</b>		
\$232,396.08 / 21	=	\$11,066.48
HELGESON CASH CONTRIBUTION PER LOT		
\$132,797.76 / 12	=	\$11,066.48
HELGESON COST PER LOT TO FINANCE		
\$11,066.48 - (\$11,066.48)	=	\$0.00
		<hr/>
HELGESON CASH CONTRIBUTION TO DISTRICT	=	\$132,797.76
PLUS 1% PRIVATE CONTRACT FEE	=	\$1,327.98
<b>TOTAL CASH CONTRIBUTION REQUIRED</b>	=	<b>\$134,125.74</b>

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**ENGINEER'S ANALYSIS OF PROBABLE COST**  
**S.I.D. No. 1342**  
**LAKE HILLS SUB, 23rd & 24th FILING, EASTLAKE & WESTLAKE CIRCLE**

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**TOTAL FUNDS NECESSARY THRU BOND SALE**

	9 LOTS @	\$11,066.48	=	\$99,598.32
	12 LOTS @	\$0.00	=	\$0.00
	TOTAL CONST, CONTG, CONST ADMIN SUBJECT TO BOND SALE		=	<u>\$99,598.32</u>

**% OF TOTAL COSTS**

	\$99,598.32 /	\$232,396.08	=	0.428571429
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**SHARE OF CONST & CONTING COSTS**

**SUBJECT TO BOND SALE**

	\$188,757.84 X	0.428571429	=	\$80,896.22
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	SID ADMIN COSTS (as a % of Const & contingency costs)		=	\$80,896.22
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	ADMIN FEES (2.5%) =	\$2,022.41		
	FINANCE FEES (2.5%) =	\$2,022.41		
	ADVANCED COSTS =	<u>\$4,000.00</u>		
	TOTAL SIO ADMINISTRATIVE COSTS	=	<u>\$8,044.81</u>	

	TOTAL CONSTRUCTION COSTS		=	\$99,598.32
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	TOTAL ADMINISTRATIVE COSTS		=	<u>\$8,044.81</u>
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	SUBTOTAL		=	<u>\$107,643.13</u>
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	5% REVOLVING FUND		=	\$5,900.00
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	3.5% BOND DISCOUNT		=	\$4,130.00
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	BOND ROUNDING		=	<u>\$326.87</u>
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	TOTAL BONDING COSTS		=	<u>\$10,356.87</u>
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	<b>TOTAL BONDS REQUIRED</b>		=	<b><u>\$118,000.00</u></b>
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	TOTAL PROJECT COST		=	\$250,797.76
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## ENGINEER'S ANALYSIS OF PROBABLE COST

S.I.D. No. 1342

LAKE HILLS SUB, 23rd & 24th FILING, EASTLAKE & WESTLAKE CIRCLE

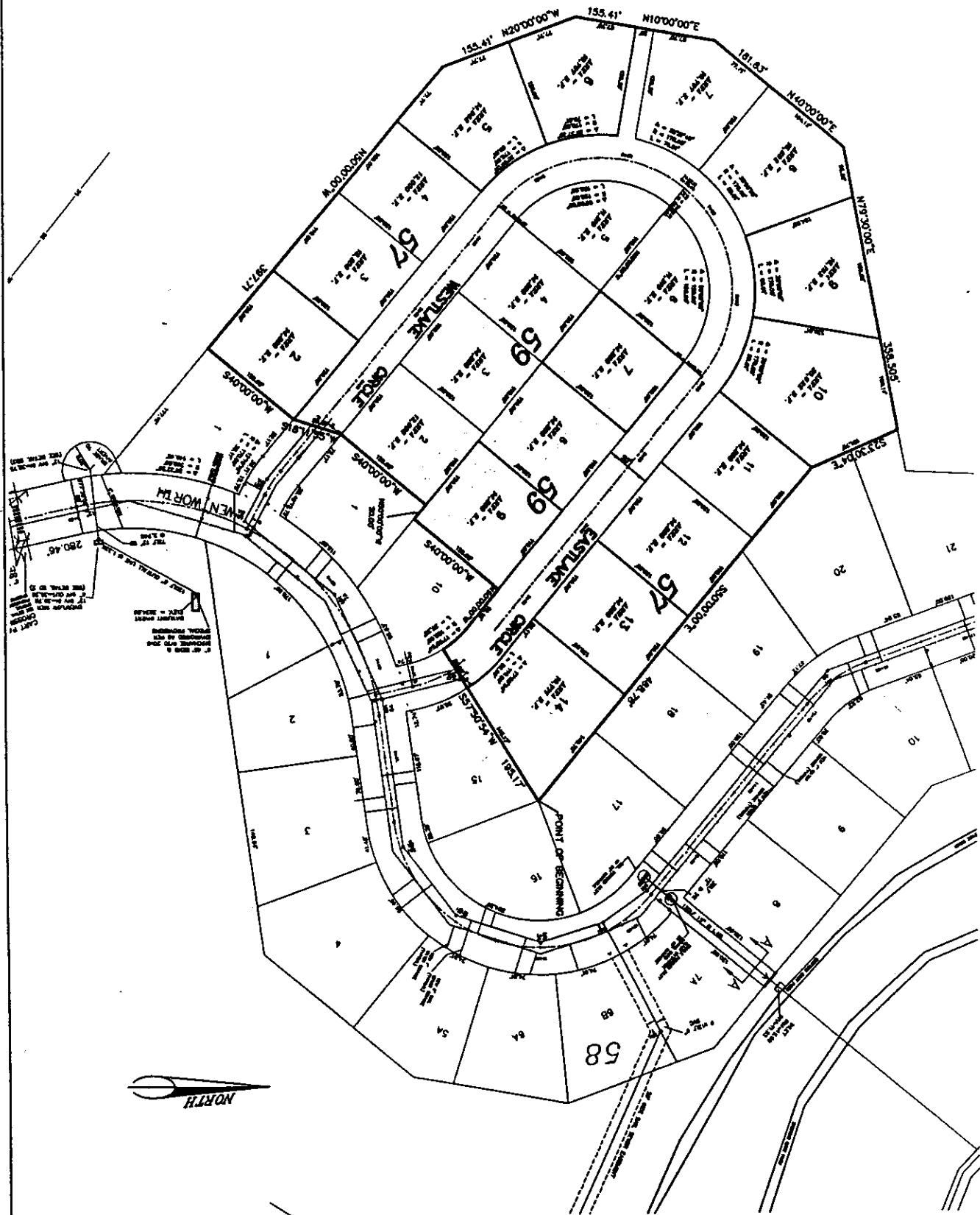
CASH (Helgeson)			
Cash Contribution on 12 Lots	@	\$11,066.48 /lot=	\$132,797.76
		Subtotal Cash = A	= \$132,797.76
<u>Balance Assessed in SID</u>			
9 LOTS (Other Owners)	@	\$11,066.48 /lot=	\$99,598.32
12 LOTS (Helgeson)	@	\$0.00 /lot=	\$0.00
		Subtotal SID = B	= \$99,598.32
		Plus Admin Costs	= \$8,044.81
		Plus Bonding Costs	= \$10,356.87
BONDED COSTS			= \$118,000.00
 SID BONDED COST			
LESS CONST COST		<u>(\$99,598.32)</u>	
SID Admin & Bond		\$18,401.68	
" as % of Total Cost		\$18,401.68 / \$99,598.32	= 0.184758946
Per Lot Share Of Bond Costs			
Non Cash Contribution Lots		\$11,066.48 X 0.184758946 =	\$2,044.63
Cash Contribution Lots		\$0.00 X 0.184758946 =	\$0.00
		 \$11,066.48	
		<u>\$2,044.63</u>	
Non Cash Contribution Lots		\$13,111.11 X 9 lots=	\$118,000.00
		 \$0.00	
Cash Contribution Lots		<u>\$0.00</u> X 13 lots=	<u>\$0.00</u>
			\$118,000.00
 <u>SUMMARY OF LOT COSTS</u>			
Helgeson		12 LOTS PRE-PAID CASH CONTRIBUTION @	\$11,066.48 /lot=
Helgeson		12 LOTS BALANCE FINANCED SID @	\$0.00 /lot=
Others		9 LOTS FINANCED SID @	\$13,111.11 /lot=
			= \$118,000.00
		TOTAL PROJECT COST	= \$250,797.76
		 CASH =	\$132,797.76
		BONDED =	<u>\$118,000.00</u>
		TOTAL PROJECT COSTS =	\$250,797.76
 <u>Assessment Rates</u>			
Helgeson		\$132,797.76 / 135,720	SF= 0.978468629
Others		\$118,000.00 / 101,790	SF= 1.159249461
iii		"Base" Rate = 0.978468629	All Lots
iii		"Other" Rate = 0.180780833	Non Cash Lots

**EXHIBIT B**  
**DISTRICT BOUNDARY DESCRIPTION**

**SID 1342**  
**LAKE HILLS, 23RD AND 24TH FILINGS**  
**EASTLAKE AND WESTLAKE CIRCLE**

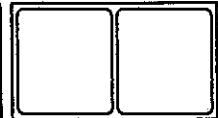
The district boundary encompasses a gross area, exclusive of streets and other rights-of-way, of 287,700 square feet in Lots 2 through 14, Block 57 and Lots 2 through 9, Block 59; Lake Hills Subdivision, 23rd and 24th Filings with a total net assessable area of 237,510 square feet more particularly described as follows:

Beginning at a point which is the corner common to Lots 14, 15, 16, and 17, Block 57, Lake Hills Subdivision, 23rd Filing; thence, S57°50'54"W a distance of 195.17 feet; thence, along a non-tangent curve to the left with  $\Delta = 17^{\circ}50'54"$ , R = 120.00 feet a distance of 37.38 feet; thence, N50°00'00"W a distance of 52.18 feet; thence, S40°00'00"W a distance of 120.00 feet; thence, N50°00'00"W a distance of 20.00 feet; thence, S40°00'00"W a distance of 120.00 feet; thence, S18°11'55"W a distance of 53.85 feet; thence, S40°00'00"W a distance of 120.00 feet; thence, N50°00'00"W a distance of 397.71 feet; thence, N20°00'00"W a distance of 155.41 feet; thence, N10°00'00"E a distance of 155.41 feet; thence, N40°00'00"E a distance of 181.83 feet; thence, N79°30'00"E a distance of 358.505 feet; thence, S23°30'04"E a distance of 101.79 feet; thence, S50°00'00"E a distance of 468.78 feet to the point of beginning, encompassing a gross area, exclusive of streets and rights-of-way, of 287,700 square feet and a net assessable area of 237,510 square feet; same being 11,310 square feet of assessable area in each of said 21 lots within this district.



SD 1342  
EASTLAKE AND WESTLAKE CIRCLE  
LAKE HILLS SUBDIVISION  
BILLINGS, MONTANA

DISTRICT BOUNDARY DISTRICT B



**ENGINEERING, INC.**  
CONSULTING ENGINEERS & LAND SURVEYORS  
SUITE 200 CREEKSIDE  
1001 SO. 24TH ST. WEST  
BILLINGS, MONTANA 59106-1346  
(406) 256-3226

**EXHIBIT C**  
**IMPROVEMENTS DESCRIPTION**

**SID 1342**  
**LAKE HILLS, 23RD AND 24TH FILINGS**  
**EASTLAKE AND WESTLAKE CIRCLE**

The improvements as detailed in Exhibit A include:

1. The extension of 1,073 lineal feet of 8-inch sanitary sewer with 6 manholes and 21 services from existing connection points in Eastlake and Westlake Circle at the district boundary line.
2. The extension, and looping, of 1,160 lineal feet of 8-inch water main from stubouts left at the district boundary line; including 2 fire hydrants to be relocated, one new one installed, along with 21 new 1-inch water services installed to the lot lines.
3. The extension of Eastlake and Westlake Circle grading, graveling, paving and providing 2,384 lineal feet of curb and gutter along approximately 1,192 centerline feet of new, 37-foot wide, back of curb to back of curb, new street; including appurtenant sign replacement, monument boxes, valves and manhole adjustments, along with optional drive approach installation to the lots.

All the above are shown in more detail in the map also labeled Exhibit C.



SID 1342  
EASTLAKE AND WESTLAKE CIRCLE  
LAKE HILLS SUBDIVISION  
BILLINGS, MONTANA

SIO 1342 EXHIBIT C



**ENGINEERING, INC.**  
CONSULTING ENGINEERS & LAND SURVEYORS

SUITE 200 CREEKSIDE  
1001 SO. 24TH ST. WEST  
BILLINGS, MONTANA 59106-1543  
406-256-3222

**EXHIBIT \_ D \_**

(D1ewl)

**SUMMARY OF ASSESSMENT AREAS****S.I.D. 1342 ,LAKE HILLS, Eastlake & Westlake Circle****Sorted by Tax Code Number**

<b>BLOCK AND LOT</b>	<b>Tax Code</b>	<b>Lot Area Square Feet</b>	<b>Assessment Area Square Feet</b>
<b>BLOCK 57</b>			
LOT 2	A-22742	13,200	11,310
LOT 3	A-22743	13,200	11,310
LOT 4	A-22744	12,000	11,310
LOT 5	A-22745	14,968	11,310
LOT 6	A-22746	13,767	11,310
LOT 7	A-22747	13,767	11,310
LOT 8	A-22748	15,592	11,310
LOT 9	A-22749	15,193	11,310
LOT 10	A-22750	20,622	11,310
LOT 11	A-22751	13,000	11,310
LOT 12	A-22752	14,300	11,310
LOT 13	A-22753	14,300	11,310
LOT 14	A-22754	16,771	11,310
<b>BLOCK 59</b>			
LOT 2	A-22805	12,000	11,310
LOT 3	A-22806	12,000	11,310
LOT 4	A-22807	12,000	11,310
LOT 5	A-22808	11,310	11,310
LOT 6	A-22809	11,310	11,310
LOT 7	A-22810	12,000	11,310
LOT 8	A-22811	13,200	11,310
LOT 9	A-22812	13,200	11,310
<b>Project Total Square Feet</b>		<b>Lot Area</b>	<b>287,700</b>
<b>Project Total Square Feet</b>		<b>Assessment Area</b>	<b>237,510</b>

**EXHIBIT E****S.I.D. 1342****Sorted by Market Value**

LAKE HILLS SUBDIVISION, 23rd &amp; 24th FILING, Eastlake &amp; Westlake Circle

(E2ewl)

81,078.12

April 12, 1999

BLOCK	LOT	TAX CODE	MARKET VALUE	TAXABLE VALUE	SID ASSESSMENT
59	6	A-22809	\$1,222.00	\$47.00	\$11,066.48
57	4	A-22744	\$1,250.00	\$48.00	\$11,066.48
59	2	A-22805	\$1,250.00	\$48.00	\$11,066.48
59	4	A-22807	\$1,250.00	\$48.00	\$11,066.48
57	11	A-22751	\$1,290.00	\$50.00	\$11,066.48
59	8	A-22811	\$1,298.00	\$50.00	\$11,066.48
57	12	A-22752	\$1,342.00	\$52.00	\$11,066.48
57	8	A-22748	\$1,394.00	\$54.00	\$11,066.48
59	5	A-22808	\$3,056.00	\$118.00	\$11,066.48
59	7	A-22810	\$3,125.00	\$121.00	\$13,111.11
57	2	A-22742	\$3,245.00	\$125.00	\$13,111.11
57	3	A-22743	\$3,245.00	\$125.00	\$11,066.48
59	3	A-22806	\$3,245.00	\$125.00	\$11,066.48
59	9	A-22812	\$3,245.00	\$125.00	\$13,111.11
57	6	A-22746	\$3,302.00	\$127.00	\$13,111.11
57	7	A-22747	\$3,302.00	\$127.00	\$11,066.48
57	13	A-22753	\$3,355.00	\$130.00	\$13,111.11
57	5	A-22745	\$3,422.00	\$132.00	\$13,111.11
57	14	A-22754	\$3,602.00	\$139.00	\$13,111.11
57	9	A-22749	\$3,744.00	\$145.00	\$13,111.11
57	10	A-22750	\$3,986.00	\$154.00	\$13,111.11
<b>TOTAL</b>			<b>\$54,170.00</b>	<b>\$2,090.00</b>	<b>\$250,797.76</b>
<b>LOWEST VALUE</b>		=	\$1,222.00	\$47.00	\$11,066.48
<b>HIGHEST VALUE</b>		=	\$3,986.00	\$154.00	\$13,111.11
<b>AVERAGE VALUE</b>		=	\$2,579.52	\$99.52	\$11,942.75
<b>MEDIAN VALUE</b>		=	\$3,245.00	\$125.00	\$11,066.48

**EXHIBIT F****S.I.D. 1342****Sorted by Assessment Value**

LAKE HILLS SUBDIVISION, 23rd &amp; 24th FILING, Eastlake &amp; Westlake Circle

(E3ewl)

81,078.12

April 12, 1999

BLOCK	LOT	Tax Code	MARKET VALUE	TAXABLE VALUE	SID ASSESSMENT
59	6	A-22809	\$1,222.00	\$47.00	\$11,066.48
57	4	A-22744	\$1,250.00	\$48.00	\$11,066.48
59	2	A-22805	\$1,250.00	\$48.00	\$11,066.48
59	4	A-22807	\$1,250.00	\$48.00	\$11,066.48
57	11	A-22751	\$1,290.00	\$50.00	\$11,066.48
59	8	A-22811	\$1,298.00	\$50.00	\$11,066.48
57	12	A-22752	\$1,342.00	\$52.00	\$11,066.48
57	8	A-22748	\$1,394.00	\$54.00	\$11,066.48
59	5	A-22808	\$3,056.00	\$118.00	\$11,066.48
57	3	A-22743	\$3,245.00	\$125.00	\$11,066.48
59	3	A-22806	\$3,245.00	\$125.00	\$11,066.48
57	7	A-22747	\$3,302.00	\$127.00	\$11,066.48
59	7	A-22810	\$3,125.00	\$121.00	\$13,111.11
57	2	A-22742	\$3,245.00	\$125.00	\$13,111.11
59	9	A-22812	\$3,245.00	\$125.00	\$13,111.11
57	6	A-22746	\$3,302.00	\$127.00	\$13,111.11
57	13	A-22753	\$3,355.00	\$130.00	\$13,111.11
57	5	A-22745	\$3,422.00	\$132.00	\$13,111.11
57	14	A-22754	\$3,602.00	\$139.00	\$13,111.11
57	9	A-22749	\$3,744.00	\$145.00	\$13,111.11
57	10	A-22750	\$3,986.00	\$154.00	\$13,111.11
<b>TOTAL</b>			<b>\$54,170.00</b>	<b>\$2,090.00</b>	<b>\$250,797.76</b>
<b>LOWEST VALUE</b>		=	\$1,222.00	\$47.00	\$11,066.48
<b>HIGHEST VALUE</b>		=	\$3,986.00	\$154.00	\$13,111.11
<b>AVERAGE VALUE</b>		=	\$2,579.52	\$99.52	\$11,942.75
<b>MEDIAN VALUE</b>		=	\$3,245.00	\$125.00	\$11,066.48

**EXHIBIT - G - SUMMARY OF EXISTING SID DATA**

**S.I.D. 1342**

**LAKE HILLS SUBDIVISION, 23rd & 24th FILING, Eastlake & Westlake Circle**

**SID 1245, Payout in November, 1999, @ 6.209165% Interest  
SID 1259, Payout in May, 2000, @ 8.613% Interest**

BLOCK AND LOT	Tax Code	Current Payoff		Total Payoff	Annual Principal Payment		Total Annual Payment
		SID 1245	SID 1259		SID 1245	SID 1259	
<b>BLOCK 57</b>							
LOT 2	A-22742	\$9.55	\$72.23	\$81.78	\$9.55	\$36.06	\$45.61
LOT 3	A-22743	\$9.55	\$72.23	\$81.78	\$9.55	\$36.06	\$45.61
LOT 4	A-22744	\$8.71	\$65.68	\$74.39	\$8.71	\$32.78	\$41.49
LOT 5	A-22745	\$10.80	\$81.79	\$92.59	\$10.80	\$40.90	\$51.70
LOT 6	A-22746	\$9.95	\$75.21	\$85.16	\$9.95	\$37.62	\$47.57
LOT 7	A-22747	\$9.95	\$75.21	\$85.16	\$9.95	\$37.62	\$47.57
LOT 8	A-22748	\$11.26	\$85.25	\$96.51	\$11.26	\$42.60	\$53.86
LOT 9	A-22749	\$11.52	\$86.95	\$98.47	\$11.52	\$43.48	\$55.00
LOT 10	A-22750	\$14.86	\$112.62	\$127.48	\$14.86	\$56.32	\$71.18
LOT 11	A-22751	\$9.35	\$71.06	\$80.41	\$9.35	\$35.52	\$44.87
LOT 12	A-22752	\$10.28	\$78.08	\$88.36	\$10.28	\$39.08	\$49.36
LOT 13	A-22753	\$10.28	\$78.08	\$88.36	\$10.28	\$39.08	\$49.36
LOT 14	A-22754	\$12.14	\$91.71	\$103.85	\$12.14	\$45.82	\$57.96
<b>BLOCK 50</b>							
LOT 2	A-22805	\$8.71	\$65.68	\$74.39	\$8.71	\$32.78	\$41.49
LOT 3	A-22806	\$8.71	\$65.68	\$74.39	\$8.71	\$32.78	\$41.49
LOT 4	A-22807	\$8.71	\$65.68	\$74.39	\$8.71	\$32.78	\$41.49
LOT 5	A-22808	\$8.23	\$61.85	\$70.08	\$8.23	\$30.90	\$39.13
LOT 6	A-22809	\$8.23	\$61.85	\$70.08	\$8.23	\$30.90	\$39.13
LOT 7	A-22810	\$9.55	\$72.23	\$81.78	\$9.55	\$36.06	\$45.61
LOT 8	A-22811	\$9.55	\$72.23	\$81.78	\$9.55	\$36.06	\$45.61
LOT 9	A-22012	\$9.55	\$72.23	\$81.78	\$9.55	\$36.06	\$45.61
<b>Totals =</b>				<b>\$1,792.97</b>			<b>\$1,000.70</b>
<b>Total SID 1245 =</b>		\$209.44			\$209.44		\$791.26
<b>Total SID 1259 =</b>			\$1,583.53				

**EXHIBIT - H -**  
**SUMMARY OF TAX DELINQUENCY DATA**

**S.I.D. 1342**

**LAKE HILLS SUBDIVISION, 23rd & 24th FILING, Eastlake & Westlake Circle**

(TaxDelQstan)  
81,078.12  
June 2, 1999

BLOCK AND LOT	Tax Code	Delinquent ? (If yes, amount given), Year						Total Years Delinquent
		1993	1,994	1995	1996	1997	1998	
<b>BLOCK 57</b>								
LOT 2	A-22742	NO	NO	NO	NO	NO	NO	0
LOT 3	A-22743	NO	NO	NO	NO	NO	NO	0
LOT 4	A-22744	+	\$125.98	\$123.57	\$124.24	\$121.40	NO	4
LOT 5	A-22745	NO	NO	NO	NO	NO	\$112.31	# 1
LOT 6	A-22746	NO	NO	NO	NO	NO	NO	0
LOT 7	A-22747	+	\$173.19	\$172.64	\$172.64	\$171.05	NO	4
LOT 8	A-22748	+	\$160.06	\$156.67	\$157.64	\$153.76	NO	4
LOT 9	A-22749	NO	NO	NO	NO	NO	NO	0
LOT 10	A-22750	NO	NO	NO	NO	NO	NO	0
LOT 11	A-22751	+	\$135.58	\$132.95	\$133.71	\$130.58	NO	4
LOT 12	A-22752	+	\$147.90	\$144.85	\$145.71	\$142.21	NO	4
LOT 13	A-22753	NO	NO	NO	NO	NO	\$107.92	# 1
LOT 14	A-22754	NO	NO	NO	NO	NO	NO	0
<b>BLOCK 59</b>								
LOT 2	A-22805	+	\$125.98	\$123.57	\$124.24	\$121.40	NO	4
LOT 3	A-22806	+	NO	NO	NO	NO	NO	0
LOT 4	A-22807	+	\$125.98	\$123.57	\$124.24	\$121.40	NO	4
LOT 5	A-22808	+	NO	NO	NO	NO	NO	0
LOT 6	A-22809	+	\$119.48	\$117.27	\$117.90	\$115.24	NO	4
LOT 7	A-22810	NO	NO	NO	NO	NO	NO	0
LOT 8	A-22811	+	\$137.37	\$134.63	\$135.40	\$132.21	NO	4
LOT 9	A-22812	NO	NO	NO	NO	NO	NO	0
<b>Total per Year =</b>		\$1,251.52	\$1,229.72	\$1,235.72	\$1,209.25	\$0.00	\$220.23	
<b>Total Six Years =</b>								\$5,146.44

+ = County Tax Deed Purchased By Lakewood Properties, Inc., Kenneth Holtar, President  
+ Taxes Not carried forward from Tax Deed, shown here for bond exhibits only  
# = second half of 1988 was due May 31, 1999

**EXHIBIT I**
**SUMMARY OF ASSESSMENT AREAS**  
**S.I.D. 1342, LAKE HILLS, Eastlake & Westlake Circle**  
**Sorted by Tax Code Number**

(D1Hewl)  
81,078.12  
April 12, 1999

BLOCK AND LOT	Tax Code	Lot	Assessment	Cost	Cost
		Area Square Feet	Area Square Feet	Per Lot	Per Lot S.I.D.
<b>BLOCK 57</b>					
LOT 2	A-22742	13,200	11,310		\$13,111.11
LOT 3	A-22743	13,200	11,310	\$11,066.48	
LOT 4	A-22744	12,000	11,310	\$11,066.48	
LOT 5	A-22745	14,968	11,310		\$13,111.11
LOT 6	A-22746	13,767	11,310		\$13,111.11
LOT 7	A-22747	13,767	11,310	\$11,066.48	
LOT 8	A-22748	15,592	11,310	\$11,066.48	
LOT 9	A-22749	15,193	11,310		\$13,111.11
LOT 10	A-22750	20,622	11,310		\$13,111.11
LOT 11	A-22751	13,000	11,310	\$11,066.48	
LOT 12	A-22752	14,300	11,310	\$11,066.48	
LOT 13	A-22753	14,300	11,310		\$13,111.11
LOT 14	A-22754	16,771	11,310		\$13,111.11
<b>BLOCK 59</b>					
LOT 2	A-22805	12,000	11,310	\$11,066.48	
LOT 3	A-22806	12,000	11,310	\$11,066.48	
LOT 4	A-22807	12,000	11,310	\$11,066.48	
LOT 5	A-22808	11,310	11,310	\$11,066.48	
LOT 6	A-22809	11,310	11,310	\$11,066.48	
LOT 7	A-22810	12,000	11,310		\$13,111.11
LOT 8	A-22811	13,200	11,310	\$11,066.48	
LOT 9	A-22812	13,200	11,310		\$13,111.11
				<b>\$132,797.76</b>	<b>\$118,000.00</b>

Project Total Square Feet Lot Area      287,700  
Project Total Square Feet Assessment Area      237,510