

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. 96-17088, entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1333; 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 AND SUPERSEDING AND REPEALING RESOLUTION NO. 96-17078" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on April 22, 1996, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: _____

Regnier, Davis, Deisz, Farmer, Creighton, Michunovich, Christad, Stone, Larson,
Elison; voted against the same: None

_____; abstained from voting thereon: None

_____; or were absent: None

WITNESS my hand officially this 22nd day of April, 1996.

Marita Herold CITY CLERK
Marita Herold, CMC

RESOLUTION NO. 96- 17088

A RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1333; 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 AND SUPERSEDING AND REPEALING RESOLUTION NO. 96-17078.

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 providing curb and gutter, driveway, sidewalk, water, storm drainage and paving improvements to property located in Lots 8-15, Block 9; and Lots 11-17, Block 14; Poly Vista Subdivision; Certificate of Survey 690, Certificate of Survey 706, and Certificate of Survey 843, Yellowstone County, Montana, as more particularly described in Section 5. The total estimated costs of the Improvements are \$276,000.00. The costs of the Improvements are to be paid from the **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 **\$52,100.00.** The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefitted by the Improvements in an amount not less than **\$52,100.00.**

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. 1333 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 A" hereto.

Section 4. Benefitted Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibits "A" and "B" are hereby declared to be the special improvement district and the territory which will benefit and be benefitted by the Improvements and will be assessed for all of the costs of the Improvements as described in Section 7. The improvements, in the opinion of this Council, are of more than local and ordinary benefit. The property included within said limits and boundaries is hereby declared to be the property benefitted by the Improvements.

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

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CONCRETE CURB AND GUTTER, ASPHALT SURFACING AND BASE COURSE GRAVEL, SIDEWALKS, DRIVEWAY APPROACHES, WATER MAINS AND APPURTENANT DEVICES, AND A STORM DRAINAGE RETENTION BASIN WILL BE INSTALLED in 38th Street West between Colton Boulevard and Poly Drive.

Section 6. Engineer and Estimated Cost. Engineering, Inc., P.O. Box 81345, Billings, Montana 59108 shall be the engineer for the District. The Engineer has estimated that the costs of the Improvements, including all incidental costs, is \$276,000.00.

Section 7. Assessment Methods. 7.01 Assessable Area. All of the costs and expenses of the district will be assessed against the benefitted property within the district, and each lot or parcel of land within the district will be assessed for that part of the whole costs which its assessable area bears to the total assessable area in the entire district, exclusive of streets and alleys, as shown on Exhibit A and B.

7.02. 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 benefitted thereby as prescribed in this Section 7 are equitable and in proportion to and not exceeding the special benefits derived from the respective Improvements by the lots, tracts and parcels to be assessed therefor 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 fifteen (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.

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 \$52,100.00 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 property 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 GIS System in Yellowstone County ranges from \$7,644 to \$1,430,700. The differences in the market values reflect whether or not the property is vacant. The majority of the Improvements are being assessed on an area basis and the market value of the property is proportional to the area of each lot. The properties on the east side of 38th Street West are zoned for Residential 9600 uses, and it is anticipated that once the improvements are completed, the unimproved lots will be sold for development or developed by the current owners, which Improvements will further increase the market value. The properties on the west side of 38th Street West are zoned R9600 and public and are partially developed by an

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elementary school (Certificate of Survey 843) and a public park (Certificate of Survey 690 and Certificate of Survey 706). The estimated market value of the lots 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 for each lot. The special assessments to be levied under Section 7 against each lot is less than the increase in estimated market value of the lot as a result of the construction of the improvements.

(b) Diversity of Property Ownership. Since the District represents residential and public zoned property, there is a diversity of property ownership. Of the 14 undeveloped lots in the District, a common owner holds 13 of the lots. These 13 lots account for approximately 50% of the total assessed area within the District. It should be noted that the owner will be paying for his share of the Improvement costs (\$136,300) in cash. The costs for the Improvements along his lot frontages are not part of the costs for which bonds will be issued.

Of the remaining five lots in the district, these are owned by four separate owners. Four of the lots are currently improved.

Certificate of Survey 690 and Certificate of Survey 706 are developed with a public park. The City of Billings will pay for its share of the Improvements (\$87,600) with cash.

For the bonds being sold, assessments will be levied against the remaining three lots as follows:

- 1) Certificate of Survey 843, developed with an elementary school, 73% of value of bonds; Lot 11, Block 14, vacant residential lot, 22% of value of bonds; and Lot 15, Block 9, developed residential, 5% of value of bonds.

(c) Comparison of Special Assessments and Property Taxes and Market Value. Based on an analysis of the aggregate amount of the proposed and 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 the estimated market value of the lots, tracts or parcels of land in the District exceeds the sum of special assessments, delinquent property taxes, current property taxes.

(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 the 18 properties, none were delinquent for tax years 1990 through 1994. Currently, there is one SID against properties in the District, with that being paid in the year 2000. Thirteen properties in the District have a remaining average payoff amount of \$975.14 for SID 1268, which is mature in the year 2000. The school property has a remaining payoff of \$31,212.83 for SID 1268 which matures in 2000. The other properties who were in SID 1268 have paid off their assessments as of the date of this Resolution. Based on this information, it is unlikely that a financial difficulty will arise, making it unlikely that a revolving loan will be required.

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(e) The Public Benefit of the Improvements. The total estimated cost of installing these public Improvements is \$276,000. As noted in Section 9(b), \$223,900 of the cost of the work will be paid by cash contributions. The owner of 13 of 14 of the vacant residential lots will be required to submit payment for his proportionate share of the cost of the Improvements (\$136,300) prior to sale of bonds and award of Construction Contract.

Also as noted in Section 9(b), the City of Billings will be participating by cash contribution for its share of the costs (\$87,600). As a result, only the remaining costs (\$52,100) will be included in the sale of the bonds.

The District will provide necessary street, curb and gutter, and water main improvements in order to open up these lots for residential development. The remaining lots in the District that are currently developed will be upgraded to meet minimum City development standards. The increase in site development will, thereby, increase the taxable assessment for those individual properties.

Section 10. 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 (May 10, 1996), 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, May 13, 1996, at 7:30 o'clock p.m., in the Council Chambers, located on the Second Floor of the Police Facility at 220 North 27th Street, in Billings, Montana.

Section 11. 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 April 25 and May 2, 1996 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.

Section 12. Repealer. Resolution No. 96-17078 is hereby superseded and repealed.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, this 22nd day of April, 1996.



THE CITY OF BILLINGS:

BY: Charles F. Tooley
Charles F. Tooley
MAYOR

RESOLUTION NO. 96- 17088

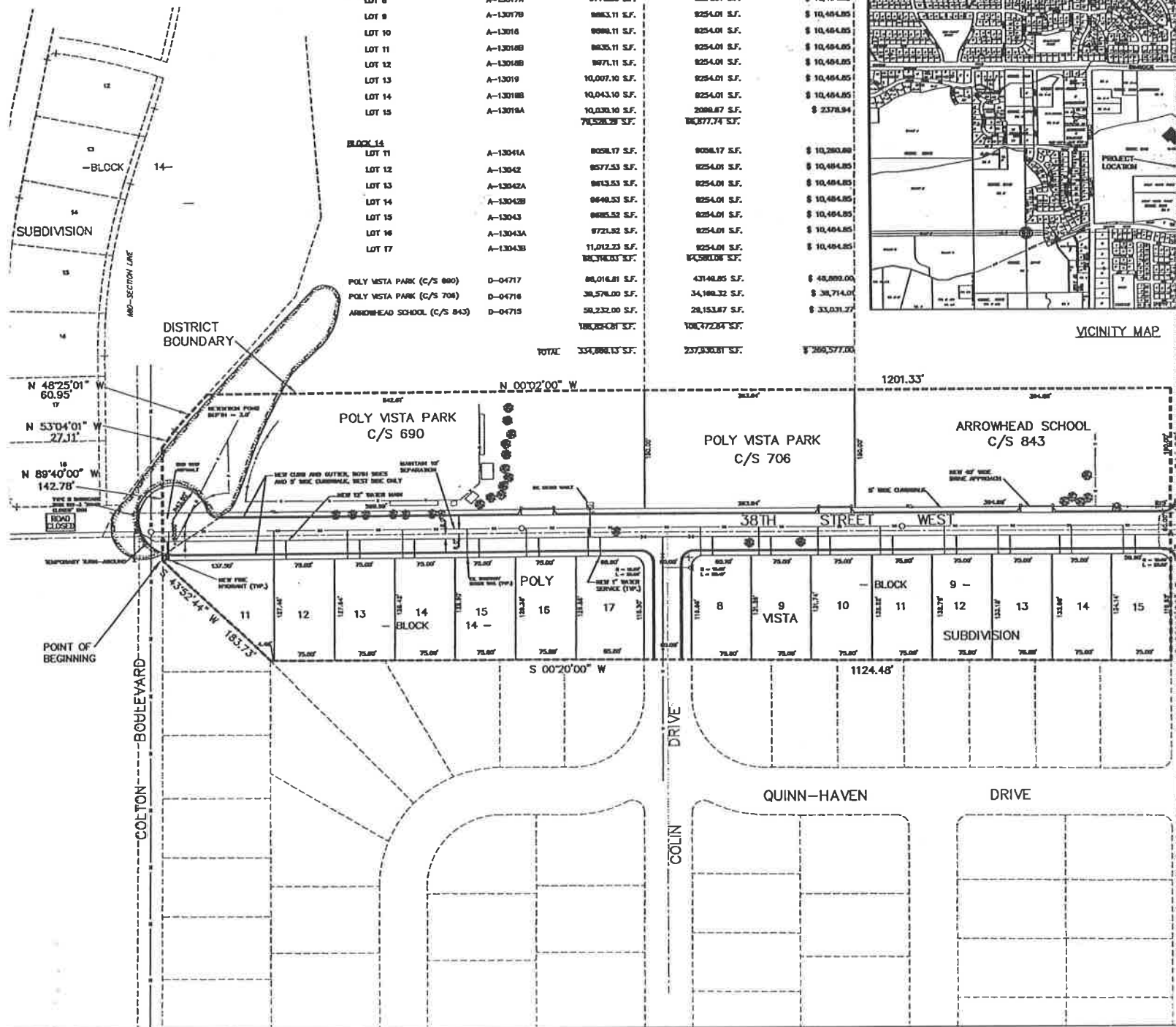
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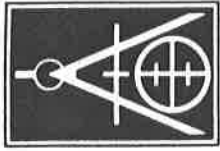
BY: Marita Herold
Marita Herold, CMC, CITY CLERK

POLY VISTA SUBDIVISION	TAX CODE	LOT AREA	ASSESSMENT AREA @ 1.1330054374	EST. COST
BLOCK 8				
LOT 8	A-13017A	8778.55 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 9	A-13017B	8863.11 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 10	A-13018	8888.11 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 11	A-13018B	8835.11 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 12	A-13018B	8871.11 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 13	A-13019	10,007.10 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 14	A-13018B	10,043.10 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 15	A-13019A	10,030.10 S.F.	2088.87 S.F.	\$ 2378.94
		70,528.28 S.F.	76,377.74 S.F.	
BLOCK 14				
LOT 11	A-13041A	8058.17 S.F.	8058.17 S.F.	\$ 10,280.88
LOT 12	A-13042	8577.53 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 13	A-13042A	8613.53 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 14	A-13042B	8648.53 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 15	A-13043	8685.52 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 16	A-13043A	8721.52 S.F.	8254.01 S.F.	\$ 10,484.85
LOT 17	A-13043B	11,012.23 S.F.	8254.01 S.F.	\$ 10,484.85
		88,378.03 S.F.	84,580.06 S.F.	
POLY VISTA PARK (C/S 880)	D-04717	88,016.81 S.F.	43148.85 S.F.	\$ 48,882.00
POLY VISTA PARK (C/S 706)	D-04716	38,576.00 S.F.	34,188.32 S.F.	\$ 38,714.01
ARROWHEAD SCHOOL (C/S 843)	D-04715	58,232.00 S.F.	28,153.87 S.F.	\$ 33,031.27
		186,824.81 S.F.	108,472.84 S.F.	
TOTAL		334,886.13 S.F.	237,830.81 S.F.	\$ 268,577.00



VICINITY MAP





ENGINEERING, INC.
Consulting Engineers and Land Surveyors

Robert L. Sanderson, P.E., L.S.
John S. Stewart, P.E.
Duane K. Loken, P.E.
Rick D. Leuthold, P.E.
Dennis D. Randall, P.E., L.S.
Peter B. Knapp, L.S.

Exhibit B

January 23, 1996
84060.08

DESCRIPTION OF IMPROVEMENTS

SID 1333 to provide Water System and Street Improvements for Lots 8-15, Block 9 and Lots 11-17, Block 14 of Poly Vista Subdivision, Poly Vista Park (C/S 690, C/S 706) and Arrowhead School (C/S 843), Billings, Montana. Water line in 38th Street West to be 12-inch diameter. Street improvements on 38th Street West to be 49-foot back to back.

SID DESCRIPTION

To provide water system and street improvements to 38th Street West from Colton Boulevard to Poly Drive.

DISTRICT BOUNDARY DESCRIPTION

SID 1333 Water System and Street Improvements, Billings, Montana.

Beginning at a point which is the southwest corner of Lot 10, Block 14, Poly Vista Subdivision; thence, from said point of beginning, N 89°40'00" W a distance of 142.78 feet; thence, N 53°04'01" W a distance of 27.11 feet; thence, N 48° 25'01" W a distance of 60.95 feet; thence, N 00°02'00" W a distance of 1201.33 feet; thence, S 89°40'00" E a distance of 344.63 feet; thence, S 00°20'00" W a distance of 1124.48 feet; thence, S 43°52'44" W a distance of 183.73 feet to the point of beginning.