

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. 96-17146, entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1323; 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. 96-17122**" (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 September 9, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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:

Reannier, Davis, Deisz, Farmer, Creighton, Mayor Tooley, Michunavich, Christad, Stone & Larson; voted against the same: none; abstained from voting thereon: none

_____; or were absent: Elison

WITNESS my hand officially this 9th day of September, 1996.

Marita Herold City Clerk
Marita Herold, CMC

A RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1323; 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. 96-17122.**

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 water mains and services, sanitary sewer mains and services, storm drainage mains and services, curb, gutter, sidewalk, and street improvements to the Burlington Northern Industrial Area (as shown on Exhibit "A"), and as more particularly described in Section 5. The total estimated costs of the Improvements are \$4,920,065.00. The costs of the Improvements are to be paid from the Special Improvement District Bonds and a cash contribution from the City, as described in Section 9(e). 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 \$4,561,000.00. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefitted by the Improvements in an amount not less than \$4,561,000.00.

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. 1323 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 C" hereto (which is hereby incorporated herein and made a part hereof).

Section 4. Benefitted Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibits "A", "B" and "C" 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 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 benefitted by the Improvements.

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

Water mains and service lines will be installed in South 18th Street West, Lampman Drive, Monad Road, Daniel Street, Charles Street, Bernard Street, Albert Street, South Plainview Street, and the Burlington Northern Railroad right-of-way (adjacent to U.S. Highway 10 and 212).

Sidewalk will be installed on both sides of Monad Road from South 18th Street West to Edwards Street and on the west side of Edwards Street for approximately 300 feet north of Monad Road.

Curb and gutter, asphalt surfacing, and base course gravel will be installed in South 18th Street West, Lampman Drive, Monad Road (from South 18th Street West to Charles Street), and Daniel Street (from Industrial Avenue to approximately 300 feet south of Monad Road).

Asphalt surfacing and base course gravel will be installed at the intersections of Daniel Street and Pacific Avenue; Monad Road and Bernard Street; Monad Road and Albert Street; Monad Road and South Plainview Street; Industrial Avenue and south Plainview Street; and, Industrial Avenue and Edwards Street. Asphalt surfacing and base course gravel will be installed in Charles Street from Industrial Avenue to Monad Road.

Storm drain mains and service liens will be installed in Lampman Drive and Daniel Street.

Storm drain inlets and piping will be installed in South 18th Street West, Lampman Drive, Monad Road, and Daniel Street.

Sanitary sewer mains and service lines will be installed in Lampman Drive, Daniel Street (between Industrial Avenue and Monad Road), Charles Street (between Industrial Avenue and Monad Road), South Plainview Street, Monad Road, and Industrial Avenue.

Section 6. Engineer and Estimated Cost. Morrison-Maierle, Inc.; 2020 Grand Avenue; Billings, MT 59102 shall be the engineer for the District. The Engineer has estimated that the costs of the Improvements, including all incidental costs, is \$4,920,065.00.

Section 7. Assessment Methods; Combination of Methods. The costs of the improvements shall be assessed to properties within the District for one or more of 21 Assessment Items as show on Exhibit "D" and shall be based on the actual area, frontage, and utility service connection 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.

7.01. Actual Area Method

a) Assessment Item #4 is the upsizing of water mains from the existing 8-inch size to 12 inches in South Plainview, Albert, Bernard, Charles and Daniel Streets, together with the replacement of fire hydrants. The total estimated cost of this Assessment Item is \$189,559.31 and shall be assessed against each lot, tract or parcel of land within the District, east of Edwards Street for that part of the costs of Assessment Item #4 that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts, or parcels of land participating in the cost of Assessment Item #4, exclusive of streets, avenues and alleys. The total assessable area of Assessment Item #4 properties to be assessed is 5,877,808 square

feet. The cost of Assessment Item #4 per square foot of assessable area shall not exceed \$0.03225. The assessment for each lot, tract or parcel of land for Assessment Item #4 is shown on Exhibit "E", hereto.

b) Assessment Item #5 is construction of a 12-inch water main in Monad Road and the Montana Rail Link right-of-way. The total estimated cost of Assessment Item #5 improvements is \$595,581.37, and shall be assessed against all properties within the District, except those parcels on South 18th Street West, south of Lampman Drive (i.e. Tracts 5B-1, 5B-2, 5C-1-B, 5C-2, Certificate of Survey 777; Lot 3, Block 2 of Trillium Subdivision; Lot 5A, Block 1, Selleck Subdivision; and the unplatted parcel south of and adjacent to Lot 3, Block 2 of Trillium Subdivision) for that part of the costs of Assessment Item #5, that the assessable area of such lot, tract or parcel bears to the total are of all lots, tracts or parcels of land participating in said Assessment Item #5, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #5 properties to be assessed is 7,285,399 square feet. The cost of the Assessment Item #5 improvements per square foot of assessable area shall not exceed \$0.08175. The assessment for each lot, tract or parcel of land for the Assessment Item #5 improvements is shown on Exhibit "E", hereto.

c) Assessment Item #10 is asphalt street improvements to various intersections throughout the District as listed in Section 5. The total estimated cost of Assessment Item #10 is \$130,134.67 and shall be assessed against each lot, tract or parcel of land in the District east of Edwards Street for that part of the cost of the Assessment Item #10 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #10 improvements, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #10 properties in the District to be assessed is 5,877,808 square feet. The cost of Assessment Item #10 improvements per square foot of assessable area shall not exceed \$0.02214. The assessment for each lot, tract or parcel of land for the Assessment Item #10 improvements is shown on Exhibit "E", hereto.

d) Assessment Item #11 is asphalt street improvements in South 18th Street West and that portion of Lampman Drive which runs through Trillium Subdivision (i.e. between South 18th Street West and Monad Road). The total estimated cost of Assessment Item #11 improvements is \$347,250.89 and shall be assessed against Tracts 1A-1, 1A-2, 6 Amended, and 5B-1 of Certificate of Survey 777; Lot 5A, Block 1, Selleck Subdivision; Lots 1 and 2, Block 1, and Lots 1-3, Block 2 of Trillium Subdivision for that part of the cost of the Assessment Item #11 improvements that the assessable area of those lots, tracts or parcels bear to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #11 improvements, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #11 improvements to be assessed is 1,947,893 square feet. The cost of Assessment Item #11 improvements per square foot of assessable area shall not exceed \$0.17827. The assessment for each lot, tract or parcel of land for the Assessment Item #11 improvements is shown on Exhibit "E", hereto.

e) Assessment Item #12 is asphalt street improvements to Daniels Street from Industrial Avenue to 300 feet south of Monad Road, and in Monad Road from South 18th Street West to Charles Street. The total estimated cost of Assessment Item #12 improvements is \$303,158.34 and shall be assessed against each lot, tract or parcel of land in the District for that part of the cost of the Assessment Item #12 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the District, exclusive of streets, avenues and

alleys. The total assessable area of the Assessment Item #12 properties in the District to be assessed is 8,129,749 square feet. The cost of Assessment Item #12 improvements per square foot of assessable area shall not exceed \$0.03729. The assessment for each lot, tract or parcel of land for the Assessment Item #12 improvements is shown on Exhibit "E", hereto.

f) Assessment Item #13 is asphalt street improvements in Charles Street between Industrial Avenue and Monad Road. The total estimated cost of Assessment Item #13 is \$85,669.21 and shall be assessed against each lot, tract or parcel of land along Charles street between Industrial Avenue and Monad Road for that part of the cost of the Assessment Item #13 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #13 improvements, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #13 properties in the District to be assessed is 641,765 square feet. The cost of Assessment Item #13 improvements per square foot of assessable area shall not exceed \$0.13349. The assessment for each lot, tract or parcel of land for the Assessment Item #13 improvements is shown on Exhibit "E", hereto.

g) Assessment Item #15 is for the installation of lateral main storm drain improvements in Lampman Drive from South 18th Street West to Monad Road. The total estimated cost of Assessment Item #15 is \$257,163.21 and shall be assessed against each lot, tract or parcel of land in Trillium Subdivision for that part of the cost of the Assessment Item #15 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #15 improvements, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #15 properties in the District to be assessed is 1,746,914 square feet. The cost of Assessment Item #15 improvements per square foot of assessable area shall not exceed \$0.14721. The assessment for each lot, tract or parcel of land for the Assessment Item #15 improvements is shown on Exhibit "E", hereto.

h) Assessment Item #16 is for the installation of lateral storm drain mains in Daniel Street between Monad Road and Industrial Avenue. The total estimated cost of Assessment Item #16 is \$173,322.85 and shall be assessed against each lot, tract or parcel of land fronting Daniel Street between Industrial Avenue and Monad Road for that part of the cost of the Assessment Item #16 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #16 improvements, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #16 properties in the District to be assessed is 711,214 square feet. The cost of Assessment Item #16 improvements per square foot of assessable area shall not exceed \$0.024370. The assessment for each lot, tract or parcel of land for the Assessment Item #16 improvements is shown on Exhibit "E", hereto.

i) Assessment Item #17 is the installation of sanitary sewer mains in Lampman Drive between South 18th Street West and Monad Road (Trillium Subdivision). The total estimated cost of Assessment Item #17 improvements is \$150,717.35 and shall be assessed against each lot, tract or parcel of land in Trillium Subdivision for that part of the cost of the Assessment Item #17 improvements 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 Trillium Subdivision, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #17 properties in the District to be assessed is 1,651,516 square feet. The cost of Assessment Item #17 improvements

per square foot of assessable area shall not exceed \$0.09126. The assessment for each lot, tract or parcel of land for the Assessment Item #17 improvements is shown on Exhibit "E", hereto.

j) Assessment Item #18 is the installation of sanitary sewer mains, together with the restoration of existing asphalt surfaces, in Daniel and Plainview Streets between Industrial Avenue and Monad Road, and the easterly portion of Industrial Avenue. The total estimated cost of Assessment Item #18 improvements is \$359,885.67 and shall be assessed against each lot, tract or parcel of land within the District which will have sanitary sewer service provided by the sanitary sewer mains described above for that part of the cost of the Assessment Item #18 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #18 improvements, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #18 properties in the District to be assessed is 1,526,945 square feet. The cost of Assessment Item #18 improvements per square foot of assessable area shall not exceed \$0.23569. The assessment for each lot, tract or parcel of land for the Assessment Item #18 improvements is shown on Exhibit "E", hereto.

k) Assessment Item #19 is the installation of sanitary sewer mains in Charles Avenue Between Monad Road and Industrial Avenue. The total estimated cost of Assessment Item #19 improvements is \$96,624.14 and shall be assessed against each lot, tract or parcel of land fronting Charles Street between Monad Road and Industrial Avenue for that part of the cost of the Assessment Item #19 improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of all lots, tracts or parcels of land participating in the Assessment Item #19 properties, exclusive of streets, avenues and alleys. The total assessable area of the Assessment Item #19 improvements in the District to be assessed is 641,765 square feet. The cost of Assessment Item #19 improvements per square foot of assessable area shall not exceed \$0.15056. The assessment for each lot, tract or parcel of land for the Assessment Item #19 improvements is shown on Exhibit "E", hereto.

7.02. Frontage Method

a) Assessment Item #1 is the installation of a 12-inch water main in South 18th Street West from Monad Road to the terminus of the existing 12-inch line in South 18th Street West north of King Avenue. The total estimated cost of Assessment Item #1 improvements is \$248,094.65 and shall be assessed against each lot, tract or parcel of land in the District having frontage along South 18th Street West for that part of the cost of the Assessment Item #1 improvements that the frontage of such lot, tract or parcel bears to the total frontage of all lots, tracts or parcels of land in the District with frontage along South 18th Street West. The total lineal footage of the properties in the District with South 18th Street West frontage to be assessed is 3,785.17 lineal feet. The cost of Assessment Item #1 improvements per lineal foot of frontage shall not exceed \$65.54386. The assessment for each lot, tract or parcel of land for the Assessment Item #1 improvements is shown on Exhibit "E", hereto.

b) Assessment Item #2 is for the installation of a 12-inch water main in Lampman Drive between South 18th Street West and Monad Road (i.e. Trillium Subdivision). The total estimated cost of Assessment Item #2 improvements is \$165,044.86 and shall be assessed against each lot, tract or parcel of land in the Trillium Subdivision for that part of the cost of the Assessment Item #2 improvements that the frontage of such lot, tract or parcel bears to the total Lampman Drive frontage of all lots, tracts or parcels of land in Trillium

Subdivision. The total Lampman Drive footage of the Trillium Subdivision properties in the District to be assessed is 3,217.61 lineal feet. The cost of Assessment Item #2 improvements per lineal foot of Lampman Drive footage shall not exceed \$51.29424. The assessment for each lot, tract or parcel of land for the Assessment Item #2 improvements is shown on Exhibit "E", hereto.

c) Assessment Item #3 is for the cost of an 8-inch water main to provide service to parcels along South Plainview, Albert, Bernard, Charles, and Daniel Streets within the District between Industrial Avenue and the MRL right-of-way. The total estimated cost of Assessment Item #3 improvements is \$911,474.60 and shall be assessed against each lot, tract or parcel of land in the District with frontages along those streets, as described above, for that part of the cost of the Assessment Item #3 improvements that the frontage of such lot, tract or parcel bears to the total frontage of all lots, tracts or parcels of land participating in the Assessment Item #3 improvements. The total frontage of the Assessment Item #3 improvements to be assessed is 16,022.80 lineal feet. The cost of the Assessment Item #3 improvements per lineal foot of frontage shall not exceed \$56.88610. The assessment for each lot, tract or parcel of land for the Assessment Item #3 improvements is shown on Exhibit "E", hereto.

d) Assessment Item #8 is for the installation of sidewalk along the Monad Road frontages of Trillium Subdivision and Certificate of Survey 779, together with the southerly 300 feet of the Edwards Street frontage of Certificate of Survey 779. The total estimated cost of Assessment Item #8 improvements is \$32,316.57 and shall be assessed against each lot, tract or parcel of land, as described above, for that part of the cost of the Assessment Item #8 improvements that the frontage of such lot, tract or parcel bears to the total frontage of all lots, tracts or parcels of land participating in the Assessment Item #8 improvements. The total frontage of the Assessment Item #8 improvements to be assessed is 1,144.40 lineal feet. The cost of Assessment Item #8 improvements per lineal foot of frontage shall not exceed \$28.23888. The assessment for each lot, tract or parcel of land for the Assessment Item #8 improvements is shown on Exhibit "E", hereto.

e) Assessment Item #9 is for the installation of curb and gutter along both sides of Monad Road from 18th Street West to Charles Street; on Daniel Street from Industrial Avenue to approximately 300 feet south of Monad Road; on both sides of Lampman Drive from South 18th Street West to Monad Road (Trillium Subdivision); along the east side of South 18th Street West along the frontage of Trillium Subdivision; and on the west side of South 18th Street West along the frontage of Tracts 1A-1, 1A-2, 5-B-1, and 6 Amended Certificate of Survey 777; and Lot 5A, Block 1, Selleck Subdivision. The total estimated cost of Assessment Item #9 improvements is \$279,910.39 and shall be assessed against each lot, tract or parcel of land as described above, for that part of the cost of the Assessment Item #9 improvements that the frontage of such lot, tract or parcel bears to the total frontage of all lots, tracts or parcels of land in the District participating in the Assessment Item #9 improvements. The total frontage of the Assessment Item #9 properties to be assessed is 12,344.52 lineal feet. The cost of Assessment Item #9 improvements per lineal foot of frontage shall not exceed \$22.67487. The assessment for each lot, tract or parcel of land for the Assessment Item #9 improvements is shown on Exhibit "E", hereto.

7.03. Utility Service Connections Method

a) Assessment Item #6 is to provide new water service extensions for those parcels that currently lack a water service

extension. The total estimated cost of Assessment Item #6 improvements is \$37,921.79 and shall be assessed against each lot, tract or parcel of land in the District which receives a new water service. The total number of new water services to be provided under the Assessment Item #6 improvements is 29. The cost of Assessment Item #9 improvements per service provided shall not exceed \$1,307.64793. The assessment for each lot, tract or parcel of land which receives a water service extension under Assessment Item #6 is shown on Exhibit "E", hereto.

b) Assessment Item #7 is to reconnect existing water services to the water mains being constructed under Assessment Items #1-5. The total estimated cost of Assessment Item #7 improvements is \$126,100.77 and shall be assessed against each lot, tract or parcel of land in the District which has an existing water service reconnected. The total number of reconnected water services in the District to be assessed is 77. The cost of the reconnected water service improvements to be assessed under Assessment Item #7 shall not exceed \$1,637.67234. The assessment for each lot, tract or parcel of land which receives a reconnected water service under the Assessment Item #7 improvements is shown on Exhibit "E", hereto.

c) Assessment Item #14 is for new storm drain services from the new storm drains constructed under Assessment Items #15 and 16. The total estimated cost of Assessment Item #14 improvements is \$29,380.63 and shall be assessed against each lot, tract or parcel of land in the District which receives a new storm drain service extension. The total number of storm drain services extended under Assessment Item #14 to be assessed is 18. The cost of the Assessment Item #14 improvements per service shall not exceed \$1,632.25722. The assessment for each lot, tract or parcel of land for new storm drain services extended under Assessment Item #14 improvements is shown on Exhibit "E", hereto.

d) Assessment Item #20 is for new sanitary sewer services extended to the property line of properties for new sanitary sewer lines being constructed under Assessment Items #17, 18 and 19. The total estimated cost of Assessment Item #20 improvements is \$17,133.67 and shall be assessed against each lot, tract or parcel of land in the District which receives a new sanitary sewer service extension under Assessment Item #20. The total number of new sanitary sewer service extensions under Assessment Item #20 to be assessed is 15. The cost of the Assessment Item #20 improvements per new sanitary sewer service extended shall not exceed \$1,142.24467. The assessment for each lot, tract or parcel of land which receives a new sanitary sewer service extension under Assessment Item #20 improvements is shown on Exhibit "E", hereto.

e) Assessment Item #21 is for the reconnection of existing sanitary sewer services to the sanitary sewer mains being constructed under Assessment Items #17, 18 and/or 19. The total estimated cost of Assessment Item #21 improvements is \$24,555.06 and shall be assessed against each lot, tract or parcel of land in the District which receives a reconnected sanitary sewer service under Assessment Item #21. The total number of reconnected sanitary sewer service extensions under Assessment Item #21 to be assessed is 15. The cost of the Assessment Item #21 improvements per reconnected sanitary sewer service is \$1,637.00400. The assessment for each lot, tract or parcel of land for properties which receive a reconnected sanitary sewer service under Assessment Item #21 improvements is shown on Exhibit "E", hereto.

7.04. 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 \$4,561,000.00 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 \$18,814 to \$4,670,005 with an average market value of \$407,745, a mean market value of \$249,200, and a total market value of \$30,988,608. All but one of the properties are zoned for industrial uses and it is anticipated that once the Improvements are completed, the unimproved lots, tracts or parcels will be sold for development and improvement, which improvements will further increase the market value of these properties. 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 for each lot, tract or parcel of land. 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 tract as a result of the construction of the Improvements.

(b) Diversity of Property Ownership. There are 76 parcels to be assessed within the District. The total number of property owners within the District is 51. Of the 76 parcels in the District, 11 are currently undeveloped. These 11 parcels represent an area of 53.162 Acres, or 28.48% of the total.

Trillium Corporation owns 5 of these 11 undeveloped parcels, representing 34.548 Acres, or 18.51% of the total (and 65% of the undeveloped parcels).

It is expected that once the improvements are complete, Trillium will sell its 5 undeveloped parcels to other parties for development. This will both reduce the amount of undeveloped land in the District and improve the overall ownership diversity.

(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 76 properties, only four have delinquencies in past tax or special assessment payments. The total delinquency is \$19,132.56.

Currently, there are 3 existing SID's affecting 6 properties in the District, those being 1136, 1309, and 1322. All 6 properties are paying into SID 1136, with a payoff date of June 1996. The total payoff for these 6 properties is \$1,791.85 with one of those properties representing \$1,046.49 of the payoff amount.

Two properties are paying into SID 1309, with a payoff date of 2003 and a total payoff for these two properties of \$23,901.81. One property is paying into SID 1322 with a payoff date of 2006 and a payoff amount of \$64,984.06.

Based on this information, it is unlikely that a financial difficulty will arise, making it unlikely that a revolving fund loan will be required.

(e) The Public Benefit of the Improvements. The total estimated cost of installing these public Improvements is \$4,920,065.00, \$4,561,000.00 of which will be recovered through direct assessments to property owners within the District. The remainder of the costs of the improvements (\$359,065.00) shall be by cash contribution by the City of Billings. The public improvements contemplated under the terms of this proposed District include those improvements as outlined in Section 5.

The water improvements being constructed under this District are being done to either; 1) be brought into compliance with current, minimum, City of Billings standards, or 2) to provide water service to properties within the District which currently do not have these improvements. In the first case, the majority of the existing water mains within the District are not owned, operated, or maintained by the City of Billings. The improvements contemplated under this District would meet City of Billings requirements and would allow these improvements to be maintained and operated by the City's Public Utilities Department. This will result in, among other things, consistent, reliable operation and maintenance of the improvements, reliability of service to properties within the District due to multiple points of service, improved and consistent water pressures, and significantly increased reliability of fire flows for properties within the District.

In the second case, properties within Trillium Subdivision and Tracts 1A-1, 1A-2, 6 Amended, 5B-2, 5C-1-B and 5C-2, Certificate of Survey 777, currently do not have water service. Improvements constructed under this District would extend water service to these parcels.

As with the water mains, the sanitary sewer mains, between Industrial Avenue and Monad Road, east of Edwards Street, are currently

not owned, operated or maintained by the City of Billings. The improvements contemplated under this District would bring the sanitary sewer mains into compliance with City of Billings Public Utilities Department standards, and would, thereafter, be maintained and operated by the City of Billings. This will result in, among other things, reliability of sanitary sewer service and consistent, reliable operation and maintenance of these sanitary sewer mains.

The street, curb, gutter and sidewalk improvements to be constructed on Monad Road and Daniel Street will bring these arterial roadways into compliance with the City of Billings Subdivision Ordinance and transportation plans.

The asphalt paving intersection improvements throughout the District will result in increased intersection capacity, improved operational/access capabilities and improved safety for the large, commercial-type vehicles which are utilized by property owners within the District.

Finally, the improvements constructed by this District will satisfy the requirements of the Subdivision Improvements Agreements for Trillium Subdivision and the 21 Filings, with subsequent amendments, of the Burlington Northern Subdivision.

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 (**October 11, 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, October 15, 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 of Yellowstone, and the City of Billings, 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. 96-17122 is hereby superseded and repealed.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, this 9th day of September, 1996.



THE CITY OF BILLINGS:

BY: Charles F. Tooley
Charles F. Tooley MAYOR

RESOLUTION NO. 96- 17146

ATTEST:

BY: Marita Herold
Marita Herold, CMC, CITY CLERK