

## 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 24-11180 entitled: **RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1426; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND** (the "Resolution") was duly adopted by the City Council of the City at a meeting on January 22, 2024 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Shaw, Neese, Owen, Joy, Kennedy, Aspenlieder; voted against the same: Gulick, Tidswell, Boyett and Rupsis; or were absent: N/A.

WITNESS my hand officially this 22<sup>nd</sup> day of January, 2024.

*Denise Bohlman for*  
Denise R. Bohlman City Clerk

## RESOLUTION 24-11180

### RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1426; 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 the construction of Arvin Lane, as more particularly described in Section 5. The total estimated costs of the Improvements are \$285,018.00. The costs of the Improvements are to be paid from the following sources: (1) \$42,720.00 of Special Improvement District bonds hereinafter described; and (2) \$242,298.00 of cash contribution by the City. 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 \$42,720.00. 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.

**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. 1426 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 are hereby incorporated herein and made a part hereof).

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

**Section 5. General Character of the Improvements.** The general character of the Improvements, as shown in Exhibit D, is the construction of Arvin Lane. This includes construction of water, curb and gutter, and street improvements.

**Section 6. Engineer and Estimated Cost.** The Engineer for this project will be City of Billings, Engineering Division. The Engineering Division has estimated that the costs of the Improvements, including all incidental costs, are \$285,018.00.

## **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 equal amount option described in Section 7-12-4162(3), M.C.A., as more particularly applied and set forth in this Section 7.

**7.1.1 Equal Amount Option.** Assessment #1 (STREETS) will include the construction of street improvements to Arvin Lane. The properties to be assessed for these improvements include Weidler Acres Amended Lots 5 and 6, Lots 5-B, 5-C, and Lots 6-B, and 6-C. The total estimated cost of Assessment #1 (STREETS) is \$42,720.00 and shall be assessed against each lot, tract, or parcel of land within the District, as above-mentioned, receiving street improvements and not paying a cash contribution, on an equal amount basis based on the bid price received. The equal amount assessment is estimated to be \$10,680.00. If an increase occurs in the number of properties within the boundaries of the District (due to the subdivision of any one or more properties or otherwise) during the term of the Bonds, the assessment per property then in the District will be recalculated as provided in Section 7-12-4162(3)(b), M.C.A.

### **7.2. Assessment Methodologies Equitable and Consistent With Benefit.**

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

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

**Section 9. Method of Financing; Pledge of Revolving Fund; Findings and Determinations.** The City will issue the Bonds in an aggregate principal amount not to exceed \$42,720.00 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 properties in the District. This Council further finds it is in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and hereby authorizes the city to enter into the undertakings and agreements authorized in Section 7-12-4225, M.C.A., in respect of the Bonds.

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

(a) **Estimated Market Value of Parcels.** The estimated market value of the lots, parcels, or tracts in the District as of the date of adoption of this resolution, as estimated, by the County Assessor for property tax purposes ranges from \$358,500.00 to \$711,100.00, and is set forth in Exhibit E. The average market value is \$488,375.00 with the median being \$441,950.00. 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 value of the lot, parcel, or tract as a result of the construction of the Improvements.

(b) **Diversity of Property Ownership.** There are a total of four (4) parcels within the district boundaries. No improvements, public or private, are located on any of the parcels within the District. Two (2) of these parcels are owned by a common owner. The remaining two (2) parcels are owned by separate owners.

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

of land in the District exceeds the sum of special assessments, delinquent property taxes, and current assessments and is set forth in Exhibit E.

(d) **Delinquencies.** An analysis of the amount of delinquencies in the payment of outstanding special assessments or property taxes levied against the properties in the District shows that of four (4) properties, zero (0) properties were delinquent, and is set forth in Exhibit E.

(e) **The Public Benefit of the Improvements.** The total estimated costs of the Improvements are \$285,018.00. The costs of the Improvements are to be paid from the following sources: (1) \$42,720.00 of proceeds of the Bonds; and (2) \$242,298.00 of cash contribution by the City. All of the properties within the District are zoned N3 – Suburban Neighborhood. The public improvements contemplated under the terms of this proposed District are required by the City Subdivision Regulations.

## **Section 10. Reimbursement Expenditures.**

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

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

**10.03. Declaration of Intent.** The City reasonably expects to reimburse the expenditures made for costs of the Improvements out of the proceeds of Bonds in an estimated maximum aggregate principal amount of \$42,720.00 after the date of payment of all or a portion of the costs of the Improvements. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

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

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

**Section 11. Public Hearing Protests.** At any time within fifteen (15) days from and after the date of the first publication of the notice of the passage and approval of this resolution, any owner of real property within the District subject to assessment and taxation for the cost and expense of making the Improvements may make and file with the City Clerk until 5:00 p.m., M.T., on the expiration date of said 15-day period (February 10, 2024), written protest against the proposed Improvements, or against the extension or creation of the District or both, and this Council will at its next regular meeting after the expiration of the fifteen (15) days in which such protests in writing can be made and filed, proceed to hear all such protests so made and filed; which said, regular meeting will be held on Monday the 12<sup>th</sup> day of February, at 5:30 p.m., in person or via a virtual videoconferencing environment, at 220 North 27<sup>th</sup> Street, in Billings, Montana.

**Section 12. Notice of Passage of Resolution of Intention.** The City Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the Yellowstone County News, a newspaper of general circulation in the County on January 26, February 2, and February 9, 2024, 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.

ADOPTED AND APPROVED by the City Council of the City of Billings, Montana, on the 22<sup>nd</sup> day of January, 2024.



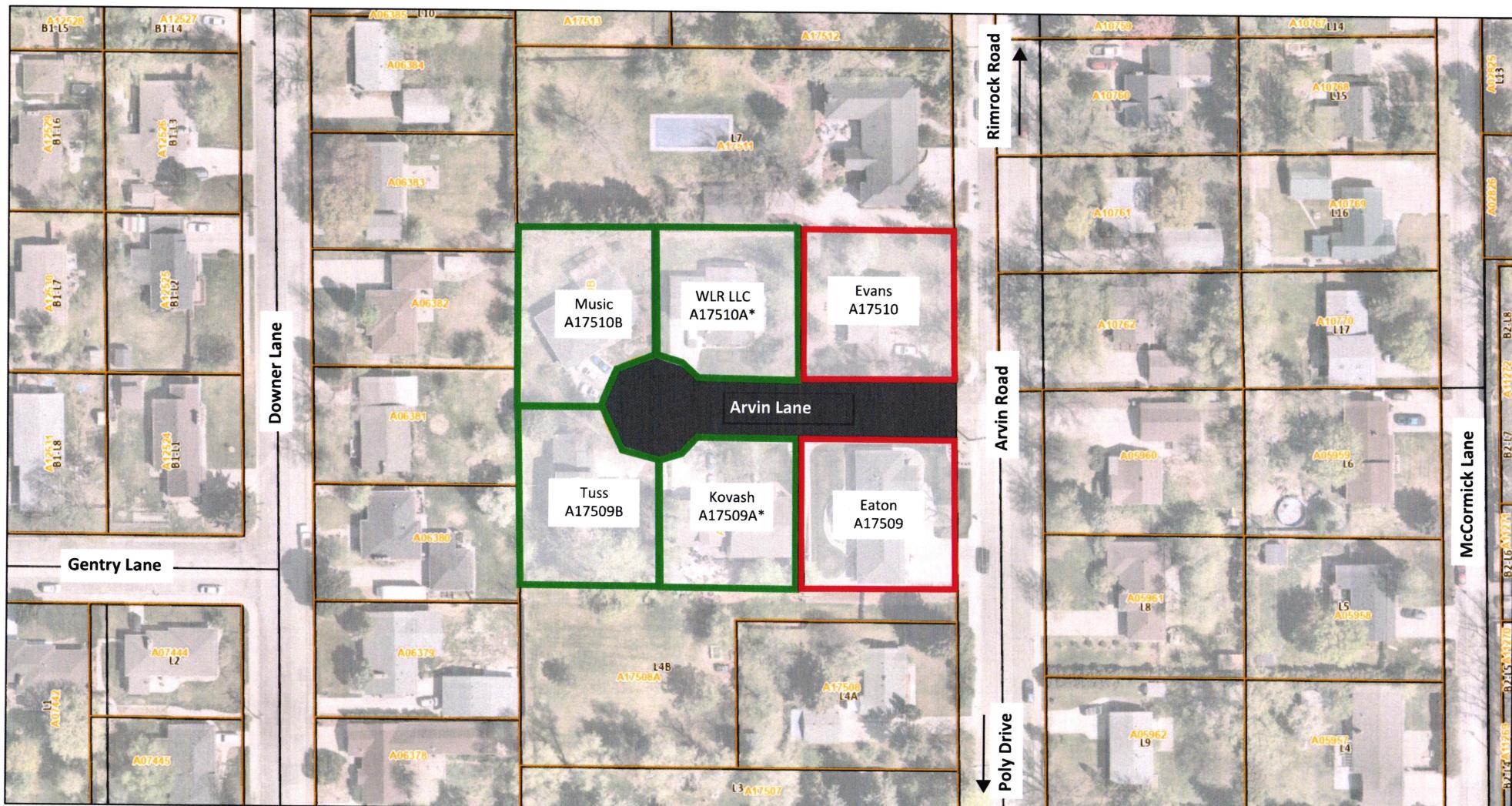
CITY OF BILLINGS

By: William A. Cole  
William A. Cole, Mayor

ATTEST:

By: Denise R. Bohlman  
Denise R. Bohlman, City Clerk

## SID 1426 Arvin Lane - Exhibit A



1/3/2024, 11:24:44 AM

NOTES:

\* Common Ownership

Esri Community Maps Contributors, Montana State Library, © OpenStreetMap, Microsoft, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, City of Billings GIS Department

**S.I.D. 1426 Arvin Lane**  
**Exhibit B - Property Descriptions**  
**Prepared by: City of Billings**

SID 1426 includes Weidler Acres Amended Lots 5 and 6, Lots 5-B, 5-C, and Lots 6-B, and 6-C.

**S.I.D. 1426 Arvin Lane**

**Exhibit C - Property Owner Description and Estimated Assessment**  
**Prepared By: City of Billings**

TAX ID	OWNER	MAILING ADDRESS	CITY	STATE	ZIP CODE	ASSESSMENT #1		TOTAL ASSESSMENT COST PER LOT
						STREET	PER EACH SUB-TOTAL	
A17509A	KOVASH, BRYAN D & POLLY	2410 ARVIN LN	BILLINGS	MT	59102	\$	10,680.00	\$ 10,680.00
A17509B	TUSS, DUSTIN JEREMY & ALISHA MICHELLE	2420 ARVIN LN	BILLINGS	MT	59102	\$	10,680.00	\$ 10,680.00
A17510A	WLR LLC	2410 ARVIN LN	BILLINGS	MT	59102	\$	10,680.00	\$ 10,680.00
A17510B	MUSIC, APRIL	2417 ARVIN LN	BILLINGS	MT	59102	\$	10,680.00	\$ 10,680.00
						\$	42,720.00	\$ 42,720.00

**S.I.D. 1426 Arvin Lane**  
**Exhibit D - Description of Improvements**  
**Prepared by: City of Billings**

Special Improvement District No. 1426 shall construct water, curb and gutter, and street improvements to Arvin Lane within the City of Billings.

**S.I.D. 1426 Arvin Lane**  
**Exhibit E - Property Market Value and Delinquency**  
**Prepared By: City of Billings**

TAX I.D. NUMBER	PREVIOUS SID #	PREVIOUS		SID 1426 ASSESSMENT	CASH CONTRIBUTION	SID 1426 ASSESSMENT	SID PAY-OFF + DELINQUENT +	ESTIMATED MARKET VALUE	ESTIMATED MARKET VALUE
		SID PAY-OFF	DELINQUENT						
A17509A				\$ 10,680.00		\$ 10,680.00	\$ 711,100.00	\$ 721,780.00	
A17509B				\$ 10,680.00		\$ 10,680.00	\$ 478,500.00	\$ 489,180.00	
A17510A				\$ 10,680.00		\$ 10,680.00	\$ 405,400.00	\$ 416,080.00	
A17510B				\$ 10,680.00		\$ 10,680.00	\$ 358,500.00	\$ 369,180.00	
<b>AVERAGE</b>		\$ -	\$ -	\$ 10,680.00		\$ 10,680.00	\$ 488,375.00	\$ 542,346.67	
<b>MEDIAN</b>		\$ -	\$ -	\$ 10,680.00		\$ 10,680.00	\$ 441,950.00	\$ 489,180.00	
<b>LOW</b>		\$ -	\$ -	\$ 10,680.00		\$ 10,680.00	\$ 358,500.00	\$ 416,080.00	
<b>HIGH</b>		\$ -	\$ -	\$ 10,680.00		\$ 10,680.00	\$ 711,100.00	\$ 721,780.00	

## City Council Regular

Date: 01/22/2024

Title: SID 1426 Arvin Lane, Resolution of Intent to Create District and Set a Public Hearing

Presented by: Debi Meling

Department: Public Works

Presentation: No

Legal Review: Yes

Project Number: N/A

Res. 24-11180

CREATE DISTRICT AND SET A PUBLIC

APPROVED 7-4; GULICK,

TROUSSEAU, BOYETT, RUPPS

JAN 22 2024

OPPOSED

db

CITY CLERK

## RECOMMENDATION

Staff recommends that City Council approve the Resolution of Intent to Create SID 1426 Arvin Lane and set a public hearing date for February 12, 2024.

## BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The City is pursuing a Special Improvement District (SID) to construct infrastructure improvements along Arvin Lane, a short cul-de-sac. Arvin Lane is an existing gravel street running westerly off Arvin Road, between Rimrock Road to the north and Poly Drive to the south. Based on the annual gravel street construction program presented in the CIP, SID 1426 Arvin Lane (Project) will construct the remainder of curb and gutter, asphalt pavement, and remove and replace some existing curb and gutter and/or drive approaches to improve drainage. The Project will install a new 8-inch water main, replacing the existing 2-inch water main currently serving the neighborhood. The new 8-inch water main will provide fire flow to the end of the cul-de-sac that was not previously available through the 2-inch water line.

Six (6) parcels are adjacent to Arvin Lane within the project limits. Of the six (6) parcels, four (4) are addressed to Arvin Lane and two (2) are residential corner lots addressed to Arvin Road. Two (2) of the four (4) addressed properties are owned by a single owner. The costs associated with the improvements necessary to bring Arvin Lane up to City standards will be assessed to the four addressed properties, per City of Billings Resolution No. 23-11171. Street Maintenance District (SMD) 2 funds will be used to fund non-assessed improvements, and Water funds will be used for the water main replacement.

Four (4) assessments will comprise the District. Proposed street improvements (Assessment #1) will be assessed, per the equal amount option method, to the four (4) addressed properties. Neither of the two (2) non-addressed, residential corner lots requested private property specific improvements and will therefore have no assessments.

On January 24, 2023, City staff sent a letter to the addressed properties on Arvin Lane requesting their participation in a survey seeking SID interest levels. The initial letter and estimate revealed general neighborhood interest. Following City staff design, City staff mailed an updated cost estimate and set up an on-site meeting. Two (2) property owners attended the meeting, representing two (2) of the four (4) properties. The two property owners at the meeting continued to show support for the SID. One property owner representing the remaining two (2) properties, who did not attend the meeting, expressed their continued support of the Project in a phone call with City staff.

## ALTERNATIVES

City Council may:

- Approve the Resolution of Intent to Create SID 1426 and set a public hearing for the February 12, 2024, Council Meeting; or,
- Not approve the Resolution of Intent to Create SID 1426. If not approved, Arvin Lane will remain a gravel street, and gravel maintenance costs will continue to occur and the water main will remain undersized to provide adequate fire flow.

## FISCAL EFFECTS

The funding sources, estimated costs of the improvements, and total project cost for SID 1426 is as follows:

SID 1426 Funding Source	SID 1426 Estimated Cost
SID Assessments	\$42,720.00
SMD 2 Funds	\$88,113.82
Water Funds	\$154,184.19

Total	\$285,018.00
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Funding for SID 1426 was budgeted in FY24 using SMD 2 Funds, Water Funds, and assessments through the annual gravel streets program. Adequate funding is available to create the SID and fund the improvements.

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#### Attachments

SID 1426 Arvin Lane - Intent

SID 1426 Exhibit A

SID 1426 Exhibit B

SID 1426 Exhibit C

SID 1426 Exhibit D

SID 1426 Exhibit E