

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 24-11181 entitled: **RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1427; 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 22nd day of January, 2024.


Denise R. Bohlman City Clerk

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

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I further certify that, upon vote being taken on the Resolution at said meeting, the following Councilmembers voted in favor thereof: Shaw, Gulick, Neese, Owen, Joy, Kennedy, Aspenlieder, Tidswell, Boyett, Rupsis; voted against the same: _____

_____; or were absent: _____
_____.

WITNESS my hand officially this 22nd day of January, 2024.

Denise R. Bohlman City Clerk

RESOLUTION 24-11181

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1427; 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 Hancock Drive, as more particularly described in Section 5. The total estimated costs of the Improvements are \$129,878.00. The costs of the Improvements are to be paid from the following source: (1) \$38,500.00 of Special Improvement District bonds hereinafter described; and (2) \$91,378.00 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 \$38,500.00. 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. 1427 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 Hancock Drive. This includes construction of drive approach, 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 \$129,878.00.

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 assessable area option, and equal amount option described in Section 7-12-4162(1), M.C.A., and Section 7-12-4162(3) M.C.A., respectively, as more particularly applied and set forth in this Section 7.

7.1.1 Equal Amount Option Method. Assessment #1 (STREETS) will include the construction of street improvements to Hancock Drive. The four (4) properties to be assessed for these improvements include Huntington Tracts Amended Lots 1&2, the north 50 feet of Lot 13, Lot 14, Lot 15, and Lot 16. The total estimated cost of Assessment #1 (STREETS) is \$31,621.24 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 \$7,905.31. 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.

7.1.2 Assessable Area Option Method. Assessment #2 (CONCRETE FLATWORK) will include the construction of concrete drive approach and concrete driveway to certain properties on Hancock Drive. The two (2) properties to be assessed for these improvements include Huntington Tracts Amended Lots 1&2, Lot 12, and Lot 14. The total estimated cost of Assessment #2 (CONCRETE FLATWORK) is \$6,878.76 and shall be assessed against each lot, tract, or parcel of land within the District, as above-mentioned, receiving concrete

drive approach and concrete driveway and not paying a cash contribution, 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 the lots, tract, or parcels of land within the District. The total assessable area of lots to be assessed is 309 square feet. The costs of the improvements and the incidental costs to be financed by the Bonds assessable to the District parcels per square foot are estimated to be \$22.26136.

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 \$38,500.00 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 \$35,943.00 to \$352,300.00, and is set forth in Exhibit E. The average market value is \$230,048.60 with the median being \$250,500.00. 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 five (5) 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 three (3) parcels are owned by separate owners. One of the parcels is "non-addressed" and, in accordance with City policy, is not assessed for Assessment #1 (STREETS) described in Section 7.1.1 above.

(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 five (5) 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 \$129,878.00. The costs of the Improvements are to be paid from the following sources: (1) \$38,500.00 of proceeds of the Bonds; and (2) \$91,378.00 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, Site Development and Zoning Ordinances in order for the parcels to develop.

Section 10. Reimbursement Expenditures

10.01. Regulations. The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the

reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

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

10.03. Declaration of Intent. The City reasonably expects to reimburse the expenditures made for costs of the Improvements out of the proceeds of Bonds in an estimated maximum aggregate principal amount of \$38,500.00 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 12th day of February, at 5:30 p.m., in person or via a virtual videoconferencing environment, at 220 North 27th Street, in Billings, Montana.

Section 12. Notice of Passage of Resolution of Intention. The City Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the 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 22nd 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 1427 Hancock Drive - Exhibit A



1/2/2024, 12:26:55 PM

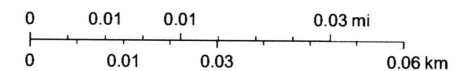
NOTES:

* Common Ownership

LEGEND:

- Addressed Parcel included in SID 1427
- Non-addressed Parcel, requesting private property specific improvements (drive approach) and included in SID 1427
- Non-addressed Parcel, requesting no private property specific improvements and not included in SID 1427

1:1,128



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S.I.D. 1427 Hancock Drive
Exhibit B - Property Descriptions
Prepared by: City of Billings

SID 1427 includes Huntington Tracts Amended Lots 1&2, Lot 12, the north 50 feet of Lot 13, Lot 14, Lot 15, and Lot 16.

S.I.D. 1427 Hancock Drive
Exhibit C - Property Owner Description and Assessment
Prepared By: City of Billings

						ASSESSMENT #1	ASSESSMENT #2			TOTAL ASSESSMENT COST PER LOT	
TAX ID	OWNER	MAILING ADDRESS	CITY	STATE	ZIP CODE	STREET	CONCRETE FLATWORK				
						PER EACH SUB-TOTAL	AREA PER LOT (SF)	COST PER SF	SUB-TOTAL		
A09316	HAMMOND, RACHEL E	2109 POLY DR	BILLINGS	MT	59102	\$ -	146.00	\$ 22.26136	\$ 3,250.16	\$ 3,250.16	
A09318	KLARICH, DAVID E & ELIZABETH I	2512 HANCOCK DR	BILLINGS	MT	59102	\$ 7,905.31	163.00	\$ 22.26136	\$ 3,628.60	\$ 11,533.91	
A09320	URLACHER, JAMES V & DEBBY A	2520 HANCOCK DR	BILLINGS	MT	59102	\$ 7,905.31	0.00	\$ 22.26136	\$ -	\$ 7,905.31	
A09317	LAMBRECHT, GAIL A & WILLIAMS, BILLY D	2519 HANCOCK DR	BILLINGS	MT	59102	\$ 7,905.31	0.00	\$ 22.26136	\$ -	\$ 7,905.31	
A09319	LAMBRECHT, GAIL A & WILLIAMS, BILLY D	2519 HANCOCK DR	BILLINGS	MT	59102	\$ 7,905.31	0.00	\$ 22.26136	\$ -	\$ 7,905.31	
						\$ 31,621.24				\$6,878.76	\$38,500.00

S.I.D. 1427 Hancock Drive
Exhibit D - Description of Improvements
Prepared by: City of Billings

Special Improvement District No. 1427 shall construct street, curb and gutter, and drive approach improvements to Hancock Drive within the City of Billings.

S.I.D. 1427 Hancock Drive
Exhibit E - Property Market Value and Delinquency
Prepared By: City of Billings

TAX I.D. NUMBER	PREVIOUS SID #	PREVIOUS SID PAY-OFF	DELINQUENT	SID 1427 ASSESSMENT	SID 1427 CASH CONTRIBUTION	SID PAY-OFF + DELINQUENT + SID 1427 ASSESSMENT	ESTIMATED MARKET VALUE	ESTIMATED MARKET VALUE AFTER IMPROVEMENTS
A09316				\$ 3,250.16		\$ 3,250.16	\$ 248,200.00	\$ 251,450.16
A09318				\$ 11,533.91		\$ 11,533.91	\$ 352,300.00	\$ 363,833.91
A09320				\$ 7,905.31		\$ 7,905.31	\$ 263,300.00	\$ 271,205.31
A09317				\$ 7,905.31		\$ 7,905.31	\$ 35,943.00	\$ 43,848.31
A09319				\$ 7,905.31		\$ 7,905.31	\$ 250,500.00	\$ 258,405.31
AVERAGE		\$ -	\$ -	\$ 7,700.00		\$ 7,700.00	\$ 230,048.60	\$ 237,748.60
MEDIAN		\$ -	\$ -	\$ 7,905.31		\$ 7,905.31	\$ 250,500.00	\$ 258,405.31
LOW		\$ -	\$ -	\$ 3,250.16		\$ 3,250.16	\$ 35,943.00	\$ 43,848.31
HIGH		\$ -	\$ -	\$ 11,533.91		\$ 11,533.91	\$ 352,300.00	\$ 363,833.91

City Council Regular

Date: 01/22/2024

Title: SID 1427 Hancock Drive, 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. 24-11181
COUNCIL ACTION *Approved 7-4;*
Gulick, Tidswell, Boyett +
Rupis's
JAN 22 2024 *opposed*
db
CITY CLERK

RECOMMENDATION

Staff recommends that City Council approve the Resolution of Intent to Create SID 1427 Hancock Drive and set a public hearing date for February 12, 2024.

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

At the request of a property owner on Hancock Drive, the City is pursuing a Special Improvement district (SID) to construct City improvements along Hancock Drive. Hancock Drive is an existing gravel street located north of Poly Drive, situated between Orchard Drive to the east and Sunnyview Lane to the west. Based on the annual gravel street construction program presented in the CIP, SID 1427 Hancock Drive (the Project) will construct the remainder of curb and gutter, asphalt pavement, and drive approaches, and assess the costs of the improvements to the adjacent addressed and non-addressed property owners requesting certain private improvements. Street Maintenance District 2 funds will be used to fund non-assessed improvements.

Six (6) parcels are adjacent to Hancock Drive within the project limits. Of the six (6) parcels, four (4) are addressed to Hancock Drive and two (2) are residential corner lots addressed to Poly Drive. Two (2) of the four (4) addressed properties are owned by a single owner. The two (2) residential corner lots are not assessed for the improvement costs along their non-addressed side, per City of Billings Resolution No. 23-11171. However, one (1) of the non-addressed properties has requested private property specific improvements to construct a drive approach and will be assessed for that improvement accordingly. Per City of Billings Resolution No. 23-11171, property owners of non-addressed, residential corner lots are responsible for costs associated with private property specific improvements along the non-addressed frontage.

Proposed street improvements (Assessment #1) will be assessed, per the equal amount option method, to the four (4) addressed properties. Concrete Flatwork (Assessment #2), as elected by one (1) addressed property and one (1) non-addressed property, will be assessed to the two (2) participating property owners per the assessed area option method. Separating the assessments into these two (2) methods ensures the benefits of the improvements are assessed appropriately.

On several different occasions, City staff met with all of the property owners along Hancock Drive who will be directly affected by the improvements. City staff attended an on-site meeting with three (3) of the property owners, representing one (1) non-addressed property, and three (3) addressed properties. City staff met with one addressed property owner on two separate occasions at the Office of the City Engineer. City staff met separately with the second non-addressed property owner and was requested to include the drive approach improvements in the Project. Following these meetings and based on the cost estimates provided at the time, three of the four addressed property owners were in support of the Project. The two owners of the non-addressed properties are also in support of the Project.

ALTERNATIVES

City Council may:

- Approve the Resolution of Intent to Create SID 1427 and set a public hearing for the February 12, 2024, Council Meeting; or,
- Not approve the Resolution of Intent to Create SID 1427. If not approved, Hancock Drive will remain a gravel street, and gravel maintenance costs will accrue.

FISCAL EFFECTS

The funding sources, estimated costs of the improvements, and total project cost for SID 1427 is as follows:

SID 1427 Funding Source	SID 1427 Estimated Cost
SID Assessments	\$38,500.00
SMD 2 Funds	\$91,378.00
Total	\$129,878.00

Funding for SID 1427 was budgeted in FY24 using SMD 2 Funds and assessments through the annual gravel streets program. Adequate funding is available to create the SID and fund the improvements.

Attachments

SID 1427 Hancock - Intent
 SID 1427 Exhibit A
 SID 1427 Exhibit B
 SID 1427 Exhibit C
 SID 1427 Exhibit D
 SID 1427 Exhibit E