

October 7, 2009

Billings City Council
c/o Tina Volek, Billings City Administrator
210 North 27th street
Billings, MT 59101

Re: RiverStone Health – New Office Building, Alley Vacation Request by Yellowstone Health Partnership, a 501(c)(3) subsidiary of Yellowstone City – County Health Department, dba RiverStone Health

Dear City Council and Administrator Volek:

As requested, we are providing herein an estimate of fair market value as part of the Request to Vacate Public Right of Way based on the value of the previously vacated 2nd Avenue South. That section of street was purchased by the Yellowstone City – County Health Department in 2004 and is currently owned by Yellowstone Health Partnership, a 501(c)(3) entity whose sole member is Yellowstone City – County Health Department (now doing business as RiverStone Health.)

Yellowstone Health Partnership is submitting this estimate as a requirement for the application. Please refer, though, to the attached letter from the Yellowstone Health Partnership Board Chair, Dr. Douglas Carr dated September 25, 2009. That letter represents the formal request for the vacation and asks Council to consider gifting the vacated alley at no cost in recognition that Yellowstone City – County Health Department, dba RiverStone Health, is a governmental entity created under an interlocal agreement to which the City of Billings, along with the City of Laurel and Yellowstone County, is a sponsoring party.

Please also recall that Council vacated most of South 26th Street between 1st Avenue South and 2nd Avenue South at no cost to the same entity for the same reason.

Per the direction of City staff, we understand that this will suffice for a fair market valuation of the property.

- 2nd Ave. South value at time of sale in 2004: $\$60,000 / 24,069 \text{ SF} = \$2.49 / \text{SF}$
- Valuation of Public Right of Way: $5,965 \text{ SF} \times \$2.49 / \text{SF} = \$14,852$

Respectfully,



John Felton, Board Member
Yellowstone Health Partnership