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123 South 27<sup>th</sup> Street • Billings, MT 59101

April 5, 2016

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

*Re: RiverStone Health - New Clinic, 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 a Request to Vacate Public Right of Way based on the value of a similar approved request (in 2009) for a portion of 2<sup>nd</sup> Avenue South and assuming a reasonable consideration for inflation of 3% per year. 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 of the application for the formal request for the proposed alley vacation being submitted. We would request the 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 recall that Council vacated most of South 26th Street between 1<sup>st</sup> Avenue South and 2<sup>nd</sup> Avenue South as well as the portion of alley between South 26<sup>th</sup> Street and South 27<sup>th</sup> Street North of 2<sup>nd</sup> Avenue South at no cost to the same entity for the same reason.

At the direction of City staff in 2009, when we last submitted a vacation request that was approved by the Council, the following fair market valuation of the property was computed based on the price paid in 2004. In 2016, for purposes of providing an updated valuation included with this vacation request, we computed the valuation assuming a 3% per year inflationary factor from the 2004 factor.

- 2nd Avenue South value at time of sale in 2004: \$60,000 / 24,069 SF = \$2.49/SF
- Valuation of Public Right of Way in 2016: 3,000 SF x \$3.55/SF= \$10,650

Given that this vacation request will improve otherwise public infrastructure, and that RiverStone Health is a public entity that serves the public good and is sponsored in part by the City itself by

virtue of its participation in the interlocal agreement, we are respectfully requesting that this alley vacation be granted and that this be accomplished by gifting the property to RiverStone Health at no cost to the health district.

RiverStone Health has proven itself to be a good public citizen and a fine example of the significant benefits to a community's health and well-being that public agencies can provide through partnerships with both public and private stakeholders. We enjoy a positive and productive working relationship with the City. As such, the Council's decision to vacate this alley at no cost to RiverStone Health will demonstrate our mutual commitment to effective, efficient, and collaborative public service.

Respectfully,

A handwritten signature in black ink, appearing to read 'John Felton', written in a cursive style.

John Felton  
Board Member, Yellowstone Health Partnership *and*  
President & CEO, RiverStone Health