

Appraisal Report of:

**25 Hallowell Lane
Billings, Yellowstone County, Montana**

**Date of Inspection: December 14, 2020
Date of "As Is" Value: December 14, 2020
Date of Report: January 6, 2021**

For:

**City of Billings, Montana
Attn: Tyler Westrope, PE
2224 Montana Avenue
Billings, Montana 59101**

By:

**Thomas Appraisal Services, Inc.
David C. Thomas, MAI
194 Mountain View Boulevard
Billings, Montana 59101
406-969-1504**



David C. Thomas, MAI
Commercial Real Estate

THOMAS
APPRAISAL
SERVICES, INC.

Barbara D. Thomas
Residential Real Estate

January 6, 2021

City of Billings, Montana
Attn: Tyler Westrope, PE
2224 Montana Avenue
Billings, Montana 59101

RE: Appraisal of 25 Hallowell Lane, in Billings, Yellowstone County, Montana.

Dear Mr. Westrope,

Pursuant to your request, I have prepared an appraisal of the above described property. The purpose of this appraisal is to estimate the due compensation to the above landowner for land to be acquired as part of the Hallowell Lane project. I have personally inspected the site valued in this report. I certify that I have no personal interest, present or contemplated, in the subject property and that this appraisal represents my opinion of market value and due compensation.

As a result of my investigation, the final estimates of just compensation for the subject property, as of the date of last inspection, December 14, 2020: is: **\$1,913.**

This letter must remain attached to the report, which contains 20 pages, plus related exhibits, in order for the value opinion set forth to be considered valid. Further, this letter of transmittal precedes the appraisal report further describing the property and containing the reasoning and most pertinent data leading to the final value estimates. Your attention is directed to the Assumptions and Limiting Conditions and Certification, which are considered usual for this type of assignment and have been included within the text of this report.

Sincerely,

THOMAS APPRAISAL SERVICES, INC.

By: David C. Thomas, MAI
Montana Certified General Appraiser #416

Enclosure: Appraisal Report

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PART II – ADDENDA

- Aerial Photograph - Location Map
- Photographs of Hallowell Lane
- City of Billings Ownership/ROW Plan
- Yellowstone County Orion Detail
- Land Sales Maps
- Letter of Engagement
- Copy of State License

Summary of Appraisal

Interest Appraised:	Fee Simple Estate
Location:	The subject is located along the east side of Hallowell Lane, approximately 250' south of State Avenue in Billings, Montana.
Physical Address:	25 Hallowell Lane, Billings, Montana 59101
Tax ID Number:	D01597
Size:	25,265 sf
Highest and Best Use:	Development with multi-family housing, which will require a zoning change and extension of city sewer.
Values of Parent Parcel:	\$ 37,898 (\$1.50/sf)
Final Est. of Compensation:	\$ 1,913
Date of Value:	December 14, 2020
Date of Report:	January 6, 2021

CLIENT: City of Billings - Engineering
Attn: Tyler Westrope, PE
2224 Montana Avenue
Billings, Montana 59101

APPRAISER: David C. Thomas, MAI
Thomas Appraisal Services, Inc.
194 Mountain View Boulevard
Billings, Montana 59101

SUBJECT: Appraisal of 25 Hallowell Lane, in Billings, Yellowstone County,
Montana.

INTRODUCTION:

This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This report is in a format similar to what formally was referred to as a summary report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

PURPOSE OF THE APPRAISAL:

The purpose of this appraisal is to provide the appraisers' best estimate of the market value of the subject real property as of the effective date. *Market value* is defined by the federal financial institutions regulatory agencies as follows:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USE OF REPORT:

The appraisal shall be used by the City of Billings in helping to establish the market value of the subject property for potential acquisition of right-of-way.

INTENDED USERS:

This appraisal report is prepared for the sole and exclusive use of the appraiser’s client: The City of Billings, Montana. There are no other intended users. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

INTEREST VALUED: Fee Simple Estate

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

The Dictionary of Real Estate Appraisal. 4th Edition: Appraisal Institute, 2002, p. 113.

DATE OF INSPECTION: December 14, 2020

EFFECTIVE DATE OF VALUE: December 14, 2020

DATE OF REPORT: January 6, 2021

HYPOTHETICAL CONDITIONS: None

EXTRAORDINARY ASSUMPTIONS: None

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, the appraiser:

- Inspected the subject site from Hallowell Lane. I did not physically enter the subject property. My physical inspection was limited to what is visible from the street. I was not accompanied by any other person on my inspection of this parcel. In addition to my physical inspection, I also “inspected” the subject via aerial photography obtained through Google Maps. This is a useful tool that aids in visualizing the overall property.
- Gathered information on comparable land sales and interviewed several real estate brokers who are familiar with this property type in the Billings market.
- Confirmed and analyzed the data and applied the Sales Comparison Approach to value.
- Two calls were made to Nicole Cromwell with the City of Billings to better understand the impacts of the pending Re-Code on these properties. Ms. Cromwell did not return my phone calls.

The Cost Approach and the Income Approach have not been developed in this analysis. Neither approach is applicable in the valuation of vacant land. The majority of my peers would not develop either approach in the valuation of the subject property. All information necessary to present an appraisal that is not misleading to the intended user is contained in this report. Supporting documentation is contained in the appraisers' file.

As per agreement with the City, no consideration has been given to building improvements and/or site improvements. This analysis is based strictly on the value of the site “as if vacant” and ready for development.

SITE ANALYSIS

The following information is based on my physical inspection of the property on December 14, 2020, information taken from public records, and a review of aerial imagery via Google Maps.

Location: The subject is located along the east side of Hallowell Lane approximately 250' south of State Avenue in Billings, Yellowstone County, Montana.

Address: 25 Hallowell Lane, Billings, MT 59101

Legal Desc: Parcel 1, COS #1930

Tax ID #'s: D01597

Size: 25,265 sf

Shape: Rectangular – please see both the aerial map and the plat map in the addenda that show the location and configuration of this parcel.

Frontages: 76'5" along Hallowell Lane

Improvmts: Improvements consist of a single family home and related outbuildings.

Easements: There are no easements that appear to have an adverse impact on value.

Zoning: R-9600

Residential 9600: *A zone intended to promote primarily a single-family residential environment on lots that are served by public water and sewer service.*

Utilities: There is a city water main in Hallowell Lane and the subject is connected to city water. As per Joe Sheridan with the City of Billings Public Works, a sewer main dead ends about 300' south of the subject in Hallowell Lane. The subject continues to be serviced by a septic system. All other city services are readily available.

Access: There is one developed approach off of Hallowell Lane to this parcel. Hallowell Lane is classified as a "local street" by the City. It has two travel lanes and is not improved with curb, gutter, sidewalks or storm drain. It is lightly traveled, mostly by local residents.

Flood Hazard: The subject is not located in an identified flood hazard area.

Topography: The subject is flat and at the same grade as Hallowell Lane. It has an abundance of mature landscaping.

Adjacent Properties:

North: Adjacent to the north is a Family Dollar retail store and an Ace Hardware retail store.

South: Adjacent to the south is a single family residence on a similar sized lot to the subject.

East: Adjacent to the east is a single family residence on a large lot.

West: Across Hallowell Lane is a self-storage facility known as Southgate Storage.

Hazardous and/or Toxic Materials:

A visual inspection of the subject did not reveal any unusual soil conditions or hazardous waste material that may be present on or under the site. A Phase 1 Environmental Assessment was not provided; thus, I cannot comment on actual soil conditions or the existence of hazardous wastes, if any, on/under the site. I am not an expert in detecting hazardous materials that may be present on/under the site, which materials may affect the value of the property.

The value estimate is predicated upon the assumption that there is no such material on the property. Any such environmental risk discovered at a later date may require a revised estimate of value that may or may not be simply a reduction of the value by the estimated cost to cure the environmental condition. Properties known to have environmental risk may also carry a stigma in the marketplace that may or may not affect the value. If future soil tests should reveal the existence of any unusual soil conditions or hazardous wastes, I reserve the right to review and modify this appraisal accordingly.

PROPERTY OWNERSHIP

The subject is under the ownership of Dan & Barbara Smith. There has been no change of ownership over the past 5 years.

TAXES

The following chart shows the assessed values for the land and improvements, the total assessed value, and the 2020 taxes for each parcel. I have highlighted the Land Value numbers as this is the value being estimated in this report.

Address:	<u>25 Hallowell</u>	
Land Value:	\$24,775	<i>\$0.98</i>
Imp. Value:	<u>\$209,325</u>	
Total Assessed:	\$234,100	
2020 Taxes:	\$2,899.38	

As can be seen, the assessed value per square foot for the land is just under \$1.00 psf for the subject.

HIGHEST AND BEST USE

The subject has the R-9600 zoning classification, which allows for single family homes on lots no smaller than 9,600 sf. The R-9600 classification is a low density classification that is typically found in upper end subdivisions that are targeted for larger homes. It is not a classification that a developer would desire for lots in this area of Billings. The subject neighborhood is more suited to entry level single family homes and multi-family housing. At 25,265 sf, the subject was likely at the edge of the city limits when it was platted. Today, the subject is very large for a residentially zoned lot in the city limits. There is no possibility the subject would be developed with a single home in this day and age at this location.

The highest and best use of this lot is development with multi-family housing. At the very least duplexes and more than likely an apartment building. If the subject were vacant, a buyer would likely apply for a change in zoning to a much higher density classification, and redevelop the site.

Development with multi-family housing will require two things: a change in zoning and extension of city sewer. The assumption is made that a change in zoning would be granted, assuming services are extended. Extension of city sewer will be expensive, which needs to be taken into account in the valuation process.

VALUATION

Sales Comparison Approach

The value of a property tends to be set by the cost of acquiring an equally desirable substitute property. Therefore, in the Sales Comparison Approach market data obtained from sales of properties with a reasonable degree of similarity to the subject are analyzed and adjusted to arrive at a value indication. The reliability and similarity of comparable sales data tends to determine the reliability and accuracy of this approach.

These sales differ from the subject in various ways, i.e. location, time of sale, and physical characteristics. The dissimilarities are adjusted for by adding to the price of the comparable when it is inferior to the subject, and conversely, subtracting from the price of the comparable when it is superior to the subject. In practice it is very difficult to isolate each factor and accurately assess the amount of adjustment required. In most areas there is simply not sufficient data; thus, an appraiser must use subjective judgment in analysis. When analyzing data, several generalities can be applied:

1. Value tends to increase per unit of comparison as the size of the parcel decreases.
2. Value tends to increase with zoning density.
3. Value tends to increase as the distance to the main commercial center decreases.
4. Value tends to increase with amenities, such as views or desirable frontage.
5. Value tends to increase as site improvements increase.

Four sales and one listing have been used in this analysis. Four are located in the subject's immediate neighborhood and one is located near downtown Billings in the North Park area. Finding sales that are truly comparable to the subject (South Billings, large, zoned R-9600) proved to be impossible. There aren't many lots like the subject and finding one that has recently sold is rare. The following charts shows the pertinent facts for each transaction. Complete descriptions of each sale are retained in my file. A map showing their locations is contained in the addenda.

Sale #:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Listing 5</u>
Address:	301 Hallowell	4183 Vaughn	1919-2019 9th Ave. N.	317 Viceroy Street	239 Hallowell
Date of Sale:	05/2020	07/2020	07/2020	04-2020	Listing
Size:	35,931	35,938	81,600	9,770	13,701
Zoning:	R-9600	R-9600	R-7000	R-7000	R-7000
City Services:	Water	Water	All	All	All
Sale Price:	\$95,000	\$50,000	\$349,000	\$35,000	\$48,000
Price/Sq. Ft:	\$2.64	\$1.39	\$4.28	\$3.58	\$3.50

Adjustments Made to Sales:

No adjustments were necessary to any of the sales for property rights conveyed, financing, conditions of sale, or market conditions. The four sales all occurred in 2020 and are representative of current market conditions.

Following is a brief discussion of each sale. Following the discussion of the sales is my determination of market value based on these sales and listing.

Discussion of Sales:

Sale 1: Sale 1 is located about 1,650' south of the subject. This property has a Hallowell Lane address, however, it does not have Hallowell frontage. It is located 150' east of Hallowell and is accessed via a short "frontage" road from Hallowell Lane. This property is not connected to city sewer. Connecting to sewer would require about 150' of extension from Hallowell Lane. The property is developed with a 1,120 sf house that was built in 1940, small detached garage, and barn. The house has "significant foundation issues". As per the listing broker, the buyer is going to continue the existing use as a single family residence.

Sale 2: Sale 2 is adjacent to the south of Sale 1 and was under the same ownership as Sale 1, however, this property sold to a different buyer. This property has frontage along Vaughn Lane. As with Sale 1, it was not connected to city sewer. A sewer main is located in Vaughn Lane, but it is about 15' deep and will be fairly expensive to tap given the depth. This parcel is developed with a 628 sf home that was built in 1940 that was quite dated. The buyer is reportedly going to raze the home and build a home and large detached shop, to be used in a family business.

Sale 3: This is the sale of five lots located along 9th Avenue North, one block north of North Park. The lots are contiguous and were purchased by a single buyer in a single transaction. Of the five lots, one had a single family home that is to remain as a single family residence. The other four were, for all intents and purposes, vacant. The buyer is planning to develop these lots with some type of multi-family housing. Each had the R-7000 zoning classification and all five were connected to water and sewer. Given their proximity to the CBD, this is a superior location to south Billings. Only the four lots that were vacant are shown in the chart (both size and price).

Sale 4: Sale 4 is a typical residential lot located at the south end of Viceroy Street in the Chrysalis Acres Subdivision. This lot is about 500 feet east of Hallowell Lane and located about 1/4th mile south of the subject. Chrysalis Acres Subdivision is adjacent to the south of Orchard Elementary School and all of the lots in this subdivision have the R-7000 zoning classification. This lot is to be developed with a single family home.

Listing 5: Listing 5 is also located in Chrysalis Acres Subdivision and is the largest lot in this subdivision. It is located at the northeast corner of Hallowell Lane and Bruce Avenue. The southeast corner of this lot is about 215' north of the northwest corner of Sale 1. This parcel has the R-7000 classification and has been for sale for over

two years. As per the listing broker (David Goodridge with Real Estate by Hamway), there were two accepted offers at \$48,000, which is the price shown in the chart, however, both fell through and the property remains for sale. One of the buyers was going to build duplexes and the other a single family home. This property is connected to water and sewer.

Conclusion of Value:

There is a clear top and a clear bottom to the sales. The top is represented by Sale 3. This property is the only one not located in south Billings. As mentioned in the discussion, the area around North Park is a superior location to Hallowell Lane, especially for multi-family housing. Also, these lots were stubbed with city water and sewer, which is also significant. Limited consideration has been given to this sale for these reasons.

The bottom of the range is represented by Sale 2. This is a large lot that has the same zoning as the subject and has fairly similar locational characteristics. City sewer is located in Vaughn Lane, but it is deep and will be expensive to tap. This is a very valid indicator of value for the subject.

Sale 1 is also a valid indicator of value as it is not connected to city sewer either. Sewer will need to be extended about 150' to be connected. Based on the discrepancy in price between Sale 1 and Sale 2, it would appear that the existing improvements were given some value in this transaction. For this reason, secondary consideration has been given to Sale 1.

Based on this information, and giving primary consideration to Sale 2, as it is viewed as a true land sale, I have estimated the market value of the subject to be **\$1.50 psf**. This is about 8% higher than Sale 2 and about 29% lower than Sale 1. This also takes into consideration the comments of the various brokers I interviewed in developing this analysis.

The market value of the lot based on a value of \$1.50 psf is calculated as follows:

$$25,265 \text{ sf} \quad \times \quad \$1.50/\text{sf} \quad = \quad \$ 37,898$$

Value of ROW To Be Acquired:

As per information provided by the City of Billings, 1,275 sf of land is to be acquired from the subject property. The value of the land to be acquired is calculated as follows:

$$1,275 \text{ sf} \quad \times \quad \$1.50/\text{sf} \quad = \quad \mathbf{\$1,913}$$

**CORRELATION ANALYSIS
AND
FINAL VALUE ESTIMATE**

The Sales Comparison Approach arrives at the following estimate of compensation for the subject:

25 Hallowell Lane: \$ 1,913

Four sales and one listing were used in the determination of just compensation. The overall value per square foot of the larger parcel, which in this case was the entire lot, was applied to the area to be acquired to arrive at compensation. This is a commonly used methodology in estimating the value of partial acquisitions of vacant land. As per agreement with the City, no compensation was included for site improvements and/or issues relating to proximity.

This value is relevant as of the date of last inspection, December 14, 2020.

For the purposes of this analysis, a reasonable exposure period for the subject is estimated to be less than 12 months. This exposure period is based on a review of sales activity for similar types of property and assumes competitive pricing and competent marketing procedures. The marketing time is also estimated to be less than 12 months.

CERTIFICATION

I hereby certify to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- the engagement in this assignment was not contingent upon developing or reporting predetermined results.
- the compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification.
- I have not appraised the subject property, nor supplied appraisal assistance to anyone appraising the subject property, within the past three years.

I further certify that the final estimate of just compensation for the subject property, as of the date of last inspection, December 14, 2020: is: **\$1,913**. This appraisal was made in accordance with the Codes of Professional Ethics and the Standards of Professional Practice of The Appraisal Institute. The use of this report is subject to the requirements of The Appraisal Institute relating to review by their duly authorized representatives. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

THOMAS APPRAISAL SERVICES, INC.



By: David C. Thomas, MAI
Montana Certified General Appraiser #416

QUALIFICATIONS/RESUME FOR DAVID C. THOMAS

Designation & Professional Affiliations

Member (MAI) The Appraisal Institute
Montana Certified General Appraiser #416

Business Address

Thomas Appraisal Services, Inc.	Phone:	406-969-1504
194 Mountain View Boulevard	Cell:	406-366-1159
Billings, Montana 59101	E-Mail:	dave@tasmt.net

Employment History

Independent Fee Appraiser... Thomas Appraisal Services, Inc.
Billings, MT & Lewistown, MT... April 1993 to Present

Independent Contractor... Ferro Appraisal Services, Inc.
Great Falls, MT... April 1993 to December 1998

Independent Fee Appraiser... Pardue, Heide, Church, Smith and Waller of Brevard, Inc.
Titusville, Florida... September 1991 to February 1993

Education

Bachelor of Science, May 1989
Arizona State University, Tempe, Arizona
Double Major: Finance and Real Estate

Partial Listing of Clients

Basin State Bank of Lewistown	Metropolitan Mortgage & Securities
CB Richard Ellis/Metec Due Diligence	Montana Dept. of Fish, Wildlife, Parks
City of Billings	Montana Dept. of Transportation
Continental National Bank, Harlowton	State of Montana, Compensation Ins. Fund
Farm Credit Services	Stockman Bank of Montana
Fergus County Federal Credit Union	US Dept of Agriculture, Rural Development
ABN AMRO	US Dept. of Agriculture, NRCS
First Interstate Bank - Billings	Western Security Bank
First Bank of Lewistown	Wells Fargo Bank
JP Realty Inc., Hialeah, Florida	Wells Fargo Bank Public Finance
Judith Basin County	Yellowstone Bank
Lewistown Airport Authority	Numerous private investors, attorneys, & accountants.

Continuing Education Courses

2020 - 2020 Montana Economic Outlook Seminar	University of Montana
2019 - 7-Hour national USPAP Update course	McKissock
2019 - 2019 Montana Economic Outlook Seminar	University of Montana
2018 - Forecasting Revenue	Appraisal Institute
2018 - Real Estate Finance, Value, & Investment Performance	Appraisal Institute
2017 - Marketability Studies: Basis & Advanced Techniques	Appraisal Institute
2016 - 2016 Montana Economic Outlook Seminar	University of Montana
2016 - 7-Hour National USPAP Update Course	Appraisal Institute
2014 - General Appraiser Market Analysis & H. & B. Use	Appraisal Institute
2014 - Online Cool Tools New Technology for R.E. Appraisers	Appraisal Institute
2014 - 7-Hour National USPAP Update Course	Appraisal Institute
2014 - 2014 Montana Economic Outlook Seminar	University of Montana
2013 - Business Practices & Ethics	Appraisal Institute
2012 - Appraising the Appraisal: Appraisal Review	Appraisal Institute
2012 - 7-Hour National USPAP Update Course	Appraisal Institute
2011 - Advanced Spreadsheet Modeling for Valuation Appl.	Appraisal Institute
2010 - DCF Model: Concepts, Issues, Applications	Appraisal Institute
2010 - Using Spreadsheet Programs in Appraisals	Appraisal Institute
2010 - Valuation for Financial Reporting	Appraisal Institute
2010 - Standards of Professional Practice, Part C	Appraisal Institute
2009 - Business Practices & Ethics	Appraisal Institute
2008 - Office Building Valuation - Cont. Perspective	Appraisal Institute
2008 - Standards of Professional Practice, Part C	Appraisal Institute
2007 - Analyzing Distressed Real Estate	Appraisal Institute
2007 - Feas., Mark. Val., Timing: Option Value	Appraisal Institute
2007 - Effective Appraisal Writing	Appraisal Institute
2007 - Standards of Professional Practice, Part C	Appraisal Institute
2006 - Subdivision Valuation	Appraisal Institute
2006 - Code of Professional Ethics	Appraisal Institute
2006 - Standards of Professional Practice, Part C	Appraisal Institute
2005 - Scope of Work, Exp. Your Services	Appraisal Institute
2004 - Evaluating Commercial Construction	Appraisal Institute
2004 - Standards of Professional Practice, Part C	Appraisal Institute
2003 - Separating Real & Personal Property from Intangible Business Assets	Appraisal Institute
2003 - Uniform Stan. for Fed. Land Acquisitions	Appraisal Institute
2002 - Partial Interest Valuation - Undivided	Appraisal Institute
2002 - Standards of Professional Practice, Part C	Appraisal Institute
2001 - Partial Interest Valuation - Divided	Appraisal Institute
2001 - Passed Comprehensive Examination	Appraisal Institute
2001 - The Comprehensive Appraisal Workshop	Ted Whitmer, MAI Attorney
2000 - Advanced Applications	Appraisal Institute
2000 - Case Studies/Highest and Best Use	Appraisal Institute
2000 - Litigation Skills for the Appraiser	Appraisal Institute
2000 - Standards of Prof. App. Practice, Part C	Appraisal Institute
1999 - Nonres. Demo. Report Writing Seminar	Appraisal Institute
1999 - Highest and Best Use and Market Analysis	Appraisal Institute
1999 - Advanced Income Capitalization	Appraisal Institute
1999 - Standards of Professional Practice, Part B	Appraisal Institute
1999 - Analysis of Small Mixed Use Properties	Appraisal Institute
1998 - Advanced Sales Comp. & Cost Approaches	Appraisal Institute
1998 - Small Hotel/Motel Evaluation	Appraisal Institute
1998 - Report Writing and Valuation Analysis	Appraisal Institute
1998 - Standards of Professional Practice, Part C	Appraisal Institute
1997 - Timberland Valuation: General	Appraisal Institute

ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report, the Letter of Transmittal and the Certification of Value are made expressly subject to the following assumptions and limiting conditions, and any special limiting conditions contained in the report which are incorporated herein by reference.

1. The legal description furnished is assumed to be correct. I assume no responsibility for matters legal in character nor do I render any opinion as to the Title, which is assumed to be good. All existing liens and encumbrances, if any, have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management.
2. The sketch in this report is included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
3. No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee or public records. I am not liable for such information, nor the work of possible subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of my factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving, sale, lease or other significant commitment of funds or subject property.
4. This appraisal has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant, and then only with proper qualification.
5. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges regardless of issuing party.
6. Subsurface rights (minerals and oils) were not considered in making this appraisal.
7. The appraiser has inspected as far as possible by observation the land that is the subject of this report. The value estimate is predicated on the assumption that there is no material on

or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

8. The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil or structures, nor toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions, nor for any expertise or engineering required to discover them.
9. The comparable sales data relied upon in this appraisal is believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely on information furnished by others as to said data; therefore, the value conclusions are subject to the correctness and verification of said data.
10. The appraiser assumes no responsibility for any costs or consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Neither all nor any part of the contents of this report shall be conveyed to any person or entity other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all the assumptions and limiting conditions of the assignment.
12. The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report; further that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report. Furthermore, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.
13. The appraiser reserves the right to re-evaluate statements, analysis, conclusions or any value estimate in the appraisal if facts become known that are pertinent to the appraisal process and which were unknown when the report was finished.
14. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, economically or legally.

ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

A D D E N D A



Aerial Photograph



Hallowell Lane Facing North



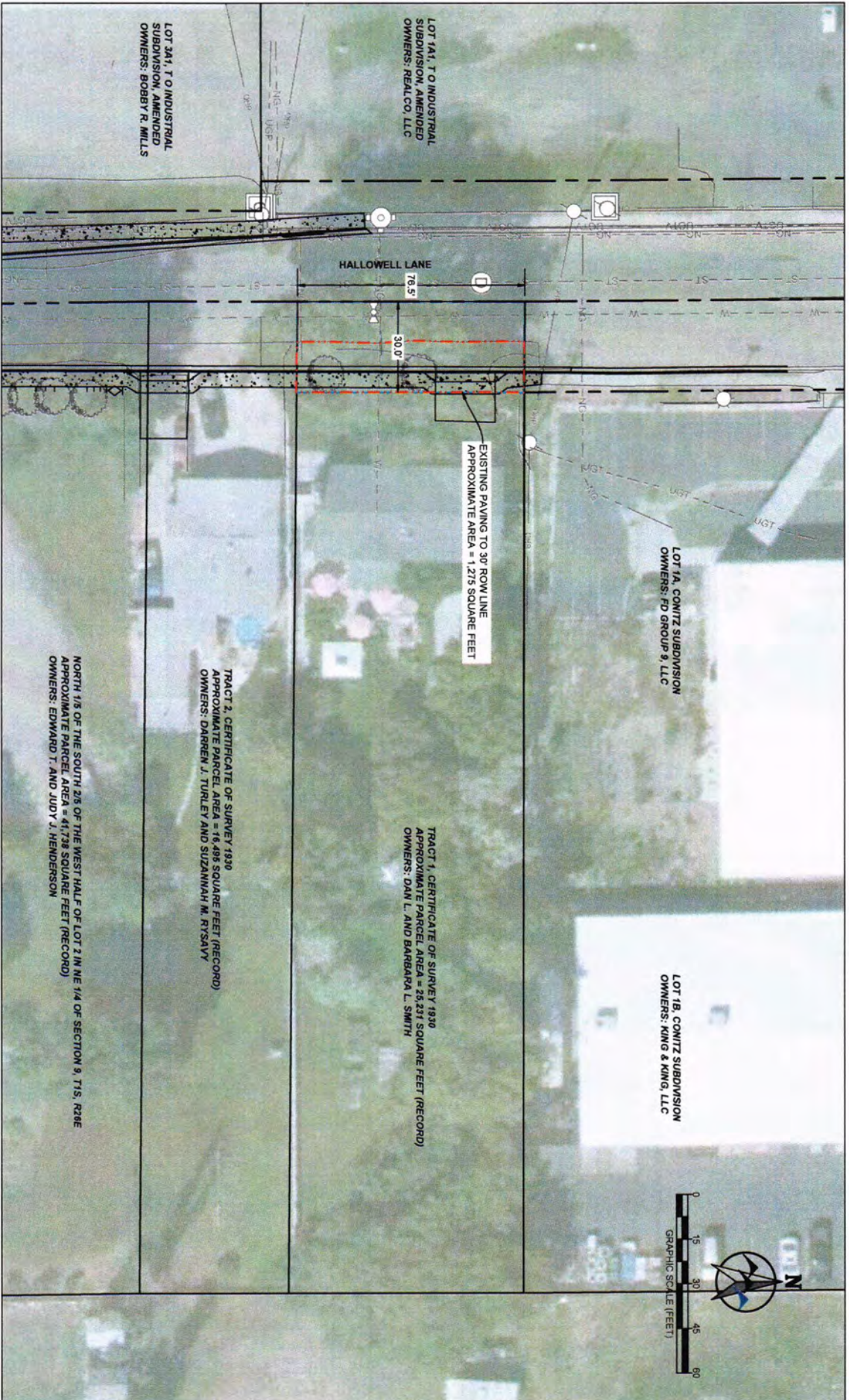
Hallowell Lane Facing South



Hallowell Lane Facing South



Hallowell Lane Facing South



LOT 3A1, T O INDUSTRIAL
SUBDIVISION, AMENDED
OWNERS: BOBBY R. MILLS

LOT 14A, T O INDUSTRIAL
SUBDIVISION, AMENDED
OWNERS: REALCO, LLC

HALLOWELL LANE
75.5'

30.0'

EXISTING PAVING TO 30' ROW LINE
APPROXIMATE AREA = 1,275 SQUARE FEET

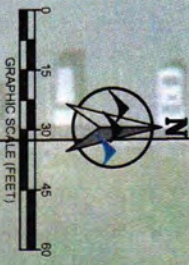
LOT 1A, CONITZ SUBDIVISION
OWNERS: FD GROUP 9, LLC

LOT 1B, CONITZ SUBDIVISION
OWNERS: KING & KING, LLC

TRACT 2, CERTIFICATE OF SURVEY 1930
APPROXIMATE PARCEL AREA = 16,488 SQUARE FEET (RECORD)
OWNERS: DARREN J. TURLEY AND SUZANNAH M. RISSAVY

TRACT 1, CERTIFICATE OF SURVEY 1930
APPROXIMATE PARCEL AREA = 26,231 SQUARE FEET (RECORD)
OWNERS: DAN L. AND BARBARA L. SMITH

NORTH 1/5 OF THE SOUTH 2/5 OF THE WEST HALF OF LOT 2 IN NE 1/4 OF SECTION 9, T1S, R21E
APPROXIMATE PARCEL AREA = 41,738 SQUARE FEET (RECORD)
OWNERS: EDWARD T. AND JUDY J. HENDERSON





Yellowstone County, Montana

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Orion Detail

Disclaimer: Not all fields are currently maintained. The accuracy of the data is not guaranteed. Please notify the Appraisal/Assessment Office (406-896-4000) of any inaccuracies.

[Back to Search Form](#)

[Property Tax Detail](#)

Owner Information

Primary Owner: SMITH, DAN L & BARBARA L [Ownership History](#)
Tax ID: D01597
Geo Code: 03-0927-09-1-14-13-0000
Property Address: 25 HALLOWELL LN BILLINGS 59101
Legal Description: S09, T01 S, R26 E, C.O.S. 1930, PARCEL 1
Property Type : IMP_U - Improved Property - Urban

[Clerk & Recorder Documents](#)

Site Data [View Codes](#)

Neighborhood Code:	03-0965T5-2T5	Location:	
Parking type:	203.400	Fronting	%
Utilities:		Parking Prox	%
Lot Size:	25265 Sq. Ft.	Access:	
		Topography:	

Residential Building Data

Type:	SFR	Index	0.97
Year Built:	1940	ECF	1.32
Year Remodeled:	1994	Degree Remodeled	
Effective Year:	1980	Utility:	Average (7)
Style:	08 - Conventional	Exterior:	1 - Frame - 5 - Maintenance Free Aluminum/Vinyl/Steel
Story Height:	2.0	Condition:	Fair (6)
Roof Type:	3 - Gable	Roof Material:	10 - Asphalt Shingle
Foundation:	2 - Concrete	Basement:	0 - None
Central/AC	3 - Gas	Grade-Factor:	61.26
Percent Complete:	100%	CDU:	
Bedrooms:	4	Full Baths:	3
Family Rooms:		Half Baths:	Addl Fixtr: 3
1st Floor:	1194	2nd Floor:	1690
Additional Area:	0	Bsmt Fnsh:	
Basement:	0	Heated Flr:	
Half Floor:	0	Daylight	N
Attic:	0	Basement:	
Attic Type:	0 - None	Built-in	2
		Garage:	
		Masonry F/P:	

Total:*

2884

F/P Stacks:**Pre Fab F/P: 2**

* includes finished, unfinished & attic footprint area(s).

Residential Building Additions

Addition Code	Area(Sq Ft)
19 - Garage, Frame, Finished	616

Other Building and Yard Improvements

Code - Type	Quantity	Area/Unit	Classcode
RPA2 - Concrete	1	704	3501
RPA2 - Concrete	1	832	3501
RRS1 - Shed, Frame	1	320	3501
RRS1 - Shed, Frame	1	80	3501
RRZ1 - Gazebo	1	120	3501

Any comments or questions regarding the web site may be directed to the [Web Developer](#).



Yellowstone County, Montana

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Disclaimer: Not all fields are currently maintained. The [accuracy of the data is not guaranteed](#). Please notify the Appraisal/Assessment Office of any inaccuracies.

[Back to Search Form](#)

[Full Orion Detail](#)

Owner Information

***Please Note:** Owner information is supplied by the **Montana Department of Revenue**. To request updates to addresses or other ownership information, please **contact the DOR office at 896-4000**. Records for the current year will **not** be updated after tax bills have been sent out, so changes requested after you receive your bill will appear only on next year's records.

Tax ID: D01597

Primary Party

Primary Owner Name: SMITH, DAN L & BARBARA L [Ownership History](#)

2020 Mailing Address: SMITH, DAN L & BARBARA L
25 HALLOWELL LN
BILLINGS, MT 59101-5017

Property Address: 25 HALLOWELL LN

Township: 01 S Range: 26 E Section: 09

Certificate of Survey: 1930 Parcel: 1

Full Legal: S09, T01 S, R26 E, C.O.S. 1930, PARCEL 1

GeoCode: 03-0927-09-1-14-13-0000

[Show on Map](#) (May not work for some newer properties.)

Property Assessment Information

Levy District: SOUTH BILLINGS BLVD URBAN

2020 Assessed Value Summary

Assessed Land Value = \$ 24,775.00

Assessed Building(s) Value = \$ 209,325.00

Total Assessed Value = \$ 234,100.00

Assessed Value Detail Tax Year: 2020

Class Code	Amount
2201 - Residential City or Town Lots = \$	24,775.00
3501 - Improvements on Residential City or Town Lots = \$	209,325.00
Total = \$	234,100.00

The values shown for the given tax year are for taxation purposes only. They are supplied by the Department of Revenue. For questions about these values, please contact the Montana Department of Revenue, Appraisal/Assessment Office at [406-896-4000](#).

Rural SID Payoff Information

NONE

Property Tax Billing History

Year	1st Half	2nd Half	Total
2000	1,272.04 P	1,272.03 P	2,544.07
2001	1,369.02 P	1,369.01 P	2,738.03
2002	1,484.08 P	1,484.07 P	2,968.15

2003	1,472.45 P	1,472.44 P	2,944.89
2004	1,430.88 P	1,430.88 P	2,861.76
2005	1,463.15 P	1,463.14 P	2,926.29
2006	1,441.08 P	1,441.08 P	2,882.16
2007	1,479.90 P	1,479.89 P	2,959.79
2008	1,469.79 P	1,469.79 P	2,939.58
2009	1,142.28 P	1,142.23 P	2,284.51
2010	1,102.42 P	1,102.41 P	2,204.83
2011	1,073.07 P	1,073.04 P	2,146.11
2012	1,000.83 P	1,000.79 P	2,001.62
2013	978.35 P	978.33 P	1,956.68
2014	968.07 P	968.05 P	1,936.12
2015	1,143.93 P	1,143.91 P	2,287.84
2016	1,169.88 P	1,169.86 P	2,339.74
2017	1,205.80 P	1,205.79 P	2,411.59
2018	1,240.33 P	1,240.32 P	2,480.65
2019	1,386.58 P	1,386.57 P	2,773.15
2020	1,449.70 P	1,449.68	2,899.38

(P) indicates paid taxes.

Click on year for detail. [Pay Taxes Online](#)

Jurisdictional Information

Commissioner Dist: 1 - John Ostlund (R)	School Attendance Areas
Senate: 26 - Margie MacDonald (D)	High: SENIOR
House: 52 - Rodney Garcia (R)	Middle: RIVERSIDE
Ward: 1 (BILLINGS)	Elem: ORCHARD

[Kendra Shaw](#)
[Mike Yakawich](#)

Precinct: 52.1

Zoning: Residential 9600

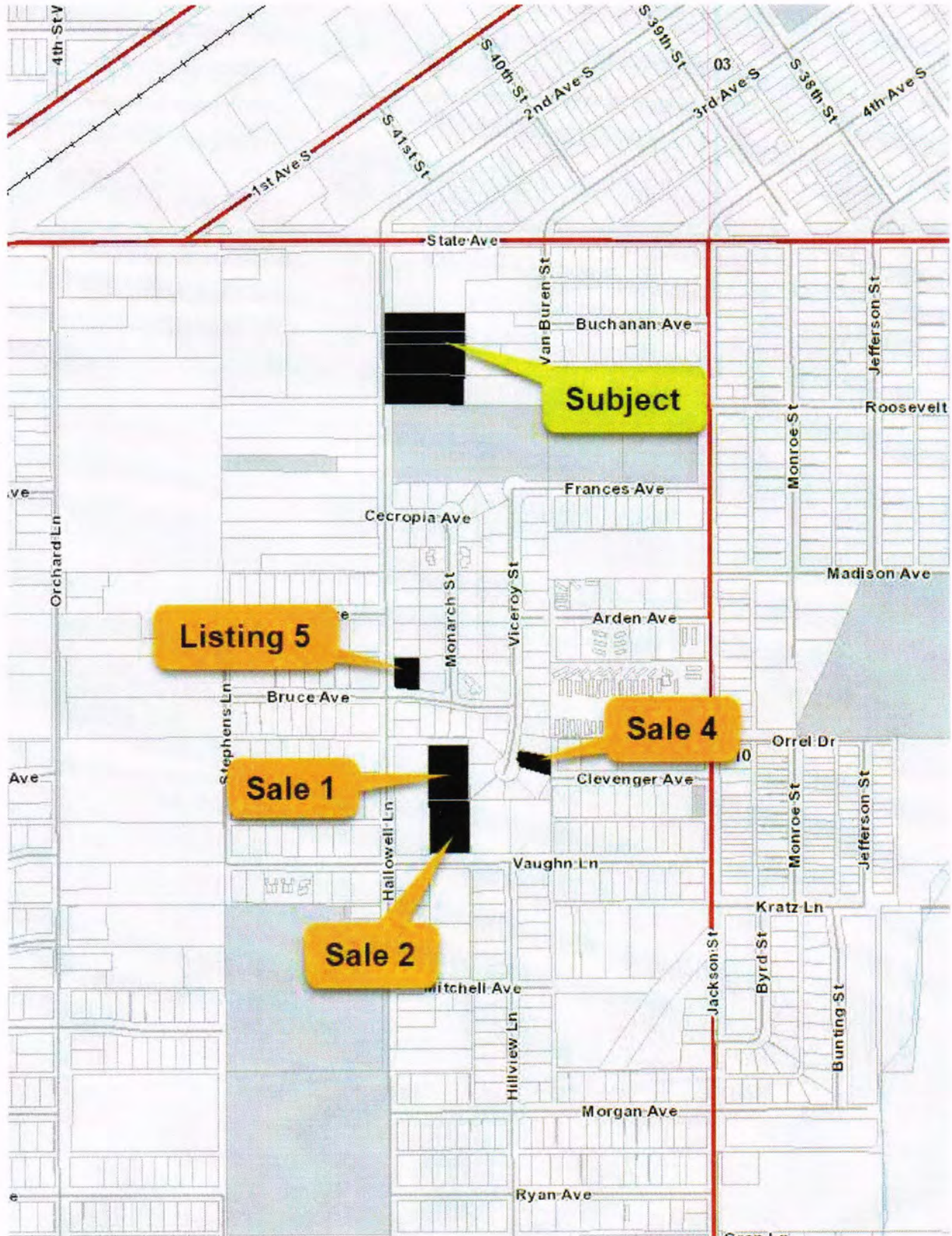
[Click Here to view Billings Regulations](#)

[Click Here to view Laurel Regulations](#)

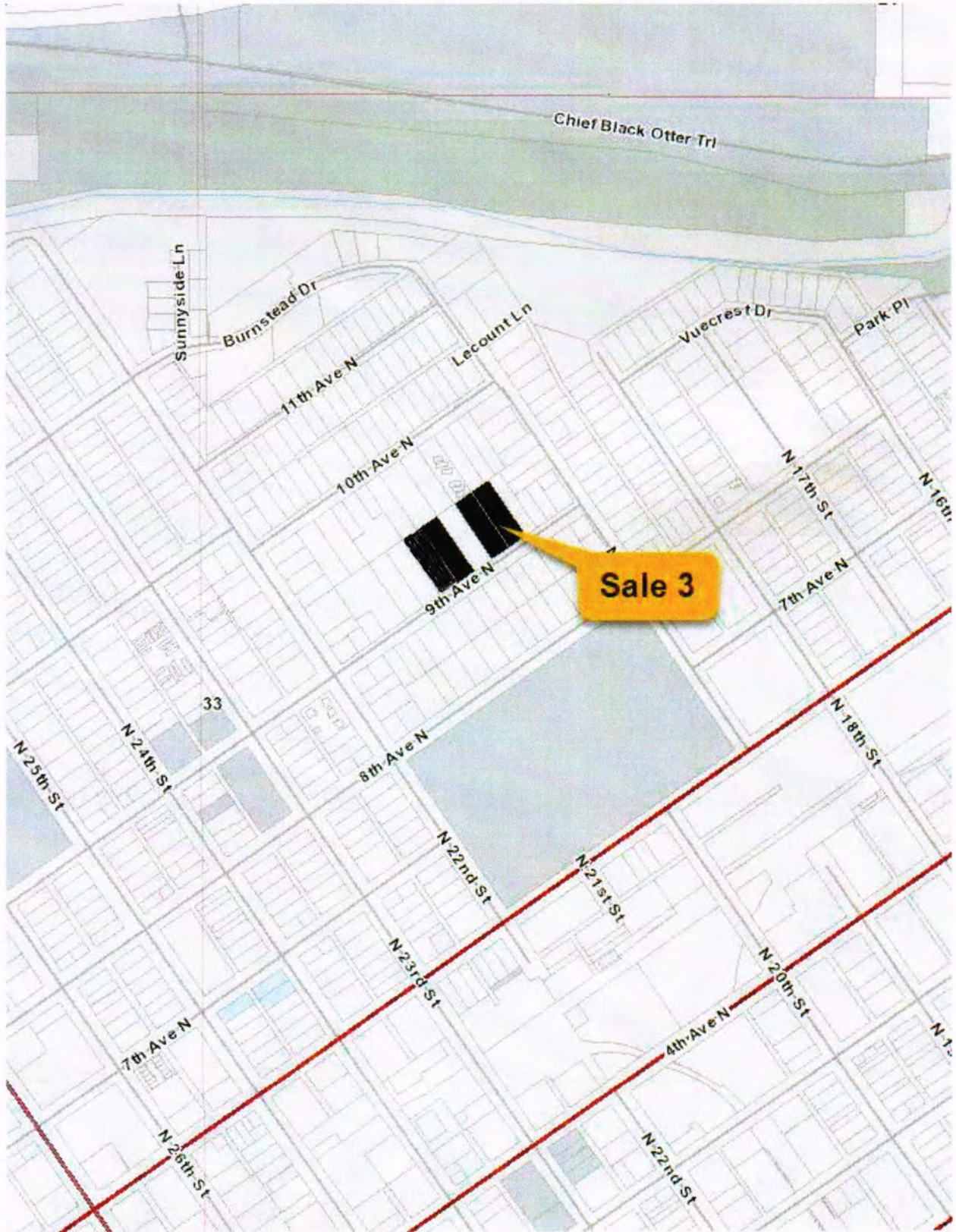
[Click Here to view Broadview Regulations](#)

SD 2 Trustee District #1 [List of Trustees](#)

Any comments or questions regarding the web site may be directed to the [Web Developer](#).



Land Sales Map – 1, 2, 4 & 5



Land Sale 3

Dave Thomas

From: Westrope, Tyler <westropet@billingsmt.gov>
Sent: Thursday, November 12, 2020 11:39 AM
To: Dave Thomas
Subject: Re: City of Billings - Hallowell Lane ROW Appraisals

Hi Dave. This will not be reviewed by MDT. I imagine the only people who will review this will be each of the homeowners.

The City's policy says we need an appraisal for ROW purchases. In speaking internally at the City, we feel the "estimate of market value" you described below (as you're a licensed appraiser) meets that requirement.

From: Dave Thomas <dave@tasmt.net>
Sent: Thursday, November 12, 2020 10:37 AM
To: Westrope, Tyler <westropet@billingsmt.gov>
Subject: [EXTERNAL] RE: City of Billings - Hallowell Lane ROW Appraisals

ATTENTION: This email originated from outside of the City of Billings. Use caution when clicking links or opening attachments unless you recognize the sender and are expecting the contents.

Tyler, I got to thinking about this later. Is this going to be reviewed by MDT, or anyone else for that matter? If it is, then it becomes much more complex because of all the things they require and I would like to change the fee. If not were good to go. Thanks.

From: Westrope, Tyler [mailto:westropet@billingsmt.gov]
Sent: Thursday, November 12, 2020 9:45 AM
To: Dave Thomas <dave@tasmt.net>
Subject: Re: City of Billings - Hallowell Lane ROW Appraisals

Yes, that works for me. Thank you Dave!

From: Dave Thomas <dave@tasmt.net>
Sent: Tuesday, November 10, 2020 2:31 PM
To: Westrope, Tyler <westropet@billingsmt.gov>
Subject: [EXTERNAL] RE: City of Billings - Hallowell Lane ROW Appraisals

ATTENTION: This email originated from outside of the City of Billings. Use caution when clicking links or opening attachments unless you recognize the sender and are expecting the contents.

Hi Tyler,

It appears that all you need from me is an estimate of market value for just the land. That certainly makes the assignment easier. If that is in fact what you want, my fee would be \$3,000 and delivery would be toward the middle of December. As we talked about, there really isn't going to be a difference in price per square foot among the four parcels, so I would value one, and then you could apply that number to the other three. Let me know if that works. Thanks.

Dave

David Thomas, MAI
Thomas Appraisal Services
194 Mountain View Boulevard
Billings, MT 59101
dave@tasmt.net
969-1504

From: Westrope, Tyler [<mailto:westropet@billingsmt.gov>]
Sent: Tuesday, November 10, 2020 11:13 AM
To: Dave Thomas <dave@tasmt.net>
Subject: City of Billings - Hallowell Lane ROW Appraisals

Good morning Dave,

Attached is information for the four properties on Hallowell Lane that the City needs to purchase ROW from for improvements to the roadway. We've spent a fair amount of time at the County Clerk and Records office looking for any documentation that would have granted that land to the City...but we haven't found anything yet. We've also ordered Title Reports for each property and nothing came up either.

It appears for these four properties that the property line extends to the centerline of the existing Hallowell Lane roadway. In speaking with our attorney, she feels the City has a prescriptive easement over the road that currently exists, but that the City would need to acquire ROW for anything beyond edge of existing road. I would like to clean up their property lines so they are not paying taxes for land they cannot use as their own; i.e. the road.

I would like to keep the appraisal limited to the value of the raw land and not include additions or deducts for onsite features or proximity. Proximity from proposed back of sidewalk to front of each structure is shown on the exhibit. There will be a number of trees that will be cut down as part of this project, but I would like to keep that conversation separate.

Please let me know if you have any questions or need additional information. Thank you.

Tyler Westrope, PE
City of Billings - Engineering
2224 Montana Avenue
Billings, MT 59101
406-247-8656



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAG-LIC-416

Status: **Active**
Expires: **03/31/2021**

This certificate verifies licensure as:

CERTIFIED GENERAL APPRAISER

With endorsements of:

* **REAL ESTATE APPRAISER MENTOR**

**THOMAS APPRAISAL SERVICES
DAVID C THOMAS
194 MOUNTAIN VIEW BOULEVARD
BILLINGS, MT 59101**



Montana Department of
LABOR & INDUSTRY
RENEW OR VERIFY YOUR LICENSE AT:
<https://ebiz.mt.gov/pol>

Renew online at <https://ebiz.mt.gov/pol> by signing in with your username and password.

The renewal cycle for your board opens 60 days prior to the expiration date on your current license.

Renew your license prior to your expiration date to avoid being charged a late fee(s).

Remember to maintain your online account information with a password, security question and a valid email address. You can update your account information by accessing the 'Account Management' link when logged in.