

Dear Mayor and Members of the City Council,

This letter and accompanying attachments are being submitted as part of the materials for **Zone Change 1078**. Its purpose is to provide additional context regarding the proposed development and to address ongoing concerns raised by neighboring county residents. While these topics will also be presented at the public hearing, we are providing this summary in advance to support your review and consideration.

Developer Overview

The proposed developer, **Cal Kunkel**, is a long-time local resident who has spent over 25 years building residential communities within the City of Billings using primarily personal investment (note: on a limited basis, Mr. Kunkel has invited a select few Billings’ area investors—small in quantity and small contributions) Throughout that time, he has consistently improved the quality, design, and livability of his developments.

Recent examples of his work include:

- Home Run Patio Homes (west of Mallowney on Elysian Road)
- Superbowl Townhomes (NW corner of Shiloh and Zoo Drive)
- Big Island Development (currently under construction at King Avenue W and Western Sky Drive)

These projects demonstrate strong curb appeal, thoughtful design, and an emphasis on providing residents with adequate space and privacy. Supporting images and aerial views are included with this submission as attachments, and are sampled at right.



In addition to delivering quality housing, Mr. Kunkel is a significant local economic contributor. His existing properties generate **over \$2.5 million annually in state and local property taxes**, including approximately \$800,000 to the City of Billings. The proposed development is expected to contribute an additional \$800,000 annually, with roughly \$250,000 benefiting the City directly.

Resident Profile and Housing Type

Over two decades, Mr. Kunkel has developed more than **1,300 units**, housing approximately **2,000 Billings residents** depending on occupancy. This experience has helped refine a product that aligns with market demand.

Typical residents include those listed below, with a cross section of customer demographics provided as an attachment.

- Young professionals entering the workforce
- Individuals in transitional housing situations (relocation, divorce, workforce)
- Older residents seeking to downsize and reduce maintenance responsibilities

The proposed duplex-style units are primarily **single-story** with shared garage walls, offering greater privacy than traditional apartment buildings.

Most units will be **one-bedroom/one-bath** or **two-bedroom/two-bath**, which historically results in fewer families with school-aged children. As a result, the project is not expected to significantly impact **Billings School District #2 capacity**, an issue that has been discussed in recent years.

Neighborhood Concerns

Density

Over the past five months, the development team has actively engaged with adjacent property owners and worked to address their concerns.

The proposal designates approximately **85% of the property as N2 and N3 zoning** (roughly split between the two), which are the two **lowest-density residential districts** in the City's code.

Additionally:

- The project is planned at approximately **6 units per acre**, roughly **half the density** allowed under the proposed zoning and aligning with both the existing 2016 Growth Policy and future Billings 2045 Land Use Map.
- This reflects a deliberate approach to provide **open space and “leg room”** for residents.

The project will also be developed in phases over **10–12 years**, allowing:

- Gradual absorption of units into the market
- Phased infrastructure and traffic adjustments
- Reduced immediate impact on surrounding areas

This ensures the development evolves alongside real-world conditions rather than introducing all units at once. While the concurrent annexation is proposed in two phases over seven years, the 10-12 years is the most realistic timeline for full development.

Traffic

Although not required at this stage, a **Traffic Impact Study (TIS)** has already been completed in coordination with the future subdivision application.

Key findings include:

- A **westbound right-turn lane** is warranted at 44th Street W.
- **Eastbound left-turn lanes** are warranted at both Double Haul Lane and 44th Street W.
- Impacts to nearby intersections (e.g., Central/Shiloh, 48th and Central) have been quantified

Mr. Kunkel has committed to **proportionate contributions** toward necessary intersection improvements as development progresses.

Importantly, traffic generation from this project is expected to be **lower than traditional single-family housing**. According to the **Institute of Transportation Engineers (ITE)**, duplex-style units generate approximately **25% fewer daily trips** than single-family detached homes. This aligns with the expected resident demographics, which typically generate fewer daily trips.

Adjacent Property Values

Concerns about declining property values are understandable but are **not supported by available data**, either nationally or locally.

Independent studies from organizations such as Harvard's Joint Center for Housing Studies and Shelterforce show that proximity to multi-family housing does **not reduce property values**. Instead, factors such as property maintenance, neighborhood quality, and market conditions play a much larger role.

Locally, analysis of the area north of the **Zimmerman Homeplace Subdivision**—where approximately **776 apartment units** have been added over the past five years—shows that nearby single-family homes have **appreciated at a rate exceeding the city average** over the past eight years. Detailed analysis of this example is included with this packet for reference.

Additional examples include:

- **Forrest Park**, a highly desirable neighborhood located adjacent to multi-family housing and senior living facilities, where property values have continued to rise
- **Annafeld and Ridgeline Subdivisions**, both of which successfully integrate single-family and multi-family housing both for sale and for lease

These examples demonstrate that well-designed multi-family developments can coexist with—and even complement—surrounding neighborhoods.

Closing

This proposal has been carefully refined to balance the needs and desires of:

- The City of Billings
- Future residents
- Adjacent property owners
- Long-term community growth

Planning Staff and the Zoning Commission have recommended approval, recognizing that this project:

- Supports the City's growth policy

- Aligns with housing goals identified by local and state leadership
- Expands the supply of attainable, for-lease housing (follows the supply-demand model where rental pricing typically decreases [improved affordability] when supply increases)

Increasing housing supply is a critical step toward stabilizing rising costs and ensuring Billings remains accessible to a broad range of residents.

While not all concerns can be fully resolved, this proposal reflects substantial effort to incorporate feedback and deliver a thoughtful, community-oriented development. Mr. Kunkel remains committed to continued investment in Billings and to providing high-quality housing options for its residents.

Thank you for your time and consideration.

Taylor Kasperick, PE

Performance Engineering, Agent

Recent Project Example Photos
Superbowl Townhomes



- 126 units (78 1-bed/1-bath, 48 2-bed/2-bath)
- 20 feet between each building side-side, 40' min between each building back to back
- Trail system along exterior of development
- Increased tree bufferyard along Shiloh
- Onsite management office



- 2-bedroom, 2-bathroom duplex example
- Shared Garage Wall (no habitable shared wall)
- Space between buildings
 - 20' side to side, ~40' + back to back



- 1-bedroom, 1-bath duplex
- Space for two parked cars per unit
- Sidewalk connections to exterior pathway
- Site lighting with wall sconces

Recent Project Example Photos
Big Island Townhomes



- 18-20' between buildings side-side
- 40' between buildings back-back
- City-inspected construction as with all residences
- Single story duplexes, 80 units



- Single story 1-bedroom, 1 bathroom unit
- Varied roof lines and materials

- Transom windows incorporated
- Space between buildings



- Rear view (neighbor's view)

- Sitting patio for each resident



- 1-bedroom 1-bath kitchen finish and appliances



- Vaulted ceilings with transom windows

Property Value Appreciation Analysis

SINGLE-FAMILY HOME APPRECIATION ANALYSIS

NORTH OF ZIMMERMAN APARTMENTS

In an effort to evaluate the impact of multifamily housing on adjacent single-family home values, we analyzed single-family home resales located in the neighborhood immediately north of the Zimmerman Apartment complex in Billings, Montana. Within the neighborhood, there were 24 homes that had sold twice over the last 8+ years. Each property was evaluated using its two recorded sale prices to calculate an annualized appreciation rate over the respective hold period.

This area is home to some of the highest density multifamily development in Billings, characterized by 3- and 4-story apartment buildings in close proximity to the single-family homes analyzed. If multifamily development were to negatively impact adjacent home values, this would be the area where that impact would most likely be observed.

Of the 24 properties analyzed, 23 – or 96% – experienced positive annual appreciation over their respective hold periods. The one property reflecting negative appreciation is attributable to the home having been purchased at the height of the market in 2022. The average annual appreciation across all 24 comps was 8.7%. These findings suggest that proximity to the Zimmerman Apartment complex has not had a measurable negative impact on single-family home values in the surrounding area. The data indicates that homes adjacent to this multifamily development have consistently appreciated in value, demonstrating that the presence of high-density multifamily housing has not deterred strong home value growth in the surrounding neighborhood.



SUMMARY

Total Properties Analyzed	24 Homes
Total Properties with Positive Appreciation	23 of 24 Homes
Average Annual Appreciation (All Comps)	8.75%
<p><i>*One comp had a negative appreciation but was within 3% of original value. Negative appreciation is attributed to home being bought in 2022 at the peak of the market.</i></p>	

Single-Family Home Appreciation Analysis

Adjacent to Zimmerman Apartments | Billings, MT

#	Property Address	Purchase Price	Purchase Date	Sale Price	Sale Date	Annual Appreciation
1	2105 Plenty View Dr	\$382,500	3/10/2017	\$529,900	4/3/2025	4.1%
2	2203 Icewine Dr	\$204,000	10/16/2017	\$327,500	7/13/2021	13.5%
3	2211 Green Valley Dr	\$338,000	9/30/2020	\$415,000	7/28/2021	28.1%
4	2212 Icewine Dr	\$215,000	4/2/2018	\$355,000	11/3/2025	6.8%
5	2219 Icewine Dr	\$227,000	3/30/2018	\$345,000	6/1/2023	8.4%
6	2306 Icewine Dr	\$225,000	8/23/2019	\$349,900	1/23/2025	8.5%
7	2314 Quinn Haven Rd	\$575,000	12/9/2021	\$648,000	3/3/2025	3.8%
8	2330 Icewine Dr	\$355,000	7/8/2022	\$347,250	5/28/2025	-0.8%
9	2336 Icewine Dr	\$310,000	6/18/2021	\$357,000	7/24/2024	4.7%
10	2342 Icewine Dr	\$240,000	7/24/2019	\$369,000	9/30/2025	7.2%
11	2408 Icewine Dr	\$213,500	11/24/2017	\$325,000	1/28/2022	10.6%
12	2410 Quinn Haven Dr	\$369,000	9/17/2020	\$519,900	11/6/2024	8.6%
13	2414 Icewine Dr	\$218,500	4/24/2019	\$287,800	6/10/2021	13.8%
14	2432 Icewine Dr	\$259,900	4/8/2019	\$302,000	4/2/2021	7.9%
15	3330 Poly Dr	\$223,000	2/28/2020	\$320,000	7/27/2022	16.1%
16	3442 Poly Dr	\$197,000	10/3/2017	\$259,900	6/12/2020	10.8%
17	3605 Corbin Dr	\$359,000	7/28/2017	\$679,000	7/17/2025	8.3%
18	3611 Colton Blvd	\$385,000	4/24/2017	\$635,000	10/17/2024	6.9%
19	3617 Colton Blvd	\$370,000	6/18/2018	\$527,000	9/24/2025	5.0%
20	3629 Colton Blvd	\$377,913	2/28/2018	\$470,000	9/10/2021	6.4%
21	3711 Corbin Dr	\$410,000	7/23/2019	\$515,000	7/26/2021	12.0%
22	3721 Colin Dr	\$350,000	4/29/2019	\$525,000	7/18/2022	13.4%
23	3728 Colin Dr	\$365,100	6/6/2018	\$590,000	10/15/2024	7.8%
24	3743 Hayden Dr	\$357,500	9/22/2020	\$504,500	1/9/2025	8.3%

SUMMARY

Total Properties Analyzed	24
Total Properties with Positive Appreciation	23
Average Annual Appreciation (All Comps)	8.7%

LEGEND

Green = Annual positive appreciation | Red = Annual negative appreciation

Property Tax Information

2025 Taxes		
	Total	City of Billings
Barrett Road	209,914.14	67,329.34
Big Island	194,880.00	62,507.18
Billings Home Run	352,956.83	113,209.86
Billings Lewis	5,565.20	1,785.02
Billings Sapphire	133,888.95	42,944.48
Billings South Shiloh	306,936.00	98,448.81
Grand Slam	209,577.28	67,221.29
Hoop Dreams	315,977.96	101,349.00
March Madness	229,102.68	73,484.01
Triple Play	205,075.60	65,777.39
Western One	218,323.05	70,026.47
Wheatbaker	159,587.93	51,187.36
	2,541,785.62	815,270.22
	2025 Taxes	

Estimated taxes upon completion

2,541,785.62

FY25-26 Mill Breakdown

SD #2	272.6	36%
County	142.45	19%
City	244.39	32%
State	102.5	13%
Total	761.94	100%

Customer Demographic Information

Property Demographic Information

Property	Unit Count	Average Monthly Wage of Customer	Average Credit Score of Customer	Average Occupancy (people)	Average Age
Super Bowl Patio Homes	120	\$ 5,865.97	682	1.22	42
Sapphire Patio Homes	70	\$ 6,597.83	723	1.55	39
Wheatbaker Patio Homes	87	\$ 5,329.35	661	1.32	41

Tenant Testimonials:

Sapphire Patio Home Apartments

849 Miami Beach Way:

- Why they moved: the property was within budget, they could afford to.
- What brought them to us: relocation from California
- Why they stay: they love the management
- Why they would potentially leave: purchasing a home

860 Miami Beach Way:

- Why they moved: they retired and were downsizing
- What brought them to us: single-level patio home style unit with a garage for storage
- Why they stay: management is good
- Why they would potentially leave: to move into a retirement community

883 Miami:

- Why they moved: Relocation from Sheridan, WY
- What brought them to us: location, new construction
- Why they stay: location
- Why they would potentially leave: purchasing a home

895 Miami Beach Way:

- Why they moved: divorce, previous homeowner
- What brought them to us: neighborhood, divorce
- Why they stay: loves management/HHPM Apartments
- Why they would potentially leave: N/a

4105 Cocoa Beach Way:

- Why they moved: away from parents house
- What brought them to us: Location

- Why they stay: building a home in Lodge Grass
- Why they would potentially leave: building a home in Lodge Grass

4110 Cocoa Beach Way:

- Why they moved: relocation from Phoenix, AZ
- What brought them to us: location, single-level patio home style unit
- Why they stay: the ease of location and single-level patio home style
- Why they would potentially leave: to purchase a home out of state

4115 Cocoa Beach Way:

- Why they moved: divorce
- What brought them to us: could not afford to buy, location is central, pet friendly
- Why they stay: quiet neighbors, feels safe, management is good
- Why they would potentially leave: n/a

892 Daytona Beach Way:

- Why they moved: father passed away, sale of home
- What brought them to us: location, attached garage
- Why they stay: the area is quiet
- Why they would potentially leave: purchasing a home