

**MOSCOW URBAN RENEWAL AGENCY
RESOLUTION NO. 2014 – 06**

A RESOLUTION OF THE MOSCOW URBAN RENEWAL AGENCY, APPROVING THAT CERTAIN RELEASE AND SETTLEMENT AGREEMENT BY AND BETWEEN THE URBAN RENEWAL AGENCY OF MOSCOW, IDAHO, AND LATAH COUNTY, IDAHO; AUTHORIZING AND DIRECTING THE CHAIR AND SECRETARY TO EXECUTE THE RELEASE AND SETTLEMENT AGREEMENT AND ANY NECESSARY ADDITIONAL DOCUMENTS OR AGREEMENTS; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE RELEASE AND SETTLEMENT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE OF THIS RESOLUTION.

THIS RESOLUTION, made on the date hereinafter set forth by the Moscow Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency for Moscow, Idaho, (hereinafter referred to as the “Agency”):

WHEREAS, the city of Moscow (the “City”), on June 2, 2008, after notice duly published, conducted a public hearing on the Legacy Crossing Urban Renewal District Redevelopment Plan (the “Legacy Crossing Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 2008-10 on June 2, 2008, approving the Legacy Crossing Plan and making certain findings;

WHEREAS, the legislature of the State of Idaho enacted the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code (hereinafter the “Law”), and the Local Economic Development Act, Chapter 29, Title 50, as amended (hereinafter the “Act”), which Act authorizes certain urban renewal agencies, including the Moscow Urban Renewal Agency, to adopt revenue allocation financing provisions as part of their urban renewal plans;

WHEREAS, as authorized under the Act, a portion of the taxes levied is to be distributed to the taxing districts within the Legacy Crossing Plan Project Area (“Project Area”) for the equalized assessed value as shown on the base assessment roll with the balance to the Agency;

WHEREAS, for tax years 2009, 2010, and 2011, the Agency received tax funds based upon presumed increases in value above the base assessment roll established as of 2008 with the adoption of the Legacy Urban Renewal Plan as authorized by the Act;

WHEREAS, Latah County (the “County”) contends that, due to a deficiency in the Idaho State Tax Commission computer software program, the urban renewal increment values for the Legacy Crossing Revenue Allocation Area were erroneously calculated for tax years 2009, 2010, and 2011;

WHEREAS, the County contends that the erroneous urban renewal increment values were not a result of the County’s assessment methodology;

WHEREAS, in 2012, upon discovering the erroneous urban renewal increment values, the County notified the Agency that the urban renewal increment values reported for the Legacy

Crossing Revenue Allocation Area were erroneous for tax years 2009, 2010, and 2011, resulting in an overpayment to the Agency in the total amount of \$114,537;

WHEREAS, because the erroneous urban renewal increment values resulted in incrementally higher overall levy rates for some County taxpayers and corresponding overpayment to the Agency, County proposes taxpayers should be made whole by a repayment process that results in incrementally lower levy rates, but that does not harm the Agency;

WHEREAS, Agency does not object to the County's plan to provide incrementally lower levy rates;

WHEREAS, the Agency and County (collectively the "Parties") agree that the overpayment to the Agency was not the fault of the Agency;

WHEREAS, the Parties have continued to negotiate resolution of all outstanding issues since the discovery of the asserted error;

WHEREAS, during the course of negotiations, Agency has questioned the assessment methodology for the properties within the Project Area;

WHEREAS, the Agency and the County have determined a review of the methodology to determine current base values and to calculate increment values is an appropriate action to coordinate with the Idaho State Tax Commission in order to provide assurance that similar issues will not surface in future tax years;

WHEREAS, the County acknowledges that the result of this overpayment has not harmed or effected other overlapping taxing entities, and those taxing entities would not receive the benefit of any corrected action as described herein;

WHEREAS, the Parties intend that the action described herein should benefit Latah County taxpayers;

WHEREAS, the Parties have agreed to fully and finally settle and compromise all claims relating to the distribution of the assessed and collected taxes for tax years 2009, 2010, and 2011 with the reduction of tax revenues distributed by the County to the Agency over the schedule attached as Exhibit A to the Release and Settlement Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, and with the acknowledgment of such by County and County's disbursement of taxes as set forth herein; and

WHEREAS, in recognition of the above statements, the Parties mutually desire to avoid costly litigation and are willing to effect a compromise and settle their dispute. Accordingly, the Parties hereby reach and accept a compromise and settlement of their respective claims and disputes in accordance with the terms set forth in that certain Release and Settlement Agreement prepared by Agency staff and legal counsel and representatives and counsel of Latah County, Idaho, which resolves the pending issues between the Parties;

WHEREAS, each of the Parties understands that by agreeing to this compromise and settlement, it in no way admits liability of any kind and it has not agreed or promised to do or omit to do any act or thing not contained in the Release and Settlement Agreement.

WHEREAS, Agency staff recommends approval of the Release and Settlement Agreement;

WHEREAS, the Board of Directors finds it in the best public interest to approve the Release and Settlement Agreement by and between Agency and Latah County, Idaho and to authorize the Chair to execute the Release and Settlement Agreement, and to take other action as set forth herein;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MOSCOW URBAN RENEWAL AGENCY AS FOLLOWS:

- Section 1. That the above statements are true and correct.
- Section 2: That the Release and Settlement Agreement, a copy of which is attached hereto as Exhibit A, be and the same is hereby approved.
- Section 3: That the Chair of the Agency is hereby authorized, permitted, and directed to execute the Release and Settlement Agreement. Provided such Release and Settlement Agreement shall include those modifications or revisions discussed at the September 24, 2014, Board Meeting. Provided, further, the Chair is authorized to approve and accept any necessary technical changes to the agreements, or other documents, upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Release and Settlement Agreement and consistent with the information presented at the Agency Board meeting of September 24, 2014. Provided, further, the Chair is hereby authorized to take the action approved by this Resolution and to implement the Release and Settlement Agreement.
- Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Moscow Urban Renewal Agency, this 24th day of September 2014.

ATTEST:


Don Palmer, Treasurer




John McCabe, Chair