

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF HAILEY AND THE HAILEY URBAN RENEWAL AGENCY**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is effective on the date last executed below by and between the city of Hailey (“City”) and the Hailey Urban Renewal Agency (“Agency”).

RECITALS

- A. City is a duly organized and existing municipal corporation of the state of Idaho, located in Blaine County, Idaho.
- B. Agency is an independent public body corporate and politic, organized and existing pursuant to Idaho Code § 50-2001 *et seq.*
- C. Pursuant to Idaho Code §§ 50-2007(f) and 50-2015, City and Agency are authorized and empowered to enter into such contracts as may be necessary to carry out the purposes of the Idaho Urban Renewal Law, including contracts for the furnishing of financial assistance by City to Agency.
- D. Pursuant to Idaho Code § 50-2015, City has authorized financial assistance to Agency (the “City Loan”) for costs in the amount of \$50,000 (the “Loan Amount”) for which Agency agrees to reimburse City as outlined herein.
- E. The Agency intends to use the funds from the City Loan to pay for those certain administrative, legal, consultant, and other related expenses for the preparation of the necessary eligibility report, urban renewal plan, and other related documents for the activities of the Agency leading to the consideration and approval of an urban renewal plan, which plan will include a revenue allocation provision by the Hailey City Council.
- F. City and Agency acknowledge that the sole source of Agency funds for reimbursement of the City Loan will be revenue allocation funds generated from new development within the proposed and contemplated urban renewal project area (the “Proposed Project Area”) after the approval of the urban renewal plan.
- G. Nothing herein shall be deemed to impede, hinder, or prevent either the Agency or the City to render its discretion in the approval process for consideration of the proposed urban renewal plan.
- H. The City and the Agency have, during duly noticed public meetings, authorized execution of this MOU.

AGREEMENT

NOW, THEREFORE, it is understood between City and Agency as follows:

1. Agency agrees to reimburse City for the Loan Amount in an amount equal to seventy-five percent (75%) of Agency’s yearly revenue allocation proceeds (tax increment) from the Proposed Project Area until this City Loan is fully paid.

2. Interest shall accrue on the Loan Amount at the rate of three percent (3%) per year.

3. Agency's reimbursement payments under this MOU may be made in equal semi-annual installments on or before the 15th day of February and August of each year.

4. The term of this MOU shall be twenty (20) years, or until City is reimbursed in full, whichever occurs first.

5. This MOU shall be deemed terminated and of no further force and effect in the event the Hailey City Council does not approve an urban renewal plan for the Proposed Project Area or the Proposed Project Area is ultimately set aside by an action before a court of competent jurisdiction.

6. City shall establish a separate dedicated account for the benefit of the Agency in the amount of \$50,000. Agency and City shall establish an acceptable process for the disbursement of Agency expenses from that account.

7. This MOU constitutes the entire agreement between the parties and supersedes all other agreements and understandings, written and oral, between the parties with respect to the subject matter hereof. The parties hereto may, at any time hereafter, modify or amend this MOU by a subsequent written agreement executed by both parties. This MOU may not, however, be modified or amended orally, nor shall this MOU be deemed modified or amended in any way by any act of either of the parties hereto.

8. All parties hereto are or have been afforded the opportunity to be represented by counsel in the course of the negotiations for and the preparation of this MOU; accordingly, in all cases, the language of this MOU will be construed simply, according to its fair meaning, and not strictly for or against any party.

9. No covenant, term, or condition, or breach thereof, shall be deemed waived, except by written consent of the party against whom waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any other covenant, term, or condition herein or of any future breach of the provision in question. Acceptance by a party of any performance by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default of any such covenant, term, or condition unless otherwise expressly agreed to in writing by the first party.

10. This MOU may be executed in counterparts, and once so executed by both parties hereto, each such counterpart shall be deemed to be an original, but all such counterparts together shall constitute but one agreement.

11. If any provision of this MOU or its application to any person or circumstance is held invalid, the remainder of this MOU or the application to other persons or circumstances shall not be affected.

12. The Parties represent and warrant that they are authorized to execute this Agreement on behalf of the entities indicated below.

[signatures on following page]

CITY

AGENCY

_____, Mayor

_____, Chairman

Date signed: _____

Date signed: _____

Attested:

_____, City Clerk