

AGENDA REPORT

DATE December 17, 2002

ITEM Settlement Agreement–Related to City Management of the Cascade County Fairgrounds

INITIATED BY City’s Transition Team

ACTION REQUESTED Approve Settlement Agreement

PRESENTED BY Coleen Balzarini, Fiscal Services Director

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RECOMMENDATION: Staff recommends the City Commission approve the Settlement Agreement.

MOTION: I move the City Commission approve the Settlement Agreement terminating and transitioning management of the Cascade County Fairgrounds from the City of Great Falls back to Cascade County.

SYNOPSIS: The City and County have agreed to accelerate the termination and transition date of the management and operations of the Cascade County Fairgrounds back to Cascade County effective January 1, 2003. The final terms of the settlement agreement were reached using a process of offer, counteroffer, rejection, or acceptance of different items presented by both the City and the County. The final outcome of this process resulted in an agreement that is acceptable to both parties.

BACKGROUND: The City of Great Falls has managed the Cascade County Fairgrounds since July 1, 1988. Upon termination of this agreement, Cascade County agrees to pay the City \$384,370 in cash over a period of 10 years at 4% and to assume existing debt obligations related to the Heating and Air Conditioning System at the Four Seasons Arena. For this consideration, the City agrees to a number of items detailed in the settlement agreement including the transfer of equipment, and the transfer of the beer and wine beverage license used in the operations of the Fairgrounds.

SETTLEMENT AGREEMENT

This Agreement, made and entered into this _____ day of December, 2002, by and between the County of Cascade, a political subdivision of the State of Montana and hereinafter referred to as “County” and the City of Great Falls, a municipal corporation, hereinafter referred to as “City”;

WITNESSETH:

WHEREAS, on June 8, 1988, the City and County entered into an agreement whereby the City would operate and manage the Cascade County Fairgrounds for a maximum period of fifteen years; and,

WHEREAS, the said Agreement is due to expire on June 30, 2003 and the County has chosen not to renew said Agreement; and,

WHEREAS, the City and County have determined to accelerate the termination and transition date to January 1, 2003, to facilitate future management and operation in anticipation of the 2003 State Fair; and,

WHEREAS, such termination and transition requires the settlement of certain accounts, debts and disposition of equipment all of which the parties have determined and resolved as hereinafter set forth; to-wit:

NOW, THEREFORE, the parties hereto do hereby covenant and agree as follows:

- 1) The County agrees to pay to the City and the City agrees to accept compensation itemized as follows:

First Half Mills (Net of Tax Increment)	\$ 201,116
Delinquent Mills Outstanding	28,163
Equipment	151,000
Delinquent Assessments – Principal only – Fairgrounds Complex	39,780
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	420,059
Less: Outstanding Paving Commitment	(35,689)
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Total Due City from County	384,370

The \$384,370 itemized above is payable with interest at 4% per annum over a period of 10 years as set forth hereafter.

a) County's first payment will be due January 1, 2003 in the amount of \$45,566.67 and a like amount on the first day of January of each year thereafter through, and inclusive of, January 1, 2012. See payment schedule attached hereto and made a part hereof.

b) Should County default for a period of thirty (30) days on any or all payments set forth above, the full amount of principle and interest remaining unpaid under the terms of this Agreement shall become immediately due and payable to the City.

- 2) County agrees to assume the HVAC, loan#0792, with the Montana Board of Investments Intercap Revolving Program, Series 2000, in the amount of approximately \$131,000.
- 3) County shall receive all equipment above and below the City's capitalization threshold with the exception of the administration building's copy machine and the ticketing system work stations at the Cascade County Fairgrounds.
- 4) City shall transfer the beer/wine with catering license number 02-401-0902-302 to County.
- 5) County shall receive from the City all databases relative to the Fairgrounds management and operation.
- 6) Time is of the essence of this Agreement and of each and every provision thereof.
- 7) The County shall hold harmless and indemnify the City for and against any and all claims, demands or liability arising subsequent to January 1, 2003, and arising out of the County's management and operation of the Cascade County Fairgrounds (Montana Expo Park) and all activities associated therewith subsequent to January 1, 2003. The City shall hold harmless and indemnify the County for and against any and all claims, demands, or liability arising prior to January 1, 2003, and arising out of the City's management and

operation of the Cascade County Fairgrounds (Montana Expo Park) and all activities associated therewith prior to January 1, 2003.

- 8) This Agreement represents the entire agreement of the parties pertaining to the termination of the June 8, 1988 Agreement referenced above and supercedes any and all prior agreements or negotiations. This Agreement may not be modified in any manner unless said modification is reduced to writing and executed by both parties.
- 9) Failure of either party to enforce any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions. Such failure shall not in any way affect the right of such party to thereafter enforce each and every provision of this Agreement. No waiver of any breach of any provision of this agreement shall constitute a waiver of any other subsequent breach of any provision of this Agreement.
- 10) This Agreement shall be binding on and inure to the benefit of the parties, their successors and assigns.
- 11) This Agreement and the rights and remedies of the parties thereunder shall be construed pursuant to the laws of the State of Montana. If any provision of this Agreement is declared void or held invalid, such provision shall be deemed severed from this Agreement and the remainder of the Agreement shall otherwise remain in full force and effect.
- 12) If either party fails to perform its obligations under this Agreement, the other party may enforce this Agreement by the appropriate legal action. In any action brought to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees in addition to costs of suit as allowed by Montana law.

IN WITNESS WHEREOF, the Parties hereto have caused this Settlement Agreement to be executed as of the day and year above written.

**BOARD OF COUNTY COMMISSIONERS,
CASCACE COUNTY, MONTANA**

Gayle Morris, Chairman

Peggy S. Beltrone, Commissioner

Tom Stelling, Commissioner

Attest

On this ____ day of December, 2002, I hereby attest the above-written signature of Gayle Morris, Peggy S. Beltrone, and Tom Stelling, Cascade County Commissioners.

Peggy Carrico, Cascade County Clerk and Recorder

City of Great Falls

City Manager

ATTEST:

Peggy J. Bourne, City Clerk

(SEAL OF THE CITY)

Approved as to Legal Content: City Attorney