

ORDINANCE NO. 95-405

CITY OF CRAIG

AUTHORIZING SETTLEMENT OF THE PENDING AD VALOREM PROPERTY TAX DISPUTE WITH KLAWOCK HEENYA CORPORATION ("KHC")

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA:

1. Purpose. The purpose of this ordinance is to specifically authorize settlement of the pending ad valorem property tax dispute with KHC. Council approval of this ordinance constitutes approval of a full, final and complete settlement of such existing ad valorem property tax dispute with KHC on the terms set forth in the Settlement Agreement attached as Exhibit A.

2. Classification. This is a non-code ordinance.

3. Non-Severability. All terms and provisions of this ordinance, and of the Settlement Agreement hereby adopted, are mutually dependent upon the other terms and conditions, in as much as the parties have bargained for a full and complete settlement. Therefore if any provision of this ordinance is held invalid, the remainder of the ordinance and Settlement Agreement hereby adopted also shall be invalidated.

4. Effective Date. This ordinance shall become effective upon adoption.

5. Adoption of Settlement.

a. The Craig City Council hereby authorizes and approves a full, final and complete settlement of the pending ad valorem property tax dispute with KHC on the terms set forth in the attached Settlement Agreement.

b. The Craig City Council hereby authorizes the mayor to execute the attached Settlement Agreement. The City's attorneys are authorized to make such ministerial additions or corrections as shall be necessary to accomplish the purposes and intent of the settlement.

c. The Craig City Council further authorizes and directs the mayor and the City's attorneys to execute any and all documents which may be necessary to implement the attached Settlement Agreement.

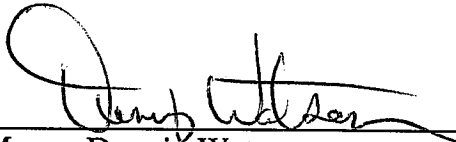
ADOPTED BY THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA.

This 15th day of June, 1995.

Date of First Reading: 5-18, 1995


Date of Public Hearing: 6-15, 1995

Date of Adoption: 6-15, 1995



Mayor Dennis Watson

ATTEST:



Helen Gray, City Clerk

EXHIBIT A: Settlement Agreement

EXHIBIT A

SETTLEMENT AGREEMENT

This Agreement is made and entered on the dates appearing below by and between Klawock Heenya Corporation ("Taxpayer") and the City of Craig, Alaska ("City"). Now therefore the parties hereby agree as follows:

1. Background. Taxpayer owns certain lands ("ANCSA Lands") within the municipal corporate boundaries of the City, which were conveyed to Taxpayer under the Alaska Native Claims Settlement Act ("ANCSA"), codified at 43 USC § 1601 et seq. The City has asserted that certain of these ANCSA Lands are subject to the City's ad valorem property tax under Craig Municipal Code § 2.04.010 et seq. and A.S. § 29.45.010, for various calendar years (an "Assessment Year"). Taxpayer has disputed such taxation. Taxpayer and the City desire to resolve their dispute on the terms set out herein.

2. Cash Payment. Within 10 days of the last to occur of (i) ratification of this Agreement by the City's Board of Equalization and (ii) adoption by the City Council of an ordinance approving this Agreement, Taxpayer shall pay the City \$10,930.60. Payment of such amount, and acceptance of such amount by the City shall in no sense constitute a waiver or admission of any particular legal theory or fact asserted by either party in the pending property tax dispute, but it shall fully settle the dispute as set forth in Section 4 hereof.

3. Ratification. Effectiveness of this Agreement is contingent upon the City's Board of Equalization approving this Agreement on or before ~~May 18, 1995~~ ^{June 15, 1995}, and the City Council adopting an ordinance approving this Agreement no later than ~~May 18, 1995~~ ^{June 15, 1995}. *AS*

4. Disputes Settled. Payment by Taxpayer of the \$10,930.60 set forth in Section 2 above shall constitute full, final and complete settlement of any and all claims by the City that Taxpayer owes any additional taxes, penalties or interest ("Taxes") for any Assessment Year ending on or before December 31, 1994, as well as any claim by the City that Taxpayer owes additional Taxes during any Assessment Year on account of Taxpayer's timber harvest activities occurring on or before December 31, 1994. The City hereby releases Taxpayer from all such claims for additional Taxes, whether such claims would be asserted by Supplemental Assessment or otherwise. Taxpayer agrees it will make no claim on any theory for a refund of the amounts described in Section 2.

5. Equalization Hearing Rights. Taxpayer acknowledges that upon ratification of this Agreement and performance of the provisions hereof, Taxpayer has been accorded its right to an equalization hearing as described in Craig Municipal Code § 2.04.060, for Assessment Years ending on or before December 31, 1994.

Entered on the dates appearing below.

City of Craig, an Alaska Municipal Corporation

Klawock Heenya Corporation

By: Dennis Watson
Dennis Watson
Mayor

By: Robert Gilley
Robert Gilley
CEO

Date: 6-15-95

Date: 5/16/95

By: Dewey Skan, Jr.
Dewey Skan, Jr.
President

Date: 3/16/95

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