

**ECONOMIC ASSISTANCE AGREEMENT
(Castle Rock Adventist Hospital)**

DATE: _____, 2022.

PARTIES: **TOWN OF CASTLE ROCK**, a home rule municipal corporation, 100 N. Wilcox Street, Castle Rock, Colorado 80104 (“Town”).

PORTERCARE ADVENTIST HEALTH SYSTEM, a Colorado nonprofit corporation, d/b/a **CASTLE ROCK ADVENTIST HOSPITAL**, 9100 E. Mineral Circle, Centennial, CO 80112 (“CRA”).

RECITALS:

- A. CRA is the owner and operator of a 90-bed acute care hospital and Level III Trauma Center providing comprehensive healthcare to the greater Castle Rock community and surrounding areas. The hospital was built in 2013 as a partnership between Centura Health and the Town and supports the Castle Rock community with more than 600 employees on site, making it the Town’s largest private primary employer.
- B. CRA is requesting a fee rebate of \$367,182 in relation to the construction of Medical Office Building No. 3, a 70,000 square-foot medical care facility located in the Town at 2360 Meadows Boulevard (the “Project”). Along with private sector contributions of approximately \$14 million, the rebate will be used to improve the programing offered at the Project, including radiation treatment and medical oncology services, a comprehensive orthopedic therapy center, and an outpatient surgery center.
- C. The Town Economic Development Assistance Policy states that the Town will provide economic assistance to projects “consistent with community goals that are underrepresented within the Corporate Limits of the Town and/or meet a strongly expressed community need or desire.” Examples include “projects of special significance that generate greater opportunities for additional economic development and/or provide highly desirable community amenities.”
- D. The expansion of CRA’s campus and medical programing is consistent with the Town’s criteria to support projects that improve the resources and services provided to the community and “generate greater opportunities for additional economic development.”

COVENANTS:

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

Section 1. Definitions. The following words when capitalized shall have the meaning set forth below:

CREDC: the Castle Rock Economic Development Council.

Town Fees: the permit fees, land use application fees, system development fees, development impact fees, and use taxes on construction and building materials imposed by the Town pursuant to the Town Regulations, all as more particularly described in the schedule of Town Fees, attached hereto and incorporated herein as ***Exhibit 1***.

Town Regulations: the Town Charter, ordinances, resolutions, rules and regulations of the Town, including the Castle Rock Municipal Code.

Certain other terms are defined in the text of the Agreement and shall have the meaning indicated.

Section 2. Town Fee Rebate.

A. CRA has paid all Town Fees due in association with its applications for a site development plan and building permit for the Project. (See Town Fee Receipts, attached hereto and incorporated herein as ***Exhibit 2***.)

B. The Town agrees to rebate to CRA an amount not to exceed \$367,182 (the “Fee Rebate”). The Fee Rebate shall be paid to CRA in two installments as follows:

1. One-third of the Fee Rebate shall be rebated once both the core and the shell of the Project have been completed and permits have been issued by the Town for tenant improvements.
2. The remaining two-thirds of the Fee Rebate will be rebated upon issuance of the certificate of occupancy for the Project by the Town.

Section 3. Event of Default. Failure of Town or CRA to perform any covenant, agreement, obligation or provision of this Agreement shall constitute an event of default under this Agreement. In the event either party alleges that the other is in default, the non-defaulting party shall first notify the defaulting party in writing of such default, and specify the exact nature of the default in such notice.

Section 4. Remedies. Upon default of this Agreement and failure to timely commence cure within 60 days and continue to completion in a timely manner, the non-defaulting party shall have the right to take whatever action at law or in equity appears necessary or desirable to enforce performance and compliance with this Agreement, or to collect the monies then due and thereafter to become due, provided however, in the event of a default without cure by CRA, the Town shall be entitled not only to deny payments under this Agreement which become due to CRA after the event of default, but to recover all payments made under this Agreement, if any, prior to such event of default. In addition, no party will be entitled to lost profits, economic damages, or actual, direct, incidental, consequential, punitive, or exemplary damages in the event of a default.

Section 5. Assignment. This Agreement and the financial incentives extended to CRA are exclusive and not assignable or transferable to any other property or other development interests. This Agreement does not restrict the Town from extending financial incentives to any other project or enterprise offering similar services.

Section 6. Amendments. Any and all changes to this agreement, in order to be mutually effective and binding upon the parties and their successors, must be in writing.

Section 7. Non-Appropriation. Any payments made by the Town pursuant to this Agreement in fiscal year 2023 and thereafter shall be subject to the appropriation of such funds by the Town Council. In the event funds to support payments under this Agreement are not appropriated in any future fiscal year, this Agreement shall terminate upon 30 days' written notice to CRA. The Town's only obligation in the event of termination for non-appropriation shall be the payment of those incentives earned by CRA prior to and including the effective date of termination for which funds have been appropriated by the Town Council.

Section 8. Notice. Any and all notices allowed or required to be given in accordance with this Agreement are deemed to have been given when delivered to the other parties or three days following the date the same is depositing in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed to the other parties at the addresses noted, or such address as is subsequently endorsed in writing.

Town: Town of Castle Rock
100 North Wilcox Street
Castle Rock, CO 80104
Attn: Town Manager
With a copy to: Town Attorney

Adventist: Portercare Adventist Health System
d/b/a Castle Rock Adventist Hospital
9100 E. Mineral Circle
Centennial, CO 80112

Section 9. Entire Agreement. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written.

(Signature page to follow.)

EXECUTED as of the day and year first above written.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Michael J. Hyman, Town Attorney

David L. Corliss, Town Manager

CASTLE ROCK ECONOMIC DEVELOPMENT COUNCIL:

Frank Gray, CEO

PORTER CARE ADVENTIST HEALTH HOSPITAL,
a Colorado nonprofit corporation, d/b/a
CASTLE ROCK ADVENTIST HOSPITAL

By: _____

Its: _____

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this ___ day of _____, 2022 by _____ as _____ for Portercare Adventist Health System, a Colorado nonprofit corporation, d/b/a Castle Rock Adventist Hospital.

Witness my official hand and seal.

My commission expires: _____

(S E A L)

Notary Public