

RESOLUTION NO. 2018-069

A RESOLUTION APPROVING THE FIRST AMENDMENT TO RANCH AND HOME SUPPLY LLC'S ECONOMIC ASSISTANCE AGREEMENT

WHEREAS, by Resolution No. 2018-053, the Town Council approved the Ranch and Home Supply, LLC Economic Incentive Agreement ("Incentive Agreement") between the Town and Ranch and Home Supply, LLC ("Murdoch's"),

WHEREAS, pursuant to the terms of the Incentive Agreement, Murdoch's was to obtain a building permit for the Tenant Improvements not later than August 15, 2018 and open the Project to the public not later than February 15, 2019 ("Compliance Dates"),

WHEREAS, due to unforeseen issues related to the installation of a HVAC system, Murdoch's has requested the Incentive Agreement be amended to extend the Compliance Dates to November 6, 2018 (for issuance of the Tenant Improvement building permit) and May 15, 2019 (for the opening of Project to the public).

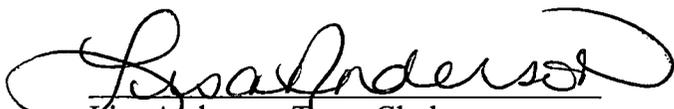
NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO AS FOLLOWS:

Section 1. Approval. The First Amendment to Ranch and Home Supply, LLC's Economic Incentive Agreement, in the form attached as *Exhibit 1*. The Mayor and other proper Town officials are hereby authorized to execute the First Amendment by and on behalf of the Town of Castle Rock, Colorado.

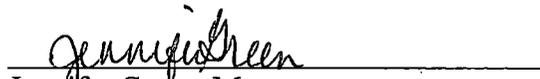
PASSED, APPROVED AND ADOPTED this 17th day of July, 2018 by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of 5 for and 0 against.

ATTEST:

TOWN OF CASTLE ROCK



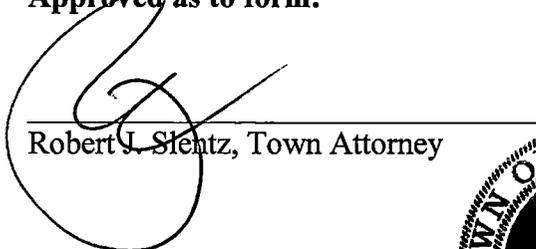
Lisa Anderson, Town Clerk



Jennifer Green, Mayor

Approved as to form:

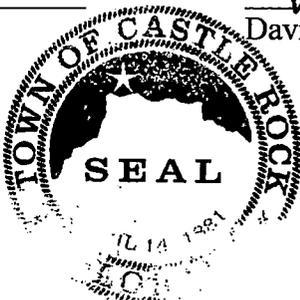
Approved as to content:



Robert J. Stentz, Town Attorney



David L. Corliss, Town Manager



**FIRST AMENDMENT TO RANCH AND HOME SUPPLY, LLC'S
ECONOMIC ASSISTANCE AGREEMENT**

This **FIRST AMENDMENT** is executed this 17 day of July, 2018, by and between **Ranch and Home Supply, LLC**, a Montana limited liability company, d/b/a Murdoch's Ranch & Home Supply ("**Murdoch's**"), and the **Town of Castle Rock** ("**Town**").

RECITALS

Murdoch's and Town, being Parties to that certain "Ranch and Home Supply, LLC Economic Assistance Agreement" dated July 2, 2018 ("**Agreement**"), hereby express their mutual desire and intent to amend the terms of the Agreement and amend by this writing those terms, covenants, and conditions as hereinafter provided.

NOW, THEREFORE, Murdoch's and Town hereby amend the Agreement as follows:

1. **SECTION 3.01. Qualifying Project**, shall be deleted, in its entirety, and replaced with the following:

All financial assistance contained in this Article III is conditioned on the receipt of an application for a building permit for the Project that includes the Tenant Improvements substantially similar to those outlined in *Exhibit 2* not later than **November 6, 2018**, and opening of the Project to the public not later than **May 15, 2019** ("**Compliance Date(s)**"). If, (i) the Project is not constructed in substantial conformance with the *Exhibit 2* criteria, or (ii) either of the Project progression dates are not met by Murdoch's, then at the option of the Town, this Agreement may be terminated, in which event it shall then have no force or effect, and all financial assistance established in this Article III shall lapse. The date the Project is open to the public shall be referred to as the "Opening Date."

Alternatively, Town, at its sole option and discretion, may waive the deviation from *Exhibit 2* criteria and/or extend the Compliance Date(s). Any action taken by the Town under this Section shall be effected by written notice to Murdoch's by the Town Manager, and shall become effective and irrevocable as of the date of such notice. The cure rights afforded to Murdoch's under Section 4.03 shall not be applicable to notice given pursuant to this Section 3.01.

2. **ALL TERMS, COVENANTS, AND CONDITIONS IN THE AGREEMENT NOT MODIFIED BY THE FIRST AMENDMENT SHALL REMAIN IN FULL FORCE AND EFFECT AS IF RE-STATED IN THEIR ENTIRETY HEREIN.**

3. **COUNTERPARTS.** This Amendment may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile signatures hereon shall for all purposes be regarded as originals.

**FIRST AMENDMENT TO RANCH AND HOME SUPPLY, LLC'S
ECONOMIC ASSISTANCE AGREEMENT**

This **FIRST AMENDMENT** is executed this 24th day of July, 2018, by and between **Ranch and Home Supply, LLC**, a Montana limited liability company, d/b/a Murdoch's Ranch & Home Supply ("**Murdoch's**"), and the **Town of Castle Rock** ("**Town**").

RECITALS

Murdoch's and Town, being Parties to that certain "Ranch and Home Supply, LLC Economic Assistance Agreement" dated July 2, 2018 ("**Agreement**"), hereby express their mutual desire and intent to amend the terms of the Agreement and amend by this writing those terms, covenants, and conditions as hereinafter provided.

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ATTEST:

TOWN OF CASTLE ROCK

By: *Lisa Anderson*
Lisa Anderson, Town Clerk

By: *Jennifer Green*
Jennifer Green, Mayor

Dated: 7-17-2018

Dated: 7-17-18

Approved as to form:

By: *David L. Corliss*
David L. Corliss, Town Manager

By: *Robert J. Slentz*
Robert J. Slentz, Town Attorney

Dated: 7.17.18

Dated: 7-17-18



RANCH AND HOME SUPPLY, LLC,
a Montana limited liability company

By: _____
Jennifer L. Cogley, CFO

Dated: _____

ATTEST:

TOWN OF CASTLE ROCK

By: *Lisa Anderson*
Lisa Anderson, Town Clerk

By: *Jennifer Green*
Jennifer Green, Mayor

Dated: 7-17-2018

Dated: 7-17-18

Approved as to form:

By: *David L. Corliss*
David L. Corliss, Town Manager

By: *Robert J. Slentz*
Robert J. Slentz, Town Attorney

Dated: 7.17.18

Dated: 7-17-18



RANCH AND HOME SUPPLY, LLC,
a Montana limited liability company

By: *Jennifer L. Cogley*
Jennifer L. Cogley, CFO

Dated: 7/24/18



Town of Castle Rock

Agenda Memorandum

Agenda Date: 7/17/2018

Item #: 12. File #: RES 2018-069

To: Honorable Mayor and Members of Town Council

From: David L. Corliss, Town Manager

**Resolution Approving the First Amendment to Ranch and Home Supply LLC's
Economic Assistance Agreement (Murdoch's)**

Executive Summary

Please see the attached memorandum from Murdoch's Ranch and Home Supply outlining the request for amendment.

Proposed Motion

"I move to approve Resolution No. 2018-069 as introduced by title."

Attachments

Attachment A: Memorandum
Attachment B: Resolution
Attachment C: Murdoch's Incentive Agreement



WELCOME

July 17, 2018

VIA E-MAIL ONLY dcorliss@crgov.com

David L. Corliss
Town Manager, Castle Rock
100 N. Wilcox Street
Castle Rock, CO 80104

RE: Ranch and Home Supply, LLC's July 2, 2018 Economic Assistance Agreement

Dear Mr. Corliss:

First, we would like to take this opportunity to express how much Murdoch's values the professional relationship it has with the Town of Castle Rock. You have our complete commitment that opening our Castle Rock store is a top priority for us. We want you to feel confident that we will do everything within our control to open our Castle Rock store as soon as possible.¹ That means, until we are able to announce our "Grand Opening!", Murdoch's is 100% committed to our mutual goal. We will keep you informed of all developments, in the form of weekly or monthly updates, scheduled in advance, and scheduled at your convenience.

That being said, the purpose of my letter is to respectfully request an extension of time in which Murdoch's needs to submit its application for building permits to the Town of Castle Rock. We need to ask for an extension because we are encountering delays that are outside of our control.² The current "Compliance Dates" are August 15, 2018, and February 1, 2019 (see § 3:01). Murdoch's respectfully requests an extension of time, up to and including **Tuesday, November 6, 2018**,³ in which to submit its application.⁴ In addition, Murdoch's proposes that we incorporate the following "open" date into our agreement because it

¹ While we anticipated the August 15 deadline would be difficult to meet, we felt comfortable signing the agreement, with the understanding that there would be no problem in getting an extension.

² We just learned of the following, yesterday: The installation of the new HVAC unit caused significant damage to the ceiling. As of this letter, we do not know the extent of the damage, nor do we know the most cost-effective remedy and the timing in which it will take to do the work. *

³ Currently, it's reasonable to believe that we will be able to apply for the necessary building permits by November 6.

⁴ The November 6 date is based on the following: (1) We have yet to receive the landlord's drawings (and, as you know, we are unable to start our drawings until that happens); and (2) the landlord has given us a "soft" date of possession (verbal) of October 1.

Home Office
2311 North 7th Ave.
Bozeman, MT 59715
Phone: 406.587.5846
murdoch.com

David L. Corliss
Town Manager
Castle Rock
July 17, 2018
Page 2

provides for delay and uncertainty: "Grand Opening" deadline: **Wednesday, May 15, 2019.**⁵
A proposed amendment is attached for your review.

Again, we are grateful for your understanding and willingness to help bring Murdoch's Ranch & Home Supply to Castle Rock—we look forward to opening our store, and being a part of the Castle Rock community!

Best regards,



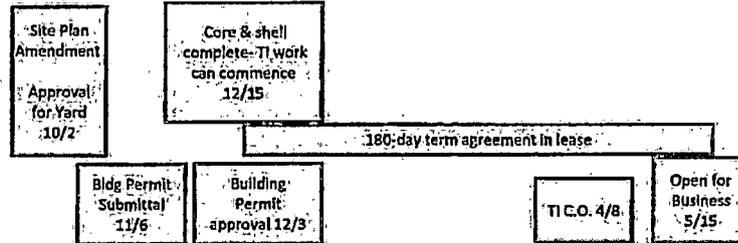
Jennifer L. Cogley
Chief Financial Officer

JLC/pal
Attachments

⁵Please see Exhibit A (DTJ Design's timeline), attached.

MURDOCH'S RANCH & HOME SUPPLY- CASTLE ROCK, COLORADO - WORKING PROJECT SCHEDULE

7/11/2018



TASK	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
Landlord Construction- Interior demolition, roof top mech, elec segregation, demising wall (by others)		[Bar]											
Site Plan Minor Amendment- Administrative Review by the Development Services Department at the Town of Castle Rock. Note: assumes a max of 6 weeks based on input from Castle Rock. Contact there for this process is Bill Detweiler: 720.733.3530		[Bar]											
Schematic Design- Aug 6 thru Aug 27 (3 weeks)		[Bar]											
Murdoch's Internal Review (Landlord as needed)- Aug 28 thru Aug 31		[Bar]											
Pre-Application Meeting with Building Department- suggested by Castle Rock			[Bar]										
Design Development- Sept 4 thru Oct 2 (4 weeks)			[Bar]										
Murdoch's Internal Review (Landlord as needed)- Oct 2 thru Oct 8				[Bar]									
Cost Estimating by Murdoch's GC- Oct 2 thru Oct 8				[Bar]									
Construction Documents- Oct 8 thru Nov 5 (4 weeks)				[Bar]									
Building Permit Submittal and Potential Revisions- Note: assumes about 3 weeks based on conversation with landlord					[Bar]								
General Contractor Pricing and Finalization of Contract with Murdoch's- Note: assumes about 4 weeks. Will need to commence during CDs.					[Bar]								
GC mobilizations on site and follow up demo					[Bar]								
TI Construction- assumes 120 days of construction, including exterior yard- Dec 2018 thru April 2019						[Bar]							
Signage Permit Submittal- drawings provided by Owner/ vendor and submitted by GC. Anticipate 1 week review and approval with Castle Rock based on input from town							[Bar]						
Schedule Float/ Move in and Set up by Murdoch's- April 2019 thru May 2019 (40 days)										[Bar]			

SCHEDULE NOTES:

- Entitlement Work to coincide with activities on site and Murdoch's TI drawing development.

"EXHIBIT A" TO JULY 17, 2018 LETTER DESIGN

