

## ECONOMIC ASSISTANCE AGREEMENT

(Saunders Commercial Development Company, LLC, Colorado Powerline, Inc., and  
Lakewood Electric Company, Inc.)

**THIS ECONOMIC ASSISTANCE AGREEMENT** (the “Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and among the TOWN OF CASTLE ROCK, a home rule municipal corporation of the State of Colorado (the “Town”), Saunders Commercial Development Company, LLC, a Colorado limited liability company (“SCDC”), Colorado Powerline, Inc., a Colorado corporation (“CPI”), and Lakewood Electric Company, Inc., a Colorado corporation (“LEC”).

### RECITALS:

A. SCDC proposes to construct two new 79,190 square foot industrial buildings on 15.5 acres in Lot 19 of the Meadows Located approximately 1 mile west of I-25 at Castle Rock Parkway/N. Meadows Drive within the boundaries of the Town (the “Project”).

B. SCDC’s partners on the Project, CPI and LEC, are relocating their main offices to the Town and, collectively, will be leasing 39,595 square feet of office and industrial space in the first building to be constructed.

C. SCDC intends to market the remaining 118,785 square feet to other primary employers.

D. The Town’s economic assistance policy outlines goals related to targeted business, the retention of primary, expanding, quality employment, and the construction of new office space available to attract additional primary employers.

E. The jobs that CPI and LEC will relocate and create are consistent with the Town’s primary employment attraction criteria and, accordingly, the Project is eligible for economic assistance from the Town.

### COVENANTS:

**NOW, THEREFORE**, in consideration of the mutual covenants and promises expressed herein, the parties hereby agree as follows:

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

*1<sup>st</sup> Anniversary Date:* one year from the date upon which a certificate of occupancy has been issued for the first building constructed as part of the Project.

*2<sup>nd</sup> Anniversary Date:* two years from the date upon which a certificate of occupancy has been issued for the first building constructed as part of the Project.

*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 estimated 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. SCDC shall pay all Town Fees due at the time that it submits its respective applications for a site development plan and building permits for each of the two buildings it intends to construct. The amount of the Town Fees due and owing by SCDC will be determined at the time of site development plan and/or building permit application and approval.

B. The Town shall rebate to SCDC an amount not to exceed the lesser of 50% of all Town Fees paid by SCDC or \$420,000 (“Fee Rebate”). The Fee Rebate shall be allocated equally between the two buildings that comprise the Project. Accordingly, \$210,000 shall be paid to SCDC for each building upon the later of: (i) 30 days from the date upon which a certificate of occupancy has been issued for such building and (ii) the relocation and/or creation of a minimum of 10 jobs within an office or offices located in such building.

C. Notwithstanding any provision of this Agreement to the contrary, no Fee Rebate shall be paid for the second building if all or any portion of said building is operated as a self-storage facility.

**Section 3. Primary Job Incentive.** A primary job incentive shall be paid to CPI for up to and including 30 primary jobs relocated and/or created within the Town (“CPI Primary Job Incentive”). A primary job incentive shall be paid to LEC for up to and including 12 primary jobs relocated and/or created within the Town (“LEC Primary Job Incentive”). The CPI and LEC Primary Job Incentives shall be based upon the number of actual jobs relocated and/or created, wage rates paid, and residency status of employees according to the following schedule:

- Town Resident Above Douglas County Average Wage: \$3,000
- Nonresident Above Douglas County Average Wage: \$2,500
- Town Resident Below Douglas County Average: \$2,500
- Nonresident Below Douglas County Average Wage: \$2,000

The CPI and LEC Primary Job Incentives will each be paid in two annual installments; provided that the total CPI Primary Job Incentive shall not exceed \$90,000 (the “CPI Incentive Cap”) and the total LEC Primary Job Incentive shall not exceed \$36,000 (the “LEC Incentive Cap”). Payment of each shall be contingent upon whether: (i) SCDC has received a certificate of occupancy for the first of its two buildings and (ii) CPI and/or LEC have relocated their main offices to the Town prior to the 1<sup>st</sup> Anniversary Date.

The CPI Primary Job Incentive shall expire on the first of the following to occur: (i) the CPI Incentive Cap is met, (ii) upon final payment on the 2<sup>nd</sup> Anniversary Date, or (iii) 6 months from the 2<sup>nd</sup> Anniversary Date. The LEC Primary Job Incentive shall expire on the first of the following to occur: (i) the LEC Incentive Cap is met, (ii) upon final payment on the 2<sup>nd</sup> Anniversary Date, or (iii) 6 months from the 2<sup>nd</sup> Anniversary Date.

**Section 4. Certification of Job Creation.**

A. To qualify for the Primary Job Incentive, a job must be created on or before the 1st Anniversary Date and must be filled by CPI and/or LEC as of the date the Primary Job Incentive is paid to SCDC pursuant to the schedule set forth in 4.B, below. Within thirty (30) days of the applicable Anniversary Date, SCDC shall submit to the CREDC and the Town Manager, a certification of new jobs created by CPI and/or LEC that qualify for the Primary Job Incentive. The certification shall include information regarding each new position filled, and must include, job title, annual salary equivalent, employee residency status, date hired and certification the position is occupied on the date of payment set forth in 4.B, below (“Certification”). The Certification shall be signed by the chief executive officers of CPI, LEC, and SCDC, or their designees. The Town and CREDC shall review the Certification, and the Town shall issue the payment to SCDC within fifteen (15) days of approval.

B. Unless the Incentive Cap has been previously met, payment of the Primary Job Incentive for employees hired shall be paid upon receipt and approval of the applicable Certification as follows:

<b>Hired (Months):</b>	<b>Paid</b>
1 - 6	½ payment on 1 <sup>st</sup> Anniversary Date
	½ payment on 2 <sup>nd</sup> Anniversary Date
7 – 12	2 <sup>nd</sup> Anniversary Date

**Section 5. Event of Default.** Failure of Town, SCDC, CPI, or LEC 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 6. 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 SCDC, CPI, or LEC, the Town’s sole remedy shall be to deny payments under this Agreement which become due to SCDC after the 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 7. Termination for Failure to Obtain Building Permit.** Notwithstanding any provision of this Agreement to the contrary, this Agreement shall terminate and no further payments made hereunder if a building permit is not issued by the Town for the second building in this Project on or before January 1, 2025.

**Section 8. Assignment.** This Agreement and the financial incentives extended to SCDC, CPI, and LEC are exclusive and not assignable or transferable to any other enterprise, 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 9. 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 10. Non-Appropriation.** All 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 SCDC, CPI, and LEC. The Town's only obligation in the event of termination for non-appropriation shall be the payment of those incentives earned by SCDC prior to an including the effective date of termination for which funds have been appropriated by the Town Council.

**Section 11. 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 N. Wilcox Street Castle Rock, Colorado 80104 Attn: Town Manager With a copy to: Town Attorney
SCDC:	Saunders Commercial Development Company, LLC 86 Inverness Place, North, Englewood, CO 80112 Attn: Graham Coddington, Vice President
CPI:	Colorado Powerline, Inc 5401 N. Peterson Rd. Sedalia, CO 80135 Attn: John McCord, Owner/President
LEC;	Lakewood Electric Company, Inc. 4535 S. Santa Fe Drive

Englewood, CO 80110  
Attn: John McCord, Owner/President

**Section 12. 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.

**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:**

**Approved as to content:**

\_\_\_\_\_  
Michael J. Hyman, Town Attorney

\_\_\_\_\_  
David L. Corliss, Town Manager

**CASTLE ROCK ECONOMIC DEVELOPMENT COUNCIL**

\_\_\_\_\_  
Frank Gray, CEO

**SAUNDERS COMMERCIAL DEVELOPMENT COMPANY, LLC**

\_\_\_\_\_  
Graham Coddington, Vice President

**COLORADO POWERLINE, INC**

\_\_\_\_\_  
John McCord, Owner/President

**LAKWOOD ELECTRIC COMPANY, INC.**

\_\_\_\_\_  
John McCord, Owner/President