

ECONOMIC ASSISTANCE AGREEMENT
(Master Magnetics Relocation – 1211 Atchison Court)

DATE: _____, 2018.

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

MASTER MAGNETICS, INC., a Colorado corporation, 747 S. Gilbert Street, Castle Rock, Colorado 80104 (“Master Magnetics”).

RECITALS:

A. Master Magnetics was founded in 1976 in Castle Rock by owner and operator Jack Nellessen and his daughter, Jennifer Brown. The company currently has facilities in Castle Rock and Elbert County and employs 85 full-time employees.

B. Master Magnetic proposes to:

1. Purchase 1211 Atchison Court, Castle Rock, Colorado.
2. Consolidate all of its Colorado-based operations sy 1211 Atchison Court, which would include relocating 66 employees from its Castle Rock facility and 19 employees from its Elbert County facility.
3. Hire an additional 10-15 full time employees over a 2-year period.

COVENANTS:

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

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

1st Anniversary Date: one year from the Effective Date.

2nd Anniversary Date: two years from the Effective Date.

Agreement: this Economic Assistance Agreement between the Town and Master Magnetics.

CREDC: the Castle Rock Economic Development Council.

Effective Date: the date of execution of this Agreement.

Incentive Cap: the limit on the total payments authorized under this Agreement of \$270,000.

Town Regulations: the Town Charter, ordinances, resolutions, rules and regulation 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. Castle Rock Economic Development Assistance Policy. The Castle Rock Economic Assistance Policy outlines goals related to targeted businesses. The policy states that the Town will provide economic assistance to “businesses 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 “primary, quality employment, defined as (a) businesses that sell goods and/or services outside of the Town fo Castle Rock, thereby bringing new dollars into the Town, and (b) the creation or retention of jobs meeting and matching Town resident workforce.”

The jobs Master Magnetics will retain, relocate and create are consistent with the Town’s primary employment attraction criteria and the project is eligible for economic assistance from the Town.

Section 3. Primary Job Incentive. A primary job incentive of \$3,000 per employee shall be paid to Master Magnetics for primary jobs retained, relocated and created (“Primary Job Incentive”) on or before the 2nd Anniversary Date. The Primary Job Incentive is a deciding factor on whether Master Magnetics will consolidate is Colorado-based operations at 1211 Atchison Court, Castle Rock, Colorado. The Primary Job Incentive paid to Master Magnetics will be based upon full-time equivalent (FTE) employment reatined, relocated and created.

The Primary Job Incentive will be paid in two installments based upon the year which employees were relocated and/or hired (see Section 5, below) with the total Primary Job Incentive not to exceed the Incentive Cap. The Primary Job Incentive shall expire on the first of the following to occur: (i) the date the Incentive Cap is met, or (ii) upon final payment on the 2nd Anniversay Date.

Section 4. Certification of Job Creation.

A. To qualify for the Primary Job Incentive payment, a job must have been created on or before the 2nd Anniversary Date, and must be filled as of the date the Primary Job Incentive is paid to Master Magnetics pursuant to the schedule set forth in 5.B, below. Within thirty (30) days of the 1st Anniversary Date, Master Magnetics shall submit to the CREDC and the Town Manager, a certification of new jobs created 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 5.B, below (“Certification”). The Certification shall be signed by the chief executive officer of Master Magnetics, or his/her designee. The Town and CREDC shall review the Certification, and the Town shall issue the payment to Applicant 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:

Hired	Paid
Effective Date - 6 months following the Effective Date	½ payment on 1 st Anniversary Date ½ payment on 2 nd Anniversary Date
Months 7 – 12 months following Effective Date	2 nd Anniversary Date

Section 5. Event of Default. Failure of Town or Master Magnetics to perform any covenant, agreement, obligation or provision of this Agreement shall constitute an event of default under this Agreement.

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, however in the event of a default without cure by Master Magnetics, the Town's sole remedy shall be to deny payments under this Agreement which become due to Master Magnetics after the event of default. In any such legal action, the prevailing party shall be entitled to recover its reasonable attorney's fees and litigation costs from the other party. To the extent necessary, and only to such extent, Town waives any immunity provided by law to permit enforcement of this Agreement pursuant to the terms hereof by Master Magnetics.

Section 7. Default Notice. 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. The defaulting party shall have twenty (20) working days from receipt of such notice to cure such default before the non-defaulting party may exercise any of its remedies.

Section 8. Assignment. This Agreement and the financial incentives extended to Master Magnetics are exclusive and not assignable or transferable to any other property or other development interests, other than Master Magnetics. 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. Notice. The addresses of the parties to this agreement are listed below. 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 Manager
 Town of Castle Rock
 100 N. Wilcox Street
 Castle Rock, Colorado 80104

Master Magnetics: Master Magnetics, Inc.
 747 S. Gilbert Street
 Castle Rock, Colorado 80104

Section 11. 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 supercede all previous communications, representations, or agreements, either verbal or written.

(REMAINDER INTENTIONALLY LEFT BLANK)

ATTEST:

TOWN OF CASTLE ROCK:

Lisa Anderson, Town Clerk

David L. Corliss, Town Manager

Approved as to form:

Robert J. Slentz, Town Attorney

CASTLE ROCK ECONOMIC DEVELOPMENT COUNCIL:

Frank Gray, CEO

MASTER MAGNETICS, INC.

By: _____

Its: _____