

ORDINANCE NO. 2020-023

AN ORDINANCE APPROVING A \$1,000,000 LINE OF CREDIT WITH FIRSTBANK ON BEHALF OF THE CASTLE ROCK DOWNTOWN DEVELOPMENT AUTHORITY AND IN CONJUNCTION THEREWITH APPROVING A REVOLVING LINE OF CREDIT PROMISSORY NOTE, SALES AND PROPERTY TAX PLEDGE AGREEMENT, AND ACCOUNT PLEDGE AGREEMENT

WHEREAS, pursuant to voter authorization and Ordinance No. 2008-39, the Town of Castle Rock (the “Town”) is authorized to issue debt for the Castle Rock Downtown Development Authority (the “DDA”) up to \$30,000,000, with a maximum repayment cost of \$45,000,000 for DDA projects and other purposes;

WHEREAS, the Town and the DDA have determined that obtaining a line of credit is necessary and advisable to enable the DDA to accelerate the development of certain downtown projects;

WHEREAS, the Town has secured a line of credit in the amount of \$1,000,000 (the “Line of Credit”) with FirstBank, Castle Rock, Colorado (the “Lender”) on terms mutually acceptable to the Town and the DDA; and

WHEREAS, the Line of Credit meets the requirements of Section 31-25-807(3)(a)(II), C.R.S.

NOW, THEREFORE, IT IS ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO:

Section 1. Approval. The Line of Credit is hereby approved. The Revolving Line of Credit Promissory Note (the “Note”) attached as ***Exhibit 1***, Sales and Property Tax Pledge Agreement attached as ***Exhibit 2***, and Account Pledge Agreement attached as ***Exhibit 3*** (collectively, the “Loan Documents”) are hereby authorized and approved in substantially the form attached hereto, provided that the Loan Documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance and as the Town Manager shall approve, the execution thereof being deemed conclusive approval of any such changes by the Town. The Mayor and other proper Town officials are hereby authorized to execute the Loan Documents by and on behalf of the Town. The Mayor and other proper Town officials are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance.

Section 2. Supplemental Public Securities Act. The Town Council hereby elects to apply all of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”), to the Loan Documents. The Note is issued under the authority of the Supplemental Act and shall so recite. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and regularity of the issuance of the Note after its delivery for value.

Pursuant to the Supplemental Act, the Town Council hereby delegates to the Mayor or the Town Manager the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), C.R.S., in relation to the Loan Documents; subject to the following parameters and restrictions: (a) the maximum principal amount of the Note shall not exceed \$1,000,000, plus all fees, charges and additional expenditures incurred by the Lender and payable by the Town under the Loan Documents; and (b) the maximum net effective interest rate on the Note shall not exceed 7.0% per annum. The delegation set forth in this Section 3 shall be effective for one year following the date of adoption of this Ordinance.

Section 3. Charter Controls. The Loan Documents are being executed and delivered pursuant to the authority of Title 31, Article 25, Part 8, C.R.S., the Supplemental Act, and the Town's home rule charter (the "Charter"). Pursuant to Article XX of the State Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this Ordinance and the Loan Documents are hereby superseded to the extent of any inconsistencies or conflicts between the provisions of this Ordinance and the Loan Documents authorized hereby and such statutes. Any such inconsistency or conflict is intended by the Town Council and shall be deemed made pursuant to the authority of Article XX of the State Constitution and the Charter.

Section 4. Severability. If any part or provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 5. Safety Clause. The Town Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

APPROVED ON FIRST READING the 20th day of October, 2020 by a vote of 6 for and 0 against, after publication in compliance with section 2.02.100C of the Castle Rock Municipal Code; and

PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING this 5th day of January, 2021 by the Town Council of the Town of Castle Rock by a vote of ____ for and ____ against.

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

Trish Muller, CPA, Finance Director