

**COOPERATION AND LOAN AGREEMENT
BETWEEN
CITY OF LITTLETON, COLORADO
AND
LITTLETON INVESTS FOR TOMORROW**

THIS COOPERATION AND LOAN AGREEMENT (the "Cooperation and Loan Agreement") dated as of the 16th day of December, 2014, is entered into by and between the City of Littleton, Colorado (the "City"), a home rule city and municipal corporation of the State of Colorado, and Littleton Invests for Tomorrow ("LIFT") a body corporate duly organized and existing as an urban renewal authority under the laws of the State of Colorado.

WITNESSETH:

WHEREAS, the City is a home rule municipality and municipal corporation duly organized and existing under and pursuant to Article XX of the Colorado Constitution and the Charter of the City (the "Charter"); and

WHEREAS, LIFT is a body corporate and has been duly organized, established and authorized by the City to transact business and exercise its powers as an urban renewal authority, all under and pursuant to the Colorado Urban Renewal Law, section 31-25-101, *et seq.*, Colorado Revised Statutes (the "Act"); and

WHEREAS, pursuant to section 31-25-109 of the Act, LIFT has the power and authority to issue or to incur notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, debentures, advances, or other obligations, including refunding obligations (collectively, the "Obligations"), for the purpose of financing the activities and operations authorized to be undertaken by LIFT with respect to the adopted Urban Renewal Plans as approved by the City and Urban Renewal Projects undertaken by LIFT under the Act; and

WHEREAS, the Act, Section 18, Article XIV of the Colorado Constitution authorizes the City and LIFT to enter into cooperative agreements, such as this Cooperation and Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and the following terms and conditions, LIFT and the City hereby agree as follows:

1.0 DEFINITIONS. The terms defined in the recitals of this Cooperation and Loan Agreement shall have the meanings set forth therein, and capitalized terms not defined herein shall have the meaning set forth in the Act. In addition, the following terms shall have the meanings set forth below:

- 1.1. "Collected Tax Revenues" means the Incremental Tax Revenues actually collected during the Fiscal Year and remitted to LIFT pursuant to Section 2.1 of this Cooperation and Loan Agreement.
- 1.2. "Fiscal Year" means the fiscal year of the City, which is January 1 of each calendar year through December 31 of the same calendar year.

- 1.3. "Incremental Taxes" means, for each Fiscal Year, subsequent to the approval of an Urban Renewal Plan, all Sales and Property Tax Revenues in excess of the Sales Tax Base Amount or the Property Tax Base Amount.
- 1.4. "Obligations" shall have the meaning set forth in the third whereas clause above.
- 1.5. "Property Tax" means the property taxes levied by all jurisdictions on real and personal property pursuant to C.R.S. § 39-1-101 et seq.
- 1.6. "Property Tax Base Amount" means the property tax levied on all the assessed valuation certified for the tax year applicable to each Plan approved by the City Council.
- 1.7. "Property Tax Revenues" means the amount to be collected by the County Treasurer for each fiscal year from the levy of the Property Tax in any Urban Renewal Area designated in an adopted Urban Renewal Plan.
- 1.8. "Sales Tax" means the sales tax levied by the City from time to time on the retail sale of taxable goods and services pursuant to the provisions of the City's Municipal Code, as amended.
- 1.9. "Sales Tax Base Amount" means the actual collection of Sales Tax Revenues during the twelve (12) month period immediately preceding the month of adoption of an adopted Urban Renewal Plan.
- 1.10. "Sales Tax Revenues" means the amount to be derived by the City in each Fiscal Year from the levy of the Sales Tax within any Urban Renewal Area designated in an adopted Urban Renewal Plan.

2.0 COLLECTION AND REMITTANCE OF INCREMENTAL SALES TAX.

- 2.1. The City agrees to cooperate with LIFT by collecting the Sales Tax Revenues and remitting promptly to LIFT any collected Sales Tax Revenues. The City makes no representation and provides no assurance that such collected Sales Tax Revenues will be sufficient to satisfy the Obligations of LIFT. Any of the City's obligations under an Urban Renewal Plan and this Cooperation and Loan Agreement to collect and remit to the LIFT Incremental Sales Taxes is only for a twenty-five year period ending twenty-five years from the month of adoption or modification of an adopted Urban Renewal Plan, pursuant to the Act, or such other time as the City and LIFT may determine.
- 2.2. The Collected Tax Revenues shall be used by the LIFT to pay Obligations incurred by LIFT in the planning, demolition, design, construction, financing or other activities related to the Urban Renewal Projects in or for the benefit of any Urban Renewal Plan Area. Any Collected Tax Revenues not necessary or used to pay Obligations of the LIFT during the then current Fiscal Year shall be returned to the City by the end of the first calendar quarter following such Fiscal Year.

3.0 ADVANCE OF PROPERTY AND SALES TAX REVENUES.

3.1. Subject to annual appropriation by the City, an amount not to exceed \$200,000 of projected Property and Sales Tax Revenues may be advanced by the City to LIFT through December 16, 2019, to be used by LIFT for costs incurred by LIFT for its staffing and consultants in connection with the Urban Renewal Projects in any Urban Renewal Area designated in an adopted Urban Renewal Plan (the "Loan"). Draws on the Loan shall be made in minimum increments of \$25,000, subject to City Council approval of each such draw. Prior to draws being approved, LIFT shall provide written documentation to the City indicating the use of the funds requested and invoices reflecting the expenditures from the previous draw. Such amounts shall be paid directly to LIFT by the City and shall be disbursed by LIFT as it deems prudent and necessary for such purposes, subject to LIFT's obligation to provide written documentation to the City indicating the use of the funds requested and invoices reflecting the expenditures made. Any amounts so advanced by the City shall not be a priority Obligation of LIFT in the event LIFT incurs other Obligations required to be such a priority Obligation. Such amounts as are advanced shall be payable to the City from future Property and Sales Tax Revenues, subject to an annual appropriation by the Board of Commissioners of LIFT. Due to the benefits gained by the City from the Urban Renewal Projects in any Urban Renewal Area designated in an adopted Urban Renewal Plan, interest shall be charged on the amounts advanced to LIFT at a rate equal to the 2-year treasury rate at the time of each advance, but no less than .51% per annum. Repayments shall be made by LIFT to the City annually before December 31 of each year, or by mutual agreement, but final repayment to the City shall be made on or before December 16, 2019.

4.0 MISCELLANEOUS.

4.1. Governing Law. This Cooperation and Loan Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado and shall be subject to the limitations, if any, that are applicable under the Charter or ordinances of the City.

4.2. Notices. All notices and other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, addressed as follows:

If to the City:

City of Littleton, Colorado
Office of the City Manager
2255 West Berry Avenue
Littleton, Colorado 80120
(303) 795-3720

If to LIFT: Littleton Invests for Tomorrow
Attn: Executive Director
2255 West Berry Avenue
Littleton, Colorado 80120

The City or LIFT may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent.

4.3. Termination. Either party may terminate this Agreement upon thirty (30) days written notice to the other party; provided, however, there are no outstanding amounts payable by LIFT to the City unless satisfactory arrangements have been made, in the sole discretion of the City, for the payment of such amounts.

4.4. Severability. In the event that any provision of this Cooperation and Loan Agreement, other than the requirement of LIFT to reimburse the City for obligations incurred by LIFT hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Cooperation and Loan Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

CITY OF LITTLETON, COLORADO

ATTEST:

DocuSigned by:
By: Colleen Norton
Colleen Norton, Acting City Clerk

DocuSigned by:
By: Phil Cernanec
Phil Cernanec, Mayor

Approved as to Form:

DocuSigned by:
Kristin Schledorn
City Attorney
Kristin Schledorn

LITTLETON INVESTS FOR
TOMORROW

ATTEST:

By: LaDonna Jurgensen
LaDonna Jurgensen, Secretary

By: James Taylor
James Taylor, Chair

Approved as to Form

Cory Hoff
LIFT Attorney