

## **PROPERTY TAX INCREMENT REVENUE AGREEMENT**

(Pueblo City–County Library District – West Pueblo Urban Renewal Project)

1.0 **PARTIES.** This Agreement (the “Agreement”) is made and executed effective as of \_\_\_\_\_, 2022, by and between the PUEBLO URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the “Authority”) and the PUEBLO CITY-COUNTY LIBRARY DISTRICT, a political subdivision of the State of Colorado (the “District”). The Authority and the District are also referred to herein collectively as the “Parties” or individually as a “Party.”

2.0 **RECITALS.** The following recitals are incorporated in and made a part of this Agreement. Capitalized terms are defined in Section 4.0.

2.1 **Urban Renewal Project.** Pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the “Act”), the City of Pueblo (the “City”) and Pueblo County (the “County”) have agreed to jointly undertake the West Pueblo Urban Renewal Project (the “Urban Renewal Project” or “Project”) pursuant to the “West Pueblo Urban Renewal Plan” (the “Urban Renewal Plan” or “Plan”).

2.2 **Authorization.** The area (the “Area” or “Urban Renewal Area”) included in the proposed Urban Renewal Plan includes real property in unincorporated Pueblo County that is contiguous to a portion of the Urban Renewal Area that is within the municipal limits of the City as authorized by Section 31-25-112.5 of the Act.

2.3 **Agricultural Land.** The proposed Urban Renewal Area includes approximately \_\_\_\_\_ acres of property that is or, within the previous five years, has been classified by the Pueblo County Assessor as agricultural land (“Agricultural Land”) for the purposes of levying ad valorem property taxes. The Parties intend that this Agreement shall constitute written approval by the District to inclusion of such Agricultural Land in the Urban Renewal Area as provided by Section 31-25-107(1)(c)(II)(C) of the Act.

2.4 **City Approval of the Plan.** In accordance with the Act, the City Council of the City will consider approving the Plan at its meeting on \_\_\_\_\_, 2022 pursuant to the notices of public hearing required by the Act.

2.5 **County Approval of the Plan.** In accordance with Section 31-25-112.5 the Act, the County Commissioners of the County will consider approving the Plan at its meeting on \_\_\_\_\_, 2022 pursuant to the notices of public hearing required by the Act.

2.6 **Purpose of the Plan.** The purpose of the Plan is to eliminate conditions of blight documented in the “West Pueblo Urban Renewal Plan: Conditions Survey” dated May 2, 2022 (the “Conditions Survey”), and to redevelop and rehabilitate the Urban Renewal Area described in the Plan by private enterprise as required by the Act. The benefits and potential burdens of the Urban Renewal Project on the District and other taxing entities are described in that certain document entitled “West Pueblo Urban Renewal Plan Impact Report” dated August 22, 2022 (the “Impact Report”).

2.7 Tax Increment Financing. The Urban Renewal Plan contains provisions that permit the financing of the Urban Renewal Project by means of property tax increment financing (“TIF Financing”) contained in Section 31-25-107(9) of the Act and is therefore subject to the requirements contained in House Bill 15-1348 enacted in 2015, as amended in 2016, by Senate Bill 16-177, and in 2017 by Senate Bill 17-279 (collectively, the “Amended 1348 Requirements”).

2.8 Enhanced Base Valuation. In addition to the other benefits of the Urban Renewal Project, inclusion of Agricultural Land in the Plan will result in the benefit to the District of the enhanced assessed base value required by Section 31-25-107(9)(g) of the Act in connection with the authorization for TIF Financing.

2.9 Nature of Urban Renewal Project and Purpose of Agreement. The proposed Urban Renewal Project consists of any and all undertakings and activities authorized in the Plan and the Act to eliminate conditions of blight and to comply with Section 31-25-107(4)(g) of the Act that requires the Plan afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation and redevelopment of the Urban Renewal Area by private enterprise.

2.10 Colorado Urban Renewal Law. In accordance with the Act as amended to the date of this Agreement (including the Amended 1348 Requirements), the Parties desire to enter into this Agreement to facilitate adoption of the Plan and redevelopment of the Urban Renewal Area.

3.0 AGREEMENT. In consideration of the covenants, promises and agreements of each of the Parties hereto, to be kept and performed by each of them, it is agreed by and among the Parties hereto as set forth herein.

4.0 DEFINITIONS. In this Agreement, unless a different meaning clearly appears from the context:

4.1 “Act” means the Colorado Urban Renewal Law, §§31-25-101, *et seq.*, C.R.S., as amended.

4.2 “Agreement” means this Agreement, as it may be amended or supplemented in writing. References to sections or exhibits are to this Agreement unless otherwise qualified.

4.3 “Agricultural Land” means land described in Section 2.3 of this Agreement.

4.4 “Amended 1348 Requirements” means the requirements applicable to use of Property Tax Increment Revenues imposed by House Bill 15-1348 enacted in 2015, as amended in 2016, by Senate Bill 16-177, and in 2017 by Senate Bill 17-279.

4.5 “Authority” means the Party described in Section 1.0, and its successors and assigns.

4.6 “Bonds” means any bonds (including refunding bonds), notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, debentures, or other obligations provided in the Act.

4.7 “City” means the City of Pueblo, a home rule city of the State of Colorado.

4.8 “District” means the Party described in Section 1.0, and its successors and assigns.

4.9 “Duration” means the twenty-five (25) year period that the tax increment or tax allocation provisions of the Plan will be in effect as specified in Section 31-25-109(a) of the Act and the Plan and the Authority will receive the Property Tax Increment Revenues.

4.10 “Party” or “Parties” shall have the meaning described in Section 1.0.

4.11 “Plan” or “Urban Renewal Plan” means the urban renewal plan defined in Section 2.1.

4.12 “Project” shall have the same meaning as Urban Renewal Project.

4.13 “Project Documents” means the Conditions Survey, Impact Report, Urban Renewal Plan, and the notices of public hearing described in Sections 2.4 and 2.5.

4.14 “Property Tax Increment Revenues” means all revenues produced by property tax levies on the TIF portion of the property tax assessment roll, as described in Section 31-25-107(9)(a)(II) of the Act allocated to the Special Fund for the Duration of the TIF Financing provisions of the Plan.

4.15 “Special Fund” means the fund described in the Plan and Section 31-25-107(9)(a)(II) of the Act into which the Property Tax Increment Revenues will be deposited.

4.16 “TIF Financing” means the financing authorized and permitted pursuant to the tax allocation or tax increment provisions of the Plan and Section 31-25-107(9) of the Act.

4.17 “Urban Renewal Area” means the area included in the boundaries of the Plan.

4.18 “Urban Renewal Project” means all undertakings and activities, or any combination thereof, required to carry out the Urban Renewal Plan authorized by and pursuant to the Act.

5.0 COOPERATION. In accordance with Section 31-25-112 of the Act, this Agreement shall constitute an agreement in writing by the District to aid the Authority in (1) the elimination of conditions of blight from the Urban Renewal Area, (2) written approval of the District to inclusion of Agricultural Land in the Plan, and (3) providing necessary infrastructure through the unqualified payment or reimbursement of eligible costs of the Project.

5.1 Property Tax Increment Revenues. The District agrees the Authority may retain and expend in furtherance of the Urban Renewal Project 100% of the Property Tax Increment Revenues it receives from the Pueblo County Treasurer each year from the property tax levy of the District against the TIF portion of the assessment roll as authorized in the Plan for the maximum period of twenty-five (25) years that the Authority is authorized to receive Property Tax Increment Revenues pursuant to the Act (the "Duration").

5.2 Pledge of Property Tax Increment Revenues. The District recognizes and agrees that in reliance on this Agreement, the Authority intends to and shall have the unqualified right to irrevocably pledge all the Property Tax Increment Revenues it receives to payment of the eligible costs of the Urban Renewal Project for the duration of the Urban Renewal Project. The Authority has elected to apply the provisions of Section 11-57-208, C.R.S. to this Agreement. The Property Tax Increment Revenues, when and as received by the Authority shall be subject to the lien of such pledge for the Duration of the Project without any physical delivery, filing, or further act and shall be an obligation of the Parties pursuant to Section 31-25-107(9) of the Act. The Parties agree that the creation, perfection, enforcement and priority of the pledge of the Property Tax Increment Revenues shall be governed by Section 11-57-208, C.R.S.

5.3 Amended 1348 Requirements. The Parties acknowledge that the Amended 1348 Requirements created new requirements applicable to new or modified urban renewal projects. By entering into this Agreement, the Parties intend to resolve all questions concerning the applicability of these statutory changes to the matters described herein to aid in the timely execution of the Urban Renewal Project.

5.4 Receipt of Project Documents; Waivers. The District acknowledges receipt of the Project Documents and agrees that the Project Documents and execution of this Agreement satisfy the requirements of the Act regarding all applicable Amended 1348 Requirements for the adoption of the Plan, TIF Financing for this Urban Renewal Plan, approvals for inclusion of Agricultural Land in the Plan, and notices related thereto, except those that may apply to future modifications of Plan as required by Sections 31-25-107 (3.5) and (7) of the Act. Subject to such right to receive notice of any proposed future modification of the Plan, the District hereby waives (1) the right to receive any funds to finance any additional infrastructure and services required to serve development within the Urban Renewal Area; (2) the right to enjoin any activity of the Authority pursuant to the Plan, including the right of the Authority to issue Bonds necessary to finance the Project; (3) the rights to receive the notice and share in Property Tax Increment Revenues in accordance with the provisions of Sections 31-25-107 (9.5) and (11) of the Act; (4) the arbitration rights contained in Section 31-25-107 (12) of the Act; and (5) any other right or remedy that would materially interfere with or impair the validity of the Bonds or the rights and remedies of any holder of the Bonds.

6.0 NOTIFICATION OF PROPOSED MODIFICATIONS OF THE PLAN; AGREEMENT NOT PART OF PLAN. The Authority agrees to notify the District of any proposed modification of the Plan as required by Sections 31-25-107(3.5) and (7) of the Act. This Agreement is not part of the Plan.

7.0 AGREEMENT CONFINED TO URBAN RENEWAL PLAN. This Agreement applies only to the Urban Renewal Plan and the Urban Renewal Area, and does not include any other urban renewal plan or urban renewal area.

8.0 MISCELLANEOUS.

8.1 Delays. Subject to Section 8.2 herein, any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God; fires; floods; earthquake; abnormal weather; strikes; labor disputes; accidents; regulation or order of civil or military authorities; shortages of labor or materials; or other causes, similar or dissimilar, including economic downturns, which are beyond the control of such Party.

8.2 Termination; Subsequent Legislation or Litigation. In the event of termination of the Plan, including its TIF Financing provision, the Authority may terminate this Agreement by delivering written notice to the District. The Parties further agree that in the event legislation is adopted or a decision by a court of competent jurisdiction on or after the effective date hereof that invalidates or materially effects any provisions hereof, the Parties will in good faith negotiate for an amendment to this Agreement that most fully implements the original intent, purpose and provisions of this Agreement, but does not impair any otherwise valid contracts or financial obligations in effect at such time.

8.3 Entire Agreement. This instrument embodies the entire agreement of the Parties with respect to the subject matter hereof. 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, between the Parties hereto. No modification to this Agreement shall be valid unless agreed to in writing by the Parties.

8.4 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and their successors in interest.

8.5 No Third-Party Enforcement. It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the undersigned Parties and nothing in this agreement shall give or allow any claim or right of action whatsoever by any other person not included in this Agreement; provided, however, a bond trustee or lender may enforce its rights as provided under the documents authorizing the issuance or sale of the Bonds. It is the express intention of the undersigned Parties that any person or entity other than the undersigned Parties receiving services or benefits under this Agreement shall be an incidental beneficiary only.

8.6 No Waiver of Immunities. No portion of this Agreement shall be deemed to constitute a waiver of sovereign or governmental immunity that the Parties or their officers or employees may possess, nor shall any portion of this Agreement be deemed to have created a duty of care which did not previously exist with respect to any person not a party to this agreement.

8.7 Amendment. This Agreement may be amended only by an instrument in writing signed by the Parties.

8.8 Parties not Partners. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties shall not be deemed to be partners or joint venturers, and no Party shall be responsible for any debt or liability of any other Party.

8.9 Interpretation. All references herein to Bonds shall be interpreted to include the incurrence of debt by the Authority in any form consistent with the definition of "Bonds" in the Act, including payment of eligible costs or any other lawful financing obligation related to the Project.

8.10 Incorporation of Recitals and Exhibits. The provisions of the Recitals and any exhibits attached to this Agreement are incorporated in and made a part of this Agreement.

8.11 No Assignment. No Party may assign any of its rights or obligations under this Agreement; provided, however, the Agreement may be assigned by a Party to a successor of such Party.

8.12 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

8.13 No Presumption. The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

8.14 Severability. If any provision of this Agreement as applied to any Party or to any circumstance shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement, the application of any such provision in any other circumstances or the validity, or enforceability of the Agreement as a whole.

8.15 Minor Changes. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing this Agreement are authorized to make and may have made, minor changes to this Agreement as they have considered necessary. So long as such changes were consistent with the intent and understanding of the Parties at the time of approval by the governing bodies, the execution of the Agreement shall constitute the approval of such changes by the respective Parties.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officials to execute this Agreement effective as of the day and year first above written.

ATTEST:

PUEBLO URBAN RENEWAL AUTHORITY

By: \_\_\_\_\_  
Secretary/Executive Director

By: \_\_\_\_\_  
Chair

ATTEST:

PUEBLO CITY-COUNTY LIBRARY DISTRICT

By: \_\_\_\_\_

By: \_\_\_\_\_

DRAFT

