

PROPERTY TAX INCREMENT REVENUE AGREEMENT

(EVRAZ Urban Renewal Project)

1.0 **PARTIES.** This Agreement (the “Agreement”) is made and executed effective as of the ___ day of _____, 2018, by and among the PUEBLO URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the “Authority”); PUEBLO SCHOOL DISTRICT NO. 60, a political subdivision of the State of Colorado (the “School District”); PUEBLO CITY-COUNTY LIBRARY DISTRICT, a political subdivision of the State of Colorado (the “Library District”); the SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT, a political subdivision of the State of Colorado (“SE Water”); the LOWER ARKANSAS VALLEY WATER CONSERVANCY DISTRICT, a political subdivision of the State of Colorado (“Lower Ark Water”); PUEBLO COUNTY, a political subdivision of the State of Colorado (the “County”); and the CITY OF PUEBLO, a home rule city of the State of Colorado (the “City”). The foregoing parties 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 **Development Opportunity.** The Parties have been advised that the real property described in Exhibit A (the “Property”) lying within the corporate limits of the City of Pueblo (the “City”) has been selected by a developer (the “Developer”) as the preferred site for the location of a significant manufacturing operation that will create numerous primary manufacturing jobs and related ancillary jobs new to the region (the “Private Use”). The Property is the only location in the State of Colorado considered for the Private Use.

2.2 **Urban Renewal and Tax Increment Financing.** To eliminate conditions of profound blight that exist on the Property it is necessary and in the public interest to include the Property in an urban renewal plan, entitled as the “EVRAZ Urban Renewal Plan for the EVRAZ Urban Renewal Project Area” (the “Plan” or “Urban Renewal Plan”), which authorizes tax increment financing pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the “Act”), to pay Eligible Costs of eliminating the conditions of blight on the Property and to provide the infrastructure necessary to carry out the Urban Renewal Plan. The proposed Plan is attached to this Agreement as Exhibit B.

2.3 **Nature of Urban Renewal Project and Purpose of Agreement.** The proposed Urban Renewal Project consists of demolition and clearance of existing deteriorated buildings and structures, remediating environmental hazards, designing, developing and constructing the Improvements (which includes paying the Eligible Costs) necessary to serve the Private Use and to comply with §31-25-107(4)(g) of the Act that requires the Plan to afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise. The Urban Renewal Plan is subject to the requirements imposed by amendments to the Act contained in HB 15-1348 on new urban renewal plans adopted after January 1, 2016. However, because of the benefits to the region and the Parties as well as the cost of eliminating blight from the Property, the Parties have agreed that it is in the public interest to enter into this Agreement and to waive certain provisions of the Act, including relevant provisions of HB 15-1348.

2.4 **Colorado Urban Renewal Law.** In accordance with the Act as amended to the date of this Agreement (including the requirements HB 15-1348), the Parties desire to enter into this Agreement to facilitate adoption of the Plan.

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.
- 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 “Authority” means the Party described in Section 1.0, and its successors and assigns.
- 4.4 “Bonds” shall have the same meaning as defined in §31-25-103 of the Act.
- 4.5 “City” means the Party described in Section 1.0, and its successors and assigns.
- 4.6 “County” means the Party described in Section 1.0, and its successors and assigns.
- 4.7 “Duration” means the twenty-five year period that the tax increment or tax allocation provisions will be in effect as specified in §31-25-109(a) of the Act, and the Plan.
- 4.8 “Eligible Costs” means the total amount of costs eligible to be paid or reimbursed from Property Tax Increment Revenues and other pledged revenue pursuant to the Act.
- 4.9 “Improvements” means the improvements required to serve the Private Use.
- 4.10 “Library District” means the Party described in Section 1.0, and its successors and assigns.
- 4.11 “Lower Ark Water” means the Party described in Section 1.0, and its successors and assigns.
- 4.12 “Party” or “Parties” shall have the meaning described in Section 1.0.
- 4.13 “Plan” or “Urban Renewal Plan” means the urban renewal plan defined in Section 2.2.
- 4.14 “Project” shall have the same meaning as Urban Renewal Project.
- 4.15 “Property Tax Increment Revenues” means all of the revenues produced by property tax levies on the TIF portion of the property tax assessment roll, as described in §31-25-107(9)(a)(II), of the Act allocated to the Special Fund for the Duration of the Urban Renewal Project.
- 4.16 “SE Water” means the Party described in Section 1.0, and its successors and assigns.
- 4.17 “Special Fund” means the fund described in the Plan and §31-25-107(9)(a)(II) of the Act into which the Property Tax Increment Revenues will be deposited.
- 4.18 “Taxing Bodies” means all the Parties listed in Section 1.0 except the Authority
- 4.19 “TIF” means the property tax increment portion of the property tax assessment roll described in §31-25-107(9)(a)(II) of the Act.
- 4.20 “Urban Renewal Area” means the area included in the boundaries of the Plan.
- 4.21 “Urban Renewal Project” means all of the 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. The Private Use is expected to bring a substantial number of primary manufacturing jobs to the region. In accordance with Section 31-25-112 of the Act, this Agreement shall constitute an agreement in writing by the Taxing Bodies to aid the Authority in (1) the elimination of conditions of blight from the Property, and (2) providing necessary infrastructure through the unqualified payment or reimbursement of Eligible Costs of the Project by issuance of Bonds, including the following provisions.

5.1 Consents and Waivers. To aid in the timely execution of the Urban Renewal Project, the Taxing Bodies hereby consent to the issuance of Bonds by the Authority and each Taxing Body waives (1) the right to receive the urban renewal impact report described in Section 31-25-107 (3.5) (a) of the Act; (2) the right to receive any funds to finance any additional infrastructure and services required to serve development within the Urban Renewal Area, it being agreed that the creation of the Private Use and primary manufacturing jobs will create additional revenue to adequately provide for such infrastructure and services; (3) 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, as set forth in Section 31-25-107 (7.5) of the Act; (4) 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; (5) the arbitration rights contained in Section 31-25-107 (12) of the Act; and (6) 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.

5.2 Pledge of Property Tax Increment Revenues. The Taxing Bodies recognize and agree that in reliance on this Agreement, the Authority intends to and shall have the unqualified right to irrevocably pledge all of the Property Tax Increment Revenues it receives to payment of the Eligible Costs of the Urban Renewal Project, including the Authority's Bonds for the duration of the Urban Renewal Project in accordance with Section 11-57-208, C.R.S. If all Eligible Costs, including any and all Bonds, fees, and costs of administration of the Urban Renewal Project are paid in full prior to expiration of the Duration, this Agreement shall terminate and each of the Taxing Bodies shall receive the pro rata amount of the total Pledged Property Tax Increment Revenues produced by its tax levy upon the portion of the property tax assessment roll described in Section 31-25-107(9)(a)(II) of the Act.

5.3 City's Covenants. During the term of this Agreement, the City expressly waives its right to receive its share in Property Tax Increment Revenues and further agrees not to seek reimbursement of same from the Authority.

6.0 NOTIFICATION OF SUBSTANTIAL MODIFICATIONS OF THE PLAN; AGREEMENT NOT PART OF PLAN. The Authority agrees to notify the Taxing Bodies of any intended substantial modification of the Plan as required by §31-25-107(3.5) (a) of the Act. This Agreement is not part of the Plan.

7.0 WAIVER. Except for the notice required by Section 6.0, as authorized by the Act (including the provisions of HB 15-1348), with respect to this Plan only, each Taxing Body hereby waives any provision of the Act that provides for notice to any or all of the Taxing Bodies, requires any filing with or by the Taxing Bodies, requires or permits consent from each Taxing Body, and provides any enforcement right to each Taxing Body for the Duration.

8.0 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.

9.0 MISCELLANEOUS.

9.1 Delays. 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.

9.2 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.

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

9.4 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. 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.

9.5 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.

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

9.7 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.

9.8 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.

9.9 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.

9.10 No Assignment. No Party may assign any of its rights or obligations under this Agreement.

9.11 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.

9.12 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.

9.13 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.

9.14 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.

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: _____ By: _____
Secretary/Executive Director Chair

ATTEST: PUEBLO COUNTY
By: _____ By: _____

ATTEST: SCHOOL DISTRICT NO. 60
By: _____ By: _____

ATTEST: PUEBLO CITY-COUNTY LIBRARY DISTRICT
By: _____ By: _____

ATTEST: SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT
By: _____ By: _____

ATTEST: LOWER ARKANSAS WATER CONSERVANCY DISTRICT
By: _____ By: _____

ATTEST: CITY OF PUEBLO
By: _____ By: _____