Town of Frederick
Frederick Urban Renewal Authority

Frederick Town Hall
Board Chambers
401 Locust Street
Tuesday, December 13, 2022

5:30 P.M.
Regular Meeting

Join Zoom Meeting
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Meeting ID: 825 8271 4888
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Dial by your location
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+1 346 248 7799 US (Houston)
+1 669 444 9171 US
+1 669 900 6833 US (San Jose)
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+1 253 215 8782 US (Tacoma)
+1 646 931 3860 US
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Town of Frederick
Urban Renewal Authority

Frederick Town Hall
401 Locust Street
Tuesday, December 13, 2022

5:30 P.M.

Call to Order – Roll Call:

Approval of Agenda:

Public Comment: This portion of the agenda is provided to allow members of the audience to provide comments to the Urban Renewal Authority. Please sign in and the Chair will call you. If your comments or concerns require an action, that item(s) will need to be placed on a later agenda. Please limit the time of your comments to three (3) minutes.

Consent Agenda:

A. Resolution 22-FURA-02 Establishing the Posting Place for Frederick Urban Renewal Authority Meeting Agendas for 2023 – Meghan Martinez, Assistant Secretary

B. Resolution 22-FURA-03 Acknowledging Receipt of the FY 2023 Preliminary Budget – Kurtis Adams, Finance Director

Action Agenda:

C. Public Hearing Resolution 22-FURA-04 Adopting the Annual Budget and Appropriating Expenditures for the Frederick Urban Renewal Authority for Fiscal Year 2023 – Kurtis Adams, Finance Director

D. Resolution 22-FURA-05 Approving the Amended and Restated Consolidated Redevelopment and Reimbursement Agreement between the Frederick Urban Renewal Authority and Agilent Technologies, Inc. – Ryan Johnson, Deputy Executive Director

Executive Session:

For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators under C.R.S. Section 24-6-402(4)(e)(1) regarding potential restaurant.

For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators under C.R.S. Section 24-6-402(4)(e)(1) regarding Silverstone.

Adjournment:

TOWN OF FREDERICK
Urban Renewal Authority
Action Memorandum

Resolution Setting the Posting Place for Frederick Urban Renewal Authority Meeting Agendas

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Agenda Date: Urban Renewal Authority Meeting – December 13, 2022

Attachments: a. Resolution

Finance Review: ______________________________
Finance Director

Submitted by: Meghan C. Martin
Assistant Secretary

Approved for Presentation: ______________________________
Executive Director

☐ Quasi-Judicial ☐ Legislative ☒ Administrative

Summary Statement:

Colorado Revised Statutes requires FURA adopt a resolution annually setting the posting places for meeting agendas.

Statute also requires that legal notices when necessary and applicable be published in a newspaper of general circulation within the Town of Frederick.

Detail of Issue/Request:

The attached Resolution designates the posting places required by State Statute as the Town of Frederick Website for 2023.

In addition, the resolution designates the Longmont Times Call as the newspaper for publication of legal notices for the Town of Frederick.

Legal/Political Considerations:

Not applicable.

Alternatives/Options:

The URA could choose different locations for posting and advertising as desired.

Financial Considerations:

Not applicable.

Staff Recommendation:

Staff recommends approval of the attached resolution.

FREDERICK URBAN RENEWAL AUTHORITY
RESOLUTION NO. 22-FURA-02

A RESOLUTION ESTABLISHING THE POSTING PLACE FOR FREDERICK URBAN RENEWAL AUTHORITY MEETING AGENDAS FOR 2023

WHEREAS, C.R.S. 24-6-402(2)(c) requires that the Urban Renewal Authority designate public place(s) for posting notice of meetings of any local public body, at the first public meeting as defined by the Statutes.

WHEREAS, C.R.S. 24-6-402 (2)(c) also requires the notice of the meeting to be posted no less than 24 hours prior to the holding of the meeting; and

WHEREAS, C.R.S. §24-6-402(2)(c) provides that it is the intent of the General Assembly to transition from posting meeting notices in physical locations to posting notices on a website; and

WHEREAS, the Urban Renewal Authority has a section of the Town website accessible at no charge to the public; and

WHEREAS, C.R.S. 24-70-101 *et. seq*. provides for the publication of legal notices in a newspaper of general circulation within the municipality; and

WHEREAS, it has been determined that there is no newspaper published within the county that is in general circulation in the Town; and

WHEREAS, the Longmont Daily Times-Call has the highest numbers of circulation of a newspaper within the Town; and

WHEREAS, the Urban Renewal Authority wishes to establish posting places for the year 2023; and

WHEREAS, the Urban Renewal Authority wishes to affirm that it is appropriate to publish all legal publications for the Urban Renewal Authority in the newspaper with the highest general circulation within the Town for the Year 2023 which is the Longmont Daily Times-Call.

NOW THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE FREDERICK URBAN RENEWAL AUTHORITY, AS FOLLOWS:

Section 1. The posting places for Urban Renewal Authority Meeting Agendas will be as follows:

Town of Frederick Website www.frederickco.gov

Section 2. The Longmont Times-Call is designated as the official newspaper for the publication of legal notices.

INTRODUCED, READ, PASSED AND ADOPTED THIS 13th DAY OF DECEMBER, 2022

ATTEST: FREDERICK URBAN RENEWAL AUTHORITY

____________________________ ____________________________

Meghan Martinez, Assistant Secretary Tracie Crites, Chair

TOWN OF FREDERICK
Urban Renewal Authority
Action Memorandum

A Resolution of the Frederick Urban Renewal Authority (FURA)
Acknowledging Receipt of the FY 2023 Budget

Agenda Date: Urban Renewal Authority Meeting – December 13, 2022

Attachments: a. Resolution 22-FURA-03

Finance Review: ______________________
Finance Director

Submitted by: Kurtis Adams
Finance Director

Approved for Presentation: Bryan Ostler
Executive Director

☐ Quasi-Judicial ☐ Legislative ☒ Administrative

Summary Statement:

The resolution provided verifies that the Frederick Urban Renewal Authority Board received a preliminary budget in compliance with State Statute.

Detail of Issue/Request:

To be in compliance with CRS 29-1-105, the Frederick Urban Renewal Authority Board must receive a preliminary budget for the upcoming fiscal year no later than October 15 of each year. The resolution provided verifies that the board received the preliminary budget on October 7, 2022, and has met this statutory requirement.

Legal/Political Considerations:

The resolution was reviewed by the FURA Attorney.

Alternatives/Options:

Not applicable.

Financial Considerations:

Not applicable.

Staff Recommendation:

Staff recommends approval of the resolution as presented.

FREDERICK URBAN RENEWAL AUTHORITY
RESOLUTION NO. 22-FURA-03

A RESOLUTION OF THE FREDERICK URBAN RENEWAL AUTHORITY (FURA) ACKNOWLEDGING RECEIPT OF THE FY 2023 PRELIMINARY BUDGET

WHEREAS, the preliminary budget for fiscal year (FY) 2023 was presented to the Board on August 5, 2022.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FREDERICK URBAN RENEWAL AUTHORITY:

Section 1. That the preliminary budget for 2023 was presented to the FURA board on August 5, 2022.

Section 2. **Effective Date.** This resolution shall be become effective immediately upon adoption.

Section 3. **Repealer.** All resolutions, or parts thereof, in conflict with this resolution are hereby repealed, provided that such repealer shall not repeal the repealer clauses of such resolution nor revive any resolution thereby.

Section 4. **Certification.** The Assistant Secretary shall certify to the passage of this resolution and make not less than one copy of the adopted resolution available for inspection by the public during regular business hours.

INTRODUCED, READ, PASSED, AND ADOPTED THIS 13TH DAY OF DECEMBER, 2022.

ATTEST:

By ______________________________________
Meghan C. Martinez, Assistant Secretary

FREDERICK URBAN RENEWAL AUTHORITY:

By ___________________________________
Tracie Crites, Chair

TOWN OF FREDERICK
Urban Renewal Authority
Action Memorandum

A Resolution Approving the Frederick Urban Renewal Authority 2023 Fiscal Year Budget

Agenda Date: Urban Renewal Authority Meeting – December 13, 2022

Attachments:
a. Resolution 22-FURA-04
b. Budget Narrative

Finance Review: ______________________
Finance Director

Submitted by: Kurtis Adams
Finance Director

Approved for Presentation: Bryan Ostler
Executive Director

☐ Quasi-Judicial ☐ Legislative ☒ Administrative

Summary Statement:

The resolution presented will authorize and approve the fiscal year 2023 budget for the Frederick Urban Renewal Authority. A public hearing is required prior to the adoption of the FURA FY 2023 Budget.

Detail of Issue/Request:

Included for your review and consideration is the Frederick Urban Renewal Authority budget for 2023, which was properly noticed as required by law. A preliminary budget was provided to you as required by law by October 15, 2022 and no changes have been made to the budget since it was initially presented. Also included is the budget document for FURA which includes a brief history, accounting information, the budget and goals.

The Frederick Urban Renewal Authority's budgetary basis of accounting method is a modified accrual basis, which combines accrual-basis accounting with cash-basis accounting. Modified accrual accounting recognizes revenues when they become available and measurable and with a few exceptions, recognizes expenditures when they are incurred.

Legal/Political Considerations:

The resolution was drafted by the Town's URA Attorney.

Alternatives/Options:

The URA could choose not to approve the budget and direct staff to make changes accordingly.

Financial Considerations:

The budget is balanced as presented.

Staff Recommendation:

Staff recommends approval of the resolution and the 2023 budget as presented.

FREDERICK URBAN RENEWAL AUTHORITY
RESOLUTION NO. 22-FURA-04

A RESOLUTION ADOPTING THE ANNUAL BUDGET AND APPROPRIATING EXPENDITURES FOR THE FREDERICK URBAN RENEWAL AUTHORITY FOR FISCAL YEAR 2023

WHEREAS, the Frederick Urban Renewal Authority's proposed annual budget for the fiscal year 2023 has been prepared and submitted to the FURA Board of Commissioners; and

WHEREAS, such budget contains all of the matters required by law, and said budget is in balance as required by law; and

WHEREAS, a public hearing has been held on the proposed budget following public notice of the same.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FREDERICK URBAN RENEWAL AUTHORITY:

Section 1. The Annual Budget for the Frederick Urban Renewal Authority, for the Fiscal Year beginning January 1, 2023 and ending December 31, 2023, is hereby approved and adopted. Such 2023 Annual Budget document is attached hereto and made a part hereof.

Section 2. Monies are hereby appropriated for said fiscal year as provided below:

Entity	Beginning Cash Est.	Revenues	Transfers In	Expenditures	Transfers Out	Ending Est. Cash
Frederick Urban Renewal Authority	$3,173,888	$3,093,600	$0	$1,938,950	$0	$4,328,538

INTRODUCED, READ, PASSED, AND SIGNED 13TH DAY OF DECEMBER, 2022.

ATTEST:

By: ____________________________
Meghan C. Martinez, Assistant Secretary

FREDERICK URBAN RENEWAL AUTHORITY

By: ________________________________
Tracie Crites, Chair

BUDGET 2023

FREDERICK URBAN RENEWAL AUTHORITY

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INTRODUCTION

INTRODUCTION

FREDERICK URBAN RENEWAL AUTHORITY BOARD

Tracie Crites	Chair
Dan March	Vice Chair
Adam Mahan	Commissioner
Chico Garcia	Commissioner
Chad teVelde	Commissioner
Christopher Vigil	Commissioner
Kevin Brown	Commissioner
Mark Lamach	Commissioner
Steve Moreno	Commissioner
Windi Padia	Commissioner
Vacant	Commissioner

INTRODUCTION

DIRECTORS/STAFF

Bryan Ostler	Executive Director
Ryan Johnson	Deputy Executive Director
Meghan Martinez	Secretary
Jason Leslie	Treasurer

INTRODUCTION

GENERAL INFORMATION

HISTORY

The Frederick Urban Renewal Authority (FURA) was established by the Frederick Mayor and Board of Trustees on May 14, 2013, after receiving a petition submitted by qualified voters. The Town of Frederick recognized that there was a need for the Urban Renewal Authority to eliminate blight and serve as an economic development tool. Until 2015, the Urban Renewal Authority was not used for any major purposes and consequently did not incur any costs for operation. That changed substantially in 2016 when a number of services were necessary to create development agreements with various economic development projects in the community that create primary jobs and increase sales tax for the community.

Colorado Revised Statutes 31-25-101, et seq., provides for the creation, organization and operation of an urban renewal authority specifically from which FURA exists. In compliance with HB 15-1348, the FURA Board has increased from seven Board members to 11. In 2022, there are no anticipated new Urban Renewal Areas, but this is subject to change based on development requests and other conditions related to existence of blight on property.

CURRENT URA AREAS

The Frederick Urban Renewal Authority currently has seven defined development areas:

- Eagle Business Park
- Meadowlark Business Park
- Miner's Village
- Schillinger
- Talbert Building
- Tipple/Colorado (Former Public Works Site)
- Wyndham Hill

EMPLOYEES AND BENEFITS

FURA does not have any regular, full-time or part-time employees. The Town of Frederick provides administrative services.

BUDGET PROCESS

The budget has been structured and prepared using the guidelines of the Governmental Finance Officers Association (GFOA). Two sources, Governmental Accounting, Auditing and Financial

INTRODUCTION

Reporting (GAAFR) and the Governmental Accounting Standards Board (GASB) guide the financial reporting and annual budget process. The Frederick Urban Renewal Authority prepares its budget on a calendar-year basis as required by state statute. The budget must be balanced or show a revenue surplus. "Balanced Budget" is defined as a "balance between total estimated expenditures and total anticipated revenues, including surpluses." This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance. The Town of Frederick's definition of a "Balanced Budget" complies with the statutory requirements for the State of Colorado located in C.R.S. 29-1-103 (2).

BUDGET TERM

The budget term begins the first day of January and ends on the last day of December.

BASIS OF BUDGETING

Modified accrual basis is used for all FURA fund operations. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred except for debt service. FURA considers the revenue and expenditures if collected or incurred within 60 days of the end of the fiscal period. The basis of accounting used in the budget is the same as the basis of accounting used in the financial statements.

BUDGET PREPARATION

The budget process starts early each year. In June, the Finance Department prepares core data. This data is presented with current period data and revenue projections for both the current year as well as the upcoming year. The worksheets containing this data are then distributed to the Executive Director who reviews the information and decides what should be included in the Proposed Budget. The Proposed Budget document is submitted to the FURA Board no later than October 15, with work sessions as requested and determined necessary by the Board following the submittal.

PUBLIC HEARINGS

The proposed budget is a matter of public record and is open to the public for inspection. At a minimum, one public hearing is held on the proposed budget. Appropriate notice of the time and place of the hearing is placed in a newspaper of general circulation.

INTRODUCTION

ADOPTION OF BUDGET AND APPROPRIATION OF FUNDS

In accordance with state statutes, on or before the fifteenth (15th) day of December, the FURA Board shall adopt a balanced budget by ordinance for the ensuing year. The Board appropriates sums of money, as it deems necessary, to defray all expenditures.

BUDGET AMENDMENTS

The Adopted Budget can be amended during the year by presenting the FURA Board with a Resolution for approval. Generally, budget amendments are used for one-time items such as project related grants, or other one-time expenses that could not have been reasonably predicted during the budget process.

BUDGET OVERVIEW

BUDGET OVERVIEW - REVENUES AND EXPENDITURES

REVENUES

The majority of funding for FURA comes from tax increment financing (TIF), which is the increased amount of property tax or municipal sales tax revenue collected within the URA after a project begins.

EXPENSES

Expenses for FURA are limited to reimbursements for the intergovernmental sharing agreements, bond pass through costs, legal services, debt service and improvements to defined areas within the URA.

PERSONNEL SERVICES

This category is not currently in use as FURA does not have any employees.

CONTRACT SERVICES

The contract services category includes all expenses that FURA incurs with businesses or individuals on a regular basis. Examples of such expenses include consulting services, legal services, economic development, auditing, etc.

COMMODITY

This category includes all items purchased in the normal course of business and includes items such as computers and software, general supplies, office supplies, etc.

OTHER CHARGES

This category includes items that are one-time or miscellaneous expenses including bonding fund reimbursements, general liability insurance, professional memberships, etc.

CAPITAL OUTLAY

Items expensed in this category must meet the requirements of a capital purchase. To qualify, the item must have a purchase price that is $5,000 or greater and must have a life expectancy of more than one year.

DEBT SERVICE

Debt service items are costs associated with approved debt issuances for FURA. The debt can be the result of a bond issuance, lease purchase or other contractual obligation.

BUDGET – DEBT AND FINANCIAL OBLIGATIONS

DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of FURA's debt service and financial obligations are appropriated each budget year.

SERIES 2018 BOND – MEADOWLARK BUSINESS PARK URA

In 2018, FURA issued Bonds to assist in the development of the Meadowlark Business Park Plan Area. The Bonds are revenue bonds and require that pledged revenues collected from the Meadowlark Business Park Plan Area be placed into a mandatory sinking fund as follows:

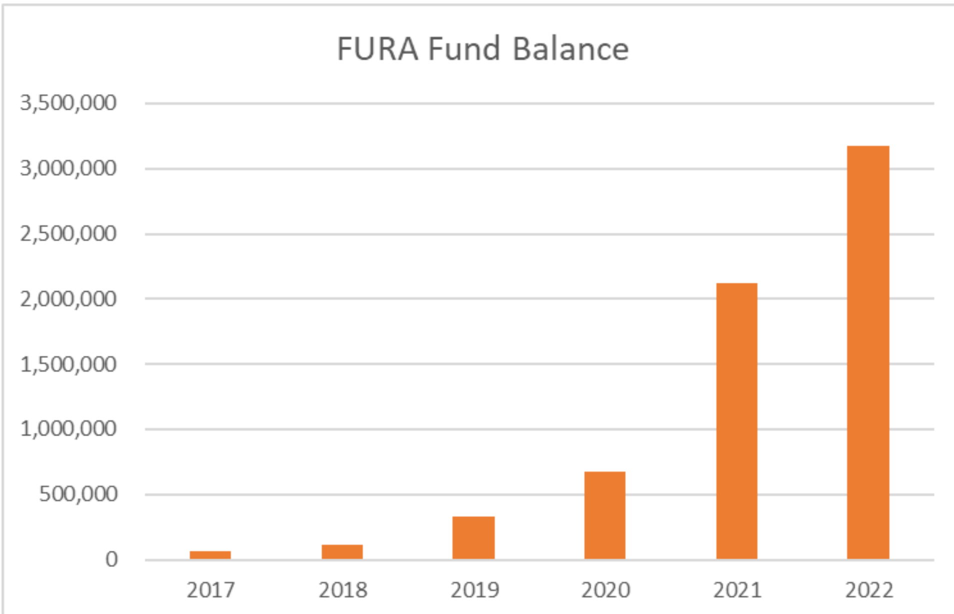
Series 2018 Bond

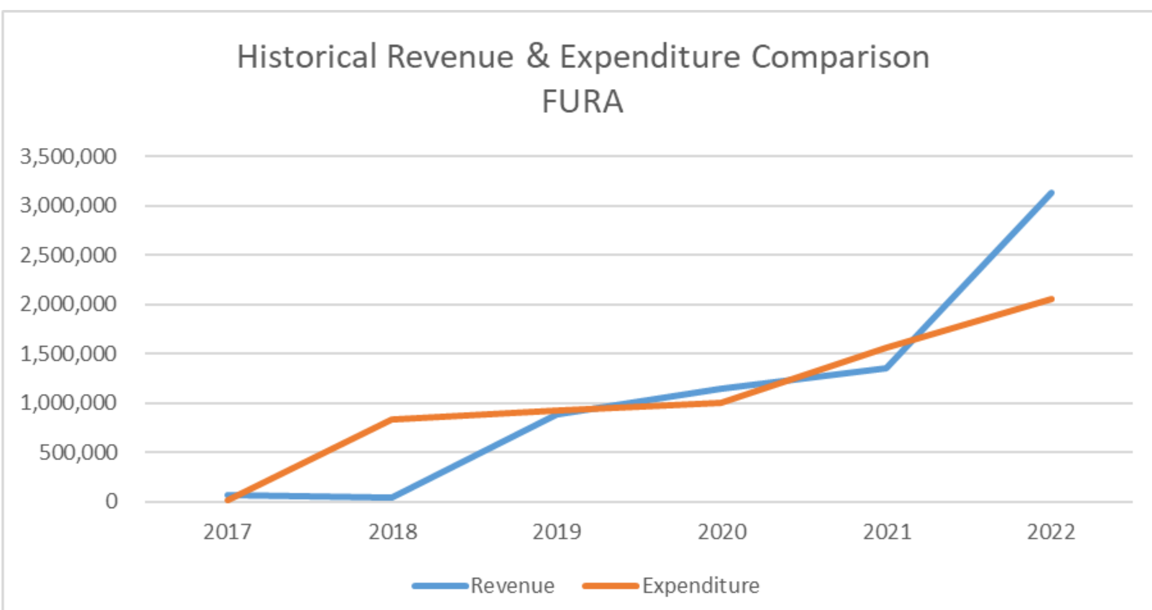
Year	New Sinking Fund	Previous Sinking Fund
2019		
2020		69,359
2021	52,273.34	124,251
2022	65,732.00	124,251
2023	56,341.71	106,501
2024	61,036.85	115,376
2025	65,732.00	124,251
2026	77,044.95	142,001
2027	77,044.95	142,001
2028	90,169.04	168,626
2029	93,902.85	177,501
2030	103,293.14	195,251
2031	103,293.14	195,251
2032	103,293.14	195,251
2033	106,800.14	199,172
2034	106,800.14	199,172
2035	108,722.81	199,172
2036	118,567.17	218,776
2037	118,567.17	218,776
2038	116,528.75	213,001
2039	112,683.42	213,001
2040	18,999.28	209,059
Total	**1,756,825.95**	**3,550,000**

BUDGET – DETAILED ANALYSIS

FURA - FUND BALANCE AND FUND SUMMARY

While FURA was officially established in 2013, there was no financial activity until 2015 as shown below.





BUDGET – DETAILED ANALYSIS

The 2023 Budget for the Frederick Urban Renewal Authority includes revenues of $3,093,600, which is a decrease from the 2022 budgeted amount of $3,209,500. The slight decrease in revenue projections for the 2023 budget are directly related to decreased property tax increments, as projected from preliminary county assessed valuations. In 2023, expenses are expected to increase as a result of IGA Obligations and related revenue sharing agreements, as well as debt service payments.

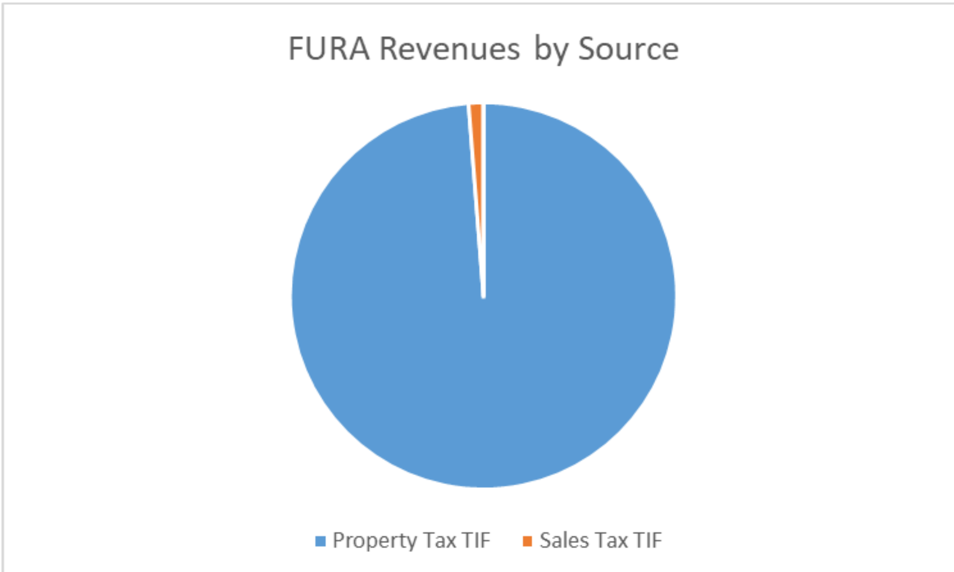
FREDERICK URBAN RENEWAL AUTHORITY BUDGET

Frederick Urban Renewal Authority	2020 Actuals	2021 Actuals	2022 Actuals Jan - Oct	2022 Adopted Budget	2022 Year-End Estimates	2023 Proposed Budget
Beginning Fund Balance	**333,749**	**716,038**	**2,124,788**	**2,124,788**	**2,124,788**	**3,173,888**
Revenues:						
Taxes & Fees	1,003,993	3,140,550	2,659,985	3,200,000	3,100,000	3,090,500
Earnings on Investment	231	3	1,000	2,000	100	100
Proceeds from Bond Issuance	384,533	-	-	-	-	-
Miscellaneous Revenue	-	1,405	2,000	7,500	2,000	3,000
Transfers In	-	-	-	-	-	-
Total Operating Revenues	1,388,757	3,141,958	2,662,985	3,209,500	3,102,100	3,093,600
Expenditures:						
Operations and Maintenance	859,926	1,562,370	514,832	492,200	490,000	51,000
IGA URA Obligations	-	-	8,452	-	1,510,000	1,831,450
Capital Outlay	-	5,230	-	700,000	-	-
Debt Service	146,542	124,906	-	53,000	53,000	56,500
Transfers Out	-	-	-	-	-	-
Total Expenditures	1,006,468	1,692,505	523,284	1,245,200	2,053,000	1,938,950
Excess (Deficiency) of Revenues over Expenditures	382,289	1,408,750	2,139,701	1,964,300	1,049,100	1,154,650
Ending Fund Balance	**716,038**	**2,124,788**	**4,264,489**	**4,089,088**	**3,173,888**	**4,328,538**

BUDGET – DETAILED ANALYSIS

FREDERICK URBAN RENEWAL AUTHORITY REVENUES

Revenues for this fund come from taxes, interest, bond proceeds, transfers and miscellaneous.



The FURA Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2023.

FURA Revenue Sources		
Source	**Amount**	**% of Total**
Property Tax TIF	3,052,300	99%
Sales Tax TIF	38,200	1%
Bond Proceeds	0	0%
Miscellaneous	3,000	0%
Interest	100	0%
	3,093,600	

BUDGET – DETAILED ANALYSIS

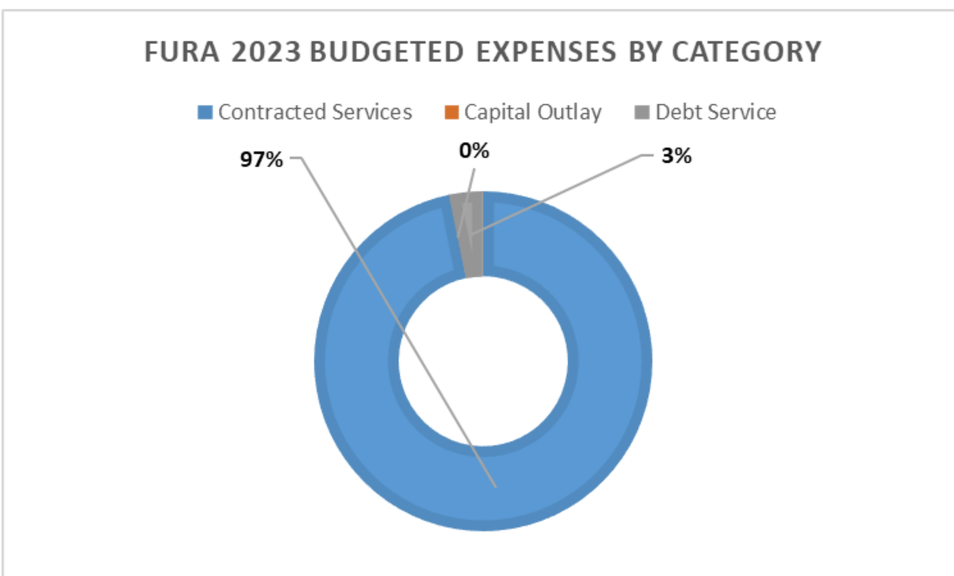
FREDERICK URBAN RENEWAL AUTHORITY EXPENDITURES

Expenditures in this fund are primarily reimbursements and bond proceed drawdowns/pass through and debt service.

FURA EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Building	0	1,882,450	0	0	1,882,450	---	56,500	1,938,950
Totals	$0	$1,882,450	$0	$0	$1,882,450	$0	$56,500	$1,938,950
Total Cash Available								$ 6,267,488
Ending Fund Balance								4,328,538
% of Total Budget	0.00%	97.09%	0.00%	0.00%	97.09%	0.00%	2.91%	100.00%

The chart below details the expenditures for FURA by category.



GOALS AND OBJECTIVES

FREDERICK URBAN RENEWAL AUTHORITY GOALS

The Frederick Urban Renewal Authority was created to accomplish the following goals:

- Direct private sector investment to blighted areas
- Revitalize the local economy
- Stabilize property values
- Create new jobs
- Improve the overall quality of life

FREDERICK URBAN RENEWAL AUTHORITY
2023 BUDGET

SUPPLEMENTAL SCHEDULE 1

Urban Renewal Authority

<u>Debt Instrument - Notes</u>

1. Promissory Note – PW Site Demolition

Note Held By: Town of Frederick
401 Locust Street
Frederick, CO 80530

Length of Note:	4/14/2015 – 4/14/2040
Original Principal Amount	$ 15,000
Note Plus Interest	$ 15,000
2021 Principal & Interest	$ 0
Balance (as of 12/31/2022)	$ 15,000

<u>Bonded Debt</u>

2. Meadowlark URA

Bond Held By: Vectra Bank
2000 S. Colorado Blvd., #2-1200
Denver, CO 80222

Length of Bonded Debt:	06/21/2018 – 06/21/2040
Original Amount of Bond	$ 3,550,000
Bond Plus Interest	$ 3,807,520
2021 Principal & Interest	$ 65,733
Balance (as of 12/31/2021)	$ 1,691,103

TOWN OF FREDERICK
Urban Renewal Authority
Action Memorandum

Amended and Restated Consolidated Redevelopment and Reimbursement Agreement with Agilent Technologies, Inc.

Agenda Date: Urban Renewal Authority Meeting – December 13, 2022

Attachments:
a. Resolution 22-FURA-05
b. Amended and Restated Consolidated Redevelopment and Reimbursement Agreement

Finance Review: ______________________
Finance Director

Submitted by: Ryan Johnson
Deputy Executive Director

Approved for Presentation: Ryan Johnson
Deputy Executive Director

☐ Quasi-Judicial ☒ Legislative ☐ Administrative

Strategic Plan Alignment:

- Community and Economic Vitality
- This also aligns with the Town's retail strategy to target and attract additional primary employment. Primary employers create high quality jobs that provide the financial means needed to continue to support the future growth and development of retail in Frederick. This supplements the growth provided through other means.

Summary Statement:

Presented is a proposed Amended and Restated Consolidated Redevelopment and Reimbursement Agreement between the Frederick Urban Renewal Authority and Agilent Technologies, Inc. for consideration in substantially the same form as attached.

Detail of Issue/Request:

Agilent Technologies, Inc. is a leading pharmaceutical manufacturer with numerous locations worldwide. In Colorado, they have locations in Boulder and expanded to Frederick in 2016. Additionally, Agilent has been ranked as one of the top workplaces in health care by Fortune Magazine. Agilent is nearing completion of their first phase(s) of improvements and are awaiting regulatory approval to operate from the Food and Drug Administration. At the conclusion of that process, Agilent will be required to provide a cost certification on all of the components outlined in the original Redevelopment and Reimbursement Agreement for Staff review. Therefore, at this time, Staff cannot comment on the actual performance related to capital expenditures compared to anticipated costs. Anecdotally, it has been represented to Staff by Agilent that actual costs exceed the anticipated costs.

Originally, Agilent pledged to create 155 net new jobs. As of the middle of 2022, they had reported 180 net new jobs, which exceeds the anticipated commitment by roughly 16%.

In 2016, the Town, acting through the Frederick Urban Renewal Authority provided Agilent incentives as outlined below:

- 50% up front reduction in local municipal sales tax.
- 75% up front reduction in local permit and impact fees.
- Expedited permit review timelines.
- 50% personal property use tax rebate (in conjunction with Weld County).
- $100,000 reimbursement for eligible public improvements.

Included for your review is the proposed amended and restated consolidated redevelopment and reimbursement agreement between the Frederick Urban Renewal Authority (FURA) and Agilent. This amended and restated consolidated agreement is the result of an in depth nationwide site selection process that included several states including the Frederick, Colorado location. Key highlights of the project have continued to be refined throughout the process and are listed below:

- Net new job creation (excluding jobs created under their previous phases of development) is anticipated to be 275 FTE.
- Average annual salary for the new jobs is anticipated to be $107,000 per year.
- Anticipated capital expenditures including building and equipment is anticipated to be $425,000,000.
- A proposed new manufacturing space of approximately 200,000 square feet inclusive of the main building and ancillary support buildings.

Looking ahead at this proposed expansion, Staff propose the following structure for consideration:

- 50% reimbursement of local municipal sales tax (exclusive of voter approved and dedicated sales taxes [i.e. public safety sales tax]).

- 75% reimbursement of local permit and impact fees (exclusive of any fees the Town collects on behalf of another outside organization as a pass-through (i.e. Central Weld Capital Improvement Fees etc.)
- Expedited review timelines consistent with previous phases of development.
- 50% personal property use tax rebate (in conjunction with Weld County).
- Reimbursement for eligible public improvements as outlined in the Agreement.

The most significant change with this agreement is that the upfront fee reductions and sales tax reductions have been changed for the new phase to be a reimbursement. Fee reductions are difficult to administer and require more overhead since work has to be done on the front end and back end of a project to ensure that neither the Town nor the company under/over pays in fees. This is largely because it is rare that a project's actual and anticipated costs match exactly. By shifting to a pure reimbursement approach, Staff will only review those actual costs at project completion and then provide a reimbursement after everything has been certified to have been accurate. This approach is also a best management practice and tends to be more transparent since reimbursements are provided on actual costs rather than anticipated costs.

This proposed new building has already gone through initial site plan approvals and has already received a height waiver from the Town Board of Trustees earlier in 2022. Architecture is planned to be complimentary to the existing architecture and the new proposed building and existing buildings will be connected by an enclosed breezeway. Final development approvals are anticipated in the coming weeks and into the first quarter of 2023.

Projects of this scale are not common in the northern part of Colorado as this project is anticipated to be one of the largest in Weld County. Because of this, Staff leveraged resources from Upstate Colorado Economic Development who works on behalf of the Weld County Commissioners, Metro Denver Economic Development Corporation and the State of Colorado Office of Economic Development and International Trade to help make Colorado an attractive option for Agilent. To this end, the Weld County Commissioners have preliminarily granted approval of a 50% reimbursement on the personal property use tax for new equipment. Also, in late November, the Colorado Economic Development Commission approved an incentive of approximately $1.79 million dollars for this proposed expansion.

This agreement was drafted by the Authority's attorney and is attached to this memorandum for reference.

Legal Considerations:

The amended and restated consolidated redevelopment and reimbursement agreement was drafted by FURA's Attorney and approved by the Agilent attorney's as well.

Alternatives/Options:

The Authority could choose to direct Staff to make changes to the proposed agreement. Staff have provided several updates throughout this site selection process and structured the agreement consistent with feedback provided during those updates. If the Authority desires to direct Staff to make changes, those changes would need to be reviewed by Agilent prior to bringing back a final agreement for your consideration. This would potentially impact some of the critical scheduling related to permit issuance. For this reason, this alternative is not recommended.

The Authority could choose to deny this agreement at this time. Staff believe this agreement is reflective of previous direction provided to Staff and have taken that in to consideration when drafting the agreement. Further, this agreement has been reviewed and mutually agreed with Agilent.

Financial Considerations:

This will not have any financial impact to the Town or the Authority as this does not increase or decrease any incentives previously contemplated. This proposed amendment simply shifts when a portion of those incentives are realized for Agilent. Agilent still has the obligation under the original agreement to come "settle" with the Town at the completion of their construction project in order to complete an auditing of actual expenses in order to ensure that all expenses and incentives received are true and accurate.

Executive Director Recommendation:

Adopt Resolution 22-FURA-05 approving the Amended and Restated Consolidated Redevelopment and Reimbursement as presented in substantially the same form as attached. If any changes occur between the publishing of this packet and the FURA meeting on Tuesday, Staff will communicate those changes accordingly as early as practicable.

FREDERICK URBAN RENEWAL AUTHORITY
RESOLUTION NO. 22-FURA-05

A RESOLTUION OF THE FREDERICK URBAN RENEWAL AUTHORITY APPROVING THE AMENDED AND RESTATED CONSOLIDATED REDEVELOPMENT AND REIMBURSEMENT AGREEMENT BETWEEN THE FREDERICK URBAN RENEWAL AUTHORITY AND AGILENT TECHNOLOGIES, INC.

WHEREAS, The Town of Frederick approved the Urban Renewal Plan for the Eagle Business Park Urban Renewal project in Resolution No. 16-R-46; and

WHEREAS, The Frederick Urban Renewal Authority approved a Redevelopment and Reimbursement Agreement in Resolution 16-FURA-10; and

WHEREAS, The Frederick Urban Renewal Authority approved an Amendment No. 1 to the Redevelopment and Reimbursement Agreement in Resolution 21-FURA-01; and

WHEREAS, Agilent Technologies, Inc. desires to expand their operations in Frederick beyond the scope of what was originally contemplated; and

WHEREAS, The Frederick Urban Renewal Authority believes the Amended and Restated Redevelopment and Reimbursement Agreement is in the best interests of the Urban Renewal Plan.

NOW THEREFORE, BE IT RESOLVED by the Commission of the Frederick Urban Renewal Authority:

Section 1. The Frederick Urban Renewal Authority approves the Amended and Restated Consolidated Redevelopment and Reimbursement Agreement in substantially the same form as attached.

Section 2. Effective Date. This resolution shall become effective immediately upon adoption.

Section 3. Repealer. All resolutions, or parts thereof, in conflict with this resolution are hereby repealed, provided that such repealer shall not repeal the repealer clauses of such resolution nor revive any resolution thereby.

Section 4. Certification. The Secretary shall certify to the passage of this resolution and make not less than one copy of the adopted resolution available for inspection by the public during regular business hours.

INTRODUCED, READ, PASSED, AND ADOPTED THIS 13TH DAY OF DECEMBER, 2022.

ATTEST: **FREDERICK URBAN RENEWAL AUTHORITY**

By ___________________________________ By ___________________________________

Meghan C. Martinez, Assistant Secretary Tracie Crites, Chair

AMENDED AND RESTATED CONSOLIDATED REDEVELOPMENT AND REIMBURSEMENT AGREEMENT

(Eagle Business Park Urban Renewal Project)

1.0 PARTIES. The parties to this Agreement (the "Consolidated Agreement" or "Agreement") dated as of ___________, 2022, are the FREDERICK URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority") and AGILENT TECHNOLOGIES, INC., a Delaware corporation (the "Owner"). The Authority and the Owner are also referred to collectively herein as the "Parties" or individually as a "Party."

2.0 RECITALS AND EXHIBITS. The Recitals and exhibits to this Consolidated Agreement are incorporated herein by this reference as though fully set forth in the body of this Consolidated Agreement. The exhibits to this agreement are as follows:

Exhibit A: Phase 1 and Phase 2 Private Improvements.

Exhibit B: Phase 2 Eligible Costs

2.1 The Urban Renewal Plan. The Authority is carrying out the Urban Renewal Plan for the Eagle Business Park Urban Renewal Project (the "Plan"), which was approved by the Board of Trustees of the Town of Frederick (the "Town") on July 12, 2016, by Resolution No. 16-46, in accordance with the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the "Act").

2.2 Replacement of the Original Agreement. The Parties entered into a Reimbursement and Redevelopment Agreement dated as of October 13, 2016, as amended by Amendment No. 1 dated as of November 15, 2021 (collectively, the "Original Agreement"). The Original Agreement provided for the development and redevelopment of a portion of the Property, construction and operation thereon of the Phase 1 Private Improvements by the Owner, and the Authority pledged certain net property tax and sales tax increment revenue (the "Phase 1 Pledged Revenue") to payment of the Phase 1 Eligible Costs to support such development, redevelopment, construction, and operation of the Phase 1 Private Improvements.

2.3 The Consolidated Agreement. The Owner proposes to construct additional taxable improvements (the "Phase 2 Private Improvements") in the Urban Renewal Area that requires construction and installation of additional infrastructure, site preparation, and utilities to serve the Phase 2 Private Improvements, the costs of which are eligible costs that the Authority is authorized to pay pursuant to the Act and the Plan (the "Phase 2 Eligible Costs"). The Authority desires to compensate the Owner for those Phase 2 Eligible Costs listed in Exhibit B in accordance with this Agreement.

2.4 Additional Development and Redevelopment of the Property; Original Agreement

Replaced. In consideration of additional development and redevelopment on the Property, the Parties desire to amend, restate, and replace the Original Agreement in accordance with the terms and conditions of this Consolidated Agreement without impairing the Phase 1 Reimbursement Obligation of the Authority. Except for the Phase 1 Reimbursement Obligation of the Authority to pay the Original Phase 1 Eligible Costs as modified by this Consolidated Agreement, the Original Agreement is hereby rescinded and replaced in its entirety by this Agreement.

3.0 TERMS AND CONDITIONS. In consideration of the mutual covenants and promises of the Parties contained herein, and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as set forth in this Agreement.

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

"Act" means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes.

"Agreement" and "Consolidated Agreement" mean this Agreement, as it may be amended or supplemented in writing. References to sections or exhibits are to this Agreement unless otherwise qualified.

"Authority" means the Frederick Urban Renewal Authority, a body corporate and politic of the State of Colorado, and its successors and assigns.

"Authority Administrative Fee" means the administrative fee payable to the Authority pursuant to Section 5.3.1.

"Available Phase 2 TIF Revenue" means the property tax increment revenue and sales tax increment revenue remaining in the Special Fund each year after the Authority makes

(a) payment of the Authority Administrative Fee;
(b) payments to the Taxing Bodies pursuant to the Taxing Body Agreements;
(c) the County Incentive Payment 1;
(d) the Town Personal Property Tax Incentive Payment 1;
(e) the Town Sales and Use Tax Incentive Payment;
(f) payment of the Phase 1 Eligible Costs;
(g) payment of the Town Personal Property Tax Incentive Payment 2; and
(h) Payment of the County Incentive Payment 2.

"Commence Construction" or "Commencement of Construction" means the visible commencement by the Owner of actual physical construction and operations on the Property for the erection of the Additional Private Improvements, without limitation, obtaining all required permits and licenses and installation of a permanent required construction element, such as a caisson, footing, foundation or wall.

"Complete Construction" or "Completion of Construction" means for the Private Improvements, the issuance of a certificate of occupancy by the Town so that the Private Improvements described in such certificate may open for permanent occupancy and utilization for their intended purposes.

"Consolidated Agreement" and "Agreement" mean this Agreement, as it may be amended or supplemented in writing. References to sections or exhibits are to this Agreement unless otherwise qualified.

"Cooperation Agreement" means the agreement between the Town and the Authority dated as of July 12, 2016, as may be amended to facilitate and implement this Agreement.

"County" means Weld County Colorado.

"County Incentive Payment 1" means the personal property tax refund incentive for years 2016-2022 authorized by Section 30-11-123, C.R.S., and the agreement between the County and the Owner dated as of September 14, 2016, which the Authority has agreed to pay on behalf of the County.

"County Incentive Payment 2" means the personal property tax refund incentive authorized by Section 30-11-123, C.R.S., which the Authority agrees to pay on behalf of the County.

"Owner" means the Party identified in Section 1.0 and any successor or assign approved by the Authority in accordance with this Agreement.

"Party" or Parties" means, singularly, a party or, collectively, the parties to this Agreement identified in Section 1.0.

"Phase 1 Eligible Costs" means means the reasonable and customary certified and appoved costs up to a maximum of $100,000 pursuant to the Original Agreement to be certified and paid to the Owner pursuant to Section 5.3.7.

"Phase 1 Pledged Revenues" means the tax increment revenue pledged to payment of the Phase 1 Eligible Costs up to a maximum of $100,000.

"Phase 1 Private Improvements" means the private improvements designated as such in Exhibit A.

"Phase 1 Reimbursement Obligation" means the reasonable and customary certified costs up to a maximum of $100,000 pursuant to the Original Agreement to be certified and paid to the Owner pursuant to Section 5.3.7.

"Phase 2 Eligible Costs" means the reasonable and customary certified and approved costs of the items listed on Exhibit B estimated to total approximately twenty million, seven hundred fifty thousand, eight hundred fifty-nine dollars ($20,750,859) to be certified by the Owner pursuant to Section 6.3 and paid in accordance with Section 5.3.7.

"Phase 2 Pledged Revenues" has the same meaning as the Available Phase 2 TIF Revenues.

"Phase 2 Private Improvements" means the new privately-owned improvements described in Exhibit A that the Owner will construct and operate on the Property. Construction and operation of the Phase 2 Private Improvements is expected to assist in carrying out the Plan, provide extra-ordinary benefits to the Town and region and provide additional Pledged Revenue to pay the Phase 2 Eligible Costs.

"Plan" means the urban renewal plan described in Section 2.1.

"Pledged Revenues" means the Phase 1 Pledged Revenues and the Phase 2 Pledged Revenues.

"Primary Jobs" means jobs that produce products that are in excess of those that will be consumed with the boundaries of the State of Colorado and will be exported to other states and foreign countries in exchange for value.

"Property" means Lot 1, Eagle Business Park, according to the recorded plat thereof, Town of Frederick, County of Weld, State of Colorado.

"Reimbursement Obligation" means the obligation of the Authority to reimburse the Owner for the Phase 1 Eligible Costs and Phase 2 Eligible Costs pursuant to Section 5.3.6.

"Sales Tax Reimbursement" means reimbursement of 50% of the 2.0% Town sales taxes paid by the Owner on construction materials and furniture, fixture, and equipment after application by the Town of the State of Colorado exemption on such sales taxes pursuant to Section 39-26-709(1), C.R.S. The Town levies a total sales tax of 3.5%, but only 2.0% is available for reimbursement. Excluded from the definition of Sales and Use Tax Reimbursement are the portions of such taxes dedicated to public safety (1.0%) and open space (0 .5%).

"Special Fund" means the fund described in Section 5.1.

"Taxing Bodies" means the taxing bodies that levy ad valorem property taxes in the Urban Renewal Area.

"Taxing Body Agreements" means those agreements between the Authority and the Taxing Bodies to share property tax increment revenue as required by the Act.

"Term" means the first to occur of (a) payment in full of the Reimbursement Obligation by the

Authority or (b) expiration of statutory time limit that the the Authority will receive TIF Revenue pursuant to the Act and the regulations of the Property Tax Administrator of the State of Colorado, which is 2041 for ad valorem real and personal property tax revenue collected from the property taxes levied in 2040.

"TIF Revenue" means the revenue to be deposited in the Special Fund pursuant to the Plan and Section 31-25-107(9), C.R.S.

"Town Permit Fees Reimbursement" means the reimbursement to the Owner of 75% of the following fees collected by the Town related to construction and operation of the Phase 2 Private Improvements:

Building Permit Fee,
Plan Review Fee,
Electrical Fee,
Transportation Impact Fee,
Construction Meter Fee
Town Capital Improvement Fee, and
Tap Installation Fee.

The following fees are specifically excluded from the definition of Permit Fees Reimbursement: the Town Park Improvement Fee, Central Weld County Capital Improvement Fee and any water dedication fees (including CBT Water Share costs or fees).

"Town Personal Property Tax Incentive Payment 1" means 50% of the personal property tax revenue produced by the mill levy of the Town on the personal property of the Owner in the Urban Renewal Area commencing in 2017 and continuing until 2027.

"Town Personal Property Tax Incentive Payment 2" means 50% of the personal property tax revenue produced by the mill levy of the Town on the personal property of the Owner in the Urban Renewal Area commencing as of the date of this Agreement and ending on the 10th anniversary of the date of this Agreement.

"Town Sales and Use Tax Incentive Payment" means 50% of the municipal sales tax revenue collected from imposition by the Town of the Town sales tax on transactions subject to municipal sales taxes in the Urban Renewal Area commencing in 2017 and continuing until 2027.

"Urban Renewal Area" means the area included within the boundaries of the Plan.

4.0 OBLIGATIONS OF THE AUTHORITY. The Authority shall have the following obligations under this Agreement.

5.1 Special Fund. Subject to the provisions of this Agreement, the Authority agrees to establish (or to cause the Town to do so on behalf of the Authority), make deposits into and make disbursements of TIF Revenue from a special fund (the "Special Fund") in accordance with the Act.

The Authority shall deposit all ad valorem real and personal property tax increment revenue (the "TIF Revenue") allocated to it pursuant to the Plan into the Special Fund. The TIF Revenue shall be applied to payment of the following obligations:

5.3.1 Authority Administrative Fee. The Authority shall collect an Authority Administrative Fee of 5% of the total annual TIF Revenue it receives pursuant to the Act and the Plan, the proceeds of which shall be used to defray the Authority's costs of administering the Plan, including the collection and disbursement of Pledged Revenues.

5.3.2 Payments to Taxing Bodies. The Authority shall make all payments of TIF Revenue, but not Pledged Revenues, required to be made to Taxing Bodies pursuant to the Taxing Body Agreements, except for County Incentive Payment 1 and County Incentive Payment 2, which shall be paid to the Owner in accordance with Section 5.3.3.

5.3.3 County Incentive Payments. On behalf of the County, the Authority agrees to make each annual payment to the Owner of the County Incentive Payment 1 and County Incentive Payment 2 from the portion of the TIF Revenue payable to the County pursuant to the Property Tax Increment Revenue Sharing Agreement by and between the Authority and the County dated as of July 13, 2016 for County Incentive Payment 1 and pursuant to a similar agreement related to County Incentive Payment 2.

5.3.4 Town Personal Property Tax Incentive Payments. On behalf of the Town, the Authority agrees to pay to the Owner the Town Personal Property Tax Incentive Payment 1 and the Town Personal Property Tax Incentive Payment 2 for the period of time each such payment is in effect.

5.3.5 Town Sales Tax Incentive Payment. On behalf of the Town, the Authority agrees to pay to the Owner the Town Sales Tax Incentive Payment for the period of time such payment is in effect.

5.3.6 Town Permit Fees Reimbursement. The Authority agrees to pay to the Owner the Town Permit Fees Reimbursement for all local permits required to construct the Phase 2 Private Improvements and supporting infrastructure required in connection with the Phase 2 Private Improvements.

5.3.7 Reimbursement of the Phase 1 Eligible Costs. The Authority shall reimburse the Owner for the certified Phase 1 Eligible Costs paid by the Owner up to a maximum of $100,000, such payments to be made in ten annual installments of $10,000 each from the Special Fund commencing on May 31, 2018, and the Phase 2 Eligible Costs (collectively, the "Reimbursement Obligation"). Phase 1 Eligible Costs shall consist of the cost of site improvements such as grading, utilities, parking improvements, landscape improvements, and any similar costs approved in writing by the Executive Director of the Authority or his designee. Phase 2 Eligible Costs are those listed in Exhibit B. Phase 1 Eligible Costs and Phase 2 Eligible Costs shall be documented in the manner set forth in Section 6.3.

5.4 Payments. All payments required to be made to the Owner by the Authority shall be paid and documented separately in a manner that clearly identifies each payment required pursuant to Sections 5.3.2 to 5.3.7, inclusive (the "Pledged Revenues"). All payments shall be made on or before the 20th day of each month commencing on Completion of Construction of the Phase 1 Private Improvements for the Phase 1 Eligible Costs and Completion of Construction of the Phase 2 Eligible Costs until expiration to the Term.

5.5 No Impairment. The Authority shall not enter into any agreement or transaction that impairs the rights of the Parties under this Agreement, including, without limitation, the right to receive and apply Pledged Revenues to payment of the Authority obligations hereunder.

5.6 Pledge of Payments. Subject to the Owner's obligation to Complete Construction of the (a) Phase 1 Private Improvements for reimbursement of the Phase 1 Eligible Costs and (b) the Phase 2 Private Improvements for reimbursement of the Phase 2 Eligible Costs, the Authority irrevocably pledges payment the Pledged Revenues, to the Owner in accordance with this Agreement. The Pledged Revenues, when and as received by the Authority, shall be subject to the lien of such pledge without any physical delivery, filing, or further act. Payment of the Pledged Revenues shall be an obligation of the Authority under Section 31-25-107(9), C.R.S. Execution of this Agreement by the Authority shall mean that the Authority has elected to apply the provisions of Section 11-57-208, C.R.S., to this Agreement. Thereafter, creation, perfection, enforcement and priority of the pledge of the Pledged Revenues as provided herein shall be governed by Section 11-57-208, C.R.S., and this Agreement. The lien of such pledge on the Pledged Revenues and the obligation to perform the contractual provisions made herein shall have priority over any other obligations and liabilities of the Authority in the Urban Renewal Area.

5.7 Books and Accounts. The Authority will keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries shall be made of the amount of Pledged Revenues received by the Authority and the amounts deposited into and paid out from the Special Fund.

5.8 Inspection. All books, records and reports (except those required by applicable law to be kept confidential) in the possession of the Authority relating to the Pledged Revenues, allocation of such revenue to the Special Fund, including the books and records described in Section 5.7, shall at all reasonable times be open to inspection by the Owner.

6.0 OBLIGATIONS OF THE OWNER. The Owner shall have the following obligations under this Agreement.

6.1 Construction of Improvements. The Owner has constructed and is currently operating all improvements required by the Original Agreement. The Owner agrees to construct and operate the Additional Private Improvements on the Property in accordance with the following requirements.

The Additional Private Improvements shall consist of taxable improvements with a fair market value of not less than $425,000,000 as determined by the Weld County Assessor upon Completion of Construction of the Phase 2 Private Improvements. In addition, to qualify for payment of the Pledged Revenues related to the Phase 2 Eligible Costs, the Owner shall provide evidence reasonably satisfactory to the Authority that not less than an additional 275 Primary Jobs have been created on the Property and attributed to operation of the Phase 2 Private Improvements on or before December 31, 2026.

6.2 Construction; Time Limitation. All construction required by this Agreement shall comply with all applicable laws, ordinances, standards, and policies. The Owner has completed all construction required by the Original Agreement. The Owner shall obtain all approvals required to obtain a building permit and Commence Construction of the Phase 2 Private Improvements on the Property on or before March 31, 2023 and shall Complete Construction of all the Additional Private Improvements on the Property on or before December 31, 2027.

6.3 Cost Certification. The Phase 1 Eligible Costs and the Phase 2 Eligible Costs shall not be recognized as such unless and until they are documented and certified by the Owner pursuant to a reasonable cost certification procedure established by the Authority. There shall be no duplicate payment of any of the Phase 1 Eligible Costs and Phase 2 Eligible Costs. All applications for approval of the Phase 1 Eligible Costs and Phase 2 Eligible Costs shall include a certification signed by the Owner's general contractor and an authorized representative of the Owner. The certificate shall state that the information contained therein is true and accurate to the best of each individual's information and belief and, to the best knowledge of such individual, qualifies as valid Phase 1 Eligible Costs or Phase 2 Eligible Costs. Such submissions shall include copies of backup documentation supporting the listed cost items, including bills, statements, pay request forms from first-tier contractors and suppliers, conditional lien waivers, and copies of each check issued in payment of such costs. Statements for payment of the Phase 1 Eligible Costs or Phase 2 Eligible Costs shall not include advance payments of any kind for unperformed work or materials not delivered and stored on the Property.

6.4 Insurance. At all times prior to Completion of Construction, the Owner, within ten days after request by the Authority, will provide the Authority with proof of payment of premiums and certificates of insurance showing that the Owner is carrying, or causing prime contractors to carry, builder's risk insurance, comprehensive general liability and worker's compensation insurance policies in amounts and coverages reasonably required by the Authority. Such policies of insurance shall be placed with financially sound and reputable insurers, require the insurer to give at least thirty (30) days advance written notice of cancellation to the Authority and will include the Authority and the Town as additional insureds on such policies.

6.5 Indemnification. The Owner will defend, indemnify, assume all responsibility for and hold the Town, the Authority, Town Trustees, Authority board members, and their officers and employees harmless (including, without limitation, for attorney fees and costs) from all claims or suits for and damages to property and injuries to persons, including accidental death, that may be caused by any of the construction activities under this Agreement, whether such activities are undertaken by the Owner or anyone directly or indirectly employed by or under contract to the Owner and whether such damage shall accrue or be discovered before or after termination of this Agreement.

6.6 Restrictions on Assignment and Transfer. Until Completion of Construction of the Phase 2 Private Improvements, the Owner shall not assign all or any part of or any interest in this Agreement or the Property or the right to receive the Pledged Revenues, without the prior written approval of the Authority. Granting of a mortgage or deed of trust by the Owner for purposes of collaterally securing financing of Completion of Construction of the Phase 2 Private Improvements shall not constitute an assignment or transfer. For the purposes of this Agreement, transfer shall include a change in the identity of the parties in control of the Owner. Prior to Completion of Construction, the Owner shall promptly notify the Authority of any and all changes whatsoever in the identity of the parties in control of the Owner, or the degree thereof. No voluntary or involuntary successor in interest of the Owner shall acquire any rights or powers under this Agreement except as expressly set forth herein. Approval of a transfer by the Authority shall not relieve the Owner of its obligations hereunder unless the Authority agrees in writing. The Authority shall not be obligated to approve any assignment or transfer that does not include all of the rights and responsibilities under this Agreement.

6.7 Damage Repair. Notwithstanding any language in any agreement to the contrary, prior to Completion of Construction of the Phase 2 Private Improvements, the Owner shall repair any damage to improvements, including public improvements located outside of the boundary lines of the Property, caused by the Owner (or contractors, agents, employees, or other parties acting for or on behalf of the Owner) during construction of the Phase 1 and Phase 2 Private Improvements, including, without limitation, damage to public streets and rights of way and to any improvements installed or owned and/or maintained by the Town. The Owner shall not be deemed to have achieved Completion of Construction unless and until all such repairs have been completed and approved by the Town.

7.0 NOTICES. Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if delivered in person, by prepaid overnight express mail or reputable overnight courier service, by certified mail or registered mail, postage prepaid return receipt requested, addressed to the Party to whom such notice is to be given at the address set forth on the signature page below, or at such other address as has been previously furnished in writing, to the other Party.

8.0 EXHIBITS. All exhibits, if any, referred to in this Agreement are by reference incorporated herein for all purposes.

9.0 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, strikes, labor disputes, accidents, regulations or order of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, that are beyond the control of such Party.

10.0 DEFAULT. Time is of the essence, subject to Section 9.0 above. If any payment or any other material condition, obligation, or duty is not timely made, tendered, or performed by any Party, then any non-defaulting Party may seek any remedy available at law or in equity, including damages; provided, however, damages, if any, recoverable by the Owner shall be limited only to the amounts payable under this Agreement when and as received by the Authority. No special, consequential, or punitive damages shall be payable for any default under this Agreement.

11.0 SECTION CAPTIONS. The captions of the sections are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

12.0 ADDITIONAL DOCUMENTS OR ACTION. The Parties agree to execute any additional documents or take any additional action that is necessary to carry out this Agreement.

13.0 AMENDMENT. This Agreement may be amended only by an instrument in writing signed by the Parties.

14.0 WAIVER OF BREACH. A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement must be in writing and shall not operate or be construed as a waiver of any subsequent breach by any Party.

15.0 GOVERNING LAW. This Agreement shall be governed by the laws of the State of Colorado and venue for any litigation shall be Weld County, Colorado.

16.0 BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors, heirs, and assigns, provided that nothing in this paragraph shall be construed to permit the assignment of this Agreement except as otherwise expressly authorized herein.

17.0 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.

18.0 NO THIRD-PARTY BENEFICIARIES. This Agreement is intended to describe the rights and responsibilities only as to the Parties hereto. This Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a Party hereto.

19.0 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.

20.0 MINOR CHANGES. The Parties executing this Agreement are authorized to make non-substantive corrections to this Agreement and attached exhibits, if any, as the Parties mutually consider necessary.

21.0 DAYS. If the day for any performance or event provided for herein is a Saturday, a Sunday, a day on which national banks are not open for the regular transactions of business, or a legal holiday pursuant to Section 24-11-101(1), C.R.S., such day shall be extended until the next day on which such banks and state offices are open for the transaction of business.

22.0 GOOD FAITH OF PARTIES. In the performance of this Agreement or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

23.0 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.

24.0 NONLIABILITY OF OFFICIALS, AGENTS AND EMPLOYEES. No Town Trustee, board member, commissioner, official, employee, consultant, attorney or agent of the Authority or the Town shall be personally liable to the Owner under the Agreement or in the event of any default or breach by the Town or Authority or for any amount that may become due to the Owner under the Agreement.

25.0 GOVERNMENTAL IMMUNITY. The Authority, its officers and employees are relying on and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, as amended, or otherwise available to the Authority and its officers and employees.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto in their respective names as of the date first above written.

THE FREDERICK URBAN RENEWAL AUTHORITY

____

ATTEST:

Chair
401 Locust Street
Frederick, CO 80504

____
Secretary

ALIGENT TECHNOLOGIES, INC.

By: ____________________________________

ATTEST:

(title)
7051 Eagle Boulevard
Frederick, CO 80530

____
(title)

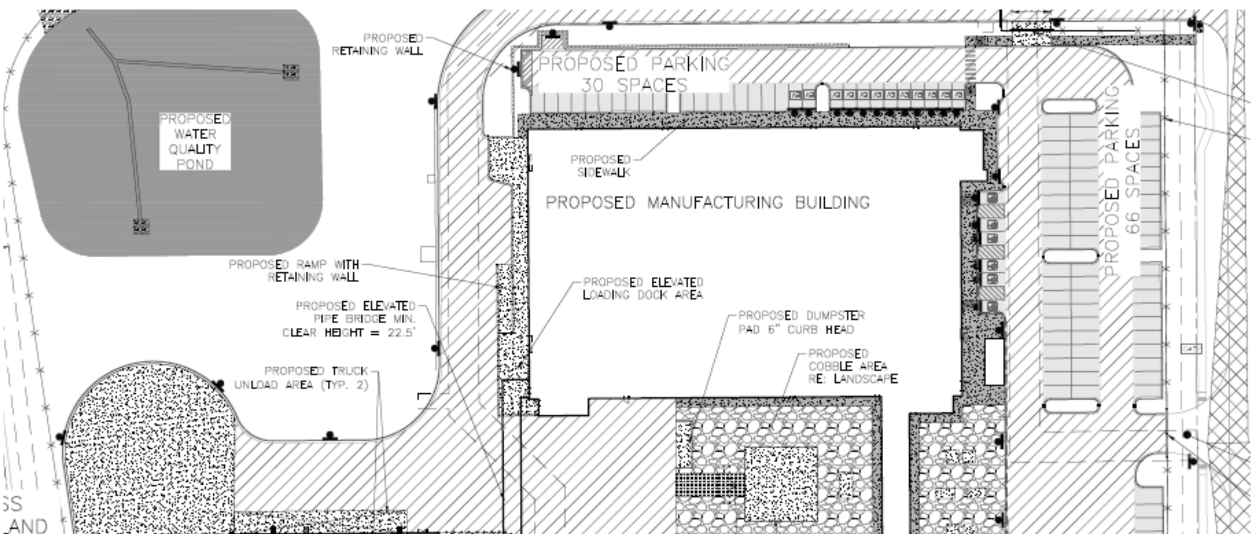
EXHIBIT A

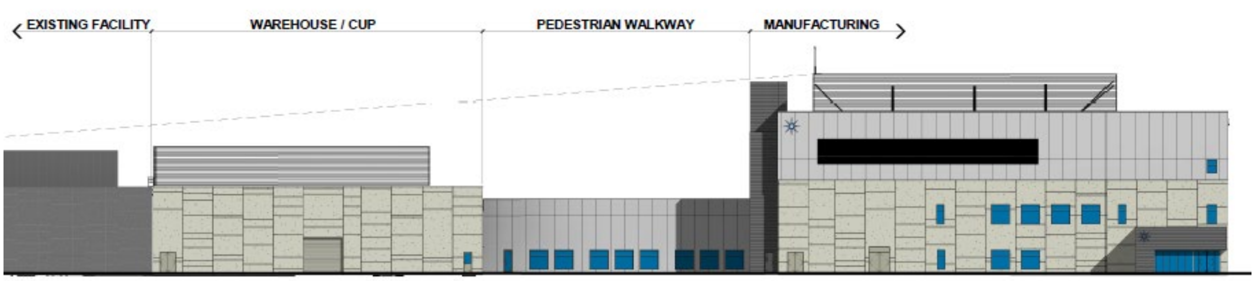
Description of Phase 1 Private Improvements

Phase 1 Private Improvements includes a manufacturing and office facility, parking lot, outdoor ancillary structures, water and sewer improvements, improvements to Tipple Pkwy. and Eagle Blvd. These improvements are constructed and exist on the same lot as the proposed Phase 2 Private Improvements immediately adjacent (which is proposed to the north).

Description of Phase 2 Private Improvements

The additional improvements include a new building and ancillary improvements of approximately 200,000 square feet. These new improvements are to be constructed on the same lot in conformance with the site plan and architectural rendering (shown below). These improvements include all additional parking lots, landscape, grading, drainage and other public and private improvements as approved by the Town.





EXHIBT B

Description	Amount
Civil Structural, and Building Costs	$12,573,077
Mechanical and Electrical Costs	$7,237,541
Demolition / Expenses	$285,360
Miscellaneous Costs	$654,882
Total Costs	$20,750,860