

RESOLUTION NO. 075
OF THE BOARD OF COMMISSIONERS OF THE
FORT COLLINS URBAN RENEWAL AUTHORITY APPROVING A LOAN FROM THE
CITY OF FORT COLLINS TO THE FORT COLLINS URBAN RENEWAL AUTHORITY
FOR THE PROSPECT STATION REDEVELOPMENT PROJECT, AND APPROVING A
LOAN AGREEMENT FOR THAT PURPOSE

WHEREAS, the Fort Collins Urban Renewal Authority (the "URA") was created on January 5, 1982, by City Council's adoption of Resolution 1982-010, which Resolution designated the City Council as the Board of Commissioners of the Authority; and

WHEREAS, by Resolution 2011-080, adopted on September 6, 2011, the City Council found and declared that the area described in such Resolution (the "Midtown Area") is a blighted area as described in the Part 1, Article 26, Title 31 of the Colorado Revised Statutes (the "Act") and under the Act the Midtown Area is an area appropriate for urban renewal projects; and

WHEREAS, by Resolution 2011-081, adopted on September 6, 2011, the City Council approved an urban renewal plan for the Midtown Area in Fort Collins, which plan was amended by City Council on May 7, 2013, in Resolution 2013-043 (the "Midtown Plan"), which established a tax increment district referred to as the Prospect South Tax Increment District (the "TIF District") that includes the site of the Prospect Station Redevelopment Project (the "Project"); and

WHEREAS, on September 17, 2013, the URA Board (the Board") approved a Redevelopment Agreement (the "Redevelopment Agreement") between the Authority and Prospect Station, LLC (the "Developer") to provide financial assistance for certain improvements and enhancements for the Project; and

WHEREAS, by Resolution 2013-079, adopted on September 17, 2013, the City Council declared its intent to fund a loan to the URA for the Project; and

WHEREAS, URA staff has prepared a loan agreement titled "Loan Agreement between the City of Fort Collins and the Fort Collins Urban Renewal Authority for Reimbursement for Prospect Station, LLC Infill Development," a copy of which is attached as Exhibit "A" and incorporated herein (the "Loan Agreement"); and

WHEREAS, attached as Exhibit "A" to the Loan Agreement is the promissory note proposed to evidence the loan under the Loan Agreement (the "Promissory Note"); and

WHEREAS, the Loan Agreement and the Promissory Note provide that the City will loan the URA up to \$247,000, the unpaid principal balance of which will accrue interest at the rate of 4.5 percent per annum compounded annually until paid in full; and

WHEREAS, the Board's approval of the Loan Agreement in this Resolution is contingent upon the City Council appropriating the needed loan funds and approving the Loan Agreement

by ordinance, which ordinance is scheduled to be considered by the City Council on first reading on December 2, 2014, and second reading on December 16, 2014; and

WHEREAS, the URA is authorized by the Act to borrow money in such amounts as may be needed to meet its purposes as authorized in the Act; and


WHEREAS, the Board believes that the Loan Agreement is in the best interest of the URA and will promote the purposes of the URA, the Midtown Plan and the Project, all in accordance with and as authorized under the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FORT COLLINS URBAN RENEWAL AUTHORITY as follows:

Section 1. That the Board hereby finds and determines that the Loan Agreement is in the best interest of the URA as it will further the purposes of the URA, the Midtown Plan and the Project, all in accordance with and as authorized in the Act.

Section 2. That the Loan Agreement is hereby approved and the URA's Executive Director is authorized to execute the Loan Agreement and the Promissory Note provided the City Council has previously adopted an ordinance appropriating the loan funds needed under the Loan Agreement and provided that such ordinance has become law. The Executive Director may agree, in consultation with the City Attorney, to modifications to the Loan Agreement and the Promissory Note that are consistent with the purposes of this Resolution or as necessary to protect the URA's interests.

Passed and adopted at a regular meeting of the Board of Commissioners of the Fort Collins Urban Renewal Authority this 18th day of November A.D. 2014.


Chairperson

ATTEST:


Secretary



EXHIBIT "A"

**LOAN AGREEMENT BETWEEN THE CITY OF FORT COLLINS
AND THE FORT COLLINS URBAN RENEWAL AUTHORITY
FOR REIMBURSEMENTS FOR PROSPECT STATION, LLC
INFILL DEVELOPMENT
(PROSPECT STATION)**

THIS LOAN AGREEMENT (this "Agreement") is made this ___ day of November, 2014 (the "Effective Date") by and between the CITY OF FORT COLLINS, COLORADO, a home rule municipal corporation, (the "City"), and FORT COLLINS URBAN RENEWAL AUTHORITY, a public body corporate and politic of the State of Colorado, (the "URA" or "Borrower").

RECITALS

A. Borrower is the urban renewal authority for the City, created pursuant to Colorado Revised Statutes Part 1 of Title 31, Article 25, as amended (the "Act").

B. Borrower was created to prevent and eliminate conditions related to certain "blight factors" in the community. The Act gives the Borrower broad powers to carry out its statutory mandate. Included are the powers to enter into contracts, borrow or lend funds and to acquire property, among others. Urban renewal projects may be financed in a variety of ways and urban renewal authorities are authorized to borrow money, issue bonds, and accept grants from public or private sources.

C. By Resolution 2011-080, adopted and approved on September 6, 2011, the City Council found and declared that the area described in such Resolution (the "Midtown Area") is a blighted area as described in the Act and appropriate for an urban renewal project.

D. By Resolution 2011-081, adopted and approved on September 6, 2011, the City Council adopted an urban renewal plan for the Midtown Area in Fort Collins.

E. By Resolution 2013-043, adopted and approved on May 7, 2013, the City Council adopted amendments to the previously adopted urban renewal plan for the Midtown Area (as amended, the "Urban Renewal Plan" or the "Plan"), the purpose of which is to eliminate blight and otherwise implement and further the above-referenced Resolutions, and the purposes, policies, goals, and objectives of the Borrower and the Plan, pursuant to the Act.

F. By the Intergovernmental Agreement approved and amended by City of Fort Collins City Council Resolution 2006-082 and Resolution 2011-055, the City may advance funds to the Borrower in support of its activities so long as any such advance of funds is evidenced in writing in the form of a loan agreement and promissory note, and has been approved by both the City Council and the Board of Commissioners of the URA (the "Board").

G. On September 17, 2013, the Board approved a Redevelopment Agreement (the "Redevelopment Agreement") between the URA and Prospect Station, LLC ("Prospect Station") to

EXHIBIT "A"

provide financial assistance for certain improvements and enhancements required by the Prospect Station Redevelopment Project (referred to in the Redevelopment Agreement and hereinafter as the "Project"); and

H. The Project is located within the Midtown Area.

I. In accordance with the Redevelopment Agreement the Borrower is obligated to reimburse Prospect Station for certain costs relating to the design, construction and reconstruction of all improvements, infrastructure, parking, streets, rights-of-way, buildings, structures, signage, and landscaping to be constructed as part of the Project.

J. The Borrower has requested that the City provide funding in the form of a loan to the Borrower for these obligations up to an amount not to exceed Two Hundred and Forty Seven Thousand Dollars (\$247,000) and City has agreed to make a loan on the terms and conditions hereinafter set forth (the "Loan").

K. The Project is within the Prospect South Tax Increment District (the "Prospect South TIF District") established in the Plan, and tax increment financing for the Project is specifically permitted pursuant to Section 7 of the Plan, and is expected to generate an estimated Eight Hundred and Sixty Five Thousand (\$865,000) in tax increment revenues over the life of the Project.

L. The City Council has approved this Loan Agreement by its final adoption of Ordinance No. XXXX, 2014, on December 16, 2014, and the Board has approved this Loan Agreement by its adoption of Resolution XXX, on November 18, 2014.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

Section 1. The Loan. After the Effective Date and the execution of a promissory note and other documents as may reasonably be required by the City, the City will loan the Borrower upon demand hereunder an amount not to exceed Two Hundred and Forty Seven Thousand Dollars (\$247,000). All funds received by the Borrower hereunder shall be used for the purposes described herein and in the Redevelopment Agreement.

Section 2. Interest. Interest on the Loan will accrue at a rate equal to 4.5% per annum compounded annually.

Section 3. Payment. Principal and accrued interest will be due and payable by the Borrower to the City as set forth in the payment schedule contained on Exhibit A, attached hereto and incorporated herein by this reference. The Borrower's payments under this Agreement and the Promissory Note described in Section 6 shall only be made from the Borrower's revenues received from the Prospect South TIF District. Payments will apply to interest first, then to principal. If there is unpaid interest at the end of any calendar year, the shortfall will be added to the outstanding balance, resulting in the compounding of interest. All unpaid principal, interest, default interest, fees and charges for the Loan shall mature on December 31, 2037.

EXHIBIT "A"

Section 4. Prepayment. Borrower, in its sole discretion, may prepay all or any portion of the payments due under this Agreement at any time and that prepayment will be without any prepayment penalty. If a prepayment is made, the funds will go first toward any interest which has accrued and the balance then applied to the reduction of principal. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments as required in Exhibit A.

Section 5. Tracking. Borrower agrees to maintain a separate payable line-item within its accounting system to track the Loan.

Section 6. Promissory Note. Borrower's obligations hereunder shall be documented in a Promissory Note in substantially the form set forth as Exhibit B, attached hereto and incorporated herein by this reference.

Section 7. Notice. Any notice required to be delivered in writing will be accomplished by personal delivery or mailing postage prepaid by the United States Postal Service, or other commercial carrier to the following addresses:

If to the City
City of Fort Collins
Director of Finance
PO Box 580
Fort Collins, CO 80522-0580

If to the Borrower
Fort Collins Urban Renewal Authority
Redevelopment Program Manager
PO Box 580
Fort Collins, CO 80522-0580.

Section 8. Entire Agreement. This Agreement shall be construed according to its fair meaning, as if prepared by both parties, and it shall constitute the entire understanding and agreement of the parties related to the matters addressed in this Agreement.

CITY:

CITY OF FORT COLLINS, COLORADO, a
municipal corporation

By: _____
Karen Weitkumat, Mayor

EXHIBIT "A"

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Senior Assistant City Attorney

BORROWER:

FORT COLLINS URBAN RENEWAL
AUTHORITY, a public body corporate and politic of
the State of Colorado.

By: _____
Darin Atteberry, Executive Director

Midtown URA
 Prospect Station
 Reimbursement Agreement to City from the URA (General Fund)

Reimbursement Amount	247,000.00
Interest Rate	4.500%
Payment	\$17,458.58

Start Date	31-Dec-15
Matures	31-Dec-37
Payment Years	23

Time in Years	Date	Payment	Interest	Principal	Balance
1.000	31-Dec-15	\$ (17,458.58)	\$ (11,115.00)	\$ (6,343.58)	(240,656.42)
2.000	31-Dec-16	(17,458.58)	(10,829.54)	(6,629.04)	(234,027.38)
3.000	31-Dec-17	(17,458.58)	(10,531.23)	(6,927.35)	(227,100.03)
4.000	31-Dec-18	(17,458.58)	(10,219.50)	(7,239.08)	(219,860.95)
5.000	31-Dec-19	(17,458.58)	(9,893.74)	(7,564.84)	(212,296.11)
6.000	31-Dec-20	(17,458.58)	(9,553.32)	(7,905.26)	(204,390.85)
7.000	31-Dec-21	(17,458.58)	(9,197.59)	(8,260.99)	(196,129.86)
8.000	31-Dec-22	(17,458.58)	(8,825.84)	(8,632.74)	(187,497.12)
9.000	31-Dec-23	(17,458.58)	(8,437.37)	(9,021.21)	(178,475.91)
10.000	31-Dec-24	(17,458.58)	(8,031.42)	(9,427.16)	(169,048.75)
11.000	31-Dec-25	(17,458.58)	(7,607.19)	(9,851.39)	(159,197.36)
12.000	31-Dec-26	(17,458.58)	(7,163.88)	(10,294.70)	(148,902.66)
13.000	31-Dec-27	(17,458.58)	(6,700.62)	(10,757.96)	(138,144.70)
14.000	31-Dec-28	(17,458.58)	(6,216.51)	(11,242.07)	(126,902.63)
15.000	31-Dec-29	(17,458.58)	(5,710.62)	(11,747.96)	(115,154.67)
16.000	31-Dec-30	(17,458.58)	(5,181.96)	(12,276.62)	(102,878.05)
17.000	31-Dec-31	(17,458.58)	(4,629.51)	(12,829.07)	(90,048.98)
18.000	31-Dec-32	(17,458.58)	(4,052.20)	(13,406.38)	(76,642.60)
19.000	31-Dec-33	(17,458.58)	(3,448.92)	(14,009.66)	(62,632.94)
20.000	31-Dec-34	(17,458.58)	(2,818.48)	(14,640.10)	(47,992.84)
21.000	31-Dec-35	(17,458.58)	(2,159.68)	(15,298.90)	(32,693.94)
22.000	31-Dec-36	(17,458.58)	(1,471.23)	(15,987.35)	(16,706.59)
23.000	31-Dec-37	(17,458.39)	(751.80)	(16,706.59)	0.00
		\$ (401,547.15)	\$ (154,547.15)	\$ (247,000.00)	

PROMISSORY NOTE

\$247,000

November __, 2014

FOR VALUE RECEIVED, THE FORT COLLINS URBAN RENEWAL AUTHORITY, a public body corporate and politic of the State of Colorado ("Borrower"), promises to pay to the order of THE CITY OF FORT COLLINS, COLORADO, a home rule municipal corporation ("Lender"), at its office at 300 LaPorte Avenue, Fort Collins, Colorado 80524, in lawful money of the United States of America the principal amount of Two Hundred and Forth Seven Thousand Dollars (\$247,000) (the "Loan Amount"). This Promissory Note is issued pursuant to the "Loan Agreement between the City of Fort Collins and the Fort Collins Urban Renewal Authority for Reimbursements for the Prospect Station Infill Development (Prospect Station)", which Loan Agreement is dated November __, 2014 (the "Agreement").

Capitalized terms used herein but not defined herein have the meanings given such terms in the Agreement. The obligations of Borrower evidenced by this Promissory Note are payable in accordance with the terms and conditions of the Agreement.

The rate of interest on the Loan Amount is a fixed rate equal to 4.5% per annum compounded annually ("Interest Rate").

This Promissory Note shall mature on December 31, 2037. At such time all unpaid principal, interest, default interest, fees and charges, and any additional amount due and owing under this Note shall be deemed payable in full.

Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued interest; then to principal; then to any late charges; and then to any unpaid collection costs.

Borrower may prepay the principal and interest outstanding under this Note, in whole or part, at any time without penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments as required in the Agreement.

If Lender refers this Note to an attorney for collection or seeks legal advice following a default beyond all cure periods alleged under this Note, or the Lender is the prevailing party in any action instituted on this Note, or if any other judicial or non-judicial action, suit or proceeding is instituted by Lender or any future holder of this Note, and an attorney is employed by Lender to appear in any such action or proceeding, or to reclaim, seek relief from a judicial or statutory stay, sequester, protect, preserve or enforce Lender's interest in this Note, the Agreement or any other security for this Note (including, but not limited to, proceedings under federal bankruptcy law or in connection with any state or federal tax lien), then Borrower promises to pay reasonable attorneys' fees and reasonable costs and expenses incurred by

Lender and/or its attorney in connection with the above-mentioned events. If not paid within ten (10) days after such fees become due and written demand for payment is made, such amount shall be due on demand or may be added to the principal, at the Lender's discretion.

Should any payment or installment hereunder be not paid when the same becomes due and payable, Borrower recognizes that the Lender will incur extra expenses for both the administrative cost of handling delinquent payments and the cost of funds incurred by Lender after such due date as a result of not having received such payment when due. Therefore, Borrower shall, in such event, without further notice, and without prejudice to the right of Lender to collect any other amounts provided to be paid herein, including default interest or to declare a default hereunder, pay to Lender to cover such expenses incurred as a result of any installment payment due being not received within ten (10) days of its due date, a "late charge" of five percent (5%) of the amount of such delinquent payment.

Except as otherwise provided herein, the Borrower waives presentment and demand for payment, notice of acceleration or of maturity, protest and notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect sums owing hereunder and agrees that its liability on this Note shall not be affected by any release or change in any security for the payment of this Note or release of anyone liable hereunder. No extension of time for the payment of this Note, or any installment or other modification of the terms made by the Lender with any person now or hereafter liable for the payment of this Note, shall affect the original liability under this Note of the Borrower, even provided the Borrower is a party to such agreement.

In no event whatsoever shall the amount paid, or agreed to be paid, to the holder of this Note for the use, forbearance or retention of the money to be advanced hereunder ("Interest") exceed the maximum amount permissible under applicable law. If the performance or fulfillment of any provision hereof or of the Agreement or any other document between Borrower and the Lender of this Note shall result in Interest exceeding the limit for interest prescribed by law, then the amount of such Interest shall be reduced to such limit. If, from any circumstance whatsoever, the Lender of this Note should receive as Interest, an amount which would exceed the highest lawful rate, the amount which would be excessive Interest shall be applied to the reduction of the principal balance owing (or, at the option of the Lender, be paid over to Borrower) and not to the payment of Interest.

If any provision hereof or any provision of the Agreement shall, for any reason and to any extent, be invalid or unenforceable, then the remainder of the document or instrument in which such provision is contained shall not be affected thereby but instead shall be enforceable to the maximum extent permitted by law.

Borrower and Lender hereby knowingly, voluntarily, and intentionally waive any rights they may have to a trial by jury in respect of any litigation based hereon or arising out of, under or in connection with this note or any course of conduct, course of dealing, statements (whether oral or written) or actions of the other party.

This Promissory Note shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, Borrower has duly executed this Promissory Note as of the day and year first above written.

BORROWER:

FORT COLLINS URBAN RENEWAL
AUTHORITY, a public body corporate and politic
of the State of Colorado.

By: _____
Darin Atteberry, Executive Director

Dated: _____

ATTEST:

URA Secretary

APPROVED AS TO FORM:

URA Attorney