

First Amendment to Cooperation Agreement

This First Amendment to Cooperation Agreement (the "First Amendment") is made as of _____, 2023 (the "Effective Date"), by and between the Town of Erie, Colorado (the "Town") and the Town of Erie Urban Renewal Authority (the "Authority") (each a "Party" and collectively the "Parties").

Whereas, the Town is a statutory municipality duly organized and existing pursuant to the applicable laws of the State of Colorado and the ordinances of the Town;

Whereas, the Authority is a public body corporate and politic authorized to transact business and exercise its powers as an urban renewal authority under and pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the "Act");

Whereas, C.R.S. § 31-25-112 of the Act and § 18, Article XIV of the Colorado Constitution authorize the Parties to enter into cooperation agreements; and

Whereas, the Parties entered into a Cooperation Agreement dated March 10, 2020 (the "Original Cooperation Agreement"), and the Parties desire to enter into this First Amendment updating the Parties' understanding regarding operating funds, support services, and general oversight of the Authority to be provided by the Town to the Authority and related matters.

Now Therefore, in consideration of the foregoing and the following terms and conditions, the Parties agree as follows:

1. Section 5 of the Original Cooperation Agreement is amended to read as follows:

5. Loan Agreement/Advance of Property Tax Revenues. The Town hereby agrees to forgive the full indebtedness owed by the Authority to the Town as of December 31, 2022 as reported in the final audited financial statements. Any such advances made by the Town on or after January 1, 2023 are and shall continue to be an Obligation of the Authority within the meaning of the Original Cooperation Agreement and this First Amendment, and within the meaning of C.R.S. § 31-25-109. Due to the benefits gained by the Town from the projects in any urban renewal area designated in an adopted urban renewal plan, no interest will be due on the amounts advanced to the Authority by the Town. The Parties acknowledge and agree that such forgiveness reimburses the Authority for that municipal sales tax increment that prior to December 31, 2022 could have been paid into the special fund of the Authority pursuant to C.R.S. § 31-25-107(9)(a)(II), but was not allocated to the Authority since the adoption of the Historic Old Town Urban Renewal Plan, adopted on November 10, 2013.

2. The Original Cooperation Agreement is amended by the addition of the following new Section 5.5:

5.5. Effective January 1, 2023, the Town hereby pledges in accordance with the Historic Old Town Urban Renewal Plan to the Authority the municipal sales tax increment as defined by C.R.S. § 31-25-107(9)(a)(II). Such pledge of the municipal sales tax increment shall be that increment generated from the Town's three and one-half percent (3.5%) sales tax, such sales tax increment to be deposited into the special fund of the Authority in accordance with C.R.S. § 31-25-107(9)(a). The municipal sales tax base shall be calculated in accordance with C.R.S. § 31-25-107(9)(a)(I).

3. This First Amendment and the Original Cooperation Agreement constitute the entire agreement between the Parties pertaining to the subject matter hereof. The Parties hereby ratify the Original Cooperation Agreement except as amended by this First Amendment, and no addition to or modification of this First Amendment and the Original Cooperation Agreement shall be effective, except by written agreement authorized and executed by the Parties.

In Witness Whereof, the Parties have executed this Agreement as of the Effective Date.

Town of Erie, Colorado

Justin Brooks, Mayor

Attest:

Debbie Stamp, Town Clerk

**Town of Erie Urban Renewal
Authority**

Justin Brooks, Chair

Attest:

Debbie Stamp, Town Clerk