



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Meeting Agenda Urban Renewal Authority

Tuesday, February 24, 2026

6:30 PM

Council Chambers

[Link to Watch or Comment Virtually: https://bit.ly/URA2026](https://bit.ly/URA2026)

I. Call Meeting to Order

6:30 p.m.

II. Roll Call

III. Approval of the Agenda

IV. Consent Agenda

6:30-6:35 p.m.

[2026-132](#)

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving Lease Agreement with Ryno Retail, LLC for 150 South Briggs Street

Attachments:

[Resolution 26-005](#)

[Agreement](#)

[2026-121](#)

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving the Payment of Funds to the Town of Erie for Construction Management of the Colliers Hill Detention Pond Improvements

Attachments:

[URA Resolution 26-002](#)

V. Public Comment

6:35-6:45 p.m.

VI. General Business

[2026-133](#)

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving a First Amendment to the Reimbursement Agreement with SpenALu LLC

Attachments: [Resolution 26-004](#)
 [First Amendment](#)
 [Original Agreement](#)
 [Presentation](#)
 [Amended Feasibility Analysis](#)
 [Original Gap Funding Analysis](#)

6:45-7:15 p.m.

VII. Adjournment

7:15 p.m.

Translation Services

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or other accommodation should email the Town Clerk's Office at TownClerk@ErieCO.gov or call 303-926-2710. Please submit requests at least 48 hours prior to the meeting.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión del Consejo, por favor llame a la Ciudad al TownClerk@ErieCO.gov o 303-926-2710. Por favor envíe sus solicitudes al menos 48 horas antes de la reunión.



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Urban Renewal Authority

Board Meeting Date: 2/24/2026

File #: 2026-132, **Version:** 1

SUBJECT:

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving Lease Agreement with Ryno Retail, LLC for 150 South Briggs Street

DEPARTMENT: Economic Development

PRESENTER(S): Jack Hill, Business Development Specialist

TIME ESTIMATE: 0 minutes

FISCAL SUMMARY:

TOEURA will receive an additional \$6,680 in rental income over the term of the lease.

POLICY ISSUES:

The TOEURA Board approves lease agreements for property the Authority owns.

STAFF RECOMMENDATION:

Approve the resolution to enter into a Lease Agreement with Ryno Retail, LLC d/b/a Plum Creek Garden Market.

SUMMARY/KEY POINTS

- Plum Creek Garden Market is interested in a lease at 150 S. Briggs Street.
- This business activates the TOEURA-owned site while a new developer is identified.
- This also generates revenue on a TOEURA-owned site while a new developer is identified.

BACKGROUND OF SUBJECT MATTER:

TOEURA purchased the property at 130 Wells Street from Diana Shannon Living Trust in 2025 with the intent of developing a commercial building with a private developer. This is the typical site of the seasonal Plum Creek Garden Market during the late spring and early summer months. The development timeline for 130 Wells Street is moving at a faster pace than 150 South Briggs Street, thus staff are proposing to move the Plum Creek Garden Market to this alternative site in the Old Town URA. This effort would activate the site while a new development partner is identified for 130 Wells Street, offset the Town's operating costs, and bring a well-established garden market to Downtown as has been customary since 2021.

File #: 2026-132, **Version:** 1

Town staff proposes entering into a Lease Agreement with Ryno Retail, LLC d/b/a Plum Creek Garden Market for four months at a monthly rental amount of \$1,670. If approved, Plum Creek Garden Market will operate at 150 South Briggs Street from March 17 to July 17, 2026.

ATTACHMENT(S):

1. Resolution
2. Lease Agreement

**Town of Erie
Resolution No. 26-005**

**A Resolution of the Board of Commissioners of the Town of Erie
Urban Renewal Authority Approving Lease Agreement with Ryno
Retail, LLC for 150 South Briggs Street**

Whereas, the Urban Renewal Authority finds that it is in the best interest of the Town and the public health, safety and welfare to approve the Lease Agreement with Ryno Retail, LLC d/b/a Plum Creek Garden Market for 150 South Briggs Street.

Now Therefore be it Resolved by the Urban Renewal Authority of the Town of Erie, Colorado that:

Section 1. The Sublease Agreement with Ryno Retail, LLC is hereby approved in substantially the form attached hereto, subject to approval by the Town Attorney. Upon such approval, the Chair is authorized to execute the Lease Agreement on behalf of the Town.

Adopted this 24th day of February, 2026.

Andrew J. Moore, Mayor

Attest:

Debbie Stamp, Town Clerk

Lease Agreement

This Lease Agreement (the "Agreement") is made and entered into this ____ day of February, 2026 (the "Effective Date"), by and between the Town of Erie Urban Renewal Authority with an address of 645 Holbrook Street, P.O. Box 750, Erie, Colorado 80516 (the "TOEURA"), and Ryno Retail, LLC d/b/a Plum Creek Garden Market, a limited liability company with an address of 7290 Kipling Street, Arvada, Colorado 80005 (the "Lessee") (each a "Party" and collectively the "Parties").

Now Therefore, for the consideration hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. Property

The TOEURA owns real property located at 150 S. Briggs, Erie, Colorado (the "Property"). Subject to the provisions of this Agreement, the TOEURA hereby leases the Property to Lessee.

Lessee has inspected the physical condition of the Property and receives the Property in "as is" condition, with all faults and defects. The TOEURA does not make and disclaims any warranty or representation whatsoever, express or implied, and shall have no obligation or liability whatsoever, express or implied, as to the condition of or any other matter or circumstance affecting the Premises.

II. Term and Termination

A. *Term.* The term of this Agreement shall commence on March 17, 2026, and shall end on July 17, 2026 (the "Term").

B. *Termination.* This Agreement may be terminated by the TOEURA, at its sole discretion, upon 30 days' prior written notice to Lessee.

III. Rent and Security Deposit

The rent shall be \$1,670 per month, payable on the first of each month. There shall be no security deposit, but upon termination, Lessee shall restore the Property to its original condition, ordinary wear and tear excepted.

IV. Use and Occupancy

A. *Use Limitations.* Lessee shall use the Property for a pop-up garden market and associated facilities, including without limitation fencing, parking, and temporary greenhouses. Lessee shall not use or permit the Premises to be used for any other purpose without the prior written consent of the TOEURA, which consent may be granted or withheld in the Town's sole discretion. Lessee shall not commit or suffer to be committed any waste or damage upon the Leased Premises or any nuisance to be created

or maintained thereon. Lessee shall also keep the Premises free and clear from all trash, debris, and waste resulting from its use or the use by its employees, officers, agents, invitees, and visitors.

B. *Alteration of Property.* Lessee may install all necessary components for use of the Property for a pop-up garden market. The TOEURA shall not be required to make any improvements to or repairs of any kind or character on the Premises during the term of this Lease, except as may be deemed necessary by the TOEURA. Lessee shall not, without the prior written consent of the TOEURA, make any alterations, improvements, or additions to the Property. Any approved alterations shall be performed at Lessee's sole cost and expense, in a good and workmanlike manner, and in compliance with all applicable laws, codes, and regulations. Lessee shall indemnify and hold the TOEURA harmless against any liability, loss, damage, costs or expenses, including attorneys' fees, on account of any claims of any nature whatsoever, including but not limited to claims of liens by laborers, material suppliers, or others for work performed, or materials or supplies furnished to Lessee or persons claiming under Lessee.

C. *Hazardous Materials and Substances.* Lessee shall at all times comply with all applicable laws, including without limitation all current and future federal, State and local statutes, regulations, ordinances and rules relating to, without limitation, the following: the emission, discharge, release or threatened release of a Hazardous Material into the air, surface water, groundwater or land; the manufacturing, processing, use, generation, treatment, storage, disposal, transportation, handling, removal, remediation or investigation of a Hazardous Material; the protection of human health, safety or the indoor or outdoor environment; all applicable environmental statutes of the State of Colorado; and all federal, State or local statutes, laws, ordinances, resolutions, Codes, rules, regulations, orders or decrees regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

D. *Maintenance.* Lessee shall keep and maintain the Property in a sanitary condition and comply with all fire, safety, health, environmental, building, zoning, anti-discrimination and all other laws regulating the use of the Property now or hereafter in force.

E. *Conduct.* Lessee shall not cause or permit any disorderly conduct, noise or nuisance upon or about the Property which may annoy or disturb other tenants located in the Property or persons on adjacent property.

F. *Damage.* If any part of the Property is damaged or destroyed through the intentional act, negligence, carelessness or abuse of or by Lessee, Lessee's agents, employees, contractors, or invitees, the cost of all necessary repairs and replacements shall be paid by Lessee to the TOEURA on demand.

G. *Covenant of Quiet Enjoyment.* The TOEURA covenants that Lessee shall enjoy quiet and undisturbed possession of the Property during the term period and any subsequent renewal term, subject to the terms and conditions of this Agreement.

H. *Entry and Inspection by the TOEURA.* The TOEURA and its agents and employees shall have the right to enter the Property at all reasonable times for the purpose of examination or inspection, and to make such alterations, repairs, improvements or additions to the Property as the TOEURA deems necessary or desirable.

I. *Signage.* Lessee shall have the right to install signs upon the Property with the TOEURA's prior approval. Lessee shall remove all such signs at the termination of this Agreement. Such installations and removals shall be made in such manner as to avoid injury or damage to the Property.

J. *Utilities.* Utility service shall be designated in the name of the TOEURA and shall pay for such costs directly. Lessee will have access to water and electric utilities on the Property.

V. Default

A. *Event of Default.* The failure by Lessee to comply with any provision of this Lease shall constitute a default of this Lease.

B. *Remedies.* Upon a default, the TOEURA may re-enter and take possession of the Property. In addition, the TOEURA may take any action at law or in equity to enforce performance of any obligation of Lessee under this Lease. The TOEURA's remedies shall be cumulative, and the exercise of one remedy shall not prevent the exercise of any other available remedy.

C. *Attorney Fees and Costs.* If the TOEURA brings suit to enforce any provision of this Lease or for recovery of the Property, the TOEURA shall be entitled to all costs incurred in connection with such action, including reasonable attorney fees.

VI. Indemnification

Lessee agrees to indemnify and hold harmless the TOEURA, and its officers, insurers, volunteers, representatives, agents, employees, heirs, and assigns from and against all claims, liability, damages, losses, expenses, and demands, including attorney fees, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement, to the extent caused by the act or omission of Lessee or Lessee's employees, volunteers, representatives, agents, or invitees.

VII. Insurance

A. *Coverages.* Throughout the term of this Agreement, Lessee shall maintain, at its sole cost and expense, insurance coverage meeting or exceeding the following requirements:

i. Commercial general liability insurance written on an occurrence form, in common use, including coverage for premises and operations, personal and advertising injury, products and completed operations, contractual liability, and broad form property damage, covering the Property and Lessee's use thereof against claims for bodily injury, death, and property damage occurring upon, in, or about the Property, with limits of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence, or such higher limits as may be required by the Town from time to time based on the nature of Lessee's operations.

ii. Coverage shall specifically include risks associated with makerspace operations, including but not limited to the use of tools, equipment, machinery, fabrication activities, educational programming, workshops, and community events involving members, volunteers, and participants.

iii. Workers' compensation insurance as required by the laws of the State of Colorado, together with employer's liability coverage as customary for similarly situated organizations.

iv. Property Insurance covering Lessee's tools, equipment, furnishings, inventory, and personal property located on or within the Property, written on a replacement cost basis. The Town shall have no responsibility for loss or damage to Lessee's property.

v. Additional coverages as the Town may reasonably require based on Lessee's specific operations, including coverage related to volunteers, special events, or higher-risk activities.

B. *Form.* All policies shall be issued by solvent insurance companies licensed to do business in Colorado. The commercial policy shall be written as a primary policy, which does not contribute to and is not in excess of coverage carried by the Town. Such insurance shall be in addition to any other insurance requirements imposed by law. The coverages afforded under the policies shall not be canceled, terminated or materially changed without at least 30 days' prior written notice to the Town. In the case of a claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain continuous coverage. Any insurance carried by the Town, its officers, its employees, or its contractors shall be excess and not contributory insurance to that provided by Lessee. Lessee shall be solely responsible for any deductible losses under any policy.

VII. Miscellaneous

A. *Integration.* This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

B. *Severability.* If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each provision of this Agreement shall be valid and enforceable to the extent permitted by law.

C. *Governing Law and Venue.* This Agreement shall be governed and construed in accordance with the laws of the State of Colorado, and any legal action arising out of this Agreement shall be brought in Boulder County, Colorado.

D. *Notice.* Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented or sent pre-paid, first-class United States Mail to the other Party at the address set forth on the first page of this Agreement.

E. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Parties and their respective heirs, successors, representatives, administrators, executors and devisees.

F. *Assignment and Subletting.* Lessee shall not assign this Agreement or sublet any portion of the Property.

G. *No Waiver.* A failure of a Party to enforce any term of this Agreement shall not be deemed to be a waiver of any other term of this Agreement.

H. *Subordination.* This Agreement is and shall be subordinate to all existing and future liens and encumbrances against the Property.

I. *No Joint Venture.* Notwithstanding any provision hereof, the Town shall never be a joint venture in any private entity or activity which participates in this Agreement, and the Town shall never be liable or responsible for any debt or obligation of any participant in this Agreement.

J. *Governmental Immunity.* Nothing herein shall be construed as a waiver of any protections or immunities the Town may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended.

K. *No Third-Party Beneficiaries.* There are no intended third-party beneficiaries to this Agreement.

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

Town of Erie Urban Renewal Authority, Colorado

Andrew J. Moore, Chairperson

Attest:

Debbie Stamp, Town Clerk

Lessee

DocuSigned by:
Matt Nemann
9165965F3155466...

Ryno Retail, LLC

State of Colorado)
) ss.
County of _____)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ___ day of _____, 2026, by _____ of Ryno Retail, LLC d/b/a Plum Creek Garden Market.

My commission expires:

(Seal)

Notary Public

Certificate Of Completion

Envelope Id: A15E4C6D-617F-4B70-854B-7FEA29D5B5B2
 Subject: Complete with Docusign: Plum Creek Market Lease Agreement 02-12-2026.pdf
 Source Envelope:
 Document Pages: 6
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Status: Completed
 Envelope Originator:
 Lori Bustamante
 645 Holbrook Street
 P.O. Box 750
 Erie, CO 80516
 lbustamante@erieco.gov
 IP Address: 50.206.104.130

Record Tracking

Status: Original
 2/12/2026 11:02:44 AM
 Holder: Lori Bustamante
 lbustamante@erieco.gov
 Location: DocuSign

Signer Events

Matt Niemann
 matt@plumcreekgardenmarket.net
 Security Level: Email, Account Authentication
 (None)

Signature

DocuSigned by:

 9165965F3155466...

Timestamp

Sent: 2/12/2026 11:07:42 AM
 Viewed: 2/12/2026 11:30:07 AM
 Signed: 2/12/2026 11:30:17 AM

Signature Adoption: Pre-selected Style
 Using IP Address: 2a04:4e41:e00:f3ec::9e17:b3ec
 Signed using mobile

Electronic Record and Signature Disclosure:
 Accepted: 2/12/2026 11:30:07 AM
 ID: 42d1cac4-e7d4-4785-990b-ec68bfde0353

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Jack Hill
 jhill@erieco.gov
 Economic Development Director
 Security Level: Email, Account Authentication
 (None)

COPIED

Sent: 2/12/2026 11:30:18 AM
 Viewed: 2/12/2026 11:30:53 AM

Electronic Record and Signature Disclosure:
 Not Offered via Docusign

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted	2/12/2026 11:07:42 AM
Certified Delivered	Security Checked	2/12/2026 11:30:07 AM
Signing Complete	Security Checked	2/12/2026 11:30:17 AM
Completed	Security Checked	2/12/2026 11:30:18 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Town of Erie (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Town of Erie:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docusign@erieco.gov

To advise Town of Erie of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at docusign@erieco.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Town of Erie

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to townclerk@erieco.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Town of Erie

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to docusign@erieco.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Town of Erie as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Town of Erie during the course of your relationship with Town of Erie.



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Urban Renewal Authority

Board Meeting Date: 2/24/2026

File #: 2026-121, **Version:** 1

SUBJECT:

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving the Payment of Funds to the Town of Erie for Construction Management of the Colliers Hill Detention Pond Improvements

DEPARTMENT: Finance
Public Works

PRESENTER(S): Lockie Woods, URA and Development Accounting Analyst

TIME ESTIMATE: 0 minutes
For time estimate: please put 0 for Consent items.

FISCAL SUMMARY:

Cost as Recommended:	\$123,775
Balance Available:	\$846,925.25
Fund	Urban Renewal Authority
Line Item Number:	800-90-871-605000-110402
New Appropriation Required:	No

POLICY ISSUES:

The policy issue is granting approval for the Town of Erie Urban Renewal Authority to authorize payment of already budgeted funds to the Town of Erie for construction management of the Colliers Hill Detention Pond Improvements.

STAFF RECOMMENDATION:

Staff recommend approval of the resolution.

SUMMARY/KEY POINTS

- The Town of Erie Urban Renewal Authority’s Purchasing Policy requires the TOEURA Board to approve expenditures over \$100,000.
- The construction management of the detention pond improvements is an appropriate use of URA funds.
- The Town of Erie, not the URA, will facilitate the construction of this project.

BACKGROUND OF SUBJECT MATTER:

The funds available in the Colliers Hill Plan Area may be spent on improvements to the following infrastructure: roads, traffic and signalization, water, irrigation, sanitary sewer, drainage, and a pedestrian bridge to Old Town.

This project will improve the detention pond outlet structure to lower release rates at or below historic levels and provide an outlet structure that will be easy to access and maintain. This will improve drainage downstream from this detention pond.

ATTACHMENT(S):

1. Resolution

**Town of Erie Urban Renewal Authority
Resolution No. 26-002**

**A Resolution of the Board of Commissioners of the Town of Erie
Urban Renewal Authority Approving the Payment of Funds to the
Town of Erie for Construction Management of the Colliers Hill
Detention Pond Improvements**

Whereas, the Board of Commissioners finds that it is in the best interests of the public health, safety and welfare to approve the payment of funds to the Town of Erie for construction management of the Colliers Hill Detention Pond Improvements.

Now Therefore be it Resolved by the Board of Commissioners of the Town of Erie Urban Renewal Authority that:

Section 1. The Board of Commissioners hereby approves the payment of an amount not to exceed \$123,775 to the Town of Erie for the cost of the Construction Management Contract for the Colliers Hill Detention Pond Improvements.

Adopted this 24th day of February, 2026.

Andrew J. Moore, Chair

Attest:

Debbie Stamp, Town Clerk



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Urban Renewal Authority

Board Meeting Date: 2/24/2026

File #: 2026-133, **Version:** 1

SUBJECT:

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving a First Amendment to the Reimbursement Agreement with SpenALu LLC

DEPARTMENT: Economic Development

PRESENTER(S): Jack Hill, Business Development Specialist

TIME ESTIMATE: 30 minutes

FISCAL SUMMARY:

Cost as Recommended:	\$200,000
Balance Available:	\$80,000
Fund	Urban Renewal Authority
Line Item Number:	800-90-872-576000-000000
New Appropriation Required:	Yes, in supplemental appropriation.

POLICY ISSUES:

Supports Urban Renewal Authority goals to incentivize commercial development, remediating blighted real estate and increasing long-term sales tax revenue.

STAFF RECOMMENDATION:

Approve the First Amendment to the Reimbursement Agreement with SpenALu LLC, increasing the maximum reimbursement amount and adding a lump sum payment provision. This will require a supplemental appropriation, which must be approved or the funds will not be available.

SUMMARY/KEY POINTS

- This agreement increases the reimbursement cap from \$566,000 to \$725,000 and adds a \$200,000 lump sum payment.
- Approving the agreement extends project deadlines and clarifies repayment obligations if milestones are not met.
- This agreement maintains sales tax increment reimbursement structure with updated cap and termination date.

BACKGROUND OF SUBJECT MATTER:

The Town of Erie Urban Renewal Authority (TOEURA) originally entered into a Reimbursement Agreement with SpenALu LLC on Jan. 14, 2025, to support the development and construction of a new restaurant project within the urban renewal area. The original agreement provided for reimbursement of certain eligible costs through sales tax increment, with a maximum reimbursement amount of \$566,000.

Since the execution of the original agreement, the developer has encountered increased project costs and delays in timeline due to financial constraints. To address these changes and ensure project completion, Economic Development staff and SpenALu LLC have negotiated a First Amendment to the agreement.

This amendment includes several modifications:

- **Increase in Maximum Reimbursement:** The cap is raised from \$566,000 to \$725,000 to reflect updated cost estimates.
- **Addition of Lump Sum Payment:** A one-time payment of \$200,000 will be made upon issuance and approval of all required building permits, providing upfront financial support to the developer.
- **Extended Deadlines:**
 - Certificate of Occupancy deadline extended from Dec. 31, 2026 to Dec. 31, 2027.
 - Commencement of construction deadline extended from June 30, 2025 to June 30, 2026.
- **Sales Tax Reimbursement Structure:** Maintains reimbursement of 100% of sales tax increment, capped at \$525,000, within the overall \$725,000 limit.
- **Repayment Obligation:** If the developer fails to obtain a Certificate of Occupancy by Dec. 31, 2027, the lump sum payment must be repaid within 90 days of notice.
- **Agreement Term:** Continues until full reimbursement or Dec. 31, 2035, whichever occurs first, with certain provisions surviving termination.

These changes are intended to ensure the viability of the project, support economic development goals, and maintain compliance with urban renewal objectives.

ATTACHMENT(S):

1. Resolution
2. First Amendment
3. Original Agreement
4. Presentation
5. Amended Feasibility Analysis
6. Original Funding Gap Analysis

**Town of Erie Urban Renewal Authority
Resolution No. 26-004**

**A Resolution of the Board of Commissioners of the Town of Erie
Urban Renewal Authority Approving the First Amendment to the
Reimbursement Agreement with SpenAlu LLC**

Whereas, the Town of Erie Urban Renewal Authority and the Developer entered into that certain Reimbursement Agreement dated January 14, 2026 (the "Agreement"), whereby TOEURA agreed to reimburse the Developer for certain costs associated with the development and construction of a restaurant building;

Whereas, the Parties desire to Amend the Agreement to modify terms, extend deadlines, provide for a lump sum payment, and revise the maximum reimbursement amount.

Now Therefore be it Resolved by the Town Council of the Town of Erie, Colorado that:

Section 1. The First Amendment to the Reimbursement Agreement between the Authority and SpenAlu LLC is hereby approved in substantially the form attached hereto, subject to approval by the Authority's General Counsel. Upon such approval, the Chair is authorized to execute the First Amendment on behalf of the Authority.

Adopted this 24th day of February, 2026.

Andrew J. Moore, Mayor

Attest:

Debbie Stamp, Town Clerk

First Amendment to Reimbursement Agreement

This First Amendment to Reimbursement Agreement (the "First Amendment") is made and entered into as of the ___ day of _____, 2026 (the "Effective Date"), by and between the Town of Erie Urban Renewal Authority, a Colorado urban renewal authority with an address of 645 Holbrook Street, Erie, CO 80516 ("TOEURA"), and SpenALu LLC, a Colorado limited liability company with an address of 18519 West 60th Avenue, Golden, CO 80403 ("Developer") (each a "Party" and collectively the "Parties").

Whereas, TOEURA and the Developer entered into that certain Reimbursement Agreement dated January 14, 2026 (the "Agreement"), whereby TOEURA agreed to reimburse the Developer for certain costs associated with the development and construction of a restaurant building (the "Project"); and

Whereas, the Parties desire to amend the Agreement to modify reimbursement terms, extend certain deadlines, provide for a lump sum payment, and revise the maximum reimbursement amount.

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

1. All recitals in the Agreement referring to a maximum reimbursement amount of Five Hundred Sixty-Six Thousand Dollars (\$566,000) are hereby amended to refer to a maximum reimbursement amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000).

2. The definition of "Reimbursement Amount" in Section 1 of the Agreement is amended to read as follows:

"Reimbursement Amount" means a maximum amount not to exceed Seven Hundred Twenty-Five Thousand Dollars (\$725,000), which includes (i) a one-time lump sum payment of Two Hundred Thousand Dollars (\$200,000) pursuant to Section 5.0, and (ii) reimbursement of sales tax increment pursuant to Section 5.2.

3. Section 3.1(a) of the Agreement is amended by replacing "December 31, 2026" with "December 31, 2027".

4. Section 4.1 of the Agreement is amended by replacing "June 30, 2025" with "June 30, 2026".

5. Section 5 of the Agreement is amended by the addition of a new Section 5.0 to read as follows:

5.0 Lump Sum Reimbursement Payment.

(a) Upon issuance and final approval of all required building permits for the Project by the Town, TOEURA shall pay Developer a one-time lump sum reimbursement in the amount of Two Hundred Thousand Dollars (\$200,000) (the "Lump Sum Payment").

(b) The Lump Sum Payment shall be part of the total Reimbursement Amount except that the Lump Sum Payment shall not be subject to the conditions precedent set forth in Section 3.1.

(c) TOEURA shall pay the Lump Sum Payment within thirty (30) days of Developer submitting documentation of building permit issuance for the Project to TOEURA.

(d) If the Developer fails to obtain a Certificate of Occupancy for the Project on or before December 31, 2027, then, upon written notice from TOEURA, Developer shall repay to TOEURA the Lump Sum Payment in the amount of Two Hundred Thousand Dollars (\$200,000 within ninety (90) days after such notice.

6. Section 5.2 of the Agreement is amended to read as follows:

5.2 Sales Tax Reimbursement.

Upon approval of the conditions set forth in Section 5.1, the Authority shall thereafter reimburse one hundred percent (100%) of the sales tax increment produced by the Project in an amount not to exceed Five Hundred Twenty-Five Thousand Dollars (\$525,000. Said reimbursement obligation shall terminate upon the first to occur of (a) receipt by Developer of the amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000, inclusive of the Lump Sum Payment, or (b) December 31, 2035, whichever occurs first.

7. Section 6 of the Agreement is hereby amended by replacing "Five Hundred and Sixty-Six Thousand Dollars (\$566,000)" with "Seven Hundred Twenty-Five Thousand Dollars (\$725,000)."

8. Section 10 of the Agreement is hereby amended to read as follows:

10. **Term.** Consistent with Section 5.2 of this Agreement, the term of this Agreement shall commence upon commencement of the Project and shall terminate upon the first to occur of (a) receipt by Developer of the amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000), inclusive of the Lump Sum Payment, or (b) December 31, 2035, whichever occurs first. Except that the following provisions shall continue beyond the term of this Agreement: (a) any

rights and remedies that a Party has for an Event of Default hereunder; and (b) the indemnification provisions set forth in Section 8.

Provided, however, that any rights and remedies for an Event of Default and the indemnification provisions set forth in Section 8 shall survive termination.

9. Section 15 of the Agreement is amended by the addition of a new subsection 15(c) to read as follows:

(c) The Developer's failure to obtain a Certificate of Occupancy for the Project on or before December 31, 2027, or the Developer's failure to repay the Lump Sum Payment in accordance with Section 5.0.

10. Section 17 of the Agreement is amended by replacing "June 30, 2025" with "June 30, 2026."

11. Entire Agreement; Amendment. This First Amendment, along with the Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter herein. Except as expressly amended hereby, all terms and provisions of the Agreement remain unchanged and in full force and effect and are hereby ratified and confirmed.

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

Town of Erie Urban Renewal Authority

Andrew J. Moore, Chair

Attest:

Debbie Stamp, Town Clerk

SpenALu, LLC
a Colorado limited liability company

By: ^{Signed by:} Alexander Figura - Spenalu LLC
02E2EBCB1A07475...
Alexander Figura, Manager

State of Colorado)
) ss.
County of _____)

Subscribed, sworn to, and acknowledged before me this _____ day of _____,
2026, by _____ as _____ of SpenALu LLC.

My Commission expires:

(Seal)

Notary Public

Certificate Of Completion

Envelope Id: 94E06364-C391-4146-828D-C720F1C9AA57
 Subject: Complete with Docusign: SpenALu 1st Amend Reimbursement Agreement 02-12-2026.pdf
 Source Envelope:
 Document Pages: 4
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Status: Completed
 Envelope Originator:
 Lori Bustamante
 645 Holbrook Street
 P.O. Box 750
 Erie, CO 80516
 lbustamante@erieco.gov
 IP Address: 50.206.104.130

Record Tracking

Status: Original
 2/12/2026 11:10:31 AM
 Holder: Lori Bustamante
 lbustamante@erieco.gov
 Location: DocuSign

Signer Events

Alexander Figura - Spenalu LLC
 alexander@diomiopasta.com
 Owner
 Security Level: Email, Account Authentication
 (None)

Signature

Signed by:

 02E2EBCB1A67475...
 Signature Adoption: Pre-selected Style
 Using IP Address: 4.32.114.2

Timestamp

Sent: 2/12/2026 11:11:51 AM
 Viewed: 2/12/2026 12:53:53 PM
 Signed: 2/12/2026 12:54:17 PM

Electronic Record and Signature Disclosure:
 Accepted: 12/30/2024 9:43:21 AM
 ID: eec9f12c-d640-41c2-993f-f1d9a7c766ac

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Jack Hill
 jhill@erieco.gov
 Economic Development Director
 Security Level: Email, Account Authentication
 (None)

COPIED

Sent: 2/12/2026 12:54:18 PM
 Viewed: 2/12/2026 1:01:15 PM

Electronic Record and Signature Disclosure:
 Not Offered via Docusign

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Event	Status	Timestamp
Envelope Sent	Hashed/Encrypted	2/12/2026 11:11:51 AM
Certified Delivered	Security Checked	2/12/2026 12:53:53 PM
Signing Complete	Security Checked	2/12/2026 12:54:17 PM
Completed	Security Checked	2/12/2026 12:54:18 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Town of Erie (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Town of Erie:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docusign@erieco.gov

To advise Town of Erie of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at docusign@erieco.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Town of Erie

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to townclerk@erieco.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Town of Erie

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to docusign@erieco.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Town of Erie as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Town of Erie during the course of your relationship with Town of Erie.

**Town of Erie Urban Renewal Authority
Resolution No. 25-001**

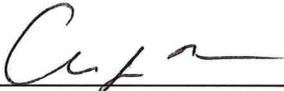
**A Resolution of the Board of Commissioners of the Town of Erie
Urban Renewal Authority Approving a Reimbursement Agreement
with SpenAlu LLC**

Whereas, the Board of Commissioners finds that it is in the best interest of the public health, safety and welfare to approve a Reimbursement Agreement with SpenAlu LLC.

Now Therefore be it Resolved by the Board of Commissioners of the Town of Erie Urban Renewal Authority that:

Section 1. The Reimbursement Agreement between the Authority and SpenAlu LLC is hereby approved in substantially the form attached hereto, subject to approval by the Authority's General Counsel. Upon such approval, the Chair is authorized to execute the Reimbursement Agreement on behalf of the Authority.

Adopted this 14th day of January, 2025.



Andrew J. Moore, Chair

Attest:



Debbie Stamp, Town Clerk



Reimbursement Agreement

This Reimbursement Agreement (the "Agreement") is made and entered into as of the 14th day of January, 2025 (the "Effective Date"), by and between the Town of Erie Urban Renewal Authority, a Colorado urban renewal authority with an address of 645 Holbrook Street, Erie, CO 80516 ("TOEURA"), and SpenAlu LLC, a Colorado limited liability company with an address of 3264 Larimer St, Denver, CO 80205 ("Developer") (each a "Party" and collectively the "Parties").

Whereas, TOEURA is a body corporate and has been duly created, organized, established, and authorized to transact business and exercise its powers as an urban renewal authority within the Town of Erie (the "Town"), under the Colorado Urban Renewal Law, C.R.S. § 31-25-101, *et seq.*, (the "Act") and Town Resolution No. 11-121, adopted October 11, 2011;

Whereas, because TOEURA's goal is to reduce, eliminate, and prevent the spread of blight by stimulating growth and investment within the Town, TOEURA has the power to undertake urban renewal projects and activities benefitting properties within the Town, in accordance with the Act, and to provide financial assistance in public or private improvements in cooperation with Developers and other affected parties using a portion of Property Tax Increment, a portion of Town Sales Tax Increment, or some combination of both;

Whereas, Developer owns the real property at 656 Kattell Street Erie, CO 80516 (the "Property"), and desires to make certain improvements to the Property as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Project");

Whereas, the Property is located within the area that is subject to the Historic Old Town Erie Urban Renewal Plan, dated November 12, 2013 (the "Plan"), and TOEURA desires to assist Developer with the Project through the reimbursement of Sales Tax Increment generated by the Property upon completion of the Project up to a maximum aggregate amount not to exceed Five Hundred and Sixty-Six Thousand Dollars (\$566,000.00) (as further defined herein, the "Reimbursement Amount") as set forth in this Agreement;

Whereas, TOEURA has determined that the Project serves a public purpose;

Whereas, Developer will complete the Project at its own expense, and upon completion, TOEURA will reimburse Developer for certain costs; and

Whereas, C.R.S. § 31-21-105 expressly authorizes TOEURA to enter into contracts necessary or convenient to the exercise of its powers.

Now, therefore, in consideration of the mutual covenants, agreements, representations, and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Definitions.** In this Agreement, unless a different meaning clearly appears from the context, capitalized terms mean:

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

"Agreement" means this Reimbursement Agreement, as it may be amended or supplemented in writing. References to sections or exhibits are to this Agreement unless otherwise qualified. All exhibits attached to and referenced in this Agreement are hereby incorporated into this Agreement.

"Authority" or **"TOEURA"** means the Town of Erie Urban Renewal Authority an urban renewal authority and a body corporate and politic of the State of Colorado which has been duly created, organized, established, and authorized by the Town of Erie to transact business and exercise its powers as an urban renewal authority, all under and pursuant to the Act, and its successors and assigns.

"Certificate Relating to Reimbursement Amount" means the certification in substantially the form of **Exhibit B**, attached hereto relating to the satisfaction of the conditions precedent set forth in Section 3.1 relating to the payment of the Reimbursement Amount.

"Commence Construction" means the commencement by Developer of actual physical work on the Property.

"Default" or **"Event of Default"** means any of the events described in Section 15; provided, however, that such events will not give rise to any remedy until effect has been given to all grace periods, cure periods and periods of enforced delay provided for in this Agreement.

"Developer" means SpenAlu LLC, a Colorado limited liability company and any successors and assigns approved in accordance with this Agreement.

"Effective Date" means the date of this Agreement.

"Executive Director" means the Executive Director of the Authority.

"Exhibits" means the following Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement:

Exhibit A: Description of the Project/Cost Estimate of Improvements; and

Exhibit B: Certificate Relating to Reimbursement Amount.

"Party" or **"Parties"** means one or both of the parties to this Agreement.

"Pledged Revenues" means the total aggregate principal amount of the Reimbursement Amount as defined in this Agreement, including specifically 100% of the sales tax increment generated by the Property during the term of this Agreement.

"Project" means the construction of those certain improvements on the Property, more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference.

"Reimbursement Amount" means a maximum amount not to exceed Five Hundred and Sixty-Six Thousand Dollars (\$566,000.00), which is the maximum amount that will be paid to the Developer to reimburse the Developer for the Project.

"Special Fund" means the special fund of the Authority defined in C.R.S. § 31-25-107(9)(a)(II).

"Urban Renewal Plan" or **"Plan"** means the Historic Old Town Erie Urban Renewal Plan, dated November 12, 2013.

2. **Financing and Construction of Project.**

2.1 Construction of Project. As set forth in Section 4, if Developer proceeds with the Project, then Developer shall be responsible for constructing and installing the Project and shall be responsible for compliance in all respects with the requirements of the Town of Erie.

2.2 Financing the Project. Developer shall be responsible for initially financing the costs and expenses in connection with the construction and installation of the Project, including without limitation all design costs, engineering costs, and other soft costs incurred in connection therewith.

3. **Conditions Precedent to Payment of Reimbursement Amount.**

3.1 Conditions Precedent. Unless waived in writing by the Executive Director, the following conditions precedent shall be satisfied prior to Developer receiving reimbursement for the Project pursuant to the terms and provisions of this Agreement:

- (a) The Project has been completed by December 31, 2026.
- (b) No Events of Default by Developer shall have occurred and be continuing under this Agreement.

4. **Developer.**

4.1 Construction and Installation of Project. This Agreement shall not obligate the Developer to proceed with the Project. If Developer proceeds with the Project, Developer shall be responsible for the financing, design, construction, and installation of the Project. The design and construction of the Project shall comply in all material respects with all applicable codes and regulations of entities having jurisdiction, including the requirements of the Town of Erie.

The Parties agree that if the Developer has not Commenced Construction of the Project by June 30, 2025, this shall not constitute an Event of Default hereunder, but that the Authority shall have the right to terminate this Agreement as set forth in Section 17 prior to the date Developer has Commenced Construction.

4.2 Access to Property. Subject to the terms and restrictions of any leases and/or other documents encumbering the Property, Developer will permit representatives of the Town and the Authority access to the Property and the Project at reasonable times during regular business hours and with prior notice as necessary for the purpose of carrying out or determining compliance with this Agreement, the Urban Renewal Plan, the requirements of the Town or any Town Code or ordinance, including without limitation inspection of any work being conducted. The Town and the Authority shall not interfere with the operation or use of the Property in connection with any such access.

5. The Authority.

5.1 Payment of Reimbursement Amount. Upon compliance with the conditions precedent set forth in Section 3.1 relating to the payment of the Reimbursement Amount, or the Executive Director's waiver of any such conditions precedent, the Authority agrees that it shall reimburse Developer for costs incurred in connection with the Project in an amount equal to the Reimbursement Amount. The Authority will have 30 days after the Developer has submitted the Certificate Relating to the Reimbursement Amount to confirm whether or not such Certificate complies with the terms and provisions of this Agreement and whether the conditions precedent set forth in Section 3.1 have been satisfied or waived by the Executive Director. If the Authority does not provide written approval or disapproval within such 30-day period, the Certificate shall be deemed approved by the Authority. If the Authority notifies Developer in writing within such 30-day period that the Authority disputes that the conditions precedent set forth in Section 3.1 have been satisfied or waived, or that there is not sufficient documentation relating to all or any portion of the costs of the Project have been incurred by the Developer, and sets forth a detailed explanation why the conditions precedent have not been satisfied, waived, or sufficiently documented, such portion of the Reimbursement Amount that is in dispute shall not become due and payable until Developer and Authority have resolved the dispute. The Parties agree to cooperate in good faith to resolve any dispute relating to the satisfaction of the conditions precedent set forth in Section 3.1 within 30 days after either Party's written request therefor.

5.2 Upon approval of the conditions set forth in Section 5.1, the Authority shall thereafter reimburse 100% of the sales tax increment produced by the Project in an amount not to exceed Five Hundred and Sixty-Six Thousand Dollars (\$566,000.00). Said reimbursement obligation shall terminate upon the first to occur of (a) Receipt by Developer of the amount of Five Hundred and Sixty-Six Thousand Dollars (\$566,000.00), or the date of December 31, 2034, whichever first occurs.

5.3 Special Fund. The Authority agrees that it has established the Special Fund in accordance with the Act.

5.4 No Election Required. The Parties acknowledge that according to the decision of the Colorado Court of Appeals in *Olson v. Town of Golden*, 53 P.3d 747 (2002), an urban renewal authority is not a local government, and, therefore, is not subject to the provisions of Article X, Section 20 of the Colorado Constitution. Accordingly, the Authority may enter into this Agreement with Developer, and agree to remit the Reimbursement Amount to Developer to reimburse Developer for the Project in accordance with this Agreement without electoral authorization, and such obligations are not subject to annual appropriation.

6. **Payment or Reimbursement of Costs of Project.** Upon compliance with the conditions precedent set forth in Section 3.1, Developer shall be reimbursed by the Authority for the costs of the Project, in an amount not to exceed the Reimbursement Amount for the term of this Agreement.

7. **Insurance.** On or prior to the Commencement of Construction, Developer will provide the Town and the Authority with certificates of insurance showing that Developer is carrying, or causing prime contractors to carry, the following insurance: General Liability, with a general aggregate of Two Million Dollars (\$2,000,000); fire damage of One Hundred Thousand Dollars (\$100,000); medical expense of Five Thousand Dollars (\$5,000); products/completed operations aggregate of Two Million Dollars (\$2,000,000); personal and advertising injury of One Million Dollars (\$1,000,000) with each occurrence up to One Million Dollars (\$1,000,000), with deductible of Twenty-five Hundred Dollars (\$2,500) per claim.

8. **Indemnification.** From Commencement of Construction of the Project through Completion of Construction of the Project, and for any action arising during that time period, Developer agrees to indemnify, defend and hold harmless the Town and the Authority, its officers, agents and employees, from and against all liability, claims, demands, and expenses, including fines imposed by any applicable state or federal regulatory agency, court costs and attorney fees, on account of any injury, loss, or damage to the extent arising out of any of the work to be performed by Developer, any subcontractor of Developer, or any officer, employee, agent, successor or assign of Developer under this Agreement, but only to the extent such injury, loss, or damage is caused by the negligent act or omission, error, professional error, mistake, accident, or other fault of Developer, any subcontractor of Developer, or any officer, employee, agent,

successor or assign of Developer, but excluding any injuries, losses or damages which are due to the gross negligence, breach of contract or willful misconduct of the Authority.

9. **Representations and Warranties.**

9.1 Representations and Warranties by the Authority. The Authority represents and warrants as follows:

(a) The Authority is a body corporate and politic of the State of Colorado, duly organized under the Act, and has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations.

(b) The Authority knows of no litigation, proceeding, initiative, referendum, investigation, or threat of any of the same contesting the powers of the Authority or its officials with respect to this Agreement that has not been disclosed in writing to Developer.

(c) The execution and delivery of this Agreement and the documents required and the consummation of the transactions contemplated by this Agreement will not: (i) conflict with or contravene any law, order, rule or regulation applicable to the Authority or to its governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Authority is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Authority.

(d) This Agreement constitutes a valid and binding obligation of the Authority, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

9.2 Representations and Warranties by Developer. Developer represents and warrants as follows:

(a) Developer is a limited liability company in good standing and authorized to do business in the State of Colorado and has the power and the authority to enter into and perform in a timely manner its obligations under this Agreement.

(b) The execution and delivery of this Agreement has been duly and validly authorized by all necessary action on its part to make this Agreement valid and binding upon Developer.

(c) The execution and delivery of this Agreement will not: (i) conflict with or contravene any law, order, rule or regulation applicable to Developer or to

Developer's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which Developer is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of Developer.

(d) Developer knows of no litigation, proceeding, initiative, referendum, investigation, or threat, or any of the same contesting the powers of Developer or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the Authority.

(e) This Agreement constitutes a valid and binding obligation of Developer, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

10. **Term.** Consistent with Section 5.2 of this Agreement, the term of this Agreement shall commence upon commencement of the Project, and shall terminate upon the first to occur of (a) Receipt by Developer of the amount of Five Hundred and Sixty-Six Thousand Dollars (\$566,000.00), or (b) the date of December 31, 2034, whichever first occurs. Provided, that the following provisions shall continue beyond the term of this Agreement: (a) any rights and remedies that a Party has for an Event of Default hereunder; and (b) the indemnification provisions set forth in Section 8.

11. **Conflicts of Interest.** None of the following will have any personal interest, direct or indirect, in this Agreement: a member of the governing body of the Authority or the Town, an employee of the Authority or of the Town who exercises responsibility concerning the Urban Renewal Plan, or an individual or firm retained by the Town or the Authority who has performed consulting services to the Authority or the Town in connection with the Urban Renewal Plan or this Agreement. None of the above persons or entities will participate in any decision relating to the Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

12. **Anti-Discrimination.** Developer, for itself and its successors and assigns, agrees that in the construction of the Project and in the use and occupancy of the Property, Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, sexual orientation, disability, marital status, ancestry, or national origin.

13. **Notices.** Any notice required or permitted by this Agreement will be in writing and will be deemed to have been sufficiently given for all purposes if delivered in person, by prepaid overnight express mail or 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 (and such Party's additional persons to copy) at the

address(es) set forth on the signature page herein or at such other or additional addresses as may be furnished in writing to the other Parties. The Parties may also agree on a different means of providing written notice hereunder, including without limitation notice via electronic mail.

Notice shall be deemed received: (i) if delivered in person, upon actual receipt (or refusal to accept delivery), (ii) if by prepaid overnight express mail or overnight courier service, on the first business day following sending of the notice, and (iii) if by certified mail or registered mail, postage prepaid return receipt requested, on the earlier of the date of the receipt or the third business day following sending of the notice.

14. **Delays; Force Majeure.** Subject to the following provisions, time is of the essence. 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, strikes, labor disputes, regulation, or order of civil or military authorities, or other causes, similar or dissimilar, which are beyond the control of such Party.

15. **Events of Default.** The following events shall constitute an Event of Default under this Agreement:

(a) Any representation or warranty made by any Party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon the other Party.

(b) Except as otherwise provided in this Agreement, any Party fails in the performance of any other covenant in this Agreement, and such default continues for 30 days after written notice specifying such default and requiring the same to be remedied is given by a non-defaulting Party to the defaulting Party. If such default is not of a type which can be cured within such 30-day period and the defaulting Party gives written notice to the non-defaulting Party or Parties within such 30-day period that it is actively and diligently pursuing such cure, the defaulting Party shall have a reasonable period of time given the nature of the default following the end of such 30-day period to cure such default, provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure in good faith.

16. **Remedies.** Upon the occurrence and continuation of an Event of Default, the non-defaulting Party's remedies will be limited to the right to enforce the defaulting Party's obligations by an action for injunction, specific performance, or other appropriate equitable remedy or for mandamus, or by an action to collect and enforce payment of sums owing hereunder, and no other remedy and no Party will be entitled to or claim damages for an Event of Default by the defaulting Party, including without limitation lost profits, economic damages, or actual, direct, incidental, consequential, punitive or exemplary damages. In the event of any litigation or other proceeding to enforce any of

the terms, covenants, or conditions of this Agreement, the prevailing party in such litigation, or other proceeding shall receive, as part of its judgment or award, its reasonable attorneys' fees and costs.

17. **Termination.** This Agreement may be terminated by the Developer at any time prior to the Commencement of Construction of the Project. **If Developer has not Commenced Construction of the Project on or prior to June 30, 2025,** then the Authority shall have the option to terminate this Agreement at any time prior to such Commencement of Construction of the Project.

18. **Payment of Fees and Expenses.** Each Party agrees to pay for its own fees, costs, and expenses incurred by such Party in connection with the execution and delivery of this Agreement and related agreements and documents.

19. **Nonliability of Officials, Agents, Members, and Employees.** Except for willful or wanton actions, no trustee, board member, commissioner, official, employee, consultant, manager, member, shareholder, attorney, or agent of any Party, nor any lender to any Party or to the Project, will be personally liable under the Agreement or in the event of any default or for any amount that may become due to any Party.

20. **Assignment.** Except as hereinafter provided, this Agreement shall not be assigned in whole or in part by any Party without the prior written consent of the other Party; provided, however, Developer has the right to assign this Agreement to any party that acquires fee title to the Property without the prior written consent of any other Party.

21. **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.

22. **Additional Documents or Action.**

22.1 The Parties agree to execute any additional documents or take any additional action, including without limitation estoppel documents requested or required by third parties, including without limitation lenders, tenants, or potential purchasers, that is necessary to carry out this Agreement or is reasonably requested by any Party to confirm or clarify the intent of the provisions of this Agreement and to effectuate the agreements and the intent. Notwithstanding the foregoing, however, no Party shall be obligated to execute any additional document or take any additional action unless such document or action is reasonably acceptable to such Party.

22.2 If all or any portion of this Agreement, or other agreements approved in connection with this Agreement are asserted or determined to be invalid, illegal or are otherwise precluded, the Parties, within the scope of their powers and duties, will cooperate in the joint defense of such documents and, if such defense is unsuccessful, the Parties will use reasonable, diligent good faith efforts to amend, reform or replace

such precluded items to assure, to the extent legally permissible, that each Party substantially receives the benefits that it would have received under this Agreement.

22.3 The Executive Director shall have the authority to act on behalf of the Authority under this Agreement.

23. **Amendment**. This Agreement may be amended only by an instrument in writing signed and delivered by the Parties.

24. **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 will not operate or be construed as a waiver of any subsequent breach by any Party.

25. **Binding Effect**. This Agreement will 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 permits the assignment of this Agreement except as set forth in Section 20.

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

27. **Limited Third-Party Beneficiaries**. Except as hereinafter provided, this Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a Party to this Agreement; provided, however, that the Town shall be deemed to be a third-party beneficiary under this Agreement to the extent that Developer or Authority have agreed to undertake certain actions for the benefit of the Town.

28. **No Presumption**. The Parties 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 will be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

29. **Severability**. If any provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be void or unenforceable, the same will 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.

30. **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 will be extended until the next day on which such banks and state offices are open for the transaction of business.

31. **Good Faith of Parties.** In the performance of this Agreement or in considering any requested approval, consent, 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.

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

33. **No Waiver of Immunity.** The Authority and its officers, attorneys 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 or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the Authority and its officers, attorneys or employees.

34. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Boulder County, Colorado.

[Remainder of page left intentionally blank]

Exhibit A Project

Legal Description

Lots 15 & 16, Block 6, Town of Erie, County of Weld, State of Colorado.
Containing 7,500 square feet or 0.172 acre, more or less.

Description of the Project

The Project will expand and improve the property at 656 Kattell St, a restaurant building which has been vacant and deteriorating for the past 5 years. The prospective property owners and developers, who own and operate Denver restaurants Dio Mio and Redeemer Pizza, intend to completely renovate the existing structure inside and out. The redevelopment is in alignment with the Historic Old Town Urban Renewal Plan, especially the Plan's #7,9,10,19,20 and 21 Objectives. The restaurant requires a new roof, upgraded 3-phase power, upgraded water tap, a new kitchen hood, a new grease trap, ADA compliant flooring and layout, a façade update and an upgraded enclosable patio. Once the full project is complete, SpenAlu LLC will have made a capital investment of \$1,691,238 to purchase and redevelop a former restaurant space that has been vacant for over 5 years in Old Town Erie.

Cost Estimate of Improvements

Description	Cost
Hard costs	
- Interior Build out	
- Façade Improvements	
- Roof Replacement	\$753,238
- Enclosed Outdoor Patio	
- ADA Compliance	
- Kitchen Upgrades	
- Utility Upgrades	
Building Purchase	\$650,000
Development fees	\$70,000
Total	\$1,473,238

Exhibit B
Form of Certificate Relating to Reimbursement Amount

Town of Erie Urban Renewal Authority
645 Holbrook Street, Erie, CO 80516
Attention: Executive Director

The undersigned representative of _____ (the "Developer") hereby makes the following certifications in accordance with the terms and provisions of section 3.1 of the Reimbursement Agreement dated as of _____, 2025 (the "Reimbursement Agreement"), between the Town of Erie Urban Renewal Authority and Developer. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Reimbursement Agreement.

The following conditions have been satisfied or waived in writing by the Executive Director:

1. The Project set forth in Section 3.1(a) of the Reimbursement Agreement has been completed.
2. No Events of Default by Developer have occurred and are continuing under the Redevelopment Agreement.
3. Attached to this Certificate is documentation related to the costs incurred by the Developer in connection with the financing, construction and installation of the Project for which such reimbursement is requested.

The foregoing certification shall constitute the Certificate Relating to Reimbursement Amount under the Reimbursement Agreement.

SpenAlu LLC

By: _____

Name:

Title:

Date:

Within 30 days of receipt of this Certificate by the Authority, the Authority shall complete the applicable provision below and remit to Developer:

- The Authority hereby verifies that: (a) this Certificate Relating to the Reimbursement Amount complies with the terms and conditions of the Reimbursement Agreement and that the conditions precedent set forth in Section 3.1 of the Reimbursement Agreement have been satisfied or waived in writing by the Executive Director, and (b) the documentation submitted with this Certificate is sufficient to verify that the Reimbursement Amount requested pursuant to this Certificate has been allocated to the reimbursement of the costs of the Project in accordance with the Reimbursement Agreement.

- The Authority hereby notifies Developer that (a) the Authority disputes that the conditions precedent set forth in Section 3.1 of the Reimbursement Agreement have been satisfied or waived, and/or (b) that the documentation submitted with this Certificate is not sufficient to verify that the total Reimbursement Amount requested pursuant to this Certificate is for the reimbursement of costs incurred in connection with the Project. Set forth below is a detailed explanation of the reasons why the Authority disputes that these conditions precedent have been satisfied or waived or that such documentation is insufficient:

Town of Erie Urban Renewal Authority

By: _____

Name:

Title:

Date:

Certificate Of Completion

Envelope Id: 3B39B4AE-81C0-42A7-853C-A0DE0CF0A4D3
 Subject: Complete with Docusign: Reimbursement Agreement - SpenAlu LLC.pdf
 Source Envelope:
 Document Pages: 15
 Certificate Pages: 4
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Status: Completed

Envelope Originator:
 Shumaila Hafeez
 645 Holbrook Street
 P.O. Box 750
 Erie, CO 80516
 shafeez@erieco.gov
 IP Address: 75.70.45.255

Record Tracking

Status: Original
 12/30/2024 8:55:52 AM

Holder: Shumaila Hafeez
 shafeez@erieco.gov

Location: DocuSign

Signer Events

Alexander Figura
 alexander@diomiopasta.com
 owner
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

 02E2EBCB1A67475...

Signature Adoption: Pre-selected Style
 Using IP Address: 24.56.188.160

Timestamp

Sent: 12/30/2024 8:58:12 AM
 Viewed: 12/30/2024 9:43:21 AM
 Signed: 12/30/2024 9:43:40 AM

Electronic Record and Signature Disclosure:

Accepted: 12/30/2024 9:43:21 AM
 ID: eec9f12c-d640-41c2-993f-f1d9a7c766ac

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Event	Status	Timestamp
Envelope Sent	Hashed/Encrypted	12/30/2024 8:58:12 AM
Certified Delivered	Security Checked	12/30/2024 9:43:21 AM
Signing Complete	Security Checked	12/30/2024 9:43:40 AM
Completed	Security Checked	12/30/2024 9:43:40 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

Resolution Approving the First Amendment to the Reimbursement Agreement with SpenAlu LLC

TOEURA Board of Commissioners

Jack Hill, Business Development Specialist

Julian Jacquin, Economic Development Director

February 24, 2026

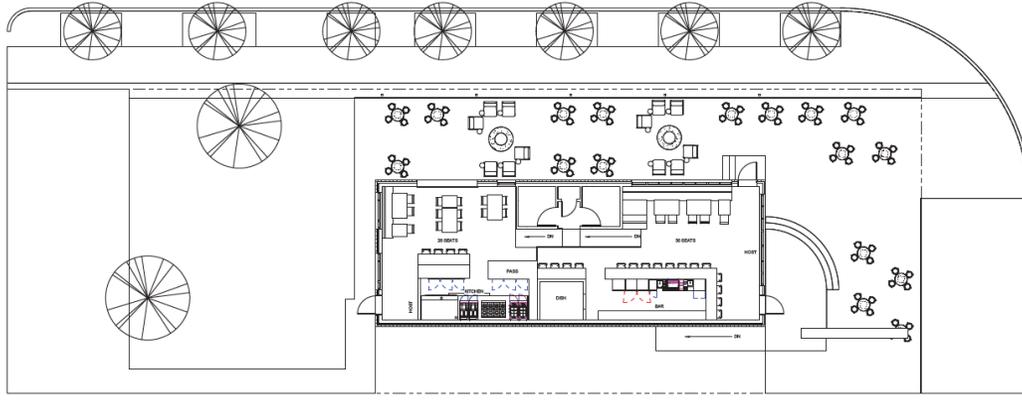


Presentation Overview

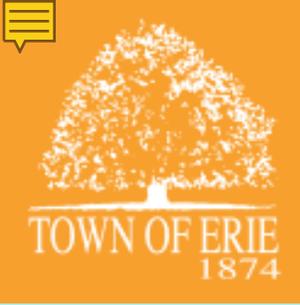
- Original Request
- Amendment Request
- Gap Funding Analysis Update
- Recommendation

**JOHNNY
BECHAMEL'S**

Original Request



- The development as proposed required approximately **\$375,000** in gap funding to achieve financial feasibility.
- TIF revenue sharing agreement capped at **\$566,000 gross sales tax increment** to achieve the project's \$375,000 estimated funding gap in 2025.



Amendment Comparison

Section	Original Agreement (2025)	First Amendment (2026)
Development Cost	\$1,473,238	\$1,934,134
Maximum Reimbursement	\$566,000	\$725,000
Reimbursement Structure	Sales tax increment only	Sales tax increment + \$200,000 lump sum payment
Lump Sum Payment	Not included	\$200,000 upon issuance of building permits
Sales Tax Cap	\$566,000	\$525,000 (within total \$725,000 cap)
Certificate of Occupancy Deadline	December 31, 2026	December 31, 2027
Construction Milestone Deadline	June 30, 2025	June 30, 2026
Agreement Termination	Upon reimbursement or December 31, 2035	Same, but includes lump sum repayment obligation clause
Repayment Obligation	None	Lump sum repayment if CO not obtained by Dec 31, 2027
Total Termination Conditions	Full reimbursement or Dec 31, 2035	Same, with added repayment clause

Gap Funding Analysis Update

ROI Indicator	Description	Market Target		
Return-on-Cost	Net Operating Income at Stabilization before debt service as % of Project Cost	7.25%		
Internal Rate of Return (IRR, unleveraged, Pre-Tax Yield)	Annual revenue and asset sale over 10 years as return on development costs.	8.25% to 9.25%		
Net Present Value (NPV)	Sum of Present Value Future Cash Flows, discounted at the appropriate Market Rate, less the initial Cash Outlay.	> \$0		
ROI Indicator	Market Target	GAP Funding Range ²		
<i>Estimated Gap (Stabilized Year)</i>		\$475,000	\$500,000	\$525,000
Return-on-Cost	7.25%	7.14%	7.31%	7.48%
IRR, Unlevered	8.25% to 9.25%	8.40%	8.69%	8.99%
NPV	> \$0	\$8,144	\$33,144	\$58,144

The development as proposed requires approximately **\$500,000** in gap funding to achieve financial feasibility based on market benchmarks and current investment metrics.



Gap Funding Analysis Update



Johnny B's Gap Analysis													
URA Project Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Sales Tax TIF Projection	\$0	\$70,349	\$71,756	\$73,191	\$74,655	\$76,148	\$77,671	\$79,225	\$80,809	\$82,425	\$84,074	\$85,755	\$87,471
Property Tax TIF Projection	\$0	\$7,992	\$7,992	\$8,152	\$8,152	\$8,315	\$8,315	\$8,481	\$8,481	\$8,651	\$8,651	\$8,824	\$8,824

Reimbursement Package Estimates		
Sales Tax Revenue Sharing Period	10 Years	2026 to 2035
Gross Sales Tax Increment Estimate	\$686,232	
Discount Rate	5.28%	
NPV Sales Tax Increment	\$504,983	
Real Estate Feasibility Gap Funding Required	\$500,000	

Forgivable Loan Estimates	
NPV of Property Tax Increment	\$73,602
NPV of Remaining Sale Tax Increment	\$131,835
NPV of Remaining Increment	\$205,437
Business Feasibility Gap Funding Request	\$200,000



Recommendation

Approve Resolution, fully executing the First Amendment to the Reimbursement Agreement with SpenAlu LLC

- Validates \$725,000 update funding gap in project financing
- Provides \$200,000 upfront Lump Sum Payment upon issuance of building permits to make project feasible
- Reimburses up to \$525,000 in gross increment generated by project for period of 10 years to cover the remaining \$300,000 funding gap, expiring on Dec. 31, 2035, whichever first occurs:
 - 100% of sales tax increment (est. \$70,000/year)

Questions & Discussion

Jack Hill, Business Development Specialist
Julian Jacquin, Economic Development Director



PIONEER
DEVELOPMENT
COMPANY

we find the way

Johnny Bechamels Gap Funding Analysis

Town of Erie

February 13, 2026



February 13, 2026

Town of Erie Urban Renewal Authority
Town of Erie, Colorado

Dear Julian,

Pioneer Development Company (PDC) has been engaged by the Town of Erie Urban Renewal Authority (TOEURA) to review a redevelopment project requesting financial assistance within the Historic Old Town Urban Renewal Plan. This assistance would be provided by a public private partnership between TOEURA and the developer and would leverage Tax Increment Financing (TIF).

The proposed redevelopment would expand and improve an existing property located at 656 Kattell Street. The applicant is under contract to purchase the property, and after significant redevelopment, open as a Restaurant featuring Italian cuisine and pizza. The restaurant is called Johnny Bechamels, and the owner/operator is an experienced restaurateur. The existing building's footprint is 1,500 square feet. The restaurant, which will act as owner, developer and operator, will redevelop this building, paying their own tenant improvements to make it function as a restaurant. This finished development will expand the existing structure by 900 square feet using an enclosed outdoor patio space. The redevelopment is in alignment with the Historic Old Town Urban Renewal Plan, especially the Plan's #7,9,10,19,20 and 21 Objectives.

The applicant is requesting additional funding resources from TOEURA to assist with the site's redevelopment and help make this restaurant concept feasible at this location. This report has been updated based on recent construction bids that have increased the project's overall costs. The operator's FF&E and Working Capital requirements have also increased since the last analysis. To achieve feasibility, the applicant is requesting two forms of an incentive agreement:

- 1. A 100% sales tax reimbursement agreement with TOEURA for 10 years (2026 to 2035).**
- 2. A \$200,000 forgivable loan from TOEURA to help offset capital deficits and early operational expenses.**

This development review is intended to provide a third-party, objective evaluation of market assumptions and development and operating proformas to inform public investment decision-making. This review also evaluates (TIF) projections and compares this future tax revenue to the funding gap evaluated and proposed incentive agreement. This memorandum summarizes PDC's review and findings.

Andrew Arnold
Founder | Principal
Pioneer Development Company
Durango, Colorado

CC: Jack Hill

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Executive Summary

Johnny Bechamels LLC Gap Funding Analysis:

This report evaluates the proposed Johnny Bechamels redevelopment in Erie, Colorado and the public funding that may be required to make this project feasible. 656 Kattell Street is currently an underutilized property within the Town of Erie’s Historic Old Town Urban Renewal Plan. It is located within the Town’s Downtown District, a mixed-use zoning district that is “intended to encourage redevelopment of underutilized parcels and infill development of vacant parcels”¹. After being on the market for nearly a year, the existing owner and current applicant are under contract to sell the property. The new owner, who will act as developer and operator, is proposing a restaurant at this location. The restaurant will feature Italian inspired cuisine. The restaurant is to be branded as “Johnny Bechamels” and will be operated by experienced restaurateur’s that own similar-styled restaurants, like Redeemer Pizza on Larimer Street, Denver. The 656 Kattell Street location represents the restaurant’s first foray into owning and operating their own establishment within the Town of Erie. They plan on redeveloping the existing 1,500 square foot building and adding an additional 900 square feet of patio space.

Johnny Bechamels LLC (The Developer) is seeking a public private partnership with the Town of Erie Urban Renewal Authority (TOEURA) and has submitted a forgivable loan and Tax Increment Financing (TIF) request to the Town’s economic development and urban renewal staff. The project’s feasibility was originally analyzed in December, 2024 – that analysis found a \$375,000 feasibility gap at time. TOEURA approved a sales tax revenue sharing agreement based on the analysis. However, market fluctuations, construction cost increases, and capital requirements for the business have challenged the project’s viability. That is why the developer is seeking a new incentive package with TOEURA and the Town. This new request requires an updated feasibility analysis.

The feasibility analysis considers two perspectives:

1. Real Estate Feasibility – What incentive is required to make the real estate development feasible, regardless of the tenant.
2. Business (Restaurant) Feasibility – What incentive is required to make the business operation feasible.

The developer’s re-submitted application reveals that construction costs have increased since the last analysis. In addition, FF&E and Working Capital requirements are complicating the restaurant’s feasibility. The Developer is proposing that TOEURA and the Town address these two feasibility concerns with an updated Sales Tax Increment revenue sharing agreement, and also a forgivable loan to specifically support the business feasibility.

This Report’s purpose is to evaluate the Real Estate Feasibility and estimate the amount of TIF necessary to close both feasibility gaps. This Report independently validates only the real estate feasibility gap. The \$200,000 forgivable loan request is evaluated solely in terms of available incremental revenue capacity and not underwritten against independent restaurant operating benchmarks. Ultimately, this report will demonstrate how the project’s TIF revenue will equate to the developer’s combined funding request.

¹ Town of Erie’s Unified Development Code 10-2-4

The development proposal would redevelop the underutilized parcel located at 656 Kattell Street into a new restaurant building with a four-season, enclosed patio area. The redeveloped restaurant’s total estimated square footage is ~2,400. The restaurant would offer an Italian-inspired dine-in experience, but will also serve pizza for dine-in, take-out and delivery.

PDC evaluated this development on behalf of TOEURA to determine if a feasibility gap exists with the proposed project and if financial support is necessary to achieve market returns. This report provides a detailed analysis of the project’s assumptions benchmarked to the market. The analysis also performs a gap funding range analysis on various levels of financial assistance and examines the effect on return indicators. Finally, the report estimates TIF generated by the project as proposed. These estimates are compared with the funding gap and the forgivable loan request to determine the revenue sharing range necessary for ensuring the Project’s financial feasibility per market benchmarks.

After completing the analysis, **the Reviewers find that Johnny Bechamels project will require funding assistance to become financially feasible.** The Gap Funding assistance range and its associated target market indicators are included in the tables below:

ROI Indicator	Description	Market Target		
Return-on-Cost	Net Operating Income at Stabilization before debt service as % of Project Cost	7.25%		
Internal Rate of Return (IRR, unleveraged, Pre-Tax Yield)	Annual revenue and asset sale over 10 years as return on development costs.	8.25% to 9.25%		
Net Present Value (NPV)	Sum of Present Value Future Cash Flows, discounted at the appropriate Market Rate, less the initial Cash Outlay.	> \$0		
ROI Indicator	Market Target	GAP Funding Range ²		
<i>Estimated Gap (Stabilized Year)</i>		\$475,000	\$500,000	\$525,000
Return-on-Cost	7.25%	7.14%	7.31%	7.48%
IRR, Unlevered	8.25% to 9.25%	8.40%	8.69%	8.99%
NPV	> \$0	\$8,144	\$33,144	\$58,144

Tax Increment Financing Projections

The development as proposed requires approximately \$500,000 in gap funding to achieve financial feasibility based on all three market benchmarks and current investment metrics. The developer has proposed a TIF sharing agreement with TOEURA to overcome this funding gap. This Report evaluated the Project’s taxable value to determine its future property and sales tax generation.

TOEURA’s Historic Old Town Urban Renewal Plan was formed in 2013 and is set to expire in 2038. This leaves only 13 years to date when incremental revenues can be generated, plus one additional year of

² Gap Funding is applied to Construction Equity in this analysis. Gap Funding is assumed to be Present Value.

property tax increment revenues. This Report’s TIF projection isolates the proposed project and only estimates incremental tax revenues generated by the new development. Incremental revenues generated outside this specific development but contained within the Historic Old Town Urban Renewal Plan area, are not included in these estimates.

The proposed project is estimated to generate \$109,800 in property taxes and \$940,000 in sales taxes over the Historic Old Town Urban Renewal Plan’s remaining 13 years. When discounted back at a rate TOEURA recently received on a debt issuance³, this amount equates to a Net Present Value of \$73,600 in property tax increment and \$644,000 in sales tax increment.

The large amount of sales tax generated by this project should be noted. The proposed development is essentially two restaurant concepts, a sit-down Italian eatery and a pizzeria. The 1,500 SF of existing retail space also benefits from added tables located within the heated and enclosed four-season patio. This additional 900 square feet of space should be treated as an extension of the restaurant space, bringing the total restaurant footprint to 2,400 square feet. The pizzeria is also expected to generate between 20% and 40% of annual sales via take-out and delivery. This further increases sales, despite the restaurant’s relatively small footprint. Overall, this report estimates the restaurant’s sales per square foot to average \$795. This is on the higher end of the retail sales per square foot spectrum. This sales forecast is optimistic and may present a feasibility risk if sales fall below this average.

This report recommends that TOEURA and the developer negotiate a TIF sharing agreement where shared incremental revenue (Present Value) meets or exceeds the estimated funding gap and forgivable loan amount. Because the project as proposed will generate more revenue than is necessary to close the funding gap, **the report recommends TOEURA and the developer negotiate a TIF revenue sharing agreement where the net present value of future incremental cash flows equates to the ~\$500,000 funding gap in addition to the \$200,000 forgivable loan amount.**

After discussion with staff, the incentive recommendation is listed below:

- TOEURA pursue a revenue sharing agreement where 100% of incremental sales tax is shared back with the project for 10 years (2026 to 2035). If a Cap Limit is required, this report recommends the Cap be set at \$686,232.
- TOEURA issues a \$200,000 forgivable loan to support the business’s feasibility. This report estimates that the project’s property tax increment and remaining sales tax increment equate to ~\$200,000 when discounted back at the rate used for NPV calculations. The \$200,000 is not independently validated, but is evaluated only in terms of whether remaining increment can support it.

The development’s TIF forecasts are illustrated in the table below:

Johnny B's Gap Analysis

URA Project Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039 ⁴
Sales Tax TIF Projection	\$0	\$70,349	\$71,756	\$73,191	\$74,655	\$76,148	\$77,671	\$79,225	\$80,809	\$82,425	\$84,074	\$85,755	\$87,471	\$0
Property Tax TIF Projection	\$0	\$7,992	\$7,992	\$8,152	\$8,152	\$8,315	\$8,315	\$8,481	\$8,481	\$8,651	\$8,651	\$8,824	\$8,824	\$9,000
Sales Tax Incentive Revenue														

³ 5.28% was estimated cost of capital for Erie Town Center bonds issued by TOEURA.

⁴ Final Year of Property Tax Collections

Reimbursement Package Estimates		
Sales Tax Revenue Sharing Period	10 Years	2026 to 2035
Gross Sales Tax Increment Estimate	\$686,232	
Discount Rate	5.28%	
NPV Sales Tax Increment	\$504,983	
Real Estate Feasibility Gap Funding Required	\$500,000	

Forgivable Loan Estimates		
NPV of Property Tax Increment	\$73,602	
NPV of Remaining Sale Tax Increment	\$131,835	
NPV of Remaining Increment	\$205,437	
Business Feasibility Gap Funding Request	\$200,000	

In conclusion, the Tax Increment Revenue forecast is sufficient to make both the Real Estate development and Business feasible through a sales tax increment revenue sharing agreement and a forgivable loan. This incentive will effectively use all of the project’s tax increment generated over the Historic Old Town Urban Renewal Plan’s remaining years.

Background

Scope of the Review

To benchmark the proposed project to the market, PDC reviewed and provided independent research regarding the following assumptions:

- Independent verification for market assumptions presented in the development proposal,
- Construction costs estimates verification,
- Financial gap analysis,
- Market verification on commercial mortgage loan rates and terms,
- Comparison with market rate investment criteria and yield indicators,
- Assessed Value appraisal and tax increment estimates,
- Potential impacts from current economic uncertainty.

Methodology

The Developer provided a detailed TIF application, architectural plans, and development and operating proformas. The Developer also allowed PDC to interview the development team and interrogate assumptions within their pro forma. This information helped inform this Report’s analysis.

The Reviewers conducted independent research into market conditions and development costs to establish a market baseline for evaluating this Project’s feasibility. The development’s costs were independently verified to determine their reasonableness. Projected revenues, including commercial leases, were contrasted with comparable properties throughout the local and regional market. The same method was used to compare the project’s expenses, including commercial operating expenses, absorption, lease-turnover, vacancy, and financial terms to local market realities. Once these assumptions were evaluated, the Reviewers performed a sensitivity analysis on a range of gap funding scenarios. These potential financial gaps were estimated by the Reviewers through an independent rate of return analysis targeting market-based investment expectations. The Reviewers then estimated the development’s future property and sales tax revenue using similar assumptions. This TIF estimate was then compared to the Gap Funding Analysis to identify the optimal range for revenue sharing.

Project Basis

Proposed Redevelopment Project (656 Kattell Street)	
Weld County PIN	146718401010
Weld County Account Number	R5787186
Property Owner (Per Assessor)	MEXICAN EXPRESS GRILLE INC
Street Address	656 KATTELL ST ERIE CO

- The site is ~0.17 acres located along Kattell Street. The site is within TOEURA's Historic Old Town Urban Renewal Plan area and the Town of Erie's municipal limits.
- The proposed project will redevelop an existing single-story building. The building improvement square footage is estimated at ~1,500 Square Feet, featuring dining space, a commercial kitchen, and restrooms. The developer is also proposing a year-round, heated and enclosed outdoor patio estimated at ~900 Square feet.
- The existing structure is estimated at ~1,500 square feet and is assumed to undergo capital improvements once the new building is completed.
- The proposed new restaurant will feature dine-in space as well as take-out. It will operate year-round, including the outdoor patio area. Take-out sales are assumed to represent ~30% of total sales. The restaurant is assumed to generate retail sales equating to \$795 per square foot.
- The developer has not indicated whether this development will be self-financed or will require debt financing. This report assumes that the developer will self-finance the project and does not compare loan terms with current market benchmarks.

Project Assumptions

Development Program

The Reviewers have evaluated this proposed development from the perspective of an open market. This analysis assumes that the proposed restaurant expansion is being developed as a for-lease product.

The following chart compares the as-proposed development proforma assumptions with PDC’s market-derived assumptions.

Assumptions	As Proposed	Market Estimate	Comments
Use Type			
Residential Units	0	-	No Residential is being proposed.
Commercial Retail	1,500 SF	-	The Reviewers assume that commercial space will be leased to maximize NOI. Commercial leases are assumed NNN. Additional \$900 SF assumed for patio.
Commercial Component			
Commercial Retail Leasing Rates Per Square Foot	N/A	\$31.50 psf	The restaurant owner is also the operator. Currently, this restaurant concept has two leases within Denver. Lease rates range between \$40-\$45 PSF NNN. In Erie, a lack of new restaurant development, and a bifurcated market, make comparable asking rents difficult to assess. However, this property will be positioned at a profitable corner near the developing Coal Creek Park and will also provide Pizza for take-out delivery. The proposed restaurant brands are also already highly successful in competitive areas of the Denver market and are now selecting Erie for their first owner-occupied establishment. Given these factors, the reviewers estimate that an asking rent which outperforms the Boulder Submarket’s \$28 PSF retail average is more in line with this proposed development’s space. Reviewer’s estimate based on a comparison of commercial retail space leases and expenses in the market area and within comparable mixed-use properties. Assumes NNN leases.
Commercial Retail Operating Expenses	\$11.00 psf	\$11.00 psf	Operating expenses based on comparable properties and estimated taxes. Developer is also owner and did provide operating expenses that were translated in a PSF basis.
Growth Rate			
Revenue	3%	3%	The Reviewers growth rate is based on interviews with the Developer. Reviewers assume 3% annualized growth rates for revenue and expenses.
Expenses	3%	3%	
Financing Component			

Debt			
Loan: Value Ratio	N/A	60% - 70%	The developer did not provide financing terms as part of their pro forma. Reviewers assume that developers are self-financing development.
Interest Rate	N/A	6.75%	
Amortization	N/A	20-30 Years	
Capitalization Rates			
Stabilized – Retail	N/A	6.75%	Economic and market conditions in Denver Metro, Boulder, and Greeley submarkets outperform national and west region averages by ~25 basis points. Retail cap rates, especially for food service tenants, are forecast to remain stable in the coming years. The going-in (stabilized) cap rate used in this Review reflects these market expectations. Typically, exit cap rates (at asset liquidation) are 50 to 150 basis points higher than going-in rates. The reviewers used a 75-basis point increase for liquidated capitalization rates.
Liquidated – Retail	N/A	7.50%	
Return on Investment Metrics			
Target Yield			
Yield Rate (IRR Unlevered)	n/a	8.25% to 9.25%	Market-based target yield rates are used to estimate the financial gap. These yield rates represent a blended return based on market surveys for retail commercial property investments. The NPV is calculated using the blended pre-tax yield rate. This is the rate of interest that discounts pre-tax cash flows received on an unlevered investment back to a present value that is exactly equal to the original equity investment.
Return on Cost	n/a	7.25%	
Net Present Value	n/a	> 0	
Development Cost			
Development Cost	\$1,934,134	\$1,567,134	The Reviewer's estimated development cost is based on the project concept as understood by the Reviewer using cost guide approximations. The Developer's estimated development costs include business expenses, which are outside the scope of a Gap Analysis. The Reviewer's cost estimate only includes acquisition and hard costs, expenses deemed TIF eligible. The Reviewer's cost estimate was used in estimating the feasibility gap.

1. Source: CoStar, RERC; Realtyrates.com; RS Means; Zillow; CBRE; DMCAR; NAR, Commercial Real Estate Finance Co. of America, CommercialLoanDirect.com, Integra Realty Resources, Hoyt Advisory Services; NMHC/NAA; U.S. Census Bureau; RealPage, fixr.com, Statista: Denver, Fannie Mae, EV Studio, ARGUS College, Pioneer Development Company.

Estimated Feasibility Gap

Based on investor surveys and market data reviewed by PDC, the following target rates are used to proxy investment hurdle rates of return. In other words, it is assumed the cash flow projections must yield rates within the following ranges to be considered attractive to the market. Return-on-Investment (ROI) estimates are based upon stabilization in 2027, designated as Year 2 of the Proforma. The following Gap Funding range analysis illustrates the application of total GAP funding against construction cost during the first year of construction.

ROI Indicator	Description	Market Target
Return-on-Cost	Net Operating Income at Stabilization before debt service as % of Project Cost	7.25%
Internal Rate of Return (IRR, unleveraged, Pre-Tax Yield)	Annual revenue and asset sale over 10 years as return on development costs.	8.25% to 9.25%
Net Present Value (NPV)	Sum of Present Value Future Cash Flows, discounted at the appropriate Market Rate, less the initial Cash Outlay.	> \$0

ROI Indicator	Market Target	GAP Funding Range ⁵		
<i>Estimated Gap (Stabilized Year)</i>		<i>\$475,000</i>	<i>\$500,000</i>	<i>\$525,000</i>
Return-on-Cost	7.25%	7.14%	7.31%	7.48%
IRR, Unlevered	8.25% to 9.25%	8.40%	8.69%	8.99%
NPV	> \$0	\$8,144	\$33,144	\$58,144

The development project as proposed indicates a **financial gap of approximately \$500,000**. The gap funding range analysis reveals that the project will begin to achieve market target rates for “return-on-cost”, unleveraged IRR and Net Present Value with **\$500,000 in gap funding**.

To achieve market target rates, this Gap Funding estimate is assumed to be applied to construction equity. The funding, therefore, is estimated as a **net present value of at least \$500,000**. **This review estimates that the real estate project will achieve target market hurdle rates at this level of public funding.**

Because the developer is proposing a TIF reimbursement agreement and a forgivable loan, this agreement should be structured so that its future tax increment cash flows, when discounted back at current lending rates, equates to at least \$500,000 in present value. Property tax and sales tax increment not leveraged towards the reimbursement can instead be used to justify the forgivable loan amount.

⁵ Gap Funding is applied to Construction Equity in this analysis. Gap Funding is assumed to be Present Value.

Development Risk

Project proformas are projections and always carry market and other risks impacting costs, operations, and ROI. In reviewing this project, the following risks are summarized amongst other potential risks:

- Increased competition and prolonged inflation may decrease sales and increase financial risks with both the business and development;
- Retail sales may be overstated. The proposed restaurant is confident that even its lower sales range would exceed \$650 psf (includes enclosed patio). This represents a high performing retail business in the Carbon Valley. If the restaurant fails to generate sales at this level, it will likely be unable to provide the gap funding necessary for market feasibility.
- Capitalization Rates may be lower than can be realized, making the gap higher than expected;
- Potential Rent Concessions as a deduction to asking rents may become more common in the market;
- Public participation by the Town of Erie Urban Renewal Authority and the Town of Erie may be limited; and
- Current economic uncertainty as previously described.

Conclusion

The Reviewers' conclusion is that the developer's request for Gap Funding assistance is reasonable, given current market conditions and the project's costs. The reviewers cannot evaluate the need for the forgivable loan amount, aside from the fact that the business has made clear to staff they are unable to proceed without additional capital.

The incentive package being proposed assumes that the TOEURA desires to make both the real estate development and the business operation (restaurant) feasible. **This feasibility can be achieved through a \$200,000 forgivable loan (per the developer's request) and a 10-Year, 100% sales tax increment reimbursement agreement with a \$690,000 cap limit.**

The report estimates that the project will be able to generate sales tax increment necessary to make the real estate development achieve market rates of return. The Report also estimates that the remaining increment, both the property tax and remaining sales tax increment, is roughly equivalent in value to the proposed \$200,000 forgivable loan.

From a regulatory and Urban Renewal Plan standpoint, the proposed project has been designed to align with TOEURA's vision for this Urban Renewal Plan area and achieve the highest and best use of the site. However, the current proposal is unable to achieve market feasibility without additional funding assistance. The reviewers recommend that TOEURA work with the developer on a unique revenue sharing agreement to overcome this funding gap.



PIONEER
DEVELOPMENT
COMPANY

we find the way

656 Kattell Street Gap Funding Analysis

Town of Erie

December 23, 2024



December 23, 2024

Town of Erie Urban Renewal Authority
Town of Erie, Colorado

Dear Julian,

Pioneer Development Company (PDC) has been engaged by the Town of Erie Urban Renewal Authority (TOEURA) to review a redevelopment project requesting financial assistance within the Historic Old Town Urban Renewal Plan. This assistance would be provided by a public private partnership between TOEURA and the developer and would leverage Tax Increment Financing (TIF).

The proposed redevelopment would expand and improve an existing property located at 656 Kattell Street. The applicant is under contract to purchase the property, and after significant redevelopment, open as a Restaurant featuring Italian cuisine and pizza. The restaurant operators are Dio Mio and Redeemer Pizza. The existing building is currently 1,500 square feet. The restaurant, which will act as owner, developer and operator, will redevelop the building, paying their own tenant improvements to make it function as a restaurant. Also, the building's footprint will be expanded by 900 square feet using an enclosed outdoor patio space. The redevelopment is in alignment with the Historic Old Town Urban Renewal Plan, especially the Plan's #7,9,10,19,20 and 21 Objectives. The applicant is requesting additional funding resources from TOEURA to assist with the site's redevelopment and help make this restaurant concept feasible at this location.

The Town of Erie URA and the developer provided project information, marketing information, budgets, and proformas that were reviewed and evaluated by this Gap Funding Report.

This development review is intended to provide a third-party, objective evaluation of market assumptions and development and operating proformas to inform public investment decision-making. This review also evaluates (TIF) projections and compares this future tax revenue to the funding gap evaluated. This memorandum summarizes PDC's review and findings.

Andrew Arnold
Founder | Principal
Pioneer Development Company
Durango, Colorado

CC: Jack Hill

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Executive Summary

656 Kattell Street Gap Funding Analysis:

This report evaluates the proposed 656 Kattell Street redevelopment in Erie, Colorado and the public funding that may be required to make this project feasible. 656 Kattell Street is currently an underutilized property within the Town of Erie’s Historic Old Town Urban Renewal Plan. It is located within the Town’s Downtown District, a mixed-use zoning district that is “intended to encourage redevelopment of underutilized parcels and infill development of vacant parcels”¹. After being on the market for nearly a year, the existing owner and current applicant are under contract to sell the property. The new owner, who will act as developer and operator, is proposing a restaurant at this location. The restaurant will feature Italian inspired cuisine, and double as a pizzeria. The brands associated with this restaurant concept include Dio Mio in Denver’s Rhino District, and Redeemer Pizza on Larimer Street, Denver. This location represents the restaurant’s first foray into owning and operating their own establishment. They plan on redeveloping the existing 1,500 square foot building and adding an additional 900 square feet of patio space.

Redeemer Pizza LLC (The Developer) is seeking a public private partnership with the Town of Erie Urban Renewal Authority (TOEURA) and has submitted a Tax Increment Financing (TIF) request to the Town’s economic development and urban renewal staff. This request included a narrative explaining their businesses situation as well as a development proforma, LOI, and renderings of their redevelopment. The developer is requesting a TIF reimbursement agreement with TOEURA, but has not specified the amount needed to make their project viable. The developer maintains that **but for** TOEURA’s assistance, this project could not proceed as envisioned. This Report’s purpose is to evaluate the proposed development’s feasibility and estimate the amount of TIF necessary to close potential funding gaps.

The development proposal would redevelop the underutilized parcel located at 656 Kattell Street into a new restaurant building with a four-season, enclosed patio area. The redeveloped restaurant’s total estimated square footage is ~2,400. The restaurant would offer an Italian-inspired dine-in experience, but will also serve pizza for dine-in, take-out and delivery.

PDC evaluated this development on behalf of TOEURA to determine if a feasibility gap exists with the proposed project and if financial support is necessary to achieve market returns. This report provides a detailed analysis of the project’s assumptions benchmarked to the market. The analysis also performs a gap funding range analysis on various levels of financial assistance and examines the effect on return indicators. Finally, the report estimates TIF generated by the project as proposed. These estimates are compared with the funding gap to determine the revenue sharing range necessary for ensuring the Project’s financial feasibility per market benchmarks.

After completing the analysis, **the Reviewers find that 656 Kattell Street Redevelopment project will require funding assistance to become financially feasible.** The Gap Funding assistance range and its associated target market indicators are included in the tables below:

¹ Town of Erie’s Unified Development Code 10-2-4

ROI Indicator	Description	Market Target		
Return-on-Cost	Net Operating Income at Stabilization before debt service as % of Project Cost	7.0% to 8.0%		
Internal Rate of Return (IRR, unleveraged, Pre-Tax Yield)	Annual revenue and asset sale over 10 years as return on development costs.	8.25% to 9.25%		
Net Present Value (NPV)	Sum of Present Value Future Cash Flows, discounted at the appropriate Market Rate, less the initial Cash Outlay.	> \$0		
ROI Indicator	Market Target	GAP Funding Range ²		
<i>Estimated Gap (Stabilized Year)</i>		\$350,000	\$375,000	\$400,000
Return-on-Cost	7.0% to 8.0%	6.94%	7.10%	7.27%
IRR, Unlevered	8.25% to 9.25%	8.05%	8.33%	8.62%
NPV	> \$0	-\$22,960	\$2,040	\$27,040

Tax Increment Financing Projections

The development as proposed requires approximately \$375,000 in gap funding to achieve financial feasibility based on market benchmarks and current investment metrics. The developer has proposed a TIF sharing agreement with TOEURA to overcome this funding gap. This Report evaluated the Project's taxable value to determine its future property and sales tax generation.

TOEURA's Historic Old Town Urban Renewal Plan was formed in 2013 and is set to expire in 2038. This leaves only 13 years to date when incremental revenues can be generated, plus one additional year of property tax increment revenues. This Report's TIF projection isolates the proposed project and only estimates incremental tax revenues generated by the new development. Incremental revenues generated outside this specific development but contained within the Historic Old Town Urban Renewal Plan area, are not included in these estimates.

The proposed project is estimated to generate \$70,700 in property taxes and \$870,000 in sales taxes over the Historic Old Town Urban Renewal Plan's remaining 13 years. When discounted back at a current 10-year commercial mortgage rate average for retail use³, this amount equates to a Net Present Value of \$40,800 in property tax increment and \$508,000 in sales tax increment.

The large amount of sales tax generated by this project should be noted. The proposed development is essentially two restaurant concepts, a sit-down Italian eatery and a pizzeria. The 1,500 SF of existing retail space also benefits from added tables located within the heated and enclosed four-season patio. This additional 900 square feet of space should be treated as an extension of the restaurant space, bringing the total restaurant footprint to 2,400 square feet. The pizzeria is also expected to generate between 20% and 40% of annual sales via take-out and delivery. This further increases sales, despite the

² Gap Funding is applied to Construction Equity in this analysis. Gap Funding is assumed to be Present Value.

³ 6.70% as of December 22, 2024 per select lenders.

restaurant’s relatively small footprint. Overall, this report estimates the restaurant’s sales per square foot to average \$795. This is on the higher end of the retail sales per square foot spectrum. This sales forecast is optimistic and may present a feasibility risk if sales fall below this average.

This report recommends that TOEURA and the developer negotiate a TIF sharing agreement where shared incremental revenue (Present Value) meets or exceeds the estimated funding gap. Because the project as proposed will generate more revenue than is necessary to close the funding gap, the report recommends TOEURA and the developer negotiate a TIF revenue sharing agreement where the net present value of future incremental cash flows equates to the ~\$375,000 funding gap. This can be achieved in a variety of ways, such as sharing only a percentage of incremental sales taxes generated by the project or a percentage of incremental property taxes, or providing a total (gross) incremental tax cap limit over a set period of time.

However, after discussion with staff, it is recommended that TOEURA pursue a revenue sharing agreement where incremental sales tax is shared back with the project for 10 years. This sharing agreement will also have a cap limit on gross sales tax increment revenue. **This TIF revenue sharing agreement over the next 10 years (2025-2034) would need to be capped at \$566,000 of gross sales tax increment to equate to the project’s estimated funding gap today.**

The development’s TIF forecasts are illustrated in the table below:

656 Kattell Street Redevelopment Project – Tax Revenue Estimates Through 2038 ⁴										
Estimated Base Taxable Value	\$93,470									
Total New Taxable Real Property Value	\$147,853									
Total Net Taxable Value	\$54,383									
TIF Estimates (Rounded)	Gross		Net Present Value		Annual Average		Town of Erie Only			
Total	\$940,700		\$548,800		\$67,000		\$62,600			
Property Tax (100% Share)	\$70,700		\$40,800		\$5,000		\$600			
Sales Tax (100% of Town’s 3.5% Rate)	\$870,000		\$508,000		\$62,000		\$62,000			
656 Kattell Street										
URA Project Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Sales Tax TIF Projection	\$0	\$0	\$68,300	\$68,983	\$69,673	\$70,370	\$71,074	\$71,784	\$72,502	\$73,227
Revenue Sharing Period										10 Yrs
Gross Sales Tax Increment										\$ 565,915
Discount Rate										6.70%
NPV Sales Tax Increment										\$ 374,111

⁴ Includes 2039 Property Tax Increment Collections, sales tax collections end in 2038.

Background

Scope of the Review

To benchmark the proposed project to the market, PDC reviewed and provided independent research regarding the following assumptions:

- Independent verification for market assumptions presented in the development proposal,
- Construction costs estimates verification,
- Financial gap analysis,
- Market verification on commercial mortgage loan rates and terms,
- Comparison with market rate investment criteria and yield indicators,
- Assessed Value appraisal and tax increment estimates,
- Potential impacts from current economic uncertainty.

Methodology

The Developer provided a detailed TIF application, architectural plans, and development and operating proformas. The Developer also allowed PDC to interview the development team and interrogate assumptions within their pro forma. This information helped inform this Report’s analysis.

The Reviewers conducted independent research into market conditions and development costs to establish a market baseline for evaluating this Project’s feasibility. The development’s costs were independently verified to determine their reasonableness. Projected revenues, including commercial leases, were contrasted with comparable properties throughout the local and regional market. The same method was used to compare the project’s expenses, including commercial operating expenses, absorption, lease-turnover, vacancy, and financial terms to local market realities. Once these assumptions were evaluated, the Reviewers performed a sensitivity analysis on a range of gap funding scenarios. These potential financial gaps were estimated by the Reviewers through an independent rate of return analysis targeting market-based investment expectations. The Reviewers then estimated the development’s future property and sales tax revenue using similar assumptions. This TIF estimate was then compared to the Gap Funding Analysis to identify the optimal range for revenue sharing.

Project Basis

Proposed Redevelopment Project (656 Kattell Street)	
Weld County PIN	146718401010
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- The site is ~0.17 acres located along Kattell Street. The site is within TOEURA’s Historic Old Town Urban Renewal Plan area and the Town of Erie’s municipal limits.
- The proposed project will redevelop an existing single-story building. The building improvement square footage is estimated at ~1,500 Square Feet, featuring dining space, a commercial kitchen, and restrooms. The developer is also proposing a year-round, heated and enclosed outdoor patio estimated at ~900 Square feet.
- The existing structure is estimated at ~1,500 square feet and is assumed to undergo capital improvements once the new building is completed.
- The proposed new restaurant will feature dine-in space as well as take-out. It will operate year-round, including the outdoor patio area. Take-out sales are assumed to represent ~30% of total sales. The restaurant is assumed to generate retail sales equating to \$795 per square foot.
- The developer has not indicated whether this development will be self-financed or will require debt financing. This report assumes that the developer will self-finance the project and does not compare loan terms with current market benchmarks.

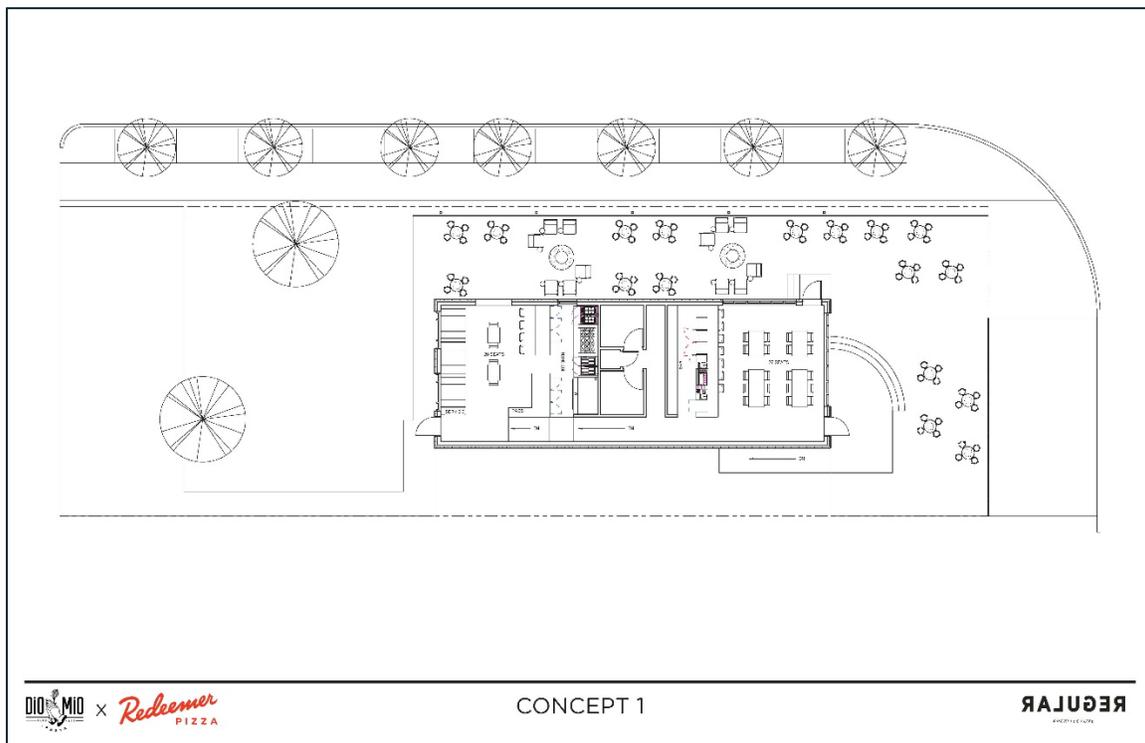


Figure 1 – Proposed Development Architectural Plans.



DIO & MIO x Redeemer PIZZA

CONCEPT 1

REGULAR ARCHITECTURE



DIO & MIO x Redeemer PIZZA

CONCEPT 1

REGULAR ARCHITECTURE

Current Economic Environment

The Town of Erie straddles two distinct submarket areas within Colorado, the Boulder submarket and Greely submarket. These submarkets are robust and growing. The Boulder submarket is home to several fortune 500 companies, has historically attracted tech companies, and is home to the University of Colorado main campus. In terms of retail commercial development, Boulder's asking rents are beginning to grow after suffering downturns triggered by e-commerce and the covid pandemic. Last year, boulder's retail asking rents grew by 1.8%, which is more aligned with the national benchmark of 2.0%. There is roughly 220,000 SF of retail development in the boulder submarket pipeline, although these projects take longer to realize due to strict zoning and planning standards. Overall, the boulder submarket enjoys higher asking rents than the Greely submarket, indicating increased demand as well as higher costs to doing business.

The Greely retail submarket poised for rapid growth, driven largely by the explosive population growth seen over the past decade. The Greely submarket is also more business friendly than the Boulder Submarket and has 100,000 SF of retail space currently under construction. Vacancy rates in the Greely Submarket have remained 3% over the past decade, indicating that supply is struggling to keep up with the region's demand. Market rents, however, are roughly \$10 per square foot (NNN) less than in the Boulder Submarket. These rates only grew at 1.6% last year, highlighting the dynamic race between a growing population and new commercial retail development.

The Town of Erie is located within both submarkets, making it challenging to identify comparable retail businesses and market benchmarks. While both submarkets enjoy healthy growth and demand, their respective asking rents and expenses are very different. The town of Erie also lacks a significant number of restaurants or retail establishments, currently. While commercial development is in the Town's construction pipeline, these establishments are years away from being completed. The town has experienced explosive residential growth since 2010, increasing its population by over 22,000 residents between the 2010 and 2020 census. These factors indicate strong demand for increased retail establishments within the Town, but uncertainty around where asking rents and other market benchmarks will land.

Additionally, the Town of Erie's growth has increased the value of its property, both in land prices and existing structures. Erie is now faced with a growing discrepancy between the cost to build or redevelop property, and the commercial rents that can be achieved by that type of real estate development. The proposed development finds itself within this grey area, facing high costs for acquisition and development, and low market averages for retail lease rents. Erie's market is entering a phase where new retail development will have to prove market benchmarks, as the reviewers believe that data on Erie's current asking rents (NNN) are below current demand.

In general, looking beyond Erie and its respective submarkets, Colorado's retail sector economic troubles that pre-dated the pandemic years appear to be fading. This is especially true of retail tenants focused on restaurants, bars and grocery stores. These retail establishments are expected to show strong demand in the coming years. The U.S. Census bureau reported 4.9% retail and food service sales gains through October 2023. Eating and drinking establishments, which are being proposed for this development, reported 11.5% growth during the same period. This growth indicates strong demand for specific restaurant services in the coming years, and ongoing growth throughout the holding period.

This report analyzed a variety of real estate databases to develop a market baseline for Erie. RERC, CoStar, CBRE, and Integra Realty Resources were utilized throughout this report. Although these report's aggregate data around primary market centers, their findings are telling for Erie's market growth. IRR categorized the Denver Metro area retail market as in a "recovery" mode, meaning that vacancy rates are decreasing, absorption is stabilizing, and rents will see some moderate growth. Cap rates in this market are among the lowest in the nation, almost 50 basis points lower than the fast-growing southern US Region.

One economic headwind that risks curbing growth is housing affordability. When households become cost-burdened (monthly housing costs exceed 30% or more of monthly income), retail expenditures decline. Given the area's decreasing housing affordability, this could impact future retail spending. Despite Erie's rising housing costs, CoStar's retail market summary for the Denver Metro area, as well as the Boulder and Greeley submarkets, claims that retail demand remains in a position of strength. Vacancy rates remain low and new construction is modest. These factors will help new retail development remain competitive in the coming years.

To account for current economic conditions over a 10-year proforma, the Reviewers have estimated growth in rental/leasing rates and operating expenses to be 3% annually. The Reviewers also assume that this development's asking rents (NNN) will be above the Boulder submarket average. This assumption reflects the property location, the restaurant brand's success in Denver, and the developer's optimism that rental growth at this property will exceed market averages during their ownership.

Project Assumptions

Development Program

The Reviewers have evaluated this proposed development from the perspective of an open market. This analysis assumes that the proposed restaurant expansion is being developed as a for-lease product.

The following chart compares the as-proposed development proforma assumptions with PDC’s market-derived assumptions.

Assumptions	As Proposed	Market Estimate	Comments
Use Type			
Residential Units	0	-	No Residential is being proposed.
Commercial Retail	1,500 SF	-	The Reviewers assume that commercial space will be leased to maximize NOI. Commercial leases are assumed NNN. Additional \$900 SF assumed for patio.
Commercial Component			
Commercial Retail Leasing Rates Per Square Foot	N/A	\$31.50 psf	The restaurant owner is also the operator. Currently, this restaurant concept has two leases within Denver. Lease rates range between \$40-\$45 PSF NNN. In Erie, a lack of new restaurant development, and a bifurcated market, make comparable asking rents difficult to assess. However, this property will be positioned at a profitable corner near the developing Coal Creek Park and will also provide Pizza for take-out delivery. The proposed restaurant brands are also already highly successful in competitive areas of the Denver market and are now selecting Erie for their first owner-occupied establishment. Given these factors, the reviewers estimate that an asking rent which outperforms the Boulder Submarket’s \$28 PSF retail average is more in line with this proposed development’s space. Reviewer’s estimate based on a comparison of commercial retail space leases and expenses in the market area and within comparable mixed-use properties. Assumes NNN leases.
Commercial Retail Operating Expenses	\$11.00 psf	\$11.00 psf	Operating expenses based on comparable properties and estimated taxes. Developer is also owner and did provide operating expenses that were translated in a PSF basis.
Growth Rate			
Revenue	3%	3%	The Reviewers growth rate is based on interviews with the Developer. Reviewers assume 3% annualized growth rates for revenue and expenses.
Expenses	3%	3%	
Financing Component			
Debt			

Loan: Value Ratio	N/A	60% - 70%	The developer did not provide financing terms as part of their pro forma. Reviewers assume that developers are self-financing development.
Interest Rate	N/A	6.75%	
Amortization	N/A	20-30 Years	
Capitalization Rates			
Stabilized – Retail	N/A	6.75%	Economic and market conditions in Denver Metro, Boulder, and Greeley submarkets outperform national and west region averages by ~25 basis points. Retail cap rates, especially for food service tenants, are forecast to remain stable in the coming years. The going-in (stabilized) cap rate used in this Review reflects these market expectations. Typically, exit cap rates (at asset liquidation) are 50 to 150 basis points higher than going-in rates. The reviewers used a 75-basis point increase for liquidated capitalization rates.
Liquidated – Retail	N/A	7.50%	
Return on Investment Metrics			
Target Yield			
Yield Rate (IRR Unlevered)	n/a	8.25% to 9.25%	Market-based target yield rates are used to estimate the financial gap. These yield rates represent a blended return based on market surveys for retail commercial property investments. The NPV is calculated using the blended pre-tax yield rate. This is the rate of interest that discounts pre-tax cash flows received on an unlevered investment back to a present value that is exactly equal to the original equity investment.
Return on Cost	n/a	7.0% to 8.0%	
Net Present Value	n/a	> 0	
Development Cost			
Development Cost	\$1,874,938	\$1,473,238	The Reviewer's estimated development cost is based on the project concept as understood by the Reviewer using cost guide approximations. The Developer's estimated development costs include business expenses, which are outside the scope of a Gap Analysis. The Reviewer's cost estimate only includes acquisition and hard costs, expenses deemed TIF eligible. The Reviewer's cost estimate was used in estimating the feasibility gap.

1. Source: CoStar, RERC; Realtyrates.com; RS Means; Zillow; CBRE; DMCAR; NAR, Commercial Real Estate Finance Co. of America, CommercialLoanDirect.com, Integra Realty Resources, Hoyt Advisory Services; NMHC/NAA; U.S. Census Bureau; RealPage, fixr.com, Statista: Denver, Fannie Mae, EV Studio, ARGUS College, Pioneer Development Company.

Estimated Feasibility Gap

Based on investor surveys and market data reviewed by PDC, the following target rates are used to proxy investment hurdle rates of return. In other words, it is assumed the cash flow projections must yield rates within the following ranges to be considered attractive to the market. Return-on-Investment (ROI) estimates are based upon stabilization in 2027, designated as Year 2 of the Proforma.

ROI Indicator	Description	Market Target
Return-on-Cost	Net Operating Income at Stabilization before debt service as % of Project Cost	7.0% to 8.0%
Internal Rate of Return (IRR, unleveraged, Pre-Tax Yield)	Annual revenue and asset sale over 10 years as return on development costs.	8.25% to 9.25%
Net Present Value (NPV)	Sum of Present Value Future Cash Flows, discounted at the appropriate Market Rate, less the initial Cash Outlay.	> \$0

The following Gap Funding range analysis illustrates the application of total GAP funding against construction cost during the first year of construction.

ROI Indicator	Market Target	GAP Funding Range ⁵		
<i>Estimated Gap (Stabilized Year)</i>		<i>\$350,000</i>	<i>\$375,000</i>	<i>\$400,000</i>
Return-on-Cost	7.0% to 8.0%	6.94%	7.10%	7.27%
IRR, Unlevered	8.25% to 9.25%	8.5%	8.33%	8.62%
NPV	> \$0	-\$22,960	\$2,040	\$27,040

The development project as proposed indicates a **financial gap of approximately \$375,000**. The gap funding range analysis reveals that the project will begin to achieve market target rates for “return-on-cost”, unleveraged IRR and Net Present Value with **\$375,000 in gap funding**.

To achieve market target rates, this Gap Funding estimate is assumed to be applied to construction equity. The funding, therefore, is estimated as a **net present value of at least \$375,000**. **This review estimates that the project will achieve target market hurdle rates at this level of public funding.**

Because the developer is proposing a TIF reimbursement agreement, this agreement should be structured so that its future tax increment cash flows, when discounted back at current lending rates, equates to at least \$375,000 in present value.

⁵ Gap Funding is applied to Construction Equity in this analysis. Gap Funding is assumed to be Present Value.

Feasibility Gap Analysis

The proposed development has unique challenges that were considered in this analysis. This section will provide an explanation of these challenges and how they were considered by the analysis when estimating potential funding gaps.

Retail Component

The project's commercial retail component features an existing 1,500 square foot restaurant and a proposed 900 square foot heated and enclosed patio expansion. There will also be outdoor seating areas during the summer months. The Developer's pro forma indicates that this space will generate anywhere from \$2.6 million to \$1.6 million in sales annually (the developer and future business operator provided high and low forecasts). Because the developer is also the owner-operator, there is no lease expenses associated with the pro-forma. For this reason, the Reviewers had to estimate the value of the lease that the developer would charge their own establishment and use this value to estimate the funding gap associated with the development costs and market benchmarks.

The reviewers determined that this location, when redeveloped into an Italian eatery and pizzeria, could command a higher rent than is currently demonstrated in the Erie market. The Reviewers assume that this location, once developed according to the proposed renderings and site plan, could command rents equal to \$31.50 per square foot NNN. This rent assumes that the project's total square footage includes the patio enclosure, bringing its gross square feet to 2,400. This lease rate is justified by the location, adjacent to the Town's new Coal Creek Park area, and the fact that the restaurant could generate anywhere from 20%-40% of its sales via take-out and delivery. This lease rate is higher than the Town's average retail asking rent of \$24 per square foot. It is also higher than Boulder submarket's \$28 per square foot average. However, these restaurants are currently successful in the Denver metro market, paying NNN leases between \$40-\$45 psf.

The Reviewers elected to assume this development, both new and existing, was treated as leasable restaurant space. Being both the property owner and tenant, it was necessary to assume a lease rate indicative that could be justified by the restaurant's projected sales. Given this assumption, the reviewers used \$31.50 per square foot as the asking rent. This assumes that the lease is triple net (NNN). Expenses, including CAM, Insurance and Taxes, are \$11.00 per Square Foot. Rents and expenses are assumed to escalate by 3% annually.

It should be noted that Erie's commercial retail market is at a crossroads based on the data analysis. Erie's property values continue to escalate for all real estate types, despite the majority of its development being residential. This increase in property value, coupled with perennially high construction costs in Colorado, causes Erie to be an expensive location for new development and redevelopment. However, Erie's market data lags these cost increases. Lease rates and capitalization rates remain historically "backwards", meaning that the market's true demand is not reflected by market analysis. This in turn suppresses potential real estate investment yields in Erie. When combined with the Town's property values and high construction costs, this gap in market data makes it difficult to justify commercial retail investments, as the returns appear low. Erie requires catalytic developments, such as the one proposed, to help shift this narrative and "update" its commercial retail data.

Development Risk

Project proformas are projections and always carry market and other risks impacting costs, operations, and ROI. In reviewing this project, the following risks are summarized amongst other potential risks:

- Increased competition and prolonged inflation may decrease sales and increase financial risks with both the business and development;
- Retail sales may be overstated. The proposed restaurant is confident that even its lower sales range would exceed \$650 psf (includes enclosed patio). This represents a high performing retail business in the Carbon Valley. If the restaurant fails to generate sales at this level, it will likely be unable to provide the gap funding necessary for market feasibility.
- Capitalization Rates may be lower than can be realized, making the gap higher than expected;
- Potential Rent Concessions as a deduction to asking rents may become more common in the market;
- Public participation by the Town of Erie Urban Renewal Authority and the Town of Erie may be limited; and
- Current economic uncertainty as previously described.

Tax Increment Financing Projections

This Gap Funding analysis also analyzed the proposed development's tax projections. These projections were then used to estimate the amount of tax increment financing (TIF) that is likely to be generated by this project. This TIF forecast considers Weld County assessments, the property's overlapping millage rate, and the Town of Erie's existing tax rate.

The Reviewers estimated TIF by assuming that 656 Kattell Street is a singular Urban Renewal Plan area. This isolated the development's existing base value and forecast future property and sales tax increment based only on new development and activity at this site.

The Reviewer's estimate the Project's taxable value at \$147,853. This taxable value does not represent the cost to develop the project or its market value. Instead, this taxable represents the equalized commercial assessments. In general, property assessments run about 70%-80% of market value. The property's current taxable value is \$93,470. This is essentially the base value, making the Project's incremental taxable value \$54,383. The Reviewers used this incremental taxable value to project future tax revenues and TIF.

The Historic Old Town Urban Renewal Plan is set to expire in 2038, meaning that 2038 is final year the Project can generate incremental revenue⁶. The reviewers also assume that 100% of the property's overlapping millage rate is eligible for TIF (currently 103.086 mills). Sales tax was also forecast using the Town of Erie's 3.5% sales tax rate. The project's retail space is assumed to generate a weighted average (including the enclosed patio space) of \$795 per square foot in annual sales.

The Reviewers modeled property and sales tax increment based on these assumptions. The model was adjusted for inflation and biennial reassessments. The Project is expected to generate ~\$70,700 in

⁶ Property tax increment will be collected in 2039, since property taxes are one year in arrears.

property tax increment and \$870,000 in sales tax increment over the next 14 years, until the Plan area sunsets in 2038. When discounted at a 6.70% rate, this forecast equates to \$40,800 in property tax TIF (present value), and \$508,000 in sales tax TIF (present value).

These present value TIF estimates are instructive when compared to the Project's estimated Gap Funding. The Reviewers estimate that the Project has a \$375,000 funding gap, which is a present value estimate. These TIF forecasts can be compared with the funding gap to strategize a revenue sharing strategy that makes the project feasible.

TOEURA's position on revenue sharing is to share a percent of a project's sales tax increment, generated by the project, with that project. This traditionally has been structured as a revenue sharing agreement where a percentage of the project's TIF is reimbursed to the developer, which is also capped at a not-to-exceed amount. This report recommends that TOEURA pursue a revenue sharing agreement where incremental sales tax is shared back with the project for 10 years (2025 to 2034). This sharing agreement will also have a cap limit on gross sales tax increment revenue. **This TIF revenue sharing agreement over the next 10 years (2025-2034) would need to be capped at \$566,000 of gross sales tax increment to equate to the project's estimated funding gap today.**

These recommendations are purely financial, and do not consider the political feasibility of this project and its revenue sharing strategies.

Conclusion

The Reviewer's conclusion is that the developer's request for Gap Funding assistance is reasonable, given current market conditions and the project's costs. The Erie market is particularly challenging from a commercial retail investment standpoint. The reason is that property values and construction costs are high, yet data on lease rates and yields remains low. It will take catalytic developments, such as the one being proposed, to shift this historic-looking investment narrative to better underscore the commercial retail opportunities in Erie.

From a regulatory and Urban Renewal Plan standpoint, the proposed project has been designed to align with TOEURA's vision for this Urban Renewal Plan area and achieve the highest and best use of the site. However, the current proposal is unable to achieve market feasibility without additional funding assistance.

In conclusion, it is the reviewer's opinion that a feasibility gap does exist for the development as proposed, that is approximately **\$375,000**. The reviewers recommend that TOEURA work with the developer on a unique revenue sharing agreement to overcome this funding gap.



Appendix

Gap Funding Summary

Scenario:
656 Kattell Redevelopment Scenario

PROJECT SUMMARY

Property Summary

Residential Units	0
Rentable SF	2,400
Total Development Cost	\$1,473,238
Development Cost per Rentable Square Foot	\$614
Construction Equity	\$662,957
Construction Debt	\$810,281

Construction Loan Summary

Loan : Cost Ratio	
Construction Loan Term (mos)	
Construction Interest Rate	
Construction Loan Amount	
Construct Loan Per RSF	

Perm Loan Summary

Perm Loan : Value Ratio	
Perm Loan Amount	
Perm Loan Ammortization (yrs)	
Perm Interest Rate	
Perm Loan Yearly Payment	
Perm Term	
Perm Loan Balance	
Loan Fees/Closing Costs	
DSCR	
DSCR Loan Amount	

Proforma

Year Stabilized	2
Stabilized NOI	\$78,002
Stabilized Cap Rate	6.75%
Stabilized Proforma Value	\$1,155,579
Stabilized Value Per RSF	\$481
Reversion Value	\$1,356,996
Reversion Cap Rate	7.50%
Growth Rate	3.00%

GAP FUNDING - applied to construction equity **\$375,000**

Feasibility Indicators (10 yr hold)

		Market Target Rate
Cost/Value*	127.5%	
Return on Cost*	7.10%	7.00% to 8.00%
IRR on Project (unleveraged)	8.33%	8.25% to 9.25%
NPV	\$ 2,040	

*Stabilized Year 3

OPERATING PROFORMA

Proforma Year	CONSTRUCT	1	2	3	4	5	6	7	8	9	10	11
Investment												
Construction Equity	(662,957)											
Construction Debt	(810,281)											
Construction Cost	(1,473,238)											
Operating Income												
Net Income from Property Operations	\$0	\$0	\$78,002	\$80,342	\$82,752	\$85,234	\$87,792	\$90,425	\$93,138	\$95,932	\$98,810	\$101,775
GAP Funding	\$375,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NOI	\$375,000	\$0	\$78,002	\$80,342	\$82,752	\$85,234	\$87,792	\$90,425	\$93,138	\$95,932	\$98,810	\$101,775
Unleveraged Cash Flow (NET OF CONST GAP FUNDING)	(\$1,098,238)	\$0	\$78,002	\$80,342	\$82,752	\$85,234	\$87,792	\$90,425	\$93,138	\$95,932	\$98,810	\$1,458,771
Rates of Return Analysis												
IRR on Project (unleveraged)	8.33%											
Return on Cost		0.00%	7.10%	7.32%	7.53%	7.76%	7.99%	8.23%	8.48%	8.74%	9.00%	9.27%
xNet Present Value	\$2,040											

656 Kattell Street															End of URA Timeframe		Last Year of Increment
Combined Annual Proforma																	
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
Absorption Schedule																	
Residential		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial		-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residential Units		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Commercial SF		-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	
Project Total Value																	
Residential		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commercial		\$ -	\$ -	\$ 591,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Residential Actual Value		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Commercial Actual Value		\$ -	\$ -	\$ 591,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Project Taxable Value																	
Residential Ratio				6.90%													
Commercial Ratio				25.0%													
Assessor % Reduction				100%													
Residential Taxable Value		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commercial Taxable Value		\$ -	\$ -	\$ 147,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Project Assessed Value (Taxable Value)		\$ -	\$ -	\$ 147,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated Increment																	
Annual NET AV (Assessed Value)		\$ -	\$ -	\$ 147,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inflation Factor				1%													
Total NET AV (Inflation Adjusted)		\$ -	\$ -	\$ 149,331	\$ 149,331	\$ 150,825	\$ 150,825	\$ 152,333	\$ 152,333	\$ 153,856	\$ 153,856	\$ 155,395	\$ 155,395	\$ 156,949	\$ 156,949	\$ 158,518	
Estimated Base																	
Existing Taxable Value		\$ 93,470	\$ 93,470	\$ 95,339	\$ 95,339	\$ 97,246	\$ 97,246	\$ 99,191	\$ 99,191	\$ 101,175	\$ 101,175	\$ 103,198	\$ 103,198	\$ 105,262	\$ 105,262	\$ 107,368	
Base Inflation Factor				2%													
Incremental Taxable Value		\$ -	\$ -	\$ 53,992	\$ 53,992	\$ 53,578	\$ 53,578	\$ 53,142	\$ 53,142	\$ 52,681	\$ 52,681	\$ 52,196	\$ 52,196	\$ 51,686	\$ 51,686	\$ 51,151	
Project Sales Tax																	
Sales Tax Rate				3.50%													
Retail SALES		\$ -	\$ -	\$ 1,894,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Tax %																	
Total Retail Sales		\$ -	\$ -	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	\$ 1,894,050	
Estimated Annual Sales Tax		\$ -	\$ -	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	
Property Tax TIF Estimates	Plan Yr -->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Property Tax																	
Total Incremental Taxable Value		\$ -	\$ -	\$ 53,992	\$ 53,992	\$ 53,578	\$ 53,578	\$ 53,142	\$ 53,142	\$ 52,681	\$ 52,681	\$ 52,196	\$ 52,196	\$ 51,686	\$ 51,686	\$ 51,151	
Mill Levy				103.086													
Annual Incremental Estimate		\$ -	\$ -	\$ 5,566	\$ 5,566	\$ 5,523	\$ 5,523	\$ 5,478	\$ 5,478	\$ 5,431	\$ 5,431	\$ 5,381	\$ 5,381	\$ 5,328	\$ 5,328	\$ 5,273	
Discount Rate				6.70%													
NPV				\$40,764													
Sales Tax TIF Estimate		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Estimated Annual Retail Sales		-	-	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	1,894,050	
Estimated Annual Sales Tax		\$ -	\$ -	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	
Sales Tax Sharing %				100%													
Estimated Sales Tax Increment		\$ -	\$ -	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	\$ 66,292	
Inflation Adjustment				1%													
Inflation Adjusted Sales		\$ -	\$ -	\$ 68,300	\$ 68,983	\$ 69,673	\$ 70,370	\$ 71,074	\$ 71,784	\$ 72,502	\$ 73,227	\$ 73,960	\$ 74,699	\$ 75,446	\$ 76,201	\$ 76,964	
Rolling Inflation																	
Discount Rate				6.70%													
NPV /No Inflation				\$469,971													
NPV w/ Inflation				\$507,862													

First Amendment to Reimbursement Agreement

This First Amendment to Reimbursement Agreement (the "First Amendment") is made and entered into as of the ___ day of _____, 2026 (the "Effective Date"), by and between the Town of Erie Urban Renewal Authority, a Colorado urban renewal authority with an address of 645 Holbrook Street, Erie, CO 80516 ("TOEURA"), and SpenALu LLC, a Colorado limited liability company with an address of 18519 West 60th Avenue, Golden, CO 80403 ("Developer") (each a "Party" and collectively the "Parties").

Whereas, TOEURA and the Developer entered into that certain Reimbursement Agreement dated January 14, 2026 (the "Agreement"), whereby TOEURA agreed to reimburse the Developer for certain costs associated with the development and construction of a restaurant building (the "Project"); and

Whereas, the Parties desire to amend the Agreement to modify reimbursement terms, extend certain deadlines, provide for a lump sum payment, and revise the maximum reimbursement amount.

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

1. All recitals in the Agreement referring to a maximum reimbursement amount of Five Hundred Sixty-Six Thousand Dollars (\$566,000) are hereby amended to refer to a maximum reimbursement amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000).

2. The definition of "Reimbursement Amount" in Section 1 of the Agreement is amended to read as follows:

"Reimbursement Amount" means a maximum amount not to exceed Seven Hundred Twenty-Five Thousand Dollars (\$725,000), which includes (i) a one-time lump sum payment of Two Hundred Thousand Dollars (\$200,000) pursuant to Section 5.0, and (ii) reimbursement of sales tax increment pursuant to Section 5.2.

3. Section 3.1(a) of the Agreement is amended by replacing "December 31, 2026" with "December 31, 2027".

4. Section 4.1 of the Agreement is amended by replacing "June 30, 2025" with "June 30, 2026".

5. Section 5 of the Agreement is amended by the addition of a new Section 5.0 to read as follows:

5.0 Lump Sum Reimbursement Payment.

(a) Upon issuance and final approval of all required building permits for the Project by the Town, TOEURA shall pay Developer a one-time lump sum reimbursement in the amount of Two Hundred Thousand Dollars (\$200,000) (the "Lump Sum Payment").

(b) The Lump Sum Payment shall be part of the total Reimbursement Amount except that the Lump Sum Payment shall not be subject to the conditions precedent set forth in Section 3.1.

(c) TOEURA shall pay the Lump Sum Payment within thirty (30) days of Developer submitting documentation of building permit issuance for the Project to TOEURA.

(d) If the Developer fails to obtain a Certificate of Occupancy for the Project on or before December 31, 2027, then, upon written notice from TOEURA, Developer shall repay to TOEURA the Lump Sum Payment in the amount of Two Hundred Thousand Dollars (\$200,000 within ninety (90) days after such notice.

6. Section 5.2 of the Agreement is amended to read as follows:

5.2 Sales Tax Reimbursement.

Upon approval of the conditions set forth in Section 5.1, the Authority shall thereafter reimburse one hundred percent (100%) of the sales tax increment produced by the Project in an amount not to exceed Five Hundred Twenty-Five Thousand Dollars (\$525,000. Said reimbursement obligation shall terminate upon the first to occur of (a) receipt by Developer of the amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000, inclusive of the Lump Sum Payment, or (b) December 31, 2035, whichever occurs first.

7. Section 6 of the Agreement is hereby amended by replacing "Five Hundred and Sixty-Six Thousand Dollars (\$566,000)" with "Seven Hundred Twenty-Five Thousand Dollars (\$725,000)."

8. Section 10 of the Agreement is hereby amended to read as follows:

10. **Term.** Consistent with Section 5.2 of this Agreement, the term of this Agreement shall commence upon commencement of the Project and shall terminate upon the first to occur of (a) receipt by Developer of the amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000), inclusive of the Lump Sum Payment, or (b) December 31, 2035, whichever occurs first. Except that the following provisions shall continue beyond the term of this Agreement: (a) any

rights and remedies that a Party has for an Event of Default hereunder; and (b) the indemnification provisions set forth in Section 8.

Provided, however, that any rights and remedies for an Event of Default and the indemnification provisions set forth in Section 8 shall survive termination.

9. Section 15 of the Agreement is amended by the addition of a new subsection 15(c) to read as follows:

(c) The Developer's failure to obtain a Certificate of Occupancy for the Project on or before December 31, 2027, or the Developer's failure to repay the Lump Sum Payment in accordance with Section 5.0.

10. Section 17 of the Agreement is amended by replacing "June 30, 2025" with "June 30, 2026."

11. Entire Agreement; Amendment. This First Amendment, along with the Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter herein. Except as expressly amended hereby, all terms and provisions of the Agreement remain unchanged and in full force and effect and are hereby ratified and confirmed.

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

Town of Erie Urban Renewal Authority

Andrew J. Moore, Chair

Attest:

Debbie Stamp, Town Clerk

SpenALu, LLC
a Colorado limited liability company

By: ^{Signed by:} Alexander Figura - Spenalu LLC
02E2EBCB1A07475...
Alexander Figura, Manager

State of Colorado)
) ss.
County of _____)

Subscribed, sworn to, and acknowledged before me this _____ day of _____,
2026, by _____ as _____ of SpenALu LLC.

My Commission expires:

(Seal)

Notary Public

Certificate Of Completion

Envelope Id: 94E06364-C391-4146-828D-C720F1C9AA57
 Subject: Complete with Docusign: SpenALU 1st Amend Reimbursement Agreement 02-12-2026.pdf
 Source Envelope:
 Document Pages: 4
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Status: Completed
 Envelope Originator:
 Lori Bustamante
 645 Holbrook Street
 P.O. Box 750
 Erie, CO 80516
 lbustamante@erieco.gov
 IP Address: 50.206.104.130

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Signer Events

Alexander Figura - Spenalu LLC
 alexander@diomiopasta.com
 Owner
 Security Level: Email, Account Authentication
 (None)

Signature

Signed by:

 02E2EBCB1A67475...
 Signature Adoption: Pre-selected Style
 Using IP Address: 4.32.114.2

Timestamp

Sent: 2/12/2026 11:11:51 AM
 Viewed: 2/12/2026 12:53:53 PM
 Signed: 2/12/2026 12:54:17 PM

Electronic Record and Signature Disclosure:
 Accepted: 12/30/2024 9:43:21 AM
 ID: eec9f12c-d640-41c2-993f-f1d9a7c766ac

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Jack Hill
 jhill@erieco.gov
 Economic Development Director
 Security Level: Email, Account Authentication
 (None)

COPIED

Sent: 2/12/2026 12:54:18 PM
 Viewed: 2/12/2026 1:01:15 PM

Electronic Record and Signature Disclosure:
 Not Offered via Docusign

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/12/2026 11:11:51 AM
Certified Delivered	Security Checked	2/12/2026 12:53:53 PM
Signing Complete	Security Checked	2/12/2026 12:54:17 PM
Completed	Security Checked	2/12/2026 12:54:18 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Town of Erie (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Town of Erie:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docusign@erieco.gov

To advise Town of Erie of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at docusign@erieco.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Town of Erie

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to townclerk@erieco.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Town of Erie

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to docusign@erieco.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

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By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Town of Erie as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Town of Erie during the course of your relationship with Town of Erie.

Lease Agreement

This Lease Agreement (the "Agreement") is made and entered into this ____ day of February, 2026 (the "Effective Date"), by and between the Town of Erie Urban Renewal Authority with an address of 645 Holbrook Street, P.O. Box 750, Erie, Colorado 80516 (the "TOEURA"), and Ryno Retail, LLC d/b/a Plum Creek Garden Market, a limited liability company with an address of 7290 Kipling Street, Arvada, Colorado 80005 (the "Lessee") (each a "Party" and collectively the "Parties").

Now Therefore, for the consideration hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. Property

The TOEURA owns real property located at 150 S. Briggs, Erie, Colorado (the "Property"). Subject to the provisions of this Agreement, the TOEURA hereby leases the Property to Lessee.

Lessee has inspected the physical condition of the Property and receives the Property in "as is" condition, with all faults and defects. The TOEURA does not make and disclaims any warranty or representation whatsoever, express or implied, and shall have no obligation or liability whatsoever, express or implied, as to the condition of or any other matter or circumstance affecting the Premises.

II. Term and Termination

A. *Term.* The term of this Agreement shall commence on March 17, 2026, and shall end on July 17, 2026 (the "Term").

B. *Termination.* This Agreement may be terminated by the TOEURA, at its sole discretion, upon 30 days' prior written notice to Lessee.

III. Rent and Security Deposit

The rent shall be \$1,670 per month, payable on the first of each month. There shall be no security deposit, but upon termination, Lessee shall restore the Property to its original condition, ordinary wear and tear excepted.

IV. Use and Occupancy

A. *Use Limitations.* Lessee shall use the Property for a pop-up garden market and associated facilities, including without limitation fencing, parking, and temporary greenhouses. Lessee shall not use or permit the Premises to be used for any other purpose without the prior written consent of the TOEURA, which consent may be granted or withheld in the Town's sole discretion. Lessee shall not commit or suffer to be committed any waste or damage upon the Leased Premises or any nuisance to be created

or maintained thereon. Lessee shall also keep the Premises free and clear from all trash, debris, and waste resulting from its use or the use by its employees, officers, agents, invitees, and visitors.

B. *Alteration of Property.* Lessee may install all necessary components for use of the Property for a pop-up garden market. The TOEURA shall not be required to make any improvements to or repairs of any kind or character on the Premises during the term of this Lease, except as may be deemed necessary by the TOEURA. Lessee shall not, without the prior written consent of the TOEURA, make any alterations, improvements, or additions to the Property. Any approved alterations shall be performed at Lessee's sole cost and expense, in a good and workmanlike manner, and in compliance with all applicable laws, codes, and regulations. Lessee shall indemnify and hold the TOEURA harmless against any liability, loss, damage, costs or expenses, including attorneys' fees, on account of any claims of any nature whatsoever, including but not limited to claims of liens by laborers, material suppliers, or others for work performed, or materials or supplies furnished to Lessee or persons claiming under Lessee.

C. *Hazardous Materials and Substances.* Lessee shall at all times comply with all applicable laws, including without limitation all current and future federal, State and local statutes, regulations, ordinances and rules relating to, without limitation, the following: the emission, discharge, release or threatened release of a Hazardous Material into the air, surface water, groundwater or land; the manufacturing, processing, use, generation, treatment, storage, disposal, transportation, handling, removal, remediation or investigation of a Hazardous Material; the protection of human health, safety or the indoor or outdoor environment; all applicable environmental statutes of the State of Colorado; and all federal, State or local statutes, laws, ordinances, resolutions, Codes, rules, regulations, orders or decrees regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

D. *Maintenance.* Lessee shall keep and maintain the Property in a sanitary condition and comply with all fire, safety, health, environmental, building, zoning, anti-discrimination and all other laws regulating the use of the Property now or hereafter in force.

E. *Conduct.* Lessee shall not cause or permit any disorderly conduct, noise or nuisance upon or about the Property which may annoy or disturb other tenants located in the Property or persons on adjacent property.

F. *Damage.* If any part of the Property is damaged or destroyed through the intentional act, negligence, carelessness or abuse of or by Lessee, Lessee's agents, employees, contractors, or invitees, the cost of all necessary repairs and replacements shall be paid by Lessee to the TOEURA on demand.

G. *Covenant of Quiet Enjoyment.* The TOEURA covenants that Lessee shall enjoy quiet and undisturbed possession of the Property during the term period and any subsequent renewal term, subject to the terms and conditions of this Agreement.

H. *Entry and Inspection by the TOEURA.* The TOEURA and its agents and employees shall have the right to enter the Property at all reasonable times for the purpose of examination or inspection, and to make such alterations, repairs, improvements or additions to the Property as the TOEURA deems necessary or desirable.

I. *Signage.* Lessee shall have the right to install signs upon the Property with the TOEURA's prior approval. Lessee shall remove all such signs at the termination of this Agreement. Such installations and removals shall be made in such manner as to avoid injury or damage to the Property.

J. *Utilities.* Utility service shall be designated in the name of the TOEURA and shall pay for such costs directly. Lessee will have access to water and electric utilities on the Property.

V. Default

A. *Event of Default.* The failure by Lessee to comply with any provision of this Lease shall constitute a default of this Lease.

B. *Remedies.* Upon a default, the TOEURA may re-enter and take possession of the Property. In addition, the TOEURA may take any action at law or in equity to enforce performance of any obligation of Lessee under this Lease. The TOEURA's remedies shall be cumulative, and the exercise of one remedy shall not prevent the exercise of any other available remedy.

C. *Attorney Fees and Costs.* If the TOEURA brings suit to enforce any provision of this Lease or for recovery of the Property, the TOEURA shall be entitled to all costs incurred in connection with such action, including reasonable attorney fees.

VI. Indemnification

Lessee agrees to indemnify and hold harmless the TOEURA, and its officers, insurers, volunteers, representatives, agents, employees, heirs, and assigns from and against all claims, liability, damages, losses, expenses, and demands, including attorney fees, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement, to the extent caused by the act or omission of Lessee or Lessee's employees, volunteers, representatives, agents, or invitees.

VII. Insurance

A. *Coverages.* Throughout the term of this Agreement, Lessee shall maintain, at its sole cost and expense, insurance coverage meeting or exceeding the following requirements:

i. Commercial general liability insurance written on an occurrence form, in common use, including coverage for premises and operations, personal and advertising injury, products and completed operations, contractual liability, and broad form property damage, covering the Property and Lessee's use thereof against claims for bodily injury, death, and property damage occurring upon, in, or about the Property, with limits of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence, or such higher limits as may be required by the Town from time to time based on the nature of Lessee's operations.

ii. Coverage shall specifically include risks associated with makerspace operations, including but not limited to the use of tools, equipment, machinery, fabrication activities, educational programming, workshops, and community events involving members, volunteers, and participants.

iii. Workers' compensation insurance as required by the laws of the State of Colorado, together with employer's liability coverage as customary for similarly situated organizations.

iv. Property Insurance covering Lessee's tools, equipment, furnishings, inventory, and personal property located on or within the Property, written on a replacement cost basis. The Town shall have no responsibility for loss or damage to Lessee's property.

v. Additional coverages as the Town may reasonably require based on Lessee's specific operations, including coverage related to volunteers, special events, or higher-risk activities.

B. *Form.* All policies shall be issued by solvent insurance companies licensed to do business in Colorado. The commercial policy shall be written as a primary policy, which does not contribute to and is not in excess of coverage carried by the Town. Such insurance shall be in addition to any other insurance requirements imposed by law. The coverages afforded under the policies shall not be canceled, terminated or materially changed without at least 30 days' prior written notice to the Town. In the case of a claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain continuous coverage. Any insurance carried by the Town, its officers, its employees, or its contractors shall be excess and not contributory insurance to that provided by Lessee. Lessee shall be solely responsible for any deductible losses under any policy.

VII. Miscellaneous

A. *Integration.* This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

B. *Severability.* If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each provision of this Agreement shall be valid and enforceable to the extent permitted by law.

C. *Governing Law and Venue.* This Agreement shall be governed and construed in accordance with the laws of the State of Colorado, and any legal action arising out of this Agreement shall be brought in Boulder County, Colorado.

D. *Notice.* Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented or sent pre-paid, first-class United States Mail to the other Party at the address set forth on the first page of this Agreement.

E. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Parties and their respective heirs, successors, representatives, administrators, executors and devisees.

F. *Assignment and Subletting.* Lessee shall not assign this Agreement or sublet any portion of the Property.

G. *No Waiver.* A failure of a Party to enforce any term of this Agreement shall not be deemed to be a waiver of any other term of this Agreement.

H. *Subordination.* This Agreement is and shall be subordinate to all existing and future liens and encumbrances against the Property.

I. *No Joint Venture.* Notwithstanding any provision hereof, the Town shall never be a joint venture in any private entity or activity which participates in this Agreement, and the Town shall never be liable or responsible for any debt or obligation of any participant in this Agreement.

J. *Governmental Immunity.* Nothing herein shall be construed as a waiver of any protections or immunities the Town may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended.

K. *No Third-Party Beneficiaries.* There are no intended third-party beneficiaries to this Agreement.

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

Town of Erie Urban Renewal Authority, Colorado

Andrew J. Moore, Chairperson

Attest:

Debbie Stamp, Town Clerk

Lessee

DocuSigned by:
Matt Nemann
9165965F3155466...

Ryno Retail, LLC

State of Colorado)
) ss.
County of _____)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ___ day of _____, 2026, by _____ of Ryno Retail, LLC d/b/a Plum Creek Garden Market.

My commission expires:

(Seal)

Notary Public

Certificate Of Completion

Envelope Id: A15E4C6D-617F-4B70-854B-7FEA29D5B5B2
 Subject: Complete with Docusign: Plum Creek Market Lease Agreement 02-12-2026.pdf
 Source Envelope:
 Document Pages: 6
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Status: Completed
 Envelope Originator:
 Lori Bustamante
 645 Holbrook Street
 P.O. Box 750
 Erie, CO 80516
 lbustamante@erieco.gov
 IP Address: 50.206.104.130

Record Tracking

Status: Original
 2/12/2026 11:02:44 AM
 Holder: Lori Bustamante
 lbustamante@erieco.gov
 Location: DocuSign

Signer Events

Matt Niemann
 matt@plumcreekgardenmarket.net
 Security Level: Email, Account Authentication
 (None)

Signature

DocuSigned by:

 9165965F3155466...

Timestamp

Sent: 2/12/2026 11:07:42 AM
 Viewed: 2/12/2026 11:30:07 AM
 Signed: 2/12/2026 11:30:17 AM

Signature Adoption: Pre-selected Style
 Using IP Address: 2a04:4e41:e00:f3ec::9e17:b3ec
 Signed using mobile

Electronic Record and Signature Disclosure:
 Accepted: 2/12/2026 11:30:07 AM
 ID: 42d1cac4-e7d4-4785-990b-ec68bfde0353

In Person Signer Events

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Editor Delivery Events

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Agent Delivery Events

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Intermediary Delivery Events

Status

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Certified Delivery Events

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Carbon Copy Events

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Jack Hill
 jhill@erieco.gov
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