

MEETING NOTICE

LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY (4:00 P.M.)

June 13, 2022

**Cleveland Room at Desk Chair
201 East 4th Street in Downtown**

The Loveland Downtown Partnership and Downtown Development Authority are committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation, or gender. The LDP-DDA will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act.

For more information, please call our offices at 970.699.2856.

Agenda
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, June 13, 2022 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order**
2. **Roll Call**

4:05 pm

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

4:10 pm

4. **Approval of Minutes**

Regular Meeting – May 23, 2022

“I move to approve (deny) the minutes of the Regular Meeting of May 23, 2022.”

4:15 pm

5. **Discussion / Action Items**

- Update – Vitamin Cottage Agreement

“I move to approve (deny) the change of the eligible completion date for public improvements in the Vitamin Cottage Natural Food Markets Inc, Public Improvement Reimbursement Agreement from December 31, 2022 to September 1, 2023.”

- Board Member Recommendation

“I move to recommend to the Loveland City Council the appointment of Cheri Waneka, Kim Bernhardt, Kurtis Loomis and Christina Gressianu to the DDA Board for terms running July 1, 2022 to June 30, 2026”

- Funding RFP & Next Steps
- The Draper – Possible special meeting on June 27 – 4:00 p.m.
- Jacob Fellure – DDA Ambassador

5:15 pm

6. **City Council Report**
 - Fogle, City Council

5:20 pm

7. Adjourn

Meeting Minutes
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, May 23, 2022 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order** – Chair Steele, Jr called the meeting to order at 4:02 p.m.

2. **Roll Call** - All board members present except McFetridge, Wyrick and alternate Olson. Also in attendance: Leah Johnson, Bob Dehn, Kurt Scott, Robert Dehn, Vincent Junglass, Martina Wilkinson, Joe Olson, Hannah Hill, Bryan Wilde, Scott Schorling and Kelly Jones.

3. **Oath of Office for Christina Gressianu** – Deputy City Clerk Hannah Hill administered the Oath of Office.

4:05 pm

4. **Public Comment** (individual introductions / comments are limited to 3 minutes)
There were no public comments made at the meeting.

4:10 pm

5. **Approval of Minutes**
Regular Meeting – April 25, 2022

Bernhardt moved to approve the minutes of the Regular Meeting of April 25, 2022. Waneka seconded the motion which passed unanimously.

4:15 pm

6. **Discussion / Action Items**
 - 3rd Street Pedestrian Study – Next Phase Engineering – Joe Olson and Martina Wilkinson

Next Phase Engineering presented a recommendation for pedestrian crossings at both 3rd and Cleveland / Lincoln. While a signalized intersection is not recommended, a marked crosswalk is warranted by the data and would provide a much safer alternative to what is happening currently. A report of detailing the recommendation was presented to the board and will be shared with Katrina Cloverdale (CDOT) who will make the final determination. The board thanked Joe and Martina for their detailed analysis and appointed Patterson and Waneka to attend any upcoming meetings with CDOT.

- The Collection Project – Petition to Join the DDA

Hawkins read the details of a petition from the owners and developers of the Collection property (former Larimer County Building at 6th and Cleveland) to have their property removed from the Finley Block URA plan area and have them included in the DDA boundaries. This process and petition has been reviewed by Deputy City Attorney Vince Junglass and the process is authorized by the DDA State Statute. If approved by the DDA board, Hawkins would then forward the petition to the City of Loveland for consideration.

The Finley Block has only five years left which means a limited window to provide tax increment dollars towards public improvements associated with the project. Whereas the DDA could provide a 25-year window. While Hawkins has not discussed a possible investment from the DDA for the project, TIF Analysis from Anderson Analytics shows that the project could produce \$80,000 annually. Hawkins did say that he expects the financing request to include HIP Street improvements.

The developers (Bob Dehn, Kurt Scott and Robert Dehn) spoke to the board about details of the project and timetable.

Fogle motioned to approve the petition for the Collection property to be included in the DDA and authorize the Executive Director to send the petition to City Council for consideration. Bernhardt seconded the motion which passed unanimously.

- Painter’s Alley Redesign Kickoff

Russel Mills Studio and Hawkins hosted a kickoff session with adjoining property and business owners on the redesign of Painter’s Alley. The first issues that will be addressed include trash enclosure locations and electrical transformer locations. Easements may need to be purchased on private property. A second session will be held in mid-June.

- DDA Legal Services

Hawkins updated the board on a recent conversation with City Attorney Moses Garcia about the need for the DDA to retain separate legal services which could be paid from Fund 650. Hawkins had spoken with Fort Collins DDA Director Matt Robenalt about their legal counsel Josh Liley. Matt highly recommended him. Hawkins asked two board members to join him on an interview with Liley. Fogle and Patterson agreed to assist.

- Development Updates (4th and Garfield, Elks, Natural Grocers)

4th and Garfield – Hawkins updated the board on recent discussions with Cody Balzer on a new concept for the project. Hawkins expected to report more information shortly.

Natural Grocers- Hawkins reported that the Reimbursement Agreement will be presented to the Loveland City Council on June 21

- Executive Session

MOTION

(Confidential business development and economic incentive opportunity)

Pursuant to Colorado State law and the City of Loveland Charter, Waneka moved that the Loveland Downtown Development Authority recess into executive session concerning a confidential business development and economic incentive opportunity. Fogle seconded the motion which passed unanimously.

The executive session regarding the confidential business development proposal would be held:

- To determine a position relative to issues subject to negotiation, to receive reports on negotiation progress and status, to develop negotiation strategy, and to instruct negotiators as authorized by CRS § 24-6-402 (4)(e) and Charter Section 4-4(c)(1); AND
- To consider and discuss documents and materials related to these matters that are not subject to public inspection under the Colorado Open Records Act, as authorized by CRS § 24-6-402(4)(g).

Fogle motioned to exit the Executive Session and move back into regular session. Bernhardt seconded the motion which passed unanimously.

5:15 pm

7. City Council Report

- Fogle, City Council – Fogle spoke to the board about homeless issues and the City Council’s response to them.

5:20 pm

7. Adjourn

Bernhardt motioned to adjourn the meeting at 5:52 p.m. Fogle seconded, and the motion passed unanimously.

**VITAMIN COTTAGE NATURAL FOOD MARKETS, INC. PUBLIC IMPROVEMENT
REIMBURSEMENT AGREEMENT**

THIS VITAMIN COTTAGE NATURAL FOOD MARKETS, INC. PUBLIC IMPROVEMENT REIMBURSEMENT AGREEMENT (this "Agreement") dated as of _____, 2022, is made and entered into by and between the **LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY**, a body corporate and politic of the state of Colorado established pursuant to C.R.S. §31-25-801, et seq. (the "DDA" or "the Authority"); **VITAMIN COTTAGE NATURAL FOODS MARKET, INC.**, a Colorado corporation (the "Developer"); and the **CITY OF LOVELAND**, a Colorado municipal corporation (the "City") (the DDA, the Developer, and the City are individually referred to as a "party" and collectively as the "parties" and the DDA and the City may be referenced as "Governmental Entities").

RECITALS

All capitalized terms used, but not defined, in these Recitals, have the meanings ascribed to them in this Agreement. The Recitals are incorporated to this Agreement as though fully set forth in the body of this Agreement.

WHEREAS, the City is a Colorado home rule municipality with all the powers and authority granted pursuant to Article XX of the Colorado Constitution and its home rule charter (the "Charter"); and

WHEREAS, the DDA is a body corporate duly created, organized and authorized pursuant to Title 31, Article 25, Part 8, Colorado Revised Statutes (the "DDA Act") by a vote of the majority of qualified electors within the boundaries of the DDA at a special election held on February 10, 2015 and thereafter officially established by the Loveland City Council ("City Council") upon the passage of Ordinance No. 5927, and as revised by Ordinance No. 6115; and

WHEREAS, the DDA is a Colorado Downtown Development Authority, with all the powers and authority granted to it pursuant to the DDA Act; and

WHEREAS, on July 5, 2017, the City Council approved the Plan of Development ("Plan of Development") for the DDA, which was previously approved by the DDA by Resolution #R-52-2017, which established the plan for development or redevelopment of the DDA area (the "DDA District"); and

WHEREAS, the Plan of Development contains a provision for division of taxes that will be effective for thirty years following approval of the Plan of Development, or such longer period as authorized by the DDA Act; and

WHEREAS, the Plan of Development provides that the primary objectives of the DDA are to promote the safety, prosperity, security, and general welfare of the DDA District and its inhabitants, to prevent deterioration of property values and structures within the DDA District, to

prevent the growth of blighted areas within the DDA District, to assist the City in the development, redevelopment, and planning of the economic and physical restoration and growth of the DDA District, to approve the overall appearance, condition, and function of the DDA District, to encourage a variety of uses compatible with the artistic and cultural community, to sustain and improve the economic vitality of the DDA District, to promote the historic, artistic, and cultural elements of the DDA District, and to encourage pedestrian traffic and security in the DDA District; and

WHEREAS, the Developer seeks to redevelop the property generally known as 735 and 745 North Lincoln Avenue, Loveland, CO 80537 as more particularly described on **Exhibit A** attached hereto (the "Redevelopment Property"), and to construct certain Eligible Improvements (more particularly described in **Exhibit B**) within the Redevelopment Property (the "Project"); and

WHEREAS, the Developer proposes a complete rehabilitation and occupancy of the Redevelopment Property for a total Project cost of \$5,189,520 (excluding acquisition and other costs). The overall project involves a redevelopment of a former retail store into a specialty grocery location as further described and conceptualized in **Exhibit C**; and

WHEREAS, the Governmental Entities determined that the Project is necessary in order to remediate blight, and is consistent with and in furtherance of the public purposes of the Governmental Entities to reduce blight, promote economic vitality, and to facilitate economic activity; and

WHEREAS, in order to facilitate the acquisition, construction and installation of the Project, the Authority seeks to reimburse Developer for the cost of certain Eligible Improvements up to a maximum aggregate amount of Five Hundred Thousand dollars (\$500,000) (as further defined below, the "Reimbursement Amount") as set forth in this Agreement through the utilization of sales tax increment; and

WHEREAS, pursuant to the DDA Act and the Plan of Development, the DDA and the City may finance undertakings pursuant to the Plan of Development by any method authorized under the DDA Act or any other applicable law, including, without limitation, issuance of notes, bonds and other obligations in an amount sufficient to finance all or part of the Plan of Development; borrowing of funds and creation of indebtedness; advancement of reimbursement agreements; agreements with public or private entities; and loans, advances and grants from any other available sources; and the Plan of Development authorizes the Authority to pay the principal and interest on any such indebtedness from property and sales tax increments, or any other funds, revenues, assets or properties legally available to the Authority; and

WHEREAS, by adoption of the Plan of Development, the City Council and DDA Board made further findings that an agreement structured as this Agreement with the Developer provides significant social and economic benefits and meets a public purpose, including, without limitation, preventing deterioration of property values and structures within the DDA District, preventing the growth of blighted areas within the DDA District, assisting the City in the development, redevelopment, and planning of the economic and physical restoration and growth of the DDA District, improving the overall appearance, condition, and function of the DDA District, sustaining and improving the economic vitality of the DDA District, and increasing property and sales tax

revenues and, therefore, is in the best interests of City, the DDA and City residents; and

WHEREAS, this Agreement is subject to an annual appropriation of funds by City Council to repay a debt, loan, or advance pledged from sales tax increment received from the Project, to be reimbursed as set forth in this Agreement; and.

WHEREAS, the Parties have agreed to enter into this Agreement for the redevelopment of the Redevelopment Property in accordance with the DDA Act.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties contained in this Agreement, and other valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree to the terms and conditions in this Agreement.

AGREEMENT

1. **DEFINITIONS.** In this Agreement, unless a different meaning clearly appears from the context, capitalized terms are defined as follows:

"**Agreement**" means this Vitamin Cottage Natural Food Markets, Inc. Public Improvement 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 "**DDA**" means Loveland Downtown Development Authority, a body corporate duly created, organized and authorized pursuant to Title 31, Article 25, Part 8, Colorado Revised Statutes, which was formed by a vote of the majority of qualified electors within the boundaries of the DDA at a special election held on February 10, 2015 and thereafter officially established by the City Council upon the passage of Ordinance No. 5927, and as revised by Ordinance No. 6115.

"**City**" means the City of Loveland, Colorado, a home rule municipality and political subdivision of the State of Colorado organized and existing under a home rule charter pursuant to Article XX of the Constitution of the State of Colorado.

"**Commencement of Construction**" means the commencement by Developer of actual physical work on the Project, pursuant to a permit issued by the City.

"**DDA Act**" means the Downtown Development Authority Act under Title 31, Article 25, Part 8, Colorado Revised Statutes.

"**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 Vitamin Cottage Natural Food Markets, Inc., a Colorado corporation, and any successors and assigns approved in accordance with this Agreement.

"**Effective Date**" means the date of this Agreement.

"**Eligible Costs**" means, collectively, the reasonable and customary expenditures for the acquisition, design, construction and installation of the Eligible Improvements, including, without limitation, reasonable and customary soft costs and expenses, as set forth in **Exhibit B** attached hereto, as it may be amended hereunder. Eligible Costs also includes all reasonable and customary costs and expenses related to the engineering and design work for the Eligible Improvements. The maximum amount of Eligible Costs to be paid or reimbursed pursuant to this Agreement shall be the Reimbursement Amount as defined in this Agreement. All Eligible Costs are authorized for reimbursement under the DDA Act.

"**Eligible Improvements**" means the improvements set forth on **Exhibit B**, attached hereto as amended in accordance with this Agreement.

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

"**Pledged Revenues**" means the total aggregate principal amount of the Reimbursement Amount as defined in this Agreement, including the sales tax increment generated by the Redevelopment Property up to the Reimbursement Amount subsequent to satisfaction of the Sales Tax Increment Annual Threshold.

"**Project**" means the redevelopment of the Redevelopment Property by performing the Eligible Improvements.

"**Redevelopment Property**" means the real property, located at 735 and 745 North Lincoln Avenue, Loveland, CO 80537, as more particularly described in **Exhibit A** attached hereto.

"**Reimbursement Amount**" means a maximum amount equal to five hundred thousand dollars (\$500,000), which is the maximum amount that will be paid to Developer to reimburse Developer for Eligible Costs in accordance with the terms and provisions of this Agreement.

"**Sales Tax Increment Annual Threshold**" means the first one hundred fifty thousand dollars (\$150,000) in annual sales tax increment generated from the Project, which shall be retained by the City for the benefit of the DDA and thus not inclusive towards the Reimbursement Amount.

2. **FINANCING AND CONSTRUCTION OF PROJECT.**

2.1 **Construction of Project.** As set forth in Section 4, if Developer proceeds with the Project, Developer shall be responsible for acquiring, constructing and installing the Eligible Improvements, and shall be responsible for compliance, in all respects, with all requirements of the City, pursuant to the governmental approvals required from the City, by Developer, with respect to the Project.

2.2 **Financing the Eligible Improvements.** Developer shall be responsible for initially financing the costs and expenses in connection with the acquisition, construction and installation of the Eligible Improvements which financing may be provided by a financial institution or investor loaning the funds to the Developer and securing such loan with a deed of trust encumbering the Redevelopment Property, 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 Eligible Costs from sales tax increment generated by the Project pursuant to the terms and provisions of this Agreement:

A. Developer shall have completed the Project, as evidenced by issuance of a certificate of occupancy by the City or other evidence of completion customarily used in the City to confirm completion of the Eligible Improvements by September 1, 2023. The Executive Director may, upon written request of the Developer, grant one or more extensions for completion. Failure to satisfy the conditions of this subparagraph, without an extension from the Executive Director, shall result in automatic termination of this Agreement and the Governmental Entities shall have no obligations to Developer and no reimbursement shall be due; and

B. Developer shall comply with the reimbursement process and requirements set forth in paragraph 5.1. The City shall not be obligated to reimburse Developer until Developer has complied with the aforementioned reimbursement process and requirements to the reasonable satisfaction of the City and the DDA; and

C. No Events of Default by Developer shall have occurred and be continuing under this Agreement, after expiration of all applicable grace, notice, and cure periods; and

D. To the extent this Agreement constitutes a multiple fiscal year debt or financial obligation of the City, it shall be subject to annual appropriation pursuant to the City of Loveland Municipal Charter Section 11-6 and Article X, Section 20 of the Colorado Constitution. The City shall have no obligation to begin or continue this Agreement in any fiscal year in which no such appropriation is made; and

E. The failure of Developer to fulfill the conditions precedent to reimbursement outlined in this paragraph 3, except subpart (D), in whole or in part, shall relieve the City from any obligation to reimburse the Developer for reasonable costs of the Eligible Public Improvements associated with the redevelopment of the Property and this Agreement shall be terminated.

4. **DEVELOPER.**

4.1 **Acquisition, Construction and Installation of Project.** This Agreement shall not

obligate Developer to proceed with the Project. If Developer proceeds with the Project, Developer shall be responsible for the financing, design, acquisition, construction and installation of the Eligible Improvements, subject to the provisions in this Agreement regarding reimbursement of Eligible Costs in accordance herewith. The design and construction of the Project shall comply in all material respects with all applicable codes and regulations of entities having jurisdiction, including, specifically, any and all City requirements. The Project shall be completed as generally provided on **Exhibit C**.

4.2 **Access to Property and Sales Tax Records**. Subject to the terms and restrictions of any leases and/or other documents encumbering the Redevelopment Property, Developer will permit representatives of the Authority access to the Redevelopment 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 and the Plan of Development. The Authority shall not interfere with the construction, operation, or use of the Redevelopment Property in connection with any such access, and shall comply with all laws, including, without limitation, OSHA requirements for entry onto a construction site. Developer hereby expressly provides consent to the DDA to obtain quarterly sales tax data from the City Sales Tax Division solely for purposes of measuring performance under this Agreement.

4.3 **[Reserved.]**

4.4 **Notification of Sale of Property**. Developer shall provide written notice to the Authority of the sale, conveyance or assignment of all or any portion of the Redevelopment Property by Developer during the term of this Agreement, and any such sale, conveyance or assignment of the Redevelopment Property shall be subject to the provisions of Section 6 of this Agreement.

5. **GOVERNMENTAL ENTITIES**.

5.1 **Payment of Reimbursement Amount**. Upon compliance with the conditions precedent set forth in Section 3.1 and Section 4.1, the Governmental Entities agree to reimburse Developer for Eligible Costs incurred in connection with the acquisition, construction, and installation of Eligible Improvements in an amount up to the Reimbursement Amount as follows:

A. Annually, beginning upon the first full calendar year subsequent to satisfaction of paragraph 3.1 (A), and then in each calendar year thereafter this Agreement is in effect, and upon annual satisfaction of the Sales Tax Increment Annual Threshold, Developer shall be eligible for reimbursement up to the Reimbursement Amount, for up to a period of ten (10) years from the date upon which the certificate of occupancy for the Reimbursement Property is issued. This Agreement shall terminate automatically, unless evidenced otherwise in writing by the Executive Director, if Developer fails to generate sufficient sales tax increment equal to the Reimbursement Amount by the aforementioned ten (10) year period. The Sales Tax Increment Annual Threshold shall not be accounted towards the Reimbursement Amount.

B. In addition to all other relevant provisions of this Agreement, in order to receive

reimbursement for Eligible Public Improvements under this Agreement, and described within the estimated budget found in **Exhibit B**, the Developer shall furnish to the DDA, or DDA's agent, and the City the documents described in subparagraphs (C) and (D) of this paragraph 5.1.

C. A request for payment ("Request for Payment") that specifies the amount of funds requested, and the Public Improvements completed under **Exhibit B** and in this Section.

D. A certification by Developer, as of the date of the Request for Payment for all Public Improvements, shall be provided to the Governmental Entities prior to reimbursement and shall specifically include: (1) the total amount of the Request for Payment; and (2) that the Request for Payment covers only Eligible Public Improvements that conform with the Project and have satisfied all applicable provisions in paragraph 3; and (3) that the Developer has received no notice and has no knowledge of any lien or claim of lien filed or threatened against the Project and all contractors have been paid; and (4) that all work and materials furnished for the Project through the date of the Request for Payment conform with the plans and specifications approved by the City and DDA as set forth in **Exhibits B** and **Exhibit C**; and (5) an itemized statement of the invoices reflecting work completed on the Eligible Public Improvements.

E. The DDA may conduct inspections, and/or hire a third party, to verify in the field the public improvements to invoices submitted.

F. Upon review and approval by the City of the Request for Payment, the City shall calculate sales tax increment beginning the first full year of operation. The City shall complete the calculation at the end of the year and submit a reimbursement payment to Developer in accordance with this Agreement. The City, in its sole discretion, may issue partial payment for Project components that comply with this Agreement and withhold payment for Project components that do not comply with the Agreement, until such time as full compliance is achieved by the Developer. In the event that the City or the DDA finds the developer in non-compliance, a written notice with a detailed description of the failure to comply shall be provided by the Executive Director.

5.2. **Approval of Site Plan and Elevations.** The Authority shall review and approve the site plan and elevations prior to Developer submitting the same to the City to assure that the Project is consistent with the provisions of this Agreement.

5.3 **[Reserved.]**

5.4 **No Impairment.** The Governmental Entities will not enter into any agreement or transaction that impairs the rights of the Parties including, without limitation, the right to receive and apply the Pledged Revenue in accordance with the terms and provisions of this Agreement.

6. **ASSIGNMENT OF REIMBURSEMENT AMOUNT.** Because of the unique nature of this Agreement, and the fact that the Authority and Developer are using the best available

information to anticipate the performance of the Project under this Agreement, the Parties hereby agree that if Developer sells, conveys, or otherwise assigns the Redevelopment Property and the obligations of this Agreement to a third party during the term of this Agreement (collectively, the "Future Conveyance"), other than an assignment to a single purpose entity established by Developer or its members, in which Developer and/or its members control such entity, to acquire the Redevelopment Property ("Acquisition Party"), the Future Conveyance shall terminate this Agreement upon execution of any applicable agreement facilitating conveyance to an Acquisition Party.

7. **INSURANCE.** On or prior to the Commencement of Construction, Developer will provide the Governmental Entities with certificates of insurance showing that Developer is carrying, or causing prime contractors to carry, at a minimum, 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 injury of One Million, Dollars (\$1,000,000) with each occurrence up to One Million Dollars (\$1,000,000), with deductible of Ten Thousand Dollars (\$10,000) per claim. Excess liability shall be covered in an amount equal to Two Million Dollars (\$2,000,000) per occurrence, Five Million Dollars (\$5,000,000) aggregate.

8. **INDEMNIFICATION.** From Commencement of Construction of the Project through completion Developer agrees to indemnify, defend and hold harmless the Governmental Entities, their respective 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 reasonable attorneys' 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 Governmental Entities, or any arising by, through, or under the Governmental Entities.

9. **REPRESENTATIONS AND WARRANTIES.**

9.1 **Representations and Warranties by the Governmental Entities.** The Governmental Entities represents and warrants as follows:

A. The Governmental Entities, collectively, have the power to enter into and have taken all actions to date required to authorize this Agreement and to carry out its obligations.

B. The Governmental Entities know of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the Governmental Entities or their respective 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 Governmental Entities, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency, applicable laws of appropriation and prohibitions against multiyear fiscal obligations, 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 Colorado corporation 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, or investigation or threat of 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.

F. The Developer shall restrict the Redevelopment Property from those uses set forth

in Exhibit D.

10. **TERM.** The term of this Agreement is the period commencing on the Effective Date and terminating on the date that the Reimbursement Amount is paid in full by the Governmental Entities from the Pledged Revenues; or ten (10) years from the issuance of the certificate of occupancy for the Project, whichever first occurs, but subject to the provisions of Section 6 in the event of a Future Conveyance; provided that the following provisions shall continue beyond the term of this Agreement: (i) any rights and remedies that a Party has for an Event of Default hereunder; (ii) any rights that a Party has to inspect books and records as set forth herein for a period of four (4) years following termination of this Agreement; and (iii) 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 City, an employee of the Authority or of the City who exercises responsibility concerning the Plan of Development, or an individual or firm retained by the City or the Authority who has performed consulting services to the City or the Authority in connection with the Plan of Development 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 Eligible Improvements and in the use and occupancy of the Redevelopment Property and the Eligible Improvements, 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 (in which case, such notice shall be deemed received on the next business day), by certified mail or registered mail, postage prepaid return-receipt requested (in which case, such notice shall be deemed received five (5) business days after being deposited in the U.S. Mail), by electronic or facsimile delivery (in which case, such notice will be deemed received on the same day if sent prior to 5:00 p.m. on a business day, or, otherwise, on the next business day), 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 below 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.

If to the City:

Stephen C. Adams
City Manager
City of Loveland
500 East Third Street, Suite 330
Loveland, CO 80537

If to the DDA: Sean Hawkins, Executive Director
Loveland Downtown Partnership
Downtown Development Authority
350 N. Cleveland.201 East 4th Street
Loveland, CO 80537

If to the Developer: Vitamin Cottage Natural Food Markets, Inc.
Attn: General Counsel
12612 W Alameda Pkwy
Lakewood, CO 80228

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, pandemics, 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 has a material adverse effect upon the other Party.

B. So long as the Reimbursement Amount has not been paid in full, the Governmental Entities fail to remit the Pledged Revenues to Developer in accordance with the terms of this Agreement.

C. 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 thirty (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 Developer at any time prior to the Commencement of Construction of the Project. This Agreement may be terminated under any relevant provision of this Agreement as follows:

In order to terminate this Agreement, a Party shall provide written notice of such termination to the other Party. Such termination shall be effective thirty (30) days after the date of such notice, without any further action by the Parties, unless prior to such time, the Parties are able to negotiate in good faith to reach an agreement to avoid such termination. Upon such termination, this Agreement shall be null and void and of no effect, and no action, claim or demand may be based on any term or provision of this Agreement, except as otherwise expressly set forth herein. In addition, the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination.

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 or gross negligence, 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 for an assignment to the Acquisition Party and a Future Conveyance, this Agreement shall not be assigned in whole or in part by any Party without the prior written consent of the other Party, and such assignment shall be subject to the provisions of Section 6 of this Agreement.

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, necessary to carry out this Agreement or 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. **GOVERNING LAW**. The laws of the State of Colorado govern this Agreement.

26. **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 Sections 6 and 20.

27. **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.

28. **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.

29. **NO PRESUMPTION**. The Parties and their attorneys 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.

30. **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.

31. **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.

32. **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.

33. **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.

34. **NO WAIVER OF IMMUNITY.** Nothing contained in this Agreement constitutes a waiver of sovereign immunity or governmental immunity by the Governmental Entities under applicable state law.

[The remainder of this page is intentionally left blank.]

Vitamin Cottage Natural Food Markets, Inc., a Colorado Corporation

By: _____

Print Name: _____

Print Title: _____

STATE OF COLORADO)
) ss.
County of Larimer)

The foregoing instrument was acknowledged before me this ____ day of _____, 202__ by _____ as _____ of Vitamin Cottage Natural Food Markets, Inc., a Colorado Corporation.

Witness my hand and official seal. My commission expires: _____

Notary Public

(S E A L)

Loveland Downtown Development Authority, a body corporate and politic of the State of Colorado

By: _____

Print Name: _____

Print Title: _____

STATE OF COLORADO)
) ss.
County of Larimer)

The foregoing instrument was acknowledged before me this ____ day of _____, 202__ by _____
(print name) as _____ (title) of the Loveland Downtown Development Authority.

Witness my hand and official seal. My commission expires: _____

Notary Public

(S E A L)

City of Loveland, a Colorado municipal corporation

By: _____
Stephen C. Adams, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

Vincent Junglas, Deputy City Attorney

EXHIBIT A
Legal Description of Property

745 N. Lincoln Avenue - THE N 80 FT OF LOTS 1 THRU 4, BLK 6, LOV

735 N. Lincoln Avenue - S 60 FT OF LOTS 1 THRU 3 & LOT 4 & S 40 FT OF E 12 FT OF 5, BLK 6, LOV

EXHIBIT B
Eligible costs

Summary of Selected Costs for Reimbursement

1. Cornice and Increased Covered Walkway - **\$175,000** – Pursuant to the City’s Downtown Design Standards, the cornice is designed to be more pronounced, and a longer covered walkway is included around the entrance and front of the building. These architectural enhancements will help to enhance the visual depth of the project and provide more human scaled and pedestrian centric features for the building and the neighborhood, which exceed the established standards for a prototypical store.
2. Increased Windows - **\$55,000** – Pursuant to the City’s Downtown Design Standards, the number of windows is increased on the main street facing elevations to further enhance the human scaled elements of the building. This Eligible Public Improvement also exceeds the established standards for a prototypical store.
3. Building Articulation - **\$107,500** – Pursuant to the City’s Downtown Design Standards, the exterior walls of the building are varied more in plane than would be designed on a prototypical Project store. This works to further the visual interest and scale of the building.
4. Cladding Materials - **\$138,500** – Pursuant to the City’s Downtown Design Standards, exterior materials are utilized which add to the visual texture of the building and relate to the other historic building materials in the neighborhood. These also represent an increase in scope beyond that of a prototypical store.
5. Open Space - **\$118,000** – Pursuant to the City’s Downtown Design Standards, an open space will be provided to serve as a benefit to pedestrians and customers. This includes an enhanced tree lawn, landscaping and pedestrian improvements, including lighting.
6. Burying of Utility Lines - **\$60,000** - Developer will bury the overhead power lines on the North and East sides of the property to visually enhance and provide greater overall power stability and resiliency to relevant structures.

Exhibit C

Natural Grocers Downtown Loveland Project

735 & 745 N. Lincoln Ave.
Loveland, Colorado

presentation to the Loveland Downtown Development Authority and
The City of Loveland
November 8, 2021

Natural Grocers History

- Natural Grocers by Vitamin Cottage was established in 1955 by Margaret and Philip Isely, parents of the current leadership. They started the business by going door-to-door in Golden, Colorado, selling whole-grain bread and sharing nutrition information with people they met.
- The Iselys found that the more health and nutrition knowledge their neighbors possessed, the healthier the food they wanted. Their door-to-door business was successful enough that within a short time they were able to open their first retail location – a modest storefront that looked like a cottage. And, yes, that's where the original name, Vitamin Cottage, comes from. Over the years, Vitamin Cottage has grown from a "mom and pop" business to a 160+ store chain with over 3,000 employees.
- More than 65 years after the company was founded, the commitment to service to customers has never changed. Exceptional customer service, free nutrition and health information, highest quality products at affordable prices, good jobs that support a balanced life, and minimal impact on the earth ecosystem.
- Natural Grocers by Vitamin Cottage was established in 1955 by Margaret and Philip Isely, parents of the current leadership. They started the business by going door-to-door in Golden, Colorado, selling whole-grain bread and sharing nutrition information with people they met.
- Today, Natural Grocers has 41 stores in Colorado, and growing.

Natural Grocers Five Founding Principles

- *Nutrition Education*
- *Highest Quality Natural and Organic Standards*
- *Always Affordable Pricing*
- *Supporting our Communities*
- *Commitment to our Crew Members*

The Natural Grocers Pledge

- We sell only 100% certified organic produce.
- We only sell eggs from free range and pasture-based chickens.
- Our groceries do not contain artificial flavors, preservatives, colors or sweeteners.
- Our groceries do not contain hydrogenated oils or added trans fats.
- Our fresh & frozen meats are naturally raised without the use of antibiotics, artificial hormone implants or animal by-products, and our fresh dairy products come from cows that are pasture raised without GMO alfalfa.
- We do not sell irradiated foods.
- All of our bulk nuts & flours are refrigerated and pre-packaged for freshness and sanitation.
- All products sold in our stores are screened by buying committees to make sure that the products meet our standards.
- Always Affordable Pricing. We believe that natural foods should be affordable to everyone, so we price our products at an everyday affordable price. This means we sell our products at a price you can afford. We believe our prices are the best in the marketplace.
- We believe education is the foundation for good health. We continually educate our staff about nutrition and health so they can help and educate you, the customer. In addition, most of our stores have a certified Nutritional Health Coach on staff. We also offer free public seminars on nutrition each month at many of our stores.
- We offer the best customer service in the business.

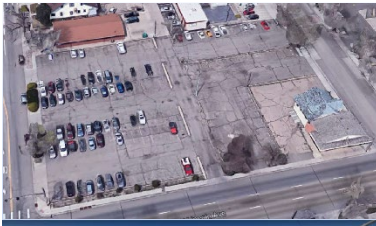
Our Loveland Project Will Support DDA Goals

- **Drive Job Creation in Loveland.** At maturity, our Loveland store will employ approximately 35 crew members, including a store manager, an assistant store manager and a nutritional health coach.
- **Bring Healthy, Affordable Food Options to Downtown.** Our store will bring affordable natural and organic foods, vitamins and supplements, and world class customer service to Downtown Loveland.
- **Eliminate Blight and Revitalize Downtown Loveland.** Our development will convert a series of poorly maintained parking lots and a long-abandoned dilapidated building into a modern specialty grocery store and community hub.
- **Encourage Future Redevelopment.** Our project will support future growth and urban renewal by serving as a retail anchor to the downtown core improving the viability of future development efforts.



Feature	Cost
Comice and Increased Covered Walkway	\$175,000.00
Increased Windows	\$55,000.00
Building Articulation	\$107,500.00
Cladding Materials	\$138,500.00
Open Space	\$118,000.00
Burying Overhead Lines	\$60,000.00
Total	\$654,000.00

Total DDA Investment Request: \$654,000.00





How Incentive Funding Will Be Used

Features
Cornice and Increased Covered Walkway
Increased Windows
Building Articulation
Cladding Materials
Open Space
Burying Overhead Lines
Total

Enhanced Architectural Features and Design



Natural Grocers Longmont Store

VS.



Natural Grocers Proposed Loveland Store



Natural Grocers Greeley Store

Cornice and Increased Covered Walkway: \$175,000.00

Per the City of Loveland's Downtown Design Standards, the cornice was designed to be more pronounced, and a longer covered walkway was included around the entrance and front of the building. These architectural enhancements help to enhance the visual depth of the project and provide more human scaled and pedestrian centric features for the building and the neighborhood and exceed the established standards for a prototypical Natural Grocers store.



Increased Windows: \$55,000.00

Per the City of Loveland's Downtown Design Standards, the number of windows was increased on the main street facing elevations to further enhance the human scaled elements of the building. This also exceeds the established standards for a prototypical Natural Grocers store.



Building Articulation: \$107,500.00

Per the City of Loveland's Downtown Design Standards, the exterior walls of the building were varied more in plane than would be designed on a prototypical Natural Grocers store. This works to further the visual interest and scale of the building.



Cladding Materials: \$138,500.00

Per the City of Loveland's Downtown Design Standards, exterior materials were utilized which all to the visual texture of the building and relate to the other historic building materials in the neighborhood. These also represent an increase in scope beyond that of a prototypical Natural Grocers store.



Open Space: \$118,000.00

Per the City of Loveland's Downtown Design Standards, and request by the zoning department and other municipal agencies an open space has been provided to serve as a benefit to pedestrians and customers. This includes an enhanced tree lawn, landscaping and pedestrian improvements, including lighting. While this is more than would typically be provided for a Natural Grocers, it provides a great way to visually and experientially integrate the store with the community.



Burying of Utility Lines: \$60,000.00

Per the City of Loveland's request we will bury the overhead powerlines on the North and East sides of the property



Development Project Timeline

- Submit Preliminary Plans for City Approval: November
- Receive City Permits: February/March 2022
- Construction Period: March 2022 - September 2022
- Store Opening: September 2022

Estimated Project Budget: \$5,189,520.00

Obtain a Code		0.000
Phase 1 Environmental Study		0.000
Approval		0.000
Survey		0.000
Development Cost		4,820,433
DEV 1. Site Preparation	414,550	414,550
DEV 2. Site Utilities & Site Work (including sewer tap fee)	6,288,900	9,800,547
DEV 3. Foundation & Concrete	21,100	220,500
DEV 4. Masonry	22,000	124,000
DEV 5. Metals	3,284,800	3,600,000
DEV 6. Carpentry	8,000	250,000
DEV 7. Insulation & Roofing	2,600,000	2,600,000
DEV 8. Doors & Windows	6,400	104,433
DEV 9. Finishes	2,000,000	2,000,000
DEV 10. Signage	3,000	30,000
DEV 11. Equipment	7,000,000	7,000,000
DEV 12. Furniture	0	0
DEV 13. Electrical	36,000	385,663
Plumbing & HVAC		1,000,000
IT & Telecommunications System		120,000
Subtotal	\$ 5,080,970	\$ 4,820,433
Soft Cost		236,237
Builder's Contingency 5%	19,000	2,200
Builder's Risk Insurance	219	2,200
Subcontractor	8,100	70,000
Unallocated Engineering	1,000	1,000
Civil Engineering	1,200	1,000
ME: Testing	800	800
Owner's Risk	1,000	1,000
Total	\$ 5,189,520	\$ 5,189,520

Questions

Exhibit D
Restricted Uses

No Portion of the Redevelopment Property or Project, or any building, structure or improvement presently or subsequently erected on the Redevelopment Property, shall be used for any of the following uses for the term of the Agreement:

1. Indoor housing or raising of animals;
2. Pawn shops;
3. Skateboard Park;
4. Retail motor vehicle sales, rental or repair;
5. Check cashing or payday loan businesses;
6. Self-storage units;
7. Gun stores;
8. Recycling collection and/or processing facilities;
9. Retail car wash;
10. Clubs or lodges;
11. Crematorium;
12. Junkyard;
13. Jails, detention and penal centers and facilities;
14. Retail gas station;
15. Long-term care facilities;
16. Dairy processing plant;
17. Laundry and dry-cleaning plants; and
18. Retail laundry and dry cleaning establishments.

District Organization Funding Services RFP – Downtown Loveland Partnership and Loveland Downtown Development Authority.

The Loveland Downtown Partnership (LDP) and Downtown Development Authority (DDA) are seeking consultant services to work with our downtown and government stakeholder community on possible funding options for downtown services in Loveland's Downtown District.

Current Situation:

The LDP Partnership was formed in 2015 to help build momentum to pass a Downtown Development Authority that could fund both private and public improvements in the Loveland Downtown District. The City of Loveland aided this effort by providing \$5,000,000 in operational funding (\$500,000 per year for ten years) while a board of downtown stakeholders led the efforts. The LDP contract with the City of Loveland expires at the end of 2024.

After more than seven years of work, the results of this effort are showing annual sales tax growth over 20% a year in the downtown district. Downtown is heading in a very positive direction.

The Loveland DDA was authorized by voters in February 2015. A debt issuance and associated mill levy did not pass in both the Fall 2015 and Fall 2016 elections. Finally, in 2017 after changing the boundaries of the district to remove some residential no votes, voters did authorize a \$61,000,000 debt issuance for the DDA but without an associated mill levy to fund district operational services. The DDA is currently staffed by a full time Executive Director, full time Marketing Manager and a part time Events Manager all paid through the City of Loveland contract with the LDP. In addition, LDP staff raises an additional \$200,000 annually in sponsorship and event revenue to fund promotional events in the downtown district. Overall, the LDP annual budget is in the \$800,000 range.

The LDP annual budget pays for a variety of downtown projects including façade grants, beautification efforts, event production, graphic design and outreach to the community. These services could go away if a funding plan and successful voter approved source isn't implemented. In addition, maintenance, parking services and safety services have declined in recent years due to funding cuts to the City of Loveland budget.

In addition to the LDP and DDA, the downtown district is also serviced by General Improvement District #1 which was formed in 1967.

Scope of Services:

1. Educate both LDP / DDA Boards on all the funding options available in Colorado to fund downtown operations and the positives and negatives of each (Mill levy/Business Improvement District/Public Improvement Fees/Sales Tax)

2. Examine all current funding options used in downtown Loveland and make recommendations on how they could be improved, expanded, updated or better communicated to the downtown community.
3. Lead outreach to business and property owner stakeholder groups to explain funding options, generate a ranked list of projects and services they would want to fund to confirm a preferred funding option for consideration by the downtown voters
4. Lead outreach with City of Loveland staff on the importance of further investment into downtown operations and assist in gaining their financial commitment beyond the ten-year term of the current services agreement.

Project Start Date:

The LDP / DDA board anticipate starting this project in September 2022.

Submittals:

If you are interested in submitting for this RFP, please submit a proposal that includes the following information at a minimum:

- Statement of qualifications to perform this work and experience working in similar districts and communities like Loveland.
- Proof of successful voter led funding initiatives in other downtown districts.
- A sample methodology of how you would engage with downtown stakeholders on funding options.
- Sample pricing for services. Upon selection of a firm, the LDP / DDA Executive Director will work with the consultant to finalize the scope or work and contract pricing.

Due date – July 15, 2022 by 5:00 p.m.

Proposals to be submitted via email to shawkins@lovelandpartnership.org.

Questions can be submitted to Sean Hawkins via the above email or by phone at 970-699-2856.

Attachment:

- 1) 2022 Services Agreement between Loveland Downtown Partnership and City of Loveland
- 2) DDA Map
- 3) GID #1 Map
- 4) Downtown Districts Map