

PREDEVELOPMENT RETAINER AGREEMENT

THIS PREDEVELOPMENT RETAINER AGREEMENT (the "Agreement") is entered into as of the 27th day of September 27, 2017, by and between the COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority"), and Norwood Development, LLC, (the "Developer").

RECITALS:

WHEREAS, a Conditions Study will be completed for the study area as shown on Exhibit A (as may be modified pursuant to Section 5 below);

WHEREAS, based on the determination of blighted conditions present in the study area, an urban renewal plan or plans (collectively, the "Plan") will be prepared for all or a portion of the study area as determined by the Developer and the Authority;

WHEREAS, Developer is the owner of private property (or intends to obtain agreements with other property owners to allow the inclusion of their properties in the Plan) (the "Property") and all such Property would be subject to the Plan;

WHEREAS, Developer intends to develop the Property in accordance with the uses to be specified in the Plan;

WHEREAS, the parties anticipate that a Redevelopment Agreement setting forth the improvements to be constructed by Developer in furtherance of the Plans and any reimbursement or other public finance provisions related thereto ("Redevelopment Agreement") and the other project's agreements (as defined below) will be negotiated, drafted and entered into in the future setting forth in detail the agreements between the Authority and the Developer relating to development of all or a portion of the Property and use of the tax increment financing generated within the areas included within the Plan.

NOW THEREFORE, in consideration of the above recitals and the covenants and conditions of this Agreement, the parties agree as follows:

1. The Developer shall pay to the Authority, upon the execution of this Agreement, a retainer deposit in the amount of \$60,000.00 in immediately available funds (the "Deposit"). The Deposit is intended to secure the obligation of the Developer to compensate the Authority for reasonable costs and expenses of the Authority, an estimate of which is shown on Exhibit B, in connection with undertaking, without limitation, the Conditions Study, City Council approval of the Plan and the negotiation, drafting, execution and performance of (i) the Redevelopment Agreement, (ii) a Sales Tax Cooperation Agreement with the City of Colorado Springs, and (iii) other inter-governmental agreements between the Authority, Developer, City, County, School Districts and/or other taxing authorities related to the foregoing (collectively, the "project's agreements").

2. The Authority will deposit the Deposit into an account owned by the Authority. If the account is an interest-bearing account, all interest will accrue and be added to the amount of the Deposit.

3. The Authority shall be entitled to withdraw funds from the Deposit from time to time, subject to the provisions of Section 5, for reasonable costs and expenses incurred in connection with the project's agreements. Such expenses shall include, but shall not be limited to, studies (such as economic impact reports, market feasibility studies, etc.), legal fees, financial review, time allocated by Authority's staff to the project (billed at the following initial rates, subject to reasonable increases from time to time upon notice to Developer: Executive staff \$250.00 per hour, administrative office staff \$35.00 per hour, plus 15% of the foregoing hourly rates for office overhead), hard costs and expenses, and other third-party consultants' fees and expenses.

4. The Authority shall periodically (but no less often than quarterly) send to Developer a written reconciliation summary of its use of the Deposit. At such time as the initial Deposit is less than \$3,000.00, (or reasonably projected to be less than \$3,000.00 based upon anticipated necessary expenditures in connection with the project's agreements), the Authority shall notify Developer of the amount of additional funds needed to replenish the Deposit. The Developer shall pay such additional amount within ten (10) days of the date of such notice. Any such payments will be made pursuant to the provisions of Section 5 regarding a scope of work (the "Scope") agreed to among the parties to this Agreement. The parties to this Agreement understand that the total cost for any Scope may not be known in advance. However, the Authority will provide an estimate of cost for each Scope, which shall not be binding on the Authority but which will provide the Developer with an estimate for its budgeting purposes. The Authority (its staff and consultants) shall be entitled to cease all work on the project until such time as the additional funds have been received. Upon completion of the project agreements, or earlier upon a written agreement which specifically supersedes the payment provisions of this Agreement, any funds remaining in the Authority's project account shall be returned to the Developer.

5. Upon payment of the Deposit, the parties hereto will proceed with good faith and reasonable diligence to finalize the Conditions Study and Urban Renewal Plan.

The Authority and the Developer agree that work necessary to the documentation and implementation of the Plan should proceed based upon a mutually agreed upon Scope. The purpose is to allow both parties to focus their efforts on the agreements, studies, financial analysis and other work products deemed timely, to direct the financial resources towards the costs associated with each scope of work and to allow the parties to make reasonable estimates regarding the funding requirements of Section 4 above. The initial Scope shall include, as necessary and appropriate:

A. Preparation of a Conditions Study and Urban Renewal Plan (in the Board's discretion) as per the Scope of Services prepared by DGC Community Planning and Design dated September 21 22nd, 2017, with the understanding that Developer may modify or reduce the study area or Plan area.

B. Preparation and execution of a Cooperation Agreement (with board approval) between the City of Colorado Springs and the Authority.

C. Preparation and execution of a Redevelopment Agreement (with board approval) between the Authority and the Developer.

D. Preparation and execution of inter-governmental agreements between the Authority, Developer, City, County, School Districts and/or other taxing authorities (with board approval) related to the foregoing.

6. In the event Developer fails or refuses to pay the additional sums required pursuant to Section 4 above, in addition to the Authority's right to cease all further work on the project, to the extent the Authority is obligated to pay (or entitled to reimbursement of) sums reasonably incurred in furtherance of this Agreement, the Authority shall be entitled to collect all such sums from the Developer, and Developer shall be liable to pay such amounts to the Authority. Additionally, the Authority shall be awarded all costs and expenses incurred by the Authority in connection with such collection action, including its reasonable attorneys' fees and costs.

7. This Agreement shall specifically survive the execution and performance of the project's agreements (except as specifically set forth therein), and shall be binding upon the parties hereto and their respective heirs, successors and assigns.

* * * * *

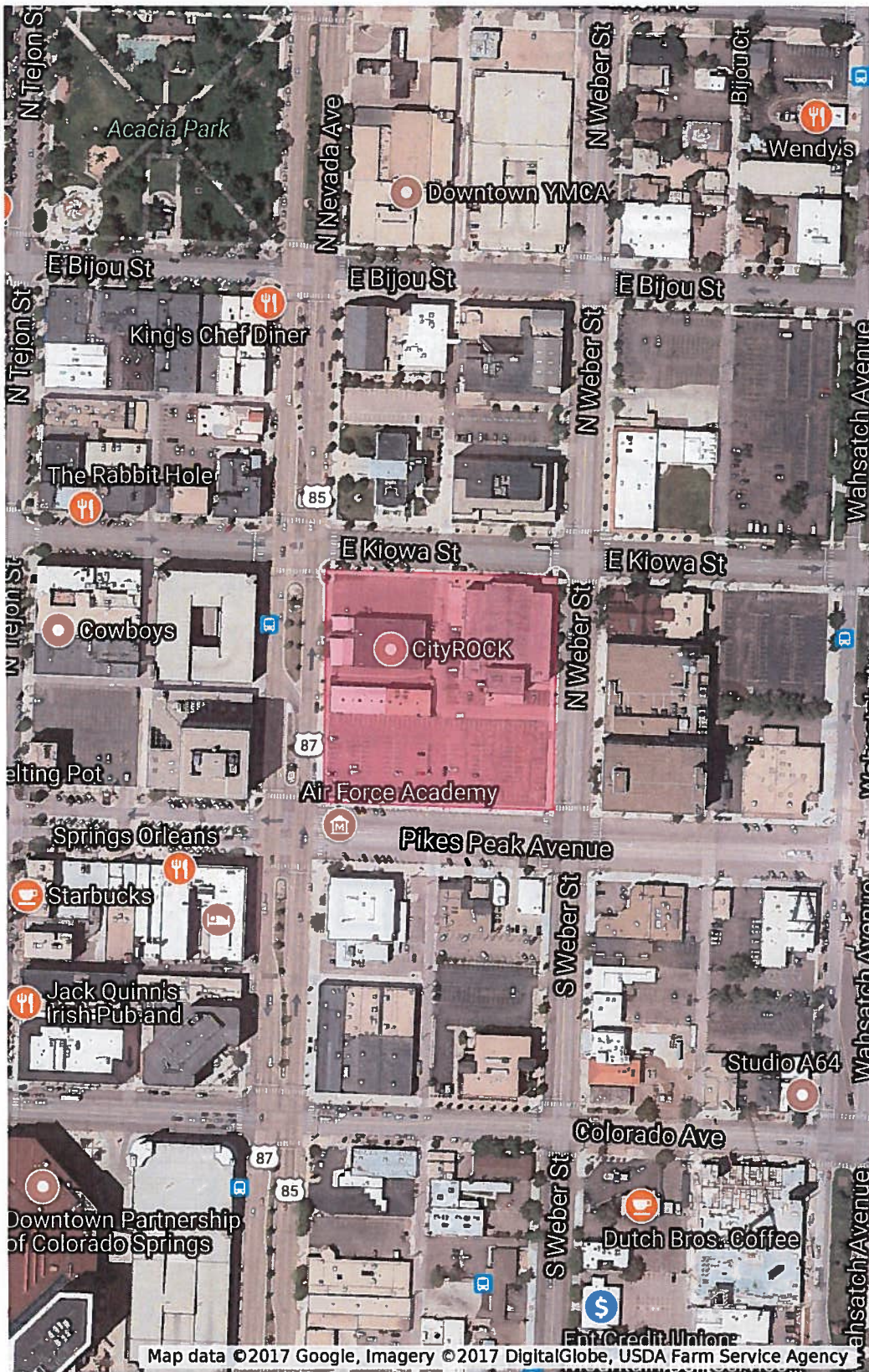
IN WITNESS WHEREOF the parties have entered into this Agreement effective as of the date first above written.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

By: _____
Wynne Palermo, Chair

Norwood Development, LLC

By: _____
Name: _____
Its: _____



Map data ©2017 Google, Imagery ©2017 DigitalGlobe, USDA Farm Service Agency

EXHIBIT B

Estimated Urban Renewal Plan Fees

DESCRIPTION	DGC Community Planning	CSURA	Task Total
Conditions Survey	7,000.00	5,000.00	\$12,000.00
Urban Renewal Plan	5,000.00	4,000.00	\$9,000.00
Legal Description	TBD	0.00	\$0.00
Administrative Costs		250.00/hr	TBD
County/ Tax Forecast	5,000.00	1,000.00	\$6,000.00
2 Additional Impact Reports	TBD	TBD	TBD
Meetings & Presentations	1,500.00	3,000.00	\$4,500.00
Legal and third party review		TBD	TBD
Redevelopment Agreement		10,000.00	\$10,000.00
Contingency			TBD
Subtotal	\$18,500.00	\$23,000.00	
TOTAL FEES			\$41,500.00 (plus TBD added costs)
Any fees for additional services will be billed at cost.			

Any fees for additional services will be billed at cost.

Mr. Jariah Walker
Colorado Springs Urban Renewal Authority (CSURA)
30 South Nevada Avenue, Suite 502
Colorado Springs CO 80903

719-385-5714
JWalker@springsgov.com

Re: Letter Proposal for Auditorium Block Site (Kiowa, Weber, Pikes Peak, and Nevada Streets) in Colorado Springs, Colorado

Dear Jariah,

As you requested, DGC Consulting ("Consultant") is providing this letter proposal to perform urban renewal studies and reports, in accordance with Colorado Urban Renewal Law, for a redevelopment project for the block located between Kiowa, Weber, Pikes Peak, and Nevada Streets in Downtown Colorado Springs. The work will be contracted to CSURA ("Client") on behalf of the site owner or developer. This proposal is organized as follows:

1. Scope of Services
2. Fees and Expenses
3. Schedule
4. Payment
5. Acknowledgements

1. Scope of Services

Task 1: Conditions ("Blight") Study

Task 1-A: Project Initiation, Data Collection, and Mapping

- Confirm project goals, study area boundaries, scope of services, and schedule a meeting with the Client and hotel developer.
- The property boundary will be provided in digital form by the Client.
- Collect and analyze relevant physical information within the study area, which could include information on public facilities, property ownership data, street layout, land use, utilities, future development plans, and other appropriate information.
- Assemble digital base maps and/or aerial photographs that document the location of information such as streets, parcels boundaries, and other physical and political information that are identified as relevant to this study.
- The Client will be responsible for providing environmental reports and studies and title information that may be useful in supporting a finding of blight.
- The Client will be responsible for notification of property owners pursuant to Colorado Urban Renewal Law

requirements.

Task 1-B: Field Survey

- Conduct a detailed visual survey of the study area for the purpose of identifying and documenting conditions that meet the criteria of “blight” as required and defined by Colorado Urban Renewal Law and to provide an unbiased, objective report. Not all blight factors will be evaluated if 5 factors or more are readily identified during the field survey portion. However, the Consultant will provide a “desktop analysis” of other available reports and documents which may support a finding of blight.
- After completion of the field survey, report to Client any unusual findings or conditions.

Task 1-C: Documentation of Findings and Report Preparation

- Organize and analyze the findings from the field survey into conclusions based upon Colorado Urban Renewal Law.
- Submit a digital version of the draft report for review and comment. After receiving comments, the agreed-upon changes will be made and the final report will be issued in digital format. The final report will include:
 1. Introduction
 - Purpose
 - Colorado Urban Renewal Law
 - Study Methodology
 2. Study Area Analysis
 - Study Area
 - Field Survey Approach
 - Blight Factors
 - Results of the Field Survey
 3. Summary of Findings and Conclusions
 - Findings
 - Conclusions
 4. Appendix
 - Contacts and Sources
 - Photographs

Task 2: Urban Renewal Plan

Task 2-A: Table of Contents of the Urban Renewal Plan

- The Urban Renewal Plan will cover the Study Area or a smaller area as determined by the Client. The urban renewal area will be the same areas as used for the County Impact Report and tax forecast.
- Confirm content and scope of the Urban Renewal Plan with the Client.
- Legal review and the urban renewal area the urban renewal area legal exhibit and legal description will be provided by the Client.
- The Urban Renewal Plan will include the following:
 1. Preface and Background

2. Findings
3. Conformance
4. Urban Renewal Activities
5. Redevelopment Opportunities
6. Project Financing
7. Development Standards and Procedures
8. Modification of the Plan
9. Term of the Plan
10. Appendices

Task 2-C: Draft/Final Urban Renewal Plan

- Submit a digital version of the draft report for review and comment. After receiving comments, the agreed-upon changes will be made and the final plan distributed in digital format.

Task 3: Tax Forecast and County Impact Report

Task 3-A: Development Program

- The Client will provide a development concept, development program, 25 year phasing schedule, valuations for commercial and residential property, and projected retail sales tax revenue by SF. We will use this information to calibrate the property and sales tax spreadsheets used for the forecast.

Task 3-B: Property and Sales Tax Forecast

- Due to changes in Colorado Urban Renewal Law, it is anticipated that the sales and property tax analysis will be necessary for all impacted property and sales tax entities. With this in mind, the spreadsheet analysis will include the following property taxing entities:
 - EL PASO COUNTY
 - EPC ROAD & BRIDGE SHARE
 - CITY OF COLORADO SPRINGS
 - EPC-COLORADO SPGS ROAD & BRIDGE SHARE
 - ACADEMY SCHOOL NO 20
 - PIKES PEAK LIBRARY
 - SOUTHEASTERN COLO WATER CONSERVANCY
 - EL PASO COUNTY CONSERVATION
 - COLORADO CROSSING METRO #3

The spreadsheet will include the following sale tax entities:

- State of Colorado
- El Paso County
- City of Colorado Springs
- Special Tax

Task 3-C: County Impact Report

- The County Impact report will cover the same area as the Urban Renewal Plan.
- Upon completion of a final concept, development program and absorption schedule, the Consultant will prepare the El Paso County Impact Report. This will only discuss impacts to El Paso County and El Paso County Road and Bridge Fund. The Consultant will discuss the results of the report, make changes as appropriate, and issue a final digital report.

Task 3-E: County Notification

- In accordance with the requirements of Colorado Urban Renewal Law, the Client will distribute copies of the impact report to appropriate El Paso County and other elected officials. The Consultant will review comments and make changes, as appropriate.

Task 4: Documentation for Taxing Entities

Task 4-A: Additional Documentation

- Based on recent changes to Colorado Law and the direction of the Client, it may be necessary to prepare separate tax forecasts for other districts/taxing entities, based on the spreadsheet. This will maintain negotiation confidentiality between the separate negotiations, if they occur. The cost for producing these will be determined after the districts/taxing entities have been identified.

Task 5: Meetings and Presentations

Task 5-A: Coordination Meetings

- Up to three coordination/review telephone meetings with the Client, Client Attorney, and other stakeholders (one per deliverable – this cost is included in Task 1-3 fixed price).

Task 5-B: Additional Meetings, Presentations and Public Hearing

- It is not clear how many additional meetings or presentations before bodies in Colorado Springs will be required. This work (including preparation of a PowerPoint or other materials) will be billed on a time and materials basis.
- Potentially, these may include the following:
 - Public Open House
 - URA Board
 - City Council Work Session
 - City Council Public Hearing

2. Fee and Expenses

DGC Consulting will provide the services described above for the following fee, plus expenses, which will be billed at cost.

1. Conditions Study	\$7,000
2. Urban Renewal Plan	\$5,000
3. Tax Forecast and County Impact Report	\$5,000
4. Confidential Memos to Taxing Entities	TBD
5. <u>Meetings/Presentations</u>	<u>\$1,500 (estimate only)</u>
Total	\$18,500

Expenses (estimated to be approximately \$1,500, based on report reproduction costs, transportation costs, mileage at \$.54/mile, lodging/field meals, and other project costs, if necessary).

3. Schedule

The work described can be completed in 12-16 weeks, assuming Client-provided materials are available at the appropriate time. This does not include time spent in negotiations with different taxing districts and entities, if the Client pursues that approach.

4. Payment

Consultant will bill monthly for work on Task 1-3, based on a percentage of job complete, plus expenses. Task 4 and 5 will be billed on a time and materials basis, unless other arrangements are made. Payment is due in 30 days. Late payments will be charged 1% interest per month.

5. Acknowledgements

David G. Cooper September 21, 2017



Owner, DGC Consulting

Client (Colorado Springs Urban Renewal Authority)