

**INTERGOVERNMENTAL AGREEMENT
CONCERNING A LINE OF CREDIT FOR FINANCING
DOWNTOWN DEVELOPMENT AUTHORITY
PROJECT(S) AND PROGRAM(S)**

This INTERGOVERNMENTAL AGREEMENT ("IGA") is entered into this 23rd day of July, 2015, by and between THE GRAND JUNCTION, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY, a body corporate and politic (the "DDA") and THE CITY OF GRAND JUNCTION, COLORADO, a Colorado Home Rule municipal corporation (the "City"). Collectively the DDA and the City may be referred to as "Parties" or "the Parties."

WITNESSETH:

WHEREAS, the Authority has been created pursuant to the provisions of Title 31, Article 25, Part 8, Colorado Revised Statutes ("DDA Statute"), and City Ordinance No. 1669; and

WHEREAS, the DDA Statute has declared that the organization of downtown development authorities will serve a public use; promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof and of the people of this state; will halt or prevent deterioration of property values or structures within central business districts; halt or prevent the growth of blighted areas within such district, and assist municipalities in the development and redevelopment of downtowns and in the overall planning to restore or provide for the continuance of the health thereof; and

WHEREAS, the Authority provides an invaluable service to the City by promoting the health, safety, prosperity, security and general welfare of those living and working within its boundaries; and

WHEREAS, pursuant to C.R.S. §31-25-808(1)(f), the Authority is empowered to enter into contracts with governmental agencies and public bodies in furtherance of the statutory mission of the Authority; and

WHEREAS, the City Charter and C.R.S. 29-1-203 empower the City Council of the City to enter into contracts with other governmental bodies to furnish governmental services and make charges for such services or enter into cooperative or joint activities with other governmental bodies; and

WHEREAS, the primary means of financing DDA projects and programs is through the use of property and sales tax increment collected within the DDA boundaries and C.R.S. §31-25-807(3)(a)(II) requires that the City incur some form of debt in order to finance such projects and programs using tax increment revenues collected within the DDA boundaries; and

WHEREAS, a line of credit established by the City with a financial institution meets the requirements of C.R.S. §31-25-807(3)(a)(II) and the costs and interest associated with such a line of credit are lower than would be the case with other types of financing; and

WHEREAS, it is in the best interests of both the DDA and the City to reduce financing costs of DDA projects in order to preserve the maximum amount of tax increment revenues for DDA projects and activities within its boundaries; and

WHEREAS, the parties desire to enter into this IGA in order to establish a line of credit to finance certain DDA projects and to define the process for use of such line of credit.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties as hereafter provided and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. TERM

The term of this IGA shall be for a period of five (5) years, commencing on July 23rd, 2015 and terminating on July 23rd, 2020 ("Term").

2. LINE OF CREDIT

Attached hereto as Exhibits A-1 through A-3 and incorporated herein by reference, are copies of the Business Loan Agreement and Promissory Note between the City and Alpine Bank Grand Junction, and the Disbursement Request and Authorization Form (collectively, the "LOC Documents") which establish a revolving line of credit for a five year period for the benefit of the DDA and which, in addition to other terms and conditions for its use, provides for an annual credit amount of One Million Dollars (\$1,000,000) (the "Line of Credit"). The City Council on May 20th authorized a line of credit for the benefit of the DDA and approved an IGA between the City and DDA.

3. REQUIREMENTS FOR DRAWS ON LINE OF CREDIT

With the exception of draws on the Line of Credit approved by Council on May 20th, 2015 for DDA budget amendments for TIF-qualified projects, which are authorized concurrently with approval of this IGA, any other draw on the Line of Credit by the City on behalf of the DDA during the Term shall be in accordance with all of the following requirements:

3.1 The DDA Board shall annually adopt a resolution approving its budget and shall adopt a resolution recommending the City Council of the City appropriate DDA monies to fund the DDA budget; and

3.2 The City Council of the City shall annually approve the DDA budget and by ordinance appropriate funds therefor; and

3.3 Any draw on the Line of Credit shall only be used to pay the costs of DDA projects approved in the annual DDA budget and for which funds have been appropriated by the City; and

3.4 Prior to any draw on the Line of Credit, the City's Financial Operations Director shall verify that there are sufficient unencumbered tax increment monies in the DDA Tax

Increment Fund to replenish the Line of Credit in the amount of the draw and the interest cost. No draw shall be made by the City on the Line of Credit in excess of such available tax increment monies; and

3.5 The City's Financial Operations Director shall have the authority, and shall be required, to approve any draw on the Line of Credit upon written request by the DDA's Executive Director; and

3.6 Within seven (7) working days of each draw, the DDA's Executive Director shall take such action as is necessary to authorize the City to transfer monies from the DDA Tax Increment Debt Service Fund to the Line of Credit to fully replenish the Line of Credit to its One Million Dollars (\$1,000,000) limit of available credit.

4. NOTICE

All notices to be given to Parties hereunder shall be in writing and shall be sent by certified mail to the addresses specified below:

DDA: Downtown Development Authority
Attn: Executive Director
437 Colorado Avenue
Grand Junction, CO 81501

CITY: City of Grand Junction
Attn: Financial Operations Director
250 North 5th Street
Grand Junction, CO 81501

With a copy to: City of Grand Junction
Attn: City Attorney
250 North 5th Street
Grand Junction, CO 81501

5. **THIRD PARTY BENEFICIARIES**

This IGA shall not be construed as or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause whatsoever.

6. **GOVERNING LAW/SEVERABILITY**

The laws of the State of Colorado shall govern the construction, interpretation, execution and enforcement of this IGA. In the event any provision of this IGA shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this IGA.

IN WITNESS WHEREOF, the parties have executed this IGA the day and year first above written.

CITY OF GRAND JUNCTION, COLORADO,
a Colorado Home Rule municipal corporation

By



Tim Moore, Interim City Manager

APPROVED AS TO FORM:



City Attorney



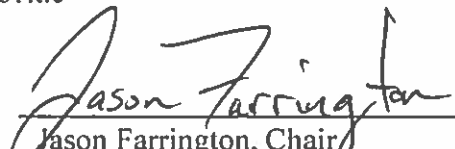
ATTEST:



City Clerk

THE GRAND JUNCTION, COLORADO, DOWNTOWN
DEVELOPMENT AUTHORITY, a body corporate
and politic

By:



Jason Farrington, Chair

ATTEST:



Secretary

KIRK GRANUM