

**ECONOMIC DEVELOPMENT AGREEMENT
FOR
SHOENBERG FARMS PROJECT**

THIS ECONOMIC DEVELOPMENT AGREEMENT (the “Agreement”) is made as of _____, 2025 (the “Effective Date”), by and between the **CITY OF WESTMINSTER**, a Colorado home rule municipal corporation whose principal office address is 4800 92nd Avenue, Westminster, Colorado (the “City”), and **MJ DEVELOPMENT LTD**, a Colorado partnership whose principal office address is 7765 Wadsworth Boulevard, P.O. Box 746494, Arvada, Colorado (“Developer”). The City and Developer may be referred to hereinafter collectively as the “Parties” or individually as a “Party.”

RECITALS

A. The City and Developer are parties to that certain Purchase and Sale Agreement entered into as of September 18, 2023, and amended by that certain First Amendment to Purchase and Sale Agreement entered into as of January 3, 2024, and that certain Second Amendment to Purchase and Sale Agreement entered into as of April 12, 2024 (collectively, the “PSA”), pursuant to which the City agreed to sell, and Developer agreed to purchase, Shoenberg Farm, located within the City at 5202 West 72nd Avenue, including the land and certain rights and interests associated therewith (collectively and together with the improvements located thereon, the “Property”).

B. Developer intends to develop a food hall that adaptively reuses the existing improvements on the Property (the “Project”).

C. The City desires to support the redevelopment of the Property through the addition of commercial retail space to support the vibrancy of the community while preserving and honoring the site’s history.

D. The City desires to provide assistance to aid in the development of the Project because the Project would achieve several of the City’s Strategic Plan goals and objectives.

E. City Council finds that execution of this Agreement will provide benefit and advance the public interest and welfare of the City and its citizens by promoting the redevelopment of Shoenberg Farm.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties agree to the following:

1. *Applicable to Lot14a.* This Agreement and all rebates referenced herein are limited to Lot 14a and Phase 1 of the Project as described in the Development and Reimbursement Agreement dated _____.
2. *Building Permit and Review Fees and Development Review Fees Rebate.* The City shall rebate to Developer one hundred percent (100%) of the building permit and review fees that are otherwise required under W.M.C. Section 11-9-3(E) for the initial construction of the Project

(the “**Fees Rebate**”). The Fees Rebate described in this Section 2 shall apply to all building permit and review fees and development review fees paid to the City during the Rebate Period in connection with the Project, whether paid directly by Developer or by contractors or other third parties conducting work on the Project on behalf of Developer. The “**Rebate Period**” shall be the time period commencing on the Effective Date and ending on September 1, 2026. The Fees Rebate excludes water tap fees, sewer tap fees, and fire permit and plan review fees. Based on the Developer’s current construction estimates, the Fees Rebate shall be approximately \$25,311.

3. *Stipulated Use Tax Rebate-Construction.* The City shall rebate to Developer one hundred percent (100%) of the use tax due from construction materials (excluding the City’s 0.25% Open Space Tax and 0.6% Public Safety Tax) paid as a result of the construction of the Project as required under W.M.C. Sections 4-2-9 and 4-2-3 (the “**Building Use Tax**”). The City, Developer and Developer’s general contractor have agreed to a specific building use tax amount of \$55,825 (the “**Stipulated Use Tax**”), resulting in a Building Use Tax rebate of \$43,500 (the “**Stipulated Use Tax Rebate Amount**”). Pursuant to the Agreement to Stipulated Use Tax and Waiver of Reconciliation Requirement, attached hereto as **Exhibit A** (the “SUTA”), neither the Stipulated Use Tax nor the Stipulated Use Tax Rebate Amount will be subject to review by the City or appeal by Developer, its general contractor or any subcontractor. Developer agrees to hold the City harmless for any claims by its general contractor or any subcontractor for refund of any use taxes paid by the general contractor or subcontractor. Developer shall obtain a signed SUTA from its general contractor, or other third party performing work on the Project, for execution by the City prior to the payment of any Stipulated Construction Materials Use Tax Rebate Amount under this Section 3.
4. *Public Art Fee Rebate.* The Code requires a fee of \$2,000 per acre, per development. The “Public Art Fee” for the Project is (\$2,000 x 0.81 acres) \$1,620. The City shall rebate to Company/Developer 100% of the Public Art Fee, in accordance with Section 5 below.
5. *Payment of Rebates.* The total amount of the Fees Rebate, Stipulated Use Tax Rebate Amount, and the Public Art Fee Rebate shall not exceed \$75,000.
 - a. The City shall pay to Developer the Stipulated Use Tax Rebate Amount within thirty (30) days after the end of the month in which the City receives (i) the executed SUTA from Developer; or (ii) payment of the Stipulated Use Tax, whichever occurs later.
 - b. If applicable, Developer shall file returns and pay all City taxes due.
 - c. The City shall make Fees Rebate and Public Art Fee Rebate payments no later than thirty (30) days following the end of the calendar quarter in which applicable Fee(s) payment is received by the City.
 - d. No rebate payment shall be made until Developer has submitted a completed, current W-9 and a completed EDA Request for Information form as prescribed by the City.
 - e. All payments, except the initial payment, by the City shall be made electronically to Developer’s designated financial institution account. The initial payment will be issued by check and a pre-note confirmation sent to Developer’s designated financial institution account.
 - f. In the event Developer fails to comply in any material respect with provisions of the City’s regulations or Municipal Code relative to the development, use, occupancy, or operation

of the Project, the City may, after providing Developer with not less than thirty (30) days advance written notice, suspend payment of the quarterly Rebate payments until Developer complies with such provisions of the City's regulations or Municipal Code.

6. *Entire Agreement.* This Agreement shall constitute the entire agreement between the City and Developer and shall supersede any prior agreements between the Parties and their agents or representatives related to the same subject matter, all of which are merged into and revoked by this Agreement with respect to its subject matter.
7. *Termination.* This Agreement shall terminate and become void and of no force or effect at the election of the City should Developer remain in non-compliance with the City regulations or Municipal Code, after having received written notice of any such non-compliance and failed to cure, or diligently pursue a cure, within thirty (30) days of such written notice of non-compliance, unless such breach cannot be cured or remedied within thirty (30) days, in which case the period for remedy or cure shall be extended for a reasonable time (not to exceed an additional thirty (30) days) provided Developer has made and continues to make a diligent effort to effect such remedy or cure.
8. *Subordination.* The City's obligations pursuant to this Agreement are subordinate to the City's obligations for the repayment of any current or future bonded indebtedness and are contingent upon the existence of a surplus in sales and use tax revenues in excess of the sales and use tax revenues necessary to meet such existing or future bonded indebtedness. The City shall meet its obligations under this Agreement only after the City has satisfied all other obligations with respect to the use of sales tax revenues for bond repayment purposes. For the purposes of this Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness that may be incurred by the City, including but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by sales and use tax revenues of the City. The City reasonably believes as of the date hereof that sufficient sales and use tax reserves will exist to satisfy the City's obligations hereunder. In the event the City is unable to timely provide a rebate as provided hereunder by operation of this Section 8 or Section 9 below, Developer may terminate this Agreement, at which point this Agreement will become null and void in all respects.
9. *Annual Appropriation.* Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year obligation on the part of the City within the meaning of Colorado Constitution Article X, Section 20, and the City's obligations hereunder are expressly conditional upon annual appropriation by the City Council.
10. *Governing Law; Venue.* This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. This Agreement shall be subject to, and construed in strict accordance with, the Westminster City Charter and the Westminster Municipal Code. In the event of a dispute concerning any provision of this Agreement, the Parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experienced mediator, or panel of mediators for the purpose of

resolving such dispute. The venue for any lawsuit concerning this Agreement shall be in the District Court for Jefferson County, Colorado.

11. *No Binding Arbitration.* No dispute hereunder shall be submitted to or resolved by binding arbitration.
12. *Governmental Immunity.* No term or condition of this Agreement shall be construed or interpreted as a waiver by Developer, either express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, et seq., applicable to the City.
13. *Counterparts.* This Agreement may be executed by the parties in multiple counterparts, the signature pages of which may be collated to form a single fully executed original of this Agreement for the purposes of recording and all other purposes.
14. *Electronic Signatures and Copies.* The Parties hereby acknowledge that this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signature pages may be executed via ink signature or electronic mark and the executed signature pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud- based server, e-signature technology or other similar electronic means. The Parties further acknowledge and agree that the original of this Agreement, including the signature page, may be scanned and stored in a computer database or similar device, and that any printout or other output readable by sight, the reproduction of which is shown to accurately reproduce the original of this Agreement, may be used for any purpose as if it were the original, including proof of the content of the original writing.
15. *Effective Date.* This Agreement shall become effective on the date that it is officially executed by both Parties.

[Remainder of page intentionally blank - signatures follow]

IN WITNESS WHEREOF, the parties hereto have executed this Economic Development Agreement as of the Effective Date.

**CITY OF WESTMINSTER, a Colorado home
rule municipal corporation**

By: _____

Name: _____

Title: _____

Approved as to legal form and content

City Attorney's Office

**MJ DEVELOPMENT, LTD, a Colorado limited
liability company**

By: _____

Name: _____

Title: _____

STATE OF COLORADO)
) :s
 s
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2025, by _____, _____, of MJ Development, LTD.

Notary Public

My Commission expires: _____

Exhibit A

AGREEMENT STIPULATING TO BUILDING USE TAX PAYMENT AND WAIVER OF RECONCILIATION REQUIREMENT

THIS AGREEMENT STIPULATING TO BUILDING USE TAX PAYMENT AND WAIVER OF RECONCILIATION REQUIREMENT (the “SUTA”), is made and entered into this ____ day of _____, 20____, (the “Effective Date”) between the **CITY OF WESTMINSTER**, Colorado (the “City”) and _____, general contractor, (the “**Company**”) is as follows:

1. The Company has been contracted by MJ Development, LTD., to perform construction activities defined as the “Shoenberg Farm Activation” (the “**Project**”) per the attached Economic Development Agreement.
2. The Company shall pay, and the parties agree to the accuracy of, the “Stipulated Use Tax” amount set forth in Section 3 of the Economic Development Agreement for the purpose of determining the use tax due upon materials used in the Project imposed under Title IV of the Westminster Municipal Code.
3. The Company shall not be required to reconcile any permit or file any return relating to Stipulated Use Tax for the Project as otherwise required pursuant to Title IV of the Westminster Municipal Code.
4. The Company hereby waives any right to a refund of use tax from the City if it is determined the actual amount of use tax due for the Project is less than the Stipulated Use Tax.
5. The City shall not refund nor set off any amount of sales tax paid upon the purchase of materials by any owner, developer, contractor, or other person on the Project.
6. The City shall waive any right to collect any actual or estimated use tax upon materials for the Project that may be determined to be due in excess of the Stipulated Use Tax.
7. So long as the Company is not in material breach of this SUTA, the City agrees not to audit the Company for the use tax due upon materials related to the Project. The City has sole discretion in determining whether a breach is material.
8. This SUTA represents the entire agreement between the parties. No other agreements or representations exist other than as noted in this SUTA.
9. No provision of this SUTA shall be waived or modified except in writing signed by all parties hereto.

[Remainder of page intentionally blank - signatures follow]

IN WITNESS WHEREOF, the parties have caused this SUTA to be executed by their duly authorized officers on the date first appearing above.

General Contractor (Company)

CITY OF WESTMINSTER (City)

By: _____
Signature

By: _____
Signature

Printed Name

Printed Name

Title

Title

ATTEST:

ATTEST:
