SUBJECT: RESOLUTION NO. 22, SERIES 2025 – A RESOLUTION APPROVING A FIRST AMENDMENT TO AND ASSIGNMENT OF BUSINESS ASSISTANCE AGREEMENT WITH PARCEL O PRODUCTIONS, LLC AND RELISH, LLC

DATE: APRIL 1, 2025

PRESENTED BY: AUSTIN BROWN, ECONOMIC VITALITY SPECIALIST

SUMMARY:

Staff requests City Council action on a proposed first amendment to and assignment of the Business Assistance Package (BAP) Agreement for Parcel O Productions LLC, doing business as Relish.

DISCUSSION:

City Council approved Resolution No. 42, Series 2023 approving a Business Assistance Agreement for Parcel O Productions LLC in July 2023 (Attachment #1) for the construction of a new 79,000 square foot pickle ball and food hall establishment at 550 S McCaslin Blvd. As part of the project, there will be eight new food vendors operating stands in the food hall. As a new business to Louisville, each of the individual food vendors is eligible for participation within the Business Assistance Program (BAP).

Staff has learned that Parcel O Productions will also be operating one of the food stands (Aces) in the food hall space, resulting in an anticipated increase in sales tax paid by the company. The proposed amendment to their existing BAP Agreement would increase the rebate cap to allow Parcel O Productions to receive a rebate on 50% of the new taxes paid.

Additionally, the owners of Relish informed staff that the operation of the sales tax generating portions of the business will be transferring from Parcel O Productions to Relish, LLC. The proposed assignment of the BAP Agreement from Parcel O Productions to Relish, LLC would allow Relish, LLC to receive the sales tax rebates approved in the original agreement. Parcel O Productions will not be remitting sales tax to the City.

Aces is an ice cream and snack stand that will be operating within Relish's food hall. The stand will serve ice cream (including milkshakes and root beer floats), smoothies and acai bowls with fresh fruit and granola on top. Aces will be open daily from 6 a.m. – 8 p.m. The company indicated that Aces will also strive to be an active part of the community. Current plans for community involvement include a summer ice cream club, children's art contests to design bowls, and fundraising for local schools and nonprofits.

In addition to the 18 employees at Relish, the company anticipates that Aces will require 15 new part-time employees. Between two and five employees will be working the stand at a time, depending on the time of day and demand. The company estimates that the food stand will pay $52,661.25 in Retail Sales Tax over the first five years of operation.

In its initial application, Parcel O Productions estimated that it would pay $796,973.06 in Retail Sales Tax over the first five years of operation of the pickle ball facility. Adding the food stand's taxes to that amount results in a total of $849,634.32 in retail sales tax paid over the first five years of operation. A 50% rebate of that total retail sales tax amount would result in a total estimated rebate of $337,603.04. The original BAP Agreement with Parcel O Productions capped the total sales tax rebate at $320,000. The proposed amendment to the Agreement would increase the cap to $342,000, allowing the company to receive the 50% rebate of retail sales tax for operation of the food stand. Per the program Criteria, the sales tax rebate excludes the City's Open Space, Historic Preservation, and Recreation Center Taxes.

New Retail Sales Tax- 50%	Detail of Taxes	Amount Paid	Rebate %	Rebate Amount
	City Use- 3%	$675,206.08	50%	$ 337,603.04
	Open Space- .5%	$112,534.35	N/A	$ -
	Historic Preservation- .125%	$ 28,133.59	N/A	$ -
	Recreation Center- .150%	$ 33,760.30	N/A	$ -
	Subtotal	**$849,634.32**		**$ 337,603.04**

Based on these estimates, the City will receive $849,634.32 in sales tax revenue (net $512,031.28 after proposed rebates). The Agreement is void if Relish does not complete the project by December 31, 2025. If the business does not remain in Louisville for a period of ten (10) years, the Agreement provides for a percentage of rebates received to be repaid to the City.

FISCAL IMPACT:
Based on estimates, the City will receive $849,634.32 in revenue from sales tax over a five-year period. Per the proposed amendment, the City would net $512,031.28 and Relish would be rebated $337,603.04.

PROGRAM/SUB-PROGRAM IMPACT:
The recommended amendment to and assignment of the Business Assistance Agreement supports the Economic Prosperity Program Goal to promote a thriving business climate that provides job opportunities, facilitates investment, and produces reliable revenue to support City services.

RECOMMENDATION:
Staff recommends City Council adopt the attached Resolution approving a first amendment to and assignment of Business Assistance Agreement with Parcel O Productions LLC, doing business as Relish.

ATTACHMENTS:
1. Resolution No. 22, Series 2025
2. First Amendment to and Assignment of Business Assistance Agreement for Parcel O Productions, LLC and Relish, LLC
3. BAP Rebate Estimates
4. Resolution No. 42, Series 2023

STRATEGIC PLAN IMPACT:

☒	**Financial Stewardship & Asset Management**	☐	**Reliable Core Services**
☒	**Vibrant Economic Climate**	☐	**Quality Programs & Amenities**
☐	**Engaged Community**	☐	**Healthy Workforce**
☐	**Supportive Technology**	☐	**Collaborative Regional Partner**

RESOLUTION NO. 22
SERIES 2025

A RESOLUTION APPROVING A FIRST AMENDMENT TO AND ASSIGNMENT OF BUSINESS ASSISTANCE AGREEMENT WITH PARCEL O PRODUCTIONS, LLC AND RELISH, LLC

WHEREAS, the successful attraction of quality development to the City of Louisville provides employment opportunities and increased revenue for citizen services and is therefore an important public purpose; and

WHEREAS, it is important for the City of Louisville to create and retain quality jobs and remain competitive with other local governments in creating assistance for occupancy of commercial space in the City; and

WHEREAS, by Resolution No. 42, Series 2023, the City Council approved a Business Assistance Agreement with Parcel O Productions to provide business assistance for a new pickle ball and food hall space in 79,000 square feet of existing commercial space at 550 S McCaslin; and

WHEREAS, Parcel O Productions has determined it will operate one of the food stands in the food hall space, resulting in an anticipated increase in sales tax revenues for the project; and

WHEREAS, Parcel O Productions has further determined it will transfer operation of the business to a new limited liability company, Relish LLC; and

WHEREAS, a First Amendment to and Assignment of the Business Assistance Agreement has been prepared to effectuate these changes; and

WHEREAS, the City Council finds that the proposed First Amendment and Assignment is consistent with and in furtherance of the business assistance policies of the City, and it desires to approve the First Amendment and Assignment and authorize its execution and implementation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO THAT:

1. The proposed First Amendment to and Assignment of Business Assistance Agreement between the City of Louisville, Parcel O Productions LLC, and Relish LLC (the “Amendment and Assignment”) is hereby approved in essentially the same form as the copy of such Amendment and Assignment accompanying this Resolution.

2. The Mayor is hereby authorized to execute the Amendment and Assignment on behalf of the City, and the Mayor is further granted the authority to negotiate and approve such revisions to said Amendment and Assignment as the

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Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the Amendment and Assignment are not altered.

3. City staff is hereby authorized to do all things necessary on behalf of the City to perform the obligations of the City under the Amendment and Assignment, including but not limited to funding and implementation of the Amendment and Assignment in accordance with and upon performance of the terms thereof.

PASSED AND ADOPTED this 1st day of April 2025.

____
Christopher M Leh, Mayor

ATTEST:

____
Genny Kline, Interim City Clerk

FIRST AMENDMENT TO AND ASSIGNMENT OF BUSINESS ASSISTANCE AGREEMENT FOR PARCEL O PRODUCTIONS LLC AND RELISH LLC IN THE CITY OF LOUISVILLE

THIS FIRST AMENDMENT TO AND ASSIGNMENT OF BUSINESS ASSISTANCE AGREEMENT ("Agreement") is made and entered into as of the _______ day of ______________________, 2025, between the CITY OF LOUISVILLE, a Colorado home rule municipal corporation (the "**City**"), PARCEL O PRODUCTIONS LLC ("**Parcel O**"), and RELISH LLC ("**Relish**").

WHEREAS, by Resolution No. 42, Series 2023, the City Council approved a Business Assistance Agreement for Parcel O (the "Agreement") to provide certain business assistance in connection with Parcel O's desire to open a new pickle ball and food hall space in 79,000 square feet of existing commercial space at 550 S McCaslin (the "Project"); and

WHEREAS, the Project will bring new basic jobs to the City, as well as generate new fee and tax revenues; and

WHEREAS, Parcel O has determined that it will now be operating one of the food stands in the food hall space, resulting in an anticipated increase in sales tax revenues collected by the City and attributable solely to new retail sales generated by operation of the Project; and

WHEREAS, the City Council finds that amending the Agreement to increase the maximum amount of sales tax rebates that the Project can receive will serve to provide a benefit and advance the public interest and welfare of the City and its citizens by securing this economic development project within the City; and

WHEREAS, Parcel O plans to transfer operation of the business to Relish and requests the Agreement be assigned to Relish; and

WHEREAS, paragraph 16 of the Agreement requires City consent for any assignment.

NOW THEREFORE, in consideration of the mutual promises set forth below, the City and Company agree as follows:

Section 1. Section 5 of the Agreement is hereby amended to read as follows (words to be deleted ~~stricken~~; words to be added are double underlined).

5. Payment of Rebates; Cap; Inspection. The maximum amount of the rebates payable pursuant to Sections 1, 2 and 3 above shall in no event exceed the lesser of (i) the calculation of 50% of the fees or taxes described in Sections 1, 2 and 3 paid to the City, or (ii) one hundred twenty-nine thousand two hundred and fifty dollars ($129,250). The maximum amount of the rebates payable pursuant to Section 4 above

shall in no event exceed the calculation of 50% of the taxes described in Section 4 above; provided, further that the total maximum amount of rebates payable pursuant to Section 4 shall in no event exceed ~~three hundred twenty thousand dollars ($320,000)~~ three hundred forty-two thousand dollars ($342,000). Sales Tax rebates pursuant to Section 4 shall terminate when (a) the Company has received from the City the last rebate payment under this Agreement for the five-year rebate period, or (b) the Company has received ~~$320,000~~ $342,000 in rebate payments, whichever occurs first. The building permit fee, sign permit fee and construction use tax rebates in Sections 1, 2 and 3 pertaining to each phase of the Project shall be paid by the City to Company within 120 days following issuance of the certificate of occupancy or final inspection for the applicable portion of the Project work, as reasonably determined by the City, subject to Sections 6, 7 and 8 below. The Sales Tax rebate provided for in Section 4 above shall be paid by the City to Company in annual installments, on or before March 31 of the following year, subject to Sections 6, 7, and 8 below. All rebate payments will be remitted by the City to the Company at the address set forth in Section 9. At the end of each month, on or before the 20th of the following month, the Company shall submit the appropriate Sales/Use Tax return form and remit to the City its total monthly Sales/Use Tax payment due for the previous month.

Section 2. The City hereby consents to the assignment of the Agreement to Relish LLC, and Relish LLC hereby accepts such assignment and agrees to be bound by to perform all terms and conditions of the Agreement. Nothing herein shall relieve Parcel O Productions LLC of any obligations or liabilities accruing under the Agreement prior to the effective date hereof.

Section 3. Any and all rebate payments made by the City under the Agreement, whether made or accruing for periods before or after execution of this instrument, shall be made payable solely to Relish LLC. The City shall have no obligation to make payment to any other party.

Section 4. The addresses for notice set forth in Paragraph 9 of the Agreement are revised as follows:

If to the Company:
Relish LLC
Attn: Jeff Youngstrom
254 Hoover Court
Louisville, CO 80027
303-521-8640
Youngstom.jeff@gmail.com

If to the City:
City of Louisville
Attn: Economic Vitality

749 Main Street
Louisville, CO 80027
303-335-4529
ABrown@LouisvilleCO.gov

Section 5. Except as amended by this First Amendment and Assignment, the Agreement shall remain in full force and effect in accordance with its terms.

This First Amendment and Assignment is effective as of the date first above written.

PARCEL O PRODUCTIONS LLC
a Colorado limited liability company

By: ________________________
Jeff Youngstrom
Owner

RELISH LLC
a Colorado limited liability company

By: ______________________________
Jeff Youngstrom, Owner

CITY OF LOUISVILLE

____
Christopher M Leh
Mayor

ATTEST:

____
Genny Kline, Interim City Clerk

BAP Estimate - Aces Food Stand
550 S McCaslin Blvd

New Retail Sales Tax- 50%	Detail of Taxes	Amount Paid	Rebate %	Rebate Amount
	City Use- 3%	$ 41,850.00	50%	$ 20,925.00
	Open Space- .5%	$ 6,975.00	N/A	$ -
	Historic Preservation- .125%	$ 1,743.75	N/A	$ -
	Recreation Center- .150%	$ 2,092.50	N/A	$ -
	Subtotal	**$ 52,661.25**		**$ 20,925.00**

Gross Retail Sales Projections	
Year 1	$ 259,000.00
Year 2	$ 269,000.00
Year 3	$ 279,000.00
Year 4	$ 289,000.00
Year 5	$ 299,000.00
	$ 1,395,000.00

BAP Estimate- Relish with Aces
550 S McCaslin Blvd
85,000 SF

	Eligible project costs	$ 8,000,000.00			
Building Permit Fee- 50%	Detail of Taxes	Amount Paid	Rebate %	Rebate Amount	
	Building Permit Fee	$ 34,000.00	50%	$ 17,000.00	*$6000 for the first $1M, plus $4 for each addtl $1K or fraction thereof*
	Plan Review Fees	$ 22,100.00	50%	$ 11,050.00	*65% of building fee*
	Subtotal	**$ 56,100.00**		**$ 28,050.00**	
	Eligible project costs	$ 8,000,000.00			50% Valuation $ 4,000,000.00
Construction Use Tax- 50%	Detail of Taxes	Amount Paid	Rebate %	Rebate Amount	
	City Use- 3%	$ 120,000.00	50%	$ 60,000.00	
	Open Space- .375%	$ 15,000.00	N/A	$ -	*Rebates exclude all revenues from Open Space, Historic Preservation, & Rec Center taxes*
	Historic Preservation- .125%	$ 5,000.00	N/A	$ -	
	Recreation Center- .150%	$ 6,000.00	N/A	$ -	
	Subtotal	**$ 146,000.00**		**$ 60,000.00**	
	Eligible project costs	$ 100,000.00			50% Valuation $ 50,000.00
Sign Permit Fee- 50%	Detail of Taxes	Amount Paid	Rebate %	Rebate Amount	
	Building Permit Fee (Minor)	$ 1,100.00	50%	$ 550.00	*$700 for the first $50,000 plus $8 for each additional $1,000 or fraction thereof*
	Plan Review (In-House, Minor)	$ 715.00	50%	$ 357.50	*65% of building fee*
	City Use- 3%	$ 1,500.00	50%	$ 750.00	
	Open Space- .375%	$ 187.50	N/A	$ -	
	Historic Preservation- .125%	$ 62.50	N/A	$ -	
	Recreation Center- .150%	$ 75.00	N/A	$ -	
	Subtotal	**$ 3,640.00**		**$ 1,657.50**	
New Retail Sales Tax- 50%	Detail of Taxes	Amount Paid	Rebate %	Rebate Amount	
	City Use- 3%	$ 675,206.08	50%	$ 337,603.04	
	Open Space- .375%	$ 84,400.76	N/A	$ -	
	Historic Preservation- .125%	$ 28,133.59	N/A	$ -	
	Recreation Center- .150%	$ 33,760.30	N/A	$ -	
	Subtotal	**$ 821,500.73**		**$ 337,603.04**	

Gross Retail Sales Projections		
Year 1	$	3,717,071.00
Year 2	$	4,072,878.10
Year 3	$	4,463,265.91
Year 4	$	4,891,692.50
Year 5	$	5,361,961.75
	$	**22,506,869.26**

Permit & Use	$ 88,050.00	Cap	$89,000
Sign Permit	$ 1,657.50		$1,750
Sales Tax	$ 337,603.04		$342,000
Total Rebate	$ 427,310.54		$432,750

City Revenue	$ 1,027,240.73
Less Rebate	$ 599,930.19

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RESOLUTION NO.42
SERIES 2023

A RESOLUTION APPROVING A BUSINESS ASSISTANCE AGREEMENT WITH PARCEL O PRODUCTIONS LLC FOR AN ECONOMIC DEVELOPMENT PROJECT IN THE CITY OF LOUISVILLE

WHEREAS, the successful attraction of quality development to the City of Louisville provides employment opportunities and increased revenue for citizen services and is therefore an important public purpose; and

WHEREAS, it is important for the City of Louisville to create and retain quality jobs and remain competitive with other local governments in creating assistance for occupancy of commercial space in the City; and

WHEREAS, Parcel O Productions LLC is seeking to occupy 79,000 square feet of existing commercial space at 550 S McCaslin Boulevard, which will result in new jobs and tax revenue to the City; and

WHEREAS, the Business Assistance Agreement between the City and Parcel O Productions LLC is attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, pursuant to the Constitution of the State of Colorado, and the Home Rule Charter and ordinances of the City of Louisville, the City has authority to enter into the proposed Business Assistance Agreement; and

WHEREAS, the City Council finds that the proposed Business Assistance Agreement is consistent with and in furtherance of the business assistance policies of the City, and desires to approve the Agreement and authorize its execution and implementation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO THAT:

1. The proposed Business Assistance Agreement between the City of Louisville and Parcel O Productions LLC (the "Agreement") is hereby approved in essentially the same form as the copy of such Agreement accompanying this Resolution.

2. The Mayor is hereby authorized to execute the Agreement on behalf of the City Council of the City of Louisville, and the Mayor is further granted the authority to negotiate and approve such revisions to said Agreement as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the Agreement are not altered.

3. City staff is hereby authorized to do all things necessary on behalf of the City to perform the obligations of the City under the Agreement, including but not limited to funding and implementation of the Agreement in accordance with and upon performance of the terms thereof.

PASSED AND ADOPTED this 11th day of July, 2023.

CITY OF LOUISVILLE SEAL COLORADO

Dennis Maloney, Mayor

ATTEST:

Meredyth Muth, City Clerk

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EXHIBIT A

Copy of Business Assistance Agreement

BUSINESS ASSISTANCE AGREEMENT FOR
PARCEL O PRODUCTIONS LLC IN THE CITY OF LOUISVILLE

THIS AGREEMENT ("Agreement") is made and entered into as of the 11th day of July, 2023, between the CITY OF LOUISVILLE, a Colorado home rule municipal corporation (the "City"), and PARCEL O PRODUCTIONS LLC (the "Company"), doing business as Relish, a Colorado limited liability company.

WHEREAS, the City wishes to provide certain business assistance in connection with the Company's desire to open a new business in Louisville (the "Project"); and

WHEREAS, the Company seeks to occupy 79,000 square feet of existing commercial space at 550 S McCaslin Boulevard; and

WHEREAS, the Company will bring new basic jobs to the City, as well as generate new fee and tax revenues; and

WHEREAS, the City Council finds the execution of this Agreement will serve to provide a benefit and advance the public interest and welfare of the City and its citizens by securing this economic development project within the City; And

WHEREAS, pursuant to Chapter 3.24 of the Louisville Municipal Code, sales tax rebates must be limited to the amount of sales tax collected by the City over and above a base amount negotiated by, and agreed upon by, the applicant and the City, and which base amount shall never be lower than the amount of sales taxes collected by the City at the property in question in the previous 12 months; and

WHEREAS, no sales tax has been generated at the Project location in the previous 12 months, and thus the City and the Company desire, for purpose of this Agreement, to set the sales tax base at zero dollars ($0), and that the sales tax rebate under this Agreement shall be limited to fifty percent (50%) of sales tax actually collected by the City and attributable solely to new retail sales generated by operation of the Project and occurring at the Project location for the period described, and subject to the exceptions, restrictions, and limitations set forth, in this Agreement; and

WHEREAS, for the reasons set forth above, the City desires to provide certain other rebates to Company as further described, and subject to the exceptions, restrictions, and limitations as set forth, in this Agreement.

NOW THEREFORE, in consideration of the mutual promises set forth below, the City and Company agree as follows:

1. Building Permit Fee Rebates. The City shall rebate to the Company 50% of the building related permit fees for the Project, required under section 15.04.050 of the Louisville Municipal Code (the "City Code") and section 108.2 of the International Building Code as adopted by the City, for the period from execution of this Agreement and ending May 31, 2025.

2. Use Tax Rebate-Construction. The City shall rebate to the Company 50% of the Construction Use Tax on the construction materials for the Project, required under section 3.20.300 of the City Code, excluding all revenues from the Open Space Tax, Historic Preservation Tax, and Recreation Center Tax for the Project, for the period from execution of this Agreement and ending May 31, 2025.

3. Sign Permit Fee Rebates. The City shall rebate to the Company 50% of the sign related permit fees for the Project, required under the City of Louisville Sign Code, adopted by Ordinance 1779, Series 2019, and codified as Appendix B to Chapter 17 of the City Code, and as may be amended from time to time, for the period from execution of this agreement and ending May 31, 2025. For purposes of this Section, "sign related permit fees" include sign permit fees, in-house sign plan review, and the use tax assessed on the valuation of signs installed as part of the Project.

4. Enhanced Sales Tax Rebates. The City shall rebate to the Company 50% of the Sales Tax revenues derived from the imposition of the City's 3.0% General Sales Tax (excluding all revenues derived from the City's .375% Open Space Tax, the .125% Historic Preservation Tax, the .15% Recreation Center Tax, and any new sales taxes) that is actually collected by the City and attributable solely to new retail sales generated by operation of the Project and occurring at the Project Location, for a five-year period commencing on the first day of the month following the day the Company begins retail sales to the public from the Project Location ("the Commencement Date"). The five-year rebate period shall commence upon and run continuously from the Commencement Date.

5. Payment of Rebates; Cap; Inspection. The maximum amount of the rebates payable pursuant to Sections 1, 2 and 3 above shall in no event exceed the lesser of (i) the calculation of 50% of the fees or taxes described in Sections 1, 2 and 3 paid to the City, or (ii) one hundred twenty-nine thousand two hundred and fifty dollars ($129,250). The maximum amount of the rebates payable pursuant to Section 4 above shall in no event exceed the calculation of 50% of the taxes described in Section 4 above; provided, further that the total maximum amount of rebates payable pursuant to Section 4 shall in no event exceed three hundred twenty thousand dollars ($320,000). Sales Tax rebates pursuant to Section 4 shall terminate when (a) the Company has received from the City the last rebate payment under this Agreement for the five-year rebate period, or (b) the Company has received $320,000 in rebate payments, whichever occurs first. The building permit fee, sign permit fee and construction use tax rebates in Sections 1,

2 and 3 pertaining to each phase of the Project shall be paid by the City to Company within 120 days following issuance of the certificate of occupancy or final inspection for the applicable portion of the Project work, as reasonably determined by the City, subject to Sections 6, 7 and 8 below. The Sales Tax rebate provided for in Section 4 above shall be paid by the City to Company in annual installments, on or before March 31 of the following year, subject to Sections 6, 7, and 8 below. All rebate payments will be remitted by the City to the Company at the address set forth in Section 9. At the end of each month, on or before the 20th of the following month, the Company shall submit the appropriate Sales/Use Tax return form and remit to the City its total monthly Sales/Use Tax payment due for the previous month.

6. No Interest; Inspection and Disclosure of Records. No interest shall be paid on any amounts subject to rebate under this Agreement. Each party and its agents shall have the right to inspect and audit the applicable records of the other party, on reasonable notice during normal business hours, to verify the amount of any payment under this Agreement, and each party shall cooperate and take such actions as may be necessary to allow such inspections and audits. The Company acknowledges that implementation of this Agreement requires calculations based on the amount of taxes collected and paid by the Company with respect to the term of this Agreement and issuance of rebate payment checks in amounts determined pursuant to this Agreement, and that the amounts of the rebate payment checks will be public information. The Company, for itself, its successors, assigns, and affiliated entities, hereby releases and agrees to hold harmless the City and its officers and employees from any and all liability, claims, demands, and expenses in any manner connected with any dissemination of information necessary for or generated in connection with the implementation of rebate provisions of this Agreement.

7. Use of Funds; Future Fees. Funds rebated to the Company pursuant to this Agreement shall be used by the Company solely for obligations and/or improvements permitted under Louisville Municipal Code section 3.24.060 (as enacted by Ordinance No. 1507, Series 2007), which includes, but is not limited to, creation of new tax revenue and new jobs in the City. The Building Permit Fee, Sign Permit Fee and Construction Use Tax rebates provided for under this Agreement are solely for construction activities and purchases for this Project during the periods stated in Sections 1-3, above. Any previous or subsequent purchases and construction activities shall be subject to payment without rebate of all applicable building permit fees, sign permit fees and construction use taxes.

8. Effect of Change in Tax Rate. Any increase or decrease in the City General Sales, Construction Use, or Use Tax- Tangible Goods rate above or below the applicable tax rate on the date of execution of this Agreement shall not affect the rebate payments to be made pursuant to this Agreement; rather, the amount of the rebate payments will continue to be based upon the

General Sales, Construction Use, or Consumer Use Tax rates applicable on the date of execution of this Agreement (excluding the City's 0.375% Open Space Tax, 0.125% Historic Preservation Tax, and 0.150% Recreation Center Tax). Any decrease in the City General Sales, Construction Use, or Use Tax- Tangible Goods rates shall cause the amount of the rebate payments made pursuant to this Agreement to be based on the applicable percentage of revenues actually received by the City from application of the tax rate affected (excluding said Open Space, Historic Preservation, Recreation Center, or future special Sales or Use taxes).

9. Entire Agreement; Notices. This instrument shall constitute the entire agreement between the City and the Company and supersedes any prior agreements between the parties and their agents or representatives, all of which are merged into and revoked by this Agreement with respect to its subject matter. Contact information is as follows:

If to Company:
Parcel O Productions LLC
Attn: Jeff Youngstrom
254 Hoover Court
Louisville, CO 80027
303-521-8640
Youngstom.jeff@gmail.com

If to City:
Louisville City Hall
Attn: Economic Vitality
749 Main Street
Louisville, CO 80027
720.534.1209
akroner@louisvilleco.gov

10. Termination. This Agreement shall terminate and become void and of no force or effect upon the City if, by May 31, 2025, the Company has not completed the Project as described in the Company's application for business assistance (as evidenced by a successful final inspection for the Project); or should the Project fail to comply with any City code.

11. Business Termination. In the event the Company, and/or its successors and assigns, ceases business operations in the City within ten (10) years after the Certificate of Occupancy has been received for the Project, then in such event the Company shall pay to the City a portion of the total amount of Building Permit Fees, Sign Permit Fees, Construction Use Taxes, and Sales Taxes which were due and payable by the Company to the City but were rebated by the City. For each full year that the Company, and/or its successors and assigns, cease operations at the Project Location, the City shall receive back 10% of the foregoing amounts.

12. Subordination. Notwithstanding anything in this Agreement to the contrary, 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 bond 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.

13. 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 or any other constitutional or statutory provision, and the City's obligations hereunder are expressly conditional upon annual appropriation by the City Council, in its sole discretion. Company understands and agrees that any decision of City Council to not appropriate funds for payment shall be without penalty or liability to the City and, further, shall not affect, impair, or invalidate any of the remaining terms or provisions of this Agreement.

14. Governing Law: Venue; Dispute Resolution. 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 Louisville City Charter and the Louisville Municipal Code. Any action arising out of, in connection with, or relating to this Agreement shall be filed in the District Court of Boulder County of the State of Colorado and in no other court or jurisdiction. 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; except that, either party may seek injunctive or other equitable relief in the District Court of Boulder County without first submitting the dispute to mediation. The costs of any mediation shall be split equally between the parties. The costs of any arbitration shall be split equally between the parties. The prevailing party in any proceeding in District Court (or appeals thereof) shall be entitled to reimbursement of its attorney fees related to such proceeding.

15. Legal Challenge; Escrow. The City shall have no obligation to make any rebate payment hereunder during the pendency of any legal challenge to

this Agreement. The parties covenant that neither will initiate any legal challenge to the validity or enforceability of this Agreement, and the parties will cooperate in defending the validity or enforceability of this Agreement against any challenge by any third party. Any funds appropriated for payment under this Agreement shall be escrowed in a separate City account in the event there is a legal challenge to this Agreement.

16. Personal Agreement; Assignment. This Agreement is personal to the Company and does not attach to or run with the Property. Neither party shall record this Agreement in the property records of the Boulder County Clerk and Recorder. The Company may not assign any of the obligations, benefits or provisions of the Agreement in whole or in any part without the express written authorization of the City Council of the City. Any purported assignment, transfer, pledge, or encumbrance made without such prior written authorization shall be void.

17. No Joint Venture. Nothing in this Agreement is intended or shall be construed to create a joint venture between the City and the Company and the City shall never be liable or responsible for any debt or obligation of Company.

18. No Third-Party Beneficiaries. The terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to City and Company, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the parties that any person other than City or Company receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

This Agreement is enacted this 11th day of July, 2023.

PARCEL O PRODUCTIONS LLC
a Colorado limited liability company

By: ______________________
Jeff Youngstrom
Owner

CITY OF LOUISVILLE

____
Dennis Maloney
Mayor

ATTEST:

____
Meredyth Muth, City Clerk

CC 4/1/25