



Agenda Item Summary

MEETING DATE: January 13, 2025

SUBJECT: **Resolution No. 07-R-2025** - A Resolution of the Town of Mead, Colorado, Approving an Escrow Agreement Between the Town of Mead, Mead Place Metropolitan District No. 4, and UMB Bank, N.A. Regarding the Disbursement of Funds for Phase 1A (Offsite) Public Improvements (Mead Place, Amendment No. 1 Subdivision)

PRESENTED BY: Marcus McAskin, Town Attorney

SUMMARY

Resolution No. 07-R-2025 (the “Resolution”) approves an escrow agreement between the Mead Place Metropolitan District No. 4 (“District No. 4”), UMB Bank, n.a. (“UMB”) and the Town of Mead (“Town”). A copy of the proposed escrow agreement between these parties is attached to the Resolution as **Exhibit 1** (“Escrow Agreement”).

Equinox Development LLC (the “Developer” or “Owner”) and the Town are parties to that certain Subdivision Improvement Agreement dated October 23, 2023, as amended by that First Amendment to SIA (together, the “SIA”) for development of the subdivision Mead Place, Amendment No. 1 Subdivision (the “Project”).

The main purpose of the Escrow Agreement is to collateralize certain off-site public improvements associated with the Project, as permitted by the SIA.

Specifically, the Project requires the installation of certain on-site and off-site public infrastructure improvements, and those are identified with specificity in Exhibit B-1 to the SIA (the “Improvements”).

Section VIII.A. of the SIA requires the Owner to post collateral with the Town in the form of a cash deposit or one or more letters of credit (“Collateral”) to secure the completion of the Improvements.

Section XVII.P. of the SIA provides that, with respect to the Off-Site Public Improvements only (Phase 1A – Offsite) as specifically identified in Exhibit B-1 to the SIA, an acceptable form of Collateral to ensure the completion of the Off-Site Public Improvements “. . . shall consist of an escrow agreement by and between the Town, the Mead Place Districts or one of the Metro Districts, and an escrow agent deemed acceptable to the Town, which escrow agreement shall be in the form attached to [the SIA] as Exhibit E, or as otherwise approved by the Town Attorney”.

Section XVII.P. of the SIA further provides, in relevant part, that “[i]n the event that the escrow agreement is put in place, the relevant Mead Place District(s) shall be required to deposit 115% of the estimated cost of the Off-Site Improvements into escrow with the escrow agent in order to protect the Town against incurring costs to complete the Off-Site Public Improvements in the event that they are not completed in accordance with the terms and conditions of [the SIA].”

Per the SIA, the cost to complete the Off-Site Public Improvements (Phase 1A) is estimated at

\$1,523,532.65 (inclusive of the 15% contingency). Therefore, the Escrow Agreement requires District No. 4 to establish a separate escrow account with UMB for this full amount (\$1,523,532.65). These funds will be drawn down as the Off-Site Public Improvements are completed.

ADDITIONAL BACKGROUND

On or about November 21, 2024, Mead Place Metropolitan District No. 4 (“District No. 4”) issued approximately \$13.3M in general obligation limited tax bonds (the “2024 Bonds”) to pay for Project-related infrastructure. The 2024 Bonds were issued pursuant to that certain Indenture of Trust (“Indenture”) by and between District No. 4 and UMB Bank, n.a., Denver, Colorado (“UMB”), as the Trustee.

Under the Indenture, certain funds are created, to be held and maintained by the Trustee, including but not limited to the Project Fund and the Bond Fund.

As set forth above, the Escrow Agreement is attached to the Resolution as **Exhibit 1**. UMB (as Trustee under the 2024 Bonds and Indenture) has consented to functioning as the escrow agent under the Escrow Agreement.

The Resolution: (a) approves the Escrow Agreement in substantially the same form as attached to the Resolution as **Exhibit 1**; (b) authorizes the Town Attorney, in cooperation with the Town Manager, to make changes or other updates to the Escrow Agreement that do not materially increase the Town’s obligations prior to execution, in order to respond to final edits proposed by District No. 4 or UMB, if any; and (c) authorizes the Town Manager to execute the Escrow Agreement once in final form.

FINANCIAL CONSIDERATIONS

None.

STAFF RECOMMENDATION/ACTION REQUIRED

Staff recommends approval of the Resolution. A motion to approve the January 13th consent agenda will approve the Resolution (and will authorize the Town Manager to execute the Escrow Agreement once in final form).

Suggested Motion:

“I move to adopt Resolution No. 07-R-2025, A Resolution of the Town of Mead, Colorado, Approving an Escrow Agreement Between the Town of Mead, Mead Place Metropolitan District No. 4, and UMB Bank, N.A. Regarding the Disbursement of Funds for Phase 1A (Offsite) Public Improvements (Mead Place, Amendment No. 1 Subdivision).”

ATTACHMENTS

Resolution No. 07-R-2025
Escrow Agreement