

BY AUTHORITY

ORDINANCE NO. **4334**

COUNCILLOR'S BILL NO. **4**

SERIES OF 2026

INTRODUCED BY COUNCILLORS

Barajas, Johnson

A BILL

FOR AN ORDINANCE APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WESTMINSTER AND RED LOTUS DEN LLC FOR THE PURPOSE OF OPENING A FOOD MARKET HALL AND ENTERTAINMENT DESTINATION IN DOWNTOWN WESTMINSTER

Whereas, the vision for Downtown Westminster is to create a thriving community gathering place where residents and visitors can live, work, and play; and

Whereas, the City of Westminster (City) desires to attract unique restaurants and entertainment destinations to Downtown Westminster in order to create jobs, facilitate future development, and add vibrancy to the community; and

Whereas, RED LOTUS DEN, LLC plans to open a food market hall and entertainment facility named the Red Lotus Den Eatery and Entertainment located at 5815 W 89th Avenue in Downtown Westminster, which will deliver a variety of food products and activities;

Whereas, a proposed Economic Development Agreement (EDA) between the City and RED LOTUS DEN, LLC is attached hereto as Exhibit A and incorporated herein by this reference.

THE CITY OF WESTMINSTER ORDAINS:

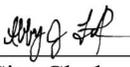
Section 1. The City Manager of the City is hereby authorized to enter into an EDA with RED LOTUS DEN, LLC in substantially the same form as attached in Exhibit A and to fund and implement said EDA upon execution.

Section 2. The EDA shall not be effective until executed by both the City and Red Lotus Den and this ordinance taking effect upon its passage after second reading. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 09 day of February, 2026.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 23 day of February, 2026.

ATTEST:



City Clerk

J. Claire Carmelia

Mayor

APPROVED AS TO LEGAL FORM:

David Frankel

City Attorney's Office

EXHIBIT A

**ECONOMIC DEVELOPMENT AGREEMENT
WITH
RED LOTUS DEN, LLC**

THIS ECONOMIC DEVELOPMENT/DEVELOPMENT ASSISTANCE AGREEMENT WITH RED LOTUS DEN, LLC (“Agreement”) is made and entered into this ___ day of _____, 20__ (the “Effective Date”), by and between the CITY OF WESTMINSTER, a Colorado home rule municipal corporation (“City”), and RED LOTUS DEN, LLC, a Colorado Limited Liability Company, whose business address is 6988 S Ensenada Ct, Aurora, CO 80016 (“Company”). The City and Company may be referred to collectively hereinafter as the “Parties.”

WHEREAS, Company has an executed lease for 11,747 square feet within the Aspire Westminster Apartments building located on Lot 2 of Block B-3 in Downtown Westminster for the purpose of operating a unique market hall (the “Project”);

WHEREAS, the City wishes to support development of the Project by providing assistance to Company in the form of rebates of certain taxes and fees related to the Project; and

WHEREAS, the project will provide benefit and advance the public interest and welfare of the City and its citizens by securing the location of this economic development project within the City, creating new jobs, and furthering opportunity within the City and;

WHEREAS, the City Council finds that execution of this Agreement serves a public purpose by providing an economic benefit and advancing the public interest and welfare of the City and its citizens by securing the location of this economic development project with the City.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the sufficiency of which is expressly acknowledged, the City and Company hereby agree to the following:

1. DEFINITIONS.

a. “**General Sales Tax**” means the 4.25% Westminster sales tax imposed by section 4-2-3 W.M.C..

b. “**General Sales Tax Rebate**” means a percentage or amount of only the 3% general tax portion of the General Sales Tax, if any, that may be rebated to Company pursuant to this Agreement. For the purposes of this Agreement, the General Sales Tax Rebate shall not include the City’s 0.25% Open Space Tax, the City’s 0.6% Public Safety Tax, or the City’s 0.4% tax for the 3H 2025 Fund.

c. “**General Sales Tax Rebate Period**” means the time period commencing upon issuance of a Certificate of Occupancy for the Project and ending sixty (60) months thereafter.

d. “**W.M.C.**” or “**Code**” means, collectively, the Westminster Municipal Code, the City of Westminster home rule Charter, and any rules or regulations established under any of them, all as amended from time to time.

2. GENERAL SALES TAX REBATE.

a. The General Sales Tax Rebate to Company shall be 100% of only the 3% general tax portion of the General Sales and Use Tax collected on all retail sales.

b. The General Sales Tax Rebate amount will be based on the documentation prescribed by the City and provided by Company within 30 days after the end of the General Sales Tax Rebate Period.

7. PAYMENTS OF REBATES.

a. The total of all Rebates hereunder shall not exceed **\$250,000 over a five year period.**

b. To the extent applicable, Company will file returns and pay all City sales taxes due no less than on a calendar quarter basis.

c. The City will make Rebates Payments each calendar quarter based upon the Taxes actually received by the City in connection with the Project.

i. If the total amount of a quarterly Rebates due to Company is at least \$1,000, the Rebates will be paid within thirty (30) days following the end of the calendar quarter.

ii. If the total amount of a quarterly Rebate due to Company is less than \$1,000, such Rebate will be added to the next quarterly Rebate due until the total amount to be rebated is at least \$1,000. The accumulated amount of such Rebates will then be paid within thirty (30) days following the end of the most recent calendar quarter reported.

iii. Payments of Rebates shall commence for the calendar quarter during which final occupancy approval is granted or a final inspection is issued for a building.

iv. No Rebate payment shall be made until Company has obtained a City of Westminster business license for the Project, and has submitted a completed, current W-9, a Certificate of Good Standing, and a completed request for information form as prescribed by the City.

v. The City will make the first Rebate payment by check with a pre-note confirmation sent to Company's designated financial institution or other account in Company's name. Thereafter, the City will make all Rebate payments electronically to Company's designated financial institution or other account. Company must submit all documentation required by the City for electronic payment, which may include a voided check or direct deposit form from Company's financial institution.

d. In the event Company fails to comply in any material respect with provisions of the Code or City regulations relative to the development, use, occupancy or operation of the Project, the City may, after providing Company with not less than ten (10) days advance written notice, suspend payment of quarterly Rebate payments until Company complies with such provisions of the Code or City regulations.

8. GENERAL PROVISIONS.

a. Entire Agreement. This Agreement shall constitute the entire agreement between the City and Company and supersedes 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.

b. Disclosure of Financial Information. Company acknowledges that entering into this Agreement could result in disclosure of Company's financial information, including confidential sales and use tax return information to outside parties.

c. Termination. This Agreement shall terminate and become void and of no force or effect at the election of the City: (i) if Company has not moved into the new facility or completed the Project by September 1, 2026, or (ii) should Company not comply with the City regulations or 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.

d. Business Termination. In the event Company ceases to conduct business operations within the City at any time prior to September 1, 2031 for reasons solely within the discretion or control of Company, including but not limited to reorganization, restructuring, dissolution or bankruptcy, then Company shall pay to the City, within sixty (60) days of business termination, the total amount of fees and taxes that were paid by or for Company for the Project to the City and were subsequently rebated by the City to Company pursuant to this Agreement.

e. 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 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, certificates of participation, 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 subsection e or of subsection f below, Company may terminate this Agreement, at which point this Agreement will become null and void in all respects.

f. 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.

g. Governing Law; Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado, 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. Notwithstanding the foregoing, in no event shall the City be subject to binding arbitration. Venue for any lawsuit concerning this Agreement shall be in the District Court for Adams County, Colorado.

[Remainder of Page Intentionally Blank – Signatures Follow]

RED LOTUS DEN, LLC

CITY OF WESTMINSTER

Signature

Jody Andrews, City Manager

Printed Name, Title

ATTEST:

ATTEST:

City Clerk's Office

Printed Name, Title

APPROVED AS TO LEGAL FORM:

City Attorney's Office

Adopted by Ordinance No. _____