

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF CASTLE PINES AND THE BOARD OF COUNTY
COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO,
REGARDING CONSTRUCTION, MAINTENANCE AND OPERATIONS FOR
THE HAPPY CANYON ROAD / I-25 INTERCHANGE PROJECT**

THIS INTERGOVERNMENTAL AGREEMENT (“**Agreement**”) is made and entered into this _____ day of _____, **2026** (“**Effective Date**”) by and between the City of Castle Pines, Colorado, a Colorado home rule municipality with offices at 7437 Village Square Drive, Suite 200, Castle Pines, Colorado 80108 (the "**City**"), and the Board of County Commissioners of Douglas County, State of Colorado, (the "**County**"), hereinafter collectively referred to as the "**Parties**."

RECITALS

WHEREAS, the Parties, as Colorado governments, are constitutionally and statutorily empowered pursuant to Colo. Const., Article XIV, §18 and C.R.S. § 29-1-201, et seq., to cooperate or contract via intergovernmental agreement with one another; and

WHEREAS, the City and County have been working together for several years to advance the design and construction for improving the Happy Canyon Road / Interstate 25 (I-25) Interchange, and the proposed improvements will be partially located within unincorporated Douglas County and partially located within the City jurisdictional boundary; and

WHEREAS, the Parties desire to jointly fund the construction of improvements that will address the long-term safety, mobility, capacity and traffic operational needs at the Happy Canyon Road / I-25 Interchange, hereinafter referred to as the “**Project**”; and

WHEREAS, construction is currently estimated to cost approximately **\$42,000,000.00** to construct the **Project**; and

WHEREAS, the **Project** construction is currently anticipated to be performed as two separate construction packages. Construction package one consists of a new bridge spanning I-25 north of the existing Happy Canyon Road bridge, and construction package two consists of replacing the existing Happy Canyon Road bridge over I-25, I-25 Interchange Ramp Modifications, and construction of the intersections of the I-25 Ramps and Happy Canyon Road; and

WHEREAS, the Colorado Department of Transportation, (CDOT), currently owns and operates the existing Happy Canyon Road / I-25 Interchange; and

WHEREAS, as part of this **Project**, CDOT plans to transfer operation and maintenance responsibilities for specific interchange elements to the City utilizing a separate asset transfer agreement between the City and CDOT; and

WHEREAS, as part of the asset transfer agreement between the City and CDOT, CDOT / Bridge and Tunnel Enterprise (BTE) currently estimate they will contribute **\$11,000,000.00** associated with the cost to replace CDOT's existing bridge that carries Happy Canyon Road over I-25, and this contribution includes **\$600,000.00** for anticipated maintenance and repairs that are likely to occur during the initial 20-year period after the new bridge is constructed; and

WHEREAS, the Parties agree that the City shall set aside **\$1,000,000.00** (from the CDOT asset transfer agreement) in a special project account to be used solely for repairs and maintenance on Happy Canyon Road as shown in **Exhibit A**; and the remaining CDOT asset transfer funds, currently estimated to be **\$10,000,000.00** will be applied to construct the **Project**; and

WHEREAS, the Parties agree that Douglas County will contribute \$15,000,000.00 to construct the Project; and

WHEREAS, the Parties agree to share on a 50/50 basis for the long-term cost of maintaining and repairing the segment Happy Canyon Road that is located east of the Legae Roundabout and extends to east side of Lariat Drive Intersection, as shown in **Exhibit A** and the City agrees to oversee and manage all maintenance and repairs.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is mutually acknowledged, the Parties hereto agree as follows:

1. **Acknowledgment and Incorporation of Recitals.** The foregoing recitals are hereby acknowledged by the Parties to be true and correct and are fully incorporated into this Agreement.

2. **Purpose.** The purpose of this Agreement is to memorialize the City's commitment to overseeing the construction activities for the **Project** and establish the Parties responsibilities to fund, operate and maintain elements of the Happy Canyon Road / I-25 Interchange improvement identified in **Exhibit A**.

3. **General Description of the Project.** The **Project** includes reconstructing the Happy Canyon Road / I-25 Interchange, and said improvements require approval by the Colorado Department of Transportation (CDOT) and Federal Highway Administration (FHWA) before construction can begin. The **Project** is anticipated to completed utilizing two or more construction packages.

4. **Term and Termination.**

4.1 This Agreement shall commence upon the Effective Date and shall terminate **July 31, 2046**, or unless the conditions stipulated in **Section 7** apply.

4.2 Regarding the long-term maintenance commitments identified in this Agreement, the term provided herein shall automatically renew for an additional twenty (20) year term commencing on **August 1, 2046**, and consecutive additional twenty (20) year terms thereafter, unless either Party provides the other Party written notice of its intent to discontinue providing extended maintenance a minimum of two (2) years prior to the applicable expiration date, and said notice shall also detail how said future maintenance activities shall be funded.

5. **City's Responsibilities and Contribution.**

5.1 The City agrees to manage the completion of the various pre-construction activities required for the **Project**, including but not limited to obtaining all necessary permits, managing consulting services related to the traffic modeling and traffic studies, prepare environmental clearance documents, complete preliminary plans and the final construction documents (plans and specifications), completing supplemental surveying and property ownership mapping, conducting subsurface utility engineering, identifying and advancing relocation of existing utilities in conflict with the proposed improvements, preparing right-of-way (ROW) plans, and acquire the additional ROW needed to construct the proposed improvements. The City agrees to provide Douglas County all final construction documents for review and concurrence prior to commencing with construction activities.

5.2 The City agrees to manage the **Project** during the construction phase, which includes, but is not limited to the following activities to be performed by the City, the contractor and the consultants: provide public notifications to the general public and all impacted agencies during construction, measure and document work completed, approval of monthly payments to the contractor and to the various consultants that are retained to provide professional services needed to conduct design reviews and field revisions, and provide construction management assistance, construction inspection and material testing, and preparing the necessary construction project documentation required for the Project and provide all necessary coordination with CDOT, State Patrol, City Police Department, Douglas County Sheriff's Department, Douglas County School District, the Fire Department and other emergency response agencies. The City agrees to provide Douglas County an opportunity to review and provide concurrence on all change orders greater than or equal to \$100,000.00 in value during construction, that significantly alters the final configuration of the interchange improvements for which they will have a maintenance obligation per this agreement.

5.3 The Parties currently anticipate that CDOT will require the local agencies to pay CDOT for charges related to CDOT staff monitoring construction activities that will be constructed within CDOT right-of-way, and these charges will be included as part of the overall construction cost of the **Project**. The reasonable fee for CDOT involvement on the **Project** will need to be established in a separate agreement between CDOT and the City; and the City is responsible for executing said separate agreement.

5.4 The Parties recognize that the City financial responsibilities will likely include contributions from their developers that will benefit directly from the **Project**; and all developer contributions received by City, will be retained by the City and are included as part of the City's contributions.

5.5 The City shall be responsible for all **Project** expenses, except for the County's contribution.

5.6 The City is responsible for all **Project** costs in excess of the current cost estimate. The total construction costs, minus the County's total contribution shall constitute the City's contribution.

5.7 The City shall be responsible for securing all the necessary funding for the **Project** in excess of the County's contribution.

5.8 The City is responsible for all other construction costs in excess of the County's contribution, unless this Agreement is amended in writing by both parties.

5.9 The City shall not use the County's contribution for any other purpose unless agreed to by both Parties and by executing a formal written amendment to this Agreement.

5.10 The City is responsible for obtaining payment from CDOT / BTE associated with the asset transfer agreement, (for replacing the existing CDOT bridge), which is currently estimated to be **\$11,000,000.00**.

5.11 The City agrees to execute a separate agreement with CDOT / BTE for the asset transfer funds associated with replacing CDOT's existing bridge that carries Happy Canyon Road over I-25.

5.12 The City agrees to set aside **\$1,000,000.00** (a portion from the CDOT asset transfer funds) in a special project account to be used solely for repairs and maintenance on Happy Canyon Road as shown in **Exhibit A**; and the remaining CDOT asset transfer funds, currently estimated to be **\$10,000,000.00** will be applied to construct the **Project**. Funds set aside in this account shall not be used for enhanced landscaping or for maintaining or repairing the proposed architectural aesthetic monumentation.

5.13 On an annual basis, the City agrees to track minor maintenance and repair costs for Happy Canyon Road as shown in **Exhibit A**. Minor maintenance and repair costs are for items ranging from **\$2,500.00** to **\$50,000.00** and City agrees to provide the County with a list of these expenditures in the first quarter of the following year the expenses were incurred. Expenditures of less than **\$2,500.00** are considered incidental and do not need to be included in first quarter reports. Additionally, routine roadway maintenance activities, which include but are not limited to snow removal, sanding, sweeping, restriping and normally scheduled

sign and light bulb replacements, shall not utilize the funding set aside in the special project account mentioned above in **Section 5.12** but shall come another City revenue source. Maintenance and repair costs greater than **\$50,000.00** are considered major and City will require concurrence from the County prior to utilizing the funds set aside in the special project account; and said concurrence will not be unreasonable withheld.

5.14 The City agrees to maintain and repair the proposed architectural aesthetic monumentation and enhanced landscaping (including Rock Mulch) utilizing City revenue other than that which is set aside solely for Happy Canyon Road as identified in **Section 5.12** above.

5.15 The City is currently pursuing additional Federal and / or State funds for the Project. If the City is successful in obtaining Federal and / or State funds, in addition to the asset transfer agreement funds, then both Parties will share equally, (on a 50/50 basis) in being able to further reduce each party's contribution by reducing their contingency funds set aside for the Project.

5.16 The City agrees to enter into a separate agreement with CDOT concerning maintenance responsibilities for the various elements installed as part of the Happy Canyon Road / I-25 Interchange improvements.

5.17 The Parties agree to share on a 50/50 basis for the long-term cost of maintaining and repairing the segment Happy Canyon Road that is located east of the Legae Roundabout and extends to east side of Lariat Drive Intersection, as shown in **Exhibit A** and the City agrees to perform all maintenance and repairs.

5.18 The City agrees to own, operate and maintain the traffic signals, the pedestrian lighting and intersection lighting associated with Happy Canyon Road / I-25 Interchange improvements.

5.19 The City agrees to provide emergency vehicle access to I-25 and access to the communities located east and west of I-25 during all phases of construction.

5.20 Upon execution of this agreement, the City may invoice the County, requesting the County's initial contribution of **\$8,000,000.00** once the City has decided to award construction package one to the contractor. The City may invoice the County for the remaining funds, (\$7,000,000), for construction package two within sixty (60) days of the City awarding construction package two.

5.21 A valid invoice shall be for the correct amount and include an invoice number and invoice date. The City invoices shall be sent electronically to the County to the following: Ashley Pennick at APennick@douglasco.gov and a copy sent to Benjamin Pierce at bpierce@douglasco.gov

5.22 The City shall provide electronic documentation of all applicable **Project** documents within sixty (60) days upon written request from the County.

6. **County's Responsibilities and Contribution.**

6.1 Since the County agrees to share in the cost of immediate and long-term maintenance of the Happy Canyon Road / I-25 Interchange as shown in **Exhibit A**, the County's Public Works / Engineering Division will continue to support the **Project** and participate in critical meetings and offer technical support for major decisions. Douglas County staff will review all final construction documents for concurrence prior to the City commencing with construction activities. Additionally, Douglas County staff will review and provide concurrence for all construction change orders which have a value greater than or equal to \$100,000.00 which significantly alters the final configuration of the interchange improvements for which the County will have a fiscal responsibility for maintenance per this agreement.

6.2 The County agrees to contribute two lump sum payments as indicated herein, which represents the County's full contribution to the project of:

Fifteen Million Dollars and No Cents (**\$15,000,000.00**).

6.3 In no event will the County be liable to pay the City any amount in excess of the **\$15,000,000.00**, including for any unforeseen additional **Project** related costs or claims.

6.4 Upon execution of this Agreement, the County agrees to allocate funds for the **Project** and open one or more purchase orders to the City for the County's contribution identified in this Agreement.

6.5 The County shall pay the City within forty-five (45) days after receiving a valid invoice from the City for the applicable construction package.

6.6 The County agrees to share on a 50/50 basis the ongoing long-term maintenance cost for the Happy Canyon Road / I-25 Interchange for the limits shown on **Exhibit A**. Since the north bridge (construction package one) and the south bridge (construction package two) are both necessary to operate the diverging diamond interchange properly, the County agrees to share 50/50 in the cost to maintain both bridges. Since the \$1,000,000 will be set aside for long-term maintenance and is jointly shared by the County and City, using the funds will result in the costs being shared equally.

6.7 The County agrees that all necessary maintenance and operation activities shall be performed by the City, including all routine maintenance activities, which include but is not limited to the following: operating traffic signals, snow removal, sanding and sweeping, restriping, sign replacement, guard rail and fence repairs, (except for Deer Fence that is maintained by CDOT), maintenance of rock mulch and other landscaping materials, weed control, and trash removal. See **Section 4** for duration of maintenance activities and responsibilities.

7. **Time of Performance.** The Parties currently anticipate the first construction package will commence on or before **October 1, 2026**. If the City has **not** commenced, (Notice to Proceed has not been given by the City to the contractor), on or before **July 31, 2027**, then the County may terminate this Agreement, unless the Parties agree to an extension in writing before **July 31, 2027**. This Section shall survive the termination of this Agreement.

8. **Remedies.** The Parties hereto acknowledge and agree that each Party may exercise all rights and remedies in law or in equity, by a decree in specific performance, or such other legal or equitable relief as may be available, including a return of the funds described in **Section 6** of this Agreement in the event of a default by the other Party. In the event of any litigation, arbitration or other proceedings to enforce the terms, covenants or conditions hereof, the prevailing party in such litigation, arbitration or other proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

9. **Notice.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the Party to whom such notice is to be given, at the address set forth below, or at such other address as has been previously furnished in writing, to the other Party. Such notice shall be deemed to have been given when deposited in the United States mail.

City of Castle Pines: City of Castle Pines
7437 Village Square Drive, Suite 200
Castle Pines, CO 80108
Attention: Larry Nimmo, Public Works Director
Larry.nimmo@castlepinesco.gov

With Copy to: City Attorney
Michow Guckenberger McAskin, LLP
5299 DTC Boulevard, Suite 300
Greenwood Village, CO 80111

Douglas County: Douglas County
100 Third Street
Castle Rock, Colorado 80104
Attention: Janet Herman, Public Works Director
jherman@douglasCO.gov

With an electronic copies sent to attorney@douglasCO.gov
and to Benjamin Pierce at bpierce@douglasco.gov

10. **Appropriation.** Pursuant to section 29-1-110, C.R.S., any financial obligations of the County contained herein that are payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available on an annual basis. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the City not performed during the current fiscal year is subject

to annual appropriation, and thus any obligations of the City hereunder shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

11. **Additional Documents.** The Parties agree to execute any additional documents or take any additional action that is necessary to carry out the intent of this Agreement.

12. **Colorado Law.** The laws of the State of Colorado shall govern this Agreement. Venue for any action hereunder shall be in the District Court, County of Douglas, State of Colorado, and the Parties waive any right to remove any action to any other court, whether state or federal.

13. **Relationship of Parties.** The Parties enter into this Agreement as separate, independent governmental entities and shall maintain such status throughout. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Parties.

14. **No Third-Party Beneficiaries.** The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person under such Agreement. Any beneficiary of the terms and conditions of this Agreement are not intended beneficiaries but are incidental beneficiaries only.

15. **No Waiver of Sovereign Immunity.** The Parties hereto understand and agree that the City and County, and each of their respective commissioners, council members, officials, officers, directors, agents and employees, are relying on, and do not waive or intend to waive by any provisions of this Agreement, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act (the "CGIA"), C.R.S. §§ 24-10-101 to 120, or otherwise available to the County and the City under applicable law. To the extent the CGIA imposes varying obligations or contains different waivers of immunity on the County or the City, the Parties agree that the County or City shall remain liable only as provided under the CGIA, whether due to acts or omissions or property interests, and no party shall be the agent of another or liable for the obligations of another under the provisions of the CGIA.

16. **Entirety.** This Agreement merges and supersedes all prior negotiations, representations and agreements between the Parties hereto relating to the subject matter hereof and constitutes the entire agreement between the Parties concerning the subject matter hereof.

17. **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

18. **Modification.** This Agreement may only be modified upon written agreement signed by the Parties.

19. **No Waiver.** Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by either Party shall not constitute a waiver of any of the other terms or obligations of this Agreement.

20. **Assignment.** Neither this Agreement nor any of the rights or obligations of the Parties hereto, shall be assigned by either Party without the written consent of the other.

21. **Survival.** Any terms and conditions of the Agreement that require continued performance, compliance, or effect beyond the termination date of the Agreement shall survive such termination date and shall be enforceable in the event of a failure to perform or comply.

22. **Agreement Controls.** In the event a conflict exists between this Agreement and any term in any exhibit attached or incorporated into this Agreement, the terms in this Agreement shall supersede the terms in such exhibit.

23. **Force Majeure.** Neither the County nor the City shall be liable for any delay in, or failure of performance of, any covenant or promise contained in this Agreement, nor shall any delay or failure constitute default or give rise to any liability for damages if, and only to extent that, such delay or failure is caused by “Force Majeure.” As used in this Agreement, “Force Majeure” means acts of God, acts of the public enemy, acts of terrorism, unusually severe weather, fires, floods, epidemics, quarantines, strikes, labor disputes and freight embargoes, to the extent such events were not the result of, or were not aggravated by, the acts or omissions of the non-performing or delayed party.

24. **Authority.** The individuals executing this Agreement represent that they are expressly authorized to enter into this Agreement on behalf of the City of Castle Pines and the County and bind their respective entities.

25. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document. In addition, the Parties specifically acknowledge and agree that electronic signatures shall be effective for all purposes, in accordance with the provisions of the Uniform Electronic Transactions Act, Title 24, Article 71.3 of the Colorado Revised Statutes.

26. **Headings.** The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

[Reminder of page left blank - signature pages to follow]

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto as of the date first written above.

CITY OF CASTLE PINES, COLORADO

By: _____

Printed Name: Tracy Engerman

Title: **Mayor**

Date of Execution: _____

ATTEST:

Tobi Duffey, City Clerk

APPROVED AS TO FORM (excluding exhibits):

Linda Michow, City Attorney

[Douglas County signature page follows]

**BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY**

George Teal, Chair

ATTEST:

APPROVED AS TO CONTENT:

Douglas J. DeBord,
County Manager

Clerk to the Board




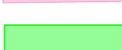
APPROVED AS TO FORM:

APPROVED AS TO FISCAL CONTENT:

Chris Pratt,
Senior Assistant County Attorney

Christie Gutherie,
Director of Finance

Exhibit A

CDOT - Owned and Maintained (Ramps) -	
CDOT - Owned and Maintained (Ramp Slopes) -	
CDOT - Owned and Maintained (I-25 Mainline) -	
Castle Pines - Owned and Jointly Maintained with Douglas County (Bridges and DDI)	
Castle Pines - Owned and Jointly Maintained with Douglas County (WQ Features)	