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DISTRICT COURT COUNTY OF ARAPAHOE, COLORADO Arapahoe County Justice Center 7325 S. Potomac Street Centennial, Colorado 80112 Telephone: (303) 645-6600	
Plaintiff: THE CITY OF ENGLEWOOD v. Defendants: THOMAS PARSON AKA TOM PARSON, PATTI PARSON, ENGLEWOOD DEPOT, INC.	
<i>City Attorney for Plaintiff City of Englewood</i> Tamara L. Niles, Atty. Reg. #55539 Victoria McDermott, Atty Reg. #56972 Sergio Renteria, Atty Reg. #48724 City of Englewood 1000 Englewood Parkway Englewood, Colorado 80110 Tel: (303) 762-2320 Email: tniles@englewoodco.gov vmcdermott@englewoodco.gov srenteria@englewoodco.gov	▲ COURT USE ONLY ▲ Case No.: 22CV Div.:
COMPLAINT	

Plaintiff, the City of Englewood (“City”), by and through its undersigned counsel City Attorney’s Office, hereby respectfully submits the following Complaint (“Complaint”), and in support thereof, states and alleges as follows:

I. PARTIES

1. City of Englewood is a municipal corporation under the laws of the State of Colorado with an address of 1000 Englewood Parkway, Englewood, CO 80110.
2. Defendant Englewood Depot, Inc., is a Colorado Corporation whose registered agent is Thomas Parson, 157 S. Logan St., Denver, CO 80209.

3. Defendant Thomas Parson aka Tom Parson is a person residing within the state of Colorado, and upon information and belief, may be served with process at: 157 S. Logan St., Denver, CO 80209.

4. Defendant Patti Parson is a person residing within the state of Colorado, and upon information and belief, may be served with process at: 157 S. Logan St., Denver, CO 80209.

II. JURISDICTION AND VENUE

5. This Court has original jurisdiction over the subject matter of this dispute pursuant to Colorado Constitution Art. 6, § 9.

6. Defendants are subject to personal jurisdiction in this Court pursuant to C.R.S. § 13-1-124.

7. Venue is proper in this Court under C.R.C.P. 98(a) because the real property subject to this dispute is located in the County of Arapahoe, Colorado and the contract that constitutes the basis of this Complaint is to be performed in the County of Arapahoe, Colorado.

III. ALLEGATIONS

TRANSFER OF TITLE TO HISTORIC ENGLEWOOD DEPOT

8. On November 15, 2012, the City of Englewood issued Request for Proposal RFP-12-024 for the Sale of Historic Real Property (“RFP”), the Englewood Depot located at 675 W. Dartmouth, Englewood Colorado (hereafter “the Depot”). *See* Request for Proposal RFP-12-024, attached as Exhibit 1.

9. The stated goal of the City in issuing the RFP was “to preserve the Englewood Depot for future generations through an adaptive re-use of the structure.” *Id.*, Exh. 1, at p. 2.

10. All respondents to the RFP were required to “[d]ocument financial ability to complete the purchase and your ability to cover the care and maintenance of this property.” *Id.*, Exh. 1, at p. 7.

11. The RFP provided detailed anticipated renovation work and estimated costs of renovation totaling \$474,500.00. *Id.*, Exh. 1, at pp. 19-31 (estimate, p. 22).

12. Defendants Thomas Parson aka Tom Parson and Patti Parson (hereafter collectively “Parson Defendants”) submitted a Proposal in response to RFP-12-024 (hereafter “Response to RFP”). *See* Response to Request for Proposal RFP-12-024, attached as Exhibit 2.

13. Parson Defendants' Response to RFP contained the following specific representations:

We will transform the historic Englewood Depot into a living museum of letterpress printing, typography, design, poetry and art- a working vintage letterpress printshop, with space for exhibits, demonstrations, workshops, visiting school groups, literary readings, art classes, events and meetings, as well as typographic research and printing projects to be a resource available to the community.

...

At its core, our project proposal will serve the book and letter-arts communities in the Front Range, making Englewood a recognized center for letterpress, art, and literary activity. It will accomplish this by encouraging hands-on participation, experiments with historic design and materials, experience with traditional methods, interaction with the public, and practical information and advice on press repairs, where to get supplies, what technique and what press do you need.

See Response to RFP-12-024, attached as Exhibit 2, at p. 6.

14. On June 17, 2013, City Council discussed Parson Defendants' Response to RFP, given the evaluation committee unanimously recommended acceptance of it over the competing proposal. See June 26, 2013 City Manager Memorandum, attached as Exhibit 3, at p. 1.

15. On that date, City Council directed City staff to negotiate a lease with Parson Defendants, instead of a sale. See City Manager Memo, Exh. 3, at p. 1.

16. In response to that Council direction, Defendant Thomas Parson submitted a memorandum dated July 1, 2013 acknowledging there were "personal attacks on our intentions, and aggressive disrespect for our sincere offer of a Proposal for the Depot." See City Manager Memo, Exh. 3, at p. 2.

17. Thereafter, on July 1, 2013, City Council adopted Resolution No. 66, Series of 2013, authorizing the City Manager to negotiate a sale of the Depot to the Parson Defendants. See Resolution 66 Series of 2013, attached hereto as Exhibit 4.

18. Ordinance No. 43, Series of 2013, adopted on second reading on August 19, 2013, authorized the sale to the Parson Defendants, subject to "the conditions listed in the City's Request for Proposal including a preservation easement through the Colorado Historical Foundation and a first right of refusal for this property in the event the Buyer sells the property in the future." See Ordinance 43 Series of 2013, attached hereto as Exhibit 5.

19. The Plaintiff and Parson Defendants entered into a Contract to Buy and Sell Real Estate on August 19, 2013 for a purchase price of \$30,000. *See* August 19, 2013 Contract, attached hereto as Exhibit 6.

20. The Contract contained the following relevant conditions:

- a. “[T]his contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties”;
- b. “The City (Seller) shall be given a ‘first right of refusal’” which “will not be effective if the property passes to a limited liability company or non-profit owned and controlled by Tom and Patti Parson or if title is transferred by inheritance”;
and
- c. “The Buyer shall promptly proceed to secure the appropriate approvals regarding applicable City Codes required for development of the property.”

See Contract, Exh. 6 at p. 1.

21. While Title was initially purported to be transferred via Quit Claim Deed on August 19, 2013, Title to the Depot was properly transferred from the City to the Parson Defendants via Corrective Quit Claim Deed on May 21, 2014. *See* May 21, 2014 Corrective Quit Claim Deed, attached hereto as Exhibit 7.

22. Upon information and belief, at the time of transfer from the City to the Parson Defendants, the Depot had a market value in excess of \$250,000.

23. On May 30, 2014, the Parson Defendants transferred title to the Depot to T and P Properties, LLC. *See* May 30, 2014 Quit Claim Deed, attached hereto as Exhibit 8.

24. While the Articles of Organization indicate Thomas Parson formed the organization, filed the Articles, and was the registered agent, the owners and those that have control of T and P Properties, LLC are unknown to the City. *See* July 6, 2013 T and P Properties Articles of Organization, attached hereto as Exhibit 9.

25. Upon information and belief, neither the Parson Defendants nor T and P Properties, LLC notified the City of this transfer or gave it an opportunity to exercise its contractual first right of refusal.

26. On December 21, 2017, T and P Properties, LLC transferred title to the Depot to Defendant Englewood Depot, Inc. *See* December 21, 2017 Quit Claim Deed, attached hereto as Exhibit 10.

27. While the Articles of Incorporation indicate the non-profit corporation will have voting members and that Thomas Parson is the incorporator and registered agent, the owners and those that have control of Defendant Englewood Depot, Inc. are unknown to the City. *See* July 16, 2013 Englewood Depot, Inc. Articles of Incorporation, attached hereto as Exhibit 11.

28. Upon information and belief, a non-profit corporation has no owners.

29. Upon information and belief, neither the Parson Defendants, T and P Properties, LLC, nor Defendant Englewood Depot, Inc. notified the City of this transfer or gave it an opportunity to exercise its contractual first right of refusal.

RENOVATION OF THE STRUCTURE

30. After obtaining title to the Depot on August 19, 2013, Defendants did not apply for their first permit for the renovation until May 2, 2016. *See* City of Englewood permit documents, attached hereto as Exhibit 12 at p. 1.

31. Defendants have obtained five total City permits for the renovation: excavation for a new water line in 2016; retaining wall, site accessibility, and garage doors in 2017; two roofing permits in 2018 and 2019; and attic insulation and venting to north side of building plus framing of two bathrooms and a coffee bar in 2021 to 2022. *See* Permit documents, Exh. 12, at pp. 1-5.

32. Of those five permits issued since 2013, only three projects have been completed; one expired; and one is open and pending. *See* Permit Status History, attached hereto as Exhibit 13 at pp. 1-5.

33. The Depot is unfinished, and does not have a certificate of occupancy that would allow use of either floor.

FACTUAL REPRESENTATIONS BY PARSON DEFENDANTS TO CITY

34. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “High school kids and various organizations will enjoy our resource to print posters using our collection of wood type letters.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

35. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

36. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “We will be available for spring-break programs, workshops, classes, even

summer employment such as provided by Englewood Recreation.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

37. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

38. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “College-level interns in art and design will find work-space and mentors at the Depot.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

39. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

40. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “DIY (Do-It-Yourself) crafters will create projects like seasonal cards and valentines.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

41. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

42. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “Individual poets and artists can print and publish their own poetry broadsides and artist book projects.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

43. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

44. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “Clients can design and print their own business cards or wedding invitations.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

45. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

46. In its 2013 Response to RFP, the Parson Defendants made the following specific representation: “We will offer discounts and free events for Englewood residents, seniors and students.” *See* Response to RFP-12-024, Exh. 2, at p. 4.

47. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, this has not occurred.

48. Regarding renovation work on the historic property, the Parson Defendants Response to RFP specifically stated they would complete the following tasks:

- A. Connect electrical, sewer, and gas lines.
- B. Correct any drainage issues.
- C. Finish exterior seal between the stucco frame and the foundation.
- D. Assure Americans with Disabilities Act (“ADA”) accessibility from parking to entrance (sidewalk and other needed modifications).
- E. Redesign interior for ADA accessible restrooms, which include required tile floors and service sink; addition of small kitchen area (with mandatory ADA accessible water fountain; microwave, small refrigerator, coffee pot, and serving counter).
- F. Renovate interior- baseboards, insulation, windows & doors, security, access.
- G. Insulate and make repairs to plaster and paint to encapsulate lead-based paint.
- H. Add heating system, ducts.
- I. Add water heater and necessary drain, in lower level (hot water for whole building).
- J. Raise the floor level in the passageway, to match the waiting room and office floors.
- K. Add steps and ADA lift for interior access to loading dock room.
- L. Revise design of exterior ramp on south end to meet ADA requirements.
- M. Include fire-resistant ceiling material for passageway and loading dock rooms.
- N. Construct lower level east wall.
- O. Provide for lower level access on east side: two doors, ADA ramp, steps; sidewalk to parking.
- P. Add accessible bathrooms and clean-up sink to the lower level (may need pumps for waste).
- Q. Consider interior dumb waiter to move type and equipment between the two levels.
- R. Perform ongoing maintenance as needed.
- S. Immediate construction is necessary for a wall on the east side, with doors at the north and south ends to include ADA access with an exterior ramp, and a garage-style door for an additional opening and natural light.
- T. Further construction will include two accessible restrooms, a water heater and a gas furnace. The Lower Level also offers additional library, exhibit and workshop space.

See Response to RFP-12-024, Exh. 2, at pp. 8-9.

49. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, upon information and belief, none of this work has occurred.

50. In its 2013 response to the City RFP, the Parson Defendants indicated this renovation work would be completed in a reasonable time of “a busy but flexible process of a year or more...” *See* Response to RFP-12-024, Exh. 2, at p. 8.

51. Although the City transferred title to the Depot to the Parson Defendants more than eight years ago, neither floor is yet renovated to the extent that it can obtain a certificate of occupancy.

PARSON DEFENDANTS REPEATEDLY STATED TO CITY IN WRITING THEY HAD SUFFICIENT FUNDING TO RENOVATE THE DEPOT

52. The Parson Defendants Response to RFP stated: “To accomplish the creative redevelopment, we will use our own personal financing to buy the depot and begin the rehabilitation necessary to make the building operational as quickly as possible.” *See* Response to RFP-12-024, Exh. 2, at p. 8.

53. The Parson Defendants Response to RFP stated: “Tom and Patti Parson have the funds to purchase the building and do the necessary renovations to get the upstairs ready for the public. ... Tom ... will re-invest his printshop earnings back into the Depot and its collections.”

See Response to RFP-12-024, Exh. 2, at p. 12.

54. The Parson Defendants Response to RFP stated: “*Summary of What We Bring to this Project*

- Personal funding to cover purchase and initial renovation to get the building and project operational.”

See Response to RFP-12-024, Exh. 2, at p. 4.

55. In response to a public challenge to a recommendation to transfer title of the Depot to the Parson Defendants, Thomas Parson stated: “This is not a give-away of City property. Rather, starting with \$100,000 of personal financing, with a very significant treasure of historic printing equipment and library resources, with commitment of a lifetime of experience and a promise of hands-on involvement, and with no future expectation for personal financial gain, in fact our proposal is a gift to the City and the community.” *See* City Manager Memo, Exh. 3, at p. 3.

**IV. CLAIM FOR RELIEF
(Unjust Enrichment)**

56. The City incorporates and realleges the allegations of paragraphs 1-55 above.

57. Defendants obtained the title to the Depot for significantly less than the market price, arising out of their repeated promises made in writing to the City of Englewood.

58. Defendants obtained a significant benefit—or a property valued at more than \$200,000 than paid to obtain title—at the unfair expense of the City and citizens of Englewood.

59. Defendants have failed to comply with those promises to timely complete renovation work and provide a museum, community center, and public space to benefit the City and citizens of Englewood.

60. Because Defendants secured title to the Depot at the City's expense arising out of repeated, detailed, written false statements and promises, it would be unjust for the Defendants to retain the benefit without commensurate compensation to the Plaintiff.

61. In this case, the Depot was transferred to the buyers at a sale price that was significantly less than fair market value, in exchange for buyers promise to expend significant funds to renovate, and create a museum/public improvement.

**V. CLAIM FOR RELIEF
(Breach of Contract)**

62. The City incorporates and realleges the allegations of paragraphs 1-61 above.

63. The City and the Parson Defendants entered into a written contract. *See* Contract, Exh. 6.

64. The City fully performed its obligations under the contract, by transferring title to the Parson Defendants in exchange for payment of \$30,000. *See* Contract, Exh. 6 at p. 1.

65.

66. The Parson Defendants, and their successors in interest, violated the following provisions of the contract:

- a. Failure to notify City of a transfer of title to T and P Properties, LLC to allow the City to exercise its first right of refusal;
- b. Failure to notify City of a transfer of title to Englewood Depot, Inc. to allow the City to exercise its first right of refusal;
- c. Failure to promptly secure approvals, i.e. obtain permits, regarding applicable City Codes required for development of the property.

See Contract, Exh. 6 at p. 1.

67. The City learned of these breaches of contract less than three years from the date of filing this Complaint.

68. The City has been damaged in that it did not receive the benefits promised by the Parson Defendants, and for which it bargained, in transferring title to the Depot to the Parson Defendants.

VI. CLAIM FOR RELIEF
(Fraudulent Inducement)

69. The City incorporates and realleges the allegations of paragraphs 1-68 above.

70. Defendants Thomas Parson and Patti Parson made multiple material misrepresentations of fact to the City of Englewood in their 2013 Response to the City of Englewood RFP to acquire title to the Englewood Depot.

71. Those material misstatement of facts, as cited in the facts above, include the following: that they would use their own funds to buy and renovate the Depot; that renovation of the Depot would occur as quickly as possible; that renovation of the Depot would take approximately one year; that Defendants Thomas Parson and Patti Parson had available funds to renovate the Depot to open the upstairs to the public; that Defendant Thomas Parson would invest additional revenue into the Depot when earned; that Defendants Thomas Parson and Patti Parson had personal funding to purchase and renovate the Depot to make it operational.

72. Defendants Thomas Parson and Patti Parson were the only parties that knew their actual cash on hand and financial position compared to the estimated costs of rehabilitation contained with the City of Englewood RFP.

73. Therefore, Defendants Thomas Parson and Patti Parson knew these material statements of fact were false when they were made.

74. In addition, Defendants Thomas Parson and Patti Parson made significantly more additional material false statements of fact in their response to the City of Englewood RFP regarding work to be completed and benefits to the community that have not been completed nor realized, but the City of Englewood requires discovery to determine if these, too, were known to be false when made.

75. The City of Englewood did not know these statements were false when made.

76. Defendants Thomas Parson and Patti Parson intended to induce the City to rely on these false material statements of fact when made, to secure title to the Depot.

77. Plaintiff City of Englewood justifiably relied on the repeated, written false material statements of fact when it transferred title to Depot to Defendants Thomas Parson and Patti Parson.

78. The City of Englewood was damaged, both in that it transferred title to the Parson Defendants for significantly less than market value and that the City, public and community have not received the benefit of the bargain: namely, a museum, community center, and additional public services.

VII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff City of Englewood respectfully requests that this Court order relief as follows:

1. Enter a declaratory judgment pursuant to C.R.C.P. 57 finding and declaring that the Defendants failed to comply with their specific and detailed promises as made in the Response to RFP issued by Thomas Parson and Patti Parson, and that such promises induced the City of Englewood to transfer title to the Depot to the Parson Defendants; and
2. Pursuant to CRS § 38-10-110, order specific performance within a reasonable time of the renovations and other promises made by Thomas Parson and Patti Parson as contained within the Response to RFP; or
3. In the alternative, set aside the transfer of title to the Depot, and order title be returned to the City of Englewood; or
4. In the alternative, order Defendants compensate the City of Englewood for the difference between the price paid by the Defendants for the Depot and the fair market value of the Depot at the time of transfer; and
5. For such other and further relief that the Court deems just and appropriate under the circumstances.

Respectfully submitted this 30th day of September, 2022.

CITY OF ENGLEWOOD

/s/ Tamara L. Niles

Tamara L. Niles, Atty Reg. #55539

Victoria McDermott, Atty Reg. #56972

Sergio Renteria, Atty Reg. #48724

City Attorneys for the City of Englewood

In accordance with ULR 2(a) and C.R.C.P. 121 §1-26, this document has been electronically filed via Colorado Court E-Filing and a printable copy of this document is maintained by the City of Englewood City Attorney's Office and will be made available for inspection by other parties and the Court upon request.