



TO: Fruita City Council and Mayor

FROM: Dan Caris – Planning & Development Director

DATE: June 17, 2024

AGENDA TEXT: RESOLUTION 2024-20 – A Resolution Authorizing the City Manager To Sign An Amendment To The Memorandum Of Understanding With 2 Forks Ventures, Inc To Extend The One-Year Exclusive Right To Negotiate A Public-Private Partnership Agreement To Develop Certain City-Owned Property

BACKGROUND

For the past year, the City of Fruita has been working with 2 Forks Ventures, Inc (“Developer”) with the goal of pursuing a public private partnership to develop the Lagoon property. The two partners entered into a Memorandum of Understanding (“MOU”) on June 20, 2023. This MOU agreement between the City and Developer merely describes the working relationship and responsibility of each entity. The agreement contemplates certain site related due diligence that would be needed to determine the viability of pursuing development of the site. The MOU lists out specifically what each entity will be responsible for completing, with a 1-year exclusive right from the date of this agreement to negotiate a Public and Private Partnership, (“PPP”) Agreement acceptable to the City to achieve a development proposal for the Property.

The attached resolution and amendment (Exhibit A) extends the period of the exclusive right to negotiate by three months, from June 20, 2024 to September 20, 2024. Additionally, the original MOU is attached as Exhibit B.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City of Fruita is focused on actions that positively influence the quality of place, economic health, and lifestyle of the community. These outcomes are built upon a base of providing quality core services that are expected by the City’s residents, businesses, and visitors.

The 2020 Fruita in Motion: Comprehensive Plan establishes the Innovation/Flexibility Zone as the future land use classification for the Lagoon property. The Lagoon parcels are currently zoned Community Services Recreation, (“CSR”) and possess proximity to both downtown and commercial areas. It has a recently completed paved trail that runs through it, connecting the downtown area and nearby neighborhoods to the Colorado River and recreation opportunities on the south side of the highway. The area still has many barriers to development such as limited road access. It will likely take a large master development to overcome the cost of these barriers. Live/workspace and light manufacturing/retail co-spaces are some of the ideas imagined for this area, with ample access to the Colorado River. Innovative multifamily residential could also be appropriate here. This area could be considered for multiple types of underlying zoning to give it maximum flexibility for development.

FINANCIAL IMPACT

Any financial obligation which the City determines to undertake will be subject to prior appropriation by the City Council.

OPTIONS AVAILABLE TO THE COUNCIL

- Authorize the City Manager to Sign an Amendment to the MOU with 2 Forks Ventures, Inc to Extend the Exclusive right to negotiate a public-private partnership agreement to develop certain city-owned property.
- Take no action.

STAFF RECOMMENDATION

APPROVE RESOLUTION 2024-20: A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH 2 FORKS VENTURES, INC TO EXTEND THE ONE-YEAR EXCLUSIVE RIGHT TO NEGOTIATE A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT TO DEVELOP CERTAIN CITY-OWNED PROPERTY