



TO: Fruita City Council and Mayor

FROM: City Attorney, Mary Elizabeth Gieger & Special Counsel, Kim Crawford

DATE: March 5, 2024

AGENDA TEXT: Ordinance 2024-08 – Second Reading - An Ordinance authorizing the City Manager to execute a contract with Farm, LLC for its purchase of City property known as 169 S. Mulberry Street, Fruita, Colorado and to execute all documents to perfect the sale.

BACKGROUND

The City of Fruita is the owner of real property described as Lots 12, 13 and 14, Block 13 of the Town of Fruita, Mesa County, Colorado also referred to 169 S. Mulberry Street, Fruita, Colorado 81521.

FARM, LLC has submitted an offer to purchase the Property which offer includes a cash payment and nonmonetary contributions, including the creation and lease of public parking spaces and redevelopment of the Property through agreements with the City, totaling a value of \$640,000.00. The City prepared a counteroffer. At the City Council's February 6, 2024, regular meeting, Council adopted Resolution No. 2024-04 which authorized the City Manager to execute the contract, which performance thereon is contingent upon the adoption of this Ordinance. The Ordinance includes authorization to the City Manager to execute the contract to formalize the documentation necessary to sell and convey the property.

The Council met in executive session on November 7, 2023, to discuss the terms of said offer and direct negotiators.

The Council met in a workshop on January 23, 2024, to receive an update on the conveyance process.

PURPOSE

The intent of Ordinance 2024-08 is to authorize the City Manager to execute the Contract to effect the sale of the Property to FARM LLC, a Colorado limited liability company, and any deeds and other necessary documents to create and lease the public parking spaces and achieve redevelopment of the Property and to convey the Property to FARM LLC, a Colorado limited liability company, for the price and terms described in the Contract attached thereto as **Exhibit A**.

In addition, the City and FARM LLC will be negotiating the final terms of the development agreement and parking lease as outlined in Exhibit A to the Contract, which summarizes the non-monetary contributions to the purchase of the Property, including the redevelopment of the Property and creation of public parking. As with any real estate contract, FARM LLC has the right to terminate the contract if it is

not satisfied with the title work, cannot procure financing, or is not satisfied with matters discovered through due diligence.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The Fruita in Motion: Plan Like a Local Comprehensive Plan established plan themes that speak to efficient development and a thriving downtown. This transaction would result in the redevelopment of blighted property within the downtown core and the creation and maintenance of additional public parking.

Efficient Development The City of Fruita encourages infill over sprawl and development within the existing city limits and Urban Growth Boundary (UGB). Efficient development reduces the demand for infrastructure and city services, supports community connectivity, and encourages a thriving downtown core.

A Thriving Downtown The City of Fruita supports a thriving downtown with strong local businesses, an inviting streetscape, and events and places that encourage the community to gather. Flexible design standards support creative uses of downtown spaces, and higher-than-existing surrounding residential densities creates a variety of housing units and types for residents to frequent businesses.

The Fruita in Motion: Plan Like a Local Comprehensive Plan contemplates three over all strategies to economic development.

Economic gardening is one of the City’s strategies– This approach recognizes the fact that most job growth comes from the expansion of existing businesses. It also focuses on supporting new business formation and entrepreneurship. It is a “grow from within” strategy that focuses on leveraging unique local strengths and opportunities. Economic gardening also incorporates place-based aspects and therefore has some overlap with a place-based strategy.

OPTIONS AVAILABLE TO THE COUNCIL

ORDINANCE 2024-08

1. APPROVE ORDINANCE 2024-08 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH FARM LLC FOR ITS PURCHASE CITY PROPERTY KNOWN AS 169 S. MULBERRY STREET, FRUITA, COLORADO AND TO EXECUTE ALL DOCUMENTS TO PERFECT THE SALE AND CONVEYANCE OF THE SAME
2. VOTE NOT TO ADOPT ORDINANCE 2024-08.

STAFF RECOMMENDATION

APPROVE ORDINANCE 2024-08 - AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH FARM LLC FOR ITS PURCHASE OF CITY PROPERTY KNOWN AS 169 S. MULBERRY STREET, FRUITA, COLORADO AND TO EXECUTE ALL DOCUMENTS TO PERFECT THE SALE AND CONVEYANCE OF THE SAME