



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: Mayor & City Council

FROM: Mike Bennett, City Manager

DATE: October 17, 2023

AGENDA TEXT: Amend the Memorandum of Understanding (MOU) between the City of Fruita and the Grand Junction Economic Partnership (GJEP)

BACKGROUND

At the September 19, 2023 City Council Meeting GJEP Executive Director Curtis Englehart and City Manager Mike Bennett presented an MOU between the two entities, which City Council approved. Since the approval, we need to correct one of the bulleted items under the section titled “Responsibilities of Grand Junction Economic Partnership,” due to the fact the Grand Junction Business Incubator covers the Enterprise Zone and the City of Fruita is not included in an Opportunity Zone. The redlined changes reflected in the attached MOU are as follows:

Responsibilities of Grand Junction Economic Partnership:

- GJEP will be responsible for hiring and training City staff on business recruitment, and expansion strategies.
- GJEP will be the subject matter experts on ~~all~~ state and local incentive programs including but not limited to: Rural Jump Start, Job Growth Incentive Tax Credit, Career Development, ~~and Skills Advanced Colorado, Enterprise, and Opportunity Zones.~~
- GJEP will present to the City of Fruita Council and update on incentive programs and other matters relevant to economic development on a bi-annual basis.
- GJEP will meet with the Fruita City Manager on a quarterly basis. These meetings may also include other community members the City of Fruita invites to these meetings.
- GJEP will coordinate site visits with prospective businesses and developers and include City of Fruita staff and properties located within the City.
- GJEP will showcase commercial properties and buildings located in the City on a consistent basis.
- GJEP will maintain an open line of communication with the Fruita City Manager.

For many years the City has worked with the GJEP to collaborate with economic development activity. In the City’s Strategic Plan, a goal for 2023 is to clarify the relationship between the City and GJEP in an MOU. City Manager Mike Bennett and Mayor Pro Tem Matthew Berman, Council liaison and GJEP Board Member, reviewed the role of GJEP to support the City in its economic development efforts. Bennett worked with GJEP Executive Director Curtis Englehart to draft the MOU. The MOU was reviewed by the City Attorney as well. The MOU was presented by Englehart and Bennett at the September 17, 2023 City Council meeting and City Council unanimously approved the MOU.

The purpose of the MOU is to define the roles of the relationship between GJEP and the City, and either party may terminate the MOU at any time. The roles of GJEP and the City regarding this relationship are outlined in the MOU as follows:

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- GJEP will present to the City of Fruita Council and update on incentive programs and other matters relevant to economic development on a bi-annual basis.
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- GJEP will coordinate site visits with prospective businesses and developers and include City of Fruita staff and properties located within the City.
- GJEP will showcase commercial properties and buildings located in the City on a consistent basis.
- GJEP will maintain an open line of communication with the Fruita City Manager.

Responsibilities of the City of Fruita:

- The City of Fruita will lead economic development efforts in the City and collaborate with GJEP regarding the services and areas of expertise GJEP provides in this MOU.
- The City of Fruita will lead the development approval process and building permit process with all developers and their representatives.
- The City of Fruita will develop a Fruita Economic Development group that will meet on a quarterly basis to discuss the economic needs of the community.
- The City of Fruita will pay GJEP annually for their economic development services. Each year GJEP will provide a requested amount and the City will consider and approve the annual contribution in their annual budget appropriation process for outside agencies.
- The City of Fruita will have an Ex-Officio (City Manager) and Voting Board member (City Council Member) on the GJEP Board of Directors.
- The Fruita City Manager will keep an open line of communication with the GJEP Executive Director.

FISCAL IMPACT

Currently the City pays GJEP \$10,000 annually for their services from the Economic Development fund received via lodger's tax. For 2024, GJEP is requesting the City pay \$20,000 for its services—to be considered during the 2024 annual budget process, when City Council considers all outside agencies. The annual amount the City pays GJEP is not subject to the MOU, but determined in the City Council's annual budget appropriation.

APPLICABILITY TO CITY GOALS AND OBJECTIVE

Economic development is a strategy of the City found in both the City's Comprehensive Plan and the Strategic Plan focused on business retention, business expansion, and new business development. Continuing a relationship with GJEP is specified in both plans.

OPTIONS AVAILABLE TO THE COUNCIL

- 1. Approve the amended MOU with GJEP, directing the City Manager to sign the MOU.**

RECOMMENDATION

Approve the amended MOU with GJEP, directing the City Manager to sign the MOU.