

Butler Snow Draft: 5.11.2023

2FV Redlines: 5.17.2023

DC Bluelines: 5.17.23

2FV Redlines: 05.26.23

Butler Snow 5.30.23

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “Memorandum”), dated June __, 2023, is between 2 Forks Ventures, Inc (the “Developer”), with an address at PO Box 2050, Carbondale, Colorado 81623, Attention: Gavin Brooke, and the City of Fruita, Colorado (the “City”), with an address at 325 E. Aspen Avenue, Fruita, Colorado 81521, Attention: City Manager. This Memorandum sets forth the understanding of the Developer and the City with respect to the possible development of certain real property owned in whole or in part by City and located within the boundaries of the City as described in Exhibit A (the “Property”).

The Property is described more fully as follows: There are six parcels located at the west end of Raptor Road and bounded by I-70 on the north, the Colorado River & Little Salt Wash on the west, the James M. Robb Colorado River State Park to the south, and commercial land uses to the east and the Colorado River to the west. The major portion of the subject property includes a 25.15-acre parcel owned by the City that served as the location for sewer lagoons from 1967 to 2011, when a new sewer treatment facility was constructed further west. These sewer lagoons have since been fully decommissioned and cleaned up to an environmentally safe condition. This parcel now consists primarily of undeveloped land with four large depressions remaining with the surrounding grounds being used for outdoor storage and a small tree farm. In addition to the Lagoon parcel, the City also has partial ownership in over 15 acres of adjacent vacant land comprised of 4 parcels along the Little Salt Wash in partnership with Mesa and/or the Colorado Riverfront Foundation. These properties were acquired for the construction of the Little Salt Wash Trail which was completed in 2016 and serves as a vital segment of the Colorado Riverfront Trail system that is continuing to expand. On the west end of the Property there is a 12.16 acre parcel owned by Chevron USA, Inc. It is understood that the City of Fruita is in the process of acquiring the parcels described above to be included in the Property. See the attached Exhibit A depicting the properties.

The City and the Developer wish to pursue a public-private partnership for the possible development of the Property. The City has previously adopted the Fruita Lagoon Site Redevelopment Concept Plan date January 17, 2017 (the “Concept Plan”). The Concept Plan includes a mixed use development, coupled with ample public amenities that creates viable river access.

The Developer possesses the relevant experience in commercial and residential real estate development, collaboration with public entities, marketing, branding, and/or managing projects of a similar size, scope, and nature.

The purpose of this Memorandum is to describe certain preliminary actions that the City and Developer wish to pursue at this time in connection with the possible development of the Property as follows:

1. The Developer will:
 - a. Meet with the City to establish a shared vision and shared goals for the development of the Property.
 - b. Assess the market for various uses of the Property and produce a market report.
 - c. Develop a Conceptual Proposed Private Development Plan.
 - d. Provide conceptual pricing for the project.
 - e. Provide a presentation to the City Council as the conclusion to the Due Diligence and Conceptual planning process.
 - f. Other items as needed.
2. The City will:
 - a. Provide a Floodplain Analysis
 - b. Provide a Wetlands Delineation
 - c. Provide a topographic survey of the property.
 - d. Other items as needed.
3. The City and Developer will jointly:
 - a. Review and address Title issues
 - b. Propose Public Amenities
 - c. Review utility and infrastructure feasibility and costs.
 - d. Develop a Conceptual Site Plan for Public and Private Development.
 - e. Other items as needed.

The Developer and the City shall bear the costs of their respective deliverables as outlined above. Where there are additional deliverables identified as necessary in this process the cost sharing shall be agreed upon in advance with City Staff with the general principle being – those costs that are for the long term benefit of the City owned Property (such as mapping, surveys and title work) shall be borne by the City and those costs that are specific to the development proposal (such as market studies, conceptual vertical construction pricing, and presentations) shall be borne by the Developer. Those costs that shall benefit both City and Developer (such as proposed development plans, public amenity design, and conceptual infrastructure cost estimates) shall be shared equitably. All costs shall be carried forward into each party's respective contributions in any future agreement. Any financial obligation which the City determines to undertake will be subject to prior appropriation by the City Council.

The Developer and the City anticipate that if the preliminary work contemplated in by this Memorandum shows that development of the Property meets the shared vision and goals of the City and Developer and is financially viable, the Developer and City intend to negotiate a definitive public-private partnership agreement (the "PPP Agreement").

The Developer shall have a 1-year exclusive right from the date of this agreement to negotiate a PPP Agreement acceptable to the City to achieve a development proposal for the Property. The parties agree to work together in good faith to agree to a PPP Agreement.

The Developer may assign this agreement and the rights associated to another entity for the purpose of developing this property. Any assignment is subject to the City's agreement.

This Memorandum may be executed in counterparts and/or facsimile counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

The laws of the State of Colorado shall govern this Memorandum.

IN WITNESS WHEREOF, the parties hereto have set forth their respective hands as of the date first written above.

DEVELOPER:

2 FORKS VENTURES, INC a Colorado
Corporation

By: _____
Name: Gavin Brooke
Title: President

CITY:

CITY OF FRUITA

By: _____
Name: Mike Bennett
Title: City Manager