



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Planning	Nina P. Williams - City Attorney	September 17, 2024

ITEM

Resolution 2024-60 – Approval of an Incentive and Development Agreement with Biker Baker Holdings LLC, Related to the Flour Mill Development

BACKGROUND

The Flour Mill Planned Development and Major Subdivision was approved by City Council with the adoption of Ordinance 2023-20 on January 2, 2024. The Flour Mill development is a 14 lot, 69-unit residential project on 2 acres located at 6907 C.R. 105.

The attached agreement is an Incentive and Development Agreement. Please note that this agreement is related to additionally-proposed provisions of affordability in exchange for financial incentives, and is *distinct* from the Subdivision Improvement and Inclusionary Housing Agreement between the City and the developer, which is a required step in the land use approval processes pursuant to Chapter 16 of the Salida Municipal Code (SMC).



The community and Council has identified the necessity of housing attainable to its workforce as a crucial and emergent issue over the last many years.

The attached Incentive and Development Agreement assists with the construction of 61 permanently restricted affordable housing units at the Flour Mill development, out of the total 69 proposed residential units at the property. This agreement will help facilitate the successful completion of such a project in the community, which will assist the City's workforce, economy and posterity. The agreement reduces certain fees, and allows for reimbursement of costs towards



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public infrastructure, in exchange for Biker Baker Holdings' commitment to develop the property in a timely manner. The agreement, which is recorded onto the property and obligates future owners, is also subject to significant clawbacks, guaranteed paybacks and remedies, should such development of these 61 permanently restricted affordable housing units not occur and should the terms of the agreement not be complied with.

FINANCIAL IMPACT

The maximum cost of the incentives identified in the agreement is \$372,500. This is in exchange for and contingent upon the complete construction of 61 permanently restricted affordable housing units by December 31, 2027, as well as many other requirements and specifications. There are significant clawbacks and remedies to ensure that this money is returned to the City should the construction of the 61 permanently restricted affordable housing not be completed.

STAFF RECOMMENDATIONS

Staff recommends the City Council approve the Incentive and Development Agreement with Biker Baker Holdings LLC, related to the Flour Mill development.

SUGGESTED MOTION

A Council person may make the motion to "Approve Resolution 2024-60 to approve the proposed Incentive and Development Agreement with Biker Baker Holdings LLC, related to the Flour Mill development."

Attachments: Resolution 2024-60
Exhibit A – Incentive and Development Agreement