

**GRAND JUNCTION CITY COUNCIL  
MINUTES OF THE SPECIAL MEETING**

**May 27, 2020**

**Call to Order, Pledge of Allegiance, Moment of Silence**

The City Council of the City of Grand Junction convened into special session on the 27<sup>th</sup> day of May 2020 at 6:30 p.m. Those present were Councilmembers Kraig Andrews, Chuck McDaniel, Phyllis Norris, Phillip Pe'a, Anna Stout, Rick Taggart and Council President Duke Wortmann.

Also present were City Manager Greg Caton, City Attorney John Shaver, City Clerk Wanda Winkelmann and Deputy City Clerk Janet Harrell.

Council President Wortmann called the meeting to order. Councilmember Norris led the Pledge of Allegiance which was followed by a moment of silence.

**REGULAR AGENDA**

**Execute Subordination Agreement for the Bonsai Project in Las Colonias Business Park and Authorize the City Manager to Sign the Deposit Account Assignment and Control Agreement for the Bonsai Project**

Bonsai (Bonsai Development, LLC) is securing financing for its project in the Las Colonias Business Park and the lender requires subordination of the land leases to process the construction loan.

To collateralize the Bonsai project the City Council approved a Cooperative Agreement relating to the construction of the Bonsai project. Escrow instructions (Deposit Account Assignment and Control Agreement) concerning funding the Cooperative Agreement are necessary to close the Bonsai loan.

City Attorney John Shaver presented this item.

Councilmember Taggart disclosed that his stepson Tyler Milyard is employed by Western Constructors who is the builder and offered a personal guarantee for the Bonsai construction project.

Richard Swingle gave a PowerPoint presentation about the agreement and stated this item needs more discussion.

Bonsai owner Thad Shrader spoke about the project and his commitment to Grand Junction.

Further discussion with Mr. Shrader included the original agreement's business performance requirements, what issues and parties were responsible for construction delays, that the original completion date for the zip line construction has passed, and what assurances the City can have that the zip line (an agreed upon key feature) will be built and what is needed in order for the City to confidently move ahead with this agreement.

Councilmember Norris moved to authorize the City Manager to a) sign a subordination agreement relative to Bonsai for securing construction financing for its development project in Las Colonias Business Park and b) sign the Deposit Account Assignment and Control Agreement (Escrow Instructions) to collateralize the Bonsai project as contemplated by the Cooperative Agreement dated March 29, 2018. Councilmember Taggart seconded the motion. Motion carried by roll call vote with Councilmember Andrews and Council President Wortmann voting NO.

### **Adjournment**

The meeting adjourned at 7:09 p.m.

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Wanda Winkelmann, MMC  
City Clerk