

RESOLUTION NO. 51-25
A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A LETTER
OF INTENT TO ENTER INTO A PARTNERSHIP WITH BRIKWELL LLC FOR
THE ASCENT PROJECT LOCATED AT 450 28 ROAD

RECITALS.

In January 2025, the City of Grand Junction acquired the 21.78-acre Salt Flats property for the purpose of future affordable and attainable housing development. Shortly thereafter, the City issued a competitive Request for Proposals (RFP) to select private development partners. Brikwell—an experienced affordable and market-rate multifamily housing developer—was selected to serve as Master Planner for the full site and as the developer for two phases of the project.

Brikwell intends to form a limited liability company (“Owner”) to develop, own, and operate a 144-unit affordable housing community known as Ascent at Salt Flats. The project will serve households earning between 30% and 70% of Area Median Income (AMI), with income averaging at or below 60% AMI.

Under the terms of the Letter of Intent, Brikwell has proposed that the City will contribute the land—valued at approximately \$2.52 million—as an equity investment. This contribution is entirely in the form of land value, not cash, and provides the City with an equity interest in the project.

Brikwell proposes that they would fund all development-related predevelopment and construction costs, manage financing strategies, and serve as guarantor for project debt. Brikwell proposes to lead community engagement, manage the design team, oversee construction, and engage a professional property management company for operations.

The City’s equity interest is anticipated to enable exemption from property tax, sales tax, and use tax, significantly reducing project costs, if available. The City expressly reserves the right to seek tax and public finance counsel opinions before finalizing agreements.


Approval of this Resolution authorizes the City Manager to execute the Letter of Intent with Brikwell for the Ascent at Salt Flats project, with all relevant subsequent steps subject to further City Council approval.

RECITALS:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

That the City Council hereby approves and authorizes the execution of the Letter of Intent with Brikwell for The Ascent at Salt Flats, consistent with the terms described herein, and directs the City Manager to take all necessary actions to carry out the intent of this Resolution.

PASSED and ADOPTED this 20th day of August, 2025.



Cody Kennedy
President of the City Council



Selestina Sandoval
City Clerk





August 20, 2025

City of Grand Junction
C/O Mike Bennett – City Manager
250 N. 5th Street
Grand Junction, CO 81501
mike.bennett@gjcity.org

RE: Letter of Intent between Brikwell & the City of Grand Junction for a possible partnership for the Ascent at the Salt Flats, an affordable housing project

Dear Mike:

As you know, Brikwell ("BW") intends to form a limited liability company or partnership ("Owner") to own and construct a 144-unit affordable housing community to serve an average income at or below 60% AMI ("Project.") The Project is located in Grand Junction at the location shown on **Exhibit A** to this letter. The Project is to be known as Ascent at Salt Flats. The areas designated in green on Exhibit A may be referred to as the Land or the Property.

The purpose of this letter is to outline the general business terms relating to possible involvement of the City in the development and financing of the Project. Such business arrangement, if any, will be negotiated and memorialized by and with such documentation required for the closing of the financing for the Project on terms mutually agreeable to BW and the City, with such terms to be finally approved by a majority of the City Council. Those terms may include, but are not necessarily limited to the following:

1. **Rent and Income:** All rents and income qualification for units in the Project will be from 30% to 70% AMI with income averaging at or below 60% AMI. Owner and its members/partners (other than City member or partner) shall fund all development-related costs *predevelopment and development costs* for the Project and BW, or an entity managed by BW, shall serve as the sole guarantor(s) with respect to any guarantees required by any lender or investor. The City will provide no guarantees.
2. **Salt Flats Housing Owner, LLC ("Owner"):** A to-be-formed single-purpose Colorado limited liability company, which will develop, own and operate the Project. Attached Exhibit A is a draft organizational chart.
3. **Salt Flats Housing Partners, LLC ("Owner GP"):** A to-be-formed single-purpose Colorado limited liability company, which will own an interest in and be the Managing Member of Owner.
4. **Developer:** BW will be the project developer, and Owner GP will cause Owner to enter into a *Development Agreement*, reviewed and approved by the City, with BW providing the terms, conditions, services and compensation of the Developer.
5. **Roles & Responsibilities:** The following roles and responsibilities are anticipated:



- a. **Land Acquisition:** The City currently owns the Property. As part of the contemplated business relationship the City will contribute the Land to the Project at a market value estimated to be \$2,520,000. That contribution will provide the City an eleven percent (11%) equity interest in the Project. BW, Owner, Owner GP and the Developer intend for the City's equity interest to result in the Project being exempt from property tax and sales and use tax. The City has not determined that an equity interest as contemplated will result in the Project being tax exempt and the City expressly reserves the right to consult with tax and/or public finance counsel to render an opinion on which the City may rely prior to any possible business relationship being formed.
- b. **Funding Sources:** BW will pursue funding sources, including Federal and State Low Income Housing Tax Credits ("LIHTC"), Private Activity Bonds, Colorado Housing Finance Agency (CHFA), or Colorado Department of Local Affairs (DOLA), and other Soft Funding Grants and Loans to ensure project financial viability. BW will utilize its experience, history and relationships to endeavor to secure funding sources.

Development Costs: BW will solely fund all development-related costs for the project. BW will manage all aspects of the project, including but not limited to managing it through due diligence process. BW will pursue and process the project through the City's required review and approval through the City development review process. BW will manage the design team and contracting on behalf of Owner. BW will lead in community engagement efforts, soliciting the public and community stakeholders for support as well as input and feedback to improve project design/services/operations.

- c. **Finance:** BW will continue to manage the Project proforma with input from outside consultants. BW will manage the debt and equity RFP process, strategy, term sheet negotiation, and closing. This information will be shared with the City, if requested. BW will guarantee any project debt. BW and City will guarantee equity per lender, investor and City tax counsel requirements.

Construction: BW will manage all work related to the construction of the Project including activities such as General Contractor ("GC") selection, pre-development pricing, pre-construction, proposals, scope of work, and design review/value engineering. BW will manage the construction contract with GC and all contract exhibits including budget, schedule, qualifications, specifications, and insurance. All significant budget and schedule adjustments must be reviewed and approved by City. BW will manage the construction process, including weekly Owner/Architect/Contractor ("OAC") meetings, Architect's Supplemental Instructions ("ASI") and Request for Information ("RFI") processes, lien waiver process w/GC, and monthly construction draws. BW will coordinate inspections, punch-out, turnover and final Certificate of Occupancy. BW will guarantee construction completion. Progress reports related to construction will be made available to the City upon request.

- d. **Operations:** BW will engage a third-party property manager to manage the day-to-day



operations of the Project including staffing, maintenance, leasing and accounting; BW will manage the asset and support marketing, lease-up, and identifying operational efficiencies. BW will manage the asset budgeting and reporting and provide quarterly reports to the City. BW will manage Project and tenant compliance and provide a compliance guarantee to the City and other equity investor(s). Any findings on non-compliance must be reported to the City promptly. All reporting to CHFA, DOLA, and other funders will also be sent to the City.

6. **Fees, Profits and Distributions:** The Project is anticipated to generate the following fees, profits, and distributions, which are to be shared as described below
 - A. **Developer Fees:** The developer fee shall be calculated according to CHFA's Qualified Allocation Plan ("CHFA QAP") which is equivalent to 12% of total project cost less the cost of land, developer fee, and project reserves ("Developer Fee Proceeds"). Developer Fee Proceeds paid to the Developer shall be distributed directly to BW.
 - B. **Operating Cash Flow Distributions; Profits & Losses; Capital Event Distributions:** The Project Operating Cash Flow, Profits & Losses and Capital Event Proceeds shall be distributed to the Parties in percentages to be determined.
7. **Binding Provisions:** This LOI sets forth the preliminary intentions of BW and the City for the proposed Project but is not intended to be and is not a legally binding agreement.
8. **No Assignment:** Neither BW or the City may assign this LOI or any right or obligation hereunder to any other person or entity, without the prior written consent of the other party (in its sole discretion); provided, either may assign this LOI and its rights and obligations hereunder to a related, managed entity, but such assignment shall not relieve the assigning party of any of its obligations or liabilities hereunder.
9. **Governing Law:** This LOI shall be governed in accordance with the laws of the State of Colorado (without regard to conflicts of laws principles).
10. **Entire Agreement:** This LOI constitutes the entire understanding and agreement of BW and the City and all of their respective affiliates with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between BW and the City with respect to the subject matter hereof; provided, upon execution and delivery of the Definitive Agreements, the terms and provisions of this Agreement shall terminate and be of no further force and effect.

City of Grand Junction

By: 

Name: Michael Bennett

Title: City Manager

Brikwell Partners, LLC

By: _____

Name: _____

Title: _____



BRIK\W/ELL

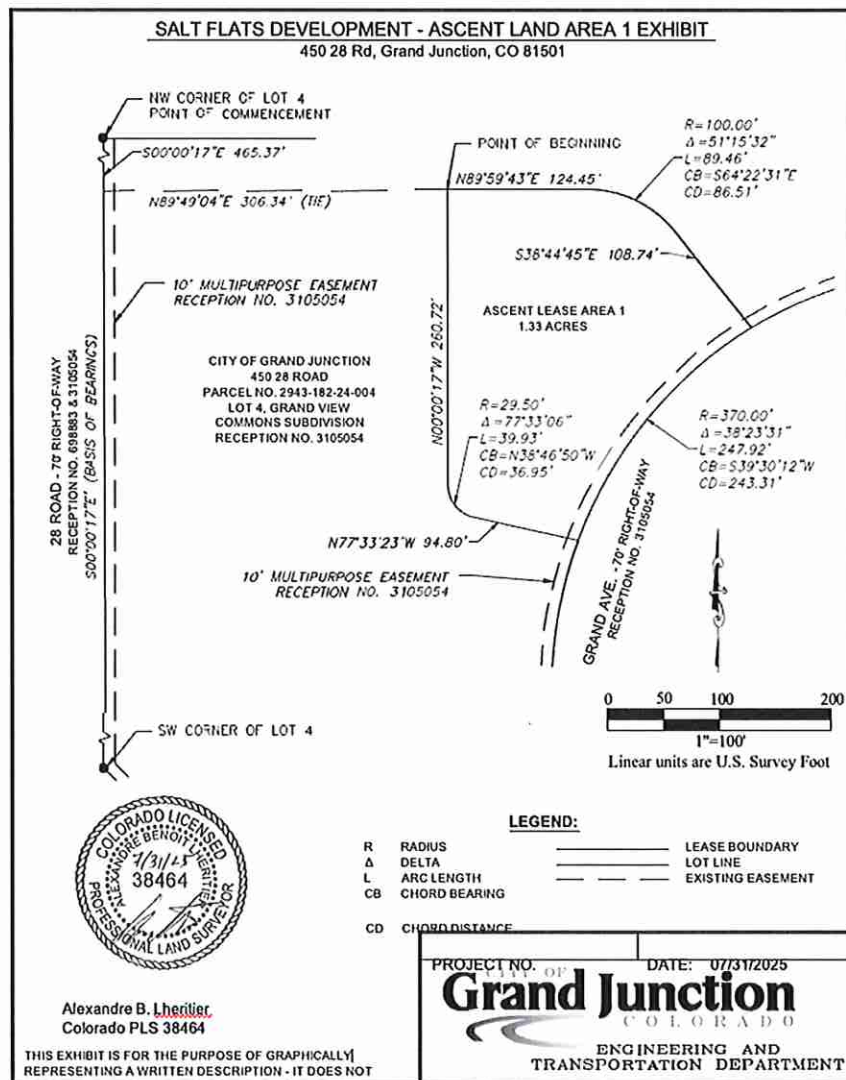
IMPROVING LIVES BY INVESTING IN
QUALITY PEOPLE AND REAL ESTATE

EXHIBIT A – Property

Salt Flat Development – Ascent Land Area 1 – 1.33 acres

A parcel of land located in Lot 4 of the Grand View Commons Subdivision as recorded at Reception No. 3105054 in the Mesa County Clerk and Recorders office, situated in the SW 1/4NW 1/4 of Section 18, Township 1 South, Range 1 East, of the Ute Meridian, Grand Junction, Mesa County, Colorado, described as:

Commencing at the NW corner of said Lot 4, whence the SW corner of Lot 4 bears S00°00'17"E as a basis of bearing; running thence along the west line of said Lot 4 S00°00'17"E 465.37 feet, thence N89°49'04"E 306.34 feet to the Point of Beginning. Running thence N89°59'43"E 124.45 feet, thence along a curve to the right 89.46 feet (Radius = 100.00 feet, Delta = 51°15'32", Chord Bearing = S64°22'31"E, Chord Distance = 86.51 feet), thence S38°44'45"E 108.74 feet to the northwesterly right-of-way of Grand Avenue, thence along said right-of-way along a curve to the left 247.92 feet (Radius = 370.00 feet, Delta = 38°23'31", Chord Bearing = S39°30'12"W, Chord Distance = 243.31 feet), thence N77°33'23"W 94.80 feet, thence along a curve to the right 39.93 feet (Radius = 29.50 feet, Delta = 77°33'06", Chord Bearing = N38°46'50"W, Chord Distance = 36.95 feet), thence N00°00'17"W 260.72 feet to the Point of Beginning.





BRIK\W/ELL

IMPROVING LIVES BY INVESTING IN
QUALITY PEOPLE AND REAL ESTATE

EXHIBIT A (Continued) Salt Flat Development – Ascent Land Area 2 – 3.09 acres

A parcel of land located in Lot 4 of the Grand View Commons Subdivision as recorded at Reception No. 3105054 in the Mesa County Clerk and Records office, situated in the SW1/4NW1/4 of Section 18, Township 1 South, Range 1 East, of the Ute Meridian, Grand Junction, Mesa County, Colorado, described as:

Commencing at the NW corner of said Lot 4, whence the SW corner of Lot 4 bears S00°00'17"E as a basis of bearing; running thence along the west line of said Lot 4 S00°00'17"E 465.37 feet to the Point of Beginning. Running thence N89°59'43"E 255.34 feet, thence S00°00'17"E 259.77 feet, thence along a curve to the left 108.96 feet (Radius = 80.50 feet, Delta = 77°33'06", Chord Bears = S38°46'50"E, Chord Distance = 100.83 feet), thence S77°33'23"E 91.32 feet to the westerly right-of-way of Grand Avenue, thence along said right-of-way the following two (2) courses: (1) along a curve to the left 79.46 feet (Radius = 370.00 feet, Delta = 12°18'15", Chord Bears = S06°13'59"W, Chord Distance = 79.30 feet), (2) thence S00°04'52"W 47.31 feet, thence N76°27'20"W 171.61 feet, thence S89°59'43"W 136.91 feet, thence S00°00'17"E 18.00 feet, thence S89°59'43"W 95.22 feet to the west line of said Lot 4, thence along said west line N00°00'17"W 462.00 feet to the Point of Beginning.

