

DDA05PKG

TYPE OF RECORD: ACTIVE NON-PERMANENT

CATEGORY OF RECORD: **CONTRACT (AGREEMENT)**

NAME OF CONTRACTOR: DOWNTOWN DEVELOPMENT AUTHORITY

SUBJECT/PROJECT: CONSTRUCT AND OPERATE A PARKING GARAGE
IN DOWNTOWN.

CITY DEPARTMENT: DOWNTOWN DEVELOPMENT AUTHORITY

YEAR: 2005

EXPIRATION DATE: 10/1/06

DESTRUCTION DATE: 1/13

The Grand Junction Downtown Development Authority
And
The City of Grand Junction

Parking System Memorandum of Agreement

Recitals.

- A. The Grand Junction Downtown Development Authority (“DDA”) is a political subdivision that exists pursuant to § 31-25-801, *et seq.*, C.R.S. The DDA was formed in 1977 to promote economic redevelopment and other activities as defined by law in Grand Junction’s historic downtown.
- B. In early 2005 the DDA and the City of Grand Junction (“City”) agreed to construct and operate a parking garage in downtown. The parking garage will be funded by the Tax Increment Capital Fund (“TIF”) managed by the DDA and the City’s Parking Fund. The DDA has been interested in constructing a parking garage for a number of years and has planned for and budgeted expenditure of the TIF for that purpose.
- C. Because both the City and the DDA are concerned about the vitality of the downtown, including the availability of accessible, convenient parking, the DDA and the City have come together to construct a parking garage for the benefit of downtown and the entire City. Because the parking garage will be only one variable in the operation and management of downtown parking, the DDA and the City have developed and agreed on a plan for the operation and management of parking in downtown. This Memorandum of Understanding acknowledges that agreement and includes specific business and financial planning elements for the use of the Parking Fund and management of the parking system in downtown.
- D. The City and the DDA have a rich history of participation in cooperative projects for the betterment of downtown; this parking system management agreement is yet another example of that cooperation. While the resulting relationship is not legally a partnership, the cooperative efforts of the DDA and the City can and by this agreement shall be viewed as a joint venture for the betterment of the City.

NOW THEREFORE, the Board of Directors of the Grand Junction Downtown Development Authority and the City Council of the City of Grand Junction state their understandings, commitments and agreements all as follows:

1. The purposes of this Memorandum of Agreement are to create:
 - (a) a framework for the collaboration, teamwork and cooperation that is essential to the acquisition of land and funding for construction of a downtown parking structure which will be used by and for the benefit of citizens and visitors to the City; and
 - (b) an understanding for the timing, the amount and the relative interests of the DDA and the City in the ongoing operation, maintenance and future of the parking garage and management of the parking system in downtown.

2. To further these purposes, the City and the DDA agree to reasonably cooperate, communicate and collaborate so that the following mutual objectives can be met. The parties understand and agree that additional approvals, documents and actions will be necessary to implement these objectives and agree to do the same. The mutual objectives of the parties are:
 - (a) the construction of a 3 story (ground floor plus two elevated levels) parking garage. The top floor shall be covered. The parking garage shall be "cast in place construction" and shall contain no less than 324 spaces; up to 160 of those spaces may be sold, leased or otherwise conveyed to private interests, subject to additional provisions of this agreement.
 - (b) The City and the DDA shall work to cooperatively design and plan for the aesthetic and architectural design of the parking garage;
 - (c) the City agrees to manage construction of the parking garage. The City will attempt to complete the construction by October 1, 2006. The City may consider input about the construction from the DDA but shall not be bound to act on the same.
 - (d) Condominiumization of the garage will occur as soon after construction as regulatory approvals allow. If spaces are sold, leased or otherwise conveyed to private interests, that sale, lease or conveyance shall be subject to covenants, conditions and restrictions and/or condominium declarations (collectively "Restrictions").
 - (e) The City's and any purchasers' interests will be reflected in the condominium Restrictions. The Restrictions will include terms that apportion (on a proportionate share of ownership base) the annual maintenance cost of the garage. In addition the Restrictions will establish common and general elements and will address other aspects of operation and maintenance.
 - (f) The City will manage the construction project by providing construction management and engineering oversight by a Colorado licensed professional engineer in good standing. The construction management and engineering review and oversight shall be in accordance with the construction plans, generally accepted engineering practices and if applicable, the standards set by the City.
 - (g) The City, by and through its project management personnel, shall be responsible for the means and methods of construction and shall direct the work. The DDA may observe, monitor and examine construction means and methods but final construction decisions are the responsibility of and will be made by the City.

- (h) The City will make available for inspection by the DDA, at the DDA's request, all solicitations, bids and/or correspondence between the City and the project contractor(s), professional service providers and/or agents.
- (i) The DDA has acquired the majority of the land necessary for the construction of the parking garage by expending TIF funds. The land is described as follows:

Lots 1 through 5 and the west 13.3 feet of Lot 6 in Block 103 in the City of Grand Junction

Also known by street and number as 130 North 4th Street, tax schedule number 2945-143-16-019; and

The East 11.7 feet of Lot 6 and all of Lots 7 and 8 in Block 103 in the City of Grand Junction

Also known by street and number as 441 Rood Avenue, tax schedule number 2945-143-16-021; and

All of lots 9, 10, 11 and 12 in Block 103 in the City of Grand Junction,
Also known by street and number as 451 Rood Avenue, tax schedule number 2945-143-16-948,

All in Mesa County, Colorado.

The value of that land, based on the purchase price, is \$1,480,000. In addition to the land described in this agreement, the TIF will pay up to \$411,333.00 for Site Work which includes but is not limited to demolition, environmental remediation, utility movement and reconstruction and the closing of curb cut(s). If the cost of any and all required site work exceeds that cost, the City has agreed to contribute the difference. Furthermore, because of the parties' mutual interests in the parking garage, the City has agreed to cooperate and assist the DDA, at no cost, with engineering and/or project management of the Site Work.

- (j) the City has agreed to acquire the Dalby-Wendland and Snap Photo properties. The DDA will pay the cost thereof (not to exceed \$500,800).
- (k) the site plan and plat of the property shall be prepared such that two areas of land approximately 50' (east-west dimension) X 125' (north-south dimension) on the Southeast corner of 4th Street and Rood Avenue and Southwest corner of 5th Street and Rood Avenue ("Corners" or "the Corners") shall be separately platted. Once platted those lots or tracts shall belong, and be conveyed by the City to the DDA at no cost to the DDA. The Corners may be developed and/or sold as determined by the

DDA in its sole discretion. Proceeds from the sale of the Corners, in whole or in part shall belong without claim by the City, to the DDA. The City and the DDA shall work to cooperatively plan for and integrate the Corners into the aesthetic and architectural design of the parking garage;

- (l) until such time as the Corners are platted and conveyed to the DDA, the DDA shall be the landlord of the Snap Photo building and as such shall be entitled to any and all rent generated therefrom. Furthermore, the DDA shall be entitled to the rent from the Valley Office and Commercial Federal buildings and/or parking area(s), until such time as the buildings are demolished;
- (m) at such time as the Corner(s) are sold, the proceeds therefrom shall be paid to the TIF capital fund;
- (n) the City has agreed to fund through the Parking Fund the balance of the cost of construction. The City and the DDA agree that the carrying cost for the project shall not exceed the annualized percentage rate of return that the City receives on its investment portfolio. The City may solicit proposals for the sale, lease or other conveyance of up to 160 spaces to help defray the cost to the Parking Fund of the construction.
- (o) construction of the parking garage shall commence as soon as possible once the site has been delivered, cleared and all necessary approvals have been made or received. During construction the City will provide at no cost 23 parking spaces to the tenants of the Dalby-Wendland building. The allocation of those spaces shall be made by the DDA working in cooperation with the owner of the Dalby-Wendland building.
- (p) the City and the DDA shall form a parking management advisory group ("PMAG") for the purpose of advising the City on the administration, management and regulation of parking in downtown. The purposes, goals and recommendations of the PMAG, subject to continuing approval by the City, shall be:
 - i) to establish the day-to-day management and operation of the parking garage, including but not limited to rate setting, leasing, the provision of maintenance (via contract or other suitable arrangement) and enforcement ("Management Practices");
 - ii) implementation of the Management Practices by means that include but are not limited to the installation and use of an automated, state of the art controller and integrated garage status message board(s) to allow active management and

reservation of available parking;

- iii) the first priority for use of unused, private parking shall be for evening and weekend events sponsored or promoted by the DDA, the City and/or the Downtown Partnership. Parking shall be arranged/made available on a first come, first served basis;
- iv) the making of recommendations on the management and expenditure of the accumulated Parking Fund resources;
- v) the allocation and location of paid and unpaid (metered and signed) parking in the boundaries of the DDA;
- vi) the highest purpose of the PMAG will be to manage the parking system so that the parking garage as well as existing and yet to be developed on street parking is utilized to the maximum extent as provided by the Parking System Business Plan which is attached hereto and incorporated by this reference as if fully set forth.



Harry Griff, Chairman
Grand Junction Downtown Development Authority

Date: 4/21/05



Bruce Hill, President of the City Council
City of Grand Junction

Date: 4/20/05