AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Development Improvements Agreement for Gunnison Se

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: BOCC and Gunnison Secure Storage, LLC

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Attached for approval and signature please find the Development Improvements Agreement for Gunnison Secure Storage. We have been provided security in the form of cash.

Fiscal Impact:

Submitted by: Office of the County Attorney **Submitter's Email Address:** rmagruder@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 11/3/2017

County Attorney Review: (●) Required ( ) Not Required

Comments:

Reveiwed by: Discharge Date: 11/3/2017 Certificate of Insurance Required Yes (●) No ( )

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 11/3/2017

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 11/7/2017

Revised April 2015

DEVELOPMENT IMPROVEMENTS AGREEMENT

FOR GUNNISON SECURE STORAGE

THIS DEVELOPMENT IMPROVEMENTS AGREEMENT FOR GUNNISON SECURE STORAGE ("Agreement") is entered into this ____ day of _____, 2017 by and between the Board of County Commissioners of the County of Gunnison, Colorado, whose address is 200 E. Virginia, Gunnison, Colorado 81230 ("Gunnison County"), and Gunnison Secure Storage, L.L.C., a Texas limited liability company, whose address is 3500 Oakmont Boulevard, Suite 200, Austin, TX 78731 ("Developer") as follows:

1. Purpose. The Developer has submitted to Gunnison County an application for Land Use Change Permit No: 2017-00015 for a phased project consisting of the subdivision of a 4.43 acre parcel into two lots; Lot 1 will contain only an existing residence on .84 acres and the remainder, Lot 2, approximately 3.64 acres, will be developed and comprised of a 5,000 sq. ft. light industrial shop incorporating two residential deed restricted units along with a maximum 250 unit phased self-storage complex ("Project").

Phase I improvements for this Project shall include installation of electric, sewer and gas utilities, construction of the Hwy 135 access, storm drainage excavation and grading and landscaping. Phase II improvements for this Project shall include completing the road system, to include paving after all storage units are built, completing the bio-retention swales and final seeding for landscaping. This Agreement addresses improvements for only Phase I of the Project. Phase II improvements for this Project shall be addressed in a further Development Improvements Agreement.

The Project is located within the SE1/4SW1/4, Section 25, Township 50 North, Range 1 West, NMPM, County of Gunnison, State of Colorado, and also known as street address 1012 Highway 135, Gunnison, Colorado 81230, as identified on the plat titled: *Gunnison Secure Storage Subdivision, Gunnison County*, prepared by Robert E. Brandeberry, for and on behalf of SGM, Inc., dated October 12, 2017 which was recorded in the records of the Office of the Clerk and Recorder of Gunnison County, Colorado on _____, 2017, bearing Reception No: _____.

As valuable and sufficient consideration for this Agreement, Gunnison County and the Developer agree that approval of such application by Gunnison County is expressly conditioned on completion of the improvements described in paragraph 7 below ("Improvements") to the specifications described herein and by the times specified herein. Gunnison County and the Developer further agree that such Improvements are appropriate and necessary requirements to be required by Gunnison County, and to be performed by the Developer and which Developer shall perform. Gunnison County and Developer further agree that an agreement guaranteeing the Developer's performance secured by suitable security to protect the interests of Gunnison County, and the public in the amount set forth herein is an appropriate condition to Gunnison County's approval of such Land Use

Change Permit. The parties have entered into this Agreement to memorialize such understandings and agreements. The relationship of the parties to this Agreement is contractual; Developer is an independent contractor and is not an agent of Gunnison County.

2. Developer Bound. The Developer agrees to accept and be bound by the terms and conditions for Gunnison County's issuance of its approval of the Land Use Change Permit No: 2017-00015 and the terms and conditions of this Agreement. Developer accepts Gunnison County's review and permitting authority, process and performance of same in connection with Land Use Change No: 2017-00015, as legal and valid and waives any defect therein.

3. Construction.

A. The Developer agrees to complete construction of the Improvements within the Project in the locations and in accordance with the specifications as identified in paragraph 7 herein, by no later than November 30, 2018. Acts of God and any cause beyond the reasonable control of the Developer excepted, including without limitation labor disputes, laws, regulations, or orders of any governmental entity, orders of court, inability to obtain any required authorization, act of war or conditions arising out of or attributable to war, riot, civil strike, insurrection or rebellion, fire, explosion, earthquake, storm, flood or other adverse weather condition, delay or failure by suppliers or materialmen, contractors, or subcontractors, shortage of or inability to obtain labor, supplies or materials.

B. The completion deadline set forth in this paragraph 3 may be extended by Gunnison County in its sole discretion upon written request of Developer if Gunnison County determines that: (1) such extension of time will not operate to the detriment of Gunnison County, the public or the owners of property within the Project; and (2) Gunnison County's security is adequate to ensure full performance by Developer by the extended completion date; and (3) that such an extension would not be in conflict with the conditions of the approved Land Use Change Permit. Gunnison County may require Developer to provide, at Developer's cost, supplemental estimates by Developer's engineer of the costs of completion and to provide additional security as a prerequisite to its extension of any completion date. Any extended completion date granted by Gunnison County hereunder may be further extended in like manner.

C. Each contract entered into by Developer for construction of the Improvements shall provide that Gunnison County is a third party beneficiary with all rights to enforce such contracts in place of Developer in the event of a default by Developer. Developer shall provide to Gunnison County a copy of each such contract upon its execution.

D. Gunnison County reserves the right not to permit construction of any building in the Project prior to full completion of the Improvements described in paragraph 7 herein.

E. Developer shall not initiate construction or use of Phase II unless and until the Improvements for Phase I have been completed to the satisfaction of Gunnison County.

4. Estimated Cost. The total cost of the Improvements to be constructed by the Developer is estimated currently to be Thirty One Thousand Ninety Six and No/100 U.S. Dollars ($31,096.00) plus a contingency amount.

5. Security. In order to secure all obligations of the Developer herein, the Developer and Gunnison County agree that the Developer shall, at Developer's sole cost, and before starting work on any phase of the Project or Improvements, and before conveying any portion of the Project, obtain and provide to Gunnison County either cash, a bond, an irrevocable letter of credit or other performance guarantee in a form and content satisfactory to Gunnison County to the benefit of Gunnison County in the amount of Thirty Eight Thousand Eight Hundred Seventy and No/100 U.S. Dollars ($38,870.00) which is 125 percent of the currently estimated cost of the Improvements to include a reasonable contingency amount. If said security is in the form of cash, it will be placed by Gunnison County in an interest bearing account; the interest shall accrue to Developer at 1% less than received by Gunnison County.

If the contract(s) provided to Gunnison County pursuant to paragraph 3C indicate a substantially different total cost than estimated in paragraph 4, the amount of security may be increased or decreased. For the purposes of this paragraph 5, substantial is defined as 10 percent or more.

Pending full performance of all of the terms and conditions hereof by the Developer, Gunnison County shall retain said security and shall remain the beneficiary of such security. In the event of any uncured default hereunder Gunnison County in its sole discretion, and without any other authority required, may draw upon said security up to the full amount of Thirty Eight Thousand Eight Hundred Seventy and No/100 U.S. Dollars ($38,870.00), upon presentation by Gunnison County to the issuer of a written statement by Gunnison County that such uncured default exists. Upon timely performance of all terms and conditions hereof, said security shall be tendered by Gunnison County to the Developer, except as provided in paragraph 7C.

6. Certification.

A. Not later than December 15, 2018, a registered Colorado engineer retained by the Developer at its expense shall certify to Gunnison County whether the Developer's construction obligations regarding Improvements under this agreement

have been fully and faithfully performed according to design and time specifications. Upon receipt by the Office of the County Attorney of such certification and receipt of a complete paper and two (2) electronic copies of road and utility as-built specifications and drawings, Gunnison County shall review the same and shall make an independent judgment whether to accept the same in the sole discretion of Gunnison County. Developer agrees not to cover or otherwise prevent inspection of the Improvements constructed hereunder until Developer's engineer and Gunnison County's representative have had reasonable opportunity to inspect such Improvements.

B. Not later than December 15, 2018, Developer shall provide to Gunnison County Attorney a sworn affidavit, signed by the Developer's authorized representative, that the Improvements completed have been paid for, in full, by the Developer. The Developer shall be responsible for the information so provided. Said written certification will be reviewed by Gunnison County, but Gunnison County shall have no responsibility or liability to any party regarding the veracity of the information so provided.

7. Scope of Work.

A. The scope of work to be done by the Developer shall include, but not be limited to:

7.1 The plans titled:

- *Gunnison Secure Storage Phasing* prepared by AJ Cattles, Big C Builders, dated September 7, 2017 attached hereto and incorporated herein by reference as Appendix "A"; and

- *Gunnison Secure Storage Drainage* Report, prepared by SGM, Inc., dated September 28, 2017; and

- *Gunnison Secure Storage Preliminary Drainage Plan, Screening and Road* Plan, prepared by SGM, Inc., dated September 28, 2017; and

7.2 The cost estimate titled: *Gunnison Secure Storage Opinion of Probable Cost Development Improvement Agreement (DIA)* prepared by SGM, Inc., dated September 12, 2017 attached hereto and incorporated herein by reference as Appendix "B" ; and

7.3 Those conditions cited by the Planning Commission and approved by the Board of Gunnison County Commissioners for Land Use Change Permit No: 2017-00015.

B. The conditions of this Agreement and Land Use Change Permit No: 2017-00015 are such that if the obligations hereunder of the Developer are well, truly, faithfully and timely performed by Developer, inspected and certified to by the Developer's engineer, and such performance is accepted by Gunnison County in Gunnison County's sole discretion, the Developer's obligations to Gunnison County under this Agreement except as set forth in 7C below shall be at an end; otherwise such conditions and obligations shall remain in full force and effect.

C. For a period of one year from and after the acceptance of all of the work described in paragraph 7A above, Developer shall, at its own expense, make all needed repairs and replacements to such work as shall, in Gunnison County's reasonable opinion, become necessary. Gunnison County shall have the right to retain up to Seven Thousand Seven Hundred Seventy Four and No/100 U.S. Dollars ($ 7,774.00) of the security for up to one year following the acceptance of all of the work described in paragraph 7A above, as security to ensure such repair and replacement.

Gunnison County shall have the right to retain all of the reclamation and landscaping costs plus 25% of those costs in the amount of Two Thousand One Hundred Fifty Seven and 50/100 U.S. Dollars ($ 2,157.50) for a two year period after completion of initial reclamation efforts to ensure the disturbed areas have been reclaimed and trees have been established to Gunnison County's satisfaction.

8. Partial Release of Security.

A. Gunnison County recognizes that as work proceeds upon the Improvements, Gunnison County's need for security shall be reduced. Accordingly, Gunnison County may make a reasonable partial release of the security to be delivered to Gunnison County pursuant to paragraph 5 herein upon receipt of a written completion; upon receipt of certification by Developer's engineer stating the estimated cost of remaining such certification, Gunnison County shall review the same and shall make an independent judgment whether to accept the same in the sole discretion of Gunnison County. If Gunnison County does make a partial release, Gunnison County shall retain security equal to: (a) 125 percent of such estimated cost of remaining completion of Improvements; and (b) 125% of such estimated costs of all of the landscaping and reclamation; and shall release the balance of all security held by Gunnison County.

Pursuant to Section 6 herein, prior to any partial release of security, Developer shall provide certification of completion and an affidavit of payment for those improvements.

B. Upon Developer's entering into a contract or contracts for construction of Improvements hereunder, Developer and Gunnison County may negotiate an addendum to this Agreement setting forth such reasonable schedule for partial releases of the security in accordance with the anticipated construction schedule. In such circumstance, Gunnison County shall designate and authorize Gunnison County Manager to make the partial release(s) hereunder after consultation with appropriate Gunnison County staff.

9. Developer's Default. In the event of any default hereunder by the Developer, Gunnison County shall give notice to the Developer specifying the nature of such default, which notice shall be given by facsimile transmission or by certified mail with return receipt requested addressed to the Developer at: PO Box 276, Gunnison, Colorado 81230. In the event the Developer does not remedy such default to the satisfaction of Gunnison County within 14 days following such notice, Gunnison County may elect, in its discretion to exercise all remedies available to it, including but not limited to:

A. To specifically enforce the terms and conditions of this Agreement;

B. To draw upon or otherwise obtain the benefit of the security;

C. To exercise any other rights and obtain any other remedies provided by law;

D. To obtain from the Developer either an extension of Gunnison County's security hereunder to guarantee the completion of the Improvements only on the conditions: (1) that suitable additional security is provided to Gunnison County to guarantee the construction of said Improvements within the new time period determined by Gunnison County; and (2) that Gunnison County determines that it would not be detrimental to the interest of Gunnison County, the public or the owners of property within the Project to allow such extension; and (3) that Gunnison County determines that it would not be in conflict with the conditions of the approved Land Use Change Permit.

E. To engage a manager to supervise the completion of improvements as identified herein. The costs incurred for hiring a manager shall be the responsibility of the Developer and may be withdrawn by Gunnison County from the security. Furthermore, all Gunnison County staff time spent thereafter on this Project shall be calculated at an hourly rate and shall be charged to the Developer and may be withdrawn from security.

10. Notice. All notices and other communications required or permitted under this Agreement shall be in writing and shall be, as determined by the person giving such notice, either hand delivered or mailed by registered or certified mail, return receipt requested to

the required party at the following addresses:

Gunnison County:	Board of Gunnison County Commissioners of the County of Gunnison, Colorado c/o Gunnison County Attorney 200 East Virginia Gunnison, CO 81230
Developer:	Gunnison Secure Storage, L.L.C. PO Box 276 Gunnison, CO 81230

11. Recording of Agreement. Upon its execution, this Agreement shall be recorded by the Developer and shall be a covenant running with the property herein described in order to put prospective purchasers or other interested parties on notice as to the terms and provisions hereof.

12. Retention of Police Powers. Gunnison County retains the power and right to impose additional requirements upon Developer with regard to the Project if the failure to do so would place the public or owners of property within the Project in a perilous condition, or in the event of substantially changed conditions; that is, nothing in this Agreement is or shall be construed to be a bargaining away of Gunnison County's police power.

13. Transfer or Assignment. No transfer or assignment of any of the rights or obligations of the Developer under this Agreement shall be permitted without prior written approval of Gunnison County which approval shall not unreasonably be withheld.

14. Title and Authority. The Developer expressly warrants and represents to Gunnison County that it is the record owner of the real property constituting the Project. The Developer understands that Gunnison County is relying on such representations and warranties in entering into this Agreement.

15. Litigation. Nothing contained herein shall prevent either party from obtaining a judicial determination of the violation of its rights hereunder; provided however, that written notice to the other party advising the other party of the alleged violation, and advising that in the event the matter is not resolved by the parties within 14 days thereafter, shall be a condition precedent to the commencement of any litigation.

16. Time of Essence. It is mutually agreed that time of performance is an essential part of this Agreement and that all terms, covenants and conditions herein shall extend to and become obligatory upon the successors and assigns of the respective parties hereto.

17. Venue and Choice of Law. This Agreement is entered into in Gunnison County, Colorado and it is agreed that the exclusive jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Agreement shall be in the District Court of Gunnison County, Colorado. The exclusive choice of law pertaining to this transaction shall be that of the State of Colorado without giving effect to Colorado choice of law principles.

18. Severability. If any term or provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement and the terms and provisions thereof shall not be affected thereby and all other terms and provisions of this Agreement shall be valid and enforceable to the full extent permitted by law.

19. Hold Harmless Clause. The Developer shall indemnify, defend and hold harmless Gunnison County, its officials, employees and agents from and against liability for damages, injury or death which may arise from the direct or indirect operations of the owner, Developer, contractors or subcontractors, which relate to the Project.

20. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

21. Entire Agreement. This Agreement contains the entire and only Agreement between the parties regarding development improvements, and no oral statements or representations not contained in this Agreement shall be of any force and effect between the parties. This Agreement shall not be modified or amended in any manner except by written instrument executed by the parties.

IN WITNESS WHEREOF the parties have executed this Agreement the date first above written.

BOARD OF GUNNISON COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

By: _____
Phil Chamberland, Chairperson

ATTEST:

_____
Deputy Gunnison County Clerk

GUNNISON SECURE STORAGE, L.L.C.,
a Texas limited liability company

By:_____
Ahren James Cattles, Chairman

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing instrument was acknowledged before me this 17 day of October, 2017, by Ahren James Cattles, Chairman of GUNNISON SECURE STORAGE, L.L.C., a Texas limited liability company, Developer herein.

Witness my hand and seal.
My commission expires: 7-21-2021.

Mary Jo Marvel
Notary Public
Address:
525 N. Main
Gunnison, CO 81230

MARY JO MARVEL
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #20054028754
My Commission Expires July 21, 2021

Gunnison Secure Storage LLC
1012 Highway 135
Gunnison, CO 81230

VICINITY MAP

Acquisition

4.5 Acre Property
with 1.5 Story Home

Presented By:

Gunnison Secure Storage LLC
PO Box 276
Gunnison, CO 81230
AJ Cattles
(970) 275-8144

APPENDIX A

Project Phases

GSS has elected to break the project down into phases. This will give us the ability to adjust to market demands and will keep us from flooding the local market.

Phase 1 - October 2017 - March 2018

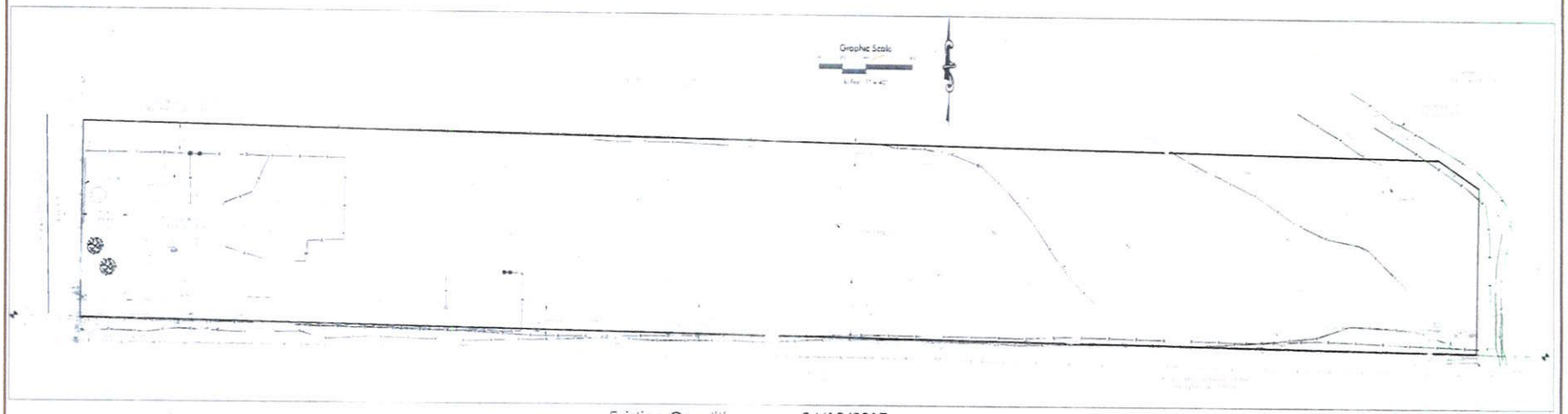
This initial phase will include the following and is outlined in green in the subsequent map.

- Tap fee and Sewer Line connection to Clark Blvd
- Electrical, Well and Gas Connections
- Entry road from Highway 135 through the Phase one development
- Build out of the apartments and 3750 square feet of Light Industrial shop
- 4800 square feet of storage buildings
- Landscaping including installation of 2 - 8' tall spruce trees.
- Stormwater Retention Swale through Phase 1 footprint
- Electronic Security Gate / Fencing / General Lighting Throughout Phase footprint
- Signage on Highway 135

Phase 2 - Summer/ Fall 2018 - Summer 2019

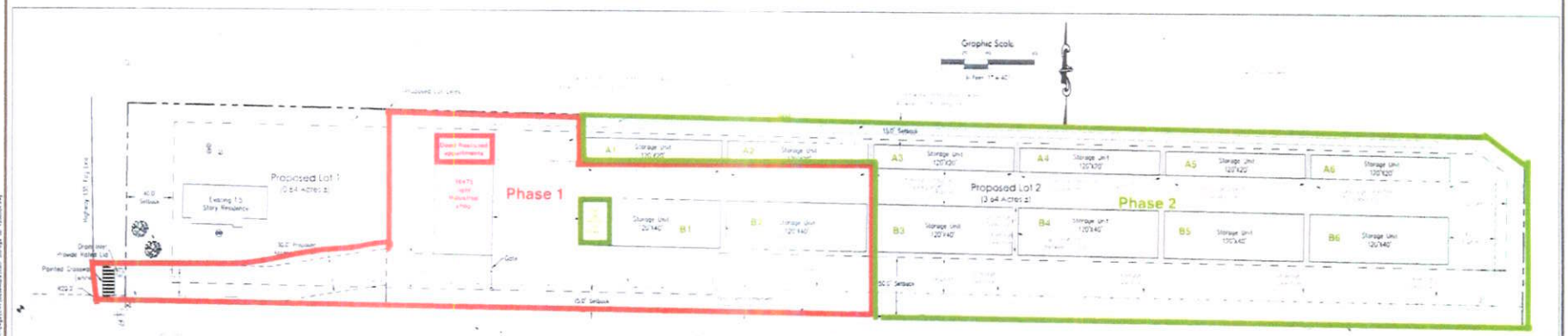
This phase could be split into more phases if demand is questionable.

- Build out the balance of Light Industrial Shop. (Green Square in Phase 1 footprint)
- Build out of the balance of storage buildings
- Complete road system including asphalt
- Complete stormwater Swale
- Complete General Lighting



- LEGEND -

Existing Conditions on 04/12/2017



Proposed Driveway
and Overall Site Plan

SGM
18 West Sixth Street, Suite 200
Glenwood Springs, CO 81601
970 945 1004 www.sgmeng.com

Gunnison Secure Storage
1012 Highway 135
Gunnison County, Colorado

#	Revision	Date	By
1			
2			
3			
4			
5			

Preliminary Site Plan

Job No.	2016-148.002
Drawn by	EB
Date	Oct. 24, 17
Approved	
File	

1
2

Gunnison Secure Storage
Opinion of Probable Cost
Development Improvement Agreement (DIA)

Gunnison Secure Storage
Phase I

12-Sep-17
SGM Inc.

DESCRIPTION	ITEM	UNIT	QUANTITY	UNIT COST	TOTAL COST	COMPLETED TO DATE	AMOUNT REMAINING
Utitilities							
	Electrical Service (trench, wire, conduit)	Linear Foot	95	NC	NC	$0.00	
	Sewer line and connection at Clark Blvd	Lump Sum	1	$12,500.00	$12,500.00	$0.00	$12,500.00
	Gas Line (trench and pipe install)	Linear Foot	265	$10.00	$2,650.00	$0.00	$2,650.00
				Utilities Total	**$15,150.00**	$0.00	***$15,150.00***
General Site Ph-1							
Access	Hwy 135 Access Gravel Driveway	Lump Sum	1	$7,500.00	$7,500.00	$0.00	$7,500.00
Storm Drainage	Grading and excavation/placement of cobble for bio-retention/infiltration swale	Lump Sum	1	$6,500.00	$6,500.00	$0.00	$6,500.00
Landscaping	Soil Prep (CDOT cost data)	Acre	0.2	$1,100.00	$220.00	$0.00	$220.00
Landscaping	Seeding (Native) (CDOT cost data)	Acre	0.2	$630.00	$126.00	$0.00	$126.00
Landscaping	Tree pine trees and seeding of disturbed	Each	2	$800.00	$1,600.00	$0.00	$1,600.00
				Driveway and site work	**$15,946.00**	$0.00	***$15,946.00***
Phase I TOTALS					**$31,096.00**		***$31,096.00***

Gunnison Secure Storage
Phase II

DESCRIPTION	ITEM	UNIT	QUANTITY	UNIT COST	TOTAL COST	COMPLETED TO DATE	AMOUNT REMAINING
Phase II							
Paving	Complete Road System including Paving	SY	TBD	TBD	TBD	$0.00	
Drainage/Stormwater	Complete Bio-retention swales	Lump Sum	TBD	TBD	TBD	$0.00	
Landscape	Final Seeding	Acre	TBD	TBD	TBD	$0.00	
				Phase II Totals	TBD	$0.00	
Phase II TOTALS					TBD		***$0.00***

9/28/17

APPENDIX B