



REGULAR CITY COUNCIL MEETING AGENDA
Thursday, June 17, 2010
7:00 P.M. CITY COUNCIL CHAMBERS
Located in the Elks Civic Building at 107 South Cascade

The Montrose City Council is pleased to have residents of the community take time to attend City Council Meetings. We encourage your attendance and participation. Individuals wishing to be heard during public hearing proceedings are encouraged to be prepared and will generally be limited to five minutes to allow everyone the opportunity to be heard. Additional written comments are welcome and will be received at any time.

- 1) City Council meeting called to order by Mayor Kathy Ellis.
- 2) The Pledge of Allegiance.
- 3) Roll Call by City Clerk.
- 4) Changes to the Agenda, including additions and deletions.
- 5) Recognition of audience by Mayor Kathy Ellis.
- 6) Montrose Senior Fair Proclamation
- 7) Key Citizen Award
- 8) CALL FOR PUBLIC COMMENT

The “Call for Public Comment” agenda item is a time when the citizens of the City of Montrose may bring forth items of interest or concern. Please note that no formal action will be taken on the matters raised during this time. Requests will be granted on a first-come, first-signed-in basis. Sign-in sheets can be picked up after 5:45 p.m. and will be available until 6:45 p.m. Please have sign-in sheets to the City Clerk before 6:50 p.m. if you wish to speak.

- 9) CONSENT AGENDA

All matters under the consent agenda are considered to be routine by the City Council and will be enacted with a single vote. There will be no separate discussion of these items. If discussion is deemed necessary, that item should be removed from the Consent Agenda and considered separately.



- (a) City Council consideration of the minutes from the regular City Council meeting held on June 3, 2010; and from the Special City Council Meeting held on June 10, 2010. Action: Consider making a motion to approve the minutes as written. Staff: City Clerk Teri Colvin. **3-9**
- (b) City Council consideration of a lease agreement between the City of Montrose and Main In Motion, Inc., for the 2010 Main In Motion season. Action: Consider approving the lease as presented. Staff: City Clerk Teri Colvin. **10-17**

10) MONTROSE ECONOMIC DEVELOPMENT CORPORATION (MEDC) FINANCIAL UPDATE

Montrose Economic Development Corporation (MEDC) Executive Director Sandy Head will provide a financial update for Montrose Economic Development Corporation (MEDC).

11) MONTROSE ECONOMIC DEVELOPMENT CORPORATION (MEDC) CONTRACT RATIFICATION

City Council ratification of the Mayor's signature on an agreement between the City of Montrose and the Montrose Economic Development Corporation (MEDC), to provide funding for MEDC under certain terms and conditions set forth therein, for the remainder of calendar year 2010. **18-20**

Action: Consider making a motion to ratify the Mayor's signature on the "City - MEDC Agreement 2010."

12) STAFF REPORTS

(a) _____

(b) _____

13) CITY COUNCIL REPORTS

(a) _____

(b) _____

14) ADJOURNMENT

A regular City Council meeting of the Montrose City Council was held on Thursday, June 3, 2010, at 7:30 p.m., in the City Council Chambers located in the Elks Civic Building at 107 South Cascade Avenue. Said meeting was posted in accordance with the Sunshine Law.

PRESENT: Kathy Ellis, Gail Marvel, Thomas Smits, Carol McDermott, Bill Patterson, Mary Watt, Teri Colvin, Shani Wittenberg, Ben Morris, Jim Hougnon, Kerwin Jensen, Elsa Anderson, Scott Sellers, Tom Chinn, Virgil Turner, John Harris, Scott Shine

GUESTS: Joel Evans, Bob Burk, Judy Wind, Jim Roberts, Sandy Head, Dan McClendon, Shane Brown, Amy McBride, Steve Metheny, Paul Gray

CITY OF MONTROSE COMMUNITY DEVELOPMENT ACHIEVEMENT AWARDS PRESENTATION

Assistant City Planner Scott Shine reviewed the launch of the City of Montrose Community Development Achievement Awards stating it is a proactive way to encourage best practices in our community and reward those who go above and beyond.

Mr. Shine reviewed that the Planning Commission selected one project from each of the four categories: Commercial or Industrial; Residential; Sustainability; and Landscaping and awarded one 'Honorable Mention.'

Mayor Kathy Ellis presented the winners in each category with a plaque and recognized the winner for their work.

MINUTES

City Council considered the minutes from the regular City Council meeting held on May 6, 2010; the regular City Council meeting held on May 20, 2010; and the Special City Council meeting held on April 26, 2010. A motion was made by Bill Patterson, seconded by Carol McDermott, to approve the May 6, 2010, regular City Council meeting minutes, the May 20, 2010, regular City Council meeting minutes and the April 26, 2010, Special City Council meeting minutes as written. All voted yes. Motion passed.

APPROVAL OF THE MONTE DE ROSAS FIESTA EVENTS USE PERMIT

City Council considered the Events Use Permit for Historic Montrose Downtown for the Monte De Rosas Fiesta to be held June 12, 2010, in La Raza Park. A motion was made by Bill Patterson, seconded by Carol McDermott, to approve the Events Use Permit, which includes closing North 6th Street between Ute and Selig, North 7th Street between Ute and Selig, and North Ute between 6th and 7th Streets. All voted yes. Motion passed.

APPROVAL OF THE SPECIAL EVENTS LIQUOR LICENSE MONTE DE ROSAS FIESTA

City Council considered the Special Events Liquor License application for Historic Montrose Downtown for the Monte De Rosas Fiesta to be held at La Raza Park on June 12, 2010. A motion was made by Bill Patterson, seconded by Carol McDermott, to approve the Special Events Liquor License. All voted yes. Motion passed.

SOLE SOURCE WAIVER FOR WASTEWATER TREATMENT PLANT ROTORS

City Council considered a sole source waiver for Wastewater Treatment Plant Rotors from Water Technology Group for the total purchase price of \$224,100.00, from the sewer fund. A motion was made by Bill Patterson, seconded by Carol McDermott, to approve the sole source waiver. All voted yes. Motion passed.

BID FOR PAVING AT THE WASTEWATER TREATMENT PLANT

City Council considered a bid for paving at the Wastewater Treatment Plant. This bid includes concrete paving of areas around the office building, south oxidation ditch, and pump building. Funds for this project are in the 2010 Wastewater Treatment Plant Budget, which is part of the Sewer Fund. A motion was made by Bill Patterson, seconded by Carol McDermott, to approve the bid for paving at the Wastewater Treatment Plant to Ridgway Valley Enterprises for \$152,355.50. All voted yes. Motion passed.

BID FOR ORCHARD ROAD PRESSURE REDUCING VALVE

City Council considered a bid for Orchard Road Pressure Reducing Valve (PRV). A motion was made by Bill Patterson, seconded by Carol McDermott, to approve the bid for the Orchard Road Pressure Reducing Valve (PRV) Project with the installation of Pre-Cast Vault option to Skip Houston for the total bid price of \$29,828.48, from the water fund. All voted yes. Motion passed.

MONTROSE DOWNTOWN DEVELOPMENT AUTHORITY APPOINTMENTS

City Council considered the Montrose Downtown Development Authority Board Appointments. Discussion followed regarding the applicants' qualifications.

A motion was made by Carol McDermott, seconded by Gail Marvel, to appoint the following to the Montrose Downtown Development Authority Board: Robert Brown, Bob Burke, Kirk Hartman, Phuong Nguyen, Ralph E. Walchle, and Charles E. Young, O.D. All voted yes. Motion passed.

SUNRISE CREEK II SUBDIVISION AMENDED PRELIMINARY PLAT

City Council considered the Sunrise Creek II Subdivision Amended Preliminary Plat. The current filing period expired on August 5, 2009. The Amended Preliminary Plat will allow final plat filings until June 3, 2015. The property is located southeast of the corner of Hillcrest Drive and Niagara Road.

Community Development Director Kerwin Jensen reviewed this item and the reasons an extension is required.

Jim Roberts of Del Mont Consultants reviewed the minor changes that were made to the preliminary plat.

A motion was made by Carol McDermott, seconded by Bill Patterson, to approve the Sunrise Creek II Subdivision Amended Preliminary Plat, expressly conditioned upon City staff ensuring that all policies, regulations, ordinances and municipal code provisions are met and that the applicant adequately addresses all of staff's concerns prior to the execution of the Preliminary Plat. The City staff is not authorized by this approval to execute the Preliminary Plat before all conditions are satisfied. All voted yes. Motion passed.

STAFF REPORTS

Quarterly Police Report for the First Quarter of 2010: Police Chief Tom Chinn reviewed the Quarterly Police Report from January, February and March 2010.

Sales & Use Tax Report for April 2010: Finance Director Shani Wittenberg reviewed the April 2010 Sales & Use Tax report.

CITY COUNCIL REPORTS

Delta Montrose Electrical Association (DMEA) Ballot Discussion: City Council members voted for the DMEA board of directors on the single ballot provided to the City of Montrose.

A motion was made by Carol McDermott, seconded by Gail Marvel, to authorize Mayor Ellis to vote on the DMEA 2010 Board of Directors ballot, on behalf of the City of Montrose, based on the number of cumulative votes cast by City Council. All voted yes. Motion passed.

City Council Member Bill Patterson asked for an explanation on how the City of Montrose is only allowed one ballot.

DMEA representatives Steve Metheny and Dan McClendon addressed Mr. Patterson's concern. Mr. McClendon reviewed that one member gets only one vote. Mr. McClendon further clarified that while a member may have several meters with DMEA, as long as each meter is under the same member account/member number, that member would only be allowed a single vote.

Region 10 Discussion: Region 10 Executive Director Paul Grey answered questions from City Council regarding Region 10's request to have the City of Montrose pay the remaining portion of the assessed amount of dues for 2010. Mr. Gray discussed Region 10's active loan programs, provided a review of the Enterprise Center project, and addressed some cost and member assessment facts.

Council members asked questions regarding the Enterprise Center, the fiscal calendar of Region 10, and the time of year invoices are sent.

Council Member Gail Marvel discussed that Region 10 doesn't appear to be making necessary reductions to account for the downturn in the economy the way that its members are having to.

Mr. Gray stated that Region 10 has been trying hard to contain costs and has done a good job of that for several years, since it took a hit several years before its members did. Mr. Gray added that a cut in staff will result in a cut in services they offer, and that a cut in assessments will also result in a cut in services.

Mayor Kathy Ellis stated that she felt Region 10 is doing more with less people.

Mr. Gray stated that Region 10 is very tightly staffed. Mr. Gray stated he would take a recommendation to his Board to cut assessments next year.

Council Member Bill Patterson stated that while other Region 10 members are hurting financially they are paying their full assessed dues without problem. Mr. Patterson stated that the City of Montrose will receive far more value for \$7000 than we would get if we had to do the work of Region 10 ourselves.

Mr. Gray added that some of the services Region 10 provided are state mandated and if Region 10 failed to provide those services someone would have to and bear the cost.

Council Member Carol McDermott asked about collaborative work efforts of Region 10, who is assessed dues, if a Region 10 employee is responsible for writing grants, and about pass through funds. Ms. McDermott stated that she would be in favor of making quarterly payments to Region 10 rather than one lump sum payment.

More discussion followed from Council Members regarding this issue.

Mayor Pro Tem Thomas Smits made a motion, seconded by Bill Patterson, to approve payment of the balance of the 2010 assessment in the amount of \$6,417.00 from the City Council line item budget for membership subscription and dues, and to direct staff to find \$13,417.00 for the 2011 Region 10 dues to be included in the budget discussions for the 2011 year budget to be voted on at that time. Carol McDermott and Gail Marvel voted no. All others voted yes. Motion passed.

Montrose Economic Development Council (MEDC) Quarterly Update: MEDC Executive Director Sandy Head gave a quarterly update to City Council. Ms. Head's update included updates on prospects MEDC is working on, Local Company Assistance, energy programs they are working with, the Colorado Workforce Board, Colorado Procurement Technical Assistance Center (PTAC), higher education, Small Business Expo, Economic Developer Council of Colorado Board & Conference, contributions to MEDC, Proposition 101 and Amendments 60 & 31, and a MEDC Board update.

Project 7 Update: Council Member Bill Patterson reviewed an opportunity Project 7 may have regarding the addition of a water treatment plant at Ridgway Reservoir.

Municipal Services Director Jim Hougnon reviewed how this project could increase the capacity of Project 7, however, it may not be needed.

City Council asked for Legal Counsel John Kappa to provide a water issues session with City Council to help them better understand the history of water issues in the region.

EXECUTIVE SESSION

A motion was made at 9:45 p.m. by Gail Marvel, seconded by Carol McDermott, to go into an executive session for a conference with the City Attorney for the purpose of receiving legal advice pursuant to C.R.S. Section 24-6-402(4)(b); for the purpose of determining positions relative to matters that may be subject to negotiations, under C.R.S. Section 24-6-402(4)(e); discussion of a personnel matter under C.R.S. Section 24-6-402 (2)(f); and the following additional details are provided for identification purposes: negotiations with an economic development corporation and discussions with City Manager concerning succession.

ADJOURNMENT

City Council reconvened into the regular City Council meeting at 11:28 p.m.

A motion was made by Carol McDermott, seconded by Thomas Smits, to have the City Attorney write a letter, signed by the Mayor, to terminate the current Montrose Economic Development Corporation (MEDC) contract and to submit, for MEDC's consideration, a new contract, to be ratified at the next City Council meeting. All voted yes. Motion passed.

A motion was made by Carol McDermott, seconded by Thomas Smits, to accept the letter from City Manager Mary Watt, designating Assistant City Manager Scott Sellers as the Acting City Manager, in her absence, to be signed by the Mayor as well. All voted yes. Motion passed.

A motion was made at 11:35 p.m. by Bill Patterson, seconded by Carol McDermott, to adjourn the meeting with no further action taken. All voted yes. Motion passed.

Kathy Ellis, Mayor

ATTEST:

Teri Colvin, City Clerk

A Special City Council meeting of the Montrose City Council was held on Thursday, June 10, 2010, at 4:04 p.m. in the Centennial Meeting Room at City Hall, located at 433 South First Street, Montrose, Colorado. Said meeting posted in accordance with the Sunshine Law.

PRESENT: Kathy Ellis, Gail Marvel, Bill Patterson, Carol McDermott, Thomas Smits, Ben Morris, John Kappa, Mary Watt, Scott Sellers, Jim Hougnon, Teri Colvin

*Teri Colvin left the room at 4:04 p.m.

GUESTS: None

EXECUTIVE SESSION

At 4:04 p.m. a motion was made by Gail Marvel, seconded by Carol McDermott, to go into an executive session for a conference with the City Attorney for the purpose of receiving legal advice pursuant to C.R.S. Section 24-6-402(4)(b); for the purpose of determining positions relative to matters that may be subject to negotiations, under C.R.S. Section 24-6-402(4)(e); and the following additional details are provided for identification purposes: discussion of expansion of water supply capacity, water district discussion, and economic development incentive discussion. All voted yes. Motion passed.

ADJOURNMENT

A motion was made at 5:15 p.m. by Carol McDermott, seconded by Bill Patterson, to move forward with funding for Phase 1 – already committed, and Phase 2 – at 100%, with the exception for Tri-County as presented. All voted yes. Motion passed.

A motion was made at 5:17 p.m. by Bill Patterson, seconded by Carol McDermott, to adjourn the meeting with no further action taken.

Memorandum

To: City of Montrose City Council
From: City Clerk Teri Colvin
Date: 6/11/2010
Re: 2010 Main In Motion Lease for Use of Public Property

For several years the City of Montrose has preferred to draft leases for on-going events that use public property, such as Main In Motion and Farmers' Market.

This effort to reduce the need for paperwork associated with each similar event has allowed the City of Montrose to offer a lower cost, through the lease process, than event organizers would realize by completing multiple Event Use Permits per happening.

The City of Montrose has been working with Main In Motion, LLC, this year to allow for a portion of Main Street to be closed in conjunction with Main In Motion on Thursday nights beginning June 3 and ending on August 19.

After two successful Main In Motion street closures the City has agreed to consider a lease, allowing Main Street to be closed, for the remaining 10 Main In Motion events this year.

The City Attorney's office is in the process of drafting a lease for City Council's consideration at the June 17, 2010, City Council meeting. Given the quick turn around time between the last Main In Motion and the next City Council meeting, and the need for City Attorneys' review of the draft lease, the lease will not be ready for the packet upon its initial distribution. The proposed lease should be available before the City Council meeting on June 17.

The proposed lease will be similar to the 2009 Main In Motion lease with the following suggested changes from the events review committee:

1. The cost of the lease for 2010 will be \$600.00. The dollar amount to be paid will be the contracted amount minus fees & deposits paid year to date.
2. Main In Motion organizers will be asked to maintain a five foot pedestrian walkway on the sidewalks along Main Street. Vendors with store fronts will be required to do the same.
3. The contract shall include wording making it clear that the cost of next year's contract will be discussed and determined before 2011 and after a review of the 12-week 2010 Main In Motion Season. The lease shall make it clear that the cost of future contracts could be higher given the cost to the City associated with closing Main Street.

Please be aware that these changes were communicated with Main In Motion Coordinator Kendra Morrow on June 10, 2010.

It is our intention to update the packet, before the City Council meeting, once the lease has been finalized.

LEASE AGREEMENT
CITY OF MONTROSE AND MAIN IN MOTION, INC.

THIS LEASE is made and entered this ____ day of _____, 2010, between the **CITY OF MONTROSE**, a Colorado home rule municipal corporation, whose address is 433 South First Street, P.O. Box 790, Montrose, Colorado 81402-0790, hereinafter referred to as the "City" or "Lessor", and **MAIN IN MOTION, INC.**, a Colorado non-profit corporation doing business as "Main in Motion Montrose", whose address is P.O. Box 1922, Montrose, Colorado 81402 (hereinafter referred to as "Lessee") (the aforementioned entities may sometimes be referred to individually and generically as a "party" or collectively as the "parties").

WHEREAS, the City holds title to the public street rights-of-way commonly referred to as Main Street, Uncompahgre Avenue, and to the park known as Demoret Park; and

WHEREAS, the Lessee desires to lease from the City portions of the street rights-of-way and park specifically set forth hereinbelow on certain days of the year for purpose of conducting the "Main in Motion" event and related activities; and

WHEREAS, the City believes such usage of the portions of the street rights-of-way and park described herein is in the public interest, serves to promote and foster the health of downtown, and to buttress retail sales in that area; and

WHEREAS, the City is desirous of leasing said properties for such uses upon certain days as more specifically set forth herein.

NOW THEREFORE, in consideration of the mutual promises and conditions as provided herein, the parties agree as follows:

1. PREMISES

The City hereby leases unto the Lessee for the term and upon the rental conditions herein, the real property described as follows (hereinafter referred to as the "Premises"):

A portion of Uncompahgre Avenue between South First Street and Main Street including the adjacent sidewalks; and a portion of Uncompahgre Avenue between Main Street and North First Street including the adjacent sidewalks; and a portion of Main Street from the east edge of the Selig Avenue right-of-way to the west edge of the Pythian Avenue right-of-way, including the adjacent sidewalks, and the City park known as Demoret Park, all as shown on **Exhibits "A" and "B"**, attached hereto and incorporated herein by this reference. Neither the aforementioned North First Street, South First Street, Pythian Avenue nor Selig Avenue are included in this Lease, and the same shall not be blocked in any way by Lessee. Sidewalks are included

in the Premises, when adjacent to the rights-of-way included in the Premises, and as shown on Exhibit "A".

2. LEASE TERM

This Lease shall commence on June 3, 2010, at 12:01 AM and expire on August 19, 2010, at midnight; said period may sometimes hereinafter be referred to as the "Lease Term". The parties may enter into good faith negotiations to renew this Lease prior to the end of the Lease Term, but nothing herein shall obligate either party beyond such negotiations, nor shall the failure to enter into negotiations constitute an implied extension of this Lease Term or material breach of this Lease.

- A. Lessee shall have use of the Premises, as shown on **Exhibits "A" and "B"**, on the following days during the Lease Term:

All Thursdays between and including the first Thursday in June and the third (3rd) Thursday in August, from 5:30 PM until 9:00 PM.

Notwithstanding the above, Lessee may request additional dates and times for use of the premises in accordance with ¶ 4 below, if such dates and times are specifically approved in advance by the City Council.

3. RENTAL RATE

Lessee shall pay to the City the amount of six hundred U.S. Dollars (\$ 600.00) as its annual rental payment, said payment due on or before the first day of usage of the Premises for the Lease Term. (The City hereby acknowledges prior payment of two hundred U.S. Dollars (\$ 200.00) in advance as payment of fees associated with events use permits and applications.)

The terms of this Lease shall satisfy, and be in lieu of, events use permits and street closure permits required by the City. All other permits, including but not limited to, sales tax licensing, special event, or liquor licenses if applicable, and sign permits shall require the necessary permitting by the City. Lessee agrees to comply with all applicable permitting requirements.

4. IMPROVEMENT AND USE

Lessee shall, at its own expense, maintain the Premises in a clean and orderly condition on those days and times of Lessee's use thereof. Lessee shall neither modify nor construct any permanent improvements on the Premises. Lessee's use shall include the lawful ability to close the streets shown on **Exhibit "A"** in black cross-hatching to vehicular traffic during the times and dates set forth in ¶ 2 above, for the purpose of holding the Main in Motion events; crosswalks adjacent to said black cross-hatched area shall not be closed or blocked to pedestrian traffic. There shall be no blockage of Main Street from curb to curb in any area not shown on **Exhibit "A"** in black cross-hatching. The Lessee agrees to cooperate with the City for the purpose of affecting said street closures, and for providing any necessary notices to affected landowners, occupants, and

the public. Lessee shall have use of the sidewalks as described in ¶ 1, above; however, a five (5) foot wide unobstructed path shall be kept clear for pedestrians on the sidewalks at all times.

Lessee shall have use of the Premises during the days as set forth above, but shall, in good faith, cooperate with the City of Montrose, the Downtown Development Authority, and the Montrose Association of Commerce and Tourism toward the occasional scheduling of special events on the Premises, or construction of improvements or repairs to any of the streets or facilities adjoining the Premises named herein, that may be in conflict with the Lessee's usage of the same.

5. INDEMNIFICATION

The Lessee agrees to indemnify and hold harmless the City, its officers, employees, insurers, and self-insurance pool, from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other losses of any kind whatsoever, which arise out of or are in any manner connected with this Lease, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the act, omission, error, professional error, mistake, negligence, or other fault of the Lessee, or any officer, employee, representative, or agent of the Lessee, or which arise out of any workers' compensation claim of any employee of the Lessee.

The parties hereto understand and agree that City is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. §24-10-101 *et seq.*

6. INSURANCE

The Lessee agrees to procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by the Lessee pursuant to ¶ 5. Such insurance shall be in addition to any other insurance requirements imposed by this Lease or by law. The Lessee shall not be relieved of any liability, claims, demands, or other obligations pursuant to ¶ 5, by reason of its failure to procure or maintain insurance.

Lessee shall procure and maintain the minimum insurance coverages listed below. Such coverages shall be procured and maintained with forms and insurers acceptable to City. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain continuous coverage.

- A. Workers' Compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Lease.
- B. Commercial General Liability insurance with minimum combined single limits of one hundred fifty thousand dollars (\$150,000.00) each occurrence and six hundred thousand

dollars (\$600,000.00) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), and blanket contractual.

The policy coverage as required above shall be endorsed to include the City as additional insured. Every policy required above shall be primary insurance and any insurance carried by the City or its employees, or carried by or provided through any insurance pool of the City, shall be excess and not contributory insurance to that provided by Lessee. No additional insured endorsement to any policy shall contain any exclusion for bodily injury or property damage arising from completed operations. The Lessee shall be solely responsible for any deductible losses under any policy required above.

The certificate of insurance shall be completed by the Lessee's insurance agent as evidence that policies providing the required coverage, conditions, and minimum limits are in full force and effect, and shall be reviewed and approved by the City prior to execution hereof. Failure on the part of the Lessee to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which City may immediately terminate this Lease. City reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

7. SURRENDER

Lessee covenants and warrants that at the termination or cancellation of this Lease, Lessee will quit and surrender said Premises in good condition, reasonable wear and tear excepted.

8. ASSIGNMENTS AND SUBLETTING

This Lease is not assignable, subject however to the provisions of ¶ 4 above, wherein other City events may occur upon the leased premises from time to time.

9. TERMINATION OR ABANDONMENT

Either party may terminate this Lease at will, with or without cause, written notice by the terminating party to be provided thirty (30) days in advance of the desired termination date, and in accordance with the notice provisions below. If Lessee abandons said Premises prior to the noticed termination of this Lease, the City may, at its option, terminate this Lease and take immediate possession of the Premises without need of further written notice. Any material breach of the terms herein may also constitute termination of this Lease, subject to fourteen (14) days written notice. The City's possession of the Premises does not constitute any waiver of any right it may have for the enforcement of the terms herein.

10. NOTICE

Any notice to be given under this Lease shall be personally served in writing, or sent via

certified mail, return receipt requested, to the addresses set forth hereinabove.

11. MISCELLANEOUS

- A. The Lessee shall perform all terms and conditions of the Lease in strict compliance with all applicable laws, rules, charters, ordinances and regulations, as now exist or are later enacted or amended.
- B. There is no security, cleaning, or damage deposit associated with this Lease.
- C. No representations, warranties or certifications, express or implied, shall exist as between the parties, except as specifically stated in this Lease.
- D. This Lease is an integration of the entire understanding of the parties with respect to the matters stated herein.
- E. The parties shall only amend the Lease in writing with the proper official signatures attached thereto. Invalidation of any specific provision of the Lease shall not affect the validity of any other provision of the Lease.
- F. The Lease shall be governed and construed according to the laws of the State of Colorado.
- G. Nothing herein shall represent a multi-year fiscal obligation to the City, and any expenditures of money by the City in accordance with this Lease shall be subject to the annual appropriation of monies.
- H. If at any time inadequate funding exists for Lessee to continue the Main in Motion program during the Lease Term, this Lease shall terminate upon notice of said inadequate funding.
- I. Lessee agrees to obtain a City of Montrose sales tax license should Lessee choose to make any taxable sales. In such case, the Lessee shall be responsible for collecting all sales tax associated with Lessee's sale of goods upon the leased premises and submitting said tax to the City, and for keeping appropriate books and records thereof, pursuant to applicable City ordinances.
- J. City and Lessee hereby acknowledge that the rental payment, and other costs associated with this Lease are likely to be higher during the year 2011. This Lease is the first term for a lease which includes closure and use of Main Street, and the parties are unsure at the time of the execution of this instrument as to what the actual costs may be.

EXECUTED and effective on the date first above noted.

CITY OF MONTROSE

Kathy Ellis, Mayor

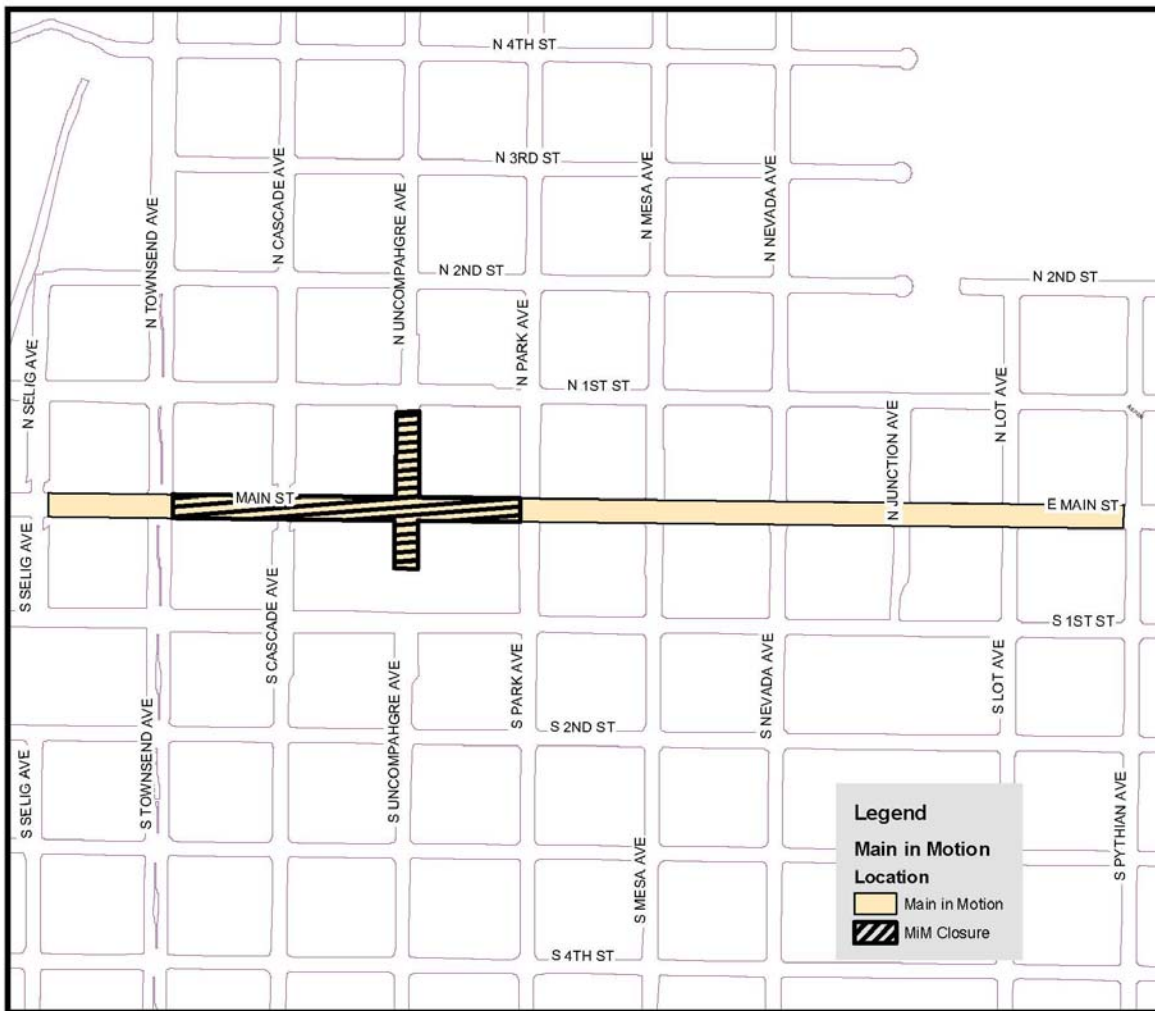
Kendra Marrow, its

ATTEST:

ATTEST:

Teri Colvin, City Clerk
MAIN IN MOTION, INC.

By: _____, Secretary



Main in Motion Lease and Closure Area
Exhibit A



190 95 0 190 Feet

Legend

Main in Motion Location

- Main in Motion
- MIM Closure

June 3, 2010



Main in Motion

Exhibit B



0 35 70 100 Feet

Legend

- Main in Motion - Vendor
- Demoret Park - Leased Premises



CITY – MEDC AGREEMENT
2010

THE CITY OF MONTROSE, COLORADO (“CITY”) AND THE MONTROSE ECONOMIC DEVELOPMENT CORPORATION, INC. (“MEDC”) AGREE AS FOLLOWS:

WHEREAS, it is and has been the policy of the CITY to actively encourage, promote and stimulate economic development within the CITY; and

WHEREAS, MEDC was formed in 1992 in order to establish a full service economic development program within the CITY; and

WHEREAS, the strategic objectives of MEDC are to (1) foster a positive image for the CITY, (2) recruit targeted businesses and industries that create high quality jobs, (3) enhance local business growth and expansion, (4) make the CITY a major competitor on the Western Slope, and (5) play a lead economic development role while building cooperative relationships with other economic development organizations; and

WHEREAS, in order to accomplish the goals of MEDC, it is the commitment of the CITY to contribute to the funding of MEDC.

NOW, THEREFORE, CITY and MEDC stipulate and agree:

1. Upon a quarterly basis, and as CITY finances allow, CITY pledges to contribute to the funding of MEDC a dollar amount specified herein. Such dollar amount shall be determined at the sole discretion of the CITY based upon the CITY’s budget, and shall be dispersed to MEDC in two (2) installments, with the first installment on or about the first day of July, 2010, and the second installment on or about the first day of October, 2010. The City anticipates that the total sum contributed to MEDC during the executory period of this Agreement will be Forty Thousand Dollars and No Cents (\$40,000), subject to City finances, as stated above.
2. In consideration of the above, MEDC shall annually prepare and maintain a budget for its operations and operate within said budget, expend its funds in furtherance of the above articulated goals, and comply with its adopted by-laws. MEDC shall annually provide a copy of its budget to the City for operations. An accounting of MEDC’s expenditures in conformance with the Governmental Accounting Standards Board (G.A.S.B.) shall be provided to the City on a quarterly basis. The provision of such accounting shall be an express condition precedent to payment of the City’s quarterly contributions to MEDC.

3. CITY monies shall be used exclusively to fund the programs described herein and for no other purpose. No CITY funds will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any elected official, governmental officer or employee.
4. The Director of MEDC agrees to provide quarterly updates on economic development activities to the City and to meet with the City Council and / or the City Manager at mutually agreed upon times. During said quarterly updates, the Director of MEDC shall present and discuss the quarterly financial accounting required by paragraph "2" above.
5. **Conflict of Interest**
 - a. MEDC shall ensure that no officer, director, employee, affiliate, contractor, subcontractor, agent, advisor or representative of MEDC participates in the selection, award, administration or oversight of a contract, grant or other benefit or transaction funded in whole or in part (directly or indirectly) by the CITY in connection with this Agreement, in which (i) the entity, the person, members of the person's immediate family or household or his or her business partners, or organizations controlled by or substantially involving such person or entity, has or have a financial or other interest or (ii) the person or entity is negotiating or has any arrangement concerning prospective employment, unless such person or entity has first disclosed in writing to the parties under this Agreement the conflict of interest and, following such disclosure, the parties to this Agreement agree in writing to proceed notwithstanding such conflict.
 - b. MEDC shall ensure that none of its officers, directors, employees, affiliates, contractors, subcontractors, agents, advisors or representatives involved in the selection, award, administration, oversight or implementation of any contract, grant or other benefit or transaction funded in whole or in part (directly or indirectly) by the CITY in connection with this Agreement shall solicit or accept from or offer to a third party or seek or be promised (directly or indirectly) for itself or for another person or entity any gift, gratuity, favor or benefit, other than items of *de minimis* value and otherwise consistent with such guidance as the CITY may provide from time to time. MEDC shall ensure that none of its officers, directors, employees, affiliates, contractors, subcontractors, agents, advisors or representatives engage in any activity which is, or gives the appearance of being, a conflict of interest in connection with this Agreement.
 - c. Without limiting the foregoing, MEDC shall comply, and ensure compliance, with the applicable conflicts of interest and ethics policies of the CITY.

6. This Agreement shall be terminable at will by either party upon thirty (30) days written notice.
7. The effective date of this Agreement shall be July 1, 2010. This Agreement shall expire on December 31, 2010 at midnight. THIS AGREEMENT SHALL NOT AUTOMATICALLY RENEW. The CITY and MEDC may choose to amend and extend this Agreement prior to the date of this Agreement's expiration, or the CITY and MEDC may choose to enter into a new agreement, provided both parties agree to do so in writing.
8. This Agreement is governed by and construed in accordance with the laws of the State of Colorado. Any action to enforce this Agreement must be brought in the District Court of Montrose County, Colorado.

Executed this _____ day of _____, 2010.

CITY OF MONTROSE



 Kathy Ellis, Mayor

**MONTROSE ECONOMIC
 DEVELOPMENT CORPORATION,
 INC.**

 Chairman

ATTEST



 Teri Colvin, City Clerk

ATTEST

 Secretary

