MONTROSE • COLORADO

CITY COUNCIL WORK SESSION
Monday, February 5, 2024 - 10:00 AM
City Council Chambers, Elks Civic Building - 107 S. Cascade Ave.

Public participation for this meeting will be in person in the City Council Chambers. The meeting can be viewed via livestream at https://www.cityofmontrose.org/759/Live-Meetings-Viewer and recordings of the meetings can be viewed at https://www.youtube.com/user/MontroseCityGov.

Hearing assistance devices are available for public use. Please let us know if you need accommodation. The City also offers interpretation for Spanish speakers. To allow time to book this resource, please email planningmail@cityofmontrose.org at least three (3) days before the meeting.

1) DISCUSSION ITEMS

A) Land Development Code Update Status (30 minutes)
Staff: Community Development Director Jace Hochwalt

B) 2023 Development Report (15 minutes)
Staff: Community Development Director Jace Hochwalt

C) Commercial Kitchen Grant Application - Stockmen's and Ruby Junes Restaurants (15 minutes) – MOVED TO ITEM A
Staff: Anthony Russo, Business Development

D) CDBG Grant Application for VOA Rendezvous Apartments (10 minutes)
Staff: Community Development Specialist Christopher Ottinger

E) Vehicle and Equipment Disposal Authorization (10 minutes)
Staff: Public Works Director Jim Scheid

F) Vehicle Purchase Recommendation (10 minutes)
Staff: Public Works Director Jim Scheid

G) Amendments to the Contract for the Sale of Historic City Hall (15 minutes)
Staff: City Attorney Chris Dowsey

H) New Citizen Interactive Session Format (10 minutes)
Staff: Deputy City Manager Ann Morgenthaler

I) Child Care Discussion (5 minutes)
Staff: City Manager Bill Bell

2) GENERAL CITY COUNCIL DISCUSSION

3) STAFF COMMENTS

**Please note that the times listed are estimates only. Actual times may vary depending upon discussion and public comment received.*

CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: Jace Hochwalt, Community Development Director
DATE: February 5, 2024
RE: Land Use Code Update

ATTACHMENTS
- Exhibit A: REDO District Expanded Boundary Map

Project Background:

In 2019, the City of Montrose initiated the process of revising the 2008 Comprehensive Plan. This process involved extensive community outreach and participation, and developed a new vision, guiding principles, goals, and objectives to address community issues. This plan, known as the Envision 2040 Montrose Comprehensive Plan, was adopted by City Council in June of 2021, and has an entire chapter dedicated to Land Use and Growth, as well as an entire chapter specific to Housing and Neighborhoods. One of the primary goals of the Envision 2040 Plan is to encourage a variety of housing types, tenure, and density to meet the needs of the community.

Following the adoption of the Envision 2040 Plan, the City applied for and received an Innovative Housing Planning (IHOP) grant through the Colorado Department of Local Affairs (DOLA) in the Spring of 2022. This grant specifically focuses on the implementation of affordable housing strategies such as expedited development review, accessory dwelling unit (ADU) uses by right, and the accommodation of "missing-middle" housing in more locations/zone districts.

To better understand the housing needs of the entire Montrose community, the City of Montrose, in partnership with Points Consulting, completed the City of Montrose Housing Needs Assessment in the summer of 2023, with the use of the IHOP grant funds mentioned above. The purpose of the assessment was to evaluate current housing conditions and needs, make projections of future housing needs, and provide recommendations for policies, practices, and regulatory changes that can be implemented to address gaps between housing needs and supply.

With the housing needs assessment completed, City staff is now moving forward with a Land Development Code update that specifically focuses on housing initiatives based on those recommendations from the assessment, as well as those recommendations and goals outlined in the Envision 2040 Plan. Many topics were discussed at the City Council retreat on October 11, 2023. Since that date, staff have been working with the hired consultant team, Plan Tools, LLC, on code amendments to implement those items that were discussed, which are summarized below.

REDO District Expansion and Revisions

The “REDO" Overlay Zoning District is intended to alleviate certain hardships associated with redevelopment. The district is designed to encourage residential development and redevelopment of existing properties in the core downtown area, with allowances for increased densities compatible with the character of the area. This overlay district allows reduced dimensional standards and a larger variety of housing types than the underlying zoning. It also incentives accessory dwelling unit (ADU) development by offering reduced water and sewer tap fees.

As was discussed at the City Council retreat on October 11, 2023, City staff is proposing an expansion to the boundary of the REDO district. The original REDO district boundary was approved in 2008 via Ordinance 2200. This original boundary primarily encompassed the original town plat of Montrose. Much of the development within this initial REDO boundary took place prior to the 1950’s. The REDO boundary was expanded slightly in 2017 via ordinance number 2428 to include more property to the southwest and east of the original town plat, which included properties built out in the 1960’s and 1970’s. City staff is now proposing to expand this boundary further east as reflected in Exhibit A. The newly proposed area includes 1,422 new parcels totaling approximately 244 acres. The new area includes developments that primarily took place prior to 1990.

Additional proposed revisions to the REDO Overlay Zoning District code section (Section 11-7-9) include the following:

- Minimum lot sizes allowed in the REDO District would remain unchanged at 2,075 square feet, but ADUs would be allowed on lots of 3,125 square feet or greater. Notably, ADUs are currently only allowed on lots greater than 6,250 square feet. While 6,250 square feet is the standard lot size of the original town plat, there are many exceptions to this where there are narrowed block lengths and depths. As such, a reduction would allow for more ADUs on parcels that don’t currently meet that size threshold.
- While five-foot setbacks are required in the REDO District for primary structures, ADUs are allowed to have zero-foot side and rear yard setbacks. This has created problems for encroachments into alleys and can create Building Code compliance issues. As such, City staff is proposing the requirement of five-foot side and rear yard setbacks for ADUs, which is similar to the requirements for primary structures.
- Removal of lot configuration exhibits within the code, which are not compliant with accessibility standards and also add confusion regarding lot dimension requirements.
- Allowance of the subdivision of ADUs if they meet minimum lot size and setback standards and are connected to their own water and sewer taps.

Accessory Dwelling Units

Increasing the allowance of ADUs was a strategy recommended in both the Envision 2040 Montrose Comprehensive Plan as well as the Housing Needs Assessment. As such, it is recommended that ADUs be considered a use-by-right in all zone districts that allow for single-family residences. Specific standards that could apply to ADUs are proposed below:

- An ADU may be attached to a primary dwelling unit, located in a detached unit or located in an attached or detached garage.
- Only one ADU is permitted on each lot or parcel.

- ADUs must be between 200 square feet and 1,000 square feet, and be subordinate to the primary dwelling unit. ADUs within the REDO District are exempt from these size standards.
- ADUs shall conform with all setback, height, and other dimensional limitations applicable to accessory structures in the underlying zoning district. ADUs within the REDO District would have five-foot setbacks as proposed in the REDO District section above.
- ADUs are required to contain, at a minimum, a kitchen, a bathroom, and a separate and independent entry.
- One off-street parking space shall be required for ADUs, except for those located within an underlying B-1 (Central Business) zoning district, which do not require additional parking.
- Mobile homes, manufactured homes, park models and travel homes are not allowed to be considered as ADUs.

The benefit of ADUs within the REDO District is the more lenient size and setback requirements, reduced utility tap fees, and allowance for ADUs to be subdivided off if they meet minimum lot size requirements and setbacks. That said, by allowing ADUs in all zone districts, it provides property owners outside the REDO District to supplement additional housing infill. It should be noted that ADUs are currently allowed throughout the city through an Administrative Planned Development application. Allowing ADUs as a use-by right in all zones is not a dramatic change from what the code already allows, but it could eliminate a time-consuming Administrative Planned Development process in favor of a more simplified and expedited administrative review process. To expedite and simply ADU submittals, staff would add a new review process referred to as a Minor Site Development review. With the direction of the City Council, City staff will work on this new process with the consultant team.

<u>Modular Construction</u>

The Montrose City Council adopted a consolidated Land Use Code, referred to as Chapter 11 of the Montrose Municipal Code, in mid-2023. As part of this major code consolidation process, definitions were added for modular housing, manufactured housing, and mobile homes. The guidance received from the October 11, 2023 City Council retreat was to allow for modular housing in all zone districts, but to continue to limit manufactured housing only to the R-5 and R-6 zone districts, and have mobile homes only allowed within mobile home parks (only located in the MHR zone district). This change will help facilitate more modular construction throughout the City. As reflected in the ADU section above, ADUs cannot be mobile homes, manufactured homes, park models, or travel homes. That said, ADUs can be of modular construction.

<u>Planned Development Modifications</u>

Additionally discussed at the City Council retreat on October 11, 2023 was the modification of Planned Development standards for multi-family development. For multi-family proposals, any development that has more than one building requires a Planned Development process. This requirement can add over four months to a review process, and its elimination would help expedite review, saving time for both staff and developers. This would help in facilitating a more expedited development review process, which could incentivize more multi-family development. This is especially the case in the R-3A and R-4 zone districts, where apartments, condos, and other multi-family dwelling options are a use-by-right and would not otherwise require a hearing process.

<u>Middle Density Housing Definitions</u>

Housing variety and mixed density are two topics touched on in both the Envision 2040 Montrose

Comprehensive Plan and the City of Montrose Housing Needs Assessment. The housing needs assessment specifically calls out the fact that middle-density housing options are expected to be the highest growing housing type in Montrose over the next 20 years. Under the current Land Use code, middle-density housing options such as townhomes and triplexes are viewed as multi-family uses, even when subdivided out for separate ownership. By creating separate definitions for these types of development, consideration could be given to allowing them in zone districts beyond just the districts that allow multi-family. City staff would propose that these middle-density options are allowed as a use-by-right in both the middle and high-density districts (inclusive of R-3, R-3A, and R-4). Multi-family is currently only a use-by-right in the R-3A and R-4 districts.

Zone District Consolidation

The City of Montrose currently has eleven residential zoning districts, which is high for a jurisdiction of Montrose's size. The R-5 (Low Density/Manufactured Housing) and R-6 (Medium Density/Manufactured Housing) zone districts are very similar to one another, and consolidating these zones would simplify review procedures and eliminate confusion between the differences of these districts. The primary difference between the R-5 and R-6 districts is that R-5 only allows for single-family construction, whereas R-6 allows for duplexes outright and multi-family structures with a CUP permit. If these districts were consolidated, slightly more density could be accommodated, and it would only affect about 1.5% of residentially zoned land in the city.

Furthermore, the R-1, R-1A, and R-1B zone districts are very similar to one another. Uses allowed are identical, as single-family is allowed, but duplexes and multi-family are not allowed. The primary difference is the density/minimum lot size requirements, whereby R-1 has a minimum lot size of 1 acre, R-1A has a minimum lot size of 1/2 acre, and R-1B has a minimum lot size of 1/3 acre. If these were consolidated into a single zone district with a minimum lot size of 1/3 acre for lots, slightly more density could be accommodated providing further efficiency of infrastructure.

Consolidation of the zone districts listed above would reduce the residential districts from eleven to eight. This could help add clarity to the zoning map and less scenarios of requested spot-zoning.

Zone Standard Modifications

As was discussed at the City Council retreat on October 11, 2023, some bulk-standard modifications to certain zone districts could help incentivize further infill and multi-family development. These proposed modifications are as follows:

- Increase the maximum height in the R-3A and R-4 zone districts to 40 feet (from 35 feet). The R-3A and R-4 zone districts are the districts that allow multi-family uses as a use-by-right. With the current 35-foot height limitation, roof types are limited for three-story buildings. Increasing this allowance would provide for more architectural flexibility for roofs.
- Allow for higher density in the R-4 (High Density) zone district. The current maximum density for the R-4 district is 2,300 square feet per unit, which equates to approximately 19 units/acre. By allowing for higher density, more projects could be financially feasible to construct, and higher infill and infrastructure efficiency can be achieved. A more common maximum density in high density zones is 24 units/acre, which is what staff is proposing for the R-4 district.
- Consideration of rear yard setback reductions in the R-3, R-3A and R-4 districts. Rear yard setbacks vary between 20 and 25 feet in all residential zone districts. By reducing these setbacks

in the medium and higher density districts, it could allow for larger building footprints and more infill to occur.

- Establishment of a minimum density threshold for the R-4 (High Density) zone district. The current code has maximum density thresholds for all residential zone districts, but no minimum density requirements. Consideration could be given to establishing a minimum density threshold for the R-4 district to encourage maximum efficiency of infrastructure. This could take the form of eliminating single-family uses as a use-by-right in the R-4 zone district, so only duplexes and higher density developments are allowed. It could also take the form of implementing a maximum lot size threshold per dwelling unit.

Next Steps

As indicated in the City Council meeting on November 14, 2023 when the service agreement between the City and the consultant team (Plan Tools, LLC) was approved, proposed code amendments would be split into two subphases, referred to as Phase 2a and Phase 2b. Phase 2a code updates will be specific to the IHOP grant and housing related updates, many of which are reflected above. Phase 2b code updates will be non-housing related, and specific to modernizing the code and aligning it with the Comprehensive Plan. The reasoning for this separation is for ease of billing and reimbursement via the IHOP grant, as well as prioritizing the City's commitment to affordable housing.

Because of the large scope of work, the code update process is expected to run through December of 2024. With guidance from this City Council worksession, City staff will work closely with the consultant team on finalizing redlines to bring forth to the public specific to Phase 2a of the code update project. Following public engagement and refinement of the code amendments, it is projected that Phase 2a amendments will be presented in final form for City Council approval in the Fall of 2024.


REDEVELOPMENT
OVERLAY DISTRICT
Legend
Road
Private Road
Proposed Road
Stream/River
Pond/Lake
City Limit
Proposed REDO District
2017 REDO District Ord. 2428
REDO District Ord. 2200
Miles
0 0.13 0.25 0.5
Kilometers
0 0.13 0.25 0.5
N TOWNSEND AVE
S TOWNSEND AVE
N SAN JUAN AVE
S SAN JUAN AVE
N GRAND AVE
S GRAND AVE
E MAIN ST
W MAIN ST
S RIO GRANDE AVE
S 12TH ST
NIAGARA RD
MONTROSE • COLORADO
CITY OF MONTROSE
GEOGRAPHIC INFORMATION SYSTEMS

CITY OF MONTROSE

Planning Services

MEMO

TO: City Council
FROM: Jace Hochwalt, Community Development Director
DATE: February 5, 2024
RE: 2023 Development Report

ATTACHMENTS:

- Exhibit A: 2023 Development Report

Background:

Please find attached the 2023 Development Report for the City of Montrose. This report gives an update on the building and planning activity and trends over the last several years in the Montrose area. It also provides information about demographic and economic changes seen over the same time period. While development slowed slightly in 2023 (compared to 2022), it still remains strong. Major subdivision developments are working their way through the pipeline, multi-family projects are under construction with significant interest in new multi-family proposals, and commercial interest is still plentiful with businesses (large and small) relocating to Montrose. As such, it appears that Montrose is positioned for another successful year of development in 2024.

Introduction

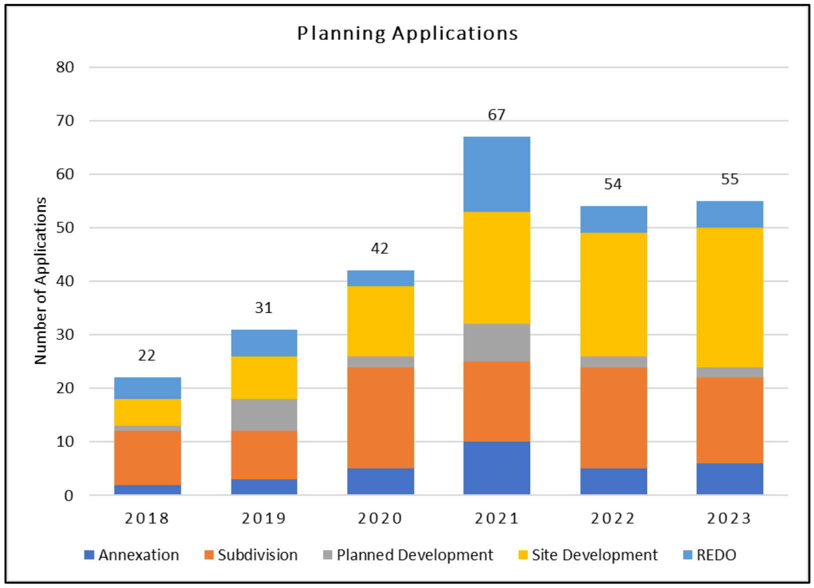
Development in 2021 and 2022 was characterized by rapid growth, largely fueled by the unique circumstances of the pandemic, which included shifts in work and lifestyle preferences, as well as a very low interest rate environment. With that said, 2023 has been marked by development growth that is shifting back towards pre-pandemic norms. Higher interest rates have led to increased borrowing costs for developers and individuals alike, affecting the affordability and feasibility of new projects. The low interest rates during the pandemic stimulated development and homebuying, but with those rates having moved to their highest levels in two decades, financing for new development has been hindered compared to the past few years.

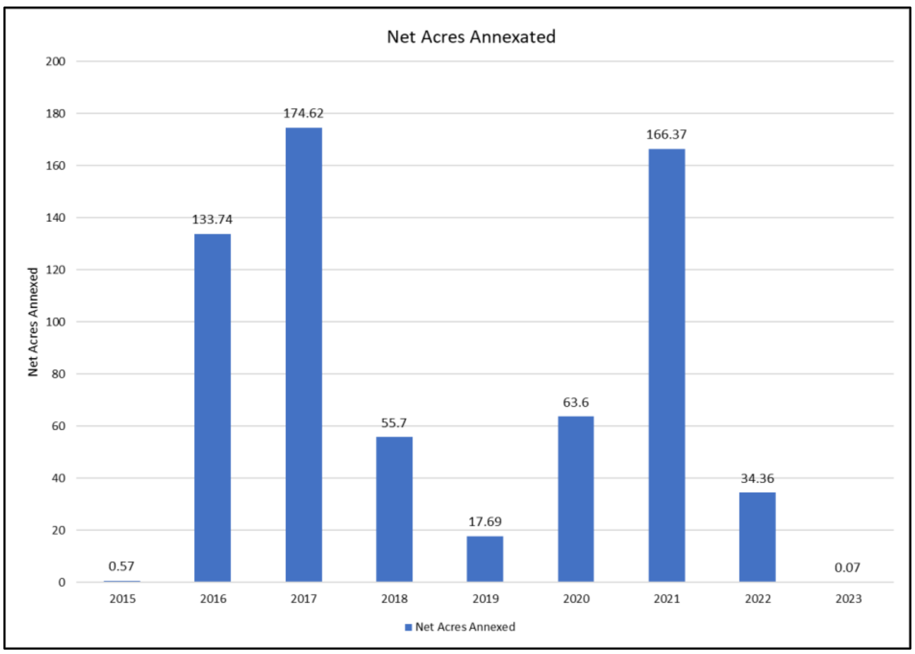
Even with this shift, 2023 was an above-average year for growth in both residential and commercial development. Major residential projects approved in 2023 include the Residences at Dry Cedar Creek, which is a 60-unit low-income apartment development, and the Village on San Juan, a 45-unit supportive housing development for at-risk youth and the elderly. Both projects are under construction with an expected completion date in 2024. Another noteworthy residential project that started prior to 2023 is the Basecamp Apartment complex located within the Colorado Outdoors development. This was a four-building complex totaling 96 units. Three of the four buildings are complete and occupied, with the fourth and final building expected to be occupied in February of 2024. Major Commercial projects approved over the past few years are included in the grid below, with those shaded in yellow still under construction with an expected completion date in 2024.

Project Name	Description	Square Feet
River Valley Medical Office Building	Medical Office	11,200
Maverik	Gas Station/Convenience Store	4,425
Golden Gate	Gas Station/Convenience Store	4,195
Culvers	Fast-Food Restaurant	4,428
Montrose Public Safety Complex	Police Station (2-story)	37,096
Colorado Outdoors Flex Buildings (2)	Commercial/Retail	55,364
Discount Tire	Commercial/Retail	8,192
Secret Creek Facility (formerly Colorado Yurt)	Industrial/Manufacturing	32,671
Velocity Car Wash	Commercial/Car Wash	4,500
7 Brew Coffee	Drive-Thru	510
Montrose Regional Health Ambulatory Care Center	Medical Office (4-story)	85,640
Hotel (Fairfield)	Hotel (90 rooms)	52,377
Montrose Regional Airport expansion	Airport (2-story expansion)	27,801
Colorado Outdoors Medical Center	Medical Office (2-story)	58,624
Rathbone Hotel	Historic Building Remodel- 17 rooms	11,693
Shelter Distillery	Restaurant/Distillery	13,962

Planning Statistics

Planning applications have been steadily growing over the last five years, with a large increase that coincides with the pandemic. 2021 was the busiest year for major applications, totaling 67. That said, 2022 and 2023 have reflected applications well above pre-pandemic trends. The area of largest growth over the last couple years is the increase in commercial Site Development applications. These applications grew from 13 in 2020 to 26 in 2023, reflecting that commercial building activity is still very strong.

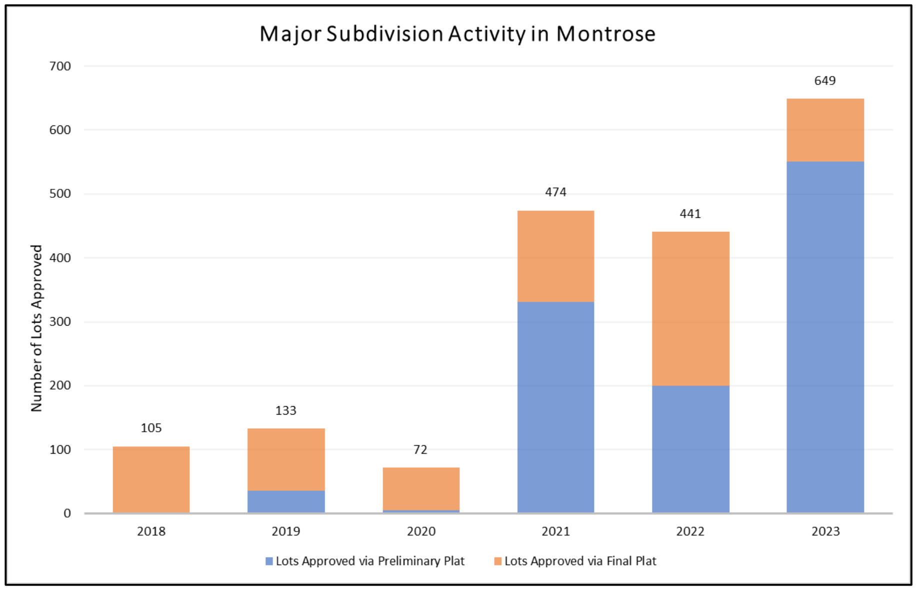




Annexations have been sporadic over the last five years. In 2023, there were five annexations and two disconnections, with a net total of only 0.07 acres of property annexed into City limits. What this reflects is that a lot of the recent growth and subdivision activity has taken place within existing city limits. The adjacent chart shows the next acres annexed since 2015, with the grid below reflecting more specific details about annexations dating back to 2015.

Annexation Summary Statistics									
Indicator	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Acres Annexed	0.57	133.74	174.62	55.05	17.69	63.6	158.4	34.4	26.32
Acres Disconnected	0	0	0	0.65	0	0.0	8.0	0.0	26.25
Net Acres Annexed	0.57	133.74	174.62	55.7	17.69	63.6	166.37	34.36	0.07
Number of Annexations	1	14	4	3	6	5	11	4	5
Number of Disconnections	0	0	0	1	0	0	1	0	2

Residential Subdivision Activity



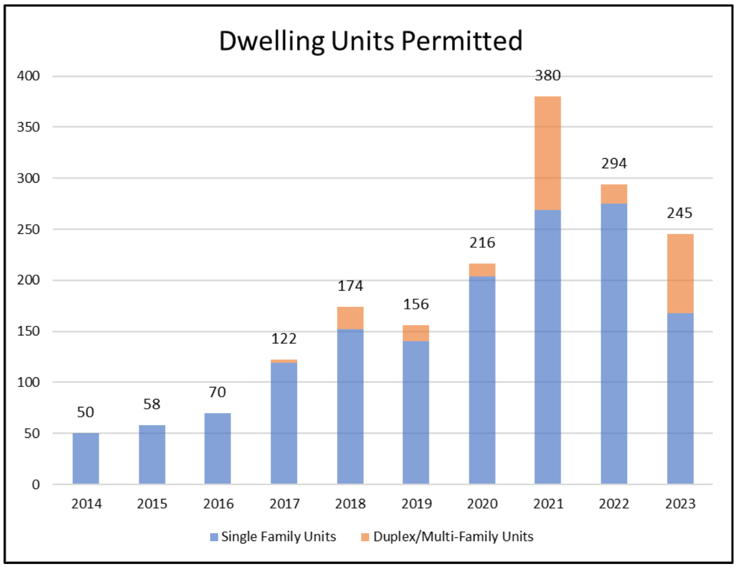
Residential subdivisions go through many phases prior to development and construction. This includes the initial conceptual design, final design of infrastructure, construction of infrastructure (such as roads and utilities), and platting of new lots; all of which are precursors to new home construction. The first phase of a subdivision is known as a Preliminary Plat. Upon approval of this phase, the developer can start infrastructure construction. The next step following the infrastructure completion of Preliminary Plats is known as a Final Plat. It should be noted that Preliminary Plats can contain hundreds of lots, but Final Plats will typically be phases of a Preliminary Plat, which receive final approval based on the developer's construction phasing schedule, their ability to finance projects, and market demand, which can take several years or even decades.

Much of the subdivision activity that was seen in the 2010's was the final platting of Preliminary Plats approved in the mid-2000's. That said, in the past three years, there has been a ramp up in Preliminary Plats, as reflected in the exhibit above. Since 2021, there have been 17 preliminary plats approved inclusive of 1,515 residential lots. It would be anticipated that these preliminary plats be constructed and move into the final platting phases over the next decade. As of the date of this report, there are four major subdivisions under review, inclusive of 125 lots under Preliminary review, and 9 lots under Final review.

Residential Construction Summary

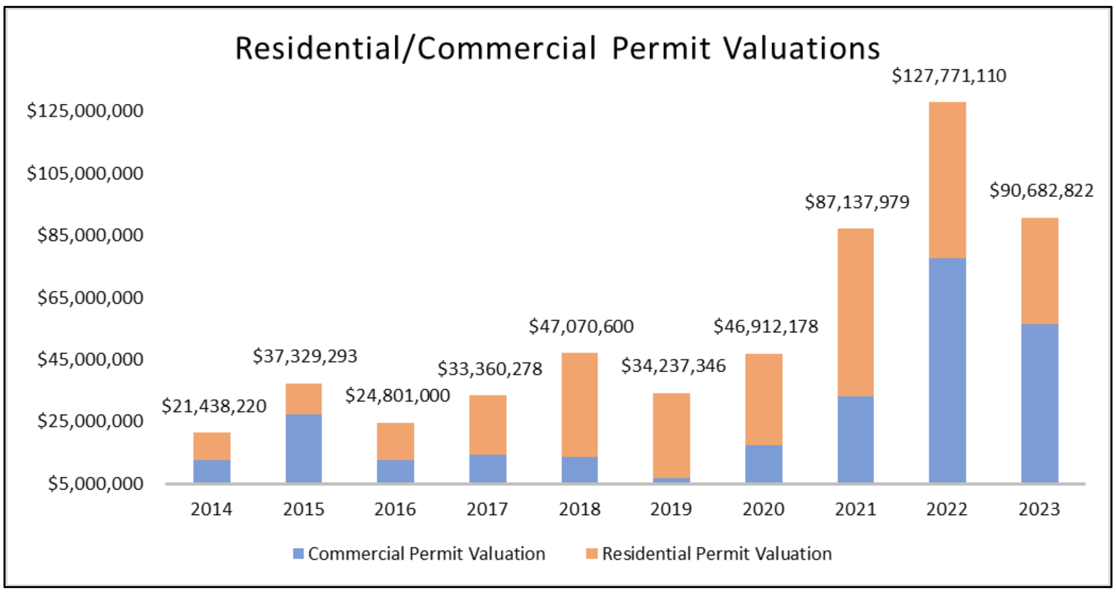
New residential construction started to see growth in 2016/2017 as the Montrose community was coming out of the Great Recession. That steady growth surged during the pandemic, with a spike in construction noticed starting in the third quarter of 2020. While multi-family projects were nonexistent in the early and mid-2010's, duplex and multi-family interest started to increase in 2018, and major projects like the Basecamp Apartments (96 units approved in 2021) and the Residences at Dry Cedar Creek (60 units approved in 2023) really pushed up the number of units permitted in the last few years. In the bar chart on the following page, the blue represents the number of single-family stick built and manufactured homes approved, whereas the orange represents the number of duplex and multi-family units approved.

What the adjacent chart helps illustrate is that Montrose has seen a more diversified housing type over the last few years. Prior to 2018, almost all new residential units were in the form of single-family detached homes. However, townhomes, apartments, and accessory dwelling units (ADU's) have grown in popularity in recent years. The Montrose Housing Needs Assessment foresees this trend continuing, especially given the affordability challenges that exist.

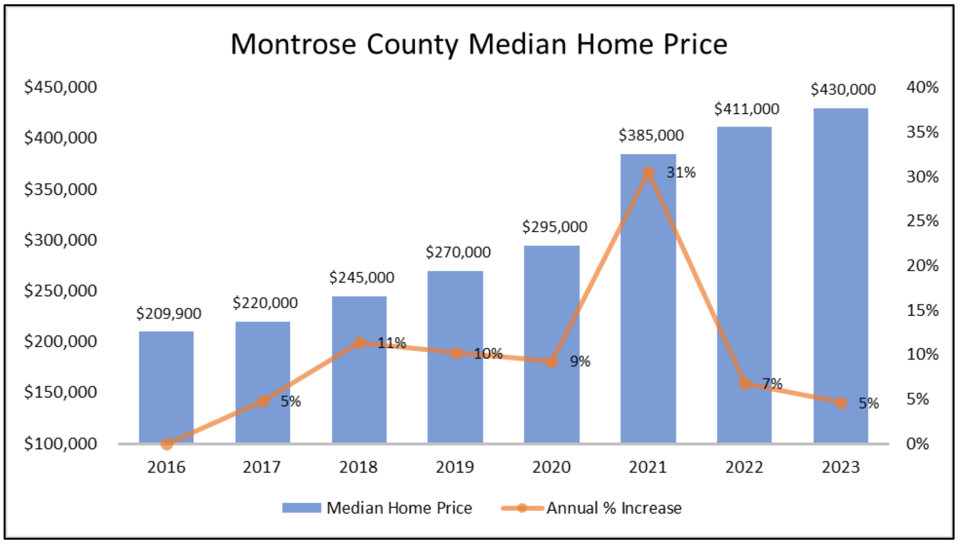


Building Permit Valuations

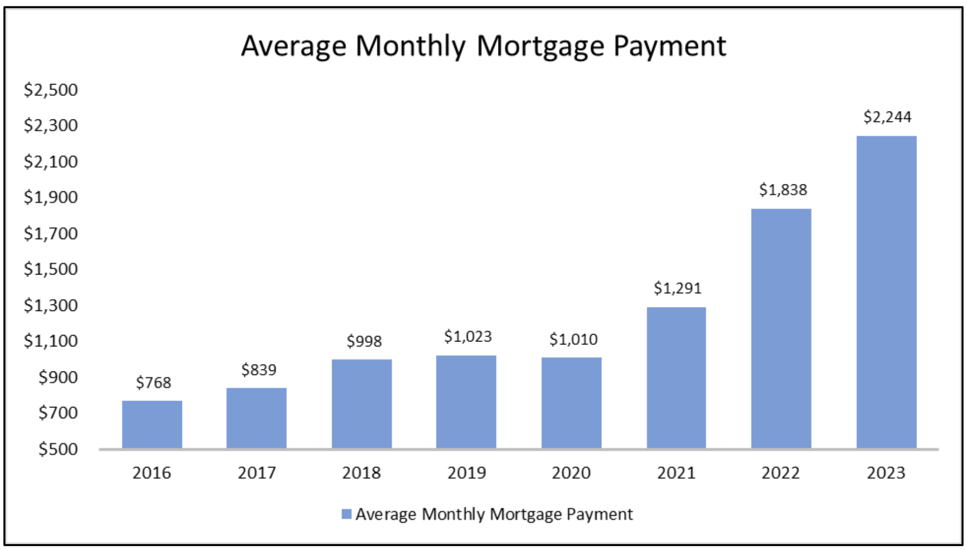
The chart below reflects building valuations of permitted construction from 2014 onward. Permit valuations were fairly consistent up until 2020. That said, 2021 saw a sizable ramp-up in both commercial and residential activity, and in both 2022 and 2023, commercial permit valuations actually exceeded residential permit valuations for the first time since 2015. While permit valuations peaked in 2022 at over $127 million, they are still well above pre-pandemic trends, which averaged just over $30 million/year from 2014 to 2020. Some of the specific projects contributing to this growth can be found in the grid on Page 1 of this report.



Housing Prices and Affordability



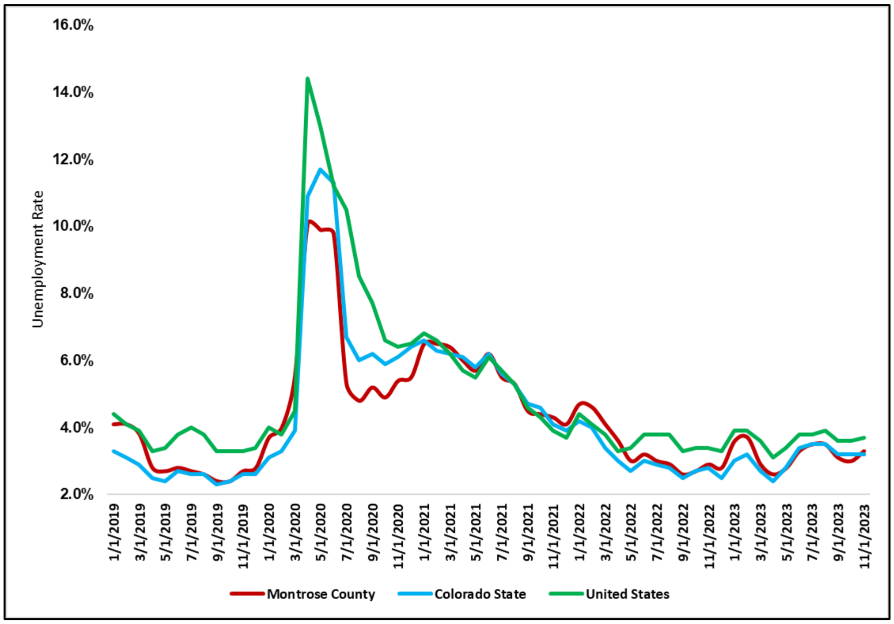
Median home sale prices continue to climb, reaching $430,000 in 2023 in Montrose County according to the Colorado Association of Realtors. While this is only a modest increase of 5.0% from 2022, it is notable to mention that prices have increased 105% since 2016, with the largest year of annual growth in 2021, where median prices went from $295,000 to $385,000 (31%). While prices have increased dramatically in recent years, monthly mortgage payments for home purchases have increased at an even faster pace, particularly in the last 18 months, due to the increase in mortgage rates. The average monthly mortgage payment for an average priced home in 2020, assuming a 20% downpayment, and not including property taxes and other expenses, averaged $1,010/month. The average monthly mortgage payment in 2023 (with the same assumptions) equated to $2,244/month, a staggering 122% increase over that three-year period.



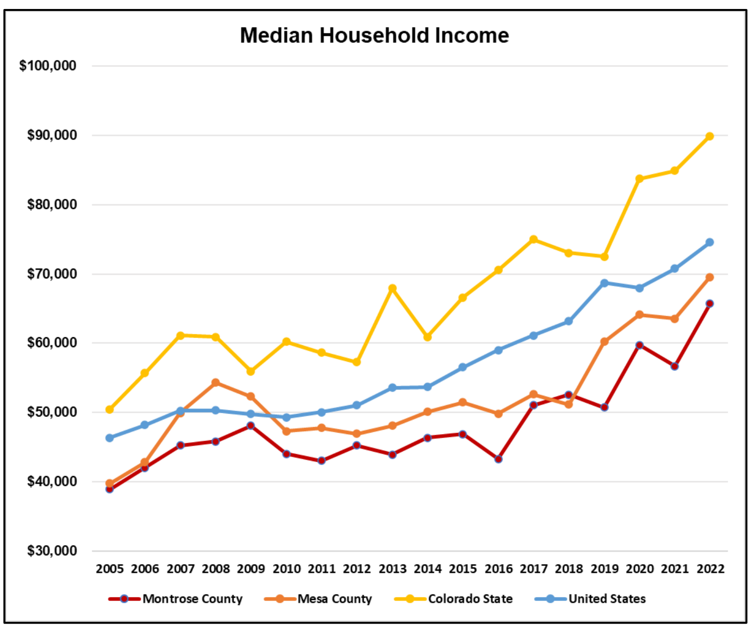
While interest rates and the average cost of a mortgage have gone up drastically over the last 18 months, housing inventory remains low, which has kept prices stagnant. The Federal Reserve has indicated that they will hold rates steady in early 2024 and likely drop them slightly in the latter half of the year. An interest rate decrease could reduce the average monthly mortgage payment a bit, but unless rates or home prices drop dramatically, monthly mortgage payments will likely remain well above the medium and long-term trend lines. While homeowners have seen sizable gains in home equity if they purchased prior to 2022, there is a broader concern regarding housing affordability, as not everyone has benefited from the rise in prices. Simply put, many perspective buyers have been priced out of the market, particularly first-time home buyers.

Population Growth, Economic Changes & Tourism

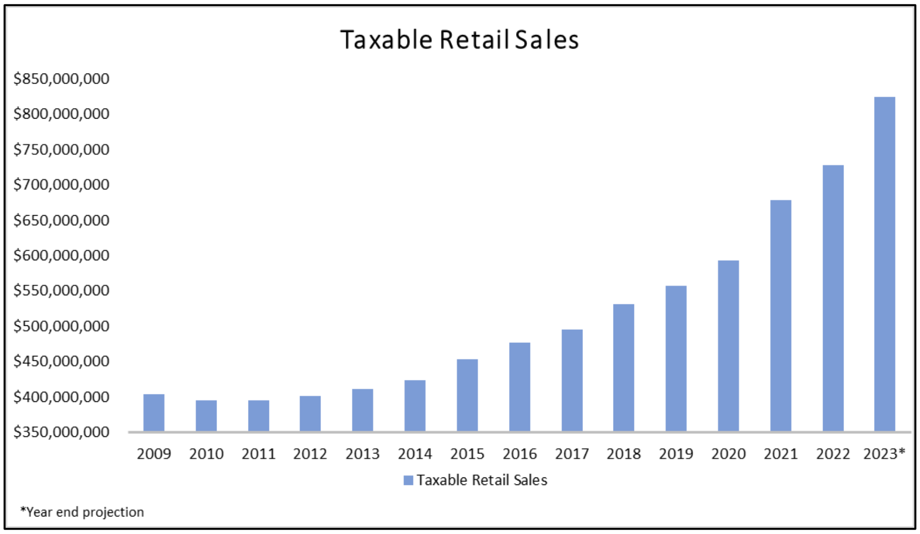
Census 2020 population counts were released in mid-2021 and reflected a population for the city of Montrose at 20,291, and 42,800 for Montrose County, which falls in line with past estimates. The pandemic spurred on rapid growth in rural areas like Montrose, but that growth appears to be normalizing and is expected to slow due to lower birth rates, an aging population, and slowing net migration. The recently completed Montrose Housing Needs Assessment projects that Montrose County will have a population of about 52,000 by 2040, which equates to an annual growth rate of about 1.2%/year. To accommodate this growth, there will need to be a total of 3,929 housing units built, which average out to approximately 218 units per year.



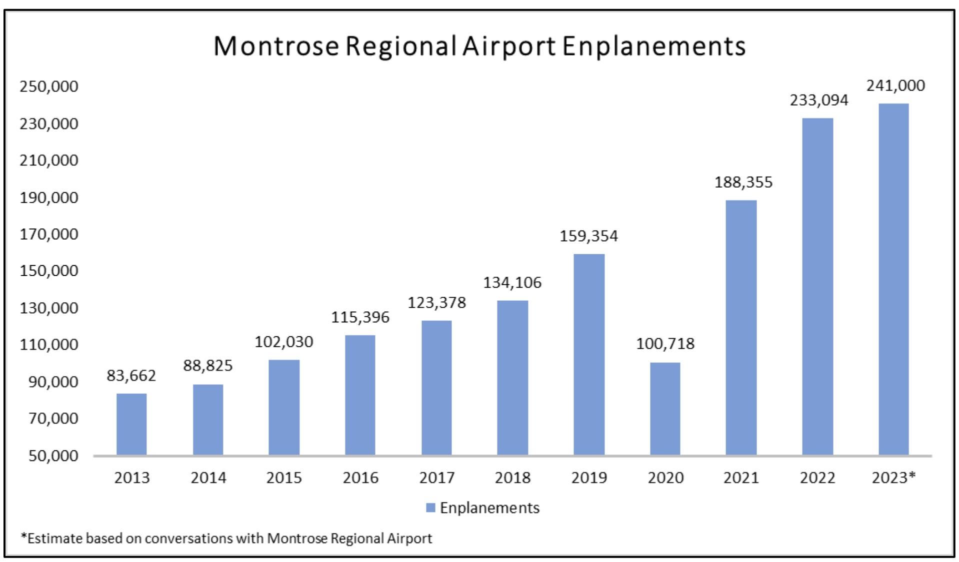
As it relates to unemployment, September of 2019 reflected an unemployment rate in Montrose County at 2.4%, the lowest unemployment rate ever recorded. Unemployment rates started to go up slightly at the end of 2019, which is the seasonal winter standard in Montrose County. However, with the onset of the pandemic in early March of 2020 came government shutdowns and changed consumer habits. Businesses closed their doors and employment trends reflected an unprecedented change. Unemployment peaked for Montrose County (as well as the state and nation) in April of 2020 at 10.1% and has steadily moved downward to its current rate of 3.0%. While unemployment is close to record lows, employment numbers are finally getting back to their pre-pandemic norms. For many in the baby-boomer generation, the pandemic actually expedited retirement plans, and employers have struggled to fill those vacant jobs over the last couple years.



While employment seems to have stabilized, median household income is on the rise, and based on 2022 data (most recent available), incomes have risen by 25% since 2018. Montrose County's median household income sits at $65,736/year, which still sits below Mesa County ($69,578/Year) and well below the nation ($74,580/Year) and the state ($89,930/Year).



As it relates to the local economy, taxable retail sales were consistently rising from 2012 to 2020 at an average pace of just over 5% per year. 2021 reflected the largest year over year increase, at 14.5%, and retail sales have continued to grow, with a projected $824 million in 2023. This rapid growth appears to coincide with the onset of the pandemic, which caused a spike in growth as well as tourism. As reflected in the chart below, the Montrose Regional Airport has seen steady and consistent growth since 2013 for enplanements, with the exception of 2020. This chart has a close correlation with taxable retail sales, and as enplanements and tourism increased, a significant increase in taxable retail sales was recognized.



Looking Ahead

Early on in the pandemic, rural areas saw an influx of new residents moving from major metro areas, as the pandemic created the opportunity for some to work remotely. Areas like Montrose that appeal toward outdoor recreation become favorable relocation options, as social distancing is easier to achieve compared to larger metro areas. As restrictions subsided and CDC guidelines have changed, people have started to make their way back to metro areas and cities, albeit at a varied rate depending on the location. This, in part, has slowed the rapid growth seen during the pandemic.

The state of the economy (locally, statewide, and nationally) will be something to keep an eye on as we move into 2024. Unemployment is back to pre-pandemic lows and median household income has increased over the last few years. However, the last three years of high inflation coupled with rising interest rates and the end of pandemic-related stimulus have reduced the personal savings rate to near all-time lows not seen since the years leading up to the Great Recession (2005 & 2006). With that said, while growth appears to have normalized from the growth surge of the pandemic, development is still at higher levels than pre-pandemic trends. Major subdivision developments are still working their way through the pipeline, multi-family projects are under construction with significant interest in new multi-family proposals, and commercial interest is still plentiful with businesses (large and small) relocating to Montrose. As such, it appears that Montrose is positioned for another successful year of development in 2024.

CITY OF MONTROSE

OFFICE OF THE CITY MANAGER

William E. Bell, City Manager
Direct Dial: 970.901.8580
E-mail: wbell@ci.montrose.co.us

Summary Sheet
Applicant: Alexander Main & Chutes (Tenant: El Dorado Holdings, LLC – Stockmen's and Ruby June Restaurants)
Property: 346 East Main St, Montrose, CO 81401

Total Project Costs - $1,918,307
Total Kitchen Costs - $297,146

Total Eligible Kitchen Expenses

Grease Trap	$ 66,900
3 Bay Sink	$ 2,500
3 Bay Sink	$ 2,500
Hood And Ansul	$ 36,000
Convection Oven	$ 18,527
Range	$ 10,545
Freezer	$ 18,500
Walk Inn	$ 18,500
Makeup Air Unit	$ 27,000
Total:	$ 200,972

If approved as requested, the applicant will receive $200,972 to support the purchase of a kitchen to be used by El Dorado Holdings, LLC - Stockmen's and Ruby June Restaurants. The kitchen will be the property of Alexander Main & Chutes and will remain with the building.

The cost of the Grease Trap is higher than usual as the installation is obstructed by a coal chute that runs down the building. This chute will be removed/stabilized during the installation which will help to ensure that the building's historic features are preserved. There is currently no grease trap in the building. Some of the work is also being performed by Alexander & Chutes as they are acting as General Contractor for portions of the project. This was done to reduce costs.

The ask is 10.48% of the total known investment needed for the project.

Five Year Projections

Division	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Restaurant Food	$2,710,052	$2,823,420	$3,123,341	$3,442,828	$3,753,520	$15,853,161
Bar Sales	$819,112	$914,333	$1,017,905	$1,127,282	$1,228,857	$5,107,489
Totals	$3,529,164	$3,737,753	$4,141,246	$4,570,110	$4,982,377	$20,960,650

Tax Type	Tax Rate	Total Paid
City Sales Tax	3.00%	$628,819.50
Restaurant	0.80%	$167,685.20
	Total Paid	$796,504.70

Project Budget

Basement Floor

Concrete	$ 27,000
Framing	$ 18,000
Sheet Rock	$ 3,600
Painting	$ 8,100
Total	$ 56,700

Main Floor

Flooring	$ 47,880
Tin Ceiling	$ 41,544
Interior Framing	$ 12,500
Sheetrock	$ 14,064
Bathroom Sheet Rock	$ 6,500
Electrical	$ 110,000
HVAC	$ 98,000
Plumbing	$ 75,000
Roofing	$ 46,500
Doors & Windows	$ 36,000
All Bathrooms	$ 32,000
Fire Alarm	$ 12,000
Tile	$ 25,000
Pointing	$ 35,000
Paint	$ 10,500
Total	$ 602,488

Upstairs

Paint	$ 14,000
Sheetrock	$ 10,000
Bathrooms	$ 10,000
Carpet	$ 37,500
Total	$ 71,500

General Renovation

Asbestos	$ 98,500
Stucco Removal	$ 4,900
Fencing	$ 3,346
Exterior Façade	$ 210,000
Total	$ 316,746

Commercial Kitchen

Grease Trap	$ 66,900
FRP (Wall Panels)	$ 7,028
3 Bay Sink	$ 2,500
3 Bay Sink	$ 2,500
60 Quart Mixer	$ 27,584
Single Stack Dish	$ 5,800
Hood And Ansul	$ 36,000
Convection Oven	$ 18,527
Flat Top Grill	$ 5,150
Range	$ 10,545
Fryers	$ 14,794
Freezer	$ 18,500
Walk Inn	$ 18,500
Steam Table	$ 2,200
Prep Table 72"	$ 7,109
Prep Table 72"	$ 7,109
Double Stack Dish	$ 6,800
Epoxy Flooring	$ 12,600
Makeup Air Unit	$ 27,000
Total	$ 297,146

Renovation Cost:	**$ 1,344,580**
Purchase Price:	**$ 573,727**
Projected Project Total:	**$ 1,918,307**

Subject: Online Form Submittal: Business Opportunity Fund Pre-Application
Date: Thursday, November 2, 2023 at 3:57:38 PM Mountain Daylight Time
From: noreply@civicplus.com
To: wbell@cityofmontrose.org, arusso@cityofmontrose.org, dspear@ci.montrose.co.us

Business Opportunity Fund Pre-Application

Get your application started!

Thank you for your interest in the Montrose Opportunity Funds.

Please complete and submit this simple form to begin the qualification process. We will be in touch with you shortly about your application.

General Information

Business Name and/or Property Address:	Alexander Main and chutes 346 & &344 main st
Primary Contact First Name*:	Craig
Primary Contact Last Name*:	Hasto
Business Address 1:	346 Main st
Business Address 2:	*Field not completed.*
City:	Montrose
State:	Co
ZIP:	81416
Phone Number:	9702099577
Email Address:	cchasto@yahoo.com
How did you hear about the Opportunity Funds?	Anthony Russo

Business Information

Is the business/property currently located in the downtown district?	Yes
Business and/or Property Description	This Historic building is currently occupied by a mental Health facility, salon, barbershop. We currently are getting ready to repurpose the upstairs for 6 office spaces. The old Daily Bread

	and Creative Corner will become a new full service restaurant and bar.
Bank Used for Business Purposes:	Bank of Colorado
Bank Contact Person:	Brad Oberto
Date of Business Opening/Property Purchase:	5/1/2023
How many people are currently employed by the business?:	2
Federal EIN#:	92-3160533
Business Structure:	Limited Liability Corporation (LLC)
Does the business own the property where it is located?	Yes

Project Information

Purpose of Project:	Signage, Facade improvements, Roof improvements, Code deficiency corrections, Improve or replace utilities, Improving accessibility
Project Description:	To repair and restore this historic building back to its former glory. While, bringing much needed office space for professional services and a new high end family restaurant to the town.
Please provide a short description of how you would like to use the loan funds:	Asbestos abatement, mechanical replace and repair, historical brick and window repair.
Total Estimated Project Costs:	Renovation: 1,918,307
Proposed Sources of Funds:	Bank of Colorado: $424,2000 Pahgres Restaurant: $175,321 Alexander Hasto Investments, LLC: $550,000 Potential Grants: $450,478

The following information is required during the application process. Please indicate whether or not you will be willing and able to provide the following information.

A personal financial statement (for anyone owning a 20% or greater stake in the business)	Yes
Two years of past tax returns	Yes
Two years of past financial statements	Yes
Cash flow projections, balance sheet, and income statement for	Yes

a minimum of twelve months

Disclaimer & Signature

I certify that my answers are true and complete to the best of my knowledge and that intentional misrepresentations or omissions may be cause for the rejection of my pre-application.

Your electronic signature below indicates your agreement with the following statements: By typing my name in the following box and clicking submit button I certify the above statements to be true and correct, to the best of my knowledge, and that this information can be used for the purpose of processing my loan pre-application and information.

Applicant Signature:	Craig Hasto

01/29/2024

Anthony Russo

City of Montrose

Business Development

RE: Grant Program for **Alexzander Main and Chutes (Tenant: El Dorado Holdings, LLC)** Owners of Stockman's and Ruby June Restaurants.

In accordance with the IGA dated September 19th, 2017 Region 10 will provide analysis of business loan and incentive requests including grant applications for the purpose of business development.

Background: A grant application for **Alexzander Main and Chutes (Tenant: El Dorado Holdings, LLC)-aka The Grant Applicant,** was received in the amount of **$200,972.00 Two Hundred Thousand, nine hundred, seventy-two dollars and no/100s**. All requested information has been submitted by the grantee**. This is a request for a new high end family restaurant full kitchen, and restaurant build out. In addition, a portion these funds will be used to repair and restore this historic downtown building to its former glory; with the addition of some much need office space for professional services located at 314 N 1st St.**

The Total Projected Project costs are estimated at $1,918,307. Their short-term goal is to rehabilitate this building that has been sitting vacant in is disrepair for some time. Their vison for this property, is to rehabilitate this location into an inviting, central downtown restaurant. The new owners are requesting grant for purchase of the kitchen equipment and a renovate the space to comply with current city codes and regulations. Their hope is that by giving this old building a new life, it will enhance the Main Street corridor and invigorate downtown Montrose and increase sales and restaurant tax at the same time.

The company is in good standing with the Colorado Secretary of State having registered on **03-27-2023**.

Financial Analysis: NARRATIVE ONLY: The grant applicant has provided 2023 YE P&Ls for her 2 other restaurants: Davetos 2023 YE Net Income: $282,618 and Pagrhes: 2023 YE Net Income: $145,186. She also provided a personal financial statement, reflecting a very strong personal net worth of: $2,897,346.

Request: The Grant Request in the amount of **$200,972.00**

Scope of Work: Due the age of this historic building and an old coal chute that runs down the side of this historic building; it will need to be removed and stabilized during the construction and the installation of the Grease Trap. (See attached Grant Application for cost break down.

Conclusion: Based on the purpose of the Façade grant program, the total cost of the project and the high visibility of this high-profile downtown business this grant request is highly recommended.

Sincerely,

Matthew Evans

Loan Fund Counselor

Alexander Main & Chutes

Introduction:

Let us introduce ourselves, our names are Teri L Alexander and Craig Hasto. Our Vision for the building located at 346 & 344 main street is restore it back to its former glory. This historical building has been in the Montrose community since the late 1800's. It has been neglected the last few decades and requires an extensive rehab. The plan is to take it down to the frame and bring it back up to current codes, while maintaining its historical look.

About Us:

We are a family based team that have been born and raised in the Montrose community. We currently have two restaurants on the western slope, Paghres in Montrose Co and Davetos in Delta Colorado. We have a family farm on California mesa in Olathe Co, that has been in our family since the 1920's and also a trucking company that has been in our family since the 1950's hauling mail for the United States Postal Service.

The Plan:

We plan on combining the old Daily Bread space and former creative corner building into one space for a new restaurant. The upstairs portion of the building will remain office space for business professionals, and will continue to service our current residence that are currently leasing space for their salon, barber shop, and therapy services.

Restoration:

The plan is to first mitigate the asbestos out of the building. With the asbestos removed we will have a much clearer picture of the condition of brick, flooring and overall condition of building. We are currently working with Sundra Hines, who is the architect. Sundra is currently completing the code reviews and designing a space for a fantastic restaurant along with a new beautiful front façade. This will be a challenging project, but well worth it in the end. The overall building structure seems to be in good condition, it does however need a lot of updating and repairing. We are currently working with a restaurateur, who has developed an amazing theme using the old historic Stockmen's restaurant as his inspiration.

Project Description:

We will restore and remodel this late 1800's building back to its former glory while providing the Montrose community with fresh new business opportunities. Let's start with the restaurant. The plan is to put in a state of the art full service restaurant and bar. While we currently own two restaurants ourselves, we have found a restaurateur who is not only experienced, but also currently running a very successful restaurant himself. With our combined experience in the industry, we have been collaborating on a design that I know the City of Montrose is going to love. This is going to generate new jobs as well as providing the city with fantastic sales tax revenue. With a space and location of this size, we are going to bring a business here that will service the city and tourists of Montrose for generations to come.

The Remaining portion of the building consists of a salon, barber shop and a therapy center. The upstairs portion of the building consists of 6 vacant office spaces. The plan is to remodel the upstairs, and bring in new space available for business professionals.

The Resturant will be called Stockmen's. It will be a Western themed resturaunt with a bar open for lunch and dinner. Next to it will be Ruby June. This will be a more casual breakfast and lunch establishment with a bakery. In the evenings, it will be a small bites, desert, and cocktail hangout with a café. The kitchen grant will be utilized to establish both restraunts. It will be operated nu El Dorado Holdings, LLC.

Map data ©2024 , Map data ©2024 Google 20 ft

346 E Main St

346 E Main St, Montrose, CO 81401

F4HF+M7 Montrose, Colorado

Photos

QUOTE

H.H. Huff Inc.
1727 F. Rd
Delta, CO 81416
(970) 261-6117 or 417-9911
info@huffexcavating.com
CELEBRATING 68 YEARS OF BUSINESS

INVOICE NO. **Hasto 1**
DATE 10-30-23
EXPIRATION DATE 11-30-23

TO:
NAME Craig Hasto
COMPANY NAME HAP Foods/ Daily Bread
STREET 346 Main St
CITY, ST ZIP Montrose, CO 81401
PHONE Craig C. 970-209-9577
E-MAIL cchasto@yahoo.com

Job Description: Quote on 346 Main St building (Daily Bread Building) new sewer service, H20 rated 1,000-gal grease trap, 60" sampling manhole.

MATERIAL/MACHINE DESCRIPTION	UNIT	UNIT COST	TOTAL
Mobilization	1	$2,000.00	$2,000.00
1,000 gal concrete H20 rated grease trap	1 l.s.	$12,000.00	$12,000.00
Concrete risers & 24" cast manhole lids & frames	2	$2,500.00	$5,000.00
60" Sampling Manhole with shelves	1 l.s.	$9,500.00	$9,500.00
4" sch 40 pipe and fittings	100'	$14.00 per l.f.	$1,400.00
Class #6 ¾" R.B. gravel	150 tns.	$22.00 per tn.	$3,300.00
Hydro-vac truck	8 hrs.	$375.00 per hr.	$3,000.00
Concrete & asphalt repair	1 l.s.	$9,500.00	$9,500.00

Saw cutting	150’	$4.00 per l.f.	$600.00
Demo removal	100 tns.	$50.00 per tn.	$5,000.00
Labor, fit pipe, shovel, rake, comp. etc.	80 hrs	$60.00 per hr.	$4,800.00
Machine work, mini-ex, skid steer, comp.	80 hrs.	$135.00 per hr.	$10,800.00

TOTAL $66,900.00

NOTE; No sight inspection was done before quote was issued. Staging, and accessibility could affect pricing.

Unforeseen conditions

Anything that could slow or alter progress of work, such as unstable ground, high water table, excessive rock, solid rock, un-marked utilities, winter time conditions or unknown easements and boundaries. If any of these conditions come to exist after contract is signed owner and contractor will discuss and a change order will need to be signed.

Change / Variations / Additions

Any changes, variations or additions will be done in writing per a “Change Order” to be signed by owner and the contractor.

Litigation

Any disputes or associated with this contract or change orders added to this contract will first be mutually resolved between the parties and second be finally disposed through Mediation with the local court appointed mediator or agreed upon mutual party, they cannot be resolved between the parties alone. Any cost for mediation will be paid by owner that the contractor is working for.

Payment

Payment for completed work shall be made by the Owner within 30 days of receiving the Contractor’s invoice. Payments 30 days past due will be subject to 1.5% monthly finance charge.

If agreed on price and terms of this quote please sign

Doug Huff____________________________________Date_______________

Responsible party_____________________________Date_______________

CONSOLIDATED

Profit and Loss Projections

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
REVENUE										
Food Revenue	2,710,052	76.8%	2,823,420	75.5%	3,123,341	75.4%	3,442,818	75.3%	3,753,520	75.3%
Wine Revenue	346,652	9.8%	383,413	10.3%	423,472	10.2%	466,192	10.2%	508,051	10.2%
Liquor Revenue	246,616	7.0%	276,999	7.4%	310,016	7.5%	344,675	7.5%	375,771	7.5%
Beer Revenue	225,844	6.4%	253,922	6.8%	284,417	6.9%	316,415	6.9%	345,035	6.9%
Total Revenue	**3,529,163**	**100.0%**	**3,737,753**	**100.0%**	**4,141,246**	**100.0%**	**4,570,101**	**100.0%**	**4,982,377**	**100.0%**
COGS										
Food COGS	713,384	26.3%	790,558	28.0%	874,535	28.0%	963,989	28.0%	1,050,986	28.0%
Wine COGS	102,262	29.5%	113,107	29.5%	124,924	29.5%	137,527	29.5%	149,875	29.5%
Liquor COGS	50,556	20.5%	56,785	20.5%	63,553	20.5%	70,658	20.5%	77,033	20.5%
Beer COGS	36,135	16.0%	40,627	16.0%	45,507	16.0%	50,626	16.0%	55,206	16.0%
Total Cost of Sales	**902,337**	**25.6%**	**1,001,077**	**26.8%**	**1,108,520**	**26.8%**	**1,222,801**	**26.8%**	**3,118,271**	**62.6%**
GROSS PROFIT										
Food Gross Profit	1,996,668	73.7%	2,032,863	72.0%	2,248,806	72.0%	2,478,829	72.0%	2,702,535	72.0%
Wine Gross Profit	244,390	70.5%	270,306	70.5%	298,548	70.5%	328,665	70.5%	358,176	70.5%
Liquor Gross Profit	196,059	79.5%	220,214	79.5%	246,463	79.5%	274,016	79.5%	298,738	79.5%
Beer Gross Profit	189,709	84.0%	213,294	84.0%	238,911	84.0%	265,789	84.0%	289,829	84.0%
Total Gross Profit	**2,626,826**	**74.4%**	**2,736,677**	**73.2%**	**3,032,726**	**73.2%**	**3,347,300**	**73.2%**	**3,420,600**	**68.7%**
PAYROLL COMPENSATION										
Salaries	286,000	8.1%	297,440	8.0%	309,338	7.5%	321,711	7.0%	334,580	6.7%
Wages	692,036	19.6%	719,717	19.3%	748,506	18.1%	778,446	17.0%	809,584	16.2%
Payroll Taxes	86,511	2.5%	89,972	2.4%	93,571	2.3%	97,313	2.1%	101,206	2.0%
Total Direct Labor	**1,064,547**	**30.2%**	**1,107,129**	**29.6%**	**1,151,414**	**27.8%**	**1,197,471**	**26.2%**	**1,245,370**	**25.0%**
Benefits - Hourly Employees	173,009	25.0%	179,929	25.0%	152,551	20.4%	158,653	20.4%	164,999	20.4%
Benefits - Salaried Employees	71,500	25.0%	74,360	25.0%	77,334	25.0%	80,428	25.0%	83,645	25.0%
Total Comp, Taxes, Benefits	**1,309,056**	**37.1%**	**1,361,419**	**36.4%**	**1,381,300**	**33.4%**	**1,436,552**	**31.4%**	**1,494,014**	**30.0%**
OTHER EXPENSES										
Paper Supplies	18,374	0.5%	20,258	0.5%	15,475	0.4%	24,488	0.5%	26,644	0.5%
Telephone Expense	10,101	0.3%	11,213	0.3%	12,424	0.3%	13,710	0.3%	14,947	0.3%
Outside Services	16,835	0.5%	18,689	0.5%	20,706	0.5%	22,851	0.5%	24,912	0.5%
Maintenance Parts & Equipment	10,789	0.3%	11,977	0.3%	13,270	0.3%	14,644	0.3%	15,965	0.3%
Kitchen Supplies	67,338	1.9%	74,755	2.0%	82,825	2.0%	91,402	2.0%	99,648	2.0%
Computer Expense	2,525	0.1%	2,803	0.1%	6,212	0.2%	6,855	0.2%	7,474	0.2%
POS/IT Equipment	10,101	0.3%	11,213	0.3%	12,424	0.3%	13,710	0.3%	14,947	0.3%
Software Maintenance	8,417	0.2%	9,344	0.3%	10,353	0.3%	11,425	0.3%	12,456	0.3%
Cleaning Supplies	40,066	1.1%	44,479	1.2%	49,281	1.2%	54,384	1.2%	59,290	1.2%
Office Supplies	16,835	0.5%	18,689	0.5%	20,706	0.5%	22,851	0.5%	24,912	0.5%
Insurance - other	67,338	1.9%	74,755	2.0%	82,825	2.0%	91,402	2.0%	99,648	2.0%
Taxes/Licenses	6,380	0.2%	7,083	0.2%	7,847	0.2%	8,660	0.2%	9,441	0.2%
Personal Property Tax	4,570	0.1%	5,073	0.1%	5,621	0.1%	6,203	0.1%	6,763	0.1%
Laundry/Dry Cleaning	3,367	0.1%	3,738	0.1%	4,141	0.1%	4,570	0.1%	4,982	0.1%
Uniforms	13,131	0.4%	14,578	0.4%	16,151	0.4%	17,824	0.4%	19,432	0.4%
Recruiting	4,680	0.1%	5,195	0.1%	5,756	0.1%	6,352	0.1%	6,925	0.1%
Safety Program	3,367	0.1%	3,066	0.1%	3,415	0.1%	3,784	0.1%	4,132	0.1%
Marketing	21,669	0.6%	24,120	0.6%	26,787	0.6%	29,619	0.6%	32,315	0.6%
Credit Card Service Charges	134,676	3.8%	149,510	4.0%	165,650	4.0%	182,804	4.0%	199,295	4.0%
Other/Misc.	12,892	0.4%	14,311	0.4%	15,856	0.4%	17,498	0.4%	19,077	0.4%
Total Other Expenses	**473,450**	**13.4%**	**524,850**	**14.0%**	**577,726**	**14.0%**	**645,037**	**14.1%**	**703,205**	**14.1%**
Management Fee										
Operator Management Fee	191,945	8.8%	212,413	8.8%	234,670	8.8%	258,366	8.8%	281,416	8.8%
Total Fees	**191,945**	**5.4%**	**212,413**	**5.7%**	**234,670**	**5.7%**	**258,366**	**5.7%**	**281,416**	**5.6%**
OCCUPANCY COSTS - TBD										
Gross Rent (includes CAM)	42,000	1.19%	42,840	1.21%	43,697	1.24%	44,571	1.26%	45,462	1.29%
Tax	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Percentage Rent	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Abatement	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Occupancy	**42,000**	**1.19%**	**42,840**	**1.15%**	**43,697**	**1.06%**	**44,571**	**0.98%**	**45,462**	**0.91%**
OPERATING INCOME	**610,374**	**17.3%**	**595,156**	**15.9%**	**795,334**	**19.2%**	**962,774**	**21.1%**	**896,503**	**18.0%**

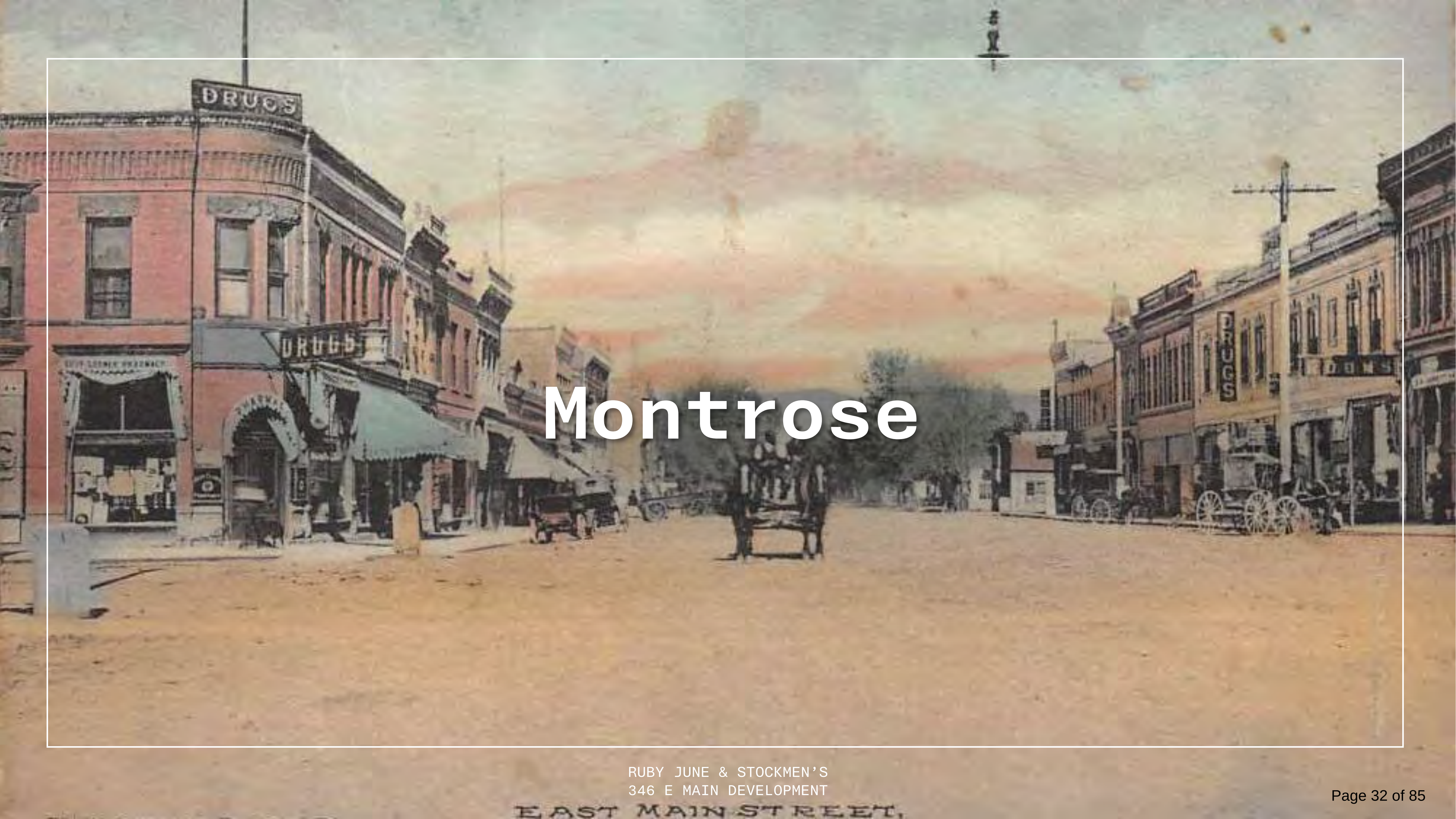
A PROPOSAL OF CONCEPT(S)

346 E. MAIN by EL DORADO HOLDINGS LLC

MONTROSE, COLORADO | DECEMBER 2023

RUBY JUNE & STOCKMEN’S

Montrose



Index

346 E. Main Street

Executive Summary
346 E. Main Street

This document will outline the key recommendations for the property's core food and beverage concepts.

346 E. Main St should concentrate on offering clearly articulated and well-executed signature offerings that speak directly to the needs of the guest. Additionally, the restaurants should work on creating a comprehensive and strategic framework to anticipate the seasonal fluctuations seen in the region.

With planning, active communication, and a facility designed to adapt the 346 E. Main St is built to service the needs of the current and future market. The culinary offerings need to align with the brand's core ideals to capture the revenue needed to see growth for restaurant(s) with so much potential group business and a primer location. Overall, energy and time spent focused on developing the concepts and systems managing food and beverage present the most meaningful opportunity to control the restaurants positioning and enhance the guest experience; ultimately helping to drive revenue.

The greater Montrose market presents the opportunity to introduce tastefully branded approachable dinning with professional service. Building out a well-articulated food and beverage offering will help 346 E. Main St campus groups, regional residence, and tourist. Harmony among the branding, design, and culinary offerings will work to create a unique and lasting space that will call Montrose home for years to come.

Restaurants
On the Western Slope

Food and beverage on the Western Slope of Colorado is exciting and dynamic, with a strong emphasis on sustainability, local sourcing, and innovation. The region's unique combination of climate, soil, and topography has given rise to a diverse array of high-quality products, from fresh produce and artisanal cheeses to craft beers and small-batch spirits.

The Western Slope of Colorado, nestled between the majestic Rocky Mountains and the Utah desert, has long been known for its abundance of fresh, locally-grown produce and artisanal food products. In recent years, the region has experienced a surge in food and beverage development, with an emphasis on sustainable agriculture, craft brewing, and farm-to-table dining experiences.

A leading trends in the area is the emphasis on locally-grown, organic produce. The region's climate and soil are perfect for growing a wide variety of fruits and vegetables, from juicy peaches and sweet cherries to crisp apples and tangy tomatoes. Local farmers are taking advantage of this natural bounty, using sustainable farming practices to produce high-quality, chemical-free produce that is sold at farmers' markets and used in restaurants throughout the region.

The Western Slope is also home to a thriving craft brewing industry. Small, independent breweries have sprung up throughout the region, producing a wide range of unique and flavorful beers that reflect the local terroir. Many of these breweries source their ingredients locally, using hops and barley grown on nearby farms. The result is a vibrant craft beer scene that has put the Western Slope on the map as a must-visit destination for beer lovers.

With the rise of farm-to-table dining experiences, restaurants throughout the region are partnering with local farmers and food producers to create menus that highlight the best of the region's bounty. At The Living Farm Cafe, located in Paonia, Colorado guests enjoy dishes like grilled lamb chops with local cherries and fennel pollen, or roasted beet and goat cheese salad with balsamic reduction, all made with the freshest ingredients available. This charming farm-to-table restaurant sources nearly all its ingredients from local farmers and producers and even has its own organic farm where they grow many of their own vegetables and herbs.

As the demand for locally-sourced, sustainable food and drink continues to grow, the Western Slope is poised to become a leader in the food and beverage industry, offering a taste of the region's natural bounty to locals and visitors from around the world.

Restaurant development

In an immerging & quickly gentrifying market

As neighborhoods and communities experience rapid gentrification, the restaurant industry is often one of the first industries to take notice and respond. Emerging markets are characterized by growth and development, often attracting young professionals and urbanites seeking new opportunities and lifestyles. The restaurant industry is uniquely positioned to cater to this new demographic, providing an opportunity for innovative entrepreneurs to develop new dining concepts and create a vibrant food scene.

One of the key drivers of restaurant development in emerging markets is the desire for authentic, locally-sourced ingredients and flavors. With the rise of the farm-to-table movement and the increasing awareness of the environmental and health benefits of sustainable agriculture, many consumers are seeking out restaurants that offer fresh, locally-sourced ingredients. This has led to a surge in popularity for farm-to-table restaurants and other eateries that prioritize sustainability and ethical sourcing.

In addition to a focus on sustainable sourcing, emerging markets also present an opportunity for restaurant entrepreneurs to experiment with new dining concepts and formats. With fewer established dining options and a more adventurous clientele, there is room for new and innovative dining experiences to thrive. Pop-up restaurants, food trucks, and other non-traditional dining formats have all gained popularity in emerging markets, providing diners with new and exciting culinary experiences.

Another important factor driving restaurant development in emerging markets is the increasing emphasis on experiential dining. With consumers seeking out unique and memorable dining experiences, restaurants are under pressure to provide not just great food, but also a unique atmosphere and overall dining experience. This has led to a trend of restaurants incorporating design and ambiance into their offerings, creating spaces that are as visually appealing as they are delicious.

While emerging markets present significant opportunities for restaurant entrepreneurs, there are also challenges that must be navigated. One of the most significant challenges is the rapid pace of change and development in these markets. As neighborhoods gentrify and new residents move in, existing businesses may struggle to keep up with changing consumer preferences and expectations. For restaurant owners, this means constantly adapting to stay ahead of the curve and meet the changing needs of their customers.

Another challenge facing restaurants in emerging markets is the competition for prime real estate. As new businesses move into the area, rents may increase, making it difficult for smaller, independent restaurants to afford desirable locations. This can be a particular challenge for new and unproven concepts, which may struggle to secure financing and establish a foothold in the market.

Despite these challenges, the opportunities presented by emerging markets are too significant to ignore. For restaurant entrepreneurs, success in these markets requires a combination of innovation, adaptability, and persistence. By staying attuned to changing consumer preferences, prioritizing sustainability and ethical sourcing, and creating unique and memorable dining experiences, restaurant owners can thrive in these rapidly evolving markets.

346 E. MAIN

Key Outlets

STOCKMEN'S BAR	Heartbeat of the building We know your name Beverage for the Bar and the Restaurant
STOCKMEN'S RESTAURANT	From the farm to our friends Montrose's special room Setting the local bar
EVENTS & CATERING	The premiere event space and catering kitchen in the area Can accommodate almost any group or event Select and tasteful entertainment; in a league of its own
RUBY JUNE AM	You'll find yourself here once a day or 3 days a week Where Montrose starts its day. For now, for later
RUBY JUNE PM	East Village on Main; chic, lights down, mellow vibe up A place to start or finish your night out on the town What was missing
BAKERY	The craft bakery Montrose needs now The commercial bakery the greater community needed yesterday A space to tell Colorado's tasty stories

Guest Segment
f&b needs

Like any multi-use property with varying demand generators and demographics, 346 E. Main has several distinct groups of visitors each with their own set of needs. While the priority for 346 E. Main is locals, the needs of other groups and growth segments should be addressed, as well as perceived overlaps highlighted as areas of concentration or focused programming.

Assessing and addressing the needs of each group will expand the appeal and ensure that 346 E. Main is able to retain tourist guests' and attract local patrons as best as possible. The matrix below represents a summary of core needs for each segment. While it is difficult to address all of these, a thoughtful mix of programming throughout the development creates an environment that can meet all these needs on a situational basis.

Locals	Leisure	Tourists	Groups
Recognition	Convenience	Ambiance	Private Dining
Value	Ambiance	Fun	Convenience
Consistency	Varity/Options	Convenience/Speed	Value
Ambiance	Fun	Variety/Options	Ambiance
Convenience	Value	Specials	Variety/Options
Parking	Family Friendly	Happy Hour	Recognition
Events	Food Quality	Group Friendly	Happy Hour
Happy Hour	Timely Service	Food Quality	Food Quality
Specials	Happy Hour	Value	Fun
Familiarity	Specials	Recognition	Familiarity

SWOT
analysis

STRENGTHS:	**WEAKNESSES:**
Unique player in rapidly growing area. Primer location. Management and Executive Team. Very loyal talented BOH employees. Local popularity for special occasions (Mother’s Day, Easter, Etc.)	Alienation due to recent development. Size of community. Lack of menu change. Food quality.
OPPORTUNITIES:	**THREATS:**
Introduction of signature seasonal dining. Expanded private dining targeted at out-of-town groups and locals. Regional appeal.	Increased competition from additional development regionally. Lack of local support. Seasonal swings in business. Staffing.

Property Overview

346 S. Main

An elegant feature on the rapidly changing Main Street, the property has massive curb appeal demanding a visit to any of its multiple offerings. The project’s special location on the bustle of the main drag offers a different aesthetic and energy not available everywhere.

With its non-typical design and expansive offerings, it is a one-of-a-kind experience. Like much of Montrose the property is caught between the demand of current and in-bound residences. This dichotomy is difficult to manage but offers considerable upside potential, especially among the newest residence seeking an experience more in line with a larger community.

Situated on the main drag 346 S. Main is centrally located in excellent proximity to both the surrounding community, neighboring towns, and relatively quick access to key local demand generators.

Ruby June

bakery & wine bar

Proposed Conceptual Direction

Ruby June

An elegant feature on the rapidly changing Main Street, the property has massive curb appeal demanding a visit to any of its multiple offerings. Ruby June's special location on the bustle of the main drag offers a different aesthetic and energy not available everywhere.

Bakery, patisserie, breakfast, lunch, and evening wine bar with focused seasonal food options. Like much of Montrose the property is caught between the demand of current and in-bound residences. This dichotomy is difficult to manage but offers considerable upside potential, especially among the newest residence seeking an experience more in line with a larger community.

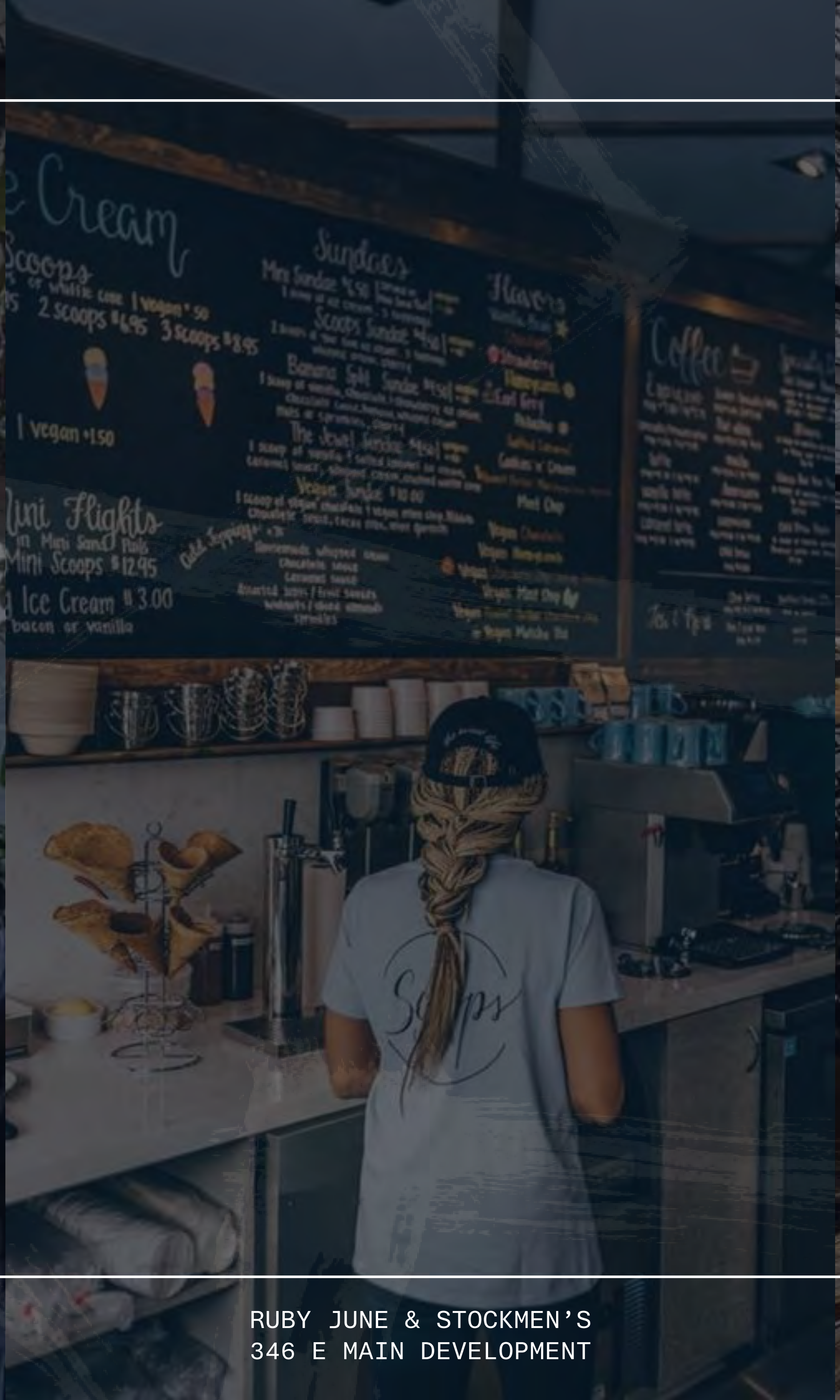
Situated on the main drag 346 S. Main is centrally located in excellent proximity to both the surrounding community, neighboring towns, and relatively quick access to key local demand generators.

Ruby June

Concept

	Mood
Friendly	
Organically cool	
Record store vibe	
	Serving
Young families & professionals	
Long time locals	
Downtown workers	
Local grocers & restaurants	
	Offering
Bakery, Commercial & Pastry	
Coffee & Breakfast	
Craft Scoop & Soft Serve Ice Cream	
Flower shop	
	Purpose
AM must	
After school stop over	
Where you go with the kids	
East Village vibes at night	

Ruby June
design



Ruby June

Menu inspiration

Ruby June
Interior design

Ruby June
Daytime Menu

Bakery

Pastries
Turnovers
Hand Pies
Elephant Ear
Danishes
Doughnut Specials
Pop tarts
3 - 10

Bread
Sunday Morning
Sourdough Boule
Sandwich Loaf
Baguette
Focaccia
Rolls
4 - 12

All items baked with local flour, cornmeal, and butter

Breakfast Burritos

Burritos
Potato, Egg & Cheese
Three Sister
8

Add
Elk Chorizo **+2**
Green Chili **+2**
The Slab* **+4**
Avocado**+2**

Breakfast Sandwiches

Brioche Bun or Croissant with egg & cheese
8

Add
Tasso Ham **+2**
The Slab* **+2**
House Sausage Patty **+4**
Avocado **+2**
Tomato **+1**

Sandwich

Shaved steak
Colorado Wagyu, chimichurri, triple cream fermented calabrian chilies, arugula, fried onion aioli
19

Eggplant parmesan
crispy eggplant, pepper agra dolce, burrata cheese pine nut caponata
18

Burger
Montrose style smash dill pickled onion, shaved lettuce, white cheddar whiz, everything bun
17

Grilled Cheese
Sourdough, aged provolone pepper jelly, arugula aioli
16

salad - fries - chips

Ice Cream

Scooped
Peaches & Praline
Chocolate Pinon
Vanilla
Salted Caramel
Huckleberry
Peach Sorbet
Trash Can
Cookie Dough

4 single 7 double

Soft Serve
Sweet Corn
Huckleberry

8

Cone
sugar - cup
waffle **+1**
dipped **+2**

Ruby June
Nighttime Food Menu

Meat
Finocchiona (pork) fennel sausage
Iberico Chorizo (pork) pimentón, garlic +2
Regani Loukaniko (pork) orange, oregano +2
Prosciutto di Parma (pork) cured ham
Mortadella (pork) lightly smoked
Coppa (pork) allspice, pepper +2
House made Chicken Liver Pate

Cheese
Burrata (cow) stracciatella & mozzarella
Dreamweaver (goat) double cream, white wine finished +2
Fourme au Molleux (cow) blue cheese infused with Vouvray
Cana de Cabra (goat) soft ripened, creamy
Gruyère (cow) semi-firm, rich, nutty
Essex L'amuse (sheep) aged gouda
Kings Ransom (cow) semi-soft, Basque brew infused +2

served with
apricot preserves, pickled vegetables, house ground mustard, grilled bread & crackers

Snacky Snack - 2 cheese 2 meat - **21**
Feed Me - 4 cheese 4 meat – **35**
All the Things - 6 cheese 6 meat - **46**

Daily Menu

Salad
Little gems
piquillo Peppers, pignoli
white anchovy, parmesan dressing
11

Soup
Roasted Delta Crookneck
Coconut milk, white wine
pepita, Aleppo chili
9

Terrine
Foie Gras
spiced cherry syrup grilled pineapple, brioche
16

Sandwich
Eggplant parmesan
crispy eggplant, pepper agra dolce, burrata cheese
pine nut caponata
18

Dessert
Basque cheesecake
Sherry apple butter
9

Raw Bar & Seafood

Daily oyster
6 oysters with choice of ponzu salsa,
wasabi cocktail, pickled pepper habanero
18

Tuna tartar
&
Waffle Fries
avocado, calabrian chili aioli
15

Amberjack crudo
house ponzu salsa
16

seared albacore tataki
with garlic, ginger scallion
15

Ice Cream

Scooped
Peaches & Praline
Chocolate Pinon
Vanilla
Salted Caramel
Huckleberry
Peach Sorbet
Trash Can
Cookie Dough

4 single 7 double

Soft Serve
Sweet Corn
Huckleberry

8

Cone
sugar - cup
waffle **+1**
dipped **+2**

Ruby June

Nighttime Drink Menu

Cocktails

Scarlet
hibiscus infused tequila, delta honey, candy lemon, tajin
13

Izzie
shochu, Aperol, lime, peach soda
13

Geraldine
bourbon, spiced cherry syrup grilled pineapple, bitters togarashi
14

Bianca
Mescal, pear liqueur, lemon Rosemary syrup
12

Dalia
Japanese whiskey, averna, nocino umami bitters
13

White Wine

Radikon Jakot
Friuli, Italy
12

Partida Creus Xarel-lo Vermell
Penedès, Spain
12

Donkey & Goat Stone Crusher Roussanne
El Dorado, California USA
12

Franz Strohmeier Gelber Muskateller
Styria, Austria
12

Meinklang Foam White
Burgenland, Austria
12

Not White Wine

La Stoppa
"Ageno"
Emilia-Romagna, Italy
12

Matassa Rouge
"Cuvée Romanissa"
Roussillon, France
13

Radikon
"Slatnik"
Friuli-Venezia Giulia, Italy
11

Testalonga
"Baby Bandito Follow Your Dreams"
Swartland, South Africa
15

Partida Creus
"VN Blanco"
Catalonia, Spain
14

Bubbly Wine

Biodynamic Champagne
Fleury Blanc de Noirs Brut
France
14

Pizzolato Fields Prosecco
Italy
11

Donkey & Goat Lily's Pet Nat, California, USA
14

Raventós i Blanc de Nit Rosé Cava, Spain
13

François Chidaine
Montlouis-sur-Loire Brut
France
14

Ruby June

pro forma

Ruby June
Profit and Loss Projections

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
REVENUE										
Food Revenue	458,784	73.9%	496,221	73.9%	536,713	73.9%	580,508	73.9%	627,878	73.9%
Wine Revenue	78,329	12.6%	84,721	12.6%	91,634	12.6%	99,111	12.6%	107,199	12.6%
Liquor Revenue	46,624	7.5%	50,429	7.5%	54,544	7.5%	58,995	7.5%	63,809	7.5%
Beer Revenue	37,300	6.0%	40,343	6.0%	43,635	6.0%	47,196	6.0%	51,047	6.0%
Total Revenue	**621,037**	**100.0%**	**671,714**	**100.0%**	**726,526**	**100.0%**	**785,810**	**100.0%**	**849,932**	**100.0%**
COGS										
Food COGS	128,460	28.0%	138,942	28.0%	150,280	28.0%	162,542	28.0%	175,806	28.0%
Wine COGS	23,107	29.5%	24,993	29.5%	27,032	29.5%	29,238	29.5%	31,624	29.5%
Liquor COGS	9,558	20.5%	10,338	20.5%	11,182	20.5%	12,094	20.5%	13,081	20.5%
Beer COGS	5,968	16.0%	6,455	16.0%	6,982	16.0%	7,551	16.0%	8,168	16.0%
Total Cost of Sales	**167,093**	**26.9%**	**180,727**	**26.9%**	**195,475**	**26.9%**	**211,425**	**26.9%**	**228,678**	**26.9%**
GROSS PROFIT										
Food Gross Profit	330,325	72.0%	357,279	72.0%	386,433	72.0%	417,966	72.0%	452,072	72.0%
Wine Gross Profit	55,222	12.0%	59,728	12.0%	64,602	12.0%	69,873	12.0%	75,575	12.0%
Liquor Gross Profit	37,066	8.1%	40,091	8.1%	43,362	8.1%	46,901	8.1%	50,728	8.1%
Beer Gross Profit	31,332	6.8%	33,888	6.8%	36,654	6.8%	39,644	6.8%	42,879	6.8%
Total Gross Profit	**453,945**	**73.1%**	**490,986**	**79.1%**	**531,051**	**85.5%**	**574,385**	**92.5%**	**621,254**	**100.0%**
PAYROLL COMPENSATION										
Salaries	54,000	8.7%	56,160	8.4%	58,406	8.0%	60,743	7.7%	63,172	7.4%
Hourly Wages - BOH	36,192	5.8%	37,640	5.6%	39,145	5.4%	40,711	5.2%	42,340	5.0%
Hourly Wages - FOH	108,576	17.5%	112,919	16.8%	117,436	16.2%	122,133	15.5%	127,019	14.9%
Payroll Taxes	8,974	1.4%	9,333	1.4%	9,706	1.3%	10,095	1.3%	10,498	1.2%
Total Direct Labor	**207,742**	**33.5%**	**216,052**	**32.2%**	**224,694**	**30.9%**	**233,682**	**29.7%**	**243,029**	**28.6%**
Benefits - Hourly Employees	36,192	25.0%	37,640	25.0%	39,145	25.0%	40,711	25.0%	42,340	25.0%
Benefits - Salaried Employees	13,500	25.0%	14,040	25.0%	14,602	25.0%	15,186	25.0%	15,793	25.0%
Total Comp, Taxes, Benefits	**257,434**	**41.5%**	**267,731**	**39.9%**	**278,441**	**38.3%**	**289,578**	**36.9%**	**301,161**	**35.4%**

OTHER EXPENSES										
Paper Supplies	7,390	1.2%	7,993	1.2%	8,646	1.2%	9,351	1.2%	10,114	1.2%
Telephone Expense	1,863	0.3%	2,015	0.3%	2,180	0.3%	2,357	0.3%	2,550	0.3%
Outside Services	3,105	0.5%	3,359	0.5%	3,633	0.5%	3,929	0.5%	4,250	0.5%
Maintenance Parts & Equipment	1,990	0.3%	2,152	0.3%	2,328	0.3%	2,518	0.3%	2,724	0.3%
Kitchen Supplies	12,421	2.0%	13,434	2.0%	14,531	2.0%	15,716	2.0%	16,999	2.0%
Computer Expense	466	0.1%	504	0.1%	1,090	0.2%	1,179	0.2%	1,275	0.2%
POS/IT Equipment	1,863	0.3%	2,015	0.3%	2,180	0.3%	2,357	0.3%	2,550	0.3%
Software Maintenance	1,553	0.3%	1,679	0.3%	1,816	0.3%	1,965	0.3%	2,125	0.3%
Cleaning Supplies	7,390	1.2%	7,993	1.2%	8,646	1.2%	9,351	1.2%	10,114	1.2%
Office Supplies	3,105	0.5%	3,359	0.5%	3,633	0.5%	3,929	0.5%	4,250	0.5%
Insurance - other	12,421	2.0%	13,434	2.0%	14,531	2.0%	15,716	2.0%	16,999	2.0%
Taxes/Licenses	1,177	0.2%	1,273	0.2%	1,377	0.2%	1,489	0.2%	1,611	0.2%
Personal Property Tax	843	0.1%	912	0.1%	986	0.1%	1,067	0.1%	1,154	0.1%
Laundry/Dry Cleaning	621	0.1%	672	0.1%	727	0.1%	786	0.1%	850	0.1%
Uniforms	2,422	0.4%	2,620	0.4%	2,834	0.4%	3,065	0.4%	3,315	0.4%
Recruiting	863	0.1%	934	0.1%	1,010	0.1%	1,092	0.1%	1,181	0.1%
Safety Program	621	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Marketing	2,174	0.4%	2,351	0.4%	2,543	0.4%	2,750	0.4%	2,975	0.4%
Credit Card Service Charges	24,841	4.0%	26,869	4.0%	29,061	4.0%	31,432	4.0%	33,997	4.0%
Other/Misc.	2,378	0.4%	2,572	0.4%	2,782	0.4%	3,009	0.4%	3,254	0.4%
Total Other Expenses	**89,507**	**14.4%**	**96,139**	**14.3%**	**104,529**	**14.4%**	**113,059**	**14.4%**	**122,284**	**14.4%**
Management Fee										
Operator Management Fee	54,651	8.8%	59,111	8.8%	63,934	8.8%	69,151	8.8%	74,794	8.8%
Total Fees / Debt Service	**54,651**	**8.8%**	**59,111**	**8.8%**	**63,934**	**8.8%**	**69,151**	**8.8%**	**74,794**	**8.8%**
OCCUPANCY COSTS - TBD										
Gross Rent (includes CAM)	18,000	0.0%	18,360	0.0%	18,727	0.0%	19,102	0.0%	19,484	0.0%
Tax	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Percentage Rent	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Abatement	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Occupancy	**18,000**	**2.90%**	**18,360**	**2.73%**	**18,727**	**2.58%**	**19,102**	**2.43%**	**19,484**	**2.29%**
OPERATING INCOME	34,352	5.5%	49,645	7.4%	65,419	9.0%	83,494	10.6%	103,531	12.2%

Stockmen's
café and bar

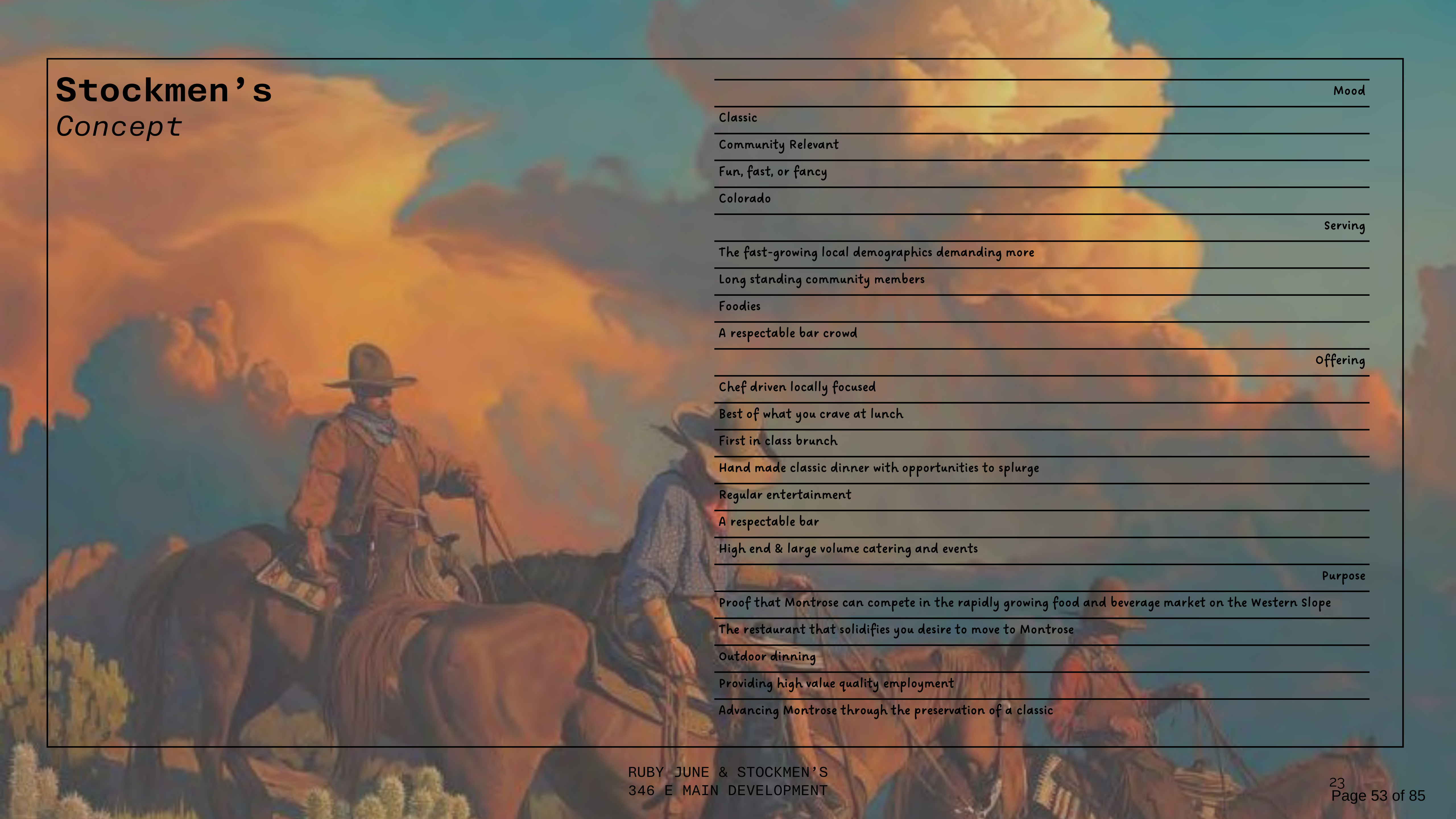
Proposed Conceptual Direction

Stockmen’s

Stockmen's, a cherished community institution nestled at 346 E Main Street, envisions a transformative conceptual direction that harmonizes tradition with innovation. The proposed reimagination seeks to infuse this establishment with a renewed sense of purpose, weaving together the rich tapestry of local history and contemporary aspirations.

A dynamic space that serves as more than just a gathering spot - it becomes a cultural hub. The design integrates rustic elements reminiscent of the town's agricultural past with modern aesthetics, creating a welcoming ambiance for all. Stockmen's will evolve into a multifunctional venue, hosting not only traditional events but also embracing the arts, local crafts, and educational programs.

Emphasizing sustainability through lunch, brunch, dinner, events, and a busy hospitable bar, the reimagined Stockmen's will champion local producers, fostering a sense of community resilience. Through collaborative initiatives and community engagement, this envisioned transformation aims to solidify Stockmen's as a symbol of unity and progress, breathing new life into the heart of Montrose.



Stockmen's

Concept

Mood

- Classic
- Community Relevant
- Fun, fast, or fancy
- Colorado

Serving

- The fast-growing local demographics demanding more
- Long standing community members
- Foodies
- A respectable bar crowd

Offering

- Chef driven locally focused
- Best of what you crave at lunch
- First in class brunch
- Hand made classic dinner with opportunities to splurge
- Regular entertainment
- A respectable bar
- High end & large volume catering and events

Purpose

- Proof that Montrose can compete in the rapidly growing food and beverage market on the Western Slope
- The restaurant that solidifies you desire to move to Montrose
- Outdoor dinning
- Providing high value quality employment
- Advancing Montrose through the preservation of a classic

Preservation

Stockmen’s a legacy

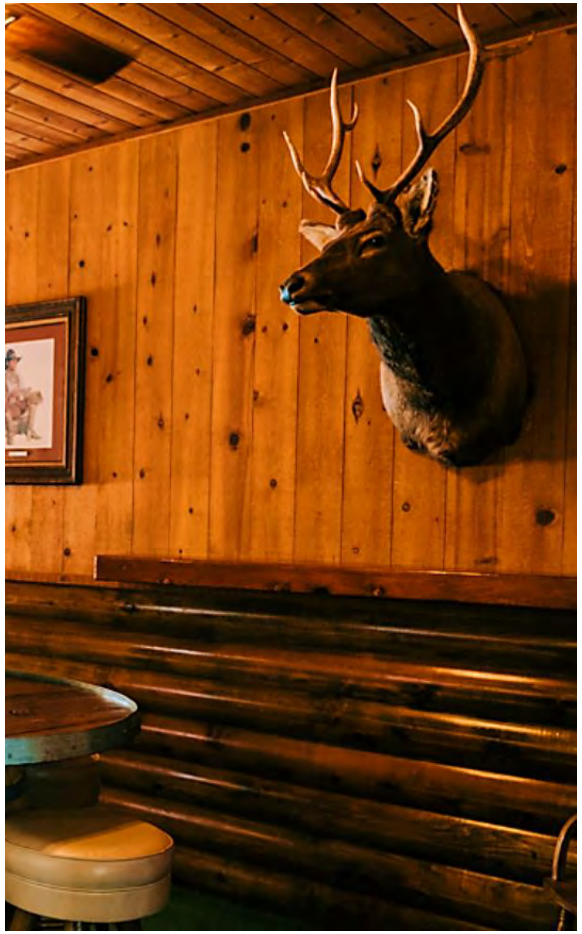
Preserving the legacy of Stockmen's restaurant in Montrose, Colorado, transcends nostalgia; it's a testament to the significance of cultural continuity amid urban evolution. As gentrification threatens the soul of communities, reimagining Stockmen's becomes an act of defiance against erasure. This iconic eatery, a bastion of local history, encapsulates the spirit of the region and its culinary heritage. Reopening it serves as a living museum, narrating tales of bygone eras to a new generation.

In the face of gentrification, Stockmen's represents more than just a place to savor traditional dishes. It stands as a bulwark against the homogenization of culture, fostering a sense of belonging and pride among locals. By embracing the past, we carve a path to the future that honors the unique identity of Montrose. Through the revival of Stockmen's, we not only satisfy our palates but also nurture a resilient community that refuses to be overshadowed by modernization.

Tradition becomes our compass, guiding us through the winds of change, ensuring that the heartbeat of Montrose endures for generations to come.

Stockmen's
Design

Stockmen's
Interior design


Stockmen's
Entertainment

Food
Inspiration

Beverage
Inspiration

Stockmen's

Lunch Menu

Starters

Smoked & Grilled Wings
choice of sauce and crunchy vegetables

Grilled Cheese
local sourdough, cheddar, parmesan
pepper jam Norwood honey

The Colorado Burger
Colorado beef, Colorado cheese,
Colorado veggies, on a Colorado baked
bun

Vegetable Dip
green pea hummus, mint, sweet & spicy
peppers paneer, fresh nahn

Chop Salad
avocado, corn, black beans, aged
cheddar turkey, roof-top lettuces,
green goddess dressing

Loaded Fries
sloppy joe, green chili, or smoked
chicken

Soup Salad Sandwich

Cuban
roast pork, pickles, pork belly
whole grain mustard smoked gouda

Smoked Turkey Breast
cranberry relish, avocado,
sprouts, horseradish spread 9
grain bread - *make it a wrap*

Hummus Wrap
chickpea hummus, citrus marinated
tomatoes cucumber, feta cheese

Market Chop
iceberg lettuce, radicchio, red
onion, provolone, salami cherry
tomatoes, oregano, oregano
vinaigrette

Ancient Grains
grilled corn, shaved radish
rainbow carrots, avocado

Shrimp Bisque
Old Bay croutons

Panzanella
heirloom tomatoes, heart of palm
basil, mint, burrata

Entrees

Friday Fish Fry
green peas, hand cut fries, tartar
sauce

Salisbury Steak
dirty mashed potatoes, slow cooked
roof-top greens, sweet pepper relish
gravy

Chicken & Dumplings
Norwood Farms chicken, cheddar
dumplings

Eggplant Parmesan
4 cheese, tomato gravy, garlic toast

Stuffed Pork Chops
grilled Palisade peaches, Olathe corn
pudding, chili garlic green beans

Seafood Boil
pacific shrimp, muscles, clams
corn potatoes, house chorizo hearth
bread

Stockmen's

Brunch Menu

Brunch Specials

Wood Oven Figs
mascarpone, pistachio crumble, honey

Shaved Market Vegetables
Colorado stone fruit, warm hazelnut vinaigrette

Ramp Toast
charred ramps, caesar aioli, sunny side eggs, chicken schmaltz

Crab Benedict
Parker House rolls, green goddess hollandaise, pickled chilies

Hearth Baked Corn Cake
grilled Palisade peaches, sweet cream coconut syrup

Lox & Bagel
Chef Joe’s house cured lox, schmear watercress, crispy capers, seeded bagel

Classic Breakfast

Breakfast Sandwich
buttered toasted brioche, house made elk sausage smoked cheddar, crispy potato, fried egg

Griddled Breakfast Burrito
pepper jack, chili jam, scrambled eggs chorizo, green chili, or olive oil potatoes

Biscuits & Gravy
house milled maple biscuits, sage gravy
+ add bacon, sausage, 2 eggs

Waffle
blue corn dutch waffles, cloudberry preserves choke cherry syrup, house made butter, candied squash seeds

Overnight Oats
blueberries, lemon marmalade, poppy seed crunch

Loaded Breakfast Potatoes
green chili, local cheese curds, crispy onions

Any item and a drip coffee $15.00

Stockmen's

Beverage Menu

Cocktails

Bee's Knees

Sidecar

Corpse Reviver #2

Gimlet

Moscow Mule

Pink Gin

Mai Tai

Manhattan

Brandy Alexander

Grasshopper

Beer

New Belgium Brewing Company
Fat Tire

Odell Brewing Company
90 Shilling

Left Hand Brewing Company
Milk Stout Nitro

Great Divide Brewing Company
Yeti Imperial Stout

Avery Brewing Company
White Rascal

Ska Brewing
Modus Hoperandi IPA

Oskar Blues Brewery
Dale's Pale Ale

Trve Brewing Company
Cursed

Rootbeer

Virgil's

Maine Root Handcrafted

Dang! That's Good Butterscotch

Sprecher Root BeerBoylan
Heritage

Fentimans Curiosity Cola

Appalachian Brewing Company's
Henry Weinhard's

Frostie Vanilla Sioux City
Sarsaparilla

Jackson Hole Buckin'

River City

Abita

Dad's Old Fashioned

Mason's

Thunder Beast

Filbert's

Bulldog

Thomas Kemper

Triple XXX

Dog n Suds

Flathead Lake Gourmet

Frostie Blue Cream Soda

Kutztown

Red Hare Brewing Company*

Wine

Domaine Carneros Brut
California, USA

Cloudy Bay Sauvignon Blanc
Marlborough, New Zealand

Rombauer Vineyards Chardonnay
Carneros, California, USA

Pinot GrigioSanta Margherita Pinot Grigio
Alto Adige, Italy

Dr. Loosen Riesling
Mosel, Germany

Château d'Esclans Whispering Angel
Côtes de Provence, France

Domaine Serene Evenstad Reserve Pinot Noir
Willamette Valley, Oregon, USA

Duckhorn Vineyards Merlot
Napa Valley, California, USA

Caymus Vineyards Cabernet Sauvignon
Napa Valley, California, USA

Penfolds Bin 389 Cabernet-Shiraz
South Australia

Catena Zapata Malbec
Mendoza, Argentina

Seghesio Family Vineyards Zinfandel
Sonoma County, California, USA

Stockmen's

Dinner Menu

Classics

Friday Fish Fry
green peas, hand cut fries, tartar sauce

Salisbury Steak
dirty mashed potatoes, slow cooked roof-top greens, sweet pepper relish gravy

Chicken & Dumplings
Norwood Farms chicken, cheddar dumplings

Eggplant Parmesan
4 cheese, tomato gravy, garlic toast

Stuffed Pork Chops
grilled Palisade peaches, Olathe corn pudding, chili garlic green beans

Seafood Boil
pacific shrimp, muscles, clams, corn potatoes, house chorizo, hearth bread

Weekly Dinner Menu

Crispy Chive Blossoms
whipped ricotta cheese, Colorado olive oil

Roof-Top Lettuces
soft herbs, black radish, aged Colorado sheep's milk cheese buttermilk dressing

Colorado Country Ham
wood fried peaches, balsamic pickled mustard seeds, lavender honey

Octopus Pan Roast
olive oil poached potatoes, capers, oven dried tomatoes, house made chorizo

Olathe Corn Agnolotti
summer truffle, parmesan, sage butter

Wood Grilled Elk Loin
four preparations of Montrose artichokes, choke cherry chicken jus

Brown Sugar Pavlova
almond granita, honey ice cream, citrus

Stockmen’s

pro forma

Stockmans
Profit and Loss Projections

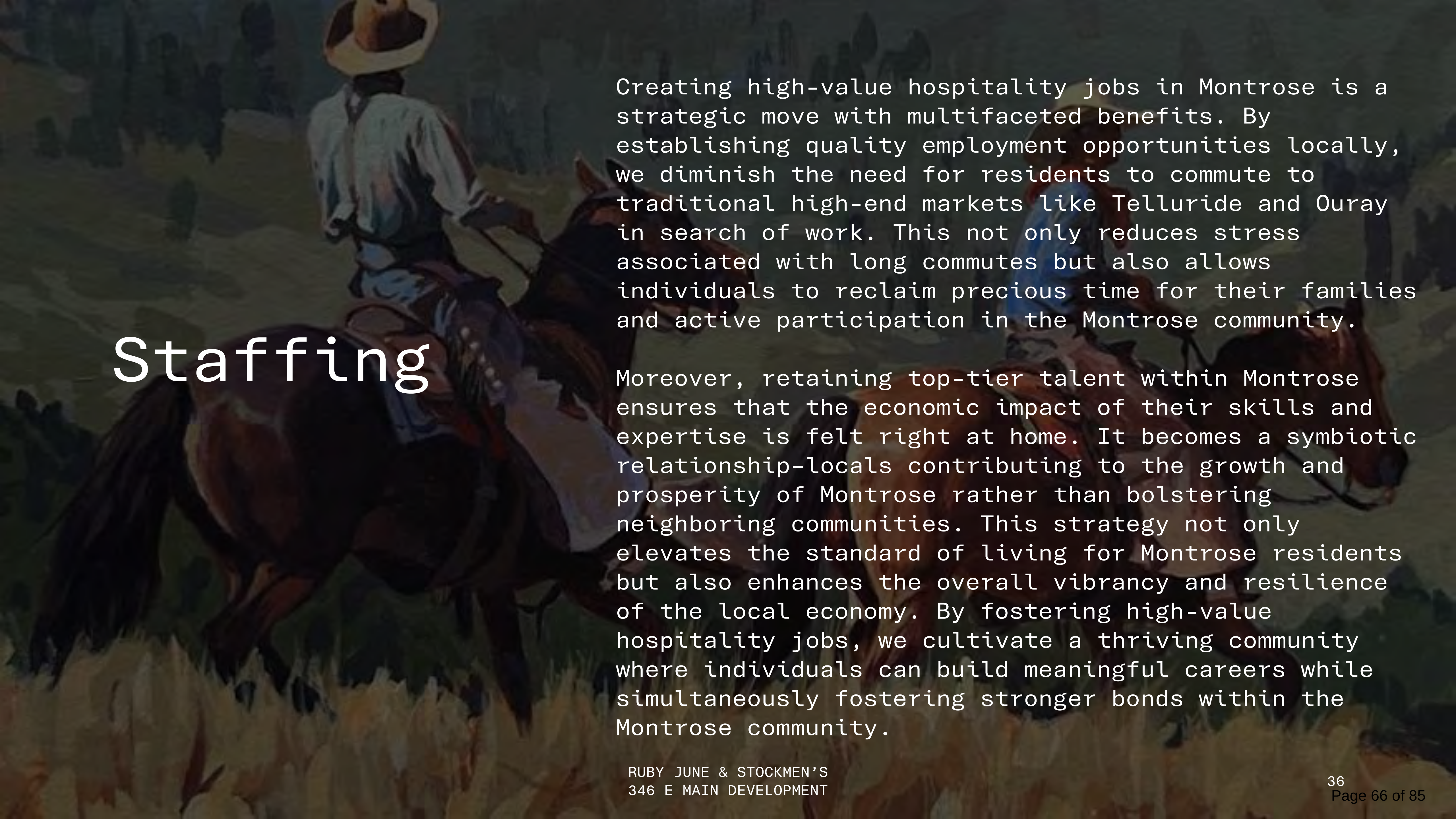
	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
REVENUE										
Food Revenue	2,089,015	76.1%	2,327,199	75.9%	2,586,628	75.7%	2,862,310	75.6%	3,125,643	75.6%
Wine Revenue	268,323	9.8%	298,692	9.7%	331,838	9.7%	367,081	9.7%	400,852	9.7%
Liquor Revenue	199,991	7.3%	226,570	7.4%	255,472	7.5%	285,680	7.5%	311,962	7.5%
Beer Revenue	188,544	6.9%	213,579	7.0%	240,782	7.1%	269,220	7.1%	293,988	7.1%
Total Revenue	**2,745,873**	**100.0%**	**3,066,040**	**100.0%**	**3,414,721**	**100.0%**	**3,784,291**	**100.0%**	**4,132,445**	**100.0%**
COGS										
Food COGS	584,924	28.0%	651,616	28.0%	724,256	28.0%	801,447	28.0%	875,180	28.0%
Wine COGS	79,155	29.5%	88,114	29.5%	97,892	29.5%	108,289	29.5%	118,251	29.5%
Liquor COGS	40,998	20.5%	46,447	20.5%	52,372	20.5%	58,564	20.5%	63,952	20.5%
Beer COGS	30,167	16.0%	34,173	16.0%	38,525	16.0%	43,075	16.0%	47,038	16.0%
Total Cost of Sales	**735,245**	**26.8%**	**820,349**	**26.8%**	**913,045**	**26.7%**	**1,011,375**	**26.7%**	**1,104,422**	**26.7%**
GROSS PROFIT										
Food Gross Profit	1,504,091	54.8%	1,675,583	61.0%	1,862,372	67.8%	2,060,863	75.1%	2,250,463	82.0%
Wine Gross Profit	189,168	6.9%	210,578	7.7%	233,946	8.5%	258,792	9.4%	282,601	10.3%
Liquor Gross Profit	158,993	5.8%	180,123	6.6%	203,100	7.4%	227,116	8.3%	248,010	9.0%
Beer Gross Profit	158,377	5.8%	179,406	6.5%	202,257	7.4%	226,144	8.2%	246,950	9.0%
Total Gross Profit	**2,010,629**	**73.2%**	**2,245,690**	**81.8%**	**2,501,676**	**91.1%**	**2,772,915**	**101.0%**	**3,028,024**	**110.3%**
PAYROLL COMPENSATION										
Salaries	232,000	8.4%	241,280	7.9%	250,931	7.3%	260,968	6.9%	271,407	6.6%
Hourly Wages - FOH	172,120	6.3%	179,005	5.8%	186,165	5.5%	193,612	5.1%	201,356	4.9%
Hourly Wages - BOH	375,148	13.7%	390,154	12.7%	405,760	11.9%	421,990	11.2%	438,870	10.6%
Hourly Wages - Banquets	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Payroll Taxes	77,537	2.8%	80,639	2.6%	83,864	2.5%	87,219	2.3%	90,708	2.2%
Total Direct Labor	**856,805**	**31.2%**	**891,077**	**29.1%**	**926,720**	**27.1%**	**963,789**	**25.5%**	**1,002,341**	**24.3%**
Benefits - Hourly Employees	136,817	25.0%	142,290	25.0%	147,981	25.0%	153,901	25.0%	160,057	25.0%
Benefits - Salaried Employees	58,000	25.0%	60,320	25.0%	62,733	25.0%	65,242	25.0%	67,852	25.0%
Total Comp, Taxes, Benefits	**1,051,622**	**38.3%**	**1,093,687**	**35.7%**	**1,137,435**	**33.3%**	**1,182,932**	**31.3%**	**1,230,249**	**29.8%**
OTHER EXPENSES										
Paper Supplies	10,983	0.4%	12,264	0.4%	13,659	0.4%	15,137	0.4%	16,530	0.4%
Telephone Expense	8,238	0.3%	9,198	0.3%	10,244	0.3%	11,353	0.3%	12,397	0.3%
Outside Services	13,729	0.5%	15,330	0.5%	17,074	0.5%	18,921	0.5%	20,662	0.5%
Maintenance Parts & Equipment	8,799	0.3%	9,825	0.3%	10,942	0.3%	12,126	0.3%	13,242	0.3%
Kitchen Supplies	54,917	2.0%	61,321	2.0%	68,294	2.0%	75,686	2.0%	82,649	2.0%
Computer Expense	2,059	0.1%	2,300	0.1%	5,122	0.2%	5,676	0.2%	6,199	0.2%
POS/IT Equipment	8,238	0.3%	9,198	0.3%	10,244	0.3%	11,353	0.3%	12,397	0.3%
Software Maintenance	6,865	0.3%	7,665	0.3%	8,537	0.3%	9,461	0.3%	10,331	0.3%
Cleaning Supplies	32,676	1.2%	36,486	1.2%	40,635	1.2%	45,033	1.2%	49,176	1.2%
Office Supplies	13,729	0.5%	15,330	0.5%	17,074	0.5%	18,921	0.5%	20,662	0.5%
Insurance - other	54,917	2.0%	61,321	2.0%	68,294	2.0%	75,686	2.0%	82,649	2.0%
Taxes/Licenses	5,203	0.2%	5,810	0.2%	6,471	0.2%	7,171	0.2%	7,831	0.2%
Personal Property Tax	3,727	0.1%	4,162	0.1%	4,635	0.1%	5,137	0.1%	5,609	0.1%
Laundry/Dry Cleaning	2,746	0.1%	3,066	0.1%	3,415	0.1%	3,784	0.1%	4,132	0.1%
Uniforms	10,709	0.4%	11,958	0.4%	13,318	0.4%	14,759	0.4%	16,117	0.4%
Recruiting	3,816	0.1%	4,261	0.1%	4,746	0.1%	5,260	0.1%	5,744	0.1%
Safety Program	2,746	0.1%	3,066	0.1%	3,415	0.1%	3,784	0.1%	4,132	0.1%
Marketing	19,496	0.7%	21,769	0.7%	24,245	0.7%	26,868	0.7%	29,340	0.7%
Credit Card Service Charges	109,835	4.0%	122,642	4.0%	136,589	4.0%	151,372	4.0%	165,298	4.0%
Other/Misc.	10,514	0.4%	11,740	0.4%	13,075	0.4%	14,490	0.4%	15,823	0.4%
Total Other Expenses	**383,943**	**14.0%**	**428,711**	**14.0%**	**480,026**	**14.1%**	**531,979**	**14.1%**	**580,921**	**14.1%**
Management Fee										
Operator Management Fee	137,294	5.0%	153,302	5.0%	170,736	5.0%	189,215	5.0%	206,622	5.0%
Total Fees	**137,294**	**5.0%**	**153,302**	**5.0%**	**170,736**	**5.0%**	**189,215**	**5.0%**	**206,622**	**5.0%**
OCCUPANCY COSTS - TBD										
Gross Rent (includes CAM)	24,000	0.9%	24,480	0.8%	24,970	0.7%	25,469	0.7%	25,978	0.6%
Tax	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Percentage Rent	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Abatement	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.00%
Total Occupancy	**24,000**	**0.87%**	**24,480**	**0.80%**	**24,970**	**0.73%**	**25,469**	**0.67%**	**25,978**	**0.63%**
OPERATING INCOME	413,770	15.1%	545,511	17.8%	688,509	20.2%	843,321	22.3%	984,253	23.8%

Culture

At 346 East Main Street, we are committed to cultivating a workplace culture that thrives on emotional intelligence, time-honored techniques, and cutting-edge staff training theories within the food and beverage industry. Recognizing the profound impact of emotional intelligence on team dynamics, we prioritize empathy, effective communication, and mutual understanding. This foundation ensures a harmonious and supportive atmosphere, fostering collaboration and innovation.

We leverage time-honored techniques to blend tradition with modernity, creating an environment where respect for culinary heritage meets a passion for evolving tastes. Our commitment extends to comprehensive staff training, drawing from local expertise and industry-wide best practices. By equipping our team with a diverse skill set and a deep understanding of the ever-evolving food and beverage landscape, we empower them to excel.

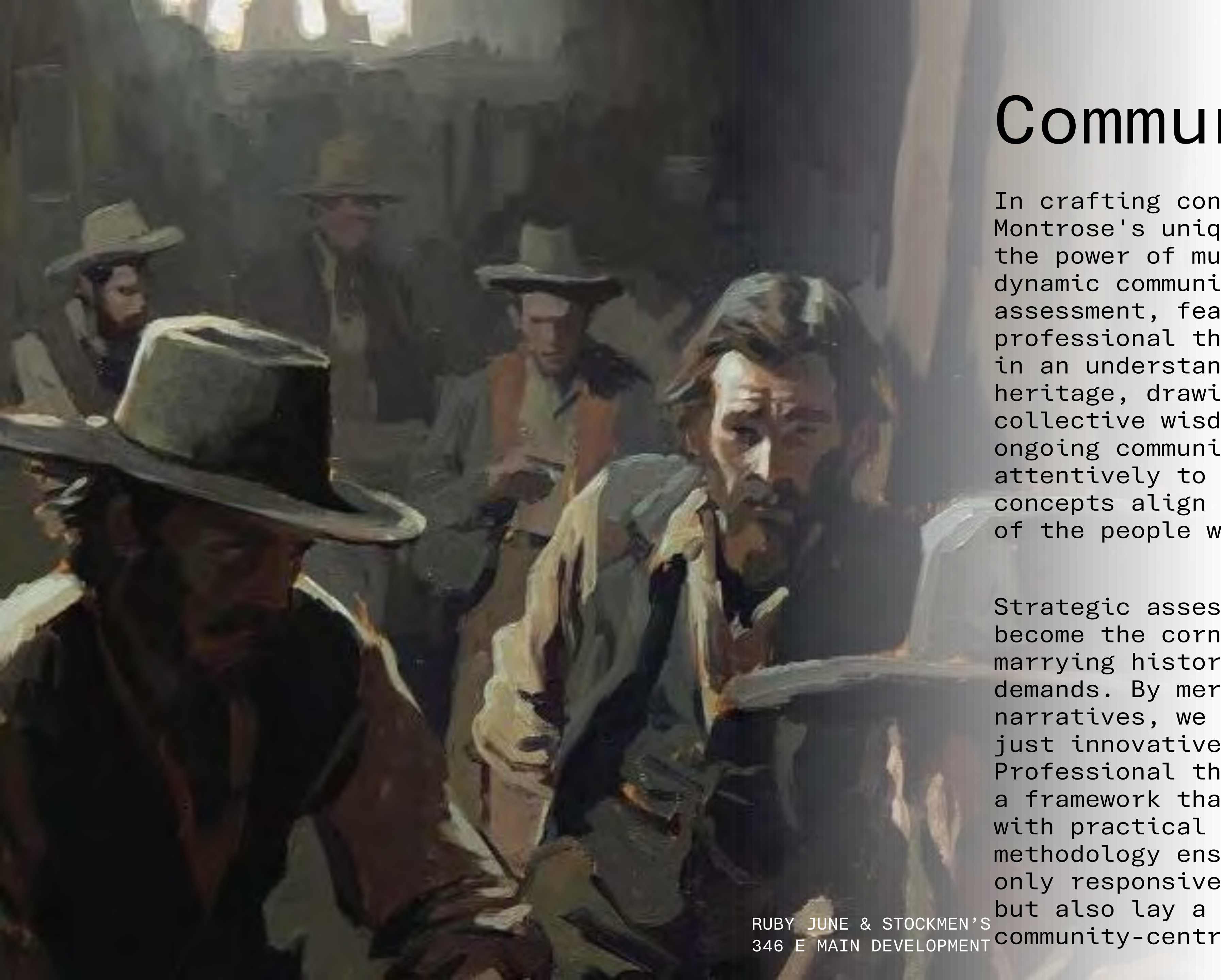
Through this holistic approach, 346 East Main Street aims to not only serve exceptional cuisine but also to become a nurturing hub where employees thrive, customers savor memorable experiences, and the essence of the food and beverage industry evolves with unwavering quality and innovation.



Staffing

Creating high-value hospitality jobs in Montrose is a strategic move with multifaceted benefits. By establishing quality employment opportunities locally, we diminish the need for residents to commute to traditional high-end markets like Telluride and Ouray in search of work. This not only reduces stress associated with long commutes but also allows individuals to reclaim precious time for their families and active participation in the Montrose community.

Moreover, retaining top-tier talent within Montrose ensures that the economic impact of their skills and expertise is felt right at home. It becomes a symbiotic relationship–locals contributing to the growth and prosperity of Montrose rather than bolstering neighboring communities. This strategy not only elevates the standard of living for Montrose residents but also enhances the overall vibrancy and resilience of the local economy. By fostering high-value hospitality jobs, we cultivate a thriving community where individuals can build meaningful careers while simultaneously fostering stronger bonds within the Montrose community.



Community Needs

In crafting concepts that resonate with Montrose's unique community needs, we harness the power of multi-generational local history, dynamic community dialogue, strategic assessment, feasibility studies, and professional theories. Our approach is rooted in an understanding of Montrose's rich heritage, drawing inspiration from the collective wisdom of generations past. Through ongoing community dialogues, we listen attentively to diverse voices, ensuring our concepts align with the authentic aspirations of the people we aim to serve.

Strategic assessment and feasibility studies become the cornerstones of our planning, marrying historical insights with contemporary demands. By merging empirical data with local narratives, we develop concepts that are not just innovative but also sustainable. Professional theories guide our team, providing a framework that combines academic expertise with practical application. This comprehensive methodology ensures that our concepts are not only responsive to Montrose's immediate needs but also lay a foundation for a vibrant, community-centric future.

Pro Forma

consolidated

CONSOLIDATED
Profit and Loss Projections

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
REVENUE										
Food Revenue	2,710,052	76.8%	2,823,420	75.5%	3,123,341	75.4%	3,442,818	75.3%	3,753,520	75.3%
Wine Revenue	346,652	9.8%	383,413	10.3%	423,472	10.2%	466,192	10.2%	508,051	10.2%
Liquor Revenue	246,616	7.0%	276,999	7.4%	310,016	7.5%	344,675	7.5%	375,771	7.5%
Beer Revenue	225,844	6.4%	253,922	6.8%	284,417	6.9%	316,415	6.9%	345,035	6.9%
Total Revenue	**3,529,163**	**100.0%**	**3,737,753**	**100.0%**	**4,141,246**	**100.0%**	**4,570,101**	**100.0%**	**4,982,377**	**100.0%**
COGS										
Food COGS	713,384	26.3%	790,558	28.0%	874,535	28.0%	963,989	28.0%	1,050,986	28.0%
Wine COGS	102,262	29.5%	113,107	29.5%	124,924	29.5%	137,527	29.5%	149,875	29.5%
Liquor COGS	50,556	20.5%	56,785	20.5%	63,553	20.5%	70,658	20.5%	77,033	20.5%
Beer COGS	36,135	16.0%	40,627	16.0%	45,507	16.0%	50,626	16.0%	55,206	16.0%
Total Cost of Sales	**902,337**	**25.6%**	**1,001,077**	**26.8%**	**1,108,520**	**26.8%**	**1,222,801**	**26.8%**	**3,118,271**	**62.6%**
GROSS PROFIT										
Food Gross Profit	1,996,668	73.7%	2,032,863	72.0%	2,248,806	72.0%	2,478,829	72.0%	2,702,535	72.0%
Wine Gross Profit	244,390	70.5%	270,306	70.5%	298,548	70.5%	328,665	70.5%	358,176	70.5%
Liquor Gross Profit	196,059	79.5%	220,214	79.5%	246,463	79.5%	274,016	79.5%	298,738	79.5%
Beer Gross Profit	189,709	84.0%	213,294	84.0%	238,911	84.0%	265,789	84.0%	289,829	84.0%
Total Gross Profit	**2,626,826**	**74.4%**	**2,736,677**	**73.2%**	**3,032,726**	**73.2%**	**3,347,300**	**73.2%**	**3,420,600**	**68.7%**
PAYROLL COMPENSATION										
Salaries	286,000	8.1%	297,440	8.0%	309,338	7.5%	321,711	7.0%	334,580	6.7%
Wages	692,036	19.6%	719,717	19.3%	748,506	18.1%	778,446	17.0%	809,584	16.2%
Payroll Taxes	86,511	2.5%	89,972	2.4%	93,571	2.3%	97,313	2.1%	101,206	2.0%
Total Direct Labor	**1,064,547**	**30.2%**	**1,107,129**	**29.6%**	**1,151,414**	**27.8%**	**1,197,471**	**26.2%**	**1,245,370**	**25.0%**
Benefits - Hourly Employees	173,009	25.0%	179,929	25.0%	152,551	20.4%	158,653	20.4%	164,999	20.4%
Benefits - Salaried Employees	71,500	25.0%	74,360	25.0%	77,334	25.0%	80,428	25.0%	83,645	25.0%
Total Comp, Taxes, Benefits	**1,309,056**	**37.1%**	**1,361,419**	**36.4%**	**1,381,300**	**33.4%**	**1,436,552**	**31.4%**	**1,494,014**	**30.0%**
OTHER EXPENSES										
Paper Supplies	18,374	0.5%	20,258	0.5%	22,305	0.5%	24,488	0.5%	26,644	0.5%
Telephone Expense	10,101	0.3%	11,213	0.3%	12,424	0.3%	13,710	0.3%	14,947	0.3%
Outside Services	16,835	0.5%	18,689	0.5%	20,706	0.5%	22,851	0.5%	24,912	0.5%
Maintenance Parts & Equipment	10,789	0.3%	11,977	0.3%	13,270	0.3%	14,644	0.3%	15,965	0.3%
Kitchen Supplies	67,338	1.9%	74,755	2.0%	82,825	2.0%	91,402	2.0%	99,648	2.0%
Computer Expense	2,525	0.1%	2,803	0.1%	6,212	0.2%	6,855	0.2%	7,474	0.2%
POS/IT Equipment	10,101	0.3%	11,213	0.3%	12,424	0.3%	13,710	0.3%	14,947	0.3%
Software Maintenance	8,417	0.2%	9,344	0.3%	10,353	0.3%	11,425	0.3%	12,456	0.3%
Cleaning Supplies	40,066	1.1%	44,479	1.2%	49,281	1.2%	54,384	1.2%	59,290	1.2%
Office Supplies	16,835	0.5%	18,689	0.5%	20,706	0.5%	22,851	0.5%	24,912	0.5%
Insurance - other	67,338	1.9%	74,755	2.0%	82,825	2.0%	91,402	2.0%	99,648	2.0%
Taxes/Licenses	6,380	0.2%	7,083	0.2%	7,847	0.2%	8,660	0.2%	9,441	0.2%
Personal Property Tax	4,570	0.1%	5,073	0.1%	5,621	0.1%	6,203	0.1%	6,763	0.1%
Laundry/Dry Cleaning	3,367	0.1%	3,738	0.1%	4,141	0.1%	4,570	0.1%	4,982	0.1%
Uniforms	13,131	0.4%	14,578	0.4%	16,151	0.4%	17,824	0.4%	19,432	0.4%
Recruiting	4,680	0.1%	5,195	0.1%	5,756	0.1%	6,352	0.1%	6,925	0.1%
Safety Program	3,367	0.1%	3,066	0.1%	3,415	0.1%	3,784	0.1%	4,132	0.1%
Marketing	21,669	0.6%	24,120	0.6%	26,787	0.6%	29,619	0.6%	32,315	0.6%
Credit Card Service Charges	134,676	3.8%	149,510	4.0%	165,650	4.0%	182,804	4.0%	199,295	4.0%
Other/Misc.	12,892	0.4%	14,311	0.4%	15,856	0.4%	17,498	0.4%	19,077	0.4%
Total Other Expenses	**473,450**	**13.4%**	**524,850**	**14.0%**	**584,555**	**14.1%**	**645,037**	**14.1%**	**703,205**	**14.1%**
Management Fee										
Operator Management Fee	191,945	8.8%	212,413	8.8%	234,670	8.8%	258,366	8.8%	281,416	8.8%
Total Fees	**191,945**	**5.4%**	**212,413**	**5.7%**	**234,670**	**5.7%**	**258,366**	**5.7%**	**281,416**	**5.6%**
OCCUPANCY COSTS - TBD										
Gross Rent (includes CAM)	42,000	1.19%	42,840	1.21%	43,697	1.24%	44,571	1.26%	45,462	1.29%
Tax	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Percentage Rent	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Abatement	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Occupancy	**42,000**	**1.19%**	**42,840**	**1.15%**	**43,697**	**1.06%**	**44,571**	**0.98%**	**45,462**	**0.91%**
OPERATING INCOME	610,374	17.3%	595,156	15.9%	788,504	19.0%	962,774	21.1%	896,503	18.0%

Culinary School

Next Steps

Creating localized opportunities for students in the hospitality and culinary program is a commitment to nurturing homegrown talent and ensuring the community's investment in education yields tangible benefits. As the community dedicates time and resources to cultivate this program, it becomes imperative to harness the resulting skills and knowledge within Montrose itself.

Our multifaceted approach to food and beverage not only enriches the local culinary landscape but also provides students with 24/7 job opportunities. This immersive experience goes beyond conventional classroom learning, offering real-world scenarios that prepare students for major markets. The round-the-clock nature of our operations ensures that students gain a comprehensive understanding of the industry's demands, from breakfast service to late-night dining.

By keeping these opportunities local, we bridge the gap between education and employment, allowing students to contribute meaningfully to the community that invested in their growth. The skills acquired in this dynamic environment not only enhance employability but also position Montrose as a hub of culinary excellence. This localized approach fosters a self-sustaining cycle where the community benefits directly from the talents it has nurtured, creating a stronger, more vibrant local economy.

A letter from Joe and Ben

Dear Montrose Community,

We hope this letter finds you well and filled with the same excitement and passion for local flavors that inspire us daily. Today, we write to you not just as individuals but as partners in a shared vision to elevate the dining experience in Montrose.

Our dream is to open community-driven concepts that redefine the restaurant scene. We envision spaces where the essence of Montrose is not just served on plates but celebrated in every bite. From the farmers' markets to local artisans, we want to intertwine the heartbeat of our community into the very fabric of our establishments.

These concepts will not only focus on exceptional cuisine but will act as hubs for connection, where neighbors become friends, and meals are shared experiences. We're driven by the belief that a restaurant can be more than a place to eat; it can be a catalyst for community growth and engagement.

Together, let's push the boundaries of what a restaurant can be – a space that not only satisfies our taste buds but nourishes our sense of belonging. Montrose, we invite you to join us on this culinary journey where innovation meets community, and where every dish tells a story.

With anticipation and warm regards,

Joe and Ben

Thank you


STOCKMENS


STOCKMENS


RUBY
JUNE

TO: Honorable Mayor, City Council

FROM: Christopher Ottinger, Community Development Specialist

DATE: February 5, 2024

SUBJECT: Seeking Approval to Apply for a Community Development Block Grant (CDBG) for Sub-Grant Funding to Volunteers of America

INTRODUCTION

City of Montrose Staff are seeking approval from City Council to apply for a Community Development Block Grant (CDBG) on behalf of Volunteers of America (VOA). The purpose of this grant application is to secure funding to acquire the Rendezvous Apartments, formerly Pavilion Gardens, located at 2366 Robins Way which is being redeveloped to provide more essential low-to-middle income senior housing in the City of Montrose.

BACKGROUND

Volunteers of America currently owns the Pavilion Gardens Apartments and its adjacent undeveloped land. The existing building is due for rehabilitation due to age, so VOA is taking the opportunity to redesign it for senior housing. With that, VOA secured 4% State Tax Credit funding to rehabilitate the existing building as well as constructing a new 22-unit building adjacent to the existing property. The City of Montrose aims to secure a Community Development Block Grant (CDBG) to provide sub-grant funding to VOA for this acquisition.

The CDBG program, administered by the State of Colorado for the U.S. Department of Housing and Urban Development (HUD), provides funding to local governments to address a wide range of community development needs, including affordable housing initiatives. By leveraging this grant opportunity, the City of Montrose can support Volunteers of America's efforts to preserve and expand affordable senior housing options in our community.

FINANCIAL CONSIDERATIONS

The total amount of funding required for the rehabilitation and development of the Rendezvous Apartments is estimated to be $22,797,480. The Montrose County Housing Authority plans to request a CDBG grant in the amount of $2,860,000, which is specific to acquisition. They have secured additional funding commitments from other sources, including state tax credits and private activity bonds to cover the remaining portion of the cost. No matching funds are required for this grant.

RECOMMENDATION

City Staff recommends approval by City Council to authorize the submission of a Community Development Block Grant (CDBG) application to the State of Colorado, Division of Housing on behalf of Volunteers of America. The requested grant amount of $2,860,000 will be utilized to acquire the Rendezvous Apartments and ensure the long-term availability of affordable housing for low-to-middle income seniors in the City of Montrose.

Rendezvous Elevation of New Building

Volunteers of America Campus Overview

RESOLUTION NO. 2024-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, AUTHORIZING THE FILING OF A COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION IN ORDER TO FUND HOUSING DEVELOPMENT OPPORTUNITIES WITHIN THE CITY OF MONTROSE, COLORADO.

WHEREAS, the City of Montrose, Colorado, desires to apply for grant funding in order to provide financial assistance for the acquisition of low to moderate income senior housing within the City of Montrose; and

WHEREAS, the Volunteers of America and its partners are in the process of rehabilitation of 30 existing units and developing 22 new units at Pavilion Gardens, 2366 Robins Way, Montrose Colorado 81401, to be called Rendezvous at completion; and

WHEREAS, the City of Montrose requests a Community Development Block Grant ("CBDG"), administered by the Colorado Division of Housing ("DOH"), in an amount up to $2,860,000.00 to fund the financing gap for the aforementioned housing project; and

WHEREAS, the City of Montrose and the Volunteers of America or its assigns expect to enter into an agreement for the provision of CBDG funding to assist with the acquisition costs for the project; and

WHEREAS, the City of Montrose shall submit a grant application to establish and administer a fund to assist community housing projects.

NOW THEREFORE, be it resolved by the City Council of the City of Montrose, Colorado as follows:

Section 1. The City Council of the City of Montrose directs the City Manager, and City Staff, to act in connection with the CDBG grant application and to provide such additional information as may be required by DOH.

RESOLVED AND ADOPTED this _____ day of February, 2024, by the City Council of the City of Montrose.

CITY OF MONTROSE, COLORADO

____
Barbara Bynum, Mayor

ATTEST

____
Lisa DelPiccolo, City Clerk

DISPOSAL AUTHORIZATION

TO: Honorable Mayor and Members of the City Council
FROM: Jim Scheid, Public Works Director
DATE: **February 5th, 2024**
RE: Vehicle and Equipment Disposal Authorization
CC: William Bell, Ann Morgenthaler, Shane Brandt

Action

Consider the approval of the disposal of City owned vehicles and equipment to be replaced in 2024.

Background

Throughout the year, City departments replace equipment and vehicles that are scheduled for replacement in the 2024 budget. The replaced items are disposed of in various ways. Most items are auctioned through Govdeals.com, on occasion select items are sold at the local Jim's Auction, or donated or sold to surrounding communities.
As items are sold the amounts collected from resale are included in the fleet fund and are used for the next replacement of that vehicle.
All items are disposed of in accordance with Section 1-16-5 of the Municipal Code.

Units to be Replaced in 2024
246-2006 Wanco Message Board (Water Distribution)
812-2004 John Deere Loader (Streets)
420- 2016 Pelican Street Sweeper (Streets)
431-2015 Ford Police Interceptor (Police Department)
432-2015 Ford Police Interceptor (Police Department)
433-2015 Ford Police Interceptor (Police Department)
434-2015 Ford Police Interceptor (Police Department)
435-2015 Ford Police Interceptor (Police Department)
484-2019 Hustler Super Z (Parks)
485-2019 Hustler Super Z (Parks)
486-2019 Hustler Super Z (Parks)
449-2018 John Deere Mower (Parks)
356-2009 Buffalo Blower (Parks)
401-2014 Jeep Compass (Civic Campus)
354-2009 Mack Dump Truck (Sewer Treatment)
724-2014 Toro Groundsmaster (Black Canyon Golf Course)
438-2010 Mack Rear Packing Trash Truck (Sanitation)
460-2018 Mack Side Load Trash Truck (Sanitation)
400-2010 Kawasaki Motorcycle (Police Patrol)
258-2007 Suzuki Motorcycle (Police Patrol)

PURCHASE RECOMMENDATION

TO: Honorable Mayor and Members of the City Council
FROM: Jim Scheid, Public Works Director
DATE: **February 5th, 2024**
RE: F150 Purchase Recommendation
CC: William Bell, Ann Morgenthaler, Shane Brandt

Action
Consider the approval of the purchase of 2 Ford F-150 pickup trucks from Montrose Ford in the amount of $108,060.00

Background
The City of Montrose Fleet Division has budgeted for the replacement of 2 F-150s in the 2024 budget. These 2 F-150s are utilized by the Police Department and are scheduled for replacement in 2024.
The City issued an Invitation for Bid in December of 2023 and received one bid from Montrose Ford on January 11th, 2024. The bid received matches the required specification and the price for the vehicles is what was expected and is considered competitive.

The bid received is as follows:

Vendor/Location	Cost
Montrose Ford (Montrose)	$108,060

Net Financial Impact
The Fleet Division has included $140,000 in the 2024 budget 600-8005-943-000 for these purchases. These pickups will need some upfitting to be usable by the Police Department. This upfitting will be about $10,000 per truck and will be performed by City of Montrose Fleet Division. After the upfitting is complete it is anticipated that the overall purchase and upfitting will be about $10,000.00 under budget.

MEMORANDUM

TO: Honorable Mayor and Members of the City Council
FROM: Chris Dowsey, City Attorney
DATE: February 5, 2024
RE: Historic City Hall Sales Contract Amendment
CC: William Bell

Action

Approve an amendment to the sales contract for Historic City Hall between the City and Rathbone PropCo LLC and give authority to the City Attorney to sign all associated documents.

Background

In 2022, the City purchased a building to move administrative operations from Historic City Hall to Main Street where City Hall is today. Operations moved to the new City Hall in March 2023. During this transition, the owners of the Knights of Pythias building, soon to be the Rathbone Hotel, approached the City regarding purchasing the Historic City Hall building.

In March 2023, the City entered into an agreement with Rathbone PropCo LLC for the sale of the Historic City Hall building located at 433 S. 1st Street, Montrose, CO 81401 with a closing date in August 2023. The costs of the renovations for the Rathbone Hotel began to exceed the expectations of the owners. They approached the City to extend the contract, where the City had granted that request.

In January 2024, the construction costs of renovations for the Rathbone hotel have continued to exceed expectations and the owners have requested a portion of the earnest money to pay for such unforeseen costs. The amendment to the contract would return a portion of the earnest money to Rathbone PropCo LLC in exchange for the City to have the option to market Historic City Hall. If there is a secondary buyer, Rathbone PropCo LLC, will have the right to execute the sale under the terms of the current agreement.

CITY OF MONTROSE
CITY MANAGER

MEMO

DATE: February 5, 2024
TO: Honorable Mayor Barbara Bynum and City Council
FROM: Ann Morgenthaler, Deputy City Manager
RE: Citizen Interactive Sessions

As discussed at the January 16, 2024 City Council Work Session, we are modifying the Citizen Interactive Session process in an effort to gain more participation from citizens and formalize the process for following up with citizens after each Interactive Session.

A proposed outline of the Citizen Interactive Session is included and describes the purpose, goals, and process of the Interactive Sessions.

Staff will actively advertise the Interactive Sessions to the community in February and begin the new format in March. Citizens will be encouraged to fill out an electronic or paper form (please see the Citizen Submittal Form that is included with this memo) answering two questions:

- What topic do you feel like City Councilors should know more about, and what perspective would you like to offer on the topic?
- What can the City do to enhance your experience living in Montrose?

Staff will identify 10 responses from citizens that are well-suited to the conversation format of the Interactive Session, and will schedule one citizen for each month's Interactive Session.

During the Interactive Session, Council will make notes on the Council Form that is included with this memo, which will help inform the email that the Mayor Pro Tem will send to each citizen following the Interactive Session.

Stay here. Play everywhere.
MONTROSE COLORADO

Citizen Interactive Session Form

Thank you for your interest in joining City Council for a conversation at a Citizen Interactive Session.

Please provide the information below. Answering the questions helps the City determine if the proposed topics offer an opportunity for conversation between the citizen and Councilors and if the proposed topics are within the City's purview.

1. Your name:

2. Your email address:

3. Your street address, neighborhood or subdivision name:

4. What topic do you feel like City Councilors should know more about, and what perspective would you like to offer on the topic?

5. What can the City do to enhance your experience living in Montrose?

6. Other information that you desire to share with City Council:

Citizen Interactive Sessions Outline

Purpose

The purpose of Citizen Interactive Sessions is to facilitate in-person conversation between citizens and City Councilors about topics of interest to citizens. Listening to the perspectives of citizens helps Councilors learn about a variety of points of view and priorities, which in turn informs their future decisions. After the 45-minute Citizen Interactive Session, citizens will leave knowing that Councilors listened to them and have a better understanding of their perspective. Councilors will leave the session with valuable citizen input and ideas for future budget years.

Councilors are not expected to take any action as a result of the Citizen Interactive Session.

Process

Citizens interested in participating in a Citizen Interactive Session may complete this online form. Answering the questions on the form helps the City determine if the citizen's proposed topics offer an opportunity for conversation between the citizen and Councilors and if the proposed topics are within the City's purview.

Within a week of completing the online form, the citizen will receive an email from City staff with an update regarding when they may be scheduled for participation in a Citizen Interactive Session. If a request is more suitable for a one-on-one conversation with staff or the Mayor, the citizen will instead hear from a staff member or the Mayor.

After the Citizen Interactive Session, the Mayor Pro Tem will contact the citizen, provide a summary of how the conversation made an impression on Council, and connect the citizen to a City staff member who can serve as an ongoing resource for assistance and knowledge.

Benefits

- Opportunity for all Councilors and and citizens to discuss matters of importance
- Council and citizens may learn about perspectives and information that they had not previously considered
- May provide awareness of how an existing process or project can be improved
- Is a forum for connection between Councilors and citizens
- Council may incorporate the information into future decisions or future budgets

Citizen Interactive Session
DATE
CITIZEN NAME(S)

The purpose of Citizen Interactive Sessions is to facilitate in-person conversation between citizens and City Councilors about topics of interest to citizens. Councilmembers will:

- Listen to the perspectives of citizens
- Learn about a variety of points of view and priorities
- Ask questions of the citizen(s), staff, and each other
- Share their perspectives in a conversation format
- Receive valuable citizen input and ideas
- Use this information to inform future decisions

Councilors are not expected to take any action as a result of the Citizen Interactive Session.

Council Notes
Each Councilmember will make notes below during the Citizen Interactive Session. These notes will be used by the Mayor Pro Tem when communicating with the citizen after the Interactive Session.

What did you learn?

How might this conversation play into your future decisions?

Do you desire any additional information from the City Manager's Office?