We’re Glad You Asked!!

Here at the City of Grand Junction, we sometimes find that incomplete stories or misinformation about the work we do circulates throughout the community. The misinformation may begin with a news story, an entry in a blog, a column in a printed publication, information on someone’s website, or simply in the course of normal conversation. From there it travels. Our challenge is that we rarely get the opportunity to respond before misinformation spreads. We would like to take this opportunity to address some you have asked.

“Why do some of the businesses in the Rimrock Marketplace shopping center charge an extra fee when I shop there?”

This is a question that we have been asked repeatedly and it seems that when a new business opens in the shopping center, the questions and media stories inevitably start again.

It is true that some, but not all, of the businesses in the Rimrock Marketplace shopping center do charge a “public improvement fee”, or PIF, to their customers. A PIF is charged to the businesses in a shopping center by the owner as part of the lease arrangement. The businesses have the authority to charge the fee back to their customers if they so choose. The PIF is not a City of Grand Junction fee and it is not a tax – it is a cost of doing business in the Rimrock Marketplace. The fee, if it is charged to the customer, must be listed separately on your sales receipt, apart from the sales tax you pay. The owner of the Rimrock Marketplace is THF Realty in St. Louis, MO.

What is a Public Improvement Fee (PIF) for?

A PIF is a fee that goes toward paying for infrastructure improvements made on the property. In the case of the Rimrock Marketplace, the fee goes toward paying for the debt that was undertaken by the owner of the shopping center back when it was built about ten years ago. Before becoming a shopping center, the property was just an empty field. When the property owner decided to develop the property, many things were required to make it usable for commercial purposes including the addition of sewer lines, water lines, lighting, roads and curbs. All of those improvements are what is being paid for through the PIF.
Why doesn’t the City prevent them from charging this fee?

The short answer is that we cannot. The owners of the property formed their own public improvement district, a legal entity, so that they could finance the improvements. The businesses who lease in the shopping center are then assessed the fee as part of their lease agreement. It is somewhat comparable to paying homeowners’ association fees when you own a house. **The City has no authority over whether the fee is charged by the businesses.**

Do I have to pay the fee?

Just like paying the asking price for the service or product you are purchasing or paying sales tax, you have to pay the fee if it is charged by the business.

Is it a common practice for this type of fee to be charged?

Yes, it is a fairly common practice and is used often in other communities. While we do not see it used frequently here, it is used with regularity on the Front Range.

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