

City of Golden Memorandum



To: GURA BOARD
From: Steve Glueck, Director of Planning and Development
Date: February 19, 2008
Re: GURA and EDComm Roles re Economic Development Activities

The below text is a first cut at a memo from city staff to City Council regarding the history of division of labor between the two groups. It is intended that such a memo (after discussion) would accompany a more detailed memo from Mark about GURA functioning to Council for their March 20th meeting. However, before finalizing this memo it is critical that the February 25th discussion consider at least the following three topics:

- 1. division of responsibility (and direction and tactics) for business retention and attraction for downtown**
- 2. division of responsibility for retail (customer) marketing of downtown**
- 3. continuation/cessation of Reinvestment Fund**

Based upon the status of such discussion, staff would hope to complete this memo and transmit to Council by mid March.

Background

Beginning this year, City Council is scheduling time to review the background and roles of various boards and commissions prior to the appointment process. Mayor Smith has requested this review to benefit Council, and also to facilitate the evaluation of opportunities to match candidates to the needs of various boards. In the case of your March 20th scheduled discussion with GURA, however, it may also be helpful to review the manner in which economic development projects and duties have been “divvied up” over the years among the City, GURA, EDComm, and others.

Pre EDComm History

As indicated in the memo from GURA staff, the Golden Urban Renewal Authority was established by ordinance in late 1989. At that time, City Council was also the Authority Board, which structure continued for a couple years. A few other potentially salient points about that era include the following:

- City Council had established an Economic Development policy and program in 1987. Implementation of this program was the responsibility of the City Manager and the Director of Community Development (name later changed to the Planning and Development Director in 1990). The program did include several small economic incentive agreements, nearly all focused on employment uses in the business parks.

- During the period of establishment of the urban renewal authority, City Council and staff were in the process of designing the downtown streetscape project, with conceptual design completed in spring 1990.
- GURA's financial structure was based upon incremental sales and property tax levels over the 1989 base year. Accordingly, GURA had very little funds in the early years, and in fact borrowed money from the City to operate.
- With the enactment by the Golden voters of the third cent sales tax (resulting in a total of 3% local sales tax) in 1991 and the creation of the Sales and Use Tax Fund, GURA activities ramped up significantly, however their own revenues were quite limited, and all efforts were focused on the proposed 1992 streetscape construction project. During this time period, GURA had one part time staff person.
- There were three significant economic development projects downtown in the period of 1990 through 1993. The Table Mountain Inn renovation was essentially a partnership of the bank that owned it, the developer and the Golden Civic Foundation. The City had a significant role as well, providing an economic incentive, and more importantly by securing a Community Development Block Grant (CDBG) grant in the amount of \$360,000 from the State Department of Local Affairs (DOLA). This project occurred during the streetscape project in the summer and fall of 1992. The second major project in this period was the Coors and Loveland buildings that now hold the Old Capitol Grill restaurant and upstairs offices. GURA was still only minimally involved, but the City gave an incentive and secured a combined \$250,000 grant and loan from DOLA, again using CDBG funds. The renovation was complete in summer 1993. The third major downtown project of that time was the major façade renovation of Foss Drug which occurred without any city or GURA assistance. (A later Foss Drug façade project also occurred prior to the location of the Miner's Alley Playhouse upstairs)
- During this early period, the combined budgets for marketing or economic development activities of GURA and the Planning Director were both quite small. Joint marketing activities with the Chamber of Commerce were executed based upon which entity had any available funds. Nearly all efforts were time intensive and involved a lot of day to day coordination among the Planning Director, GURA director (now a full time position) and the Chamber of Commerce executive director. It was at this time that the question of roles, duplication, and overlap first arose.
- By the mid 1990's there was a more defined division of emphasis between the City and GURA. GURA was responsible for increased downtown infrastructure costs, for streetscape maintenance, and for costs associated with potential "urban renewal" projects. The GURA Board and staff began to look to larger projects such as the Mitchell School redevelopment (Clear Creek Square), Hesteds property (Gateway Station), downtown parking issues, and several smaller projects including Golden Hotel, Clear Creek Commons, etc. City staff's role

in such projects began to focus more on the regulatory and entitlement side, providing project assistance similar to anywhere in the community.

- At that time, City staff's economic development emphasis focused on employment (light industrial) projects at Corporate Center, and potential larger retail projects, eventually resulting in the Golden Town Center on South Golden Road, Interplaza, and annexations along West Colfax Avenue toward Lakewood and the Denver West area. There were still joint projects, but primarily limited to tourism marketing programs in the three way partnership among GURA, Planning Department, and Chamber of Commerce.
- The more recent debate about retail business attraction downtown (who should do something, and what they should do) did not occur previously, as the only available space was the vacant Hesteds Building.
- By the late 1990's the situation of GURA focusing on downtown projects, the Planning Department focusing on outlying areas, and some joint tourism marketing efforts was continuing. There were periodic questions about overlap and duplication, however, the three groups continued to work well together.

Era of both GURA and EDComm

- EDComm was established in the summer of 1999, for a number of reasons. City Council expressed a desire to have an advisory board of residents and businesspeople to advise Council on general economic development issues and specific economic incentives that the City might enter into. EDComm did not have a significant budget, and initially had few substantial programs.
- In the period of early and mid 2000, there was a movement among mostly downtown businesses to establish a community marketing fund using the vendors fee credit retained by individual businesses. The business community requested that EDComm manage that fund rather than either the Chamber or City staff. GURA was not considered for management since the program was city-wide and needed to try to market the entire community. The establishment of the community marketing function as part of EDComm's role was a substantial change in the dynamic of the various entities. Suddenly, EDComm's budget was much larger, and the focus for most of 2001 through 2003 was the community marketing function. It is relevant to note that every marketing plan discussed since this time recommends using the draw of the downtown area to market the entire community, as the downtown area defines the community identity. This fact causes a lot of discussion and emphasis on downtown in the community marketing activity.
- The other aspect that changed in the early 2000's was that GURA (with Council's encouragement) began to take the position that they should limit their activities to "bricks and mortar" projects moving away from marketing, merchant training, and business attraction projects.

- The main change in recent years, however, has been the increase in business assistance programs on the part of both GURA and EDComm, and the resulting need to coordinate and communicate to assure that as many needs as possible are met, with minimal duplication and maximum on-going coordination. A few measures were taken by GURA to assure this coordination. The first was the establishment in 2004 of the GURA reinvestment fund. By this transfer of resources from GURA to EDComm, GURA could support some of the softer activities that are important to the GURA geographic area, while maintaining more of a capital project focus. The second recent change has been the increase in partnering about who should lead certain pilot projects, starting in 2007. The two examples of partnering in 2007 included the GURA energy efficiency pilot project (that led to the coordinated 2008 energy audit programs for both entities), and a pilot web site development project for downtown retailers (that GURA is continuing in 2008).

- While the below table of current projects and roles shows a great deal of coordination and communication between the two boards and their respective staffs, one area of continuing debate and discussion relates to the role of either or both entities in the process of retail business attraction and leasing in the downtown area. While GURA representatives should speak for themselves, City staff have consistently recommended to EDComm that, in most cases, attempting to target specific retailers has not proven to be a cost effective activity for several reasons:
 1. In the end, the control of leasing decisions lies with the property owners, who typically want the City, GURA, and EDComm to be supportive and provide community information, but are not inclined to involve the public in leasing discussions or decisions.
 2. Even with the current construction of retail space, there is still a rather small amount of available space to fill.
 3. There is no shortage of interest in the few spaces available, which raises the question of why one would expect a public retail attraction effort for the amount of space available to be any more successful than the current effort by owners and their brokers (when applicable).
 4. Based upon the concern about the effectiveness of targeting specific types of businesses for downtown, EDComm is currently considering working on customized demographics not available from typical sources, and case studies of successful unique retailers in order to address the usual criticism about “lack of rooftops”.

- The below chart shows a snapshot of how 2008 economic development programs are being handles by the two boards. It does not include some of the more land use or policy issues that GURA may be working on, but rather focuses on the potential overlap or duplication between the two boards.

Project/ Program	GURA Role	EDComm Role	City Staff Role	Chamber Role
Policy Issues				
Downtown land use and Character Plan	Joint Lead w PC, HPB, Parks	Limited input	Staff Support	Input
Potential Expansions of URA	Lead	Limited Input	Input and assistance	Limited Input
Infrastructure Investment	Joint Lead	Limited input	Joint Lead	Input
Specific Redevelopments	Lead	None	Regulatory	Limited input
Business Retention and Attraction				
Merchant Training	Thru JCBRC	Thru JCBRC	None	Input
Demographics	Input	Lead	Implement	Input
General Commercial properties web site	(GURA lists downtown on theirs as well)	Lead	Operate	None
Retail Business Attraction	?	?	Site Selection & Permit assistance	Referrals
Industrial/employment uses Attraction	?	Marketing materials, information	Site Selection & Permit assistance	Referrals
GURA area Energy Audits	Lead	None	None	None
Outside GURA energy audits	None	Lead	Implement	None
GURA Façade Grants	Lead	None	Design Review	None
GURA web site project	Lead	None	None	None
GURA special project grants	Lead	None	Design review	None
EDComm small capital grant	First review of any in GURA district	Lead	Implement	None
Retail Marketing				
Annual plan	Input thru Liaison	Lead/ fund	Input	Input

Retail PR campaign	Input thru Liaison	Manage/fund	Input	Input
Metro and local media	Input thru Liaison	Implement/fund	admin support	Input
Joint tourist program with Coors	Input thru Liaison	Implement/fund	admin support	Input
Event support	Input thru Liaison	PR Support	Permit process	input and some implementation

Summary TO BE ADDED AFTER FEB 25 DISCUSSION