

# Golden Urban Renewal Authority

## City of Golden, Colorado

### Business Meeting

#### February 14, 2005

The Golden Urban Renewal Authority of the City of Golden, County of Jefferson, State of Colorado, met on the above date in the Golden City Council Chambers 911 10<sup>th</sup> Street, Golden, Colorado, at the hour of 6:30 p.m.

Commissioners present were:

Henry Tiberi	Janet Green	Suzie Benz	Ted Bickart	Roya Stanley by phone 6:35 p.m.
Joe Behm Arrived 6:40 p.m.				

Driggers was absent. Mark Heller, Debbie Rainguet, Diane Pasquarelli, Vicki Wagner, Len McBroom and Peter Eggleston were also in attendance.

### Approval of Minutes

Bickart asked for approval of the January 24, 2005, minutes. **Tiberi MOVED to accept the minutes. Benz SECONDED. All Commissioners present agreed.**

### Public Comment

Pasquarelli noted that Dave Ketchum was listed in error as one of the Commissioners on the January 24, 2005, minutes.

Pasquarelli commended Heller on the front page article in the Sunday *Denver Post* regarding Urban Renewals. Pasquarelli commented on the discussion in the minutes regarding whether Marketing Golden should be changed to EDComm and suggested that GURA's marketing budget continue for situations where GURA has expenditures to provide documents or host meetings to support media and marketing efforts. Pasquarelli acknowledged that City Council thanked Heller for his efforts.

Bickart asked for a motion to amend the January 24, 2005, minutes. **Benz made a MOTION to strike Ketchum from the list of Commissioners in the minutes. Tiberi SECONDED. All Commissioners present agreed.**

Bickart acknowledged that Roya Stanley joined the meeting by phone at 6:35 p.m.

### Reports of Committees/Matters for the Authority

**Finance Committee** – Benz advised that the audit was moved to February 24, 2005. Benz noted that a \$50,000 check will be written for the reinvestment fund this week and added that the City has GURA's bill for 4th quarter payment of City sales tax.

Tiberi inquired about the status of the City Services memo. Heller reported he met with Jeff Hansen and Ron Reavis. Heller added that he will meet with Reavis, Rod Tarullo of Parks and Steve Lingenfelter with Streets to discuss the expenditures and why GURA should pay. Heller noted that their goal will be to develop a regular accounting system so that GURA is not being charged a varying percentage of City Services on an annual basis.

Benz questioned whether a final decision on the total owed for 2004 City charges will be made prior to the audit. Heller advised he will attempt to finalize by the audit on February 24.

Bickart acknowledged that Behm arrived at 6:40 p.m.

**Human Resources Committee** – Stanley reported that the committee is working on a GURA personnel policy and plans to present the plan when complete in the next few weeks. Bickart added that the plan is a merger of a past policy and the City's Human Resources policy.

**Communications Committee** –Green noted that the committee needs to decide whether to continue working with Susan Sears & Associates on a community relations plan or to come up with a plan on its own. Behm commented on the effectiveness of the work the City's EDComm group is doing with the Cohn Marketing Group and added that it is feasible for GURA to work with a firm like Cohn on an as-needed, hourly basis. Heller noted that the City is considering expanding Sabrina Henderson's department and that GURA may want to consider working with the City for that type of work. There was extensive discussion regarding ownership of digital files, ownership of the look and feel of the annual report, the value of continuing with Sears, and options for producing next year's annual report. Green advised that another area of community relations according to the Work Plan was trying to improve relationships with property owners. Green noted that a letter, along with a copy of the annual report, will be sent to the property owners letting them know about GURA. Green advised that in an effort to improve communications, once more is known about what the City is doing with development of policies and what the Historic Preservation Board is doing, a follow-up letter with that information will be sent to the property owners.

### **Development & Operations –**

#### **Discussion regarding Millstone update –**

Heller advised that Millstone construction hit a snag due to confusion over property boundaries where Millstone abuts City property on the creek side of the trail and on the location of the flood plain boundary. Heller advised that to resolve the problem, the first and second buildings will be redesigned with a flood-proof foundation wall that faces the creek. Heller noted that during construction parts of the trail will be closed and once the buildings are finished the City will rebuild the trail closer to the creek. Heller added that construction should restart in a couple of weeks.

**Economic Development Commission Update** – None.

### **New Business**

**Discussion/action regarding Lot A deadline extension/proposal from McGoo LLC** – Heller confirmed that as directed at a previous meeting a letter was sent to McGoo LLC which is comprised of McBroom Holdings managed by Len McBroom and his partner Academy West managed by Doug Dragoo. Heller advised that a request was received from McGoo to do one of two things: either to grant an extension of six months to McGoo as it is currently comprised so that they can seek tenants or to allow a new investment partner to substitute for Dragoo and build the building on spec without any pre-leasing with an extension of four months.

Tiberi asked Heller to recap the options for an extension and the dates. Heller advised that McGoo is operating under the second extension of the development rights on Lot A. He clarified that the DDA had a deadline that was extended by the third amendment of the DDA to September and that in that agreement was another option for an additional extension to March 1, 2005. Heller noted McGoo made a \$7,500 payment in September to get the six-month option to March 1. Tiberi clarified that the \$7,500 bought an option to extend an option. Heller concurred.

Heller noted that both extensions had a number of deadlines, including submitting evidence of financing, gaining approval from GURA for that financing, and actually closing on the property. He further added that back in September McGoo did not have to deal with deadlines. Heller noted that there are no other automatic options thus we are faced with the three deadlines and missing any one

of them results in automatic termination of the agreement. Heller further clarified that even if McGoo submitted evidence of financing on time, they could miss the second or third deadlines and the entire contract would terminate. Heller added that in that case GURA would be obligated to open up the property for a whole new process which McGoo could participate in just like anyone else.

There was discussion regarding the appraised value of the property. Heller confirmed that GURA does not have an appraisal on Lot A. McBroom estimated the property at about 9,000 sq. ft. with approved buildable square footage at 6,000 sq. ft.

McBroom commented on his submitted package and reasons for asking the Board to consider a substitute investor for Dragoo along with an extension of the March 1, 2005, deadline. McBroom provided background on Ben Carter, the proposed substitute investor. McBroom requested four months to July 1, 2005. Bickart asked McBroom if he could do it in three.

Tiberi asked whether Carter paid to come into the deal. Eggleston acknowledged that Carter would have to pay about \$20,000. McBroom noted that the payment covered the cost of paving the lot at \$12,000 and the extension payment of \$7,500.

Tiberi noted that there are no more options to extend, but rather that GURA has the right to grant an extension, but is under no obligation to do so. McBroom acknowledged that he understands and that it was a matter of choice.

There was discussion regarding circumstances for granting an extension. Tiberi commented that as an example reasons for GURA not to grant an extension is that presumably the land has value and being stewards of public assets, GURA should see the highest value. Tiberi added that GURA could make the decision at our discretion to grant an extension if we felt there was an issue of fairness or of public good. Bickart clarified that public good could be something that is accomplished more swiftly.

Stanley noted that one dimension of public good is that there is a cost of delay. Stanley added that as part of that criteria it would need to be decided how long should it take, what is a realistic time frame to bring in another developer, how likely is that to occur, and ultimately what is the cost of that delay.

Tiberi commented that conversely the Board should consider defining what are the benefits. Stanley noted that if the Board chooses to go out for bid we need to consider what we would get and what is most likely to net us something in terms of a project consistent with what we want to see.

Heller clarified that criteria are already defined in the DDA and amendments. He noted that the Board doesn't need criteria to not give an extension but can simply say the contract is what it is and go by the terms of the contract. Heller added that if the Board wants to give an extension then additional criteria could be added to the contract.

Green commented that she feels it is better for the public to get the project done quickly whether that means going with McBroom or seeing if there are more options if the property went out to bid.

Benz questioned if going out for bid would allow for more control over the project as far as design and types of tenants going into the building or if it would leave GURA subject to going with what the developer wanted to do as far filling the spaces.

Heller advised that it depends if the Board wanted to grant extension. He noted that the Board could grant an extension with different terms and those terms could include more specificity about retail use or design. He added that if the Board decides not to grant an extension then McGoo could attempt to comply with the existing terms which don't have much to say about retail use and little to say about design because that is what was already approved in the PUD. Heller commented that the DDA itself only says it is a goal to have retail use there. He clarified that the Board would have more leverage over McGoo if it granted an extension and it would have more leverage over any newcomers if it started from scratch.

Tiberi commented that the Board has ideas and proposals from McBroom but hasn't concluded that the project can actually be done or be done any faster than anyone else can do it. He added that the Board needs to convince itself that the tenants are strong, the bank financing will become reality, and the project would be completed faster than doing an RFP and getting new proposals.

There being no further questions for McBroom and Eggleston, the Board discussed their desire to continue with further discussion in an Executive Session.

**Discussion/action regarding electronic voting** – Heller reported on previous discussion regarding electronic voting. Heller reported that Benedetti had reviewed the issue of electronic voting or polling twice and decided that GURA cannot take official action in any setting other than live or teleconference. Heller noted that he can communicate with each Commissioner on a one-on-one basis to get a sense of direction on an issue and then call a meeting or teleconference as long as the action or vote takes place in a public setting. The question was tabled.

## **Commissioners Concerns**

Behm advised that he will be out of town for the next meeting but may be able to call in.

## **Staff Report**

Heller reported that he toured the Green Center with Steve Glueck, a Mines architect, the Mines facilities manager and Fran Holden, the director of the Colorado Council on the Arts prior to budget cuts. He noted that Holden is an expert in the business of culture and he wanted to get her input and advice on how to move forward. Heller will contact the scheduler of the Green Center to determine who uses the Center, when and why and will interview these people to see how they use the center and what they would like to change. Heller will also work with Mines to see what they would like to change.

Heller noted that the Golden Landmarks Association awards ceremony will be held on February 22.

Heller reported that he talked with Jeff Hansen about refinancing and Hansen recommended an independent bond council who can serve as a consultant to handle the RFP's. Heller will meet with him on Wednesday to get that process going.

Heller advised that there are a number of bills in legislature that affect Urban Renewals. Heller noted that it is important to be actively involved early in a legislative session while strategy is being formed and that once documents are crafted, there are organizations with lobbyists who can follow-through on the issues.

## **Public Comments –**

Pasquarelli commented on the positive effects of having GURA involved as legislative bills come up. Pasquarelli noted that GURA has a great deal of say on Lot A according to the DDA and acknowledged the tough decision GURA faces regarding the extension. She suggested that an appraisal be done. Pasquarelli commended Heller on the press he has been getting for Golden and added that it didn't appear necessary for GURA to work with Sears. She added that GURA may not need to produce an annual report every year.

**Bickart requested a motion to go into Executive Session. Tiberi made a motion to go into Executive Session at this time. Benz seconded. All commissioners present agreed.**

**Bickart read the Executive Session policy. The Executive Session began at 7:51 p.m.**

**The Executive Session concluded at 8:56 p.m. and the public meeting was continued.**

Bickart confirmed the participants in the Executive Session including Joe Behm, Henry Tiberi, Roya Stanley, Janet Green, Suzie Benz, Mark Heller and Debbie Rainguet and called for notification of any improper action in violation of open record law. Bickart acknowledged that there were none seen or heard and moved to the next agenda item.

**Discussion/action regarding Lot A deadline extension/proposal from McGoo LLC, Item VI. a.**

Bickart reported on the Executive Session and commented that the Board asked Heller to draft an agreement by the next meeting for the Board to consider. Heller advised that the agreement would need to be centered on a 3 month extension from March 1; one month after March 1, on April 1, the Board would need a firm commitment from the bank on the project that would include an actual building design and cost estimate; there would need to be a \$12,000 payment by March 1 to effectuate the extension – this would be an extension and substitution of Carter for Dragoo; there would be a good faith effort on the part of McGoo and GURA to redesign the building to eliminate the cone; 2/3 of the square footage of the building would have to be devoted to sales tax generating uses; there would need to be businesses leased to that are different than what currently exists in the GURA district; and the adopted compatible business policy would need to be complied . Heller added that the policy is posted on the gura.com website.

Heller noted that he has been directed to work with McBroom and Eggleston to see if these terms are acceptable and to get something that can be adopted at the next meeting on February 28 because the next day is the deadline of March 1. Heller will send a letter to McBroom and Eggleston memorializing the terms.

## Adjourn

There being no further business, **Tiberi made a motion to adjourn the meeting. Behm seconded. All commissioners present agreed.** Bickart adjourned the meeting at 9:15 p.m.

Mark Heller  
Executive Director

Theodore Bickart  
Commissioner