



GOLDEN URBAN RENEWAL AUTHORITY

Memorandum

To: GURA Board of Commissioners
From: Mark Heller
Date: 03/21/06
RE: Meeting Memo for 03/27/06

A few notes and background will help the discussion at the upcoming meeting.

Item V4a. Hot Zone: This will allow the Board to revisit issues or raise new issues from the discussion at the last meeting.

Item V4b. Banks Easement Agreement: In November 2005, GURA and Eileen Banks signed an agreement where Eileen Banks promised to convey a portion of her property in exchange for a perpetual easement to five parking spaces in the future garage. That agreement requires an additional agreement that specifically addresses the rights and obligations of the parties regarding the easement. This is that second agreement.

Item V4c. Amendment 6 to NexCore RDA: I have signed off on five earlier Amendments to the Schedule of Performance that were required by various sorts of delays in the approval and funding processes. This proposed Amendment contains short delays involving the construction schedule.

Item V4d. Parking Garage Design and Approval Process

The meeting packet contains a new graphic of the revised design as well as the impact to the budget. The Fixed Price Agreement (FPA) signed this February set the budget at \$4,139,000, which is about \$171,000 under the amount authorized by the Board in November. Several Commissioners have stated that they feel both the design from the FPA and this new revision, which is about \$115,000 above the FPA price, are not acceptable. Your packet also contains pictures of other designs.

At a meeting on March 17, additional changes and suggestions were discussed with representatives of GURA, Neenan, and Oz. With such little time between that meeting and

packet day on March 23, complete graphic representations and cost breakdowns of the potential options have not been completed, although preliminary graphics will be presented. At the upcoming meeting, the Board will consider the revised budget and design, and will have to estimate the cost increase created by any additional design changes until more direction is given to NexCore, Oz, and Neenan for the next meeting on April 10.

In terms of GURA's capacity to commit additional funding to projects including improved garage design, please consider the following summary:

Line of Credit:

Authorized	8,750,000	
First Draw	-2,150,000	
Garage	-4,139,000	(this is \$171,100 under the authorized budget)
Gateway	-1,250,000	
<u>Remediation</u>	<u>- 700,000</u>	(this is a \$100,000 increase over the original quote)
Remaining	\$511,000	

Additional Sources:

Millstone Fee	48,000
<u>GDGID Funds</u>	<u>83,000</u>
	131,000

Grand Total: \$642,000

Also, for 2006, GURA budgeted \$200,000 as contingency and \$150,000 for projects (hot zone, streetscape, etc). Most of these funds could be diverted to the garage design changes.

As to the decision-making process for allocating GURA's remaining Line of Credit and other funds, the Board should consider the following:

1. GURA has applied for a \$200,000 grant from the EPA and a low interest loan from the CDPHE to fund either the full amount of the clean up or whatever amount remains if the grant is received. GURA will very likely obtain the loan, pending approval by Colorado Business Bank, and the grant decision is still a few months away.
2. The remediation estimate has already risen after only one month. As increases and cost savings are likely going forward, this line item will remain something of a moving target.
3. Part of GURA's revenue budget is based on the construction schedules of Millstone, Dauer Haswell, and NexCore. Delays in these projects could result in delays of budgeted property tax increment.

As to the approval process, the GURA/NexCore RDA requires NexCore to submit final construction documents to the City and GURA by June 1, and to begin construction by September 1 of this year. However, an earlier construction start would be more desirable for many reasons, except if the design is unacceptable. To be placed on the Planning Commission's May 3 meeting, GURA would need to approve the final design by April 19, and would have the March 27 and April 10 meeting to discuss the design and provide

feedback. If more time is needed to evolve a better design, more time is available under the RDA.