



Memorandum

To: Golden Urban Renewal Authority
Economic Development Commission
From: GURA/EDComm Committee on Restructuring
Date: May 6, 2010
RE: Initial Recommendations

Throughout the Spring of 2010, the GURA and EDComm boards, in part through a joint committee, have been evaluating the manner by which economic development programs and services are delivered in the Golden. The evaluation was requested by City Council who desires a set of recommendations from the boards regarding how desired economic development services should be planned, delivered, monitored, and evaluated after December 28, 2014. After this date, the tax increment revenue to the downtown urban renewal project ceases and returns to the City, the County, and the other taxing entities in the County.

It is important to note that GURA itself does not automatically sunset. GURA continues unless and until Council dissolves GURA. GURA is an agency with city-wide jurisdiction to administer any urban renewal project created by City Council. So far, we have had only one urban renewal project, that being the downtown district. At issue in the future is whether and how the City might task GURA to administer additional urban renewal projects.

Status of Discussions

Following an initial set of discussions about current and potential economic development programs and activities, the committee appears to be reaching an initial consensus around the following points:

1. There are a significant number of existing and potential economic development programs, activities, and initiatives that should be considered for any future economic development program in Golden. The sheer number of potential activities and programs argues for a thoughtful evaluation of the structure of the effort.
2. Customer Service: Some of the activities are solely a staff function and while critical to the success of Golden's economic development efforts, may not be relevant to the recommendations to City Council about future structures and organization. The highly-personal, small-town, customer service approach to the delivery of these services is nearly as important as the services themselves. A few of these activities include:

- a. Timely and efficient assistance to new businesses, commercial construction projects, and developers by the Planning Department related to land use, zoning, and building permit approvals;
- b. Timely and efficient assistance in business licensing and sales and use tax compliance by Finance Department staff;
- c. Timely and efficient permit review and inspection service by the building and fire protection staff.
- d. Other permit services related to environmental issues, liquor licensing, and other areas where municipal staff interact with the business community.

EDComm and GURA propose that such business support services continue to be delivered in their current manner, independent of these recommendations.

3. Downtown Management Functions: After 2014, several downtown management functions currently funded or administered by GURA might be transferred totally to the City proper or some other related entity, along with GURA's property and sales tax increment revenue, which will be more than sufficient to cover these costs. On the other hand, since these functions are essential to the continued success of downtown, it might be advisable to maintain GURA's administration of these functions or create a new entity similarly dedicated to the downtown area. Some of these downtown management functions include:
 - a. GURA currently funds 60% of the cost of certain City implemented downtown infrastructure maintenance, based upon agreements dating back to the streetscape construction in 1992.
 - b. Similarly, GURA has funded the downtown parking enforcement activity over the last 10 years reimbursing the GPD 100% of these costs.
 - c. GURA contracts separately with third parties for certain maintenance activities or special services like power-washing the sidewalks, design and maintaining the streetlight pole banners, business signage, and holiday lights design and installation.
 - d. In addition to owning land in the downtown area, GURA is the owner of the new parking structure and is a condominium owner/lessee of about half of the spaces in the initial structure. Over the years, there has been discussion of the idea that GURA would convey its ownership rights in parking structures to either the City or the Downtown General Improvement District (GDGID).

4. Business Attraction and Retention: The great majority of current economic development activities in the community fall into the category of business assistance and support programs. These programs vary widely from marketing to direct business assistance to small capital grants and projects, and even contributions to business services delivered by third parties. (For purposes of this discussion, direct redevelopment or incentive agreements are discussed in Section 5 below.) The

committee identified a couple of general program groupings according to perceived importance. However, the review was not necessarily intended to prioritize programs, but rather to determine whether the specific programs that may be included in a future economic development program would help inform the organization and structure of the future economic development program. A few conclusions from the review of programs include the following:

- a. Virtually all of the programs are staff implemented or managed. The primary role of EDComm and GURA is the establishment and approval of the policies and resources for the programs, the approval of the program details and criteria, and the evaluation of staff performance and program benefits.
- b. Similarly in the future, if there is to be one or more economic development committee or boards, their primary role regarding programs should be in the policy level design and review of which programs to fund, and any specific criteria for use of the programs.
- c. The committee’s breakdown of program groupings is as follows:

Retail Support Programs	Primary Job Programs
Tier 1	Tier 1
Community Marketing Program	City/ NREL/ CSM Partnership
Downtown retail attraction and retention	Business attraction website
Coors Tour Partnership	Small business assistance
Downtown holiday lights	Major Employer outreach/ retention
Tier 2	Tier 2
Citywide retail attraction and retention	Site selection assistance
Retail business grants	Small incentive (City) review and processing
Merchant training and assistance	Business attraction branding campaign
South Golden Road holiday lights	Assistance in locating financing
Downtown light pole banner	
Downtown directory and corner signs	
Business attraction package	

5. Development and Redevelopment Assistance: The final major category of economic development activities involves efforts and programs designed to directly facilitate/assist in commercial development and redevelopment projects. Typically such activities take the form of a few distinct directions:
 - a. Construction of public infrastructure serves the general public, but also can benefit adjacent development projects. The City Charter Amendment on Incentives requires that any such construction be clearly of general community benefit if it is not to be governed by the incentive limits. However, this can be a valuable economic development tool that should be considered in the structure of future efforts.
 - b. The use of development incentives to reduce development fees or rebate a portion of incremental sales or use taxes is another avenue. The City

Charter Amendment on Incentives requires that any such incentive by the City above \$25,000 be approved by a vote of the people. The degree to which such potential incentives are desired in a future economic development program may shape the organizational discussion.

- c. Traditional Tax Increment Financing (TIF) is a very valuable tool for many redevelopment projects large and small. The use of such a tool is not generally within the City's authority, and typically requires a separate entity.
- d. It appears to the committee that the use of significant redevelopment assistance tools may be very important for several parts of Golden, including:
 - i. Downtown
 - ii. West Colfax corridor
 - iii. South Golden Road

Such tools may also become important in other areas, including:

- Goosetown
- The high school triangle area
- Light industrial business parks.

Potential Implications of Discussions/ Preliminary Recommendations:

Based upon the above comments and on-going discussions, the committee is beginning to consider the following conclusions:

1. In terms of the Community Marketing Program, the current EDComm effort to partner more with a Stakeholder Committee and to focus the EDComm role on bigger picture policy issues is appropriate and consistent with the below suggestion for other programs.
2. Because the downtown area is a unique situation that will likely continue to need some level of assistance similar to what it has received for the foreseeable future, the committee feels that there should be some sort of entity dedicated to this task. The committee has not yet considered what entity that might be, whether it would be one more independent entities or administered within the City, or how it would be staffed. Preferably, such an entity would need to have the ability to provide oversight and policy direction for the following:
 - a. Downtown management
 - b. Programming, i.e., business attraction and retention, grants, etc.
 - c. Parking and transit management
 - d. Development and redevelopment assistance
 - e. Provide policy recommendations to the City
3. In terms of the other economic development programs that are being (can be) offered city-wide, the committee does see a role for a citizen type board or boards to help direct program priorities and resource allocations. It is suggested that the role for such an entity could best be structured as higher-level policy decisions to

determine a menu of programs and assign resources thereto. The committee has not yet considered what entity that might be, whether it would be one more independent entities or administered within the City, or how it would be staffed. Preferably, such an entity would have the ability to provide oversight and policy direction for the following:

- a. Community Marketing
 - b. Programming, i.e., business attraction and retention
 - c. Parking and transit management
 - d. Development and redevelopment
 - e. Provide policy recommendations to the City
4. In terms of the range of activities related to individual development and redevelopment projects, the committee's initial thoughts are that it would be desirable to have a structure in place or available to provide meaningful assistance in the realization of desired development and redevelopment projects. Such assistance would likely be far in excess of the \$25,000 limit of the City Charter. There are a number of ways to provide such assistance, and many of the below suggestions could be used in combination:
- a. Create one or more additional urban renewal projects, assuming that such projects qualify as being "blighted" per the statute;
 - b. Create a Downtown Development Authority (by vote of those to be included within the DDA boundary) to provide tax increment financing for the downtown area only;
 - c. By a vote of the people, approve a sales tax incentive for a specific project;
 - d. By a vote of the people, approve a sales tax incentive for a project area to attract future redevelopment (which would be similar to the downtown strategy); and
 - e. Amend the City Charter regarding the limitation on incentives by the City.

A more detailed review and analysis of these options will be provided to City Council with the second report from GURA/EDComm currently scheduled for July 15.

If Council does not agree that the ability to readily provide such development assistance is desirable, that determination would change the nature of the organizational discussion substantially and would need to be clearly communicated to the GURA and EDComm.

Next Steps for EDComm/GURA Analysis

The committee's next report to City Council is scheduled for July 15. Between now and then, GURA and EDComm will attempt to answer the following questions and make related recommendations:

- What are the community's goals for economic development and redevelopment assistance?

- What would be the impact to the community's goals by not implementing any changes to the current system (which would include the cessation of funding to GURA's downtown project)?
- What new organizational, funding, and staffing structure(s) would best achieve those goals?
- Given the major shift in resources scheduled for 2015, what is the optimal timing or sequencing of any recommended changes to the status quo?

The committee would appreciate Council's input regarding these questions and other issues identified in this memorandum as they are considered over the next two months.