



GOLDEN URBAN RENEWAL AUTHORITY

Memorandum

To: GURA Board of Commissioners
From: Mark Heller, Executive Director
Date: July 8, 2008
RE: July 14, 2008 Meeting Memo

The following notes will assist in the discussion of agenda items for this meeting.

V1a, 2a, 3a, 4a: Selection of Committee Chairpersons

At the Annual Meeting, the Board appointed its various committee members. This agenda item is to appoint the new chairperson for each of those committees.

V4b. Update from Business Attraction/Retention Meeting

The Development and Operations Committee met last week to begin discussions on developing GURA's programming in this area. The Committee reviewed current efforts and brainstormed modifications and additions. The Committee will meet again on July 15 to continue the discussions.

V4c. Gateway Station and Gateway Garage Update

Lot 4 has been paved. Lot 2 will be graded by NexCore once Gateway has completed construction. Paving or other treatment will be GURA's responsibility. I would like the Board's direction on whether to pave this lot, or whether to investigate other options such as gravel or turf or other landscaping/xeriscaping. The City has expressed concern that runoff from the lot needs to be controlled. Any use other than parking might prove contentious to halt in the event that GURA redevelops the lot.

The trees should be installed next week along Jackson. NexCore has not yet completed or even begun work on the major task from the conditional CO for Gateway Station, which is to install a drain at the joint of the concrete sidewalk and brick pavers along Washington Avenue at 13th Street.

NexCore has certified that it has met and actually exceeded the required expenditures on the public improvement items that formed the basis of GURA's \$1,250,000 grant. Therefore, once NexCore has satisfied the requirement of the conditional CO, I will make the final \$250,000 payment.

VII. Grappa/Golden Civic Foundation Sales TIF Agreement

This item will allow the Board to consider a sales tax increment financing agreement with the Golden Civic Foundation and Grappa Mediterranean Bistro (“Grappa”). With the closing of Rhapsody’s, it became a priority of GURA to assist in establishing a replacement restaurant as soon as possible, and to find a restaurant that could appeal to a regional customer base. While Grappa appears to have that potential, its owners were obliged to make approximately \$40,000 of unexpected expenditures related to facility upgrades that have greatly thinned the start up and operating capital of this business.

Grappa is seeking to be reimbursed for those expenditures, and has negotiated a \$40,000 loan at 5% interest from the Golden Civic Foundation (“GCF”) in anticipation of negotiating a sales TIF agreement with GURA that would be the primary source of funds to repay the GCF loan. According to their loan, Grappa’s owners would remain liable to repay the loan in the event that Grappa’s fail to generate the necessary increment for any fiscal quarter.

I have reviewed Grappa’s sales tax projections as well as Rhapsody’s sales tax history with Commissioners Johnson and Taylor, and we agree that if Grappa meets its projections, Grappa could generate sufficient incremental revenue to repay the loan including interest within five years. Therefore, we recommend that the Board approve the Owner Participation Agreement included in the packet.

VI2. Flower Pots

This agenda will allow discussion of Commissioner Baker’s request that the Board consider a program to install hanging flower pots along Washington Avenue.

VI3. Banner Art Contest

This agenda will allow discussion of Commissioner Baker’s request that the Board consider a contest to pick future banners for the new garage wall.

VI4. Photovoltaics

This agenda will allow discussion of Commissioner Baker’s request that the Board consider a program to support the installation of a network of photovoltaic panels on the roofs of downtown buildings. The idea is that these panels could generate electricity for the buildings, and could possibly generate excess capacity which could be sold back to Xcel.

VIII. Staff Report

Shelton Mural/Banner: The banner was installed and seems to have been favorably received. Drafts of the Fine Arts Festival banner are being refined.

Façade Improvement Project: Responses from local architects for a bid to create preliminary designs is due on July 14. It is hoped that these designs will kick start this program by illustrating the options and creating budgets for review by the building/business owners.

Lot 2 and Lot 4 RFP: The RFP was published in the Golden Transcript and the Colorado Real Estate Journal, and was distributed to dozens of interested parties. Responses are due September 15. I will also soon install posters on both lots advertising the RFP.

Painting Retaining Wall at 19th and Washington

A vendor has been selected and should begin painting the week of July 14.

Bowling Alley Point

I have contacted Henry Tiberi regarding outreach to property owners in this area and have offered to assist in any way I can.

Status of GURA funds at 2014

I am waiting for a response from GURA's attorney on whether GURA can retain excess funds upon the cessation of its current TIF revenue period, or whether it must return such funds to the various taxing entities.

Open Meetings Law and Email

The City's attorney recently wrote a memo on this topic, which is included in the packet.

Newsletter

The first edition of the newsletter has been written and I have received the newsletter template from the designer. My goal is to format the newsletter and publish it the week of July 14.

GURA's Revenue Analysis

In response to a request from a delegation from Loveland wanting to learn about GURA's success, I analyzed the property and sales tax revenue growth and trends for GURA and compared them to the City minus GURA. This analysis shows that the assessed value for property within GURA increased from \$9,220,710 in 1989 to \$28,354,450 in 2007, which is a 208% difference. The increase for the rest of the City rose 186% over the same period, meaning that GURA's increase was 18% higher. GURA's property tax increment revenue rose 2,971% from the 1995 level of \$28,319 to the 2007 level of \$869,602.

These figures strongly suggest that the diversion of property tax dollars into GURA's efforts to revitalize downtown has indeed paid off. While artificially imposed restrictions on the growth of certain property taxes, such Amendment 23 and Gallagher, might have affected this analysis, the trend is undoubtedly positive.

Similar trends appear with GURA's sales tax increment revenue, which increased 234% from the 1993 level of \$151,163 to the 2007 level of \$505,870. The growth in net sales taxes paid (not including vendor fee deductions) within the GURA District has been much slower than in the rest of the City, with growth in GURA at 40% (from \$1,201,700 in 1994 to \$1,676,942 in 2007) compared to 282% in the City (from \$2,374,982 in 1994 to \$9,061,139 in 2007). However, if more data was available to compare the 1989 levels of GURA and the City, GURA's growth would likely be around 180-190%.

GURA Parking Analysis

In response to a request from City Council, I drafted the attached memo to accompany a recent update to the ongoing parking surveys.