

Golden Urban Renewal Authority

City of Golden, Colorado

Business Meeting

August 8, 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 10th Street, Golden, Colorado, at the hour of 6:31 p.m. Commissioners present were:

Joe Behm	A.J. Johnston	Preston Driggers	Henry Tiberi	Roya Stanley
Ted Bickart				

Benz was absent. Mark Heller, Debbie Rainguet, Diane Pasquarelli, Gene Andrist, Greg Venn, Tim Schlichting, Bob West, John Coleman, Mike Bestor, Dave Ketchum, Tim Leonard and others were present.

Bickart suggested that the agenda be re-ordered to move Item VI No. 4 before Item VI No. 1. **Driggers MOVED that agenda Item VI No. 4 be moved before VI No. 1. Behm SECONDED. All Commissioners present agreed.**

Committee Assignments

Bickart advised that the recently distributed roster incorrectly listed Stanley's committee assignments and that a new roster will be corrected to show Stanley as chair of Communications and member of Development & Operations. Bickart ordered that given the talents of Commissioner Johnston that he serve on the Development & Operations committee rather than the Communications committee.

Bickart introduced and welcomed newly appointed GURA Commissioner A.J. Johnston and GURA Commissioner Joseph Behm who was re-appointed by City Council.

Approval of Minutes

Bickart called for approval of the July 25, 2005, business meeting minutes. **Driggers MOVED to accept the minutes. Stanley SECONDED. All Commissioners present agreed.**

Public Comment –

Pasquarelli welcomed A.J. Johnston.

A citizen commented on a photo of the proposed development for the Hesteds site at 13th Street and Washington Avenue and questioned the accuracy of the building height as shown in the August 2005 issue of the *Informer*. Bickart advised that his question would be addressed later in the meeting.

Reports of Committees/Matters for the Authority

Development & Operations –

Discussion/action regarding financial support for “Washington Square” redevelopment project (NexCore Group) – Heller discussed a memo he prepared that was distributed with the packets which summarized the status quo of the NexCore Proposal. Heller distributed a memo which was received from NexCore earlier in the day and emailed to the Board.

Heller introduced Tim Leonard with Deepwater Point Company who is consulting for GURA along with Marilee Utter. Leonard gave a brief overview of his background and discussed how he and Utter will interface with GURA during the development consulting process.

Heller noted that city manager Mike Bestor was in attendance to give advice and comments on the City's perspective on the project and on GURA's financing options.

Greg Venn of the NexCore Group distributed an agenda and noted that his discussion will center on how the project has evolved, where the project is now, what their request is to GURA, and what they see as the benefits and challenges of pursuing this project. Venn pointed out that Tim Schlichting of NexCore and Bob West and John Coleman of Oz Architecture were also present to answer questions.

Venn commented that originally NexCore thought the project was a mixed use project on the old Hesteds site that incorporated the Linder building and a complimentary project on the dry cleaner site. After discovering environmental issues on the dry cleaner site and a parking study, Venn noted that they explored different parking solutions and the incorporation of a mixed use concept in the parking garage. They learned more about preliminary studies that looked at how to enliven Jackson and 13th and how to incorporate some form of affordable housing component into the project. Venn noted that along the way they presented many proposals looking at different solutions.

Venn discussed modifications to their parking garage plan which resulted in a cost savings of \$400,000. He noted that Phase 1a would start in May 2006 which would allow them enough time to get presales and financing together. Their contractor anticipates 13 months to build the project. He added that the parking garage, if approved, would start about 7 months later to be co-terminus with Phase 1a. The Phase 2 component could start as early as May 2007.

Venn discussed NexCore's request to GURA for an owner participation agreement to provide \$1,250,000 for public purpose components and developer shortfall and advised that NexCore received verbal approval for their request for a loan from Golden Civic Foundation. Venn discussed an interim financing vehicle where GURA could authorize acquisition and a re-purchase agreement for the dry cleaner site to authorize the environmental clean up.

Tim Schlichting of NexCore discussed the findings of the URS report regarding the source area of PCE contamination beneath the footprint of the existing dry cleaner building and the estimated remediation costs for the soil and ground water contamination. Schlichting advised that estimates were obtained from URS and two contractors and ranged from \$500,000 to \$900,000 to cap the price. He noted that NexCore is using \$600,000 as a placeholder plus or minus 20 percent.

There was discussion regarding the remediation methods, remediation costs, the parking garage costs, the benefits of building the garage as part of the project, funding sources, and how to move forward.

Schlichting explained the no action determination. There was discussion on remediation and site construction timing.

There was discussion regarding the parking garage set-back, access, and design considerations to keep the alley alive.

Venn discussed the challenges of the project.

Bickart invited Mike Bestor to give observations on the City's perspective of the project. Ketchum excused himself from the meeting. Bestor commented on the land use and business issues of the project. He noted that funding would need to come from somewhere other than the City because the City cannot give incentives due to the Charter amendment that was passed. There was discussion on the parking requirements for the project. Bestor commented that the City wants to know from GURA whether they feel it is a good project and whether GURA is willing to spend money to make it happen, either on part of the project or the whole project. He encouraged GURA to move forward with their plans to borrow money for project funding.

Bickart asked Bob West of Oz Architecture to address the citizen's question regarding the building height. West advised that they make an actual three-dimensional model of the project to scale and that the model is accurate to within hundredths of an inch. West noted that when he put the building model into a picture, there is some change because of the distortion created by the photographic camera view of the image. He noted that a camera view has various set-back apertures that result in a wider vista than a computer and because it is a camera view, you may get an appearance that you are back further. He noted that the

building in the photo is to scale to the buildings next to and beside of it. West commented that he believes the photograph views are pretty accurate and that they totally trust the three-dimensional model views.

Bickart suggested that the Gem building be added into their three-dimensional model. Tiberi asked for an old fashioned elevation drawing of the buildings side-to-side.

There was discussion on the public purpose items. Driggers asked for more information about NexCore's experience with retail, residential and parking garages. Venn discussed NexCore's experience and background in those areas. There was discussion regarding public purpose, parking costs, LEED, environmentally conscious design and economic sustainability. There was further discussion of the parking garage and expansion costs.

Finance Committee –

Discussion/action regarding re-financing current debt and borrowing for potential future capital projects – Tiberi discussed the proposed list of capital improvement options submitted with packets from Heller. He commented on the financing limits of GURA's 9-year life of GURA. There was discussion on borrowing capacity based on the revenue projections prepared by Heller. Tiberi discussed the reasons not to wait to borrow and suggested that the decision should be on whether to borrow rather than how much. There was discussion.

Stanley made MOTION that GURA evaluates its financing options with the intent of identifying the amount of money that it would like to borrow matching up with what its plans might be. Driggers SECONDED. All Commissioners present agreed.

Tiberi discussed the options on how to proceed with exploring financing. There was discussion regarding working with an underwriter or institution, working with a consultant, and working with the City's Finance Director. Heller introduced Gene Andrist with Andrist Capital Advisors. Andrist discussed his services and rates. There was discussion.

Tiberi MOVED that GURA engage Andrist Capital Advisors to assist in evaluating its refinancing options with a cap of \$18,000 for 100 hours. Stanley SECONDED. There was discussion. All Commissioners present agreed.

Tiberi thanked Bestor for his offer to allow Hansen to assist GURA with financing options.

Human Resources Committee – None

Communications Committee – None

Economic Development Commission – None

New Business – None

Commissioners Concerns – None

Staff Report

Heller updated the board on the Hot Zone study trips to Cherry Creek and Fountain.

Heller advised that Colorado School of Mines will alternate their banners with GURA's on the light poles beginning before the first football game and through the championships in November.

Rainquet commented on the check control services offered by Commercial Federal.

Public Comment –

Diane Pasquarelli commented on press releases from Colorado School of Mines.

Bickart requested a motion to go into Executive Session. Stanley MOVED to go into Executive Session. Driggers SECONDED. All Commissioners present agreed.

Bickart read the Executive Session policy. The Executive Session began at 8:57 p.m.

The Executive Session concluded at 10:04 p.m. and the public meeting was continued.

Bickart confirmed that the participants in the Executive Session included Ted Bickart, Joe Behm, Preston Driggers, Roya Stanley, A.J. Johnston, Henry Tiberi, Mark Heller, Debbie Rainguet, and Tim Leonard and called for notification of any improper action in violation of open record law. Bickart acknowledged that there were none and moved to the next agenda item.

Bickart asked for motions to deal with GURA's participation in the NexCore project.

Stanley made a MOTION that we authorize an OPA subject to what Heller will read into the record regarding this resolution. Per Heller, the motion would authorize GURA to enter into an OPA with NexCore and the Civic Foundation of up to \$1,250,000 contingent on the following conditions: (1) Approval by City Council; (2) Establishment of a funding cap; (3) Approval by GURA of the public purpose expenditures and the NexCore development, design, and parking plan, and pro forma for Phase 1a; (4) Conclusion that more favorable terms are available from the Civic Foundation than from bond proceeds or a new loan, and the execution of a loan from the Foundation. If not, the motion would be to fund the OPA through the bond sale or new loan; and (5) Full disclosure of the contract and terms for the subject property. Tiberi SECONDED. All Commissioners present agreed.

Tiberi MOVED that GURA should work with NexCore and the City/GDGID to purchase and remediate parcels 7a and 7b. Funds for this project should be allocated from an imminent bond sale or new loan. GURA should also work with NexCore and the City/GDGID to engineer, design, and finance a parking garage and a retail pad at the 12th Street end of the block. Funds for the retail component of Phase 1b should also be allocated from a bond sale or new loan. Heller will read into the record the following additions. Per Heller, that GURA also verify the CDPHE process for no action determination and no final action and that GURA get full disclosure of the contract and terms for the subject property. Driggers SECONDED. All Commissioners present agreed.

Driggers made a MOTION on parcels 7a and 7b which Heller will read. Per Heller, if the City and GDGID approve the sale of the subject property, GURA should fund the purchase of parcels 7a and 7b subject to the following conditions: (1) Approval of NexCore's redevelopment proforma and design plan for phase 2 and phase 1b; (2) Approve the market value of the newly assembled and remediated parcel that would be conveyed to NexCore, and the negotiation of the re-purchase based on that new appraisal; (3) Establishment of the financing gap and public benefit of a sale and redevelopment plan for phase 2, and (4) A negotiated return of the property from NexCore to GURA in the event of reasonable completion delays past the commencement of construction in May 2007. There was discussion to clarify the meaning of subject property. Johnston SECONDED. There was discussion regarding the timeframe for completion. Heller amended (4) to read, "A negotiated return of the property from NexCore to GURA if construction is not completed within 18 months of the proposed start date. Stanley made a MOTION to amend. Tiberi SECONDED. All Commissioners present agreed.

Adjourn

There being no further business, Bickart adjourned the meeting at 10:12 p.m.

Mark Heller
Executive Director

Theodore Bickart
Chair