



Golden Urban Renewal Authority

Memorandum

To: GURA Board of Commissioners
From: Mark Heller, Executive Director
Date: June 2, 2010
RE: Meeting Memo for June 14, 2010 Meeting

This memo will assist in the discussion of the following agenda items:

V.4.1 Golden Gem Lease

The lease negotiations with AMC were delayed due to the complex issue of negotiating the rate of increase for potential higher costs to AMC caused by the increased useage by the Golden Gem. This issue has been resolved with a 10% annual cap. We are drafting the lease accordingly and will distribute it to the Board at its July 12 meeting. Once the lease is drafted and approved by the GURA Board, the Golden Gem board would execute it. To that end, please review the draft Bylaws for the Golden Gem Cinema, and be prepared to discuss at least those sections in bold type. The Golden Gem would thereafter operate independently from GURA.

V.4.2. Blue Canyon Sales Tax Agreement

The packet contains the draft sales tax agreement for Blue Canyon. The Board should review this agreement and take action to approve, amend, or reject it.

V.4.3. Parking Garage Lighting Retrofit

Staff has been evaluating bids to retrofit the parking garage lights with fluorescent tubes. We have consulted with the City's energy services company (McKinstry) as well as our parking garage management company (Standard), both of which are familiar with and approve of this approach. We have selected Lime Energy to manage this installation. Their documentation is included in the packet. The net cost to GURA will be \$14,140 for the Gateway Station garage and \$6,438 for the Clear Creek Square garage. Lime Energy asserts these expenditures will pay for themselves in less than two years through energy savings and subsidies from Xcel and the federal government. Funds for this project would be drawn from either the unprogrammed grants budget, the excess cash carried over from 2009, or from the loan funds, per the Board's direction.

VI.1. Maverick's Sales Tax Support Request

The proprietor Manuel Serrano and his major lender for the new BBQ restaurant under construction in the old Blue Canyon space has requested sales tax increment support to help "buy down" the lender's \$110,000.00, variable rate (15%-35%) loan and/or a third party's loan for \$20,000 with \$30% interest.

I have reviewed the applicant's business plan and financing documents. They are quite inadequate and do not inspire confidence. However, Mr. Serrano has a long and successful history of managing various Carlos Miguels restaurants in Colorado and California. I have checked some of his references. He is confident that he can meet his projections and loan payments.

GURA's sales tax increment support can be extended with no risk to GURA: if and only if Mr. Serrano generates an increment, GURA shares back the amount provided in the agreement, but not otherwise. The agreement could also be made non-assignable. Staff requests the Board's direction on whether to proceed with such an agreement.

VIII. Staff Report

- The low traffic signs/recycling bins have been installed to widespread satisfaction
- Staff has selected vendors for the video monitor and protective case, and we are now investigating installers and content-producers.
- Staff submitted the MSEI grant to the Governor's Energy Office. We should hear back by the end of June.
- Staff presented the memo regarding the future of economic support and redevelopment approaches to City Council. The feedback was generally supportive of the approach. At least one additional meeting of the committee will be scheduled in the near future to address the items mentioned in the joint memo to City Council.
- Staff continues work on the Buy Local campaign, the Downtown Vitality Project, public art, and other projects.
- The Foss Mural renovation project is on hold due to the unavailability of the artist.
- The June 28 meeting is cancelled.