



GOLDEN URBAN RENEWAL AUTHORITY

Memorandum

To: GURA Board of Commissioners
From: Mark Heller
Date: October 16, 2007
RE: Meeting notes for October 22, 2007

These notes will aid in the discussion of the following agenda items:

V1. Finance.

Your packet contains a variety of finance documents. The Balance Sheet shows GURA's position thru September of this year. The Profit & Loss Statement thru September is shown alongside the 2007 budget and year end projection, and the 2008 draft budget. The endnotes for the budget summarize the highlights, and we will review the budget in detail at the meeting. Lastly, the financial summary of the Gateway Station project through September is also included in the packet.

GURA's sales tax revenue is exceeding the budget, but the 2007 year end amount and the 2008 budget must consider the changes at Foss. Property tax revenue should increase dramatically next year with the bi-annual reassessment and the new buildings downtown. Please keep in mind that the assessments are made as of January 1 of each year payable the following year. This means that the full value of Gateway Station, Millstone, and even Jackson Court (due to their vacancies) will not be recognized until January of 2009.

Significantly, this budget does not include the \$200,000 EPA grant. The federal paperwork for this grant was only recently finally approved, and we are working with the appropriate parties to properly allocate and balance funds from this grant and the \$227,000 from the Colorado Revolving Loan Fund. Our goal with the EPA grant is to maximize the extent to which we can apply it to expenses already made for the remediation, thereby reducing GURA's P&I payments and adding to GURA's project budget. This should be sorted out in the next few weeks in time for the November 12 meeting, which is the meeting for GURA to approve the budget it will discuss with City Council.

Nor does the budget include NexCore's purchase option for parking spaces in the new garage or NexCore's purchase option for Lot 2. The parking space option (which expires 90

days after the last invoice for the garage is paid) could generate as much as \$560,000 (35 spaces times the current cost of \$16,000/space). The Lot 2 purchase option (which expires on 1/1/08) could generate \$622,397. As of the date of this memo, NexCore has no firm planning with regard to either option, so this potential revenue was not included in the budget. Obviously, such revenue would necessitate a substantial revision to the budget.

After GURA completes its obligations for the Gateway Station and garage projects, GURA should have about \$600,000 remaining from the Colorado Business Bank loan. The long term projections show that GURA could borrow the full \$8,750,000 and meets its repayment obligations even if the remaining loan proceeds are expended on non-increment generating projects. Also, after reviewing the projections, Colorado Business Bank would allow GURA to borrow the full amount in addition to the Colorado Revolving Loan Fund support. The Board should discuss its positions regarding drawing against the remaining loan amount for future projects and on increasing its total indebtedness to \$8,977,000.

V4a. Gateway Station Update Elevator Delay

Pursuant to the Board's direction, staff has negotiated a lease to allow the Neenan trailers to remain on Lots 2 and 4 at a rate of \$500 per lot per month beginning November 1 and terminating March 31, 2008. Staff is also negotiating the changes to the RDA necessary to preserve GURA's rights and allow this lease. The lease will be executed only after the RDA has been amended.

IV4c. Programming Discussion for 2007 and 2008

The Board will continue its discussion on programming and project budgeting for the remainder of 2007 and 2008. A program not discussed last meeting is the renovation of the banner program. Many of the downtown banners are 15 years old, and generally they are a hodge-podge of design, deterioration, and dimensions. We ought to consider a complete refresh of the banner program, which could easily run into the multiple tens of thousands of dollars.