



GOLDEN URBAN RENEWAL AUTHORITY

Memorandum

To: GURA Board of Commissioners
From: Mark Heller
Date: 10/19/2005
RE: Meeting Memo for 10/24/05

The upcoming meeting will likely be attended by many more citizens than have attended any other GURA meeting in recent years. Supporters and detractors of the NexCore proposal will be interested in expressing their views and in hearing from NexCore and the Commissioners.

Parking IGA

At the last meeting, several suggestions and comments were made regarding the draft IGA that would convey the surface lots owned by the City and GDGID to GURA. The final draft of the IGA is attached to this memo and is what Council will consider at its Oct. 27 meeting. Most but not all of the changes suggested were made. Specifically, the IGA will not allow GURA to transfer or lease the property to a third party, nor will it allow a third party to take title instead of GURA. The final budget of the parking garage will include the costs associated for moving or otherwise dealing with the transformers and the lines on the site. A new clause was added to allow the conveyance of spaces for the Banks family. There are no funds available to underground the electrical.

On an interesting note, some have commented against funding a new parking garage, arguing that it will detract or drain resources from other strategies intended to promote a positive pedestrian environment downtown. My opinion is that pedestrians need to be able to reach the downtown before they can walk around in it, and for the foreseeable future, that means driving to downtown, where they will then park. A case in point is the Boulder Mall, which is widely regarded as a successful pedestrian environment. As the attached map illustrates, the four block mall is surrounded by five parking structures, each of which is within a block from the Mall.

Insurance

I have confirmed after a bit of confusion that GURA is covered under the City's CIRSA policy, but not for separate environmental issues. As I reported several months ago, such a separate policy is quite expensive so I did not pursue it. However, I am seeking a new round of quotes and will report back.

Colorado Business Bank Loan

Many many hours from all sides have been devoted to crafting the final loan documentation. This draft is substantially complete and is consistent with the loan commitment approved earlier.

NexCore Redevelopment Agreement (RDA)

Similarly, all parties have been working to negotiate this RDA. As we discussed at the last meeting, NexCore has creatively "uncovered" a new source for parking under and across the alley as we discussed at the last meeting. Since payment for these new spaces has not yet been discussed by the Board, the RDA contains two options, one of which will be chosen per the Board's direction. The argument in favor of not charging for this underground parking is that GURA already committed to purchasing the real estate, had no plans to use the underground portion, and NexCore would bear the entire burden of building the spaces underneath. The argument in favor of charging for the underground portion is that GURA is committing a substantial portion of its current and future revenue towards this project and should be looking for ways to reduce its costs.

Dauer Haswell RDA

We have traded the first draft of this RDA, and are waiting for the revision before another round of negotiation. Upon more careful investigation of the site, the proponents have discovered new challenges of the type that the Board has indicated a willingness to assist. This will mean additional funds.

Task	Approx. Cost
1. Move the electrical boxes near the transformer	\$12,000
2. Move the water main out of Lot A	\$18,000+
3. Move the sewer	\$50,000
4. Install elevator	<u>\$70,000</u>
	\$150,000+

To elaborate on the above chart point by point:

1. Nothing new here.
2. The proponents have surveyed the parcel and found that the property line is actually quite close to the parking garage, meaning that water line is not in the 10' no build zone as previously thought, but squarely within the Lot A parcel.
3. Because the alley is actually higher than Lot A, a pump would be required to move sewage up hill into the alley line. This would be extra challenging

- if a restaurant leased space and was using a grease trap. For good reason, the City will not allow such a pump. The solution is to run a new line 250' down 12th Street to join a line in front of the Clear Creek Square building.
4. The nearest storm water connection is directly beneath the exit lane of the parking garage and crosses the entry lane. To avoid construction at these points, the solution is to go into the middle of Jackson and then north about 40' to join the storm line draining the area behind the Clear Creek Square office building. While this is not a change necessitated by a two story building, it is a change that is not consistent with the RFP which advertised that all utilities were on site.
 5. The much higher cost of the elevator is because it is a more complete estimate.

Regarding LEED, the proponents feel that they can meet the 26 points required to be certified under LEED, but will need assistance in getting the last 6 points. They also point out that the RFP did not actually require LEED certification, but rather encouraged compliance.

With all the financial requirements before GURA at the moment, I recommend that the Board think about negotiating a partial payment of some or all of the above expenses and/or using a TIF mechanism (DH will consider this).

Consultant Expenditures

As I reported last month, our fees for attorneys and consultants are growing. With several big bills paid in October and not showing on the September statements, GURA has paid about \$37,000 in legal fees and over \$34,000 for various consultants, not including Gene Andrist, Don Stover, and the Banks's fees/costs, which will be paid out of the loan proceeds. I do not expect to consult with Marilee and Tim as much as I have to date, but I do expect more work from the lawyers including bond counsel. The good news is that we are still well within the budget for the year and will remain under budget.

Colorado Brownfield Foundation

Jesse Silverstein has begun work on the various loans and we have begun discussing the scheduling of open houses and other forms of citizen outreach that will be required if we are awarded those loans.

Hot Zone

I have repeatedly asked for updates from Cardinal and we are scheduling a meeting for the week of the 24th.

Business Exit Survey and other retention/attraction efforts

Jessica composed a detailed exit survey for closing or relocating businesses. We had begun this project more than a month ago, but the recent closings of Café

Touche and Poor Boys give it extra meaning. We will attempt to conduct the interviews in the coming weeks. Jessica is also compiling a first-ever database of square footage for downtown businesses which I will analyze with sales tax data to create Golden's first \$/sqft analysis by business type. Jessica also finished compiling the first round of streetscape surveys which she earlier distributed to the downtown merchants.

Debbie has been orchestrating the semi-annual sidewalk washing, and Christmas lighting. For the first time in many years, we did not receive any complaints about the sidewalk washing. We will order a test run of the new LED lights for the GURA office and the City will likely test them as well. They are much more expensive to buy but less expensive by a factor of ten to run and they last much longer (3,000 hours v. 200,000). If the tests go well, we should consider switching to an all LED system next year.