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October 30, 2009

Mark Heller
Executive Director
Golden Urban Renewal Authority
922 Washington Avenue
Golden, CO 80401

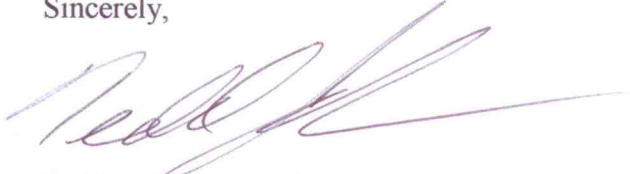
Dear Mark and Board Members;

In early August we were informed that Golden Gem, LLC intended not to extend its lease with the Blue Canyon Bar and Grill. We immediately began looking for a new home for the BC. During a conversation with Mr. Heller, we were put in contact with Bob Lowery of Mesa Meadows Land Company. Shortly thereafter, we signed a lease with Mesa Meadows to occupy approximately 1,800 square feet on the main level at 1225 Washington, Suite 135, and 3,400 square feet in the basement. The main level will be the restaurant area of the BC with the "BC Underground" being the bar area. The main level will be very contemporary, with a warm and comfortable feeling. The entrance will include a 8 foot garage door that can be opened on warm days to give the BC an airy feeling and access to outdoor seating on Washington. The main level will include the kitchen area, booth seating, wall seating, bar area and a fireplace to warm the spirit on cold wintery days. The BC Underground will also serve food, but will be for those that want a more rustic atmosphere. It will include a bar area, pool tables, television sets, dance floor and a real jeep that has been turned into a bar. The BC underground will have a very industrial feel to it keeping with Golden's mining history. It will be the perfect place to come and shoot a game of pool or watch your favorite college football team on Saturday afternoon. The dance floor will give the Mine students a place to cut loose on Friday and Saturday nights.

Our lease with Mesa Meadows and the impending move to the Foss Building allows the Blue Canyon to fix several issues that limited our business while occupying the Golden Gem building. First and foremost our new kitchen will cure the ventilation issue we dealt with in the old location. We will have the advantage of being on Washington Ave. verses 13th street including being located in the historical Foss Building and we will separate the restaurant business from the bar business. Our new kitchen will also allow us to expand our menu to include steaks, pork chops, brisket, pastas and weekend breakfast/brunch. Our 5 year lease with 3 – 5 year options (20 years total) allowed the Foss Building to be fully occupied on the main level and the BC Underground anchors the basement which will include additional space available for lease to other tenants.

Although we were surprised by the Golden Gem's decision not to renew our lease, we now know that our larger capital investment in the BC and the Foss Building will allow us to grow and better serve the people and tourist of Golden in a much better way than we ever could have at the 13th street location. It should be noted that the new kitchen equipment will be gas versus electric, with gas being much more efficient. We have provided our budget that includes \$225,000 in capital improvement and equipment. We respectfully request that GURA consider providing the Blue Canyon Bar & Grill a grant of \$25,000 to help offset the significant capital investment needed in renovations and equipment the new space in the historical Foss Building. Construction has begun and we hope to occupy the new space by the last week of December.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tedd and Jolynn Johnson', with a long horizontal flourish extending to the right.

Tedd and Jolynn Johnson
Owners/Manager

Request for Grant

Business Name & Location:

Johnson Enterprises, Inc. dba
Blue Canyon Bar & Grill
1225 Washington Avenue
Suite 135
Golden, Colorado 80401
303.271.0730

Building Owner:

Mesa Meadows Land Company
Lease thru December 2029

Project Description and Budget:

Tenant finishes for restaurant area of 1,876 square feet on the main level and approximately 3,400 square feet in the unfinished basement area of the historical Foss Building.

It is estimated that leasehold improvements and general construction cost will total \$152,000 and equipment will total \$73,000 for a total budget of \$225,000 and is as itemized as follows:

○ Architect and Engineering Fees	\$13,000
○ Electrical and Plumbing	\$20,000
○ Flooring	\$16,000
○ 2 Bars	\$21,000
○ Draft Tap Systems	\$12,000

○ General Construction & Contractors Fees	\$47,500
○ Booths, Tables and Seating	\$14,000
○ Signage	\$7,500
○ Equipment	
○ Kitchen Hood/Ventilation System w/Ansul System	\$32,000
○ Walk-in-Coolers	\$17,000
○ Fryers, Char-broiler and Range	\$9,000
○ Reach-in Freezer, Under Counter Coolers	\$10,000
○ Small Chillers, Ice Machine & Other	\$6,000

Total Capital Investment: \$225,000