



# GOLDEN URBAN RENEWAL AUTHORITY

## Memorandum

**To:** Mayor Smith and City Councilors  
**From:** Alan E. Johnston, Chair  
**Date:** November 24, 2008  
**RE:** Draft 2009 GURA Budget and Work Plan

Pursuant to the Intergovernmental Agreement between GURA and the City, GURA meets with Council each year to review GURA's upcoming annual budget and work plan prior to final adoption by GURA. GURA also periodically updates Council about current year programming. Pursuant to the adoption of Carver Governance Policy 4.10 – Boards and Commissions, GURA have scheduled this meeting to discuss GURA's mission statement and responsibilities more generally. This memo will first summarize GURA's 2008 programming, then provide an overview of the draft 2009 Budget and Work Plan, and then summarize GURA's mission statement and responsibilities.

Hyperlinks have been added throughout this memo so that if it is read online, clicking on the hyperlinked words will open the associated web page.

### **2008 GURA Programming**

This year has been another full and successful one. GURA completed significant projects, implemented well-received, new programs, and continued previous successful programs for its downtown constituents. The following is a summary of the highlights:

#### **1. Gateway Station Project**

- a. This project received the [2008 Governor's Award for Downtown Excellence](#).
- b. The Gateway Station Parking Garage was placed in service in January.
- c. Gateway Station mixed use phase was completed in the summer. About 75% of the residential units have been sold, half of the office condos are sold, and two retail tenants have been signed. Gateway Station has lowered its commercial rates in response to the deteriorating market.
- d. Active remediation of the dry cleaners contamination is complete and far under budget. One more year of monitoring will be required before the CDPHE will consider this project completed.
- e. The parcels to either side of the parking garage have been paved and will be used as public parking until redeveloped.

## **2. Redevelopment of Lots 2 and 4**

The new Gateway Station Parking Garage was constructed mid-block so that future development could occur on either the 12<sup>th</sup> or 13<sup>th</sup> Street bookends. The garage was designed with “knock out” panels on the north and south ends in the basement level so that future developments could build underground parking accessed through the garage rather than building additional, space-consuming parking ramps. According to the redevelopment agreement, the 13<sup>th</sup> Street side (Lot 2) was under option to NexCore Group and the 12<sup>th</sup> Street side (Lot 4) was paved for surface parking until such time as redevelopment would be deemed appropriate.

This summer, after NexCore decided to let its Lot 2 option expire but before the markets crashed, GURA decided to issue an RFP for redevelopment of both lots to see what might be submitted. The deadline to submit responses was September 15, which turned out to be the end of the first week of the financial crisis. This meant that the developers had drafted their proposals in a radically different (and much better) environment than the one in which their proposals are being considered. Given that there is no community imperative to redevelop these lots such as was the case with Hesteds and since the economic future is so turbulent, GURA will be careful to award these parcels only to superior proposals.

The two proposals being considered are commercial developments with a mix of office and retail. Both proposals are based primarily on renting to tenants already doing business in the downtown area, which is both good and bad. It is good in that these businesses are proven and stable, but it is bad in that no new businesses are being brought to Golden in the short term and the current building owners for these businesses will have to attract replacement tenants in a very competitive environment. These proposals will also have to secure financing and provide parking, both of which are extremely challenging for these relatively small projects. GURA will negotiate both projects in a step-wise fashion, beginning with parking.

Parking has become one of the tallest hurdles to overcome for downtown redevelopment. The cost of constructing parking or paying cash in lieu under the current code ratios must be absorbed by the project and passed on to the occupant. In the two projects under review, cash in lieu fees add approximately 9% and 12% to the total development cost, which could prove to be a substantial increase in such a strained market. GURA supports City Council’s ongoing review of the parking code and encourages additional revisions to the parking ratios and shared parking system to lessen the parking burden.

Both proposals will comply with LEED Silver building standards and the draft Downtown Design Standards and Guidelines.

## **3. Colorado Wireless Communities**

Unfortunately, the vendor selected by the [Colorado Wireless Communities](#) was not able to finance the project. Nationwide, municipal wireless deployments suffered from similar challenges. Most of them have failed utterly, are in the process of failing, or were deployed at a greatly scaled-back level. While we do not have the network we hoped for, the CWC exercised good judgment in avoiding the business models that have not worked and by selecting a business model that, had it worked, would not have required municipal financial support. We are also proud of having been able to adopt an MOU and IGA across the ten participating municipalities. This process and the relationships we

have established can be the foundation for other regional IT collaborations. In fact, members of this group have already begun discussing how to improve public safety interoperability protocols.

### **Grappa TIF Support**

The new restaurant Grappa received financing through a low interest loan provided by the Golden Civic Foundation and backed by a GURA sales TIF agreement. It is hoped that Grappa will be the kind of regional restaurant draw that will bring new customers into Golden. Prior TIF agreements with Bent Gate and Clear Creek Commons were completed earlier this year.

### **4. Community Grants**

GURA provided grant funding to the following:

- a. \$7,500 to Vital Outdoors for business attraction and to assist with tenant improvement.
- b. \$1,500 to Golden Cultural Alliance to assist with a new brochure and improved website.
- c. \$10,000 to Miner's Alley Theater for operating assistance.
- d. \$2,000 to The Rocky Mountain Quilt Museum for a new website and e-commerce capabilities.
- e. \$15,000 to The Bradford Washburn American Mountaineering Museum for recycled carpet and efficient lighting.
- f. \$7,500 to The San Francisco Row HOA to reconstruct the sidewalk and deck in front of Higher Grounds, Peak Cycles, and Golden Landmarks Association.

### **5. Community Outreach**

GURA continued its run of innovation in community outreach:

- a. Published two issues of a newsletter (paper and electronic) to all addresses in the GURA district.
- b. Published the [2007 Annual Report](#).
- c. Wrote a variety of articles for the Golden Informer on downtown matters.
- d. Following Mayor Smith's meeting of the chairs of the city's board and commissioners, GURA invited the chairs of the walkability and bike master plan task forces to meet with the Commissioners to fully understand the goals of both task forces and to ensure that projects planned by GURA and the two task forces were aligned.
- e. Hosted an open house to gather public input to the Coors Corridor streetscape designs.

### **6. Façade Improvements**

GURA devoted the bulk of its grant funding towards improving a number of facades along Washington Avenue in time for next summer's 150<sup>th</sup> Anniversary events. GURA retained Ewers Architecture to draft a preliminary set of drawings for the below buildings, and staff has been working with the building owners to finalize the plans and begin construction. The Planning Department and HPB are being consulted when appropriate. The tenants/owners of the buildings in this program are:

- Image Designers/Spirits in the Wind/Candle Shop,
- D'Deli,
- Baby Doe's,
- Creekside Jewelry/Del's/Golden Optometrist

### **7. [Banner Art Program](#)**

To lessen the stark impact of the large blank walls of the new parking garage, GURA initiated a wall-sized banner program where Golden artists are selected to have a painting enlarged and hung on the garage walls. The north side currently shows banners from paintings by Hal Shelton and Jane Christie. The south side of the garage will soon show a banner from a painting of Castle Rock by Lui Ferreyra.

## 8. General Downtown Improvements

GURA took action on several strategies to improve downtown:

- a. Contributed \$10,000 towards the reconstruction of the Welcome to Golden arch.
- b. Fully-sponsored the \$50,000 downtown holiday display (which has previously received support from the Golden Civic Foundation and the City of Golden).
- c. As previously discussed with Council, GURA is considering upgrades to the “Coors Corridor” and the creation of an [arch over 13th Street](#).
- d. Approved a \$30,000 complete redesign of the light pole banners to begin next year.
- e. GURA will install recycling containers throughout downtown early next year.

## 9. Business Attraction and Retention

This past summer, GURA decided to play a more active role in downtown business attraction and retention. The attached Business Attraction and Retention Plan will guide GURA’s activities for the near term. Action has already been taken on most of the items in that plan, including the below programs.

- a. Web Site Pilot Program  
This popular program was initiated last year. This year, GURA retained Barb Warden to construct websites for the following downtown businesses: [Clear Creek Books](#), [D’Deli](#), [Windy Saddle](#), [Pickets](#), [Golden Sweets](#), [Vinter’s Cellar](#), Juna’s (under construction), Foss Liquors (under construction), and [Avenue Gifts](#).
- b. Resource Efficiency Program  
GURA funded the following resource efficiency implementations:
  - Clear Creek Books, for efficient lighting.
  - Creekside Jewelry, for insulation and HVAC improvements.
  - Dove Inn, for efficient appliances.
  - Banks Insurance, for door replacement.
  - Baby Doe’s, for insulation and window replacement.
  - Chelsea’s of London, for door replacement.
  - Woody’s, for waterless urinals.
- c. [Digitized the downtown business directories](#) (the ones installed throughout downtown) and the commercial properties listing so that web users can better plan their visits and understand what is available by using these interactive maps. GURA posted these maps on its website and shared the work on the 2HourVacation website.
- d. Created [3D maps of downtown](#) viewable on GoogleEarth, thereby further enhancing downtown’s presence on the web.
- e. Updated downtown directory signs.
- f. Updated an email contact list for downtown businesses, and shared with the Chamber of Commerce.
- g. Continued funding the successful [Original Shopping Districts](#) marketing campaign.
- h. Continued funding EDComm’s programming for downtown.

**10. “Golden Point”**

At the request of property owners in the area around 24<sup>th</sup> and Ford/East Streets (shown below), staff has been meeting to explain the process of urban renewal and how it might be of benefit. After meeting with a majority of the commercial property owners in that area, most of them support adding this tool to their development toolkit while a few have no objection to being included in an urban renewal district although they have no interest in redevelopment of their particular parcel in the near term. More input from neighbors will be solicited, but GURA requests Council’s direction on this matter. Should GURA proceed with a preliminary blight study, should it cease its activity on this matter, or does Council have other direction?



## **2009 DRAFT BUDGET**

The draft 2009 Budget was prepared following the assistance of Finance Director Hansen in restructuring the financial reporting format. The revised format and budget are now much clearer and better organized than the system that had evolved up to now. GURA appreciates the effort by Mr. Hansen.

The draft 2009 Budget shows an increase in revenue and expenditures, as well as a very significant increase for debt service expenditures related to the Gateway Station and Gateway Garage projects. Sales tax increment revenue is projected a bit lower than 2008 to account for the economic downturn. Property tax increment is budgeted above 2008 levels because of the new development projects. The property tax increment estimate is based from the County's preliminary estimate from August of this year and may adjust upward or downward with the County's final estimate, due in early December. Property tax increment revenue is expected to jump again in subsequent years as Gateway Station and Millstone finally come onto the books with full value.

GURA was conservative in adopting its 2007 and 2008 Budgets since the uncertainty of the Gateway construction schedule directly impacted GURA's debt exposure. Now that the construction is finished, GURA is in a better position to measure its capacity for funding other programs and projects. This conservative approach has allowed GURA to carry over nearly \$575,000 into 2009, which will more than offset the deficit budget approved for this year and next. GURA, with the approval of its lender Colorado Business Bank, is projecting a few more years of rapidly lessening annual deficits to be compensated by carryover cash until the major redevelopment projects are generating revenue sufficient to offset expenditures.

This budget would allow GURA to draw the remaining \$760,000 from the \$8,750,000 Colorado Business Bank loan negotiated in November, 2005. Due to the tax-exempt status of the loan, GURA can only draw the remaining funds until November, 2009. The draft 2009 budget commits about a third of the remaining loan proceeds, leaving the balance available for other projects to be decided later next year.

GURA's operating costs are generally consistent from year to year, and much of GURA's expenditures are relatively non-discretionary. The budget line items with the most variance are categorized as "GURA Projects," "Outreach Expenditures," "Community Grants," and "Contingency." These four categories comprise GURA's 2009 Work Plan.

## **2009 DRAFT WORK PLAN**

The following is a summary of the items in GURA's Draft 2009 Work Plan. As with prior years, the timing of projects is more for general organizing than for actual due dates, and projects have not been prioritized. The Work Plan is subject to change as needed to address changing circumstances.

### **GURA Projects**

**Hot Zone:** This program has been dropped unless the market is re-established.

**Arch Reconstruction:** This line item partially funded the Welcome to Golden arch renovations. With that work completed, this item has been dropped from the 2009 budget.

**Public Art:** This is the wall-sized banner art program discussed above. This program will expand soon with a banner from an antique painting in the collection of the Bradford Washburn American Mountaineering Museum to be hung on the Washington Avenue side of the Golden Hotel. Also, GURA and Foothills Art Center will partner this coming summer with a banner to be selected by a public vote of five GURA pre-screened paintings from Foothills' 150<sup>th</sup> Anniversary show.

**Kiosks:** This program has been dropped.

**New Street Pole Banners:** This will fund a total redesign of the banners hanging from the antique-style streetlights downtown. The current collection of rag-tag banners will be replaced by a series of photographs of sports and seasonal landscapes associated with Golden. The photographs will be selected via a public contest judged by GURA.

**Sesquicentennial:** GURA budgeted \$10,000 to the laser light show and no further assistance is planned for 2009.

**Welcome and Speed Signs:** GURA has pledged to help the Public Works department by partially funding signage to be placed in the Washington Avenue median between Highway 58 and 9<sup>th</sup> Street. While still to be designed, the signage would be used to display alternating messages about Golden events and about pedestrian safety. A speed sign similar to the one on 19<sup>th</sup> Street would also be installed.

**Coors Corridor:** This line item would fund design work to improve the streetscape along 13<sup>th</sup> Street between Ford and Washington and to install an arch, both previously discussed with Council.

**Web Pilot Program:** This will continue funding new websites and other e-commerce needs of downtown businesses.

**Pedestrian Friendly Amenities:** This line item was always a relatively vague program and has been dropped.

**Holiday Lights Upgrade:** The lights have been upgraded substantially over the years and no additional upgrades are planned for next year. To illustrate the change, there were three miles of lights covering all of downtown three years ago. This year, there are two miles of LED lights just on the one fur tree at 10<sup>th</sup> & Washington.

**Web Site Redesign:** This will fund an overhaul of GURA's website.

**Property Owner Outreach:** This line item has been transferred to the "Outreach Expenditures" category.

**Downtown Recycling Bins:** GURA will install two test bins in January to be followed with about five more if the test is successful. These will be attractive bins that blend with the current streetscape but should also stand out sufficiently to attract use.

**Other Projects:** This is the unprogrammed remainder of the Colorado Business Bank loan.

**Lot 2 & 4:** This will fund costs associated with redeveloping Lots 2 and 4, such as attorney's fees, engineering, etc.

**Golden Point:** This will fund costs associated with forming an urban renewal project in the vicinity of 24<sup>th</sup> and Ford/East Streets. After meeting with a majority of the commercial property owners in that area, most of them support adding this tool to their development toolkit while a few have no objection to being included in an urban renewal district although they have no interest in redevelopment of their particular parcel in the near term. GURA requests Council's direction on this matter. Should GURA proceed with a preliminary blight study, should it cease its activity on this matter, or does Council have other direction?

### **Community Grants**

**Miner's Alley:** GURA will continue its support of this vital community theater.

**American Alpine Club:** This funds the fourth year of a six-year, \$60,000 grant to help construct the new museum.

### **Reinvestment Fund**

For the last four years, GURA has contributed between \$20,000 and \$40,000 per year to the Economic Development Commission to support a broad range of marketing and business assistance programming for downtown. The Reinvestment Fund was conceived as a one-time transfer to ease GURA's transition away from marketing support. Now that GURA has re-engaged in this field, this transfer should be reduced. GURA will convey \$15,000 for 2009.

### **Facade Renovations**

GURA budgeted \$100,000 for 2008 towards upgrading the facades throughout downtown, and will carry over this funding into 2009. GURA will fund 100% for removal of any shake-shingle awning and 50% match up to \$12,000 for new façades including awnings and design. The façade improvements will be consistent with the recommendations of the Downtown Character Plan. This is part of a voluntary and organized program with extensive input from downtown merchants, property owners, and residents.

**Original Shopping District:** GURA will continue funding for this downtown marketing collaboration among historic shopping districts of the metro area.

**Recycled Art Prize:** This idea will be dropped.

**Public Improvement Grant Program:** GURA has budgeted \$60,000 towards grant requests for projects other than those already included in the 2009 Work Plan. This is a 100% increase over 2008.

**Targeted Business Assistance:** GURA is interested in enhancing and developing programs designed to keep downtown merchants and to attract new ones. The strategies to be employed are summarized in the accompanying "Business Attraction and Retention Plan" chart.

**Energy Efficiency/Renewable Energy:** GURA will continue funding this program to help downtown businesses save money by improving the use of energy and other resources.

### **CARVER GOVERNANCE POLICY 4.10 – BOARDS AND COMMISSIONS**

This meeting was also scheduled to comply with City Council's recent adoption of the Carver Governance Process which includes a new policy whereby the City Council will periodically meet with the various boards and commission to discuss those boards' mission statements, charges, tenure, and composition.

Since GURA's powers are regulated by the Colorado Urban Renewal Act as opposed to the City Charter, GURA has a different relationship to the City Council than the other city boards and commissions. The Urban Renewal Act sets the tenure and composition of GURA, and the 1989 Golden Urban Renewal Plan set out Council's priorities and its charge to GURA at that time. The Plan does not contain a specific mission or vision statement. Rather, it sets out a detailed series of near, mid, and long-term redevelopment goals and strategies in varying levels of detail. The Golden Urban Renewal Plan was reviewed and discussed as part of the recently adopted Downtown Character Plan. Many of the goals in the Plan have been achieved while some remain. These have been updated and are presented in summary format in the accompanying chart titled "Summary of GURA Plan Strategies."

GURA has been using an informal mission statement as follows:

"To undertake projects that improve the community's physical presence within the GURA District, maintain the area's unique character, and contribute to the economic stability and vitality of Downtown Golden."

GURA would appreciate guidance from City Council on revising its mission statement or general approach or even the Urban Renewal Plan. How should GURA spend the remaining five years of downtown tax increment revenue?

### **VISION 2030**

Lastly, GURA would be interested in assisting and participating in the upcoming Vision 2030 process.