

2003 Review

Clear Creek Square - two major tenants and several smaller tenants have leases on the building (about 85% is now leased). Pentax is already occupying their space and tenant finish has started for NGT and other first floor tenants. The owners are looking for tenants for the remaining first floor space. The third amendment to the DDA (Disposition and Development Agreement) called for certain actions on September 1st of this year. The holders of the agreement wanted a hybrid of certain of the terms of that agreement and the board has agreed to those terms. This includes the paving and striping of the "lot A" site, and a lease for the sales trailer to remain there. The owners of the lot A rights now have until September of 2004 to have a project indentified and funded or, at their option, they may extend the agreement until March 2005.

Clear Creek Commons - is open! The board is in the process of certifying the amounts under the OPA (Owners Participation Agreement). The first payments to the project will occur in 2004 when the first property taxes are paid. The owners are still seeking a restaurant tenant for the first floor which might generate some sales tax TIF during 2004.

Hesteds - one major attempt to redevelop this property was made in 2003, but never got beyond the confidential negotiations stage. That proposal did not work out for financial reasons.

Millstone at Clear Creek - all building permits have expired and the city has agreed to extend the time the footers can remain. The addition of a new partner to the mix in October increases the chances for development in 2004.

Board - the board today consists of a full compliment of 9 members. Two were appointed in late June and another 4 were appointed in mid-September following the resignations of 4 members in August. The executive director left under the terms of a previous severance agreement executed by the former chairperson before her resignation. The office remains open and well attended by the Communications Coordinator who was hired in early 2003. The remaining 3 members of the board have been on less than 1 year. In the 3 months since the resignations the board has worked on the following :

- Negotiation and finalization of an OPA for Bent Gate's move to the "nuclear pharmaceuticals building"
- Assignment of the Millstone interest to a new partnership. This has brought a new partner and financial resources. The new partnership will pay the loan currently on the land and is in the process of evaluating what makes sense for the site.
- Review of the entire history of minutes to gather all policies of the board. This resulted in discovery that the by-laws being distributed did not include two amendments which redefined substantially the treasurer's position and some meeting provisions. This group of policy documents is now used by all commissioners as a basic guide to operations. The review of these policies has led to two by-laws changes and the other policies are being reviewed to see if they should be updated. There was over 40 hours of time involved by the commissioners in this effort just to review the minutes.

- All of the active contracts were sought and members of the commission became familiar with all of the details of these obligations. Almost all of these obligations predate any of the current commissioners. There are hundreds of pages of contracts, DDAs, bank notes, OPAs and other agreements to digest. At this time some member of the commission is familiar with all of these terms and has consulted the Authority's attorney about questions and details.
- A communications committee was formed to look at all of the ways the Authority communicates with the City, Council, and citizens of Golden. The election quelled much activity from this committee as the board felt most efforts would be viewed as using public money for political purposes during the election cycle. The committee will be responsible for setting out a communications program.
- The operating committee was formed to look at the operations of the authority and to make recommendations. Their research includes the executive director hiring, the retreat, and other work flow issues.
- The Authority is organizing a retreat for Dec 13th. The retreat has a preliminary agenda and was postponed until after the election. The authority will invite City Council to participate in a direct discussion during that day. When the agenda is finalized, Council will be notified of time and place.
- Work has been done on the hiring of an executive director. The subcommittee has contacted many URAs in Colorado to benchmark the position and how other organizations have structured the position. This effort has indicated that for smaller URAs the staff person is usually an employee of the city. The committee has had preliminary discussions with the city staff about whether this is the best way to hire the next executive director. The commission believes a time sharing arrangement for such a person might be the best way to go. The board is interested in exploring this further with city staff and City Council. A position description has been drafted. The target is to finalize this decision at the Dec 13th retreat.
- The new chair of the Authority has met several times with the mayor to discuss the relationship and items of mutual interest.
- The board decided to fund all existing year-to-year obligations until a thorough review of all of the activities can be done as part of the 2005 budget cycle. The board felt a full year of experience with the current operations was desirable before making any changes on the activities paid for by the authority.
- The parking garage condo association has met for the first time. The agreement for this association dates from the fall of 2002, but had never met. A final signed agreement has not been found and was apparently not filed. The associations needs to get by-laws and articles filed so that it can take over the maintenance of the parking garage on a cost shared basis with the owners of CCS. The primary pressing issue is to get the insurance for the structure and to contract for snow removal. The city currently insures the structure but this not appropriate for the long term when all of the spaces are not public parking. There are two members of this organization from GURA and two from the CCS management company.

- The treasurer, Suzie Benz, CPA has been reviewing the financials of the authority. This has resulted in the consolidation of several non-interest bearing accounts into a ColoTrust account. She has developed the attached budget and made several changes to that budget mainly reducing amounts authorized to not reflect the worst contingency, but to reflect a historically based amount. This means the board may have more mid-year budget changes, but that the budget will reflect expected spending. A bookkeeper will do much of the routine entry at least until other staffing is hired who can handle the work.
- The web site has been a subject to an evaluation and a decision made to hire a professional web master. The new design is currently on line. Many new features are expected to be rolled out as the board considers new features and option. Decisions have been made to put most of the “packet” materials on the web site including agenda, minutes, and any handouts in a convertible form. The web site will also include a publicly available log of all of the e-mail exchanges within the authority subject to confidentiality restrictions. The aim is to make increase the public’s ability to review GURA business.

2004 Budget Notes

Special Funds - are set up when per an Owner Participation Agreement. The fund receives tax increment when paid by the city or county attributable to the property under the agreement. These funds are then used to pay the obligation. Generally there is a revenue and matching expenditure account.

Revenues - The property tax estimate was based on the county's assessed valuation estimate given the authority time last year's property tax mill levy. This will likely have to be revised downward because R-1 and the county will likely have to adjust their mill levies downward to comply with TABOR. The mill levies will be known in December when they are certified by the county. The sales tax increments were left flat with the 2003 budget. This amount is likely to be revised downward depending on how the economy recovers.

Operating Expenses - The budget anticipates the hiring of an executive director on a full time basis. The level of funding for this will depend on the experience of the person hired, whether they are hired by the city, and whether that person shares other city paid duties. Office advertising, printing, and postage were increased anticipating more activity from the communications committee. Travel and Training were reduced to reflect historical spending.

Project Expenditures - Restroom expenditures, Downtown programs, and Promotional Postage, Property Development Expenses were reduced to reflect the historical spending in these categories. Property Development expenses vary widely depending on the project activities in any given year. The Washington Avenue bridge, Public Parking future were one-time expenses not expected in the coming year.

Cash Reserves and Debt - After payments due at the end of the year for debt on the parking structure (\$98,335 - \$1,380,000 remaining balance), the Washington Avenue bridge (\$300,000), and a principle reduction and interest on the loan from the city (\$227,000 - \$538,000 remaining balance) the authority estimates it will have cash reserves of about \$250,000. The remaining obligations of the authority are in the OPAs for the Golden Gem (\$330,000 remaining), Clear Creek Commons (\$159,000), and Bent Gate (\$90,000). The other open OPA with the Golden Hotel should be paid off as soon as they pay their property taxes.