

**APPLICATION REQUIREMENTS  
FOR DEVELOPMENT PROJECTS  
2017**



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## **I. Introduction**

The [Golden Urban Renewal Authority](#) (GURA) supports the redevelopment of blighted property to help sustainable development thrive. With the creation of an urban renewal area, increased tax revenues resulting from redevelopment may be reinvested in the area for purposes of public benefit. GURA will work with developers, neighborhoods, property owners, and city officials to achieve feasible developments within urban renewal areas of Golden.

The primary tool available to GURA is Tax Increment Financing (TIF). Tax Increment Financing is a tool authorized by state statute whereby GURA can utilize incremental taxes generated by a land development or building project to fund certain critical community improvements to benefit the public. Developers interested in pursuing redevelopment projects within Golden's urban renewal areas may submit a request to GURA to utilize TIF to help finance the redevelopment. The requirements for TIF applications are outlined in this document.

## **II. Background**

In 1989, Golden City Council originally created the Golden Urban Renewal Authority (GURA) to support the economic vitality of downtown Golden. Colorado state law limits urban renewal projects to 25 years; therefore, GURA's downtown project concluded at the end of 2014. At the beginning of 2015, the newly-created Golden Downtown Development Authority (DDA) began administering many of GURA's former downtown programs.

Commencing in 2013, three new urban renewal areas were adopted. The first was the [Central Neighborhoods Urban Renewal Plan](#). GURA provides the area with blight remediation, redevelopment assistance, public infrastructure improvements, and business attraction/retention. The [Parfet/Briarwood Urban Renewal Plan](#) was also adopted by the City Council in 2013, in part to help finance an apartment building and infrastructure upgrades. The urban renewal plan incorporates criteria outlined in the 2011 Comprehensive Plan, as well as, the 8th and 9th Street Neighborhood Plan. The apartment complex offers 99 units of much-needed, high-quality rentals to central Golden.

Additionally, the [West Colfax Urban Renewal Area](#), established in 2014, plays a unique role in the ongoing and future success of the City's largest commercial corridor (West Colfax Avenue), and largest concentration of multi-tenant light industrial commercial space (Corporate Center Business Park). This urban renewal area has the opportunity to complement and support the primary job creation and expansion activities that occur in Corporate Center and to facilitate desirable commercial, retail, and mixed use projects within the area. One or more public-private partnerships to facilitate redevelopment of this area, along with other improvements, would prove substantially beneficial to the City by eliminating or preventing occurrence or reoccurrence of conditions of slum, blight, or blighting conditions.

### **III. Development Objectives**

Projects that meet one or more of the following objectives are generally considered desirable to GURA:

- To eliminate blight conditions in a project area
- To use the guidance provided by the Golden Comprehensive Plan, the Golden Vision 2030 Report, the Central Neighborhoods, Parfet/Briarwood, and West Colfax urban renewal plans, and all appropriate neighborhood plans
- To increase employment opportunities
- To encourage redevelopment
- To encourage and provide incentives for the private development of affordable housing
- To encourage inclusion of sustainability measures and amenities above and beyond the City's standard requirements
- To encourage development of projects with demonstrated community benefit that otherwise would not be considered financially feasible.
- To enhance the current sales tax and property tax revenue within Golden to provide additional sales tax collection and property valuation

### **IV. GURA's Role in the Process**

GURA's role in the process is to protect the public objectives set forth in the urban renewal plans. Projects are evaluated based upon the public interest benefits and amount of TIF the project is entitled to receive and can reasonably sustain. Therefore, GURA's role may include:

- Determining whether the project would be able to proceed without TIF
- If not within an established urban renewal area, determining whether the proposed project warrants consideration of establishing a new urban renewal area
- Determining whether the proposed project redevelopment meets the development and design objectives in the urban renewal plan
- Arranging for conditions study and economic/market study; however, the developer will be required to cover the costs associated with preparation of all studies
- Organizing public input sessions on the proposed project if appropriate
- Negotiating with developers and entering into agreements for a public/private venture
- Drafting documents to implement TIF participation in the proposed project
- Financial assistance through reimbursement:
  - This may be accomplished through the reimbursement of costs or costs to construct or reconstruct public improvements such as streets, sidewalks, alleys, underground utilities, public parks, streetscapes, public pedestrian corridors, public parking necessary for proposed project that also serves the general community, public gathering areas, ADA compliance measures, environmental remediation, rehabilitation of historic structures and façade improvements.
  - Financial assistance provided must relate to type, size, benefit, and need of the proposed project.
  - Developer must justify the amount of funds requested based on the fact that the project would not proceed without investment by GURA.
- Financial assistance through bonds is generally not feasible, but may be considered:

- GURA may either directly pay project costs from a bond issuance or through an agreement based on all or a portion of the tax increment associated with the proposed development.
- Developer will be required to cover all bond-related costs associated with the project.

## **V. Pre-Submittal Meeting Requirement**

Developers must schedule a pre-submittal meeting to discuss whether the proposed project aligns with GURA's urban renewal mission and goals and to clarify TIF submittal requirements prior to preparing a full TIF application. The formal pre-submittal meeting would consist of a presentation of the preliminary site plan or project plan, information on the development team, and the anticipated community benefits to the GURA board. The board would then determine whether to authorize the project to make a formal submittal. Please contact Robin Fleischmann as directed under Submission Requirements in this document.

## **VI. Submission Requirements**

The information submitted must be provided in adequate detail to allow for a thorough evaluation of the proposal. Reference should be made to the criteria outlined in this document. Developers may be required to provide additional information during the process. Developers will be required to provide oral presentations to GURA. Please submit three (3) hard copies and a two-page Executive Summary of the proposed project along with an electronic copy of the application on portable electronic media to:

Robin Fleischmann  
Community & Economic Development Dept.  
1445 10th Street  
Golden, CO 80401  
Phone: (303) 384-8080  
Email: rfleischmann@cityofgolden.net

## **VII. Colorado Public Records Act**

GURA will treat submissions received as public records under the Colorado Public Records Act (C.R.S. § 24-72-203). Therefore, information received by GURA is subject to public disclosure; however, if the developer provides confidential commercial and financial information, it will be exempt from public disclosure and retained as confidential by GURA. The exempted disclosure shall only be available if it would cause substantial harm to the contending position of the person/entity presenting the information or inhibit GURA's ability to gain necessary information.

## **VIII. Development Team Description**

A two-page description of the Development Team, which should include the following:

- The responsibilities, names, addresses, email, telephone and fax numbers of the Project Developer and key team members.
- The member(s) of the team who will be making decisions and with whom the Authority would negotiate. A single point of contact should be identified.
- Experience for each member of Development Team.
- Identification of consultants who will be involved in the project.
- Description of the legal relationship between the members of the Development Team and the legal entity with whom the Authority would negotiate.
- Description of the role the Project Developer will play, i.e., as owner or for a developer's fee, or both. The description should include the Development Team's experience and success with similar types of projects and how those projects relate to the development concept being proposed. Include location of projects and date completed, as well as the financing structure for the projects, size and type of public involvement, their size, total development costs and current financial status.

## **IX. Preliminary Development Plan**

Provide the preliminary or final site development plan package concurrently being reviewed by the City of Golden. GURA will not consider final approval of any agreement for a project that has not received final site development plan approval by the City; however, we prefer to consider such projects concurrently with City review.

## **X. Financial Capabilities**

Provide evidence satisfactory to the Authority of the financial capability of the Project Developer or Development Team to complete the project. Three (3) bound copies of the following information must be submitted under separate cover:

- A description of the financial capability and capital resources of the Development Team in a form and substance reasonably satisfactory to the Authority. This may be evidenced by any sources of information as the Development Team may choose to supply and may include audited financial statements for the past three (3) years, or such lesser period as the Project Developer has been in existence. References from lenders are required.
- Additional information will be required, depending on the Project Developer entity, including:
  - For privately held equity investment entities:
    - Fund prospectus or offering statement
    - Audited financial statements
    - Letter representing available capital from Project Developer Affiliate
  - For publicly held equity entities:
    - Most recent 10K and 10Q forms
  - For partnerships (including LLCs or LLPs), S-Corporations or similar entity structures:
    - Last three (3) years tax returns, if applicable

- Member, partner, or shareholder financial statements
- Must exceed 67% of ownership of proposed development entity
- Sole proprietorships:
  - Individual tax returns for the prior three (3) years
  - If a new entity is contemplated as the Project Developer, include the above financial information for each owner of the new entity and a statement of the manner in which the new entity will be capitalized. GURA reserves the right to require additional information.

## **XI. Financial Plan for Proposed Project**

The following preliminary information is necessary for GURA to evaluate the economic viability of the project and to analyze the Project Developer's ability to complete and operate the project:

Ten-year Pro Forma Statement submittals shall include a preliminary pro forma statement that provides a detailed outline of the economics of the project under consideration and the requested public investment.

Two separate ten-year pro forma statements should be included -- one with the projected public investment by GURA and one without any public investment (the "but-for" analysis). At a minimum, the pro forma should include:

- Development summary identifying the hard and soft costs associated with the development
- Revenues and expenses expected from project operations
- Financing structure of the development (both construction and permanent)
- Amount of equity and likely sources
- Key market assumptions relative to the development (i.e. market rent, absorption schedule, rate of rent increases, vacancy rates, cap rates etc.); and the return on equity for the Project Developer, with and without public investment by GURA.

This "but for" analysis must show the developer's return with and without tax increment financing from GURA, and should be expressed as an internal rate of return percentage. The pro forma should:

- Specifically include sources and uses information taking into account time over the estimated life of the project.
- Be submitted in .xlsx electronic file format to assist in GURA's underwriting process

## **XII. Additional Information Required**

The following additional information is required:

- Agreed upon price the property was (is to be) transferred and appraisal
- Valuation metric used for purchase price
- Participants in the Capital Stack of the Redevelopment: Equity, Preferred (Cumulative, Compounding), Mezzanine, Bank loan (LTV or LTC)
- Total weighted average cost of capital (1<sup>st</sup> Preferred, 2<sup>nd</sup> Preferred, Mezzanine, Construction loan and permanent loan if applicable)

- Return on cost and cash

### **XIII. Financial and TIF Parameters**

GURA strives to facilitate projects meeting our objectives and goals, however, it is necessary to limit the amount of TIF financing for any individual project to assure available funds for area wide infrastructure investments and other needs identified in the URA plan, as well as to address market and valuation risks associated with GURA's funding expectations.

- For TIF requests related to the elimination of severe blight, with substantial community benefit, developers should anticipate a maximum participation of 75% of incremental property taxes, in the form of rebates when such increased property taxes are paid. In rare circumstances, the GURA board may consider a higher percentage.
- For TIF requests primarily related to community benefits (as defined in this document and the specific URA plan), developers should anticipate a maximum participation of 50% of incremental property taxes, in the form of rebates when such increased property taxes are paid. In rare circumstances, the GURA board may consider a somewhat higher percentage.
- In very rare circumstances, GURA may consider lump sum participation or participation in bonding or debt associated with the project. Such a determination will require considerable additional information and negotiation.

### **XIV. Fees and Expenses**

The GURA board wants to encourage desirable applications and redevelopment projects. Accordingly, there is no initial application fee. In addition, for projects that have completed the pre-submittal meeting and been authorized to make a formal application, GURA will cover costs for its initial economic and/or legal analysis up to a maximum of \$5,000. At that point, GURA's continued consideration will be dependent upon submission of a non-refundable deposit for GURA's direct costs. This amount will be included in the TIF reimbursement if the project is executed.

### **XV. Miscellaneous**

This document outlines criteria for the submission of development proposals within the City of Golden, Colorado. Any fees, costs, or expenses incurred by developers in the preparation of proposals will not be reimbursed by GURA. GURA reserves the right to reject any and all proposals.