

NORTHGLENN URBAN RENEWAL AUTHORITY
PROPOSED BUDGET - 2010
HIGHLIGHTS AND SIGNIFICANT PROPOSED EXPENDITURES

The proposed 2010 Budget of the Northglenn Urban Renewal Authority (NURA) is attached to this budget message. In conformance with the requirements of the State of Colorado the budget must include anticipated revenues, proposed expenditures, beginning and ending fund balance, and three years of comparable budget data. The basis of accounting used in the NURA Budget is modified accrual.

The budget is a plan for spending, not an authorization to spend. All significant expenditures require specific approval of the Board of Commissioners. The significant anticipated revenue and planned expenditures of the 2010 NURA budget are explained below.

Property Tax Revenue - Contrary to expectations, the assessed value of the tax increment which provides most of our revenue did not decline from 2008 to 2009. The value of the TIF certified by the County Assessor in 2008 was \$16,630,050. This year the certified value of the TIF was \$16,702,290. Accordingly, NURA should have no decline in property tax revenue. The proposed budget projects \$1,925,000 of property tax revenue.

Regular Salary and Wages - The City provides staff assistance to NURA pursuant to an agreement first approved in 1990. Various methods have been used to compensate the City for NURA use of City Staff. The currently agreed to method is payment from NURA to the City of \$120,000 annually.

Legal Services - This has been a significant expense, as much as \$30,000 in previous years. However, it is an unpredictable number. If we move forward on redevelopment of the Webster Lake Retail area, we would expect significant legal fees for the various agreements that would be required. A budget number of \$30,000 is proposed.

Other Professional Services - A total of \$230,000 is proposed in the budget. This number would accommodate several projects. They are listed on the supporting budget schedule entitled "Anticipated NURA Expenditures - 2010".

Webster Lake Retail Subdivision - The eleven acres which comprise the Webster Lake Retail area were assembled from several parcels, some of which had never been subdivided. Those that have been subdivided reflect lot boundaries which would not be relevant to the proposed development. It has been contemplated that the City and NURA would complete the required re-subdivision of the parcels prior to sale to a developer. This would require employing a registered land surveyor. The estimated cost is \$5000.

Malley Area Studies - In anticipation that the Malley area would be the next focus of NURA, \$50,000 is proposed for various studies necessary to analyze the

potential and limitations of the area. Specifically, completion of the market studies begun in 2008 and preliminary engineering to determine if the realignment of Malley Drive is feasible is contemplated.

Bannock/104th Traffic Study - 104th Avenue between Interstate 25 and Melody Drive experiences undesirable levels of congestion on a regular basis. The problem is obvious, the solution not so certain. The purpose of the proposed traffic study is to identify measures, construction or otherwise, that would improve traffic flow in this area. This would be a complex study and \$25,000 is proposed for this purpose.

Bannock/104th Preliminary Engineering - Anticipating that the traffic study recommends certain physical improvements, specifically realignment of Bannock Street, \$75,000 is identified for preliminary engineering work.

Financial Consultant - The Board proposes to retain a finance and project consultant. The anticipated role of the consultant is strategic project planning and development. A total of \$75,000 is proposed for this purpose.

Economic Development Activity - NURA has already committed to \$550,000 for Economic Development Activities as follows:

104th Avenue Bridge Enhancements - The state 104th Avenue bridge replacement project includes \$500,000 for aesthetic enhancements requested by the City and funded by NURA. NURA's commitment to funding was made in Resolution N/08-14.

Vitamin Cottage Property Tax Rebate - In April 2007 NURA and the City approved an Property Tax Reimbursement Agreement with Vitamin Cottage to rebate up to \$250,000 of incremental property tax to Vitamin Cottage. Based upon the current assessed value of the real and personal property on the Vitamin Cottage site, the amount of the reimbursement in 2010 is projected to be \$49,355.

Capital Projects - A total of \$1,350,000 is proposed for capital projects as described below. This amount is both ambitious and optimistic. All three proposed projects are in conjunction with the Webster Lake retail development.

120th Avenue Turn Lane - This \$200,000 item is to fund construction of the turn lane between Interstate 25 and Grant St. NURA paid for design of this turn lane in 2009. While this project is coordinated with the Webster Lake Retail development, construction of the turn lane is necessary whether or not the retail project proceeds.

Traffic Circle Design and Construction - A traffic circle is proposed on Grant Drive approximately 300 feet south of 120th Avenue. A rough estimate of the cost to design and construct the traffic circle is \$450,000. The traffic circle is

proposed as an alternative to a traffic signal to serve a main entry to the proposed Webster Lake Retail project. It would also serve both the Metro North Building and the City owned undeveloped six acres east of Grant St. A traffic study commissioned by NURA concluded that a traffic circle as an alternative to a traffic signal would improve traffic flow at this intersection from level D to level A.

This traffic circle is not needed until the Webster Lake Retail project is constructed. However, there are advantages to proceeding with construction in advance of the retail project. It would be easier to accommodate traffic flows if the traffic circle is constructed before the retail project closes Community Center Drive. Second, construction prices are currently low due to the recession. Third, construction of the traffic circle will begin to set an identity for the Webster Lake area as a unique retail and recreational area. The risk is that if the retail project does not proceed in 2010 or the near future a significant and unnecessary expenditure has been made.

Detention, Porous Pavement - To maximize the development potential of the Webster Lake retail area, underground detention has been proposed. The incremental cost of providing this type of detention is estimated to be \$700,000. That is the amount above the cost of normal surface detention. In discussions with potential developers for this site, NURA has committed to paying for this extraordinary cost of development. If we are fortunate and the Webster Lake project proceeds on the most optimistic schedule, site improvements might begin in 2010.

NORTHGLENN URBAN RENEWAL AUTHORITY

2010 Budget

Proposed October 28, 2009

	2008 Actual Audited	2009 Approved Budget	Year To Date Actual (August 31, 2009)	2009 Projected Year End	2010 Proposed Budget
REVENUES					
Property Taxes	\$ 1,802,462	\$ 1,750,000	\$ 1,913,583	\$ 1,925,000	\$ 1,925,000
Investment Earnings	187,944	100,000	66,077	66,077	65,000
Miscellaneous	4,075	-	-	-	
Total Revenues	1,994,481	1,850,000	1,979,660	1,991,077	1,990,000
EXPENDITURES					
Regular Salaries & Wages	104,326	120,000	80,568	120,000	120,000
Overtime Wages	187				
General Employee Pension	6,012				
Deferred Compensation	25				
Medicare	1,294				
Health Insurance	9,034				
Life and Disability	851				
Dental Insurance	575				
Worker's Comp Insurance	88	100			
Operating Supplies	2,244	1,500	1,550	1,800	2,000
Legal Services	14,807	35,000	6,720	12,500	30,000
Audit and Accounting	1,400	1,500		1,500	1,500
Other Professional Services	8,782	30,000	27,822	35,000	230,000
Property Management	-	1,000	1,079	1,500	1,500
Economic Development Activity	61,483	650,000	1,777	2,500	550,000
Conferences and Seminars	4,118	5,000	-	500	5,000
Other Operating	(15,484)	250	-	-	-
Operating Contingency	-	50,000	-	-	50,000
Total Expenditures	199,742	894,350	119,516	175,300	990,000
EXCESS OF OPERATING REVENUE OVER EXPENDITURES	1,794,739	955,650	1,860,144	1,815,777	1,000,000
OTHER FINANCING SOURCES (USES)					
Capital Projects	(8,513)	(2,010,000)	(1,486)	(1,486)	(1,350,000)
Debt Service:					
Principal	-	-	-	-	
Interest	-	-	-	-	
NET CHANGE IN FUND BALANCE	1,786,226	(1,054,350)	1,858,658	1,814,291	(350,000)
Fund Balance-Beginning of Year	2,090,971	3,877,197	3,877,197	3,877,197	\$ 5,691,488
Fund Balance-Ending	\$ 3,877,197	\$ 2,822,847	\$ 5,735,855	\$ 5,691,488	\$ 5,341,488