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## Land Use, Transportation & Infrastructure Committee Summary Minutes

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**Tuesday, August 17, 2010**

**City & County Bldg., Rm. 391**

**Members Present:** Hancock, Nevitt, Johnson, Madison, Montero, Robb, Sandoval

**Members Absent:**

**Other Council**

**Present:**

**Committee Staff:** Gretchen Williams

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### Bill Requests

**BR10-0718 Approves a \$6.8 million contract with Milender White for construction manager and general contractor services for the City & County Building restoration project, including exterior historic preservation work and interior upgrades, which is partially funded by Better Denver Bonds.**

*Michael Sheehan, Public Works Department*

A motion offered by Councilmember Hancock, duly seconded by Councilmember Johnson, that a bill approving a \$6.8 million contract with Milender White for construction management and general contractor services for the City & County Building restoration project carried by the following vote:

AYES: Hancock, Nevitt, Johnson, Madison, Montero, Robb, Sandoval(7)

NAYS: (None)

ABSENT: (None)

ABSTAIN: (None)

Michael Sheehan, Public Works, and Jeff Steinberg, Facilities Management, presented the project and proposed contract. Milender White was selected from nine submittals received following a competitive bid process last spring. The negotiated guaranteed maximum price is \$6.8 million.

The Division of Small Business Opportunity set a goal of 22% minority/women

business enterprise participation. Milender White will meet or exceed that goal.

SlaterPaull is the architect on this Better Denver Bond and CIP-funded project. The scope includes three main components, the funds for which come from separate pots of money (2 are bond-funded but from different purposes); each will be tracked a separate project.

1. **First floor tenant finish.** This involves preparing 23,000 square feet of space to accommodate six County Court rooms and three District Court rooms that are currently in leased space at the Sheraton at \$46,000/month. Work should be completed between issuance of Notice to Proceed on October 1, 2010, and February 2011. (\$1.8M CIP)

2. a. **Exterior masonry restoration and preservation.** This includes cleaning and repairing the entire building and making it watertight to prevent further deterioration (\$2M bond funds).

2. b. **Front steps.** The stones will be removed and the water barrier membrane and sand base underneath will be replaced to prevent further leakage into and damage of the building (\$600,000 bond funds).

2. c. **Windows.** The building's 630 windows will be stripped of the security film installed for the Democratic National Convention, cleaned, scraped and painted, restored and made watertight and energy efficient (\$1M bond funds).

2. d. **Restroom renovation.** The three restrooms on the first floor will be remodeled, including changing one of the two men's rooms to a women's room (\$400,000 bond funds). If there are no large-ticket surprises in this or any of the other components, restrooms on other floors will be addressed.

3. **Bannock Street.** Better Denver Bond funds include \$1M for reconstruction and reconfiguration of Bannock in front of the building. This project may not remain in this contract, depending on the timing of concept approval and final designs, which may delay too long to allow work completion before Cinco de Mayo in 2011. If it is removed, Council will be asked to amend this contract.

Councilwoman Robb asked about the schedule for renovation for City Council offices of 4<sup>th</sup> floor space being vacated by courts. This is important to Council's budget deliberations because of differences if more members moved from leased space. Mr. Steinberg said that the planned conversion is estimated to cost \$1.8 M (CIP funds), and funding is not available in the budget this year or next. The current plan is to do the full conversion work in 2012 or 2013. However, it is relatively inexpensive to convert the space to office hotel suites for members' use when they are Downtown. That will be completed by the end of 2010 or in the first quarter of 2011.

**BR10-0696 City Council sitting as the Board of Directors of the 14th Street General Improvement District authorizes issuance of revenue bonds in the principal amount of \$4 million as part of the funding for the 14th Street streetscape improvement project; amends the 2010 budget to include the bond transaction; establishes maintenance and capital charges for 2011; and approves the 2011 budget.**

*Andrew Johnston, Dept. of Finance*

Karen Aviles, Assistant City Attorney, said Council has many roles in the 14th Street improvement project. In 2009, the Council approved formation of the General Improvement District (GID). Once the district is created, Council acts as the GID's Board of Directors regarding issuance of bonds to finance the project, setting charges and approving the work plan and budget.

Andrew Johnston, Treasury, said the work plan and budget documents were prepared by the District Advisory Board, which comprised of four people from City, including Councilwoman Madison, and seven district stake holders. The project consists of streetscape enhancements on 14th Street between Market and Colfax. The budget is \$14 million, which is comprised of \$10M Better Denver Bond funds and \$4M from the GID.

In addition to issuing bonds, the GID charges the property owners in the district to fund the administration, operation, maintenance and capital requirement of the district. The per linear foot charges are higher for properties within the "premium zone" (Larimer to Welton) wherein the property owners have elected to have a higher level of improvements and therefore higher maintenance costs.

The City is exempt from charges on the property it owns within the district, for which it will continue to provide basic maintenance. The Downtown Denver Partnership will continue its base level of maintenance within the district.

The 2010 budget needs to be amended to create budgetary accounts to track the transfer of the \$4M district contribution and to create a process to administer collection of capital charges and payment of debt service.

The 2011 maintenance budget is \$74,625, an increase from \$50,000 in 2010. Maintenance budget will eventually grow to \$150,000. The capital budget is \$351,111, which is expected to remain constant over 25 years.

Maintenance charges were assessed in 2010, and capital charges will be added in 2011.

The debt from issuance of bonds will be the obligation of the GID, not the City. The District Advisory Board opted for bonds with a 25-year fixed-rate term. The term could have been shorter or longer (as much as 40 years per statute), but 25

is reasonable and acceptable to the property owners.

Bonds will be sold by October 21. The cost of issuance could not be added to the principal, as specified by the electors. Financing is premium-priced to cover the \$200,000 cost of issuance and a \$50,000 debt service reserve fund. The net effective interest rate is projected at 6.32%.

Councilman Nevitt asked about any other GIDs in the City. Gateway Village is the only other GID, but there are nine Business Improvement Districts (BIDs); 22 metropolitan districts; and 28 Local Improvement and Local Maintenance districts (LIDs/LMDs).

Mike Harmer, Project Manager, said the base project with additions and alternates was advertised in June. Bids were opened last week and are low. The W/MBE goal is 15%. Construction should be completed by end of 2011.

A motion offered by Madison, duly seconded by Sandoval to approve filing a bill for Council acting as the Board of Directors of the 14th Street General Improvement District authorizing issuance of revenue bonds in the principal amount of \$4 million as part of the funding for the 14th Street streetscape improvement project; amending the 2010 budget to include the bond transaction; establishing maintenance and capital charges for 2011; and approving the 2011 budget carried by the following vote:

AYES: Hancock, Nevitt, Johnson, Madison, Montero, Robb, Sandoval(7)  
NAYS: (None)  
ABSENT: (None)  
ABSTAIN: (None)