



---

## Land Use, Transportation & Infrastructure Committee Summary Minutes

---

**Tuesday, April 26, 2011**

**10:30 AM City & County Building, Room 391**

**Members Present:** Johnson, Montero, Robb, Sandoval

**Members Absent:** None

**Other Council Present:** Nevitt, Lehmann

**Committee Staff:** Gretchen Williams

---

### Bill Requests

**BR11-0295 A bill for an Ordinance amending Ordinance Number 426, Series of 2007, as amended by Ordinance Number 335, Series of 2009, Ordinance Number 148, Series of 2010, and Ordinance Number 11, Series of 2011 designating the project to be undertaken and funded with the proceeds of the Better Denver bonds.**

*Stu Williams, Bond Program Manager; Lupe Gutierrez, Treasury; Gretchen Hollrah, Budget; Jen Welborn, Assistant City Attorney*

Many of the Bond Projects are completed or near completion. Due to a competitive bidding market and good project management, the Program has met voter intent and come in under budget on several projects. Additionally, opportunities to take advantage of federal money have become available. Therefore, the Bond Executive Committee requests that Council amend the Bond Program Companion Ordinance to reallocate funding within four of the eight Purposes (Parks & Recreation; Streets & other Public Works facilities; Cultural facilities; etc.).

A total of \$13.5 million would be shifted, which is about 3% of the total \$550 million program. The Executive Committee wants to reallocate these funds as soon as possible to continue to create jobs and take advantage of good pricing.

The proposed amendments include:

- deducting funds from budgets of completed projects;
- adding funds to projects that have run into unexpected issues, such as asbestos encountered at Ruby Hill Park;
- adding 5 new projects, some from the Bond Task Force's original list; some promote the intent of the original project; some new; and
- renaming projects to more accurately describe them, such as adding "deferred maintenance at the performing arts center" to the Champ Street studio space project name.

The new projects are:

Purpose 3: Health & Human Services Facilities - Add "Human Services facilities" (deferred maintenance for Arie Taylor and Castro buildings for \$1,150,000) and "Denver Health & Hospital Authority" (Denver CARES safety upgrades; City share of West Side neighborhood clinic for \$1,130,000) for a total of \$2,340,000.

Purpose 5: Public Safety Facilities - Add "Police Command Garage: (to provide protection of DNC investment in vehicles for \$600,000) and "Fire Station Renovations" (small deferred maintenance projects at several stations not included in the original list for \$430,000) for a total of \$1,030,000.

Purpose 6: Streets, Transportation & Public Works Facilities - add "Peoria Street grade separation" (City's required match for \$25M federal funding) for \$2,500,000. This project is for the FasTracks line to DIA and is a joint project with Aurora. This is possible due to the federal ARRA funding that reduced the City's cost of the Central Park Blvd/I-70 interchange by \$8,400,000.

Each Purpose continues to carry a contingency fund, as does each project, in case of extraordinary problem encountered.

Councilwoman Lehmann suggested a contingency project process as was done for the T-REX project. Long before completion of the main project and final accounting, a list of desired additional projects was prioritized. As contingency funds became available, they were applied to the projects in order, which simplified the process. Compiling and agreeing on the list is difficult and takes time, so it should be started now.

Councilwoman Robb asked for the total amount of savings from bond projects, the amount of the premiums and interest, and when the City will have additional bonding capacity.

Savings out of the bond projects and contingencies are about \$20 million. That

includes \$3.5 million in Central Recreation Center project, which may be used for construction (the name is proposed to be changed to allow that possibility). That means savings are closer to \$17 million. Estimates for the premium and interest are about \$6.8 million. A small amount of capacity will be available in 2017. The Better Denver Bonds are mature in 2025, but Treasury did not have the information on all the bonds. The Committee will be presented all of the information in the near future.

Councilwoman Robb said Council has some policy choices to make. The Executive Committee has proposed one approach. Another would be to not use the full bonding capacity. Or, we could identify one big project and go back to the voters. If we approve the proposal, we create jobs now. There are several factors, both pros and cons, to weigh.

Ed Scholz, Finance Director, said 90% of the fund shifts proposed today is needed in order to finish projects. With some of the, money we are leveraging federal funds. These are our recommendation of how to make the best use of the money and fulfill the Mayor's direction to keep creating jobs.

Mr Williams said he will present a full accounting of the contingency funds to the Committee. He noted that the contingency fund balances are included in the quarterly reports.

Councilwoman Montero said she worries that the Executive Committee may make decisions that mean a project in her district does not get done.

Councilman Nevitt said it is an imperative to get the money on the street and create jobs. It makes sense to pursue additional opportunities now rather than wait until all the projects are completed to see what is left over.

Councilwoman Robb asked that when we consider how to use the bond premium and interest that Council be given more time to weigh the options and think about these things.

A motion offered by Councilmember Sandoval, duly seconded by Councilmember Johnson, to file the bill carried by the following vote:

AYES: Nevitt, Johnson, Montero, Robb, Sandoval(5)  
NAYS: (None)  
ABSENT: (None)  
ABSTAIN: (None)

Mr Williams asked if they could file the bill this Thursday, out of order, so the projects are not delayed. The Committee agreed.

**BR11-0294 Amends parts of Chapter 56, Utilities, of the Denver Revised Municipal Code to update sanitary and storm sewer provisions.**

*George Delaney, Public Works Manager*

A comprehensive review of all wastewater and sanitary sewer ordinances and found that the current language does not reflect the City's current practices. The proposed amendments:

- Codify existing authorization contained in the Manager's Technical Specifications allowing the Manager to grant a waiver or variance from certain design requirements if those requirements are infeasible or create a financial hardship. The alternative design must still meet all of the standards for health, safety and welfare.
- 
- Allow more flexibility in billing processes and give the Manager authority to change billing cycles. Ordinance currently sets a bi-monthly cycle for sanitary sewer charges; the amendment would allow for monthly or bi-monthly. Sanitary charges currently must be conjunctive billing with Denver Water; the amendment would allow the City to bill directly. Currently, storm water charges must be billed annually; the amendment would allow for any periodic billing.
- 
- Current language acknowledges that the operation of the sanitary system benefits from operation of the storm water infrastructure and allows use of revenue from storm for sanitary. The amendment would create a parallel in the other direction, acknowledging that both systems benefit from good operation of the other. It allows for revenue from the two systems to be combined for a portion of the operation & maintenance (O&M) of either system.
- 
- Delete the specific percentage allocations for use of sanitary and storm water revenue for construction and operation and maintenance (O&M). Public Works (PW) can not document when the existing percentages were put in place, but it appears to have been done long ago to ensure enough money to complete build-out of the systems. PW wants the ability to use some of the revenue earmarked for construction and on operation and maintenance, including payment of the Metro Districts fees for sewage treatment. These fees are currently being paid with storm water system funds.

Councilwoman Robb said storm water improvements are one of our biggest costs, including for studies and construction, because the projects are huge. Some approved projects do not even get bid because there are no funds available.

Mr Delaney said the Wastewater Enterprise Fund only bid out projects when the cash is available, even if they are authorized projects. Revenues are collected and deposited in appropriate funds. Only when there are enough is permission to expend funds requested. The current ordinance dictates that a certain percentage is held for that the City often does not need. It makes more sense to let Council and the Mayor decide each year how to spend the funds.

Councilwoman Robb said this amendment would allow PW to put more money into Operations for street sweeping and less into construction or repair of outfalls. She is concerned about capital maintenance and operations of the storm system. It is hard to track the projects.

Ed Scholz, Finance Director, said everything is still subject to annual appropriation. Later this year, Finance will proposed that the Wastewater Enterprise Fund be brought into the Capital Improvement Program and be managed like all other capital funds, based on a 6-year plan. The proposed amendments in front of Committee today are an effort to get the housekeeping items out of the way so we can talk to Council this summer about the financial condition of all the capital funds and fee increases.

Mr Delaney said Council will be provided a status list of all Wasterwater Enterprise Fund projects.

- This amendment would add the requirement that developers of sites of one acre or more must prevent or minimize water quality impacts. This is a requirement of Denver's storm water discharge permit, per state law. The permit requirements say the City has to have a program that requires developers to protect the water quality of discharge. Several public entities have been told by the courts that their requirements must protect water quality. EPA is cracking down on water quality issues, and we are trying to develop more flexible ways to accomplish the requirements. All of the Managers rules and regulations are being reviewed to ensure that they reflect the same requirements.
- 
- The final group of amendments updates definitions and references and eliminates outdated provisions. Examples are to use Metro's current name, and allow for measuring impervious surfaces with aerial photography.

A motion offered by Councilmember Johnson, duly seconded by Councilmember Sandoval to file the bill carried by the following vote:

AYES: Nevitt, Johnson, Montero, Robb, Sandoval(5)

NAYS: (None)

ABSENT: (None)  
ABSTAIN: (None)