

The Better Denver Bond Program

Program Report - Q1 2009

April 27, 2009



Introduction

This report outlines the progress and accomplishments on the Better Denver Bond Program (“Program”) during the first quarter of 2009 (January 1- March 31). During this quarter, the Program finalized several deliverables, and continued to refine the process and concepts for City and County of Denver (CCD) Departments and Project Managers to track schedules, budget, progress, and variances using automated reporting tools developed by the Program. Specific accomplishments and project status are discussed in the sections that follow.

Program Highlights

At the end of March 2009, status of projects that comprise the Program is as shown in Table 1.

TABLE 1
Q1 - 2009 Project Status

Project Phase	Number of Projects	
	March 31, 2009	December 31, 2008
In Planning Phase	97	109
In Design Phase	64	73
In Design / Construction ¹ }	20 }	} 22
In Construction Phase }	16 }	
Project Complete	18	11
Total Number of Projects ²	215	215

¹ New Category: Includes multiple phase projects, where several individual phases within each project are currently either in design, in construction, or completed (e.g. City & County Building or Recreation Center Renovations)

² “Projects” refers to the current total number of projects and sub-projects that comprise the Program as of March 2009.

The number of projects will fluctuate as more projects are identified, or as projects are redefined due to changing needs or circumstances. Many of the Bond projects go through planning, design, and construction phases which span more than one year.



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Program schedule performance information (Table 2) shows the value of the work completed through Q1 2009 compared to that which was planned, by Purpose. The Earned Value of work completed to date of \$55.9 million is tracking closely to the Planned Value of work scheduled to be completed of \$59.5 million (approximately 6% behind plan).

TABLE 2
Q1 - 2009 Earned Value

Purpose	Planned Value of Work (Budgeted Cost of Work Scheduled) through 3/09	Earned Value of Work through 3/09	Schedule Variance
Public Office Facilities (Purpose 1 - Ballot Issue F)	\$ 4,798,000	\$ 4,392,000	\$ (406,000)
Deferred Maintenance of Cultural Facilities (Purpose 2 - Ballot Issue G)	\$ 8,816,000	\$ 11,411,000	\$ 2,595,000
Health and Human Services Facilities (Purpose 3 - Ballot Issue B)	\$ 2,736,000	\$ 3,001,000	\$ 265,000
Parks System Facilities (Purpose 4 - Ballot Issue E)	\$ 10,672,000	\$ 8,675,000	\$ (1,997,000)
Public Safety Facilities (Purpose 5 - Ballot Issue I)	\$ 1,688,000	\$ 2,119,000	\$ 431,000
Streets, Transportation and Public Works (Purpose 6 - Ballot Issue D)	\$ 17,624,000	\$ 14,620,000	\$ (3,004,000)
Libraries (Purpose 7 - Ballot Issue C)	\$ 7,532,000	\$ 7,501,000	\$ (31,000)
New Construction of Cultural Facilities (Purpose 8 - Ballot Issue H)	\$ 2,119,000	\$ 597,000	\$ (1,522,000)
Program Management	\$ 3,573,000	\$ 3,575,000	\$ 2,000
Total	\$ 59,558,000	\$ 55,891,000	\$ (3,667,000)

Schedule Variance improved by \$9,219,000 compared to Q4 2008. The improved position through Q1 2009 was a result of:

- Project work being accomplished ahead of schedule, such as the maintenance work at the Denver Museum of Nature and Science



- Schedule changes approved by the Bond Executive Committee that more accurately reflect how the project work will be accomplished such as:
 - Schedules aligned for five (5) Fire Station renovation projects to allow bundling into a single contract package in order to achieve economies of scale
 - Schedule for the new Animal Shelter adjusted to accommodate other contract work in the area
- Budget re-allocations from design phase to construction phase, as design costs are coming in less than as allocated in the original schedule

Program Activities and Accomplishments in Q1 2009

During Q1 2009, we have begun to address many activities which were identified in the 2008 Report as focus activities for 2009.

The Program's main activities during Q1 2009 are briefly described below:

- **Refined Legacy Tools and Processes**, particularly the Program Controls System (PCS) and Change Control Process:
 - Worked with Department /PMs and Technology Services to ensure regular, ongoing use of these tools
 - Facilitated greater accuracy in PM reporting through ongoing interface between Program staff and PMs
 - Fully implemented the regular project status reporting cycle
 - Expanded the use of Change Control forms, and review process, through the Bond Executive Committee.
 - Published Program and project schedules and reports.
- **Continued with Project Reviews** for specific projects or groups of projects. The reviews allow dialog between project managers, City Departments and the Program Management Team on specific project issues and result in specific actions for follow-up. Reviews were held for several individual or groups of projects, including:
 - Street Reconstruction
 - Boettcher Concert Hall
 - Historic Features at Civic Center Park
 - Library Rehabilitation
 - Playground Renovations
 - Irrigation Projects
- **Contract Process Streamlining.** Worked with (Public Works) Contract Management Group and other departments to identify the current contract process and to identify potential opportunities for streamlining. The Program is currently assessing the following strategies to reduce the time required to award a contract:



- Perform concurrent reviews by the multiple departments that need to review/approve the contract; and
- Secure consensus with key parties on time required for review and signature
- **Continued assessment of procurement strategies** and ways to deliver projects within the Better Denver Program (e.g. design-bid-build, design-build, CM/GC, use of on-call contracts). Hosted a seminar on CM/GC with specialists in this field, who addressed the circumstances when the CM/GC approach is most beneficial. Representatives from across numerous City departments participated in the seminar.
- **Selective Acceleration.** Reviewed certain projects to assess whether they might be completed earlier than originally anticipated. Stapleton Recreation Center, which was originally scheduled for completion in 2012, has now been moved up for completion by 2010. Additionally, 6 of 15 Recreation Center renovation projects have already been completed. Several of the large Bond projects have significant private funding components (e.g. I-25 /Broadway Interchange, Boettcher Concert Hall, and DMNS), and due to the challenges of securing such funding, the Program is not able to accelerate those projects at this time.
- **Assisted Public Works and Parks Departments with their new Project Manager hires,** and helped to train the new PMs on Program and City processes. These new hires will help the Program to complete as many of the projects in four years as is possible. These PMs include:
 - Valerian (Playgrounds and Irrigation)
 - PB Americas (Crime Lab, Lowry Fire Station and 14th Ave./Colfax Streetscapes)
 - Wember (Green Valley Ranch, Stapleton and Westside Libraries)
 - Empire (Eastside Human Services)
 - J.F. Sato (Civic Center Historic Features and miscellaneous Parks projects)
 - Rafael Augusta (Project Management Supervisor)
- **Continued Communication activities,** including:
 - Prepared information and responded to media inquiries/interviews (Liberty Financial/KYGO Radio- Public Affairs, Denver Business Journal)
 - Updated /expanded the web site, adding project specific information, as available
 - Provided Bond signage at 8 additional project sites, giving a total of about 35 sites with signage as of the end of March 2009
 - Responded directly to approximately 16 citizen inquiries received via emails/phone calls



- **3rd Party Coordination.** Continued meetings and visits with Bond Program 3rd Party organizations to assess their progress and coordinate as needed. These organizations include Denver Health and Hospitals, Denver Botanic Gardens, and the Denver Museum of Nature and Science.
- **Council Reports.** Established a custom monthly report to Council members which includes project schedules/status allowing them to respond to inquiries.
- **Coordinated with the Sustainability Committee,** which assessed every project for sustainable opportunities. The Sustainability Committee has reviewed and approved approximately 12 new Bond project submittals. In addition, the committee coordinated a presentation from Xcel Energy to investigate new technologies and possible energy rebates.
- **Collaborated with the Denver Office of Cultural Affairs** to gather information relating to the Bond projects for Public Art. The Program assisted DOCA with their first Public Art Workshop, held January 29, 2009. DOCA organized the event to give artists the tools and know-how they need to apply for and win commissions. Over 200 artists, as well as City officials attended. DOCA has begun Public Art Process for:
 - Sloan’s Lake Park: three semi-finalists -artist under contract by July
 - Parkfield Lake Park: six semi-finalists -artist under contract by August
 - Ruby Hill Park: RFQ is posted- artist under contract by September
 - *Cherry Creek Trail & Cherry Creek Solid Waste Facility: RFQ posted; artist under contract by September
 - Stapleton Recreation Center: Selection Panel formed, first meetings coming soon
 - Denver Municipal Animal Shelter: forming Selection Panel
 - Denver Public Library: Green Valley Ranch: forming Selection Panel
 - *14th Street Streetscaping/California Street: forming Selection Panel

*Indicates project funds from adjacent projects that will be combined for more significant/appropriate project.
- **Land Acquisition.** The Real Estate Department has been actively engaged in finding suitable locations for those projects that need land. The following are the significant actions during this report period:
 - Negotiations underway for potential Stapleton Library site
 - Identification of Animal Shelter site has allowed architect to proceed with design
 - Negotiations underway for potential Lowry Vista Fire Department site

A complete list of Real Estate actions is provided in Appendix 6.



Completed Bond Projects

A list of Bond projects completed to date is shown below.

Total Projects Completed : 18
Completed Q1 2009 : 7

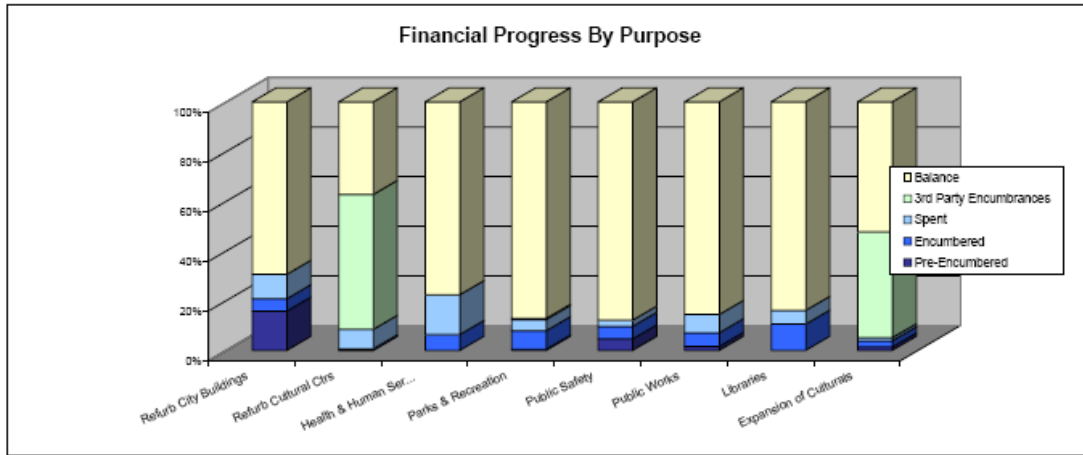
Purpose	Project	Department	Project Manager
3	Lowry Child Care Center	Facilities	Hamilton
3	Edna Oliver Child Care Center	Facilities	Hamilton
3	Northeast Child Care Center	Facilities	Hamilton
4	Cranmer Park Irrigation	Parks & Rec	Murayama
4	Berkeley Park Irrigation*	Parks & Rec	Binard
4	Auraria Median Irrigation	Parks & Rec	Bernstein
4	Montclair Recreation Center	Parks & Rec	Schwarz
4	La Familia Recreation Center*	Parks & Rec	Schwarz
4	Scheitler Recreation Center	Parks & Rec	Schwarz
4	Hiawatha Davis Jr. Recreation Center*	Parks & Rec	Schwarz
4	Montbello Recreation Center	Parks & Rec	Schwarz
4	Harvey Park Recreation Center*	Parks & Rec	Schwarz
6	Yosemite Sound Wall Repair*	Pub Works Transportation	Barwick
6	DTC -- I-225 to Belleview	Pub Works Transportation	Haun
6	Tennyson Street -- 26th to 32nd	Pub Works Transportation	Ohlrogge
6	University Blvd -- Buchtel to Asbury	Pub Works Transportation	Haun
7	Barnum Branch*	Facilities	Matthews
7	Broadway Branch*	Facilities	Matthews

* Completed Q1 2009

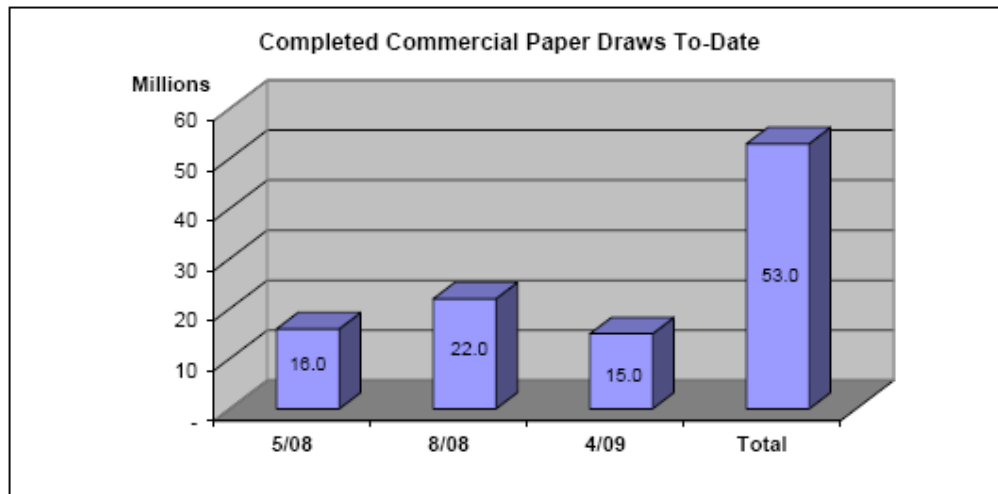
2009 Financial Information

- The Better Denver Bond Program continues to meet its financial objectives. As of March 31, 2009 \$34.3 million has been expended on projects, while encumbrances are approximately \$111 million total. Encumbrances include \$63M in third-party agreements, such as those for Denver Botanic Gardens and Denver Museum of Nature and Science.
- To-date \$38 million in commercial paper has been issued to finance the program. A third issuance is planned for April, with a general obligation bond issuance planned for summer 2009.





Purpose	Pre-Encumbered	Encumbered	Spent	3rd Party Encumbrances	Balance	Total
Refurb City Buildings	1,635,888	509,915	1,023,718	-	7,180,483	10,350,000
Refurb Cultural Ctrs	61,815	290,041	4,775,722	32,844,094	22,574,328	60,546,000
Health & Human Services	-	3,069,323	7,809,831	-	37,703,845	48,583,000
Parks & Recreation	440,898	6,959,631	4,182,708	408,003	81,398,763	93,389,000
Public Safety	2,960,431	3,352,211	1,622,750	-	57,259,607	65,196,000
Public Works	2,322,185	8,198,006	11,100,713	-	128,167,096	149,788,000
Libraries	-	5,451,973	2,882,229	-	43,548,797	51,883,000
Expansion of Culturalurs	908,800	1,719,743	918,647	29,790,000	36,682,810	70,000,000
	8,330,013	28,550,844	34,316,317	63,040,097	414,495,729	549,733,000



Purpose	Issue 1	Issue 2	Issue 3	Total
1. Refurbish City Buildings	320,878	889,000	300,000	1,509,878
2. Refurbish Cultural Ctrs	3,323,489	1,996,000	6,200,000	11,519,489
3. Health & Human Services	6,345,614	1,473,000	500,000	8,318,614
4 Parks & Recreation	1,404,009	6,028,000	2,200,000	9,632,009
5. Public Safety	115,911	1,819,000	600,000	2,534,911
6. Public Works	3,465,236	7,911,000	2,600,000	13,976,236
7. Libraries	970,594	769,000	2,400,000	4,139,594
8. Expansion of Culturalurs	54,269	1,115,000	200,000	1,369,269
	16,000,000	22,000,000	15,000,000	53,000,000

Current Commercial Paper issuance projected to cover expenditures through June 2009



2009 Current Forecast:

The Program is working to move projects from 2012 to earlier execution, to the greatest extent possible. Several Bond projects which are currently scheduled for completion in 2012 have major private funding aspects, either through donations, or through developer partnerships. Limitations on fundraising and private capital related to the current recession contribute to the movement of planned value for a few projects out into the 2012 year. The current work forecast for the Program is shown in Figure 2.



FIGURE 2
Current Work Forecast

