



**Bond Implementation Committee
Summary**

Mon. March 23, 2009

3:30 p.m.

Conference Room 391

Committee Members Present: Hancock, Faatz, Lehmann

Committee Members Absent: Garcia

Other Council Present: Brown, Nevitt, Robb

Agenda: Panattoni Contract for 200 W. 14th Ave. Building (former Permit Center)
Funding & Construction Agreement for new Recreation Center at Stapleton
Museum of Nature & Science Funding Agreement Amendment
Bond Program Update

Announcement

Councilwoman Lehmann announced that the Civic Center Design Guidelines had been adopted by the Landmark Preservation Commission on March 17. The bond projects in Civic Center Park are ready to commence. The actual contracts for bond projects will be reviewed by the Bond Implementation Committee, but in April, the Public Amenities Committee will have a discussion of bond projects and how they relate to other projects and efforts toward the rehabilitation of Civic Center.

1. Panattoni Contract for 200 W. 14th Ave. Building (formerly known as the Permit Center)

Committee Action

The Committee approved filing a \$1,635,886 contract with Panattoni Construction for interior work on the 200 West 14th Avenue Office Building for occupancy by the Denver Election Division and Denver Environmental Health Dept.

Summary of Discussion

Jeff Steinberg, Director of the Real Estate Division of the Finance Department, and Mark Guerrero, Facilities Planning & Management, discussed the renovation of the 200 West 14th Avenue Office Building. Environmental Health approved the space plan for its offices on half of the second floor. A few details remain to be finalized by the Election Division regarding its space on the first and second floors with storage in the basement (replacing warehouse space). The atrium space will be used more intensively during election cycles when more staff is required.

The building was almost gutted, and working with the Greenprint Denver Office and under Executive Order 123, demolition was performed with the environment as a leading consideration. As much of the removed material as possible was recycled.

The contract was bid in a successful process, coming in under the estimate of \$1.78 million. Work should be completed and the building occupied by late fall of 2009. The Election Division guided the timing of the move based on election cycles to be the least disruptive.

2. Funding & Construction Agreement for the new Recreation Center at Stapleton

Committee Action

The Committee approved filing the proposed agreement with the Park Creek Metropolitan District for joint funding and construction of the new recreation center at Stapleton, with the stipulation that the final agreement language be provided prior to filing. The Committee directed that contracts or agreements involving payments by any outside party be attached to the ordinance request in future.

Summary of Discussion

Kevin Patterson, Manager, Parks & Recreation, described the proposed agreement, which details the funding and construction responsibilities of the City and the Park Creek Metropolitan District. The agreement includes \$10 million from the Bond Program and \$7.5 million from the District.

The District is responsible for the construction project and will convey the building to the City upon completion to the City's standards, including a public art component and LEED Silver Certification. While the District is in charge of construction, both Parks & Recreation and Public Works are directly involved in the project. This model has been used for other projects at Stapleton.

Councilwoman Faatz said the language in the agreement should be very precise as to how payment would be made by the two entities. Mr. Patterson said that as invoices are submitted, the City will pay its pro-rated share.

3. Denver Museum of Nature & Science Funding Agreement Amendment

Committee Action

The Committee held the proposed amendments for modifications stipulating that the Museum of Nature & Science must use any capital funds that are not restricted to other specific projects toward the full completion of this project as presented to the voters.

Summary of Discussion

Don Hunt, Bond Program Manager, and George Sparks, Executive Director of the Denver Museum of Nature & Science (DMNS), explained the funding dilemma and the proposed course of action. This bond project consists of the design and construction of a new education and storage facility. Bond funds total \$30 million, and DMNS committed to privately raise \$23 million. The funding agreement currently requires that the two sets of funds be spent in "lock step". However, fund-raising is slower than anticipated due to current economic conditions. DMNS has only \$4 million in hand; the project cannot be bid until all funds are available, per the current agreement.

After considering several approaches, the optimum alternative being proposed is to allow the City to start spending bond funds, along with the museum's \$4M, to design and construct the building core and shell. As DMNS continues to raise the \$19M balance, it can schedule and fund the finishes.

This approach is recommended as prudent because one goal of the Bond Program is to put the money to work creating jobs as soon as possible. If the \$30M is held back waiting for the total of the committed private funds to be raised, this goal will not be met. Additionally, it is reasonable to

recognize the difficulties of fund-raising at this time. Construction would start the end of 2009 or early 2010.

Councilman Nevitt asked about ensuring that DMNS does not scale back the project to be less than what the votes approved. Mr. Hunt said the City must approve the construction documents for the entire project before the start of construction. Further, it is in the self-interest of the museum to outfit the building as it was envisioned.

Councilman Brown asked if expediting the project would save construction cost. Mr. Hunt replied that it probably would but that he could not guarantee it. The project will be bid as a \$34M project, but it might include add-alternates in case more private money becomes available.

Councilwoman Faatz said the voters only narrowly approved this project and that vote was based on \$23M private funding in partnership with the tax money providing a specific share. She questioned why the proposed amendment deleted the financial guarantee. She wanted the language to specifically require that all DMNS capital funds must be used toward this project before anything else.

Mr. Sparks explained that people sometimes want to make a donation for specific items or projects. He does not want to be in the position of turning away funds because the donor wants to contribute to something other than the education and storage facility.

Jen Wellborn, Assistant City Attorney, said the language can be modified. She suggested stating that "all unrestricted funds" be used for this project, if Mr. Sparks and Mr. Hunt agree. Mr. Hunt said that was certainly the intent.

Councilwoman Faatz asked that the agreement be held in Committee until the language is changed.

4. Bond Program Update

Don Hunt, Bond Program Manager, and Jeff Steinberg, Director of the Real Estate Division of the Finance Department, said a full status report would be presented at the April meeting. They then quickly ran through the status of several projects; distributed a table showing the status of all "city-wide" projects, noting that each Council member had received a similar table containing the projects in their council districts. These tables will be updated monthly. Mr. Hunt said the 68 bond projects have now been broken down into 215 individual projects, considering design contracts, construction contracts, etc.

Mr. Steinberg said the City has hired a company to perform a 5-year needs assessment for all City facilities, based on anticipated population growth. Both the magnitude of growth and the areas of the city in which it will occur will be analyzed. Each City agency will have input on its expectations for future space needs.