

City Council Workshop, June 9, 2014

Notes taken by Susan Shirley

In attendance were Mayor Marc Williams, Mayor Pro Tem Mark McGoff, and councilmembers Don Allard, Bob Dyer, Jerry Marks, and John Marriott. Public attendance, including members of the proposed Arvada Center non-profit board, and representatives of Red Rocks Community College, was about 18.

This workshop consisted of discussion on three subjects: The expansion of the Arvada Campus of Red Rocks Community College, the contemplated partnership between the City and a non-profit organization to govern the Arvada Center, and a look at future expenditures for capital improvements.

1. Red Rocks is asking the City for a donation of \$1 million as part of their planned major expansion here. In addition, it is expected that road modifications for access from Kipling may cost around \$2.6 million.

Red Rocks has received a \$10 million grant from the State of Colorado; they also have, or will have, \$7.5 million of their own plus \$5 million anticipated input from "community investment," which would include any money the City contributes. This comes to the \$22.5 million expected to be spent on the expansion.

More than just a makeover, this expansion will triple the size of the campus and create a state-of-the-art health training campus, kind of the "Anschutz of the West End." Red Rocks will move its existing health sciences courses from the Lakewood campus, as well as adding some new ones, creating a "team learning environment" in which students from a number of disciplines learn together. There could also be included an on-site community health clinic which would provide low-cost health care in a teaching setting. Red Rocks already has one of only two Physician Assistant (PA) programs in the state (the other being at CU) and is one of only five community colleges in the US which offers a PA program; with the expansion, they will also be able to upgrade their existing PA program to include a master's degree.

The timeline has the construction beginning in the summer/fall of 2015, move-in in fall of 2016, and in spring of 2017 the existing facility would have renovations begun.

Relative to the Anschutz campus, Red Rocks intends a collaborative rather than competitive relationship. There will also be close partnerships with local hospitals and high schools.

Campus size is expected to rise from about 300 full time equivalent students to 900 or more. The majority may come from Arvada, but the PA program will draw from across the United States, as it does now at the Lakewood campus. This should have an overall beneficial effect on Arvada's economy.

Following a discussion between councilmembers and representatives of Red Rocks Campus, City Manager Mark Deven spoke briefly, cautioning that he would see a \$1 million contribution as "very difficult" in the next couple of years, and that he intends to consult with the City's financial people and get back to the Council on that. In response, Mayor Williams said, "I view this as an investment, not a 'feel-good' donation...it's to make something good come together."

2. Arvada Center Governance: There is a possibility that the City may decide to turn over operations of the Arvada Center to a non-profit organization, while retaining the responsibility for maintenance of the building and grounds. This is seen by some as a way to enhance charitable contributions toward the

Center, relieving some of the financial burden on the City without relinquishing full control of a major asset. There has been no formal movement in this direction aside from identifying a potential board of directors for the non-profit side of the arrangement. The arrangement would be seen, initially, as a long-term partnership intended to span ten or twenty years, renewable if both parties were amenable.

Some questions and answers between Council and Deven:

Who owns which assets? Those purchased by the City would remain under City ownership; those purchased by the non-profit would remain the belongings of the non-profit.

What about the employees? The key employees would transition quickly and become employees of the non-profit; others would transition over a longer period. In some cases, they might retire as City employees, and their replacements would be hired by the non-profit.

Councilmember John Marriott asked if the maintenance, which the City would do, would be for the City to direct when/how things were done, or would the non-profit be given a budget of services to work within? Also, what if there is a disagreement as to what and how much work would be done. Marriott gave as an example, the non-profit wanting more expensive landscaping installed than what the City had a budget for. Deven said the City would retain control over the normal maintenance, and that the agreement between the City and the non-profit would spell out the frequency and level of maintenance services. In response to further questioning by Bob Dyer, who asked who owns the asset if it's landscaping purchased by the non-profit, Deven said that the agreement would need to include that any capital improvements belong to the City regardless of who pays for them.

A very important part of Deven's presentation had to do with the potential agreement itself. Any concerns or eventualities, if seen ahead of time, can be included in the language of the agreement so that problems are addressed before they even happen. In addition, there would be ample provision for either party to conclude the partnership if it was not serving the needs of one side or the other. This could be a fairly long process of identifying potential problems, negotiating an agreement, and building in performance metrics. Some areas of concern brought up in this meeting by Councilmembers were the employees' benefits dropping, the possibility of "inappropriate" behavior by anyone in the non-profit, which would cause the City to be "tarred by association," the amount of the City's continuing cash contributions, the responsibility of the non-profit to the community for programs such as the Arvada Chorale, the Arts Guild, and the Arvada Historic Society. In all cases, Deven said these things can be negotiated into the agreement.

Councilmember Marriott said that he is absolutely supportive of this process going forward. Mayor Williams said, "I struggle with the idea of the non-profit raising more money...there have to be benchmarks so we can pull the plug and get back undamaged goods" if the agreement does not work. Williams said, "I recognize we can't just continue business as usual, but I'll believe it when I see it; it's not sustainable if there isn't new funding."

Deven plans to meet again with Council on July 7 with a resolution which incorporates the major concerns brought up at this workshop. The content, language, and ideas can be refined later.

3. Capital Improvements

There are a couple of caveats that go with the following. First, these numbers are based on a best-guess estimate of costs and could go up or down with changes in the economy. Second, a lot of this is a "wish list" and not planned or approved in any way by the City.

For the years 2015 to 2016, a large part of the capital improvements budget will be focused on the transit area surrounding Olde Town. This amounts to \$28,770,729, for the parking garage, pedestrian bridge, bus transfer facility, the north plaza, the design and fees to the designers, and the acquisition of

property in the area.

Other short term capital improvement items are:

Street improvements for Britton Park, \$575,000\

West 72nd and Indiana intersection, \$964,000 (predicated on a grant from DRCOG)\

Sidewalk repair/installation, Ralston Road Corridor, \$322,000\

Improvements, Leyden Creek Trail, \$154,000\

Arvada Center Master Plans, \$255,000

These are to be paid from "98-101" funds--additional funds left over after allocating funds for ongoing projects.

Next are what we can call the wish list items. The \$24 million bond issue necessary to build the 72nd Avenue extension is expected to be paid in full during 2018. At that point, Arvada could then have a new bond issue included in the following:

Future Capital Improvement Project Sources:\

2019 Sales & Use Tax Bonds, \$50,000,000\

2016-2024 Unallocated 98-101 funds, \$16,253,000\

2016-2020 Wadsworth payback--this is money going from one of the City's pockets to the other, \$9,000,000

Equals \$75,253,000 available for projects to be considered for the City's ten-year plan.

Marriott pointed out the seemingly low \$24 million number for the 72nd Avenue extension, a good example of the effects of inflation and the difficulty of forecasting this far ahead into the future.

Here are the three categories under consideration for future funding over the next approximately ten years:

Transportation \$40,910,000\ Facilities \$94,030,000\ Other \$69,000,000

and they break down as follows:

Transportation:\

80th Avenue, \$13 million\

Ward Road, for an extension from 72nd to 80th: \$14.9 million\

Alkire: \$3.7 million\

Kipling, to connect with Red Rocks Community College, \$2.6 million\

West 64th Avenue from Kendrick to McIntyre, \$510,000\

Ralston Road, Phase I improvements (Carr to Olde Wadsworth) \$5.7 million

Equals 40,910,000

Facilities:\

West Woods Clubhouse/Conference Facility: \$16 million\

Parks and Street Maintenance Buildings: \$24.7 million\

Justice Center: \$41.5 million (could be significantly less)\

Lake Arbor Golf Course Maintenance Building made ADA Compliant: \$180,000\

Arvada Center Renovation Projects: \$3.5 million\

Ralston Recreation Facility: \$8.1 million

Equals \$94 million

Other:\

Revolving transportation projects: \$11.4 million\

Major street maintenance: \$45 million
Trail gaps \$5.7 million
Missing sidewalks \$2.6 million
Other Arvada Center projects: \$1.7 million
Fiber and conduit: \$2.6 million
Arterial beautification: To be determined
Equals \$69 million plus the to-be-determined amount

Mayor Williams said that the Lake Arbor ADA compliance seems like something the City should just do without waiting. Deven said he will look into that.

Councilmember Marriott said that he was shocked by the \$24.7 million cost for the parks maintenance building and wondered if it could be built for less. Deven said that these are projections which include certain inflationary assumptions; however, the new building would be intended to last 50 years or more, would need to meet safety requirements, would house more of the vehicles and equipment, and would have to be heated and air-conditioned; Deven did not feel that cost estimate is outrageous.

Marriott continued with questioning, wondering about the \$16 million price tag on the clubhouse at West Woods. Councilmember Bob Dyer added that the original clubhouse cost \$400,000, including the maintenance building; he said, "\$16 million is really huge, and I'm not sure the whole golf course cost \$16 million when it was built...maybe this should be reidentified as more of a clubhouse/conference facility" such as was discussed by Gordon Reusink at a prior workshop.

Then an idea was floated which brought forth a lot of comment and input from Councilmembers. Deven said that one option he would like to explore is convening a citizens' committee to give input on which projects to proceed with, and at what level of funding. He said that this was done in 2008, with a 33-member committee, and that it was described to him as very successful and providing a lot of valuable feedback.

McGoff: Does this consume a lot of staff time?

Deven: Yes, it's very staff-intensive, but a very good process.

McGoff: If we're doing more bonding in five years, a citizens' committee could provide additional support for a bond effort.

Deven: For a twenty-year bond, we want to make sure we do this right. July 28 would be a potential date to begin our prioritization process.

McGoff: I'd like to go with a citizens' committee.

Dyer: I'm concerned about the parameters of that. The last committee wanted to improve a median at the top of Ward Hill, which didn't need it. We asked why, and they said they wanted to distribute the money equally around town. Clearly, the older parts need more help than the newer parts, and understand that my district is in the newer part, so I'm arguing against my own district. But we've got to be reasonable about our priorities. Also, the committee needs to understand they don't have the final say on how decisions are made; they can make recommendations, but Council has the final say.

Deven: We will need to work on the parameters, yes.

Allard: We have so many projects, and no hope to get them all financed; why ask a citizens' committee? It's our job to make these decisions. I don't see the value of having a group of uninformed citizens who'd have to be educated on this, and wasting staff time. They're not going to be able to make these decisions, that's our job.

Marriott: Citizen input is absolutely important, but I think it needs to be carefully confined to the relevant areas. Citizens are good at looking at a list of potential projects and putting them in their order of importance. I'm supportive of citizen input, but want to keep it in a streamlined manner so we get the input in a useful form.

Deven: The list of projects presented tonight provides a really good starting point. We could work the

citizens' process around that.\

Allard: Some of the community members don't have much respect for Council, in the sense they say nothing gets done.\

Williams: Well, government moves slower than some others. The more input we can get from citizens is invaluable. We would not want this committee made up of the favorite sons and daughters, though, but people who don't always agree with us. They can help us know if we are on the right track, and we need to hear if an idea is bad. I support a citizens' capital improvement committee with parameters regarding staff time, and that we make sure there are appropriate expectations; they are an advisory committee, which gives input.

Deven plans to return at a future workshop with an outline of how the committee would work. He also brought up some studies he would like to commission, having professionals estimate more closely the costs for the justice center and the parks and streets maintenance facility. Total cost of the two studies would be about \$120,000 - \$130,000. His reasoning is that City staff is better at estimating "horizontal" construction than "vertical" construction and that it would be very helpful to have input from a professional firm.

The meeting adjourned at 8:25.