

**Citizens' Capital Improvement Plan Committee (CCIPC)**  
**October 23, 2014**  
**FINAL MEETING SUMMARY**

**Attendance**

Melissa Beck	Michelle Glasmann	T.O. Owens
Larry Coates	Ken Haack	Julie Rasmussen
Dan Cupit	Cindi Kreutzer	Ron Slinger
Michelle Delaria	John Malito	Bob Wilson
Ascenzo Di Giacomo	Kelly Mueldener	Don Wood

Presenters and Observers: Bryan Archer, Lori Gillis, John Kiljan, John Marriot, Debra Nielson, Bill Ray, and Lisa Yagi

Facilitation Team: Heather Bergman (Peak Facilitation) and Niki Koszalka

**Welcome**

The facilitator welcomed the Committee and proceeded with introductions. The Committee was engaged with a follow-up discussion on topics from the meeting last week, including the following clarifications:

- The budget equation of **(beginning funds + revenues – expenditures  $\geq$  required reserves)** was clarified to include the possibility of an excess, because there is an ability to have dollars left over and ending with more than the required reserve.
- The majority of revenue dollars for the City come from sales tax; only a small amount of revenues comes from property tax.

**Presentation: Citizens' Capital Improvement Project Committee 2007-2008 (Bryan Archer)**

**High-Level Overview of Last Capital Improvement Plan (CIP)**

- The goals behind the last CIP process included:
  - Getting increased public engagement
  - Getting input on a 5- to 10-year capital improvement plan
  - Educating a larger group of people on the needs and wants at the City level
  - Advising City Council on capital project priorities and funding options
- The CIP Committee created six objectives, of which the three most important were funding options, a final report, and presenting the final report to City Council.
- Staff realized that the CIP Committee would need to inform the City and the citizens of their process and progress.
- The Committee included 33 people, meeting twice per month, and used City staff instead of an outside facilitator. Staff later determined that using a facilitator from the beginning would be beneficial.
- The group created two subcommittees: finance and final report.
- They identified 200 projects, prioritized them, and indicated how to fund (or not) which projects from what budgets.

- The Committee narrowed the 200 projects to 40 projects within 9 categories using a complex ranking system. The Committee made several recommendations to Council:
  - Implement the prioritized project list
  - Establish a transportation maintenance fee to generate \$3 million
  - Invest \$500,000 in capital maintenance for parks
  - Invest an additional \$900,000 in capital maintenance more broadly
  - Invest \$600,000 in additional street maintenance

### Where the CIP Process Is Today

The 2007-2008 CCIPC developed funding recommendations, which were created using a ranking system. The list shows projects in priority order. (This list is available on the CCIPIC website with the other materials from tonight's meeting.)

- Additional Street Capital Maintenance
  - \$3 million set aside and \$6 million annually
  - Set-aside continues through 2017 then drops back to \$5 million
- Ralston Road: Currently has some funding but not all that is needed; work on the project is underway
- Street Capital Improvements and Capital Maintenance
  - Dollars were given to streets division, and staff were asked to identify the best way to spend them.
  - Staff identified a need for additional street crew and equipment.
  - Street improvements are an ongoing expenditure in perpetuity
- RTD projects including:
  - Olde Town RTD Station Upgrades, which was a conceptual project at the time and is now underway;
  - Olde Town RTD Parking Structure;
  - Kipling RTD Station-Ridge/Miller Signal (both signals were funded as a transit hub project);
  - Olde Town RTD Station – 56<sup>th</sup> Avenue; and
  - Sheridan RTD Station – Pedestrian Improvements
- Parks Capital Maintenance: \$500,000 each year of ongoing CIP funding
- Arvada Share FasTracks: has been completed
- Two-Year Trail project: One-time project for Blunn Trail has been completed
- 72<sup>nd</sup> – McIntyre to Kipling
  - Identified as a very expensive project; no funding given
  - Remains on list and is not completed
- 72<sup>nd</sup> – Apex to Indiana: faced with homeowners not wanting the widening of road, the project stalled out
- Stinger/Lutz Sports Complex: ongoing project
  - Added restrooms and plan to pave parking lots next year
  - Planning for additional soccer fields
- South Central Park (Griffin): funded, land purchased, and design underway
- 80<sup>th</sup> Median Rework – Wadsworth to Sheridan: funded and complete
- 80<sup>th</sup> Alkire to Kipling: no identified funding

- Campus Plan I and II (New police facility and main campus): no funding identified, preliminary study underway
- Croke and Farmers Canal/74<sup>th</sup> Bridges: under contract
- East Arvada Park (Britton): funded, land purchased, design underway

### **Questions/Answers**

- *Was the recommendation with the transportation-oriented development (TOD) to tax or bond?* The City took one-time savings from the general fund and refinancing dollars to put toward the TOD.
- *Why was the Ralston Road project not completed?* The project has turned out to be much more complicated than just widening the sidewalks. Staff has met with property owners one-on-one along the corridor to describe the desired results (wider sidewalks) and understand the impact on parking, driveways, setbacks, and special features of each property. The design can now be carried to firm engineering plans once funding is identified.
- *Was an agreement reached for an ideal scenario on the other portion of Ralston?* Yes. The section in front of Ralston Central Park is illustrative of the ideal road cross-section.
- *Of all the projects (A-T), how many were looked at by the prior group?* Initially the group identified over 200, prioritized to 40, and then created this list. There were 6 additional projects identified if there were extra funding.

### **CIP Overview (Bryan Archer)**

- The definition of funding for capital in the Arvada City Code, Section 98-101, is 60% of the first cent of sales tax should be allocated toward capital.
  - These 98-101 funds are to be used for project administration, debt service, and capital.
  - The debt can only be used for capital projects, not for operations, salaries, retirement.
- Council determined that revenue has to be applied toward capital improvement and capital maintenance.
- Definition of capital in the Arvada City Code, Section 2-291:
  - Capital improvement means the construction for the first time of any fixed public facility or part thereof, either inside or outside of the city that enhances, expands, up trades, or improves the fixed public facility;
  - Major capital maintenance means repair and maintenance required to maintain existing fixed public facilities in proper operating condition; and
  - Operational maintenance means any repair or maintenance to capital improvements other than major capital maintenance.
- The revolving projects fund from the capital fund of 2007 has \$3.6 million remaining.
  - These dollars are not in action yet.
  - Dollars are collected until there is enough to take on a project.
- A review of historic CIP funding:

- Throughout the history of the City, there has been a lot of money toward capital and the general funds. These fluctuate over the years.
- The Council decided they did not like the reserve requirements and put those dollars into capital. Some of the money is being used to pay for TOD.
- 2012 and 2013 show an excess above reserve requirements, and Council took dollars to put toward capital.
- Typically during budgeting, Council makes suggestions to City staff about putting dollars in different places and vice versa.
- Sources and uses over a 10-year timeframe (2015-2024):
  - Sources: \$149 million; and
  - Uses (identified): \$133 million
    - A larger amount of dollars goes toward transportation, facilities, general administration, which includes TOD.
    - A smaller amount of dollars goes toward golf, hospitality, and the Arvada Center.
- 2015-2024 Available Funds:
  - These are the dollars that the Committee will use for funding moving ahead.
  - The unallocated funds from code 98-101 equal \$15 million.
  - The bond, starting in 2019, stays exactly the same at \$55 million.
    - City issued bonds in 1992 and 1999, backed with sales tax dollars.
    - An election would be needed to continue the bond capacity.
    - If there is not bond there would be \$35 million compared to \$70 million.
    - The bond is a one-time commitment for 20 years.

#### CIP Projects since 2007 (See handout on the website)

- Lots of money has been put into parks, transportation, and public safety (two substations funded through tax increment funds).
- Parks are funded out of dedicated sources, including the Park Development Fee, with minimal input from the general fund.

#### **Questions/Answers**

- *Within in the major capital maintenance item, could a choice be made to do something with the Wadsworth facility? Yes, though it depends on what was to be done. We could not tear it down and start over.*
- *It appears the difference between capital maintenance and operational maintenance is that operational maintenance comes from operating funds. Is this accurate? Yes.*
- *Who signs off on operational maintenance or capital improvement project? It is part of the budgeting process that goes to Council.*
- *Investments in city streets are estimated at \$1.2 billion. Is there a distinction for capital improvements and the operational maintenance? It is mostly in the operational maintenance, although some might spill over. For instance: sweeping streets is operational maintenance, as is striping, sealing slurry, or chip. Once ripping up asphalt for replacement starts, it becomes capital maintenance.*

- *Could the street supervisor draw the line at the 5-year point? Yes.*
- *As a source of dollars, does the City have an election for buying bonds? TABOR (the Taxpayer Bill of Rights) requires a vote of the people to increase debt, or to extend it even if there is no increase in taxes required. Capital improvements, major capital maintenance, and operational costs are typically funded through taxes. In some cases, a fee (which can be approved by the City Council without a vote of the people) can also pay for these items. This was the rationale the previous citizens groups used in proposing a transportation maintenance fee.*
- *Did the development pay a park development fee for the Park Place development in Olde Town? No. The fee was waived. (Note: This was confirmed by staff after the meeting.)*
- *Does the City charge a traffic impact fee? No. Typically, the City will require a developer to pay for a proportional share of traffic impacts due to the development. For example, there is a development on 64<sup>th</sup>, Home Town South, requiring them to expand the road from one lane to two lanes on the north side of West 64<sup>th</sup>.*
- *Does the City get developer-funded improvements? This depends if the property is an annexation and is a matter of negotiation. The City negotiated for improvements on Leyden Road as part of the Leyden Rock development.*
- *Is Arvada on par with neighboring towns for value of the streets? The value of streets is variable depending on development type, location, and other factors. There is no right answer for the “right amount” to charge for impact fees. All neighboring communities are different with different infrastructure issues. For example, water and sewer tap fees are a type of impact fee. Some rates are higher than what Arvada charges and some are lower. Arvada tends to be on the lower end of the spectrum when looking at water, sewer, and storm water charges combined.*
- *Could the City provide the land development codes to the CCIPC to allow the group to look at things more holistically? There will be a presentation on the comprehensive plan next week. As the CCIPC moves on and if it is something the group wants, this additional information can be provided. Arvada has had exterior boundaries set and most growth will be inward. New development will occur but it will be smaller with the diminishing inventory over time. The trend will likely be enhancement and redevelopment instead of development*
- *With redevelopment, if an existing road has to be turned into 4-lane road, would this be capital or operations? This would likely be capital.*
- *If the road was ripped out the first time, would it be under capital improvements? Yes.*
- *What is the process if a developer requires a traffic signal? The developer will not install the signal, but the City requires them to pay for it. The City will put aside funds until the trigger is tripped and money is available to put in the light.*
- *How was a negative dollar amount in the revenue document achieved? Through the arbitrage fund, which prohibits cities from borrowing money to make money. If this occurs, it has to be paid back through taxes (IRS mandated).*
- *What source of revenue is the 98-101 tax and where does it go? It is sales tax and goes toward capital.*
- *In the section 2015-2024 sources, what does “other city” mean? It refers to other City funds, not other cities.*

- *What was the reason for the jump in CIP revenue in 2010?* Council felt it was a bad time and wanted to take reserve dollars and put them toward capital projects..
- *Where did the additional \$4 million in TOD funding come from?* It came from the general fund, a portion from one-time building revenues, some from additional capital dollars from other projects, and this year funding was completed with building revenue dollars. The vision of the facility has also grown. Rather than locating a parking garage on the present RTD surface parking lot, it was decided to locate it proximate to the station so it could become a transit hub allowing access to the Gold Line. The facility now includes a 600+ parking area, a covered bus transfer station, four plazas, and a festival deck. This takes more money.
- *What is the Arvada contribution for the three stations?* As a jurisdiction along the Gold Line, the contribution is 2.5% of the cost of the line. There is a contract stating RTD is willing to do “x” and if Arvada wants something different, and improvements (or “betterments”) are added to the contract. \$24 million is the current dollar number, but this does not include the sidewalk at the Kipling stop. The final number will be above \$24 million.
- *On the Recommended Funding Option chart, are the salmon-colored projects the original TOD and does the \$24 million include these projects?* Yes. *When this group is looking at priorities, is the TOD in our scope?* Only if this group has things to add or additional betterments. During the previous CCIPC, the financial world was melting down and RTD was flailing with cost estimates. There were serious doubts if it was going to happen. Since then, Arvada has been fortunate as a community, and RTD packaged the Gold Line with the Airport Line, and central maintenance with \$1 billion funding through a federal grant. *Is there shared maintenance of facilities?* There will be negotiations of who is responsible for what. RTD will have responsibilities for the 400 parking spaces and the platform. Arvada will be responsible for the bike path and public art.
- *Where does revenue from rider fares go?* RTD keeps all; overall, RTD fares pay for 20% of RTD operations. The City hopes the Gold Line will help to increase sales tax revenue and make business more robust.

### **Suggestions for Future Topics**

- A member felt an interesting side discussion may be how the operating budget is allocated. If more is given to operational maintenance, then less gets pushed into capital due to proper maintenance. This might be out of the Committee’s purview but the group may want to consider paying more attention to the operational maintenance of the roads.

### **10-Year CIP Plan (Lisa Yagi)**

#### First 2 years of the 10-year 2015 and 2016

- The approach to the CIP is a long-term strategic approach with careful decisions that look toward the future.
- The last 4-5 years’ general priorities have been to take lasting care of what we have, build our base, and invest for the future

- Within the last year, Council has gone through a process to identify their priority areas, resulting in 10 strategic results (the FOCUS process). There are impacts to the operating budget of adding a park or street. This also increases maintenance dollars. When adding an asset, consideration needs to be given to the impact on the general fund.
- The following are included in the CIP:
  - Transportation projects, facilities, parks, golf, hospitality, Arvada Center, and water/wastewater/storm water.
  - Hospitality, Arvada Center, and water/wastewater/storm water are not within the scope of this Committee but are paid with enterprise fund revenues.
- Types of projects:
  - Continuing or revolving projects
    - There are \$2.3 million in the continuing/revolving projects.
    - This will stay consistent unless the Committee decides to recommend an increase or a decrease.
  - New projects
    - The remaining dollars are “new projects.”
    - These projects were identified in the strategic results of Council.
- Money being spent in 2015 – 2016
  - 2015 has higher dollars due to Phase I Gold Line TOD improvements.
  - 2016 dollars drop because of the Phase I completion.
  - The remaining dollars are “new projects” identified by the strategic results of Council.
  - The cold storage and weapons testing facility is funded out of vehicle maintenance because some employees are certified armorers and can fix police weapons that will require testing.
- Unfunded CIP projects
  - This is a wish list of things the City wants but cannot afford. Managers give recommendations of projects they would like to see.
  - \$541 million worth of projects over 10 years.
  - The list is kept just in case building revenues are stronger or additional 98-101 monies become available. If they are, a prioritization what kinds of projects could be completed is started.

### Questions/Answers

- *In the presentation, how current are the costs?* The costs are current but they are just an estimate.
- *The costs are current in today's dollars?* Yes.
- *Regarding the project at Indiana Street, given this is a state highway, why is the City proposing to do the project when the state should do it?* The City could wait but it may be better for Arvada to take on the project now instead of waiting.
- *Could the City negotiate with the State to do the work at Indiana Street?* It could make that a priority, if the CCIPC makes that decision.
- *Are any parts of the Jefferson Parkway on the list?* No.

- *How does the governance of the Arvada Center change the funding?* The short answer is, it doesn't. The building and maintenance of the Arvada Center is the responsibility of the City. On the operating side, money is allocated to the Arvada Center and will stay allocated through the 10-year model. From a funding standpoint, increases have been different in different years. Currently there is a flat rate and it is treated like a grant.
- *Are there growth opportunities for the Arvada Center?* That decision would be up to the Arvada Center.
- *What constitutes the golf increase?* This is to replace the irrigation system.
- *In terms of liability, are there projects to be done regardless of where the money comes from?* Yes, some are mandatory items due to requirements from the City or outside agencies.
- *Is the list further marked to distinguish which projects are operational?* No, unfunded list is all capital.
- *When the City does wonderful budgeting and a surplus exists, where does this money go?* This would be taken to Council. Funds may be used to help complete projects with overruns, to add to fund balances, and/or to put toward the reserve. With the FOCUS process and the 10 strategic results, it is likely these projects would be considered first.
- *Are revolving and continuing funds the same?* Yes, revolving is synonymous with continuing.
- *Is the plan to complete the whole Ralston corridor?* Yes, eventually. There are some pockets that could get done right away. Council wanted to see progress towards completion of Ralston corridor.
- *Related to the cold storage and weapons testing facility, is this on par with what other cities do? Can it be leased to other cities?* Other cities lease this job out to other facilities. This presents more of a time payback than a dollar payback. It saves time, expense, and danger of transporting weapons.
- *Rather than cold storage/weapons testing, would it be more cost-effective to use the gun range at the RTD Park and Ride?* The Gun Club was a private organization and the building was bought and taken down as part of the Gold Line construction. The cold storage and weapons facility is not a shooting range. It is to be used by those certified to re-bore and re-calibrate weapons. This item is not only for weapons testing, it is also for cold storage of sand and salt, which is the largest portion of the project.
- *What is the 57<sup>th</sup> project?* There is work to be done on the Van Bibber underpass.

### **Upcoming Committee Discussions**

In upcoming meetings, the Committee will hear about the comprehensive plan and a presentation of the citizen survey. The Committee will also have the opportunity for a more in-depth look at the following topics (with anticipated presentation dates): Transportation on November 13<sup>th</sup>

- Parks on November 20<sup>th</sup>
- Arvada Center on December 4<sup>th</sup>
- Buildings and facilities on December 11<sup>th</sup>



The group discussed the option of formulating project evaluation criteria before or after the above presentations. The Committee had varying opinions. After voicing the pros and cons for both methods, the group agreed that staff should provide them with Council's criteria, and that these could be used as reference for those members of the group who would find having criteria at this point in the process helpful.