



**Bond Implementation Committee
Summary**

Sept. 28, 2009

4:00 p.m.

Conference Room 391

Committee Members Present: Hancock, Faatz
Committee Members Absent: Garcia, Lehmann
Other Council Present: Madison, Robb

Agenda: 1. Suspension of project management contract for Boettcher Concert Hall
2. Project management charges

1. Suspension of project management contract for Boettcher Concert Hall

Committee Action

The Committee approved suspending the contract with Romani Group for project management until further notice while the Colorado Symphony Orchestra (CSO) completes its needs assessment and fulfills its fund-raising commitment to the project.

Summary of Discussion

Jack Finlaw, Director, Theatres & Arenas, introduced others at the table:
James Palermo, President & CEO, CSO
Kevin Duncan, President, CSO Association
Tim Romani, President, the Romani Group
Mark Najarian, Facilities Director, Theatres & Arenas
Nick Kontas, Public Works, Design & Construction Management

Mr. Finlaw said the Better Denver Bond Program includes \$60 million for Boettcher Concert Hall, and as a condition of including Boettcher in the program, CSO committed to raising at least \$30 million. In 2008, through a request for proposal process, the Romani Group was selected for project management. The project architect and acoustician were also selected, and Theatres & Arenas and the CSO embarked on the discovery phase of the project. The CSO fund-raising effort was underway.

Two things happened that led to this request. Fund-raising was dramatically impacted by the economic decline, and CSO identified so many options and opportunities that it has asked the City to delay the project for a period of time to allow further analysis. The Romani Group agreed to the suspension. The City asked for a decision from CSO by end of May 2010, along with a timetable for raising the required funds.

Thus far, \$1.7 million has been spent, an amount split between the City (two-thirds) and CSO (one-third) as per the agreement. No additional City money will be spent until the path forward is determined. The options, ranging in price from \$90 million to \$160 million, include building within the hall's current shell, expanding the existing hall, constructing a new building on the same or on the adjacent site.

Mr. Palermo said CSO has been through a difficult time, but it is recovering, filling key management positions, including a manager for the bond project, and starting work on a business plan and model for a renovated or new hall.

Mr. Finlaw noted that all performing arts groups have suffered through the recession. Ticket sales have remained almost constant, but reduction in corporate donations and sponsorships has made it a challenging time.

Councilwoman Faatz said she appreciates the manner in which Mr. Finlaw has handled this project, especially ensuring that the agreed-upon cost-sharing has been maintained.

2. Project Management charges

Don Hunt, Better Denver Project Manager, said that Councilwoman Faatz had asked why all project management costs are not coming out of the \$7 million CH2MHill contract. Mr. Hunt explained that various City employees involved in bond projects, including employees in the City Attorney's Office, Office of Economic Development, and Office of Cultural Affairs, spend time on the Better Denver program. As of July 1, 2009, staff actively involved in bond project management is allowed to charge that time to the bond program. The estimated amounts approved by the Executive Committee and in the Sept. Budget Book are:

- 2009: \$ 75,000 - \$1,329,000
- 2010: \$991,000 - \$1,800,000 (subject to change)

Mr. Hunt said that CH2MHill provides different services from the actual day-to-day project management. Every individual project requires that level of project management, and many of the projects are managed by City employees.

CH2MHill is responsible for program oversight for the entire 300-project program. The City does not have the experience or capacity to manage such a large program. Part of the consultant's work is developing new project management tools, such as software for tracking multiple projects, and that software will come to the City as a legacy of the bond program. Mr. Hunt noted that it is possible the entire \$7 million will not be spent over the five year program, but that will not be known for some time.

Councilwoman Faatz thanked Mr. Hunt for the explanation of the differences between CH2MHill's responsibilities and those of the individual project managers. She does not want this arrangement to increase management costs as a percent of the total bond program costs.