



Denver City Council

**Finance Committee
Summary**

Wednesday, October 4, 2006 1:30 p.m.

Council Conference Room

**Committee Members Present: Faatz, Chair; Brown, Vice-Chair;
Boigon, Rodriguez**

Committee Members Absent: Lehmann

Agenda:

- 1) 2006 General Obligation Bonds for the Justice System Facilities Project
- 2) Added item - Justice Center architects

1) Series 2006 General Obligation Bonds – Justice Center Bonds:

Committee Action

The Committee authorized issuance of the Series 2006 General Obligation Justice System Facilities Bonds that will fund construction of the facilities for the Justice Center Project approved by the voters at the municipal election in May 2005.

Committee Discussion

LaCharles Keese, Department of Revenue, outlined the particulars for the 2006 General Obligation Bonds related to the new Justice Center as follows:

- The total bond authorization approved by the voters is \$378 million;
- Today's request is to authorize issuance of \$125 million;
- In October 2005, \$70 million of the authorization was issued;
- Approximately \$183 million of the total authorization will remain – a series of "mini bond" issuances will occur equaling \$3 to 5 million between the years 2007 and 2008 to utilize the remaining authorization amount;
- The mini bonds would involve citizen participation and there will be outreach and educational programs for the public regarding opportunities;
- Piper Jaffray & Co. is the financial advisor for the issuance; and
- The competitive sale for the bonds is scheduled for November 1 and the transaction should close by November 15.

Councilmember Faatz stated she supports this type of bond transaction and asked how appropriate it was for the public to utilize the internet to conduct bond transactions. Mr. Keese indicated the Securities and Exchange Commission (SEC) laws are fairly tight, but the SEC is working at figuring out ways to use the internet. Councilmember Rodriguez asked if Councilmembers are permitted to invest in these bond transactions. James Mejia, Mayor's Office, noted there are various restrictions, but indicated he would check into it and let Council

know. Mr. Keesee added that based on tax exempt guidelines, the money must be spent within three years.

2. Justice Center architects:

Committee Discussion

Councilmember Faatz announced that Council was just informed that its key architect – Steven Holl, Steven Holl Architects, has left the Justice Center project. Mr. Mejia said he was just informed of this himself and did not have any information to share at this time. At this point, the Rocky Mountain News building is scheduled to have abatement begin in November and the garage is scheduled for 2007. Mr. Mejia indicated the partner in Denver – Klipp Architecture Planning Interiors, remains on the project. There is no time to go out for another bid and he indicated that the City is confident in the Denver team. Councilmember Faatz would like information regarding how much the City will pay Mr. Holl for his services and how much of the design vision will Denver be keeping. Mr. Mejia said he does not know the answers at this time, but will be providing information to Council soon.