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**Public Works Committee  
Meeting Summary**

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**April 15, 2008**                      **1:30 p.m.**    **Room 391**

**Members Present:**                      **Johnson, Brown, Lehmann, López, Nevitt**  
**Members Absent:**                      **None**  
**Others Present:**                      **Garcia, Hancock, Robb**

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**1.      General Services: Solar Power at Convention Center**

Committee Action

The Committee approved filing bills approving:

- a.      25-year Site License Agreement allowing MMA Renewable Ventures to put a photovoltaic electrical solar generation power plant on the Convention Center roof; and
- b.      25-year, \$1,316,855 Solar Power Purchase Agreement with MMA.

Summary of Discussion

Bill Riedell, General Services, explained that the City has been working toward this project for two years. MMA Renewable Ventures will construct, own and operate the 300 kilowatt solar generation facility on about 40,000 sq. ft. of the roof of the Colorado Convention Center above the loading docks along Welton Street. MMA will finance, own, operate and maintain the plant, which will be designed and constructed by Namaste Solar. This arrangement allows MMA to leverage tax incentives, which are unavailable to the City, to reduce financing costs. MMA will execute agreements with Xcel under the Public Utility Commission's Solar Rewards program. The City will receive 23.5 cents per kilowatt hour for the Renewable Energy Credits it will receive.

The City will purchase the power generated for use in the Convention Center, which will reduce the amount of power purchased from the grid. Three hundred kilowatts are enough to power 65 phones. If the City exercises its option to purchase the plant in the fifth year of operation and if tariff rates escalate at 3% annually, the project will at least break even over the 25-year life of the plant. The project is a hedge against rapidly rising tariff rates.

Mr. Riedell said he is working on other roof-top plant projects at the Castro Building (30 kilowatt) and at DIA (2 megawatt). These projects are consistent with and supportive of Denver's GreenPrint Denver Plan.

## 2. Public Works: 2009-2014 Capital Improvement Program

### Summary of Discussion

Bill Vidal, Public Works Manager; Gretchen Hollrah, Public Works; Janice Finch, Public Works; and Ed Scholz, Budget & Management Director, presented an overview of the 2009-2014 Public Works CIP process.

Primary points:

- Public Works will meet with Council members individually to go over the CIP project lists, including the one for the Wastewater Enterprise Fund.
- CIP list is based on the Strategic Transportation Plan and organized by travel shed.
- New this year: Year 1 (2009) of the 6-year fiscally constrained CIP will be the 2009 budget (no longer is there a separate Year I CIP project list).
- New mill levy funds, earmarked for maintenance, are included in the 6-year CIP.
- Bond projects are not included in the CIP; they are tracked separately.
- Projects that are not in the 6-year fiscally constrained CIP are on the separate Blueprint Denver list and re-evaluated for catalysts each year.

The “fiscally constrained” CIP begins with these elements that must be included:

- Contractual obligations (includes required FasTracks funding);
- Required local match funds; and
- Annual maintenance programs.

As in the last two years, no project gets in the 6-year plan without a catalyst, which are:

- Coordinated work efforts
- Dept. of Public Works initiatives (i.e., Strategic Transportation Plan, or STP)
- Mayoral and Council Initiatives (i.e., alley paving)
- Operating efficiencies (i.e., level of service issues, consolidation of projects)
- Transit supportive projects (FasTracks)

The “operating efficiencies” is the broadest, and it includes some of the least noticed projects, such as upgrades to the traffic signal systems. Projects that do not have a catalyst to propel them to the CIP are placed on the Blueprint Denver list, which will be published as part of the 6-year plan. All project lists will be reviewed in individual meetings with Council members.

Budget & Management Office (BMO) has prepared the following DRAFT of projected estimates for the 6-Year Public Works CIP:

<b>Year</b>	<b>Annual Revenue</b>	<b>Mill Levy Revenue</b>	<b>Total</b>
2008	\$20.6 M	\$17.95 M	\$38.6 M
2009	\$18.5 M	\$17.95 M	\$36.4 M
2010	\$18.5 M	\$18.40 M	\$36.9 M
2011	\$19.4 M	\$18.70 M	\$38.0 M
2012	\$20.5 M	\$19.30 M	\$39.8 M
2013	\$21.4 M	\$20.10 M	\$41.5 M
2014	\$22.7 M	\$20.80 M	\$43.6 M

Some of the challenges we face include:

- New mill levy funding is to be dedicated to deferred maintenance projects rather than new projects, but it could be difficult to maintain distinction between funding sources.
- High inflation rates for material and construction make it difficult to complete full projects scopes within original budgets.
- State and Federal transportation funding is declining.

The City received \$13.8 M in federal funds in the 2008-2013 Transportation Improvement program (TIP). Public Works continues to seek outside funding, but if additional funds become available, only Catalyst projects will be moved into the 6-Year CIP.

Year 1 of the 6-Year CIP is fiscally-constrained, based on actual revenue projections. Year 2 is moderately constrained.

Flexibility is provided by the contingency fund and the ability to rescind and re-appropriate funds as needed, with Council approval if above \$10,000. Cost savings are found in some projects. With the 6-year plan, we can move projects around and consider "project readiness" and project coordination.

Areas without major project needs still need basic maintenance, such as replacing faded street signs and striping streets. The mill levy will boost the ability to do those quality of life improvements.

#### Budget Schedule

April 15	Begin discussion on the 2009-2014 CIP with Council to determine needs.
June 16	Submit draft 6-Year CIP to BMO.
July 1	BMO submits draft 6-Year CIP to Council, per Charter.
July-Aug.	Discuss 6-Year CIP with Planning Board, city agencies. Discuss first year (2009) of CIP with Mayor's Office as part of 2009 budget.
Sept. 15	Draft 2009 Budget Book delivered to Council, per Charter.
Sept.	Council hearings on Draft 2009 Budget.
Oct.	6-Year CIP finalized.
Oct. 15	Revised 2009 Budget delivered to Council, per Charter.
Nov. 13	2009 Budget adopted by Council.