2021 General Obligation Bond Executive Committee Meeting

Friday, June 11, 2021
Meeting #1 – Kickoff and Orientation
Meeting Agenda

• Welcome and Committee Member Introductions
• Executive Committee Overview
• Orientation and Education
  • Capital Improvement Program
  • RISE Denver
  • Recovery Funds Overview
  • General Obligation Bonds Overview
• Equity Framework Presentation
• Guiding Principles Discussion
2021 GO Bond Executive Committee Members

Committee Chair – Mowa Haile, SkyBlue Builders
Council President Stacie Gilmore – City Council President
Council Protem Jamie Torres – City Council Protem
John Desmond - President, Revitalizing Cities, LLC
Chris Martinez - Former Executive Director of Hispanic Contractors of Colorado
Erin Porteous - CEO at Boys & Girls Clubs of Metro Denver
Elaine Torres - Community Affairs Director at CBS4
Paul Washington - Executive Vice President at IMA Financial Group, Inc.

Committee Co-Chair – Josh Laipply, Chief Projects Officer
Committee Staff Lead - Laura Perry, Capital Planning and Programming Director

City Advisory Members

Brendan Hanlon, Chief Financial Officer
Emily Snyder, Capital Budget Manager
Kwali Farbes, City Attorney’s Office
Brad Neiman, City Attorney’s Office
Kim Desmond, Mayor’s Office of Social Equity and Innovation
Other City Agency Representatives as needed
2021 GO Bond Executive Committee

- Convene a group of community, non-profit, business representatives to evaluate, balance, and advise the City on a recommended package of bond project investments to the Mayor.

- With equity as the foundation, the Committee will advise the Mayor on a package of project investments based on feedback from the RISE Denver community engagement process, City Council, and city agencies.

- Final bond project package will be presented to City Council in July for referral to November 2021 ballot.

- Stimulus Investment Advisory Committee will review project candidates not eligible for GO bond funding (e.g., Wastewater projects) or not recommended for the 2021 GO bond package.
Proposed Committee Rules of Engagement

• We will record all presentations and Q/A sessions by the Committee and will post those on a 2021 GO Bond website.

• We will take direct feedback to this committee and share that feedback online.

• Materials shared with the group will be shared on the same website (i.e., presentations, project information/summaries, etc.)

• Committee members are not expected to represent a specific organization, place of employment, district or neighborhood, but rather serve as advocates for presenting the public with a balanced package of investments that best addresses the needs of the City.
2021 GO Bond Planning Process (April - August)

April
- Drafting and submittal of project proposals from departments, external partners, and City Council

May
- Internal technical and citywide benefit evaluation of project submittals by city staff.
- RISE community engagement process (surveys, telephone townhalls, etc.)

June
- GO Bond Executive Committee Process

June
- Bond Package Development

Denver City Council process for referral to November 2021 Ballot (July/August)
Recovery Investments Digital Engagement Hub

www.RiseTogetherDenver.org

Central location to collect resident feedback and encourage discussion on community, business, and infrastructure investments
How should we prioritize infrastructure investments?

- Improving community and city buildings like libraries, fire stations, etc.
- Building safe and accessible streets, sidewalks, bike lanes and transportation systems
- Expanding and enhancing the parks and recreation system
- Enhancing cultural buildings like venues, arenas, museums, theaters and more
- Improving spaces to serve people experiencing homelessness and promote public health
- Addressing climate change and supporting the environment
Proposed Schedule

All meetings will be in-person with a virtual attendance option via Microsoft Teams.

• **Meeting #1 (June 11th)** – Orientation, Education, Equity, Guiding Principles discussion

• **Meeting #2 (June 14th)** – Proposed project presentations by city agencies

• **Meeting #3 (June 18th)** – Proposed project presentations by cultural/partner institutions

• **Meeting #4 (June 21st)** – Community engagement feedback, project economic/jobs analysis, internal project evaluation overview, project discussion

• **Meeting #5 (June 23rd)** – Scenario deliberation and recommendation
Overview of City’s Capital Improvement Program
Denver’s Capital Portfolios

City Buildings
- Safety Facilities
- Libraries
- Arenas and Theaters
- Housing and Shelter

Recruitment Centers & Pools
- Parks
- Playgrounds
- Athletic Fields and Courts
- Trails
- Mountain Parks
- Historic Structures
- Golf

Streets and Alleys
- Bridges
- Traffic Signals
- Curb Ramps
- Bike Lanes
- Pedestrian
- Parking
- Fiber Network

Green Infrastructure
- Rivers and Gulches
- Pipe Systems

Energy Conservation
- Electric Vehicle Infrastructure

Public Art

Buildings
Transportation
Parks and Rec
Stormwater
Environment
Public Art
2020-2025 CIP Six-Year Plan Process

2020-2025 CIP Six-Year Plan Need

**Three Year Plan**
- **Portfolio**
  - Buildings: $62,708,500
  - Parks and Rec: $99,500,000
  - Transportation: $167,700,000
  - Waterways: $35,000,000
  - Sustainability/Env: $6,100,000
  - Public Art
- **Total**: $371,008,500
- **Amount Funded**: $90,298,000

**Six Year Plan**
- **Portfolio**
  - Buildings: $452,498,800
  - Parks and Rec: $279,500,000
  - Transportation: $495,000,000
  - Waterways: $210,500,000
  - Sustainability/Env: $19,000,000
  - Public Art
- **Total**: $1,457,298,800
- **Amount Funded**: $3,000,000

**Twelve Year Plan**
- **Portfolio**
  - Buildings: $431,803,325
  - Parks and Rec: $378,000,000
  - Transportation: $938,700,000
  - Waterways: $333,500,000
  - Sustainability/Env: $62,000,000
  - Public Art
- **Total**: $2,143,003,325
- **Amount Funded**: $0

**Total Need**
- $3.97 Billion
Denver’s Capital Revenue Sources

- **Entertainment and Cultural Capital Facilities Fund (Seat Tax)**: 10% seat tax from ticket sales to City facilities net of annual debt service payments dedicated to capital maintenance of performance venues.

- **Parks, Trails, and Open Space Fund**: Dedicated sales tax to benefit parks, trails, and open space uses.

- **Winter Park Trust Fund**: Restricted to repair and rehab of existing parks & rec facilities.

- **State Conservation Trust Fund**: Dedicated by State Statute to benefit parks, recreation & open space.

*Based on 2021 original budget*
Historical Capital Revenue (2011-2021)

Annual Capital Improvement Program Revenue

- Capital Improvement Fund
- Winter Park
- Lottery
- Legacy Fund Transfer
- Seat Tax
- General Fund Transfers
Construction and Economic Recovery

- 6,900 construction jobs have been lost regionally due to the pandemic.
- Infrastructure projects:
  - Drive job creation, stems high unemployment
  - Offset losses in other sectors
- Every $10m spent on construction results in:
  - 130 Jobs
  - $8.5 million in labor income
  - $20 million in economic output
RISE Denver

Denver Economic Development and Opportunity
Our Vision is to meet and surpass pre-crisis economic activity while ensuring benefits of prosperity reach the entire population, including Denver’s most under resourced residents and businesses.
Denver’s Commitment to Equity

Relief for those businesses, workers and communities that have been hit the hardest, and create an economy that works for everyone.
RISE DENVER: Five Strategic Priorities

Strengthen small business & nonprofit growth and resiliency

Revitalize Denver's neighborhoods through targeted support and placemaking

Bring back and enhance lost jobs. Create new jobs

Accelerate Public Investment

Make it easier to do business with Denver
Denver’s Recovery Funds
Department of Finance
City Stimulus Advisory Committee Structure

- Staffing: DOF, DEDO and DHS
- Business Recovery
- Community, Neigh, Individual Recovery
- Infrastructure (GO, American Jobs)
- Partners

Not for service restoration selection

Go Bond Executive Committee

Public and Business Outreach
$700 million+ investment toward recovery

Federal, state, and local stimulus dollars will build back our economy to work for everyone.
Denver’s Recovery Funds

- Mix of federal, state, local sources
- Funding specific guidelines, timelines

2021 General Obligation Bond
American Rescue Plan – Dedicated Uses
American Rescue Plan Local Aid
CARES Act Coronavirus Relief Funds
FEMA Reimbursements
Colorado Recovery Funds
American Jobs Plan
American Families Plan
Other State and Local Sources

Economic Recovery
Sources of Denver’s Recovery Funds

• $308M over two years
  - Half in 2021, Half in 2022
• Council and Agency Proposals submitted to DOF in April
• Service restoration proposals under review at DOF
• Service restoration proposals announced in May/June
• Community feedback on Economic Recovery thru early June
• Stimulus Investment Advisory Committee recommendations to the Mayor in June
• Announcements in June and July
Sources of Denver’s Recovery Funds

- Proposals build on American Rescue Plan
- American Jobs Plan
  - White House proposal released
  - Negotiation ongoing
  - Amount of funds and eligible projects TBD
  - Congressional action expected in summer
- American Families Plan
  - White House proposal released
  - Focus on investment in children and families
  - Includes items like: child care, paid leave, education, pre-school, nutrition, tax cuts
  - Congressional action, timing uncertain
Sources of Denver’s Recovery Funds

- SFY 2021/2022 Budget signed by Governor Polis on May 17
- Includes $800M Economic Stimulus Funding designated to:
  - Strengthen small businesses
  - Revitalize our infrastructure
  - Support children and families
  - Invest in rural Colorado
  - Develop our workforce
- Additional State recovery funding may be available
- City recovery funding from General Fund unlikely due to service restoration
Sources of Denver’s Recovery Funds

- FEMA reimburses eligible emergency response expenses
- Available as long as a presidentially declared disaster is in effect
- Coronavirus Relief Funds (CRF) support response to and recovery from COVID-19 pandemic
- Deadline to expend CRF funds extended to 12/31/2021
Sources of Denver’s Recovery Funds

• Up to $400M General Obligation (GO) Bond
• Focus on planned, shovel ready city capital projects.
• Community feedback on Infrastructure Economic Recovery through early June
• GO bond committee to make recommendations to Mayor
• Council process, referral to ballot by August

Proposed

~$400M Infrastructure GO Bond Local Stimulus
The City carefully manages its annual capital maintenance needs.

Denver voters have authorized major, citywide general obligation (GO) bond programs every 9-10 years to restore, replace, and expand our existing capital assets (in BLUE).

The City also utilizes periodic GO Bond issuances to support larger critical rehabilitation projects (in GREEN).

<table>
<thead>
<tr>
<th>Year</th>
<th>GO Bond Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>GO Bonds (Various Purpose)</td>
<td>$241.7M</td>
</tr>
<tr>
<td>1990</td>
<td>Libraries GO Bonds</td>
<td>$91.6M</td>
</tr>
<tr>
<td>1998</td>
<td>Neighborhood GO Bonds</td>
<td>$98.6M</td>
</tr>
<tr>
<td>1999</td>
<td>Art Museum / Zoo GO Bonds</td>
<td>$62.5M each</td>
</tr>
<tr>
<td>2002</td>
<td>Auditorium Theater GO Bonds</td>
<td>$25.0M</td>
</tr>
<tr>
<td>2003</td>
<td>Denver Health Medical Center GO Bonds</td>
<td>$148.0M</td>
</tr>
<tr>
<td>2005</td>
<td>Justice System GO Bonds</td>
<td>$378.0M</td>
</tr>
<tr>
<td>2007</td>
<td>Better Denver GO Bonds</td>
<td>$549.7M</td>
</tr>
<tr>
<td>2017</td>
<td>Elevate Denver GO Bonds</td>
<td>$937.4M*</td>
</tr>
<tr>
<td>2021</td>
<td>PROPOSED: RISE Denver GO Bonds</td>
<td>Up to $400.0M</td>
</tr>
</tbody>
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* Of which $375.3M remains to be issued.
General Obligation Bonds Overview

- Backed by the full faith and credit of the City and payable from dedicated property tax mill levies

- Must be voter authorized (TABOR):
  - Authorized debt should be issued within a period of 10 years
  - Term of each issuance varies depending on market conditions, assets being financed and other considerations

- City Charter limits GO debt to 3% of actual real and personal property value
  - 3% x 2020 Actual Valuation of $166.2Bn = $5.0Bn

- $842M of GO Bonds outstanding (principal amount) as of 12/31/20:

![Existing General Obligation Debt Service Chart]

- Zoo, 1%
- Justice System, 14%
- Better Denver, 37%
- Elevate Denver, 48%
GO Bonds – Typical Program Spend Down

Better Denver Bond Amount Expended Per Year (Projects)

- $549.7M approved by voters in Nov 2007
  - Funded by 6 bond issuances between 2009-2014
• Bond issuances over multiple years:
  o Assumes remaining $375.3M authorized under Elevate Denver is issued across multiple issuances between 2022-2025 and multiple issuances of the $400M for RISE Denver beginning in 2022 over time.
    o Size and timing of bond issuances driven by final project list, phasing, project readiness and financial market conditions.
  o Each issuance is subject to approval from City Council.

• Structure within existing tax rate (6.50 GO Bond mill levy) – Ability to float to 8.433 mills

• Conservative financial assumptions:
  o Modest future Assessed Valuation growth (fallout of COVID-19 is still unknown)
  o Interest rates include buffer for rising rates in the future
  o Preserves electoral capacity for future administrations
  o Term of bonds: 20 years, with 10-year call option, generally level debt service

• Strong financial management and rebuilding of General Fund reserves to maintain AAA GO Bond Ratings
  o Last affirmed in November 2020 by all 3 major credit ratings agencies

• Project Readiness
GO Bonds: Legal and IRS Requirements

- Bonds constitute a formal agreement to pay between borrower (City) and lender (investors)
- Municipal bonds are generally issued as tax-exempt bonds, which are subject to IRS rules and regulations
- Authorized debt should be issued within a period of 10 years after authorization is received
- Once debt is issued, funds should be spent in 3 years
- Funds must be spent on eligible (capital) expenditures
  - Cannot fund operations
  - Cannot benefit private interests
  - Useful life of asset must align with term of financing
Denver’s Equity Framework
Mayor’s Office of Social Equity and Innovation
The Mayor's Office of Social Equity and Innovation

BUDGET EQUITY

Choice Points (Key Decisions)

Antiracism

Policy Development

Budgetary Appropriation

Program Development

Budget Analysis Key

Racially Disparate Outcomes

Activating Equity Indicators

Measures & Timeframe

Language Access and Inclusion

Equity Opportunity

Equity Mitigation Approach

Racial Equity Lens

Denver Neighborhoods

Budget Equity Framework

Equity Opportunity

Choice Points (Key Decisions)

Document lables include:

Denver Neighborhoods

Budget Equity Framework

Equity Opportunity

Equity Mitigation Approach

Racial Equity Lens

The Mayor's Office of Social Equity and Innovation
The Mayor’s Office of Social Equity and Innovation shall lead efforts to remove social inequity and race and social injustices by identifying and eliminating racism through the changing of systems, organizational structures, policies and practices with a clear antiracism priority.
Why we lead with Race/Ethnicity:
Creating racial equity in citywide budget decisions

1. **Race/Ethnicity is explicit not exclusive**...When we say “race” there is always an intersectional analysis of race and ethnicity, gender identity, individuals with disabilities, age, and LGBTQIA+ communities.

2. **Racial inequities** are deep and pervasive.

3. Learning an **institutional and structural approach to address racism** can be used with other areas of marginalization.

4. **Systems approach to racial equity** prioritizes the dismantling of systemic inequities.
The Mayor’s Office of Social Equity and Innovation |  Page 39

Budget Equity Framework

The What

The Budget Equity Framework is used to operationalize and embed a process into the city-wide budget as agencies/departments allocate economic resources to meet the diverse needs of the people we serve.

The How

As we make budget requests and adjustments, the Budget Equity Framework is a tool to guide city employees toward creating equitable outcomes, building inclusive opportunities and addressing built infrastructure needs to meet the demands of a growing city.

The Equity Opportunity

Each budget request and adjustment provides a Choice Point opportunity to create equitable results to avoid a disruption of services to and/or increase access to services for BIPOC communities and individuals historically marginalized by systems.

Why look at the budget through a Budget Equity Framework?

Equity considerations in budgeting inform how we allocate economic resources to eliminate the underlying drivers that cause racial and ethnic inequities. In developing budget requests or reductions, agencies assess how budget decisions positively or negatively affect BIPOC communities and individuals historically marginalized by systems.

Why focus on BIPOC communities and individuals historically marginalized by systems?

The Mayor’s Office of Social Equity and Innovation focuses on BIPOC communities and individuals historically marginalized by systems to address systemic barriers to access, resources and infrastructure investments. We use an antiracist framework to address policies and practices that created the cumulative and compounding effects of structural racism.
what is a racial equity lens?

A Racial Equity Lens is used to critically think and analyze policies, programs, practices, and budget decisions to guide “Choice Points” as we transform inequitable systems to achieve equity in both process and outcomes.

A Racial Equity lens might also be applied to a budget requests or adjustments, policy development, practice, project, and program development to identify any benefit or burden to a given decision. A Racial Equity Lens is also used to identify any unintended consequences of a given decision and to create an intentional process to recommend equity mitigations.

The SEI will use a Racial Equity Lens to connect city-wide equity plans to ensure a consistent cadence in establishing and maintaining equity strategies. Our office will partner with agencies and departments to ask additional racial equity focused questions and identify equity opportunities.
Activating the Budget Equity Framework

Activating the use of a Racial Equity Lens in budgeting decisions

Key Terms
- **Race/Ethnicity**: A socially defined concept sometimes used to designate a portion, or “subdivision” of the human population with common physical characteristics, ancestry, or language. It is also loosely applied to geographic, cultural, religious, or national groups.
- **BIPOC**: The acronym, which stands for Black, Indigenous and People of Color.
- **Institutional Racism**: Unfair policies and discriminatory practices in institutions including local government, education, health systems, etc. that consistently produce racially inequitable outcomes for BIPOC communities.
- **Racial Equity**: A systemic endeavor, resulting in equitable opportunities and outcomes where race and ethnicity can no longer be used to predict life outcomes, and outcomes for all groups are improved.
- **Equity Opportunity**: An Equity Opportunity is present when we decide to address structural barriers and systemic racism, tackle root causes to dismantle structural inequities, or make conscious plans to engage community members.
- **Choice Points (Key Decisions)**: There are different types of Choice Points including: budget request and adjustments, policy development areas, practice, project, and/or program/initiative functions that reside within our local government systems.
- **Equity Mitigation**: Equity mitigation identifies harms specific to BIPOC communities and individuals historically marginalized by systems and takes action to reduce them.
Equity Framework for Infrastructure

1. Planning - How is the City making capital funding decisions that result in equitable infrastructure outcomes where race and ethnicity can no longer be used to determine quality of built environment?

2. Programming - How are Departments allocating and scoping program budgets to create equitable outcomes?

3. Implementation – What are deliberate, inclusive actions Departments can take to mitigate impacts of disruption to identified communities?
## Capital Project Equity Framework Questions

### Planning (Citywide)
- Location/Neighborhood of Project
  - Access to Opportunity
  - Racial Equity
- Who are the populations served by this project?
  - Focus on historically-marginalized communities of color and First Nations
  - Kids/older adults

### Programming (Department)
- How did the departmental equity lens influence prioritization of the project?
- What community engagement process has/will be undertaken? Is there support?

### Implementation (Department)
- What are the potential impacts to residents and businesses during construction of this project?
- How will the project mitigate these impacts?
- Cumulative effect of multiple projects in area
Activating the Budget Equity Framework

Activating the use of a Racial Equity Lens in budgeting decisions

The Racial Equity Lens questions will guide our “Choice Points” decisions to focus on equity in both process and outcomes. The Budget Management Office (BMO) or Capital Planning and Programming Division (CPP) will answer each question on the following pages.

BMO, CPP, and Mayor’s Office of Social Equity and Innovation (SEI) will flag any equity gaps or unintentional consequences before the City makes recommendations to the committee and following committee review.
Activating the Budget Equity Framework

PHASE 2
Activating the use of a Racial Equity Lens in budgeting decisions

Question 1

How does your budget requests or adjustments directly benefit or impact one or more of the following?

- Older adults
- People with disabilities
- BIPOC communities and individuals historically marginalized by systems (definition provided)

*Note: Our identities are intersectional, and layers of diversity are dynamic.
Activating the Budget Equity Framework

PHASE 2
Activating the use of a Racial Equity Lens in budgeting decisions

Question 2

Option 1: Please identify the neighborhood(s) most impacted by your request.
*(78 neighborhoods/all)
Click here to view City and County of Denver neighborhoods

Option 2: City employees (internal employer impact)

Option 1 External:
Specific neighborhoods have unique challenges as a result of historic inequities.
Note: Reference the equity neighborhood maps.

Option 2 Internal:
Identify specific city employees or services impacted by your budget adjustment.
Activating the Budget Equity Framework

PHASE 2
Activating the use of a Racial Equity Lens in budgeting decisions

Question 3

What could be the unintended consequences to the budgetary adjustment?

Consider who might have difficulty accessing specific services due to cost, physical access, safety, transportation, mobility or any other barrier.
Activating the Budget Equity Framework

PHASE 2: Activating the use of a Racial Equity Lens in budgeting decisions

**Question 4**

How will your agency/department mitigate harm and address any concerns due to your budgetary adjustment?

**Question 5**

Select the applicable Equity Indicator.

BMO/CPP will review mitigations if needed section.

Proceed to the mitigation section.
Activating the Budget Equity Framework

Activating the use of a Racial Equity Lens in budgeting decisions

PHASE

2

Question 6

Activating Equity Mitigation

BMO/CPP will review each budget decision to reduce any harm or burden to BIPOC communities and individuals historically marginalized by systems resulting from budget allocations to create a need to pursue a mitigation to prevent harm and address any unintended consequences that may compound racial inequity.

Additional Racial Equity focused questions that may be posed by the SEI team:

• Does the key decision explicitly account for potential racially disparate outcomes? If so, how will the key decisions have a positive impact on racial / ethnic equity disparities?
• What are the benefits of the key decision? Specifically, to BIPOC communities and individuals historically marginalized by systems.
• What are the burdens caused by the key decision?
• Does the key decision promote reconciliation or address historical trauma impacting BIPOC communities and individuals historically marginalized by systems?
“Challenging power structures from the inside, working the cracks within the system, however, requires learning to speak multiple languages of power convincingly.”

– Patricia Hill Collins
2021 GO Bond
Guiding Principles Discussion
Proposed Draft Guiding Principles for Discussion

** Equity –** Does the proposed package include projects that increase equitable access to infrastructure and serve historically marginalized communities/populations?

**Community Engagement –** Does the overall proposed package incorporate public input and feedback received through the RISE Denver community engagement process via surveys, email, telephone town halls, and/or communication made directly to the committee or from City Council?

**Project Readiness and Feasibility –** Does the project package include projects that are feasible, defined, and ready to be implemented with manageable risk within a five-year timeframe? Does the overall proposed package provide the opportunity to scale and/or phase projects with independent utility*?

**Economic Impact –** Does the proposed package present an opportunity to generate sustained economic activity, provide jobs, and make Denver more attractive to best support our economic recovery?

*The definition of independent utility is a single and complete project/phase requiring no additional funding sources to finish.*
Proposed Draft Guiding Principles for Discussion

**Safety and Accessibility** – Does the proposed package include projects that support safety and accessibility, including addressing life-safety infrastructure, asset condition, and/or ADA?

**Resiliency and Health** – Does the proposed package directly contribute to achieving the City's climate and public health goals by reducing greenhouse gas emissions, improving air/water quality, and/or supports active sustainable transportation options?

**Leveraging Opportunities** – Does the proposed package include projects that help further a previous investment, leverages secured other funding, generates revenue, or are proven to be a lost opportunity if project is not approved?
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