



WESTMINSTER
COLORADO
AGENDA

SPECIAL WESTMINSTER CITY COUNCIL MEETING

MONDAY, MARCH 1, 1999

AT 7:00 PM

1. Pledge of Allegiance
2. Roll Call
3. Purpose of Special Meeting:
 - A. Resolution No. 10 re Acquisition of Smith Property (now Ten Eyck)
 - B. Councillor's Bill No. 8 re Home Depot Business Assistance Agreement
 - C. 92nd Avenue, Harlan Street to Sheridan Boulevard Project – Award of Construction Contract
4. Adjournment



WESTMINSTER
COLORADO

Agenda Memorandum

Date: March 1, 1999

Subject: Resolution No. _____ re Repeal of Resolution No. 59, Series of 1996 Smith (Ten Eyck) Property Acquisition

Prepared by: Bob Lienemann, Open Space Coordinator

Introduction

City Council action is requested to adopt the attached Resolution, which repeals a prior Resolution authorizing the acquisition of the Smith (now Ten Eyck) property for park and open space. This approximate eight acre parcel is located east of Federal Boulevard at approximately 109th Avenue (see attached map).

Summary

In November of 1996, City Council adopted Resolution No. 59, Series of 1996, authorizing the acquisition for park and open space of approximately eight acres of land owned by the Smith Family Trust. This parcel is bounded on the south and east by the City-owned Farmers' High Line Canal Trail, Legacy Ridge Golf Course, and a regional stormwater detention pond. The parcel is bounded on the north by privately owned land, which is to be developed as the Savory Farms residential project.

Mr. Terry Ten Eyck purchased the property from the Smith group in January of 1997, and he was fully aware of the City's Resolution and intent, and was included from the beginning in negotiations to acquire the property. After Mr. Ten Eyck became the new property owner, City Staff continued negotiations with him, and pursued the usual due diligence investigations made as a prelude to acquiring any property for the City. Mr. Ten Eyck has always been informed that he or potential buyers of his property are welcome to pursue development plans and zoning with the City, concurrent with the investigations. Though several conversations have taken place regarding potential land uses, no plans have been formally submitted for review by Mr. Ten Eyck.

Mr. Ten Eyck recently approached City Council, expressed his concern with the time involved in these efforts, and requested a quick decision on the purchase of his property. As discussed in Executive Session, City Staff does not recommend acquiring the land at this time, and has concluded that neighborhood park, trail and open space needs have been satisfied in this particular area.

Staff Recommendation

Adopt Resolution No. _____ repealing Resolution No. 59, Series of 1996, which had authorized the acquisition of the Smith (now Ten Eyck) property, including through eminent domain if necessary, for park and open space.

Background Information

The subject property was annexed into the City of Westminster in October and November, 1996. The zoning was established as O-1, to allow time for negotiations between the City and the landowners, based upon submittal of development plans. No such plans have ever been submitted. The property is shown as Single Family Detached, medium density in the City's Comprehensive Land Use Plan. This would allow single family homes at a maximum density of 3.5 dwelling units per acre.

City Council adopted a Resolution authorizing the acquisition of the property in November, 1996, and negotiations began with the Smith Family Trust, and including Mr. Ten Eyck as an interested buyer. There are too many unknown possible extra expense items associated with this property acquisition and the Staff recommends not proceeding with the acquisition.

Respectfully submitted,

William M. Christopher
City Manager

Attachment

RESOLUTION

RESOLUTION NO.

INTRODUCED BY COUNCILLORS

SERIES OF 1999

WHEREAS, the City Council of the City of Westminster adopted Resolution No. 59, Series of 1996, in November 1996, authorizing the acquisition of the Smith (now Ten Eyck) property, including through eminent domain if necessary, for park and open space purposes, as shown on the attached map; and

WHEREAS, the City Council finds that the acquisition should not be pursued at this time, and that park, trail and open space needs have been satisfied in this area.

NOW, THEREFORE, the City Council of the City of Westminster resolves that Resolution No. 59, Series of 1996 be hereby repealed.

Passed and adopted this 1st day of March, 1999.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: March 1, 1999

Subject: Councillor's Bill No. re Home Depot Business Assistance Agreement

Prepared by: Susan Grafton, Economic Development Manager

Introduction

City Council action is requested to pass the attached Councillor's Bill on first reading approving an assistance package totaling \$3,048,000 for Home Depot, USA, to construct a new store in the Brookhill Shopping Center located at 88th Avenue between Pierce Street and Wadsworth Parkway.

Summary

The Official Development Plan (ODP) for this project is nearing completion. The new Home Depot store will be approximately 110,000 square feet. To accommodate this new store, the existing Levitz Furniture building, as well as additional adjoining stores will be demolished. A \$3,048,000 assistance package is being proposed to assist with this redevelopment project. The assistance will be funded by permit fee and construction use tax waivers, as well as by rebate of new Sales Tax dollars generated by the new store.

Staff Recommendation

Pass Councillor's Bill No. on first reading authorizing the City Manager to execute and implement in substantially the same form as the attached Business Assistance Agreement with Home Depot, USA, for the construction of a new Home Depot Store in the Brookhill Shopping Center.

Background Information

Staff began working with representatives of Home Depot, USA, during the spring of 1998. Home Depot was looking at several sites within the City of Westminster, and preferred to build a new store instead of going into an existing location. Though Staff stated a willingness to work with the company to locate a store anywhere in the City, it was made clear that financial assistance would be provided to the project only if they chose to locate in an existing shopping center that currently had vacancies. The Levitz Furniture Store in Brookhill Shopping Center has been vacant for several years and was proposed as an alternative for Home Depot. The shopping center owners were willing to work with Home Depot to facilitate the 110,000 square feet needed by the project. Project planning for the new store has proceeded at the Brookhill Shopping Center location and the ODP is ready for approval. Staff expects that the redevelopment of this shopping center as a result of the Home Depot project will bring additional customers into the 88th Avenue and Wadsworth Parkway area and cause increased sales for surrounding retailers.

Project Revenue

The Home Depot Store is expected to generate approximately \$975,000 to \$1,300,000 in sales tax revenue (at the 3.25% rate) per year. This is based on average sales of \$30 million in the initial years, and as much as \$40 million per year as the store achieves stability. Assuming average retail sales of \$35 million per year, the total sales tax revenue from this project over the next five years is estimated to be \$5,250,000.

Permit fees for the Home Depot store are expected to total \$30,500. Construction Use Tax is estimated to be \$89,400.

Total revenue from this project over the next five years, including permit fees and sales and use taxes, is estimated to be \$5,369,900.

Recommended Assistance

Home Depot has worked with staff to achieve a retail project that has unique architectural elements, as well as the redevelopment of the Brookhill Shopping Center. Staff believes that the \$3,048,000 assistance being recommended for Home Depot is reasonable. Staff recommends that assistance be provided to the project as follows:

<u>Permit Fee Waiver</u>	\$12,200
40% of the fees applicable to building and other related permits be waived, excluding tap fees. ($\$30,459 \times 40\% = \$12,200$)	

<u>Construction Use Tax Waiver</u>	\$35,800
40% of the Building Use Tax assessed on construction will be waived ($\$89,375 \times 40\% = \$35,800$)	

<u>Sales Tax Rebate</u>	\$3,000,000
The City shall rebate an amount not to exceed \$3,000,000, which will be payable exclusively from the 3.0% general sales tax collected (excludes the City's .25% Open Space Tax).	

The rebate will occur as follows:

- First 24 months of operation (years 1 and 2) -- 60% rebate
- Next 24 months of operation (years 3 and 4) – 50% rebate
- Next 12 months of operation (year 5) – 30% rebate
- Next 12 months of operation (year 6) – 36% rebate

Total Assistance	\$3,048,000
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It is estimated that this assistance will be paid within 5 to 6 years of the opening of the new Home Depot store. This exceeds the City's one year payback guideline on retail development. However, this project meets a major redevelopment goal for the City and will help to generate additional retail sales from the other retailers in the Brookhill Shopping Center. It should also be noted that no capital outlay by the City is necessary to fund this assistance package. It will be funded by waivers of permit fees, and recoveries, as well as new sales tax dollars generated by the retail center.

Respectfully submitted,

William M. Christopher
City Manager

Attachments

BY AUTHORITY

ORDINANCE NO.
SERIES OF 1999

COUNCILLOR'S BILL NO.
INTRODUCED BY COUNCILLORS

A BILL FOR AN ORDINANCE AUTHORIZING AN ASSISTANCE AGREEMENT WITH HOME DEPOT, USA, A DELAWARE CORPORATION:

WHEREAS, the successful attraction of high quality development to the City of Westminster provides employment opportunities and increased revenue for citizen services and is therefore an important public purpose; and

WHEREAS, it is important for the City of Westminster to remain competitive with other local governments in creating incentives for high quality development to locate in the City; and

WHEREAS, Home Depot, USA, has indicated an interest in building a new store in the City of Westminster known as the Brookhill Shopping Center; and

WHEREAS, Home Depot, USA, will build an approximately 110,000 square foot retail center with an estimated project cost of \$5.5 million; and

WHEREAS, a proposed Assistance Agreement between the City and Home Depot, USA, is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, pursuant to the terms of the Constitution of the State of Colorado, the Charter and ordinances of the City of Westminster, and Resolution No.53, Series of 1988, the members of the City Council of the City of Westminster direct and authorize the following actions by the City Staff:

Section 1. The City Manager of the City of Westminster is hereby authorized to enter into an Assistance Agreement with Home Depot, USA, in substantially the same form as the one attached as Exhibit "A," and upon execution of the Agreement to fund and implement said Agreement.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 1st day of March, 1999.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this day of March, 1999.

ATTEST:

Mayor

City Clerk

ASSISTANCE AGREEMENT
FOR THE CONSTRUCTION OF HOME DEPOT RETAIL CENTER
IN THE BROOKHILL SHOPPING CENTER IN THE CITY OF WESTMINSTER

THIS AGREEMENT is made and entered into this _____ day of March, 1999, between the CITY OF WESTMINSTER (the "City"), and HOME DEPOT U.S.A. Inc, a Delaware corporation ("Home Depot").

WHEREAS, the City wishes to provide certain assistance to Home Depot to aid in the construction of their new retail center within the City of Westminster within the Brookhill Shopping Center located at 88th Avenue between Wadsworth Parkway and Pierce Street; and

WHEREAS, the proposed facility will employ 170 and will generate an annual payroll of \$3,500,000; and

WHEREAS, City Council finds the execution of this Agreement will serve to provide benefit and advance the public interest and welfare of the City and its citizens by securing the location of this economic development project within the City and further expand the City's tax base.

In consideration of the mutual promises set forth below, the City and Home Depot agree as follows:

1. The City shall waive 40% of the Building and Related Permit Fees, not including utility tap fees, required under W.M.C. Section 11-9-3(E), which will result from the construction of an approximate 110,000 square foot building. The value of the permit fee waiver is estimated to be \$13,600. The waiver of the building and related permit fees shall take place at the time said fees are calculated, when the application for a building permit is submitted to the City and paid.
2. The City shall waive 40% of the Building Use Taxes on the construction materials, which are to be used in the construction of the approximate 110,000 square foot building, required under W.M.C. Sections 4-2-9 and 4-2-3. The value of the waiver is estimated to be \$31,200. The 40% waiver of the Building Use Taxes shall take place at the time said use tax is calculated, when the application for a building permit is submitted to the City and paid.
3. Sales Tax Rebate.
 - a. The City shall rebate to Home Depot an amount not to exceed \$3,000,000. Such Rebate shall be payable exclusively from Sales Tax revenues collected by the City from Home Depot and attributable to the imposition of the City's 3.0% general Sales Tax (excludes the City's .25% Open Space Tax).
 - b. During the first 24 months of operation, the Sales Tax Rebate shall be paid by the City in quarterly installments equal to 60% of Sales Tax collected and received by the City from Home Depot.
 - c. During the next 24 month period of operation, (year 3 and 4) the Sales Tax Rebate shall be paid by the City in quarterly installments equal to 50% of the Sales Tax collected and received by the City from Home Depot.

ASSISTANCE AGREEMENT
FOR THE CONSTRUCTION OF HOME DEPOT RETAIL CENTER
IN THE BROOKHILL SHOPPING CENTER IN THE CITY OF WESTMINSTER
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- d. During the next 12 month period (year 5), the Sales Tax Rebate shall be paid by the City in quarterly installments equal to 30% of the Sales Tax collected and received by the City from Home Depot.
 - e. During the next 12 month period (year 6), the Sales Tax Rebate shall be paid by the City in quarterly installments equal to 36% of the Sales Tax collected and received by the City from Home Depot.
 - f. Such quarterly installments shall be paid until such time as the maximum \$3,000,000 has been paid to Home Depot or until the end of the sixth year of operation, whichever comes first. The final installment will be adjusted as may be necessary to limit the total Sales Tax Rebate to \$3,000,000.
 - g. The payment of each quarterly installment shall be made within 20 days following the close of each calendar quarter.
4. This Assistance Agreement is tied specifically to Home Depot locating in the previous Levitz Furniture building area at the Brookhill Shopping Center located on 88th Avenue between Wadsworth Parkway and Pierce Street and shall not be applicable to any other Home Depot location. Home Depot will be demolishing the Levitz Furniture building and adjacent vacant building to accommodate the new Home Depot facility.
 5. This Assistance Agreement shall terminate and become void and of no force or effect upon the City if Home Depot has not completed construction and operations commence by June 1, 2000, unless either of Li Jin Qiang d/b/a New Asian Express Restaurant or Wall Units II, Inc fail to vacate their leased premises in the Brookhill Shopping Center by March 30, 1999, in which event the outside date for Home Depot to complete construction and commence operations shall be November 1, 2000.
 6. In the event Home Depot ceases business operations within the City at this site within seven (7) years after the new operations commence, then in such event Home Depot shall pay to the City the total amount of fees and taxes which were due and payable by Home Depot to the City, but were waived or rebated by the City.
 7. Nothing in this Agreement waives or reduces Home Depot's obligation to abide by and comply with the City's zoning and planning regulations or Building Codes.
 8. This instrument shall constitute the entire agreement between the City and Home Depot, and supersedes any prior agreements between the parties and their agents or representatives, all of which are merged into and revoked by this Agreement with respect to its subject matter.

ASSISTANCE AGREEMENT
FOR THE CONSTRUCTION OF HOME DEPOT RETAIL CENTER
IN THE BROOKHILL SHOPPING CENTER IN THE CITY OF WESTMINSTER
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9. Subordination. The City's obligations pursuant to this Agreement are subordinate to the City's obligations for the repayment of any current or future bonded indebtedness and are contingent upon the existence of a surplus in sales and use tax revenues in excess of the sales and use tax revenues necessary to meet such existing or future bond indebtedness. The City shall meet its obligations under this Agreement only after the City has satisfied all other obligations with respect to the use of sales tax revenues for bond repayment purposes. For the purposes of this Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness that may be incurred by the City, including, but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by sales and use tax revenue of the City.

10. Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year obligation on the part of the City within the meaning of Colorado Construction Article X, Section 20, and the City's obligations hereunder are expressly conditional upon annual appropriation by the seated City Council.

This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. This Agreement shall be subject to, and construed in strict accordance with, the Westminster City Charter and the Westminster Municipal Code. In the event of a dispute concerning any provision of this agreement, the parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experienced mediator, or panel of mediators for the purpose of resolving such dispute. The venue for any lawsuit concerning this agreement shall be in the District Court for Jefferson County, Colorado.

HOME DEPOT U.S.A., INC
A Delaware Corporation

CITY OF WESTMINSTER

By _____
Daniel R. Hatch
Senior Corporate Counsel

William Christopher
City Manager

ATTEST:

Michele Kelley, City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: March 1, 1999

Subject: 92nd Avenue, Harlan Street to Sheridan Boulevard Project – Award of Construction Contract

Prepared by: David W. Loseman, Senior Projects Engineer

Introduction

City Council action is requested to award the construction contract for the 92nd Avenue, Harlan Street to Sheridan Boulevard project to Lawrence Construction Company in an amount not to exceed \$5,800,000. Council action is also requested to authorize the expenditure of \$102,646 to Econolite Control Products, Inc. for the purchase of traffic signal cabinets and telemetry; \$67,461 to Valmont Industries for the purchase of traffic signal poles and mast arms; \$119,484 to ADCON for the purchase of four 24-foot architectural towers on the bridge; \$26,100 for three irrigation water taps; and \$231,869 to JR Engineering, Ltd. for project construction engineering. Council action is further requested to authorize the project manager to execute changes orders on this project in an amount not to exceed \$750,000 (the “Contingency” for this project), which is approximately 15% of the construction cost. Funds for these expenses are available in the appropriate project account in the General Capital Improvement Fund.

Summary

Construction of the 92nd Avenue, Harlan Street to Sheridan Boulevard project is scheduled to begin in March 1999, pending Council’s approval of this construction contract. Only one contractor, Lawrence Construction Company, submitted a bid on this project in the amount of \$6,883,513. However, it is recommended that City Council award the contract to Lawrence Construction Company in a negotiated amount not to exceed \$5,800,000. While the \$5,800,000 negotiated amount would still be well in excess of the City’s consultants’ estimate of \$4,900,000, Staff believes that it is of paramount importance to proceed with this project as quickly as possible in order to help mitigate the increasing traffic in the Westminster Center area and, thus, maintain the vitality of this important tax base. Furthermore, there are reasons to believe that, through no fault of the City’s consultant, the engineer’s estimate was not totally realistic. An example of this is the unit price for curb and gutter, which is 50% higher than last year’s cost as verified by bid tabulations from Colorado Department of Transportation projects. The other factor that wasn’t anticipated is the lack of qualified contractors to do this project because of numerous other projects currently being constructed. This has the effect of raising construction prices. If Staff is unable to negotiate the fee down to \$5,800,000 from the bid amount of \$6,883,513, then Staff recommends that the project be re-bid and constructed in the year 2000.

City Council action is also requested to authorize the City Manager to execute a construction engineering services agreement with JR Engineering, Ltd., the design consultant on the project, in the amount of \$231,869. The requested fee represents approximately 4.0% of the cost of construction, which compares very favorably with the cost of such services on previous capital improvement projects.

Further, Council action is requested to authorize the payment of \$102,646 to Econolite Control Products, Inc. and \$67,461 to Valmont Industries for the purchase of traffic signal equipment. These companies are “sole source” suppliers of the traffic signal equipment that the City uses. Staff will purchase these items directly from the suppliers, which saves the City approximately \$17,000. This \$17,000 represents the general contractor’s markup if these items were included in the bidding process.



No. _____

WESTMINSTER
C O L O R A D O

Finally Council action is requested to pay ADCON \$119,484 for the fabrication and installation of the four architectural towers that will be located on each corner of the widened 92nd Avenue bridge over US 36. ADCON is the firm that fabricated similar towers and archways for the pedestrian bridge over Westminster Boulevard at the Promenade. Since ADCON was involved in the design of the 92nd Avenue bridge towers, Staff is very familiar with the quality of their work, and their price compares very favorably with similar structures installed on the Westminster Promenade project. As with the traffic signal equipment, by purchasing these elements of the project directly from the supplier, the City will save \$12,000 in general contractor's markup.

An alternative to these requested actions is to delay awarding the bid and re-designing the bridge. Staff does not recommend this alternative for two reasons. First, the necessary redesign effort would prevent the construction of this project in 1999. Second, there does not seem to be an advantage to delay given the construction market in the past and the high level of construction projects seems likely to continue with 2000 with prices for construction being even higher in 2000.

Staff Recommendation

Authorize the City Manager to execute a contract with Lawrence Construction Company in an amount not to exceed \$5,800,000 for the construction of the 92nd Avenue, Harlan Street to Sheridan Boulevard project; authorize the expenditure of \$102,646 to Econolite Control Products, Inc. for the traffic signal cabinets and telemetry; authorize the expenditure of \$67,461 to Valmont Industries for traffic signal poles and mast arms; authorize the expenditure of \$119,484 to ADCON for architectural towers on the bridge; authorize the City Manager to sign a construction engineering services agreement with JR Engineering, Ltd. in the amount of \$231,869; authorize the expenditure of \$26,100 for three irrigation tap fees; authorize the project manager to execute any necessary change orders in a cumulative amount not to exceed \$750,000; and charge all of these expenses to the appropriate project account in the General Capital Improvement Fund.

Background

In January, 1995, Staff hired the transportation engineering firm of Felsburg, Holt & Ullevig (FHU) to study the area bounded by Harlan Street, Sheridan Boulevard, 92nd Avenue and 88th Avenue, as well as the interchange from Sheridan Boulevard and 92nd Avenue to US 36 and the Harlan Street extension from 94th Avenue to 112th Avenue. The purpose of this study was to determine a prioritization of projects within the study area to improve traffic flow adjacent to the Westminster Mall and environs.

The results of this study were presented to Council at the August 15, 1995, Study Session. This report identified the widening of 88th Avenue, 92nd Avenue, Sheridan Boulevard and improvements to the 88th Avenue and Sheridan Boulevard intersection and the internal circulation of the Westminster Mall parking area ("the Ring Road") as some of the most effective solutions of the alternatives studied.

As a result of this study, Council asked the citizens of Westminster to approve a \$15,000,000 bond issue to fund these improvements, which the voters approved in 1996. The schedule for implementing these projects was to construct the 88th Avenue improvements in 1997, construct the 92nd Avenue improvements in 1999, construct the Mall Ring Road in 1999 and 2000; and construct the Sheridan Boulevard improvements as soon as possible thereafter. This multi-phase schedule was established create projects that could be constructed in less than one year each, thus minimizing the disruption to the traveling public, especially during the busy holiday shopping season.

The 92nd Avenue project includes widening 92nd Avenue from four lanes to six lanes starting west of the intersection with Harlan Street and extending to Yates Street, including the bridge over US 36. The objective of the 92nd Avenue project is to provide increased roadway capacity from the current non-holiday season volume of 36,000 vehicles per day to an anticipated future volume of 49,000 vehicles per day and to improve the turning capacity at the Westminster Mall entrance, Harlan Street and Sheridan Boulevard intersections by adding double left-turn lanes at these intersections. This project is also designed to accommodate the future 92nd Avenue/Sheridan Boulevard/US 36 interchange movements. In addition, the bridge over US 36 includes architectural enhancements such as a stone appearance look on all walls; lighted tower elements at the four corners of the bridge; upgraded pedestrian railing in lieu of chain link fence; and structural steel archway elements on the bridge. All of these enhancements will serve as a unique landmark for the Westminster Center area.

In September of 1996, Staff pursued the construction of the 92nd Avenue double left-turn lane project as a first phase of the 92nd Avenue project. This project was to improve the eastbound 92nd Avenue to northbound Sheridan Boulevard movement and also included the elimination of the left-in and left-out movements from the north access to the Hyland Office Park property at the southwest corner of 92nd Avenue and Sheridan Boulevard. The tenants of this property expressed concerns to Council about the loss of these movements and as a result, Council directed Staff to pursue other alternatives. Staff re-designed this access to allow right-in, right-out and left-in movements by using a “partial” traffic signal. This “partial” traffic signal will never stop westbound traffic and will only stop eastbound traffic when a vehicle triggers the need to turn left into the access. This signal will also be synchronized with the 92nd Avenue and Sheridan Boulevard signal so eastbound 92nd Avenue traffic flow will not be disrupted. This new design was presented to the tenants of this property in early December 1998 and the property owner in late January 1999. The tenants and owner were all very pleased with this re-design and expressed no concerns to Staff about proceeding with the 92nd Avenue project.

The construction package for the 92nd Avenue project was advertised in The Daily Journal for two weeks and bids were opened February 11. One contractor submitted a bid and the bid results are as follows:

<u>Bidder</u>	<u>Amount of Bid</u>
Lawrence Construction Company	\$6,883,513
Engineer’s Estimate	\$4,939,970

Receipt of only one bid on this project is due to the amount of construction projects in the metro area. Simply put, there are more construction projects occurring than local contractors can build in the time frame given. Lawrence Construction Company, however, is able to schedule and construct this project within the time frame and are also willing to negotiate the bid price. Staff believes that \$1,000,000 to \$1,500,000 can be saved on the bid price by changing certain elements of the project and allowing the contractor to do the final lift of asphalt for the entire project in the spring of 2000. An example of savings would be deleting the stone work on the bridge and walls and doing a “form” liner that would look like stone. This item alone will save \$560,000 from the bid price. There are numerous other “value engineering” items that Staff will look at to save up to \$1,500,000 from the bid. While this is an unusual approach to constructing this project, it is the only viable alternative to completing the project in 1999, and, in addition, re-bidding the project would probably not save any more than the \$1,500,000 previously mentioned. Both City Staff and the design consultant, JR Engineering, Ltd., are familiar with Lawrence Construction Company and believe that this company is very capable of performing this type of project. Staff also recommends that a construction contingency of \$750,000 be authorized to account for any unforeseen change orders on the project.

Capital improvement projects of this magnitude demand full-time inspection, surveying and materials testing services. The City is not adequately staffed to provide these services “in-house.” In almost all cases, it is best to retain the design consultant to provide construction-engineering services on that project.

Such a contractual relationship eliminates any potential for “finger-pointing” between consultants whenever problems arise in the field. It also allows the most informed individuals on a particular project to actually inspect the progress of the work. Staff routinely checks proposed construction services against generally accepted industry standards relating to fair percentage of the value of the work being constructed. Depending on the size of the project, construction-engineering fees should usually fall into the range of 5% to 15% of the cost of construction. For the 92nd Avenue project, JR Engineering’s fee of \$231,869 (4.0% of the expected cost of construction) is fair to the City.

Respectfully submitted,

William M. Christopher
City Manager

Attachments

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE SPECIAL CITY COUNCIL MEETING
HELD ON MONDAY, MARCH 1, 1999 AT 7:00 P.M.

PLEDGE OF ALLEGIANCE:

Mayor Heil led Council, Staff and the audience in the Pledge of Allegiance.

ROLL CALL:

Present at roll call were Mayor Heil, Mayor Pro Tem Merkel and Councillors Allen, Atchison, Dixon and Smith. Also present were William Christopher, City Manager; Martin McCullough, City Attorney; and Michele Kelley, City Clerk. Absent none.

PURPOSE OF SPECIAL MEETING:

Mayor Heil stated the purpose of the Special Meeting was to consider the repeal of Resolution No. 59, Series of 1996 regarding a Property Acquisition; Home Depot Business Assistance Agreement, and Construction Contract for 92nd Avenue, Harlan Street to Sheridan Boulevard.

RESOLUTION NO. 10 – REPEAL OF RESOLUTION NO. 59, SERIES OF 1996:

A motion was made by Merkel and seconded by Allen to adopt Resolution No. 10 repealing Resolution No. 59, Series of 1996, which had authorized the acquisition of the Smith (now Ten Eyck) property, including through eminent domain if necessary. Upon roll call vote, the motion carried unanimously.

COUNCILLOR’S BILL NO. 8 – HOME DEPOT BUSINESS ASSISTANCE AGREEMENT:

A motion was made by Allen and seconded by Smith to pass Councillor’s Bill No. 8 on first reading authorizing the City Manager to execute and implement in substantially the same form as the one attached to the Agenda Memorandum, a Business Assistance Agreement with Home Depot, USA, for the construction of a new Home Depot Store in the Brookhill Shopping Center. Mr. Alan Ginsborg, Home Depot Development Consultant for Colorado, was present to address Council. Upon roll call vote, the motion carried unanimously.

92ND AVENUE, HARLAN STREET TO SHERIDAN BOULEVARD CONSTRUCTION CONTRACT:

A motion was made by Atchison and seconded by Dixon to authorize the City Manager to execute a contract with Lawrence Construction Company in an amount not to exceed \$5,800,000 for the construction of the 92nd Avenue, Harlan Street to Sheridan Boulevard project; authorize the expenditure of \$102,646 to Econolite Control Products, Inc. for the traffic signal cabinets and telemetry; authorize the expenditure of \$67,461 to Valmont Industries for traffic signal poles and mast arms; authorize the expenditure of \$119,484 to ADCON for architectural towers on the bridge; authorize the City Manager to sign a construction engineering services agreement with JR Engineering, Ltd. In the amount of \$231,869; authorize the expenditure of \$26,100 for three irrigation tap fees; authorize the project manager to execute any necessary change orders in a cumulative amount not to exceed \$750,000; and charge all of these expenses to the appropriate project account in the General Capital Improvement Fund. Senior Civil Engineer Dave Loseman was present to answer questions from Council. The motion carried unanimously.

ADJOURNMENT:

The meeting was adjourned at 7:20 P.M.

ATTEST:

Mayor

City Clerk

Summary of Proceedings

Summary of Proceedings of the Special City Council meeting held Monday, March 1, 1999.

Present at roll call were Mayor Heil, Mayor Pro Tem Merkel and Councillors Allen, Atchison, Dixion and Smith. Absent none.

Council adopted Resolution No. 10 which repeals Resolution No. 59, Series of 1996 concerning the acquisition of the Smith (now Ten Eyck) property; and approved the 92nd Avenue, Harlan Street to Sheridan Boulevard Construction Contract.

The following Councillor's Bill was introduced and passed on first reading:

A BILL FOR AN ORDINANCE AUTHORIZING AN ASSISTANCE AGREEMENT WITH HOME DEPOT, USA, A DELAWARE CORPORATION. Purpose: Provide assistance agreement for new Home Depot Store in Brookhill Shopping Center.

At 7:20 P.M. the meeting was adjourned.

By order of the Westminster City Council
Michele Kelley, CMC, City Clerk
Published in the Westminster Window March 11, 1999.