

OPEN SPACE BOARD OF TRUSTEES

Wednesday, March 12, 2014 at 6:00 p.m.

Council Chambers, 1777 Broadway

MEETING AGENDA

(Please note that times are approximate.)

- 6:00 I. Approval of Minutes
- 6:05 II. Public Participation for Items Not on the Agenda
- 6:15 III. Director's Updates
- 6:25 IV. Matters from the Board
- 6:35 V. Consideration of a motion to approve the use of negotiated method of sale for the upcoming Open Space bond issue.*
- 7:00 VI. Consideration of a motion to approve the disposal of Open Space and Mountain Parks land described as a permanent easement on approximately 4,500 square feet (0.103 acres) for \$6,750 to the City and County of Denver acting by and through its Board of Water Commissioners for a siphon drain on Lindsay Open Space at Siphon #4 of the Denver Water canal pipeline. This is a disposal of open space land under City Charter Section 177.*
- 8:00 VII. Adjournment

*Public Participation



**CITY OF BOULDER
OPEN SPACE BOARD OF TRUSTEES AGENDA ITEM**

MEETING DATE: March 12, 2014

AGENDA TITLE: Consideration of a motion to approve the use of negotiated method of sale for the upcoming Open Space bond issue.

PRESENTER/S

Michael D. Patton, Director, Open Space and Mountain Parks

Bob Eichen, City of Boulder, Chief Financial Officer

Michael Orosel, Financial Services Manager, Open Space and Mountain Parks

EXECUTIVE SUMMARY

At the Nov. 5, 2013 election, the voters of the City of Boulder approved amending the Charter of the City to allow for negotiated bond sales if approved by the city council.

At the same election, the voters approved the extension of the Open Space sales and use tax. This extension provides an ongoing stream of revenue to pay for the debt service on the bonds once they are issued. In 2008, the voters approved converting the remaining approximately \$35 million of authorized revenue bonds to general obligation bonds (GO). GO bonds have the full faith and credit of the city. If the Open Space sales tax is not adequate to pay the debt service on the bonds, city council could raise taxes to pay for the shortage. This type of tax action has never happened for any type of city GO bonds and it is not expected that it will for these bonds either. Due to the safety of having a tax backup, GO bonds carry a lower interest rate than revenue bonds. Having the GO backing also removes the potential of having to set aside approximately ten percent of the amount of bonds issued in a non-spendable reserve during the life of the bonds.

Some Open Space trails suffered severe damage during the September 2013 flood. By having bond proceeds on hand, land purchases can continue to be made and trails can be repaired at the same time. This is the essence of fiscal resiliency; the fund can bounce back in a fiscally responsible way and the community does not have to settle for one or the other. At the same time progress can continue toward implementing the real estate vision plan while repairing and maintaining what is already owned.

In the past there has been high local interest in purchasing Open Space bonds. With the competitive method of sale that was required prior to last year's charter change, it was not possible to provide preference to local buyers who wished to purchase some of the bonds. Under the new charter language this would be possible by using the negotiated sale process. Prior to the bonds being sold to anyone anywhere in the world, they could be made available to people in the Boulder area for one day by isolating certain zip codes.

Best practices when using the negotiated method of sale are published by the Government Finance Officers Association of the United States and Canada. It recommends using a competitive request for proposal (RFP) process to choose the underwriter. During council discussions regarding the potential charter change, staff stated this practice would be followed if the negotiated sales method was ever used by the city. Following this best practice eliminates the potential accusations of kick-backs and pay-to-play instances of favoritism that have happened in some communities in the United States that did not follow this best practice process.

The city's financial advisor, Piper Jaffray, will help negotiate the cost per bond the city will pay the chosen underwriter (the company who will purchase the bonds from the city and then sell them to retail and institutional buyers).

STAFF RECOMMENDATION

Staff recommends that the Open Space Board of Trustees approve and request the city council to authorize the City Manager to conduct a bond sale using the negotiated method for issuing Open Space bonds in 2014.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – Open Space and Mountain Parks (OSMP) lands contribute to the diverse and vibrant character of the City of Boulder and to the scenery, ecological setting and recreational infrastructure that help attract and retain a wide range of employers and education, and in turn help those employers to recruit and retain quality employees. The specific authorization by City Council to issue the bonds has no economic impact.
- Environmental - The acquisition program is a fundamental element upon which the city depends to preserve the community values of open space lands. The OSMP system is a significant element responsible for City of Boulder's global reputation as a leader in community environmental sustainability. The specific authorization by city council to issue the bonds has no environmental impact.
- Social - Because OSMP lands, facilities and programs are equally accessible to all members of the community, they help to support the city's community sustainability goal because all Boulder residents "can feel a part of and thrive in" this aspect of their community.

OTHER IMPACTS

- Fiscal - The issuance of the bonds will mean annual debt service payment will occur during the length the bonds are outstanding. The specific impact will be known when the bonds are sold.
- Staff time - The issuance of the bonds is a normal part of the workload of staff and can be absorbed.

PUBLIC COMMENT AND PROCESS

Voters approved the use of negotiated bond sales at the Nov. 5, 2013 election. In addition, this item is being heard at the March 12, 2014 Open Space Board of Trustees public meeting advertised in the *Daily Camera* on March 9, 2014.

Submitted by:



Michael D. Patton, Director



Michael Orosel, Financial Services Manager



**CITY OF BOULDER
OPEN SPACE BOARD OF TRUSTEES AGENDA ITEM**

MEETING DATE: March 12, 2014

AGENDA TITLE: Consideration of a motion to approve the disposal of Open Space and Mountain Parks land described as a permanent easement on approximately 4,500 square feet (0.103 acres) for \$6,750 to the City and County of Denver acting by and through its Board of Water Commissioners for a siphon drain on Lindsay Open Space at Siphon #4 of the Denver Water canal pipeline. This is a disposal of open space land under City Charter Section 177.

PRESENTER/S

Michael D. Patton, Director, Open Space and Mountain Parks
John D'Amico, Property Agent

EXECUTIVE SUMMARY

The area to be disposed encompasses approximately 0.103 acres located at the intersection of Doudy Draw and the Denver Water canal on Lindsay Open Space (Section 31, Township 1S, Range 70W) as indicated in Attachments A and B. Denver Water owns the canal and associated pipeline property in fee. Denver Water is proposing to bury the existing 84-inch above ground water pipeline within its fee-owned property. In order to bury the pipeline, a "bleed" valve is required to drain the pipe for maintenance purposes. This valve and associated drainpipe are required to drain downhill which will encroach on Open Space and Mountain Parks (OSMP) land and require an easement approximately 130 feet long by 35 feet wide. Denver Water will pay OSMP \$6,750 for the associated easement required to bury the drainpipe. The drainpipe will be buried and re-vegetated with native species. The drainpipe outlet to the valve will be 24 inches in diameter and will be constructed with local cobble excavated from the trench. No vehicle access will be allowed on the Denver Water easement area unless required for maintenance purposes.

STAFF RECOMMENDATION: Staff recommends that the Open Space Board of Trustees pass a motion and recommend that City Council approve the disposal of Open Space and Mountain Parks land described as a permanent easement on approximately 4,500 square feet (0.103 acres) for \$6,750 to the City and County of Denver acting by and through its Board of Water Commissioners for a siphon drain on Lindsay Open Space at Siphon #4 of the Denver Water canal pipeline. This is a disposal of open space land under City Charter Section 177.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Environmental: OSMP is a significant community-supported program that is recognized worldwide as a leader in preservation of open space lands contributing to the environmental sustainability goal of the City Council. The department's land acquisition, land and resource management and visitor service programs help preserve and protect the Open Space values of the surrounding publicly-owned lands.
- Economic: OSMP contributes to the economic vitality goal of the city as it provides the context for the diverse and vibrant economic system that sustains services for residents. The land system and the quality of life it represents attract visitors and help businesses to recruit and retain quality employees.
- Social: Because OSMP lands, facilities and programs are equally accessible to all members of the community, they help to support the city's community sustainability goal because all residents "who live in Boulder can feel a part of and thrive in" this aspect of their community.

OTHER IMPACTS

- Fiscal – Denver Water will pay OSMP \$6,750 for a permanent easement.
- Staff time – This disposal process is part of the normal work plan for Open Space staff.

PUBLIC COMMENT AND PROCESS

This item is being heard at the Open Space Board of Trustees public meeting advertised in the *Daily Camera* on March 9, 2014. A Notice of Disposal of Open Space lands was published in the *Daily Camera* on Feb. 28 and Mar. 1, 2014 pursuant to Section 177 of the City Charter.

ANALYSIS

The granting of this easement for a siphon drain encumbering approximately 4,500 square feet (0.103 acres) will enable Denver Water to bury an existing above ground water pipeline. The existing pipeline is 70 years old and requires frequent maintenance. A new buried water line will require less maintenance and fewer trips by service trucks on the existing access road. The existing above ground pipeline traverses the upper region of Doudy Draw restricting wildlife movement and creating a visual barrier when looking over the draw. The buried pipeline will be re-vegetated with native species specified by OSMP and over time will blend with the existing area.

Submitted by:



Michael D. Patton, Director



John D'Amico, Property Agent

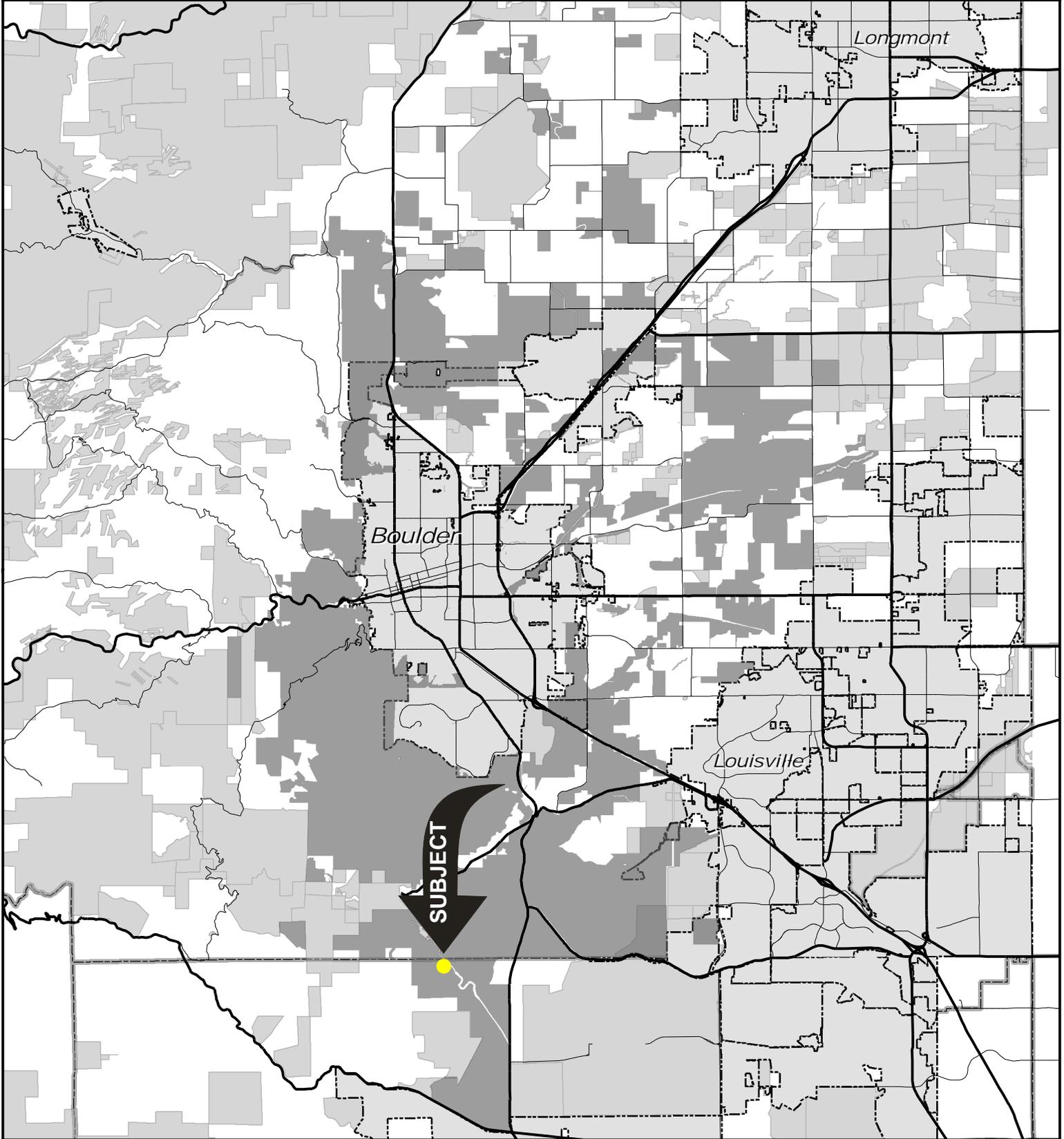
ATTACHMENTS:

Attachment A: Vicinity Map

Attachment B: Location Map

This page is intentionally left blank.

ATTACHMENT A - City of Boulder Open Space & Mountain Parks VICINITY MAP - Disposal of Open Space to Denver Water



© 2013 City of Boulder, Colorado

All rights reserved. The map information contained herein is intended for the sole use of the purchaser and may not be copied, duplicated or redistributed in any way, in whole or in part, without the expressed written consent of the City of Boulder.

The information depicted is provided as a graphical representation only. While source documents were developed in compliance with National Map Accuracy Standards, the City of Boulder provides no guarantee, express or implied, as to the accuracy and/or completeness of the information contained herein.

-  Subject Location
-  City of Boulder OSMP
-  Other Public Lands



Approximate property boundaries from Boulder County Assessor's data.

Path: E:\MapFiles\Property\DenverWater\VICINITY-GaslineNearHoganCE.mxd

This page is intentionally left blank.

ATTACHMENT B - City of Boulder Open Space & Mountain Parks LOCATION MAP - Disposal of Open Space to Denver Water



© 2014 City of Boulder, Colorado

All rights reserved. The map information contained herein is accurate as to the date of publication and may not be current. Disasters or developments in the field, in whole or in part, without the expressed written consent of the City of Boulder.

The information depicted is provided as a general representation only. While every effort was made to ensure the accuracy of the information, the City of Boulder makes no warranty, expressed or implied, as to the accuracy or reliability of the information.

 Disposal Area

 PLSS Quarter Quarter Sections

 OSMP Fee Property

 OSMP Conservation Easement



NOT TO SCALE

0 0.05 0.1 0.2 Miles