



MEMORANDUM

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**TO:** TRANSPORTATION COMMISSION (TC)  
**FROM:** JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
**DATE:** MARCH 15, 2018  
**SUBJECT:** NINTH BUDGET SUPPLEMENT - FY 2017-2018

Region 1

\$900,000 - 21510 US 85 and 104<sup>th</sup> Avenue - Transportation Commission Program Reserve Fund (TCI). Region 1 is requesting TC funding to complete the purchase of a parcel of land from Commerce Place, Inc. The parcel of land being purchased is located at the intersection of US 85 and 104<sup>th</sup> Avenue, Commerce City, Adams County. The land is currently vacant, but Commerce Place, Inc. stated it could be development ready in the near future. Once the land becomes developed, the purchase value will increase significantly. Due to these circumstances, CDOT has opted to purchase the land now while it is still vacant. The request is unique due to the fact that the project is not currently in our 5 year plan to complete therefore the region has limited resources to put toward the row purchase. It is however, a good investment for CDOT to secure the land as a multi use development was planned to be built and is in direct conflict with the future interchange that is needed at 104th Ave. and I-76.

*Staff is unable to provide an overall budget summary table due to the network shutdown.*

*Please refer to the Region 1 Memo in the Right of Way section of the supplement packet for additional details.*

Region 3

\$1,700,000 - 19875 I-70 Glenwood Canyon VSL - **FASTER Safety (FSA)**. Project 19875 originally went to bid on August 24, 2017. The low bid received was \$2.16M over the engineer's estimate. Region 3 withdrew the project based on the large difference between estimates and the limited amount of bids received. Due to the cost difference, value engineering was performed by the region and a cost savings of \$500K was determined. A limited number of bids were received due to the specialized nature of this work. Region 3 made additional outreach efforts, within the contracting community, to get this project more exposure and attract additional bidders. Region 3 believes the savings from value engineering and additional outreach will provide more bids that are competitive. In order to put the project out for re-advertisement, Region 3 is requesting an additional \$1,700,000 for this project. The \$1.7M being requested is 66% over the original approved amount of \$2.6M. This request is greater than 15% of the original approved amount and greater than \$500,000. This size of increase requires Transportation Commission approval per PD 703.

*Staff is unable to provide an overall budget summary table due to the network shutdown.*

#### Region 4

\$1,470,251 - Union Pacific Railroad (UPRR) ROW Settlement on US 85 - **Transportation Commission Program Reserve Fund (TCI)**. Region 4 is requesting funds to cover the process of closing 11 roads in Weld County associated with UPRR ROW on US 85. The funds will be used to design the closure of the roads, pay Weld County for the road closures, and cover miscellaneous expenses incurred by CDOT to prepare the final settlement agreement with UPRR. These funds are indicated as "Right of Way Acquisitions" under the projected outflow section of the Program Reserve Fund in the supplement. Region 4 is requesting to use some of these funds.

*Staff is unable to provide an overall budget summary table due to the network shutdown*

#### Maintenance Level of Service (MLOS)

\$1,440,285 - Purchase of 903 HP tablets for maintenance - **Transportation Commission Program Reserve Fund (TCI)**. When the Mobile Work Manager project rolled out, CDOT Maintenance purchased tablets for LTC Operations I, TM-III's, TM-II's, and 20 additional tablets for early adopters. The remaining computers at maintenance operation locations were left as desktops in the hopes that they could be replaced with tablets in one to two years. The desktops currently run on Windows 7. OIT will need to reimage all desktops so they are compatible with the new security measures being installed on all CDOT computers. The current Cyber Security issues has made reimaging of the desktop computers problematic. OIT has not been able to develop a resolution to reimaging the desktop computers that are the Windows 7 operating platform. Only the Windows 10 platform is secure from Malware.

*Please see the attached memo for Request for additional funding to purchase HP Tablets*

#### Attachments:

1. MLOS memo purchase 903 tablets

Pool balances and pool activity have not been updated due to the network shutdown.

FY 2017-2018 Contingency Reserve Fund Balance Projection (TCC)		
February TC Contingency Balance (Emergencies)	\$35,508,380	
<i>Pending Requests:</i>		
Unable to view pools due to computer network shutdown	\$0	
Pending March TC Contingency Reserve Balance	\$35,508,380	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
State Match for Emergency Relief/Permanent Recovery	(\$2,000,000)	(\$5,000,000)
State Match for Spring 2015 Floods	\$0	(\$2,500,000)
Projected FY 2017-2018 YE Contingency Balance	\$33,508,380	\$28,008,380
<i>TCCRF Surplus (Deficit) to Reach \$40M Balance July 1, 2018</i>	<i>(\$6,491,620)</i>	<i>(\$11,991,620)</i>
FY 2017-2018 Program Reserve Fund Balance Projection (TCI)		
February TC Program Reserve Balance	\$129,407,158	
Region 1 US 85 and 104th Avenue ROW Acquisition	(\$900,000)	
Region 4 Union Pacific RR ROW Settlement US 85	(\$1,470,251)	
MLOS Purchase 903 HP Tablets	(\$1,440,285)	
Pending March TC Program Reserve Fund Balance	\$125,596,622	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
FY17-18 Estimated Misc TCCRF Funding Requests	(\$6,000,000)	(\$6,000,000)
Right of Way Acquisitions	(\$25,629,749)	(\$33,429,749)
US 550/US160 FASTLANE Grant Match (Potential funding from SB17-267 Rev.)	\$0	(\$54,000,000)
FY 2018-2019 MS4 Water Quality Work Required by EPA	(\$3,500,000)	(\$3,500,000)
FY19 ADA Program	\$0	(\$20,000,000)
<i>Projected Inflow:</i>		
	High Estimate	Low Estimate
	\$0	\$0
Projected FY 2017-2018 YE Program Reserve Balance	\$90,466,873	\$8,666,873

**Resolution # 18-03-XX**

**Approval and Adoption of the Ninth Supplement to the Fiscal Year 2017-2018 Budget for the Colorado Department of Transportation**

**Approved by the Transportation Commission on** .

**WHEREAS**, the budget requests being presented to the Transportation Commission this month have been reviewed and were determined to meet the criteria outlined in Policy Directive 703.0, requiring approval by the Transportation Commission; and

**WHEREAS**, the project requests included in the Supplement are consistent with the FY 2018 through FY 2021 STIP, and funds are available from the Regions' allocations unless otherwise indicated.

**NOW THEREFORE BE IT RESOLVED**, after review and consideration, the Ninth Supplement to the Fiscal Year 2017-2018 Budget is approved by the Transportation Commission.

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Herman Stockinger, Secretary  
Transportation Commission of Colorado

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Date



MEMORANDUM

TO: TRANSPORTATION COMMISSION  
FROM: PAUL JESAITIS, JOSH LAIPPLY  
DATE: FEBRUARY 28th, 2018

SUBJECT: REQUEST FOR APPROVAL OF MEDIATED LEFAL SETTLEMENT AGREEMENT BETWEEN COLORADO DEPARTMENT OF TRANSPORTATION ("CDOT") AND COMMERCE PLACE, INC. ("COMMERCE"). REGION 1 PROJECT CODE 21510. PROJECT NUMBER 0853-103, US85 AND 104TH AVENUE, COMMERCE CITY, ADAMS COUNTY, CO, PARCELS AP-1 AND AP-2

Purpose:

The purpose of this memorandum is to request Transportation Commission approval and contingency funding to acquire a piece of vacant property at US 85 and 104th Avenue for a negotiated settlement value of \$10,9000,000.

Action:

Region 1 requests the Transportation Commission authorization to acquire vacant property at US 85 and 104th Avenue for a negotiated settlement amount of \$10,900,000. If the Transportation Commission approves the settlement value, the Region also requests \$900,000 of Transportation Commission Contingency funding to complete the transaction for a total amount of \$12,099,000. The remaining amount will be covered using Regional Priority Program (RPP) funding.

Background:

The parcel to be acquired is owned by Commerce Place, Inc. (Commerce). The property is vacant land that Commerce contends is almost ready for development. The parcel resides at the critical junction of 104th Ave., US 85, and Interstate 76. Given these roadways are part of the state highway system, acquisition of the property at this juncture potentially saves CDOT from having to commence one or more condemnation actions in the future. Acquisitions which, at that point could entail the acquisition of fully or partially developed property which will raise the purchase value significantly.

Acquisition of this property was authorized using \$10 million of Transportation Contingency funds as part of the US 85 North UPRR lease/acquisition negotiations in Weld County. These negotiations had gone on for 10 years and were unsuccessful at this point. The Intersection has become a key, extreme backup point when it's blocked several times daily by mile long UPRR trains. CDOT plans for the US 85 corridor between 104th and 124th have been the subject of discussion and study for many years. Currently, three new intersections - at 104th, 120th, and 124th are proposed. A PEL has been completed, NEPA is underway, but no decision on the final configuration, time, or funding is yet determined. The Resident



Engineer estimates that we are at least a year away from decisions as to exact design of the interchange and initiating acquisitions.

Negotiations over two years have been protracted and were considered at an impasse. CDOT's last written offer of \$9 million was extended on 7/31/17. Transportation Commission authorization to condemn was issued at the September 2017 meeting. No additional counter offers were made by Commerce prior to mediation.

Critical to negotiations was the concept of the "date of value". Generally the "date of value" is the date upon which the condemning entity can first take possession of the property for a highway project. In this case, with CDOT not yet in possession of the property, both appraisals utilized an assumed date of value of some date in the summer of 2017. This meant both appraisers based their valuation determinations upon comparable sales from much earlier - with some comparable sales occurring in 2015. The market has obviously dramatically increased since then. If CDOT does not acquire the property pursuant to this settlement there is a significant risk that Commerce would proceed with obtaining all entitlements and potentially move forward with development of the property and Commerce would likely assert it is owed a much greater amount of just compensation. If the Transportation Commission does not approve the mediated amount on March 15, the terms of this settlement will be null and void and not admissible in any condemnation proceedings or negotiations.

<u>FUNDING</u>	<u>SOURCE</u>
\$10,000,000	TCC (Previously approved)
900,000	TCC (Requesting)
<u>1,199,000</u>	RPP
<b>\$12,099,000</b>	<b>TOTAL</b>

Options and Recommendations

- Accept and fund settlement (staff recommendation)
- Reject settlement and go to court
- Not acquire property

Next Steps

If funding is approved, CDOT will enter a letter of agreement with Commerce and move forward with the purchase of the property.





# COLORADO

## Department of Transportation

Division of Highway Maintenance

4201 East Arkansas Ave, 3<sup>rd</sup> Floor  
Denver, CO 80222

### DECISION REQUEST ITEM

**TO:** Herman Stockinger, CDOT Acting Deputy Director  
Jeff Sudmeirer, CDOT Chief Financial Officer

**FROM:** Kyle Lester, Director of Highway Maintenance

**CC:** Mike P. Lewis, CDOT Executive Director  
Johnny Olson, CDOT Region 4 Transportation Director  
Gregg Miller, CDOT Systems Manager

**DATE:** March 12, 2018

**SUBJECT:** Request for additional funding to purchase HP Tablets

#### PURPOSE:

Request to purchase 903 additional HP Tablets for maintenance TM-I's, HEO III's, and HEO IV's.

#### ACTION:

Approve the additional \$1,440,285.00 in funding for the purchase.

#### BACKGROUND:

For the past ten plus years, Maintenance Patrols have been allocated desktop computers to perform daily tasks, such as; email, timesheets, work orders, and purchase requests. The rollout of Mobile Work Manager/GEOe project is focused on providing each patrol (300 Plus locations) one tablet to perform the new process for work orders that integrate GIS and linear data.

Through the Mobile Work Manager project, each Region was allocated tablets for LTC Operations I, TM-III's, TM-II's and 20 additional tablets for early adopters. The remaining computers at a maintenance patrol were to remain as desktops. Typically, there are another 1 to 2 desktops per patrol. The long-term goal of the program is to move all field staff to the tablet solution that will incorporate geo-spatial data into our daily work.

The current Cyber Security issues has made reimaging of the desktop computers a problematic. OIT has not been able to develop a resolution to reimaging the desktop computers that are the Windows 7 operating platform. Only the Windows 10 platform is secure from Malware.

#### ANALYSIS:

CDOT has an opportunity to move away from the desktop computers at the patrol level and purchase tablets for all maintenance and operations employees. This will advance the project by 1 to 2 years and provide a solution to the reimaging of the desktop computers.

This action will reduce the cost to the department by eliminating the cost and effort associated with reimaging the desktop computers.

The cost to the department has been estimated at \$1,440,285.00 for the 903 tablets required to complete this project.