

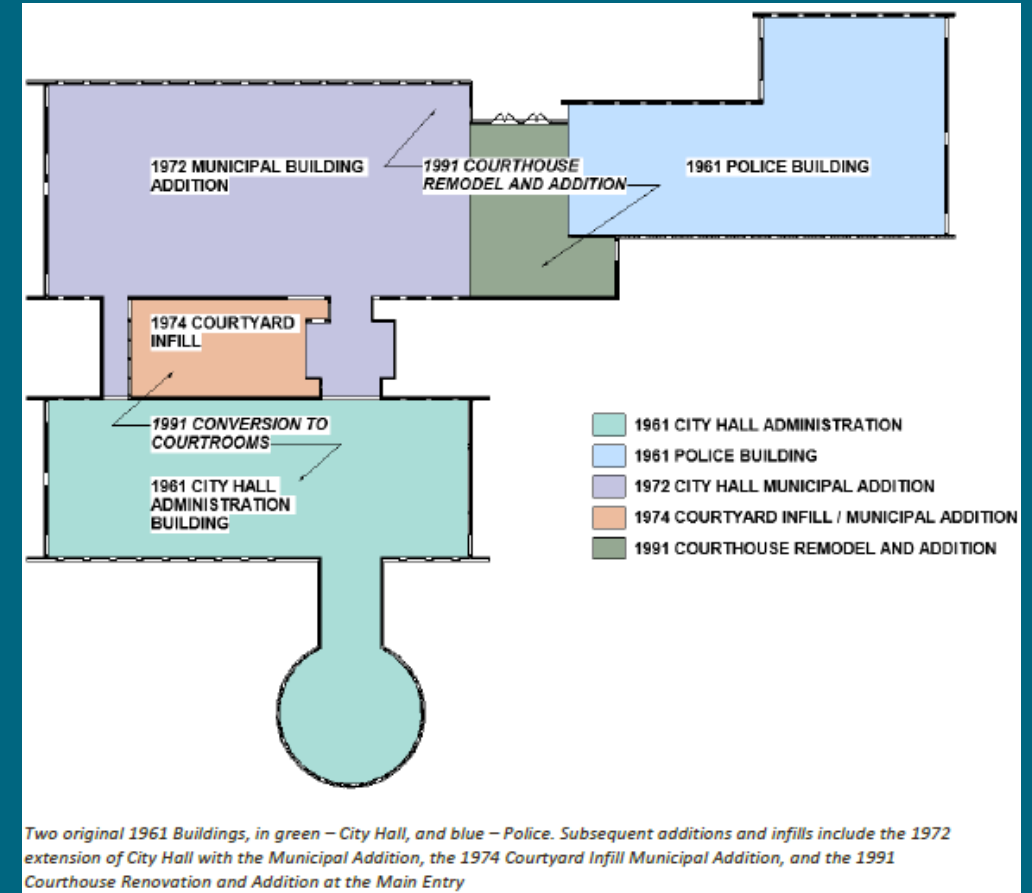
# **FINANCING THE REPLACEMENT MUNICIPAL COURT BUILDING**

**May 1, 2023**

**Purpose: Direct Staff on a financing plan.**

# BACKGROUND: HISTORY AND NEEDS ASSESSMENT

- Building History
- Physical Building Limitations
- Future Capital Improvement Projects
- Assessments:
  - Security
  - Space
  - Accessibility



# MUNICIPAL COURT COMPARISONS



City of Northglenn Justice Center

Municipality	Year Built	Fully ADA Compliant
WESTMINSTER *	1961	X
Arvada *	1972	●
Brighton	2004	X
Broomfield *	2001	✓
Colorado Springs	1997	✓
Commerce City	2011	✓
Edgewater	2019	✓
Federal Heights	1974	X
Lakewood *	1982	✓
Louisville	2003	✓
Northglenn	2018	✓
Thornton	2004	✓
Wheat Ridge *	1977	●

# NEW CONSTRUCTION: APPROX. \$30-33+ MILLION

- Purpose-built courthouse
- Existing courthouse can operate fully during construction
- 50+ year lifespan
- Significantly less risk
- Potential for a multi-use civic building



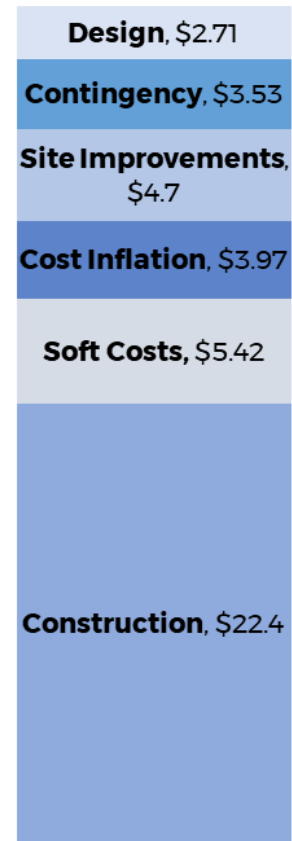
# COURT FINANCING OPTIONS

## Due Diligence – Financing Options

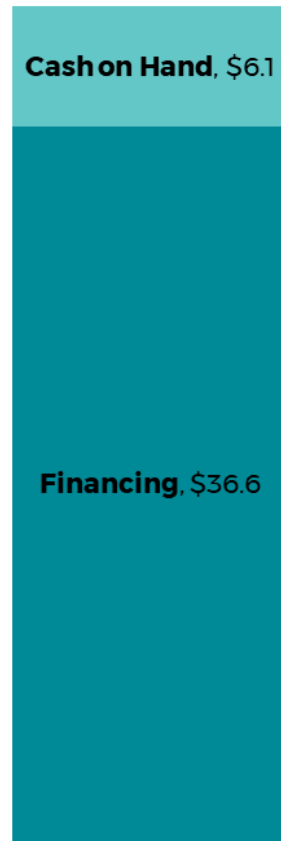
- Public Private Partnership (P3) – lack of utilization of P3 for judicial facility in CO and caution urged by Government Finance Officers Association
- General Obligation Bonds – cost of election unfavorable, extended timing
- Sales Tax Revenue Bonds – cost of election unfavorable, extended timing
- **Recommended: Certificates of Participation (COPs)**
  - COPs would take advantage of existing City financing capacity
  - Maximizes financial flexibility and timing
  - The City has secured financing on 13 COP offerings since 1998
  - COPs have maintained an excellent AA rating since 2013

# FUNDING SOURCES AND USES

Total Cost:  
\$42.7M

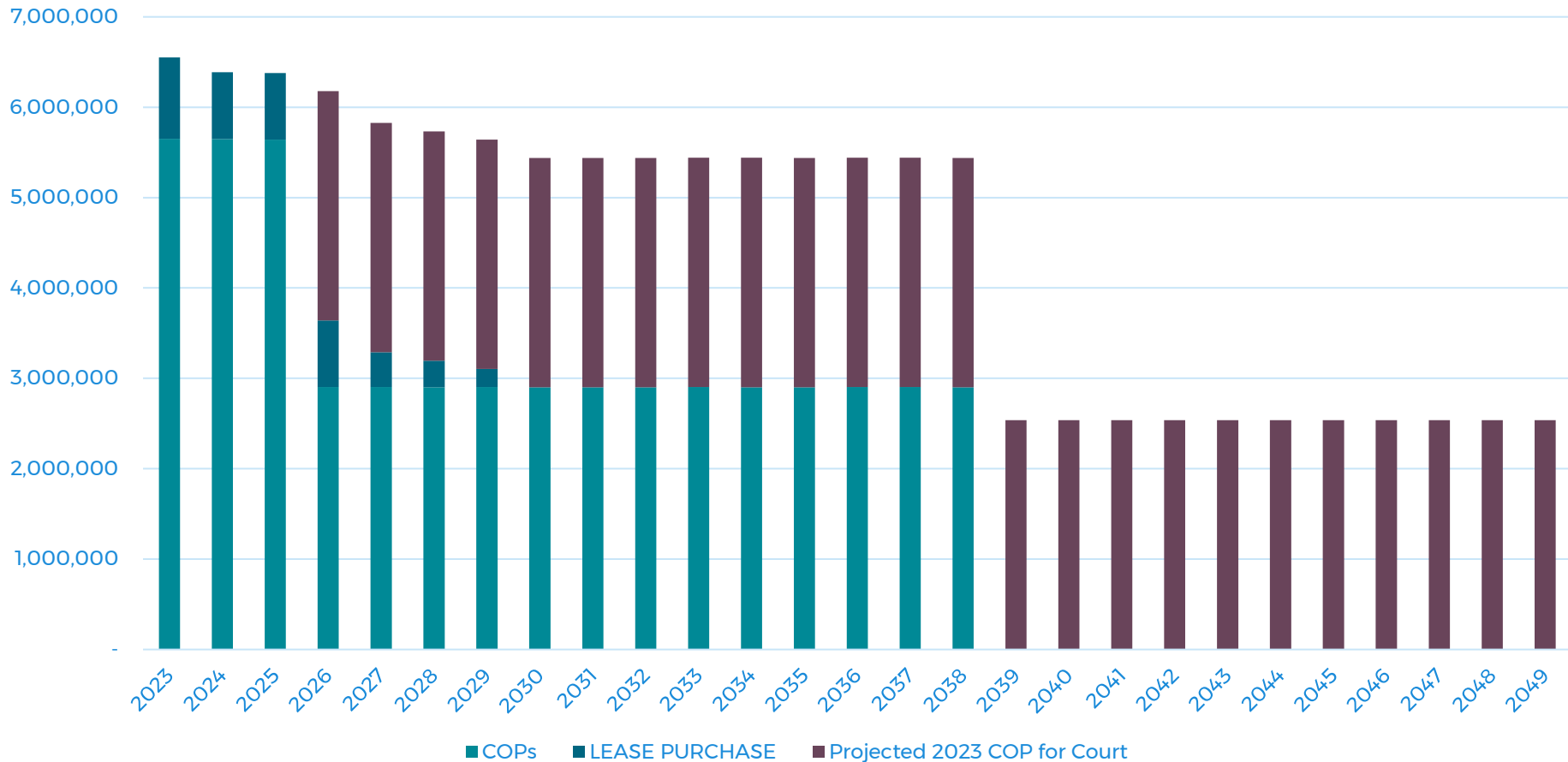


Uses (in millions)



Sources (in millions)

# GENERAL FUND: DEBT SUMMARY



## Assumptions:

\$36.6M in financing

25-year schedule

4.8% interest rate

~\$2.5M/year  
payment



# DUE DILIGENCE: FEDERAL FUNDING

- Deep dive into all federal funding sources to make sure no stone was left unturned:
  - American Rescue Plan Act (ARPA)
  - Bipartisan Infrastructure Legislation (BIL)
  - Inflation Reduction Act (IRA)
  - Community Development Block Grant (CDBG)
- Staff found most new funding limited to specific types of municipalities (rural, underserved, etc.) and/or for particular types of projects such as renewable energy or water conservation – no significant opportunity for capital funds specifically for Court
  - However, will continue to explore opportunities that could take advantage of these more specific project funding sources, such as electric vehicle infrastructure
- Lastly, Staff identified several grants for programmatic items that it will pursue as these programs come available



# COMMUNITY PARTNER

- Local non-profit provider of:
  - Child, Youth, and Family Services
  - Adult and Senior Services
  - Substance Use Disorder Treatment
- One of their many locations
- Lease that ends July 1, 2024
- Provider of services that connect to the Westminster Municipal Court
- Mutually beneficial relationship



# RECOMMENDATION AND PROJECT NEXT STEPS

## Staff Recommendation:

Utilize Certificates of Participation for debt financing of the new Municipal Court building.

Explore a partnership to include Community Reach in the replacement Municipal Court building.

## Project Next Steps

- **May 8** – Approval of the Owner's Rep. Contract
- **May 22** – Approval of the Reimbursement Resolution
- **June ?** – City Council tour of Northglenn Justice Center
- **August 28** – Debt Authorization
- **October 2023** – Architect contract approval and external Bond Counsel authorization