

# **DENVER UNION STATION PROJECT AUTHORITY**

## **Standards of Conduct & Conflicts of Interest Policy Statement**

### **I. Introduction**

Pursuant to Article I, Section 12(a) of the Bylaws of the Denver Union Station Project Authority (the "Authority"), the Board of Directors of the Authority (the "Board") is authorized to adopt and maintain a policy setting standards of conduct for Directors designed to fulfill the duty of care and loyalty to the Authority and establishing procedures for the Board to meet such standards. Pursuant to Article I, Section 12(b) of the Bylaws of the Authority, the Board is authorized to adopt and maintain a policy regarding the disclosure of Potential Conflicting Interests of Directors and the appropriate level of participation of Directors in discussions and decision making related to matters in which they have a Potential Conflicting Interest.

The Board has adopted this Standards of Conduct and Conflicts of Interest Policy Statement (the "Policy") and declares that all voting and non-voting members of the Board are hereby bound by the terms of this Policy. By agreeing to serve on the Board, each Director voluntarily agrees to the obligations imposed by this Policy. This Policy shall not be construed as an amendment or modification of the Articles of Incorporation or the Bylaws of the Authority.

### **II. Definitions**

*Annual Disclosure Report* – a written report provided by a Director on a form supplied by the Authority that discloses Potential Conflicting Interests.

*City* – the City and County of Denver, Colorado.

*Confidential Information* – information or documents for which review or inspection may be denied under the Colorado Open Records Act or that are otherwise designated as confidential by the Board or Authority.

*Director* – any voting or non-voting member of the Board.

*Exempt Interest* – The following interests which are exempt and not subject to the prohibitions of this Policy, except for the disclosure obligations described in Section IV below:

- Being an elected or appointed public official or an employee of a governmental agency or Partner Agency that has an economic interest in the Project, subject to limitations set forth in the Articles of Incorporation or Bylaws of the Authority.
- Ownership of property or a residence located adjacent to or at the Project when such property serves as a Director's primary place of residence.



- Ownership of bonds issued by the Authority or by Partner Agencies, as long as such bonds were obtained through retail brokers on the same terms available to the general public.
- Being an indirect supplier of materials or items used in materials or items used in the Project where such materials or items are made generally available for purchase and the supplier did not bid to supply such materials or items to the Project or have any influence in the selection of such materials and the purchase price of the materials or items reflect prices at which such items are generally sold to third parties.
- Any interest derived solely by holding a non-controlling interest in shares of a corporation which shares are listed for trading on any national securities exchange or similar equity interest in non-corporate entities. For purposes of this Policy, a “controlling interest” is the ownership of 50% or more of an entity’s voting stock, or ownership of a sufficient interest to allow a person to exert significant control over how the entity is managed.
- Any deposit or account in a financial institution that is in the business of loaning or receiving monies.
- Any interest derived solely because a member of the immediate family of a Director is an employee of, but owns or holds no controlling interest in, an entity which, pursuant to competitive bid, supplies materials or services used in connection with the Project.

*Financial Interest* – A substantial interest held by an individual which is (a) an ownership or other controlling interest in a business; (b) a creditor interest in an insolvent business; (c) an employment or prospective employment interest for which negotiations have begun; (d) an ownership interest in real or personal property; (e) a loan or any other debtor interest; or (f) a directorship, officership or executive management position of a business.

*Immediate Family* – means husband, wife, son, daughter, mother, father, step-son, step-daughter, step-mother, step-father, grandmother, grandfather, grandchildren, brother, sister, domestic partner, any person with whom a Director is cohabiting and any person to whom he or she is engaged to be married. The term includes any minor children for whom the Director or his or her domestic partner provides day-to-day care and financial support. A “domestic partner” is an unmarried adult, unrelated by blood, with whom an unmarried Director has an exclusive committed relationship, maintains a mutual residence, and shares basic living expenses.



*Interest* – Any direct or indirect pecuniary or material benefit held by or accruing to a Director arising from a transaction involving an Official Act by the Authority.

*Potential Conflicting Interest* – A Potential Conflicting Interest exists when a Director has: (a) a Financial Interest in any entity (other than Partner Agency or Metropolitan District) participating in the transaction which is the subject of an Official Act, or (b) a Financial Interest which is the subject of an Official Act.

*Metropolitan District* – The five metropolitan districts (DUS Metropolitan Districts Nos. 1-5) which, collectively, include property within the Project.

*Official Act* – Any administrative, appointive, or discretionary act of the Authority or its Board that requires a vote of the Director.

*Partner Agency* – any one of the following: the Regional Transportation District, the City, the Colorado Department of Transportation and the Denver Regional Council of Governments.

*Project* - The redevelopment of Denver Union Station building by DUSPA and its immediately surrounding environs (i.e., the Denver Union Station and adjacent or proximal properties that will support the Project via sales and property tax revenues) in lower downtown Denver as a multi-modal transportation center to serve as the future hub for several transportation modes in the City's metropolitan area, inclusive of the Denver Downtown Development Authority boundaries.

*Unwarranted Privilege* – A special right or immunity not properly available to other Directors.

### **III. Standards of Conduct**

#### **A. Purpose**

This section establishes mandatory ethical standards of conduct for Directors of the Authority. To merit the trust of the public we serve, the Board must not be motivated by personal or private gain in the performance of official duties, and must adhere to conduct which will negate any appearance of impropriety or of such motives.

#### **B. Standards**

##### **1. Impartiality**

Directors of the Authority must avoid the impression that any person can improperly influence them in the performance of Official Acts. Improper influence may be found where a



person can or has, or it appears that a person can or has induced a Director to give consideration or to act on any basis other than the merits of the matter.

## 2. Gifts, Entertainment and Favors

No Director shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, food, lodging, loan or other thing of value if:

- a. To do so may give the appearance that the Director will be influenced in the discharge of official duties;
- b. The Director recently has been, is now, or in the near future may be involved in any Official Act directly affecting the donor or lender;
- c. The Director has or appears to have influence over actions of the Authority affecting the donor or lender;
- d. To do so would tend improperly to influence a reasonable person in the Director's position to depart from the faithful and impartial discharge of the Director's duties; or
- e. The Director knows (or which a reasonable person in the Director's position should know under the circumstances) is primarily for the purpose of rewarding the Director for an Official Act the Director has taken or will take.

This section does not apply to infrequent, non-pecuniary gifts of insignificant value (valued at approximately less than \$50.00) such as inexpensive food or refreshments in the ordinary course of a business meeting, or such as unsolicited advertising material such as pens, pencils, calendars or other business-related items.

This section also does not apply to items, even if of significant value, when the circumstances should make it clear that an obvious, long-standing social or family relationship rather than the business of the persons concerned is the motivating factor, or when the item is an award publically presented in recognition of public service, or to random drawings open to and participated in by the public.

A Director may also receive voluntary gifts of nominal value on a special occasion such as a birthday, marriage, birth, religious holiday, illness, retirement or transfer.

## 3. Contracts Involving Directors

The Authority shall not enter into any contract involving goods, services or property with a Director of the Authority in such Director's individual or personal capacity (and not acting as an appointee of either a Partner Agency or the Metropolitan District) or with a business or



organization in which a Director has a Potential Conflicting Interest except as outlined in Section IV of this Policy.

4. Confidential Information

No Director shall disclose, use, or allow others to use, for private interests, Confidential Information acquired by virtue of the Director's position with the Authority, except in furtherance of his duties as a Director.

5. Representation

A Director shall not represent, advise or appear on behalf of any entity (other than a Partner Agency or Metropolitan District) concerning any contract or transaction which is the subject of an Official Act if such Director has a Potential Conflicting Interest with respect to the subject contract or transaction.

6. Incompatible Employment or Service

No Director shall (acting in such Director's individual or personal capacity and not as an appointee of either a Partner Agency or the Metropolitan District) engage in, or render services for any private business or professional activity when such would be adverse to or incompatible with the proper discharge of the Director's official duties except and unless disclosure and authorization have been made and granted, pursuant to Section IV hereof. No Director shall, within one year after completing the Director's term on the Board, obtain employment whereby the Director will take direct advantage, unavailable to others, of matters with which the Director was directly involved during the Director's term on the Board, with the exception of employment by the Authority as an independent contractor to the Authority.

7. Disqualification

A Director shall not participate in any Official Act directly affecting a contract or other transaction in which the Director has a Potential Conflicting Interest except as outlined in Section IV of this Policy Statement.

8. Held Interest

Any Director (acting in such Director's individual or personal capacity and not as an appointee of either a Partner Agency or the Metropolitan District) holding a Potential Conflicting Interest in any contract or transaction with the Authority shall be subject to Section IV of this Policy Statement. Any Immediate Family of a Director may hold an Interest in any contract or transaction when such an Interest may be affected, directly or indirectly, by the Director's or the Authority's Official Act only in accordance with Section IV of this Policy Statement. During one (1) year following completion of Director's term on the Board, no former Director shall obtain employment (other than with the Authority) in which he or she will take direct advantage,



unavailable to others, of matters with which he or she took direct Official Action during his or her service with the Authority.

#### **IV. Conflicts of Interest**

##### **A. Purpose**

This section specifies the disclosure process to be followed by a Director in the event the Director has a Potential Conflicting Interest related to the Project. The disclosure requirements are intended to allow the Board to address any such situation in order to protect the Board's decision-making process from influence, or the public perception of influence, arising from a Director's Interest related to the Project.

##### **B. Procedure for Identifying Potential Conflicting Interests**

###### **1. Disclosure of Interest and Abstention**

Annually, on or about January 1 of each year, the Authority will supply to each Director, and each Director will promptly complete an Annual Disclosure Report which shall be delivered promptly to legal counsel for the Authority. The Authority shall maintain such written disclosures on file for one year after the Director completes his or her term as a Director.

If a Director becomes aware of, or is informed of, new information not disclosed in the Annual Disclosure Report, the Director shall, as soon as practicable, update the Annual Disclosure Report as well as orally disclose the updated information at the next public meeting of the Board and such disclosure shall be entered upon the minutes of the Authority.

If a Director has a Potential Conflicting Interest with regard to a matter to be discussed and/or acted upon at an Authority meeting and has filed an Annual Disclosure Report and orally disclosed any updated information at the Board meeting, the Director shall be allowed to act at such meeting except that he or she shall abstain from voting or participating in the discussion or deliberations of any matter before the Board related to such Potential Conflicting Interest by excusing himself or herself from that portion of any meeting during which any discussions or deliberations related to such matter take place, unless the Board, if after full deliberation and consultation with legal counsel, determines that in the light of such individual or personal interest, the participation of such Director in any such discussion or deliberation or action would not be contrary to the public interest.

###### **2. Board Action**

Upon being provided with a completed Annual Disclosure Report and/or an updated Annual Disclosure Report, the Board shall cause such information to be immediately entered upon the minutes of the Authority board meeting at which such disclosure was made [and if previously





unknown shall direct the secretary of the Authority to notify the appropriate officer of the Partner Agency or the Metropolitan District so responsible for appointing such Director of the existence and nature of the Potential Conflicting Interest in writing].

### C. Enforcement

#### 1. Removal or Dismissal of a Director

If a Director fails or refuses to comply with this Policy, such Director may be removed by the Board "with cause" and in accordance with Section 6.05 of the Articles of Incorporation of the Authority.

#### 2. Contractor Sanctions

The Board may terminate the Authority's business relationship with any contractor who shall have undertaken any action which results in a violation of this Policy, or who shall have notice that any Director of the Authority who failed to comply with this Policy benefited by the Authority's relationship with such contractor

#### 3. Temporary Leave of Absence

During the pendency of any circumstance which may result in the Director's disqualification from participating on the Board for an extended period of time, (i) upon notice to the entity that appointed the Director, the Board may grant such Director a temporary leave of absence or (ii) the entity that appointed the Director may remove the Director, with or without cause, pursuant to Section 6.05 of the Articles of Incorporation of the Authority and appoint a replacement Director pursuant to Section 6.02 of the Articles of Incorporation of the Authority.

This Policy shall be construed liberally to promote its purposes and policies and to supplement the Colorado Nonprofit Act and any other existing laws as may relate to the conduct of Directors. The provisions of this Policy are severable; if any of its provisions are deemed unconstitutional or invalid, such decision shall not affect or impair any of the remaining provisions.



**ACKNOWLEDGEMENT OF RECEIPT OF THE  
DENVER UNION STATION PROJECT AUTHORITY  
STANDARDS OF CONDUCT & CONFLICTS OF INTEREST POLICY**

As a member of the Denver Union Station Project Authority Board of Directors, I hereby acknowledge that I have read and understand this Standards of Conduct and Conflicts of Interest Policy, and that I accept its conditions as outlined.

Elke A. Weelgenroth  
Signature

1/22/09  
Date

Please identify any Potential Conflicting Interest as defined in the Denver Union Station Standards of Conduct & Conflicts of Interest Policy Statement.

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