

**LOWRY REDEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR JUNE 28, 2016**

ROLL CALL: Members present were Roy Alexander, Mark Betchey, Derek Camunez, Gayle Jetchick and Ann Torgerson. Monty Force attended as the Executive Director.

EXECUTIVE SESSION TO REVIEW AND APPROVE THE MINUTES FROM THE APRIL 26, 2016 EXECUTIVE SESSION.

An Executive Session was called pursuant to and is authorized by the following specific provisions of the Colorado Open Meeting Law, C.R.S. §24-6-402, et seq, to discuss only the following matters as permitted thereby:

Review and approval of the April 26, 2016 Executive Session minutes

Executive Session convened at 7:45 a.m.

PUBLIC SESSION: The meeting convened in public session at 8:00 a.m. and was called to order by Roy Alexander, Chair.

PUBLIC COMMENT: There was no one signed up for public comment.

CONSENT AGENDA:

- Minutes, April 26, 2016
- Financial Reports, April/May 2016

Alison Cote' summarized the April/May financials:

- No significant amount of sales through April and May
- \$270K in April and \$150K in May received from equity share for a grand total to date of \$1.47M.
- \$1.35M for 2016 in lot sales
- TIF funding is usually received on a monthly basis. However funds for April were received late so May shows two.

A motion was made by Ann Torgerson and seconded by Mark Betchey was passed to approve the Consent Agenda consisting of the minutes of the April 26, 2016 meeting and the April and May Financial Reports as presented.

ACTION ITEMS:

- 2015 Audit Report – Resolution 2016-15

EKS&H Engagement Partner, Lisa Meacham presented the following highlights of the audit and report:

- In May EKS&H met with the LRA audit committee to review the draft report.
- There were no concerns during the audit and the procedure went smoothly.
- Cash flow was up 8% from the 2014 audit with \$2.7M through 2014 and \$5.1M through 2015.
- Most of funds were used to pay down debt with payables decreasing from the previous year.
- There was an increase in income from land sales and equity share income from 3rd party sales.
- Operating expenses were at \$2.1M and non-operating expenses at \$4.6M.
- Net position at the end of 2015 was at \$21.9M

A motion by Mark Betchey seconded by Gayle Jetchick was passed to approve Resolution 2016-15 to accept the annual audit report for year ending 2015.

Mark Betchey commented that the audit was thorough and straight forward and offered his thanks to the auditing team.

Roy Alexander added that he was very comfortable with the work of the auditors and thanked Alison and her staff for the efficiency displayed throughout the year.

EXECUTIVE DIRECTOR REPORT:

Mid-Year Construction Update

- General Site Work
 - Lack of skilled workers and high amount of construction in the Front Range is creating a backlog for contractors spreading their crews back and forth on multiple projects. Tom is doing a good job of getting and keeping crews busy on the Boulevard One site.
 - Pavement demolition was delayed by two months in early 2016 and an especially wet April led to a delay in overlot grading.
 - The delayed construction activity coinciding with low sales months shouldn't have much impact at the end of the year.
 - Construction activity is at a higher pace now that is aimed to support sales scheduled for 3rd quarter.
- Utilities
 - Installation should be back in progress full time from July until Sept.
- Roadway
 - West end of Archer is completed and some alley work in Filing 7 in the south area.
 - Will resume full time in mid-August, estimated duration 4 months.
 - Sequence is east Archer, Pontiac North and others TBD
 - 2017 work will include west section of Lowry Blvd, 1st Ave and Monaco
 - Timing of opening Lowry Blvd is yet to be determined.
 - Hilarie is working on signage for a sales loop off 1st Ave.
- Parks/Landscaping
 - North Parks substantially completed.
 - Need to have new functioning drainage pond in the Community Park area before the old one can be eliminated. That work is in progress now.
 - Community Park is in design with construction to begin late this summer.
- Home Construction and Sales
 - The rowhomes along Lowry Blvd are unique to this site so sales are a bit slow because potential buyers don't have a model yet to tour. It will also help to have more knowledge of the Embrey and Kelmore sites so questions from potential buyers can be answered. EastWest is moving their sales trailer to the site to be better situated when signage for the sales loop is in place.
 - New Town (Thrive) Z-lots are now under construction.
 - Home buyers have purchased and now occupy 30 homes with another 50 under construction.
- Financial Progress
 - 2016 YTD Revenue = \$2.2M (Equity share on 22 homes of \$1.16M and closing on 9 lots in Filing 7 to New Town for \$1.04M)
 - 3rd party closings are anticipated at a rate of 2-4 per month. Equity share for May was \$150K, which was a light month, so this income helps cover low land sales during the summer.

- Next land closings are scheduled for the 3rd quarter amounting to \$6.7M with another \$1.4M anticipated in the 4th quarter.
- Entitlements
 - The G-MX-3 zoning is in process for the Monaco mixed use parcel with presentation to Planning Board anticipated in August and to City Council in Sept.
 - Plats to support sales are in process and anticipated to be complete in August for Archer Filing 8 and Filing 5 for the 1st Ave townhomes.
- Contracts
 - Embrey is in the due diligence phase with questions about the master association.
 - Contract negotiations on details are on-going with Kelmore. They have been talking to a number of potential tenants. The size of a specialty grocer is a determining factor for the balance of the number and sizes of the other tenants. A lot of pieces to work out before it all falls into place.
- Miscellaneous
 - Roy Alexander asked about the area along 1st Ave that looks like weeds. **Monty responded that this is a natural planting area that takes 2-3 years to get established. Tom is working hard with the contractors to improve the looks during the establishment period. Tom added that once the native grasses take over the weeds are eliminated. Several established native areas, such as Ulaanbaatar Park, were suggested for viewing of what native areas eventually look like.**
 - Mr. Alexander also asked about what the area on 1st between Monaco and Magnolia will be like. Currently it is just dirt. **There is still some grading work to do, then native seeding, and some tree planting to be done.**

COMMITTEE REPORTS:

- Boulevard One Design Review Committee (4/21; 5/5 & 19; 6/2 & 16)

The notes provided in the Board packet were confirmed to accurately reflect the content of the meetings.

ADJOURNMENT:

The meeting adjourned at 8:45 a.m.