

**LOWRY REDEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING (E-CONFERENCE)
MINUTES FOR MAY 26, 2020**

ROLL CALL: Members present were Roy Alexander, Mark Betchey, Derek Camunez, Lindy Eichenbaum Lent, Steve Hutt, Gayle Jetchick, Rachel Neumann, Brad Pierce and Ann Torgerson. Monty Force attended as the Executive Director and Cathy Gale attended as General Counsel.

EXECUTIVE SESSION FOR MATTERS RELATED TO THE SALE OF REAL PROPERTY, NEGOTIATIONS OR STRATEGY FOR NEGOTIATIONS AND TO REVIEW AND APPROVE THE MINUTES FROM THE FEBRUARY 25, 2020 AND APRIL 28, 2020 EXECUTIVE SESSIONS.

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:

**Sale of Real Property - C.R.S. 24-6-402(4)(a) (Former Lucky's Parcel)
Negotiations - C.R.S. 24-6-402(4)(e) (CK Extension to Parcels 6 & 9 Closing)
Review and Approval of the February 25 & April 28, 2020 Executive Session Minutes**

Executive Session e-conference convened at 8:30 a.m.

PUBLIC SESSION: The meeting convened in e-conference public session at 9:35 a.m. and was called to order by Roy Alexander, Chair.

PUBLIC COMMENT: There was no one in attendance from the public.

CONSENT AGENDA:

- Minutes (February 25, 2020)
- Financials (February, March 2020)

Alison Cote' stated that there was one equity share closing in February and two in March. Not shown on these financial reports but will be seen in future reports, are equity share closings in May and June starting for the Metropolitan condominiums. Steve Hutt asked if the Metropolitan closings were meeting expectations. Monty responded that there was some misunderstanding regarding 1 and 2-bedroom classification that has now been clarified and approved as to equity share calculations.

Roy asked for an explanation for the parking garage payments coming from both legacy Lowry and Boulevard One. Alison said that the legacy payments are from the TIF DURA custodial funds saved from the payoff.

A motion by Steve Hutt and seconded by Mark Betchey was passed to approve the Consent Agenda consisting of the Minutes from the February 25, 2020 meeting and the Financial Reports for February and March 2020 as presented.

ACTION ITEM

- Expansion of Allowable Uses for the Prior Lucky's Parcel – Resolution 2020-2

Monty Force provided a report on the status of progress since Lucky's bankruptcy in January. The LRA has repurchased the property as of May 14, 2020 and notice of repurchase has been given to CK under a Right of First Offer (ROFO) agreement. CK intends to give notice of their desire to purchase the property from the LRA within the next few days with the selection of a closing date.

The market is undergoing a change and there is more pressure on specialty grocers and all retailers. CK has asked for an expansion of allowable uses to expand the possibilities in their search for a replacement anchor. Celeste Tanner with Confluent and Bob Koontz with Kelmore were introduced.

Ms. Tanner offered her congratulations on the success of working with the bankruptcy court and the repurchase of the property. She said that CK fully intends to exercise their ROFO option and they remain committed to the development of the commercial portion of Boulevard One. Construction has continued even during the COVID 19 pandemic situation. Their lender remains an excellent partner during a new anchor tenant search. Despite the watershed of COVID there is still tenant commitment, mixed with a desire for an anchor selection that is essential to keep and draw new tenants. Lowry and Boulevard One is an attractive location and CK needs to fill the void of Lucky's departure. CK is asking for flexibility to accomplish the task of obtaining a new anchor and associated commitment of other tenants. This also involves the expansion from Lucky's proposed 25,000 SF to a 30,000 SF anchor space. The goal and intent is to establish an agreement with a specialty grocer or a general merchandise retailer as a stabilizing factor for the whole commercial development.

Ms. Tanner added that they are at a critical juncture with their lenders, investors and other tenants for an expanded use consideration.

Q and A Discussion (Responses from CK in bold)

Lindy Eichenbaum Lent – Where will the extra 5,000 SF of space be obtained? **The building would be expanded to the west with the sacrifice of seven parking spaces.**

Roy Alexander – Please explain your reference to the impact on lender funding. **The lender is committed to continue funding until a new anchor is found, but an agreement with an anchor is critical to future funding.**

Roy – What would be the impact over CK's actions over the next six months if the allowable use language is expanded? **It would allow for a broader tenant search and more flexibility to contract negotiations. It would also provide a potential tenant with more security and comfort level.**

Roy – Suggest changing the 9th and 10th Whereas paragraphs from "the" to "a" general merchandise retailer.

Rachel Neumann – It seems prudent to broaden the search for the benefit of the development and the community.

Steve Hutt – LRA approval of the tenant and a community outreach would be critical to the selection.

A motion by Steve Hutt and seconded by Rachel Neumann was passed to approve Resolution 2020-2 to expand the allowable uses to be 1) a specialty grocer and 2) a general merchandise retailer, which also offers groceries. Either must have prior approval from the Authority Executive Director and there must be community outreach for input from the community for a general merchandise retailer. The building size not less than 7,500 SF and not more than 30,000 SF.

Celeste Tanner thanked the Board for that affirmative vote providing the important ability for them to move forward with finding a strong anchor for the Boulevard One commercial development.

COMMITTEE REPORTS

- Boulevard One Design Review Committee – (3/5 & 19; 4/2; 5/7)

Roy commented that the DRC has been busy and asked that the Board’s appreciation be passed along to the committee members,

Roy asked for an update on the Kiddie Academy plans regarding the relocation of a rooftop playground. Monty reported that the first presentation for a double-decker playground on the east end of the building was disappointing and not accepted by the DRC. They had been informed that the Board was not inserting itself into the decision to relocate the playground, but rather was depending on the DRC’s approval of a well- designed playground compatible with the building. Kiddie Academy responded with a new design team with a presentation of total integration. The DRC was very pleased with the new design and felt the overall design would be something of which to be proud.

Steve asked how space was gained for the relocated playground. Monty said that there was a reconfiguration of the site layout for the building and the adjacent parking.

Roy expressed his thanks to the DRC for not settling for a poor design.

OTHER BUSINESS

- Property Transfers – Cathy Gale said that at long last there are two exciting events to report. The final remaining Lowry roadways and the Kelly Road Dam have recently been conveyed to the City and County of Denver at a total value of approximately \$30M.

ADJOURNMENT:

The meeting adjourned at 10:05 a.m.