

**LOWRY REDEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING (E-CONFERENCE)  
MINUTES FOR DECEMBER 8, 2020**

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

**EXECUTIVE SESSION TO DISCUSS THE SALE OF REAL PROPERTY, TO APPROVE THE MINUTES FROM THE SEPTEMBER 22, 2020 EXECUTIVE SESSION AND TO DISCUSS PERSONNEL MATTERS.**

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 (Transfer of Kiddie Academy Property) C.R.S. §24-6-402 (a)**
- Review and Approval of the September 22, 2020 Executive Session Minutes**
- Personnel Matters C.R.S. §24-6-402 (f)**

Executive Session e-conference convened at 8:35 a.m.

**PUBLIC SESSION:** The meeting convened in e-conference public session at 9:15 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 (September 22, 2020)
- Financials (August, September, October 2020)

Alison Cote', CFO provided updates through the end of the year:

1. Release of the Embrey escrow funds
2. Remaining LRA garage funding will likely be released by the end of the year when the occupancy certificate is issued.
3. Release of Metropolitan escrow funds.
4. Turnover of roadways by year end.
5. Commercial Parcels 6 and 9 have been sold.
6. Tap fee income for Legacy Lowry with taps sold to International School of Denver. There will be a reconciliation done on any remaining taps by year end.
7. Equity share from the Metropolitan north building has been approximately \$50,000/month. The south building sales are now progressing with \$350,000-\$400,000 in equity share being forecasted by the end of the year.
8. Some construction spending has been pushed into 2021 but are still on target for 2020.
9. Expenditures in the amount of \$500,000 for special projects has been pushed into 2021.
10. General Admin is under currently under budget but will catch up by the end of the year with insurance payments.

**A motion by Gayle Jetchick and seconded by Derek Camunez was passed to approve the Consent Agenda consisting of the Minutes from the September 22, 2020 meeting and the Financial Reports for August, September and October 2020 as presented.**

### **ACTION ITEMS**

- **Insurance Renewal 2021– Resolution 2020-8** (This item taken out of order to allow the insurance broker to be available for questions.)

Alison referred to the chart contained in the packet and pointed out that the premiums are very comparable to those for 2020. She introduced Mark Carlson with T Charles Wilson insurance brokerage.

Mr. Carlson reported that with less development activity Glatfelter continues to be the best choice for general liability coverage. If anything changes with Glatfelter there is one other company that does coverage for public entities that is a backup with pricing very close to Glatfelter.

Directors and Officers coverage is at \$5M with RSUI and another \$10M with Starr Indemnity. The premiums are up about 5%, which is reasonable in the market. They also cover up to six years of tail coverage, which will be purchased and implemented as the LRA gets closer to sunset. Not a lot of insurance carriers are willing to take on the risk of a wind down organization.

Roy asked for clarification of the “risk” comment. Mr. Carlson explained that with claims made policy a new carrier picks up past, potential liability usually 10-15 years, along with future liabilities, which is standard in the industry. Roy also asked if the amount of D & O coverage is too high. Mr. Carlson responded that coverage of \$15M is a good place to be in combination with the protection provided by public entity immunity.

**A motion by Steve Hutt and a second by Lindy Eichenbaum Lent was passed to approve Resolution 2020-8 as presented for the renewal of insurance for 2021.**

- **Amendment of Resolution 2019-9 Regarding Deed for Kiddie Academy Property – Resolution 2020-6**

Resolution 2019-9 was approved for the transfer of property by CK to Kiddie Academy prior to completion of development of the commercial site. This approval also included authorization of amendments to the deed and the purchase and sale agreement allowing for childcare use, removal of the anti-speculation restriction, consideration payment to the LRA to make all the changes and requiring a rooftop playground. Kiddie Academy’s program efficiencies call for playgrounds to the side of the building rather than rooftop. The BDRC has approved a design that integrates a play area with access from the first and second level to the east side of the building that is attached and integrated into the building design. With this one change, all other terms of the 2019 resolution remain the same.

Steve asked about the \$50,000 payment. Monty explained that it will be paid at the time of the property transfer from CK to Kiddie Academy. Closing will probably take place in mid-January 2021.

**A motion by Lindy Eichenbaum Lent and seconded by Brad Pierce was passed to approve Resolution 2020-6 to authorize an amendment to the deed that allows for the transfer of the Kiddie Academy Property without a rooftop play area on the 2-story building.**

- **Budget 2021 – Resolution 2020-7**

The proposed 2021 budget was reviewed about a month ago by Roy and Steve with a few modifications made since that time. Monty highlighted that, being in the sunset mode, it is most notable that there is very limited income from sales with other income coming from equity shares through KUH and Metropolitan sales. Overhead expenses are going down but with the reduced sales there will be times of negative cash flow. Monty turned the discussion over to Alison to give more detail on the overall budget.

**Real Estate transactions**

MoonStar – closing in June or July  
Equity Shares – ongoing from KUH and Metropolitan sales  
Tap Fees – MoonStar

**Other Income**

Line of Credit – still available but probably will not be used  
Interest Income

**Capital Projects**

Boulevard One:  
Most will be completed in 2021 consisting of work in the parks, roadways, tree lawns, green belt on Archer, drainage ponds, pedestrian enhancements.

Final garage payment of \$500,000 in February

Legacy Lowry:  
Special projects  
Transfers of any remaining property to CCD

**Overhead**

Salaries and Benefits  
General & Administration  
General Contingency

A cash balance of just over \$11M going into 2021 less budget projections will leave a cash balance of \$9.8M at the end of 2021.

Lindy asked for more detail of the bulk of the G & A budget. Alison said that the major expenditures are:

Legal - \$100,000  
Insurance - \$160,000  
Office & Storage – \$42,000  
Audit - \$26,500  
PR Contractors - \$57,000

Ann asked if sales continue into 2022. Monty replied that the only land sale remaining is MoonStar that will close in 2021. Equity share income will continue into 2022.

**A motion by Steve Hutt and seconded by Ann Torgerson was passed to approve the Resolution 2020-7 for the 2021 budget as presented.**

- **Auditor Renewal for Year Ending December 31, 2020 – Resolution 2020-9**

With the approach of the sunset of the organization, Alison said that she discussed a reduction in audit fees with the auditor. Plante Moran agreed to decrease the fee by 5% to \$26,500. Alison said that the audit experience has been smooth and recommends a renewal of Plante Moran as the audit team.

Lindy Eichenbaum Lent wanted it known that she is a client of Plante Moran and Mark Betchey said that he also has an indirect interest with Plante Moran and asked if there was any conflict of interest to be considered for recusals. Cathy Gale responded that with no financial interest it is acceptable for Lindy to vote. However, she felt it best to avoid any question of a conflict, for Mark to recuse himself. Mark did so.

**A motion by Gayle Jetchick and seconded by Brad Pierce was passed to approve Resolution 2020-9 to approve renewal of Plante Moran as the auditor for year ending December 31, 2020.**

- **Election of Officers 2021 – Resolution 2020-10**

The current office slate is Roy Alexander, chair; Rachel Neumann, vice-chair; and Steve Hutt, secretary/treasurer. Roy said he is open to continuing as chair or being replaced. Monty said that Rachel has expressed interest in remaining on the board since remote meetings will be used in the foreseeable future. Monty did inform the Board that Rachel just recently accepted a position with a law firm and moved to Dallas, Texas. Lindy cautioned that it would be open to criticism having a member/officer not living in the local region. Roy added that it is uncertain if the mayor would support a reappointment from out of state, so today's election is impacted with the information of Rachel's move. Mark agreed with that analysis and offered to resume a role as an officer since his traveling has been curtailed through the COVID 19 restrictions. Steve said that he is agreeable to remain as an officer. Lindy suggested that gender diversity is desirable, and Ann agreed to accept a position as an officer.

**A motion by Lindy Eichenbaum Lent and seconded by Derek Camunez was passed to elect Roy Alexander as chair, Ann Torgerson as vice-chair and Steve Hutt as secretary/treasurer as officers of the Authority Board of Directors for 2021.**

There was further discussion about exploring options for making a recommendation to Mayor Hancock for a replacement appointment due to Rachel Neumann's move out of the state. Monty said that he will pursue making a recommendation to the mayor.

**EXECUTIVE DIRECTOR REPORT**

- Real Estate Update
  - One parcel of land to sell, which will be to MoonStar in mid-summer.
  - Equity shares ongoing into 2022 projected at \$1M
  - Approximately 450 occupied units of the 750 total units. Staying within the development plan presented to the community of no more than 800 units and no more than 200,000 sf of commercial space.
- Construction Update
  - \$5M budgeted in 2020
  - Mostly complete with \$2M budgeted in 2021
  - Wrap up items in 2022.
- BDRC Update
  - Process will continue into 2021

- o Fifteen meeting in 2020 so far covering Target, specialty grocer, restaurant, comprehensive signage plan
- Exchange at Boulevard One
  - o Construction progressing with some openings summer 2021 (Ann asked if there is an announcement yet on the specialty grocer. Monty said they are working on final lease terms so hoping announcement will be coming soon.)
  - o Target has broken ground
- CCD turnovers of property
  - o To BOCA and CCD – ongoing as appropriate
  - o To CCD of Great Lawn and Wetlands in 2021
- Special projects
  - o Struggling to find relevant special projects and would like a discussion in the future of the potential of endowments to BOCA, LCMA, Lowry Foundation.

Board members suggested some Ideas for possible support for some projects. The chair requested a recommendation plan to be presented at a future meeting that might entail a combination of endowments and projects.

- o CCLT
- o Higher education campus (Monty pointed out that CCCS is still under educational restrictions until 2024. He added that with the long lead time to prepare for development, now is the time to resurrect the master plan and start the entitlement process. Brad will make that recommendation to the CCCS President.)
- o CommonGround club house
- o Replacement of trees and enhancement of landscaping on streets and parks.
- o Lowry Elementary

### **COMMITTEE REPORTS**

- Boulevard One Design Review Committee – (10/15; 11/5 & 19)

As reported in the notes contained in the Board packet

### **ADJOURNMENT**

The meeting adjourned at 10:30 a.m.