

**LOWRY REDEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING (E-CONFERENCE)  
MINUTES FOR March 23, 2021**

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

**EXECUTIVE SESSION TO APPROVE THE MINUTES FROM THE DECEMBER 8, 2020 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 December 8, 2020 Executive Session Minutes**

**PUBLIC SESSION:** The meeting convened in e-conference public session at 8:15 a.m. and was called to order by Roy Alexander, Chair.

**PUBLIC COMMENT:**

- CK representative, Nick Kitaeff, gave an update for the commercial development.

Nick started by responding to a question about the concept behind the EXCHANGE branding that it is a pivot from Lowry to Boulevard One with its own identity. The word Exchange is central to the theme of services and interactions that will be provided to customers, tenants, neighbors, etc. The incorporation of the number 1 acts as the symbol for Boulevard One.

Some photos were shown of construction in progress as of the end of February.

- o Landscaping should be completed by the end of May 2021
- o Flight Ride art has been installed near the Pontiac entrance
- o Marketing materials have been produced with aerial view looking west featuring the backlit screening at the corner of Quebec/Lowry with mountains in the background.

Other highlights:

- o Leasing activities began in July 2019. With Lucky's departure leasing activity slowed dramatically. With the announcement of a 30,000 SF Target, leasing gained momentum at one per month and demonstrates the importance of a strong anchor.
- o Mix of national, regional, and local merchants.
- o Retail space is 75% leased and will be at 84% if current LOIs are converted.
- o Kiddie Academy (at the corner of Pontiac/1<sup>st</sup>) will break ground in April
- o A specialty and natural grocer will be signing a lease for a 23,000 SF space located on Lowry Blvd west of Pontiac. The main entry will be from the parking lot on the north side of the building with a secondary entry on Lowry Blvd. An announcement will be coming very soon naming the grocer. This grocer will offer natural, organic and gourmet products with an in-house butcher, fish market, bakery with artisan baked goods. The design is currently in the planning and review process. There has been some difficulty with the interior layout with the depth of the building being at 100' rather than their

- usual 120' depth. With a 5-6 month permitting process there should be groundbreaking by Sept with a 7-month construction and anticipated opening in the summer of 2022.
- o A restaurant on the park will follow a similar schedule as the grocer for opening mid-2022.
  - o There is still some hesitation for restaurants to commit to larger spaces. Will continue to wait for the right fit and time. There are still interested groups but saying "not right now". There is lenders caution in making loans and restaurateurs caution in borrowing until there is more assurance that pandemic restrictions are lifted. There must be patience for circumstances to change.
  - o Office tenancy is at 61% leased with 92% upon LOI conversion. There is only one 3600 SF suite remaining. Medical is the predominant use of the office space.
  - o Parcel 7 (the larger of the commercial sites) will be fully open by the end of 2021 with the other parcels for the grocer and restaurant following by mid-2022.

**Comments/Questions from Board members:**

There is early "coming soon" signage going up for Chase Bank. Will there be many more signs going up? Want to avoid the site looking "trashy". **Nick said that the "coming soon" signage serves as a draw for future customers and to attract employees for the various merchants. The site owner understands the desire to avoid a "trashy" appearance and is looking forward to having the permanent signs in place. The Comprehensive Signage Plan is going to CCD in April.**

There is a Boulevard One HOA meeting on April 22. Is there information that can be prepared for the newsletter going out prior to that meeting? **There is a press release being prepared regarding the grocer and information can be forwarded for the newsletter.**

Is there a temporary use for the larger restaurant spaces? **That has been discussed internally but there would be a huge investment to subdivide for a temporary use rather than hold for a larger tenant with amenity of outdoor spaces. Stabilization is important for the larger users to commit. With only three spaces there is time to work toward filling those spaces with the right fit.**

The Board members were glad to see the project as far along as they are and excited to see the completion and opening.

Is the layout difficulty for the grocer a major problem? Monty responded that the parcel was not originally anticipated for grocer use, but the design team has found solutions to the site constraints.

Monty thanked Nick for the presentation and update on the status. Nick added that this project has been the pride and joy for CK Development and thanked the LRA Board for their stewardship and partnering with them.

**CONSENT AGENDA:**

- Minutes (December 8, 2020)
- Financials (November, December 2020 & January 2021)

Alison Cote', CFO provided highlights from the three months of financials:

- o There were no sales in November.
- o Closed on KUH's final parcel in December.
- o Year-end adjustments reflected in:
  1. \$822K in sewer taps sold from Legacy and Boulevard One builders. There are still some sewer taps that will be adjusted as they are transferred in 2021.
  2. Legacy parks are still shown on the books. By next year these should all be transferred to CCD.
  3. Boulevard One Phase 1 acceptance of roadway transfers to CCD (\$1.16M). These are the roadways around the Encore apartment site (not Lowry Blvd)
  4. Tracts and Park transfer to BOCA will be seen on the financials when the deed is recorded in Feb 2021.
  5. DURA funding toward the garage is complete. Final LRA portion of the funding will occur in 2021.
- o Year End Variances:
  1. Budgeted \$1.4M in sales with overage coming from closings in 2020 with KUH and Parcels 6 & 9
  2. Equity Share income of \$1.1M
  3. Tap fees income increased through a sale to Denver International School
  4. Escrowed \$500K garage funds from the LRA
  5. Lag in capital projects in 2020 leaving \$3M more in budget than expected. Those projects are currently being worked in 2021.
  6. Overhead was on target
  7. One more sale in August 2021 to MoonStar, which will be the last major source of income

Lindy Eichenbaum Lent asked for a clarification to the December 8, 2020 minutes that she is a "client" of Plante Moran.

**A motion by Brad Pierce and seconded by Gayle Jetchick was passed to approve the Consent Agenda consisting of the Minutes from the December 8, 2020 meeting, as amended, and the Financial Reports for November, December 2020 and January 2021 as presented.**

#### **ACTION ITEMS**

- **Development of Property currently owned by Machebeuf– Resolution 2021-1**

It has been the practice when land is sold to include a use restriction in the deed for a number of years and consent required to remove that restriction. This was to prevent competition with the LRA's master development plans. There is also a consent requirement for zoning activities and for surface rights.

Machebeuf is planning to sell their ballfield on Lowry Blvd and the development requires a rezoning application to CCD and consent to pursue zoning from the LRA. The use restriction has expired and there is no longer any competition to LRA development activities at Legacy Lowry.

## Comments/Questions/Discussion

Lindy - expressed her opinion that using the property for more senior living rather than amenities for the community is not the best use of the land. Roy agreed that his initial reaction was negative to the density of residential and wondered how to express that concern. Monty responded that the LRA's responsibility and obligation for land uses within Lowry has ceased and ceded control to LCMA design review and CCD through zoning. The community can weigh in through the zoning process and the public notice and outreach that is required.

Gayle – Is the sale dependent upon obtaining the rezoning.? Monty responded that yes and the planned development can't take place without a zoning change.

Lindy – What is the appropriate vehicle for asking for amenities if it is no longer the LRA? Monty suggested that those requests should go to the Lowry Community Master Association.

Brad - Would there be any impact or interference to the LRA sunset. Monty replied that no and sunseting is still anticipated for August 2022.

Roy – How many residential units and explain the surface rights? Monty said that they are planning 260 units within two buildings comprised of assisted living in one and nursing/memory care in the other. Age limit of 55+ with average age of 65-75. Timing is for the zoning application to be submitted within the next couple months. Outreach has already started with the LCMA, LUN and the East Park neighborhood. The developer is currently conducting due diligence.

Cathy explained that the LRA has retained subsurface water and mineral rights. To assure that the owner of the subsurface rights doesn't interfere with the surface use it is usual to commit to a non-disturbance agreement for the surface of the property.

Rachel – What happens to those rights when the LRA sunsets? Cathy said that that is part of the issues to be settled prior to sunseting. For example, water rights might go to the Denver Water and the mineral rights to CCD. She is currently exploring appropriate options as part of the sunseting process.

**A motion by Steve Hutt and seconded by Brad Pierce was passed, with one opposition vote by Lindy Eichenbaum Lent, to approve Resolution 2021-1 that i) the Authority does not object to Machebeuf and/or Cherrywood seeking or obtaining rezoning of the Property for the requested use, and ii) authorizes and directs the Executive Director to negotiate, execute and issue a Relinquishment of Surface Right and Nondisturbance Agreement for the Property.** (Mark Betchey left prior to this vote being taken.)

## EXECUTIVE DIRECTOR REPORT

- Endowments/Special Projects

There was discussion with Rose Community Foundation in January 2021 regarding an opportunity for RCF to be involved as an option of using their services for endowments for projects beyond the life of the LRA. The Lowry Foundation is another option. Monty said he wanted to offer this only as food for thought at this time.

Roy commented that it was eye opening and informative that opens options as well as challenges. Rose can provide all aspects of what the LRA might want to do with as the vehicle for flexibility of perpetuity of special projects. Roy said he didn't want to exclude the LCMA and BOCA, the LRA needs to take the time to determine what projects need to be addressed and how to go about funding them.

Lindy pointed out a correction to the memo contained in the packet on page 3 under Investments that the statement should be "grow with interest".

Monty had asked Alison to put together a projection of final payouts and any excess remaining for special projects. With approximately \$10M remaining at the end of development activities the following are the currently estimated pay out amounts, subject to any community projects selected prior to determining a final split with government entities:

\$3.9M Air Force  
\$5.5M CCD (CCD & Aurora at set %s)  
\$700K Aurora

A question was raised about the ability to disburse funds after the LRA's sunset that will be researched in the IGA. More time is needed to formulate an analysis of how the funds are accumulated and split. Also, creation of a list of projects the LRA would like to get done, the best vehicle to manage stewardship of the funds should be presented to the Board at a future meeting. Today's introduction to RCF is just informative.

- Board Appointment

Monty reported that there was discussion with Mayor Hancock's office regarding retaining existing Board members and not introducing new members since the LRA is so close to sunseting and because current members have the history, understanding and knowledge to help finish out the project. CCD understands and supports this position.

- Miscellaneous

Brad reported that as requested, he did talk to the Aurora Community College about landscaping along Lowry Blvd near their campus and was told it was under the control of the Colorado Community College System.

#### **COMMITTEE REPORTS**

- Boulevard One Design Review Committee – (12/17; 1/7; 2/4 & 16)

There were no comments or questions regarding the meeting minutes contained in the packet.

#### **ADJOURNMENT**

The meeting adjourned at 10:05 a.m.