

**LOWRY REDEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
Virtual Meeting via Zoom**

**MINUTES FOR March 22, 2022**

**ROLL CALL:** Members present were Roy Alexander, Derek Camunez, 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**

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 7, 2021, Executive Session Minutes**

**PUBLIC SESSION:** The meeting reconvened in public session at 9:15 a.m. and was called to order by Roy Alexander, Chair.

**PUBLIC COMMENT:** No one in attendance from the public

**CONSENT AGENDA:**

- Minutes (December 7, 2021)
- Financials (November and December 2021, January 2022)

Alison Cote', CFO summarized the updates for the periods covered by the financials:

- o Three equity share KUH closings in December for \$175K with 10-15 still to close
- o Sale to MoonStar in December and with associated tap fees collected
- o Quebec safety project moved into 2022
- o Streets transferred to Denver amounting to \$3.8M reduction in assets. Parks only assets still to be transferred to Denver.

A question was raised about the park in Boulevard One going to the community association rather than Denver. Monty explained that several years ago CCD made the decision not to take any new parks that are under 8 acres due to maintenance costs. There is also the issue to being able to control use of the park if it is privately owned rather than city owned as public property.

Another question was posed about the some KUH units that were used as rentals. Alison clarified that there were only two units in that rental program and have been sold with equity share collected.

**A motion by Rachel Neumann was passed to approve the Consent Agenda consisting of the Minutes from the December 7, 2021, meeting and the Financial Reports for November and December 2022 and January 2022 as presented**

### **ACTION ITEMS**

- **Amended 2022 Budget – Resolution 2022-1**

Monty reported that a primary motivator for this amendment is to add to the construction budget to cover costs to finalize some development obligations.

- 1) On the shared parcel with Clark's and the MoonStar townhomes there is an alley, storm sewer and utilities that are part of the LRA responsibilities to provide. \$300K was originally budgeted. With costs exponentially increasing bids were coming in at \$700-900K. The design has been modified and staff is more comfortable with current proposed costs at an additional \$200K for that project.
- 2) There was a decrease in the Quebec/1<sup>st</sup> Ave pedestrian safety project. Originally there was a shared cost agreement with CCD and the LRA each contributing \$200K for a \$400K project. Again, with rising costs, the project was pared down resulting in LRA's contribution now being \$86K.

Another adjustment made to the Amended 2022 Budget was to the actual beginning cash balance after closing out the year with an increase of approximately \$250K.

Roy pointed out that the Quebec/1<sup>st</sup> safety project is showing as a legacy cost and wondered if it should be allocated as a Boulevard One expense. Monty explained that when the project was first discussed there were concerns about whether the Air Force would decline this project as legitimate expenses for Boulevard One. Now that the project scope has been reduced and redefined for only the benefit of Boulevard One the costs are Boulevard One development expenses. The decision was made to make the adjustment to the Amended 2022 Budget to transfer the \$86K from legacy to Boulevard One expenses.

Alison mentioned that the safety project also involved \$163K for initial design work and to modify the scope. He will have a discussion with Alison and Tom Berger to see if it makes sense to transfer all or a portion of that amount to Boulevard One.

**A motion by Steve Hutt was passed to approve Resolution 2022-1 to adopt the Amended 2022 Budget as discussed.**

- **Termination of Environmental Privatization Consent Agreement – Resolution 2022-2**

There is a letter in the packet from the AF agreeing with the assessment of them taking on any remaining environmental remediation. It has taken some time to bring the cities of Denver and

Aurora up to date on how clean up happens after the termination of the privatization agreements. Resolution 2022-2 would authorize the executive director to be party to a 3-party letter of acknowledgement for termination of the Consent Agreement effective August 13, 2022, along with other privatization agreements expiring at that time, and that the Authority's responsibility for any further environmental remediation at Lowry would cease. The only remaining agreement would be the Enforceable Agreement between the AF and CDPHE.

Roy asked for explanation of the legal stance. Cathy responded that all parties agree this is a good conclusion and acknowledgement that the AF will be the remaining responsible party for any further environmental cleanup. Roy also asked if this has any impact on insurance and lowering risk factors. Cathy said that maybe in the bigger picture but not on a measurable scale on premiums.

Derek asked if CCD will be the one monitoring that the AF does the job. Cathy pointed out that the State Health Department is the party most intimately involved with that task, but because the work will be in Denver, they will certainly desire to keep an eye on progress.

Cathy pointed out that part of the sunset tasks is to have all obligations end or be transferred. This is one of those tasks that marks good progress in that regard.

**A motion by Steve Hutt was passed to approve Resolution 2022-2 to authorize the Executive Director to execute such necessary documents to terminate the Environmental Privatization Consent Agreement effective August 13, 2022, that will end any further environmental remediation obligations by the Authority.**

#### **EXECUTIVE DIRECTOR REPORT**

- **Activities leading to close out**

1. Transfer of mineral and water rights – With each sale of property the LRA retained mineral and water rights with property within Denver. With property within Aurora, the LRA retained mineral rights but not water rights. Water rights were transferred to the Colorado Golf Association because they were negotiating for reuse of water for the golf course. There are ongoing discussions between CCD and Denver Water on who should receive the water rights.

A question was asked why the rights were retained. Cathy said that it is to maintain control and restriction on the use by outside parties. With the water, there is no tributary water, only ground water that does not contribute to a drinking water source. Roy asked if there is any value attached to these rights. Cathy said there has been a lot of discussion about value, but the bottom line is very little, or no value attached. The important thing is to assure that the LRA doesn't own anything as we go out of business.

2. Another aspect of close out is to handle any remaining land use deed restrictions that have not expired. Cathy is diligently working on that project to properly implement transfer oversight of those restrictions.

- **Boulevard One Updates**

- Final approvals have been granted from the BDRC to Clark's and Denver Beer Company. MoonStar still needs its final review and approval. All buildings for CK have been approved. The BDRC has ongoing reviews of tenant signage and settling of issues as they arise.

Roy asked if there was a problem with compliance to the Design Guidelines. Monty responded that a recent issue is over the use of opaque film on windows that reduces the expectation of transparency from glazing that was presented and approved. Roy asked for an opinion on anticipated results. Monty said it is most likely to arrive at a compromise for some portion of windows being covered due to the desire to hide back of shop operations. This type of issue falls under the BDRC and/or the BOCA Board to resolve.

Derek asked if there was any update on openings or tenants. Monty said that there have been no updates since the last report. Clark's construction is now underway, and Denver Beer Co will break ground in April.

### **COMMITTEE REPORTS**

- Boulevard One Design Review Committee – (1/20 & 3/3)

The notes contained in the packet accurately reflect the discussions and actions of the Design Review Committee.

### **ADJOURNMENT**

The meeting adjourned at 10:05 a.m.