

**LOWRY REDEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
E-MEETING VIA ZOOM**

MINUTES FOR JULY 26, 2022

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

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 June 28, 2022, 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 (June 28, 2022)
- Financials (June financials will be provided for the next meeting)

A motion by Ann Torgerson and seconded by Brad Pierce was passed, with an abstention from Lindy Eichenbaum Lent, to approve the Consent Agenda consisting of the Minutes from the June 28, 2022.

ACTION ITEMS

- **Revenue Sharing Agreement Initial Payment – Resolution 2022-4**

Monty provided some background about the Revenue Sharing Agreement (RSA), which was made with the Air Force for payment of the Buckley Annex property (now known as Boulevard One). Terms of the Agreement was for an initial payment of no earlier than seven years or later than ten years after transfer of the property dependent upon when development was complete. The property was transferred on May 31, 2012, so the Revenue Sharing Term ends on May 31,

2022. From that date, an initial payment is due within 60 days which is the end of July 2022. Included in the packet are six exhibits that will be submitted with the initial payment:

1. Proforma from the Economic Development Conveyance application
2. Condensed version of sources and uses to compare to the original proforma
3. Explanation of terms in the proforma
4. Exhibit B, which is a document defined in the RSA to calculate the initial payment and the deferment of the projected final payment and expenses.
5. Detail sheet of known and estimated payments to the LRA and expenses.
6. Reconciliation of budget and Exhibit B, such as tap credits from legacy Lowry but used at Boulevard One.

There will still be a subsequent settling of KUH equity shares not received by the final payment to the Air Force that could be based on an estimated amount.

The packet of exhibits has been discussed in detail with Roy and Steve.

Discussion

Lindy gave an example of the Logan School encountering difficulties with some activities not allowed due to restrictions on the property. She asked if those restrictions would expire when the LRA sunsets and if those restrictions were part of the package. Monty explained that the settlement with the Air Force only relates to the Boulevard One property. Two sources of restriction are 1) from the LRA or 2) a sponsoring government agency who transferred property through a public benefit conveyance, such as the case with The Logan School. LRA restrictions will probably be abandoned, other than, for example, the Luce' property restriction, which was transferred to the LCMA or other undeveloped property. Most of the restrictions placed by a sponsoring agency for PBCs had a 30-year period until expiration.

Brad asked for confirmation of how he interpreted Exhibit B that there would be a \$2.8M initial payment and final payment of \$305,000. That was confirmed with Alison adding that there are still some unknown amounts. Holding the final payment as long as possible will help to ascertain actual calculations.

Roy pointed out that the board meeting packet contained an abbreviated proforma and though the full proforma should be included in the AF packet. Monty confirmed that the full proforma is already completed for the AF packet. Roy commented that the \$4.257M from the proforma proves out the supporting information as presented.

Roy was not comfortable with the description of the taps and in the roll over paragraph. He also noted a duplication on pages 12 & 17 to be removed. Roy also noted that the \$3.112M of revenue sharing was indicated at 50% in Exhibit B but not in 5th attachment of the reconciliation to Exhibit B. Alison will make the changes before the packet goes to the Air Force.

There was a question about the knowns and estimated costs what would happen if there were overruns. Monty responded that there are provisions in the RSA to allow for reconciliation of estimated to actual in the final payment.

In the 3rd WHEREAS of the resolution, how is the Revenue Sharing Term defined? Is it based on an accrual basis as financial statement or is it contemplated in the RST with a term expiration? Alison said it is not specific in the Revenue Sharing Agreement, but she has linked to the audited financials

Roy noted that the date for the 60 days for the due date of the initial payment would be July 30, rather than the 31st. Correction will be made to the resolution prior to signature.

A motion by Steve Hutt and seconded by Ann Torgerson was passed to adopt Resolution 2022-4 for the initial payment to the Air Force for the Buckley Annex property (aka as Boulevard One) pursuant to the terms of the Revenue Sharing Agreement and as presented.

EXECUTIVE DIRECTOR REPORT

Cathy Gale announced that the Great Lawn Park and Wetlands Park have been transferred to the City and County of Denver that will take \$17M in assets off the LRA books. She noted that has taken seven years to accomplish. She noted that mineral rights have been transferred to CCD. Water rights to CCD and mineral rights to Aurora will follow shortly.

COMMITTEE REPORTS

- Boulevard One Design Review Committee – (No new meetings to report)

Monty said that the last of new construction reviews was done on July 21 for the MoonStar townhome product on Oneida. The only remaining reviews are for tenant signage within The Exchange.

ADJOURNMENT

The meeting adjourned at 9:45 a.m.