

Minutes
Regular Meeting of the Board of Directors
METROPOLITAN FOOTBALL STADIUM DISTRICT
Tuesday, May 15, 2012

Board members present:

Ray Baker	Joy Burns
Bob Bryant	Jack Hilbert
Norm Early	Don Johnson

Agenda Item 1:

Call to Order

On Tuesday, May 15, 2012 a meeting of the Board of Directors of the Metropolitan Football Stadium District was called to order at 10:07 a.m. by Ray Baker, Chairman. As there was a quorum, the following business was conducted.

Agenda Item 2:

Approval of minutes

A motion to approve the minutes of December 13, 2011, a meeting that was called to consider and approve the 2012 Budget and the accounting and audit proposals for 2012, was made by Ray Baker, seconded by Bob Bryant and unanimously approved.

Ray Baker began by welcoming Don Johnson to the Metropolitan Football Stadium District Board as the new representative for Jefferson County. Next Ray Baker, acknowledged Patricia Holloway for her service to the Board as the former Jefferson County representative. Ray informed the board that Judge Carrigan had resigned from the Board due to health reasons and thanked Judge Carrigan for his years of service to the District.

Agenda Item 3:

New Business-Hotel VQ Redevelopment and Easement Issues

Ray requested that Craig Umbaugh, attorney for the District, introduce representatives from Trammell Crow Realty and provide a brief overview of the issue. Craig stated that Matthew Schildt of TCR contacted the District to discuss its plan to redevelop the Hotel VQ site and the need for possible easements from the District in connection with the redevelopment. The request was made to Matthew Schildt to attend the board meeting and to make a presentation of the proposed project and the request to the District. Craig noted that was also an opportunity for several people from the neighborhood who were in attendance to hear proposed plan. Craig introduced Matthew Schildt of Trammel Crow Realty to explain this plan.

Matthew Schildt, the local development partner with Trammel Crow Residential, introduced his colleagues, architect Jim Johnson and civil engineer Randall Phelps. Matthew passed around sample renderings of the proposed project. The project would consist of demolition of the existing hotel structure and construction of apartments with rental rates projected at approximately \$1,600 per month. The proposed project would consist of approximately 338 units, targeting young professionals and couples downsizing. Matthew explained that in order to capitalize on the view at 19th and Bryant, the building would feature a large community space at the top of the complex so that residents can use this space to interact and would feature outdoor amenities such as a pool. As designed, there would be two access points to enter, one on Bryant and the other on Clay Street. Jim Johnson remarked that they want to make the complex as friendly and warm as possible and be a good neighbor to the stadium with a combination of materials they think would fit nicely with the Jefferson Park neighborhood. Matthew said that the scheduled first phase is the demolition of Hotel VQ by January 2013 which should not impact operation of football games. Vertical construction would begin in March 2013 with ten months to delivery of the first units.

Matthew Schildt said that TCR is requesting three easements from the District. Matthew distributed a diagram that shows the easements being requested. The first easement is an access easement on what was formerly Clay Street. Clay Street was originally City right-of-way but it was vacated in the early 1980's. TCR is requesting an easement to re-establish Clay Street as an entry which exists to the north and runs up to Jefferson Park, creating a second access point into the garage. The alternative is to create a western access point entirely on the TCR property, which would result in a misaligned street which is disfavored by the city engineer and by TCR as a means of accessing the site. The street would be a private street and TCR or the apartment association would be responsible to maintain the portion of land on their site as well as the portion that constitutes the easement. Matthew stated that it was TCR's belief that this re-establishment of Clay Street would not impact Stadium operations in any way. Craig Umbaugh stated that the District's first concern has to be to its tenant, the Denver Broncos and SMC, and that based on his conversations with the attorneys for the Broncos, they have some concerns and would like a better understanding of entrance and exiting issues on game day and during other events. Matthew stated that with the two entrance points they would be able to close one on game day, and they would work closely with the Denver Broncos to create a traffic management plan.

The second easement requested is for a "no-build" easement of twenty feet on the northern boundary of the Stadium District land adjacent to the project property line. According to Matthew, it appears that the Hotel VQ parking garage encroaches on Stadium District property by eight feet on its southwest corner. In the redevelopment plan, they will eliminate the encroachment and bring their property eight feet back and off the Stadium District land to properly respect the boundaries. The no-build easement would allow the project to line the southern portion of the site with units which will hide the parking garage creating a much warmer visual façade facing the stadium. Without this easement, TCR would consider leaving the exposed parking garage as the southern façade of the project. Matthew said that TCR believes that the no-build easement will not impact the current routing of traffic into the stadium parking.

The third easement, a utility easement, would allow TCR to route storm drainage around the building and would allow the overhead electric wires to be buried.

Norm Early asked Andy Gorchov of Stadium Management Company to comment on the proposed project and whether Andy sees any red flags with this project. Andy stated there are traffic concerns, no other red flags, but SMC needs to know more details. Ray Baker asked Matt Sugar and Michael Guiietz, who attended a walkthrough with TCR and Councilwoman Shepherd, to give an overview of that meeting. Matt Sugar stated they walked through the site and looked at the three different easement areas in question. Matt said that although Clay Street no longer exists as a street on the District property, the alignment is still evident. Michael Guiietz, a representative of the Jefferson Park Neighborhood Association, was in attendance and stated he could not speak for the neighborhood or the association, but based on the site visit and today's presentation, his personal view is that the redevelopment plan appears to fit within the neighborhood plan. Michael said that this plan will be discussed at the next general membership meeting to be held on June 12th.

Ray Baker stated that it appears there are enough details to warrant further consideration of the requested easements. Ray said that his critical issues are: making sure that any easements work for SMC is in accordance with the lease; the impact on the neighborhood and any issues raised by the neighborhood association; and what rights are being lost by the District as the property owner and what is the appropriate compensation or consideration. Ray suggested that the Denver Broncos and the District sit down with TCR and coordinate with Michael Guiietz and the neighborhood association for their next meeting. Ray asked Craig to let the board know when formal action is needed. Craig stated the District's next board meeting will be held in June so at that time we should have more information to discuss.

Bob Bryant asked if TCR currently owned the property. Matthew said that TCR has had the property under contract since November, 2011. Bob requested that Trammell Crow share the financial costs of the property as he would like a better understanding how the District values its interests in the property. Ray suggested that it would be helpful for Bob Bryant to consult on this matter due to his background.

Jack Hilbert said that he had several comments to make. First, Jack asked Matthew to confirm that all costs of the easements and maintenance of the same, if granted, will be paid by TCR. Matthew agreed this was true. Jack said he is concerned about game day conflicts and would want TCR to notify tenants that on game day or event day traffic flow may be restricted or prohibited. Jack also asked to clarify that the 20th street access point is not to be disrupted. Randall Phelps confirmed that if they align with Clay Street as they proposed that there will be no impact. Jack noted that the District needs to be aware of the new EPA standards regarding drainage and must make sure that any development does not negatively impact the stadium's drainage plan. Jack then asked questions about staging for construction, and said there cannot be any interruption of game day. Matthew stated there would be no staging on District property. TCR has two options, they can stage on their property or there is property just north of the site they may be able to utilize.

Don Johnson asked about the difference in the grade of the parking lot to the grade of the street going into Stadium parking and if there will there be a retaining wall. Jim Johnson stated that the grade of the existing sidewalk on Stadium property would be at the same grade as Clay Street. All property grades would be the same. There would be no retaining wall.

Ray Baker stated the board was not in a position to take any action until all parties have had an opportunity to consider these issues. Ray Baker stated that the Board will move to the next level and get a better understanding of the detail, confer with the neighborhood and the City and suggested that if any Board member would like to take a tour, they can reach out to Matthew at Trammel Crow. TCR said it would be happy to attend the next board meeting to update the Board if requested.

Fourth Amendment to the Premium Concession Agreement:

Ray asked Craig Umbaugh to provide background on the Fourth Amendment to the Premium Concession Agreement that was before the board. Craig stated that Norm Early was the Board representative in the negotiations of this amendment and Norm had participated in all of the discussions. Craig noted the agreement is an extension of the current agreement with Epicurean Catering as the caterer for the suite level, clubs and the right to cater other events. The amendment extends the term through the twentieth NFL season; it increases the commission on the suites from 25% to 29% for both SMC and the District (if the District hosts a stadium event); makes changes in the agreement to incorporate changing the name on the agreement from Invesco Field at Mile High to Sports Authority Field at Mile High; requires Epicurean to invest One Million Dollars for upkeep in terms of new concession equipment and concession wares including possible improvements to the suites; creates an innovation fund which is a half percent of gross receipts up to \$150,000 dollars a year in order to develop new ideas for catering and for additional marketing and services. Ray notes that the District has the approval right of the concession agreements, which is atypical from other leases around the country. Norm Early noted that Centerplate is the other concessionaire in the stadium and having two concessionaires keeps pricing and other matters in lines. Andy Gorchov stated having the competition helps regarding special event revenue. Don Johnson asked if a special event at the stadium would have a choice between the two caterers. Andy stated it depends on the location of the event as some locations are exclusive to one concessionaire, but some locations are open to both. Don Johnson stated that he believes that the concessionaire needs to be mindful of the prices charged and that the prices appear to be reaching a high level.

Norm Early made a motion to approve the Fourth Amendment to the Concession Agreement, a second was made by Bob Bryant and the Fourth Amendment was unanimously approved.

Department of Revenue-Memorandum of Understanding:

Ray asked Craig Umbaugh to provide background on the Memorandum of Understanding provided by the Department of Revenue. Craig noted that the sales tax ended January 1, 2012 but there are ongoing sales tax revenues issues regarding collection and refunds for the period prior to January 1, 2012. The

Department of Revenue has proposed retaining up to \$1.5 million as a reserve instead of distributing money to the District monthly, with the fund to be used to make refunds if needed. The Department of Revenue sent a draft to the District, which legal counsel is reviewing. Norm Early clarified that no formal action is being requested at this time and the board is simply providing input on the concept. Jack Hilbert stated that he wants to be sure that any excess revenue belongs to the District and it will not revert to the State. Jack asked if the District is charged by the Department of Revenue for collection, and Craig confirmed that there is a collection fee based on the actual costs of collection. The board asked Craig to work with the Department of Revenue to negotiate an appropriate agreement.

Proposed Regional Economic Development District Legislation:

Ray Baker updated the board on a concept for legislation that Senator Johnston (Denver) has for creating a regional economic development district which would impose a 1/10th of a percent sales tax with the funds to be used for economic development projects in the district. The focus has been on the National Western Stock Show and the Olympics, but Ray has been in discussions with Pat Hamill of Colorado Concern and others as to whether any of that money would be available to meet ongoing capital repair needs of the Football Districts and the Baseball District. No legislation was introduced this session, but discussions about the concept may occur over the summer. The board asked Ray and Craig to keep them posted on this issue and if anything is presented to inform the board.

Notice of Injury Claim:

The District and each board member received a Notice of Injury Claim from the law firm Don, Galleher & Saliman in regard to their client Joyce Fritz who alleges she was injured on October 30, 2011 while working at Sports Authority Field at Mile High at a concession stand. A complaint has not been filed as of this date. The District has forwarded the Notice to Stadium Management Company and the Denver Broncos and requested defense and indemnification pursuant to the lease.

Update on Stadium Issues Including RTD Request Regarding Parking:

Ray said that RTD has approached the District, Stadium Management Company and the Denver Broncos regarding the need for approximately 1,900 parking spaces in connection with its light rail stop and the desired use of Parking Lot M. RTD is interested in a long-term lease or acquiring this lot. RTD could acquire the lot through condemnation, but the parties are looking for a solution that works for all parties. SMC estimates that it needs the use of the lot on approximately 30 days each year including game days. A map showing the area south of Colfax (Lots M, N and T) was distributed. Ray asked Matt Sugar to reach out to the adjoining neighborhoods and make sure they are up to date and that Michael Guiietz receives all the information needed for his neighborhood association. Norm asked if these lots are fully used for parking and Andy said that the lots are fully used and pre-sold for game days. There is no action needed on this issue at this time.

Stadium Management Company Capital Repairs Update:

Andy Gorchov stated he is continuously working on a long-term capital repairs plan. SMC is working with three consultants: Martin/Martin Consulting Engineers to evaluate structural maintenance issues such as waterproofing; Wiss, Janey & Elstner Associates to evaluate the structural steel; and WJHW to evaluate and develop a plan to upgrade the audio/visual equipment. The capital repairs requests have to date been approximately \$ 375,000 per year but are expected to increase in the future. Andy noted that the capital repairs plan underway is a twenty year plan that contemplates the anticipated needs at the stadium. Andy stated that Stadium Management Company has just completed the installation of Wi-Fi in the stadium through the help of Verizon and the installation of a DAS (distributed antenna system) network which will significantly strengthen cellular service in the stadium. Ray requested Andy send a copy of the capital repairs plan after it is developed to the District for its review.

Agenda Item 4:

Other matters -- None

Agenda Item 5:

Board comment

Jack Hilbert inquired as to the status of the new Sports Authority Field at Mile High signage. Andy stated they received approval on the re-design of signage and it is in conformance with the comprehensive signage plan. Installation will begin late June and completion will be in August before the season. The interior work has been completed.

Joy asked Andy to review tailgating issues in the parking lot during games and her concerns that someone will be hit by a car or otherwise injured. Ray asked Andy to follow-up with the board after he has reviewed the issues.

Joy asked Michael Guiietz if he could comment on how the neighborhood feels about the outcome on the signage.

Agenda Item 6:

Public Comment

Michael Guiietz stated the Jefferson Park Neighborhood Association was satisfied with the outcome of the signage issues.

Agenda Item 7:

Adjourn

There being no other business, a motion to adjourn this meeting of the District was made by Ray Baker, seconded by Bob Bryant, and unanimously approved at 11:36 a.m.

The next meeting is TBD.