

Minutes
Regular Meeting of the Board of Directors
METROPOLITAN FOOTBALL STADIUM DISTRICT
Tuesday, June 19, 2012

Board members present:

Ray Baker Joy Burns (via phone)
Bob Bryant Norm Early (via phone)
Don Johnson Roy Palmer (via phone)
Gene Ciancio Jack Hilbert (via phone)

Agenda Item 1:
Call to Order

On Tuesday, June 19, 2012 a meeting of the Board of Directors of the Metropolitan Football Stadium District was called to order at 3:04p.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 May 15, 2012, was made by Ray Baker, seconded by Bob Bryant and unanimously approved.

Agenda Item 3:
New Business
Audited Financial Statements for YE 2012

Jill Korenek and Tim Apohelto of JDS Professional Group, the District Auditor, presented the audit for 2012. The audit is complete and is being presented in draft form. They are issuing an unqualified opinion. The audit was performed in accordance with generally accepted accounting principles, which have an objective of being reasonable but are not an absolute assurance of financial statements being free of any material misstatement. Jill stated they received full cooperation and there were no disagreements with management, all information requested was provided in a timely manner and the audit process went smoothly. They did not identify any errors, fraud or illegal acts. Jill indicated that there were no new accounting standards to adopt and, all standards remain as the prior year. There were no financial adjustments required.

Ray Baker said that there were several typographical errors in the draft that board members noted. Craig Umbaugh stated that the auditors said that the corrections have been made in the final. One of the revisions involves changing the wording in the MD&A statement from “we” to “the District” and the addition of the “s” omitted from “Sports Authority” on page 19. Ray Baker asked the Board if there were any additional changes or comments. There being none, Ray asked Jill Korenek if there were any areas of improvement for the District on its internal controls. Jill Korenek stated there are no

issues and no additional suggestions. Ray Baker requested that if the auditor sees an area where the District can improve, their input is welcome. Ray Baker and Jill Korenek noted that the auditor's past recommendation on check signing was implemented.

Ray Baker asked if the District's bond debt was paid by year end. Craig Umbaugh, attorney for the District, stated bonds were paid as of January 1, 2012, but as of December 31, 2011, there were bonds outstanding and that is reflected in the 2011 audit. Footnote 10 has additional disclosure on franchise lease revenue commitment, which discloses separately for the next five years on one schedule.

Bob Bryant and Gene Ciancio questioned the restricted and unrestricted on the investments, and Ray Baker stated the capital account is restricted dollars because it takes a team representative to sign for dollars and there are restrictions on how those dollars can be spent. Craig Umbaugh noted that as of December 31, 2011 there were still bonds outstanding and thus funds held in the Wells Fargo trustee accounts which were restricted as outlined in the bond documents. Subsequent to the end of the year, the bonds were paid off and no bonds remain outstanding.

There being no further questions or comments, a motion was made by Don Johnson to accept the audit as presented, seconded by Bob Bryant, and unanimously approved.

Hotel VQ Redevelopment

Ray Baker asked Michael Guiitez and Matthew Schildt of Trammel Crow Realty (TCR) to update the board on the Hotel VQ redevelopment. They indicated that Trammel Crow Realty plans to tear down the current Hotel VQ site and build 338 market rate luxury apartment units in a 5-6 story structure with above grade pre-cast parking garage. Zoning is CMX-12 and as such the developer is entitled to build up to 12 stories, but is only planning 5-6, significantly below the height limitation. The complex is targeted towards young professionals working downtown or in the Denver Technical Center that want to be in and around the downtown area or have adjacency to the area. TCR is requesting 3 easements-- an access easement, a no-build easement and a utility easement. The project will be comparable to the current Sky 2905 and the Alexan Broadway Station projects. Matthew Schildt said that TCR attended the Jefferson Park Neighborhood Association meeting on June 12, 2012 and presented the project. There was not a lot of feedback, but there was concern about on-site staffing and what type of management program will be in place. Matthew Schildt said the neighborhood association was happy to learn there will be up to six full-time staff members on-site at any given time. Other concerns from the neighborhood association included traffic concerns regarding trucks coming in and out of site and what potential impact that might have on the neighborhood. Matthew Schildt highlighted the access from I-25 off 23rd and stated their intention is to route construction traffic not through the neighborhood, but directly off I-25 onto the site, which was well received. Michael Guiitez of the Jefferson Park Neighborhood Association stated the other concern is what the traffic mitigation plan will be. Matthew Schildt stated that TCR is required by the City to produce a traffic study in the course of their site plan review. It has not yet been produced, but will be shared with the groups when it is produced.

TCR's goal is to be a good neighbor to the extent that their project creates a demand that requires another infrastructure in the neighborhood than what currently exists, and they are certainly open to carrying their amount of cost burden of whatever that may be once the study is completed. Michael Guiietz stated the Association is appreciative of Matthew Schildt's time and the possibility that further down the road there may be an opportunity for condos. Matthew Schildt stated he brought that up as an example of the quality of their product and typically when there has been a market for condo conversion, there are groups that have looked at their product for this type of transaction; however, one of the things requested by the Denver Broncos is a prohibition against condo conversions for the project. Ray Baker stated that from a timing standpoint, he assumes TCR will define this even further as they continue and had all comments back from the Denver Broncos. Craig Umbaugh stated it is a work in progress and the District and Stadium Management Company are meeting with TCR. Mac Freeman with Stadium Management Company posed the question that if people are coming in for the game or event, then how are residents going to get out? Mac said they don't see anything that cannot be worked out, but there are some details to be worked out and are working through them. Ray Baker requested that as information is distributed, the Jefferson Park Neighborhood Association is copied on everything that SMC and the District are doing to make sure the information is shared. Matthew Schildt stated that TCR is in the process of raising capital for the project and that process should conclude in the next couple of weeks. If that is concluded, TCR will increase efforts with the City in terms of moving through the entitlement process and Matthew will have more to share with the groups as they move through. Matthew Schildt said that TCR is currently using the access on Clay Street to create a taxi cab area or, if not that, then maybe convey the land rather than to provide an easement. Mac Freeman stated the taxi cab area has been discarded and the conveyance is more in line. Ray Baker requested that Councilwoman Shepherd and appropriate people at the City be updated. Ray Baker stated the District has never had a history of conveying property and may be reluctant to provide a conveyance of fee title.

Stadium Issues – RTD and Land Planning

Mac Freeman of Stadium Management Company stated the light rail station located just south of Sports Authority Field at Mile High will come on line in the Spring of 2013. To coincide with the south station, the City is developing a plan for the entire south area of the Stadium. Mac introduced Barbara Frommell from the Denver City Planning Office to present development plans to the Board. Barbara stated the City has a history of developing or enhancing neighborhoods with a new light rail station. With a new station being built, the City would like to be proactive and meet with property owners, business owners and residents to get a comprehensive idea on development opportunities. The City, Denver Housing Authority and City Council are all engaged and working to enhance the Sun Valley area. Major land ownership in the area is held by the Metropolitan Football Stadium District, Xcel Energy, Denver Housing Authority, RTD and the City totaling 80 acres of potentially developable land adjacent to downtown and the Riverfront and next to a light rail station. Barbara Frommell said that this opportunity does not exist anywhere else in the Metro area and the City considers this an important opportunity and has dedicated a lot of resources to this effort. The City received a

\$650,000 grant from HUD and the Department of Transportation for planning efforts in West Denver specifically related to transit oriented opportunities from the Federal Department of Housing and Urban Development and the Department of Transportation for this project. The purpose of the planning effort is to create a plan that is feasible from a market perspective that builds upon existing assets in the area and would set the stage for more resources to come into the area so that Phase 1 can start within the next 5 years. In terms of scope of work, the City is creating a station area plan with a long- term vision regarding land use, urban design mobility and connectivity, and economic development opportunities for the area that will be adopted by City Council and is essentially what the City uses to guide the decision making in re-zoning. Barbara Frommell also said that a study of the Colfax/Federal interchange is being undertaken to examine possible alternate configurations that would open up the land adjacent for development opportunities to improve connectivity to the area. A part of the study is extensive public outreach engaging residents, property and business owners. The study will also look at market analysis reports that will influence the plan, including looking at stadium districts around the country and entertainment districts associated with the stadiums to see what can be learned from them and the developmental patterns around them. The City will ultimately use this plan to request capital improvement dollars. The schedule is a two year process, and are currently six months into it and have another six - months of working on a stationary plan so there are still plenty of opportunities for discussion and feedback. The City is just now in the stage of showing concepts, and expect the stationary plan to be adopted in winter of 2012 and GDP would go through in the spring of 2013. In response to Ray Baker's question, Barbara Frommell stated that Kenneth Ho and Arlene Tanawaki are doing the market analysis.

Don Johnson asked Mac Freeman if the goals outlined match the goals and objectives of the team. Mac stated they do, and there was always the assumption by SMC that there would be development around the stadium, which would be a plus for everyone. Next, Meredith Wenskoski with Design Workshop showed concepts outlining the plan bringing together the riverfront, Lakewood Gulch and the stadium core as part of the planning effort and what needs to be enhanced. Ray Baker asked if the Greenway Foundation is part of the discussions, Barbara Frommell stated they are on the steering committee and are in full support. The "stadium core" will have a possible "festival" street going south of the stadium. This would possibly result in the realigning of streets to make more developable parcels. The plans would keep parking and the interchange would have development, but it's still in the planning stage and will have more information as they move forward. Roy Palmer asked to what level has the City engaged Xcel in the redevelopment project. Barbara Frommell stated that Xcel is very engaged and they have been working with Kirk Scheitler of Xcel who is on the steering committee. Barbara Frommell stated that there is an issue of a substation near the redevelopment site that must stay, but can be masked or screened. Roy Palmer noted he worked for Xcel and encouraged them to keep working with Kirk Scheitler but to contact him if he could be of assistance. Ray Baker asked about the perspective of the Denver Housing Authority. Chris Parr stated for the last ten years DHA has been looking at property such as this and has been redeveloping it into mixed income housing. The Sun Valley area with over 30 acres which is low density and very isolated is difficult to redevelop because there are

people living in this area. Ray Baker stated that economic development opportunities such as this and much like the LODO area will create jobs and that if this opportunity can activate full-time employment in any form, this would certainly help. Ray requested the District be kept informed regarding development and planning as it moved forward.

Ray Baker informed the board that negotiations continue regarding the parcel at 17th and Federal and possible acquisition by the District. Ray Baker said that he hoped the transaction could close by the end of July. Craig Umbaugh said that the price of \$1.82 million long has been agreed to but it was a matter of drafting and negotiating other terms. The Board authorized Ray Baker to execute such documents as necessary to effect the acquisition and upon a motion by Bob Bryant, seconded by Joy Burns was unanimously approved.

Capital Repair request

Andy Gorchov with Stadium Management Company presented the 2012-2013 capital repair request in the amount of \$606,311 to repair expansion joints, sealants and protective coatings, to complete unfinished vomitory traffic coating repairs and to protect concrete pedestals for steel structured support areas, replace club level seat pads, steel repair and maintenance. Stadium Management Company completed a steel assessment and will begin corrosion mitigation, curtain wall repair and repair some areas of the seating bowl where there is ponding water, carpet replacement on plaza level and concrete repair in various areas of the Stadium. A motion to approve this request was made by Jack Hilbert, seconded by Gene Ciancio, and unanimously approved.

Agenda Item 4:
Other matters - None

Agenda Item 5
Board comment

Agenda Item 6
Public comment

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 4:30p.m.

The next meeting is TBD.