

Minutes
Regular Meeting of the Board of Directors
METROPOLITAN FOOTBALL STADIUM DISTRICT
Tuesday, June 17, 2014

Board members present:

Norm Early	Gabe Fenton	Roy Palmer (via phone)
Gene Ciancio	Ray Baker	Joy Burns
Don Johnson	Jim Harrington	Jack Hilbert

Agenda Item 1:

Call to Order

On Tuesday, June 17, 2014, a meeting of the Board of Directors of the Metropolitan Football Stadium District was called to order at 11:02 a.m. by Ray Baker. As there was a quorum, the following business was conducted.

Agenda Item 2:

Approval of Minutes

A motion to approve the minutes of May 22, 2014 was made by Joy Burns, seconded by Jack Hilbert and unanimously approved.

Agenda Item 3:

2013 Audit

Matt Sugar gave a brief overview of the audited financial statements of the District. Matt introduced Jill Korenek, a partner of the JDS Professional Group who is the District auditor. Jill reviewed the audited financial statements and noted that the District received an "unmodified" or "clean" audit. Jill noted that overall, the audit process went very smoothly and JDS Professional Group sees no concerns from their perspective. Ray Baker stated that the board does look at internal controls very closely due to the small staff of the District and asked that JDS bring any suggestions on how to improve this to the board. Jill said that nothing came to their attention and they are not suggesting any significant adjustments at this time. Norm Early noted that the auditors had reviewed the audit with the Audit Committee.

Jack Hilbert asked where the District's reserve or maintenance fund was set forth in the audited financials. Jill directed the board's attention to the entry entitled "Current Restricted Assets: Cash and

Cash Equivalents.” After further discussion, a motion to accept the Audit was made by Jack Hilbert, and seconded by Norm Early, and unanimously approved.

Agenda Item 4:

VQ Hotel

Craig Umbaugh gave a brief introduction of Bill Pruter with Nichols Partnership and Derek Ahrens with Reality Capital Group, both of whom were present, to discuss their plans for the Hotel VQ site. They will be reconstructing the hotel into “Micro” apartments which are units of about 350 square feet each. The unit mix is still being worked out, but at the moment they are looking at a total of 177 units. The top floor will be converted into premium 2 bedroom units that will be around 800-900 square feet each. There will be a total of 7 of the premium two bedroom units on the top floor and the rest of the building will be the Micro units. Their target price point for rent on these units is around \$800-\$1000 per month. The VQ Hotel property is under contract at this time and they are set to close in October 2014. They anticipate 90 days of abatement and demolition on the hotel and the targeted construction start is January 2015, and a completion date of September 2015.

The land area in the perimeter north of the hotel, which also includes the existing garage, is around 145,000 square feet. They are planning the re-use of this area which will leave them with about 60,000 square feet of residual land for future development, which is still in the preliminary stages of planning. Bill and Derek discussed their request for certain easements between the District and SMC as owners of the VQ Hotel property regarding the parking structure. As this goes forward, they will need to work with all parties in regards to traffic and access to the parking. Bill also stated that they are amenable to specific wording in the leases for these units, in regards to the tenants’ understandings about stadium traffic, parking and game day noise, etc.

Roy Palmer and Jack Hilbert both asked about any potential issues with demolition and road closures affecting the stadium and the side streets. Bill stated that they are not expecting any issues at this time as it seems they have enough room on site for any demolition or clean-up.

There are currently around 150 parking spaces to serve the hotel, so they feel that parking will not be an issue. The plan is to keep the current parking structure and then potentially add on to it in the future. They will eventually need access to the second level of the parking structure for this future project and they will come back to the District Board and SMC with any requests as they move forward.

No action from the board is required at this time.

Agenda Item 5:

Renovation Wrap-up

Matt and Andy Gorchov reviewed a letter from Stadium Management Company (“SMC”) with the board detailing the close-outs of the renovation projects including the warranties and other documentation. The District and SMC have both fulfilled their financial commitments to these projects. The District contributed \$22,314,888 and the Broncos ended up spending over \$10 million dollars. Centerplate contributed an additional \$750,000 as well.

Chris Williams, who is with WJHW, one of the nation’s leading consultants on audio/video projects, who was retained for the project, joined the meeting via phone to discuss the administrative side of the close-out along with Andy. Andy stated the projects were concluded on time and on budget. Chris discussed the details of the installation of the video, scoring and LED displays. Chris feels that this is one of the best projects they have worked on and that they are very happy with the end result.

Jim Harrington asked when the next big renovation project is scheduled and Andy stated that even though technology is always changing and updating, they do not have any current plans for renovations at this time. Sprint, Verizon and AT&T are currently making a \$5 million additional investment into their on-site cellular system network which includes wi-fi. This particular project is ongoing.

No action from the board is required at this time.

Agenda Item 6:

Capital Replacement Request

Andy and Zach Myhra presented the board with their formal request for \$1,675,751 from the Capital replacement reserve fund for projects this year. The projects include expansion joints and concrete repair and a replacement of the building controls technology that controls all of the HVAC and mechanical systems of the stadium. The current HVAC technology is the original from when the stadium was built and is extremely outdated.

Zach introduced Josh Foerschler with Burns & McDonnell, who is a consulting firm that SMC has been working with for the last two years. Due to the age of the current systems, the stadium has been having issues with functionality and finding replacement parts is becoming impossible because of the age of the system. According to Josh, the control system should have been replaced four years ago and the software is several generations behind. They are proposing that they not only replace their current system, but that they also do advance work on some additional controls. There are approximately 500 pieces of equipment that do not have independent controls. In addition, this project will meter the building so that they are aware of exactly how much energy they are using. Their goal is to make the stadium more energy efficient. Burns & McDonnell have suggested these updates in order to run the stadium more efficiently. These improvements are expected to prolong the use of the system by about 15 years.

The stadium has also been working with Xcel energy in regards to these updates, and there is a possibility of receiving a rebate once the improvements are completed. Once the rebate is received, it would then be re-deposited in the capital replacement reserve account for future capital replacements.

Don Johnson asked what cost savings the stadium could expect with all of these updates. Josh explained that by just controlling the 500 machines that are not being currently monitored, there is an estimated \$300,000 energy savings per year. There was a discussion about the possibility of these savings being shared by the District and the Stadium so that the savings could go back into the capital account for future upgrades and improvements. SMC agreed to look into some ways to allocate these savings.

A motion to approve this capital replacement request was made by Joy Burns, and seconded by Don Johnson, and unanimously approved.

Agenda Item 7:

Colorado Sports Hall of Fame monument relocation project

Tom Lawrence, Director of the Colorado Sports Hall of Fame, gave a brief overview of the Colorado Sports Hall of Fame. The Hall of Fame is in its 50th year and had never had an actual space or museum until the completion of this stadium. The District donated part of their office space to the Hall of Fame and that is where it is currently located.

The Hall of Fame is removing the current pillars that are located around the stadium that display the names of past inductees. The cost of these pillars and their maintenance cost the Hall of Fame about \$10,000 a year. The Hall of Fame, along with SMC, decided to have one monument on stadium grounds that would have a list of all the past inductees. The proposed area is located at the southeast part of the stadium on the back wall of a building there. The panels will be brushed aluminum and etched and painted. There will be 50 panels going up now with room to expand for about another 20 years' worth of panels. The Hall of Fame has approved \$50,000 dollars towards this project which includes the removal of the current pillars. SMC has committed to cover any cost overruns of the project. The Hall of Fame is not requesting any monetary help from the District, but would like approval to move forward with this project.

A motion to approve the Hall of Fame monument relocation project was made by Norm Early, and seconded by Jim Harrington, and unanimously approved.

Agenda Item 8:

Comments from the Public

Jerry Olson, who lives in the Jefferson park neighborhood, addressed the board with his concerns with parking and the signs that are posted around the stadium and the surrounding neighborhoods during

game/event days. He thinks the signs are confusing and are not easy to understand. He has made a recommendation to Sean Mackin with the City of Denver, in connection with the stadium parking study. He would like the District's support with the recommendation of putting up variable message signs that would be put up at key points of entry around the area. The signs would need to include ticketing and towing information as well. He feels there is not enough clarity to the current signs.

Andy stated that since the building has opened, efficient parking has always been a goal of their traffic and management plan and that Jerry is correct that having cars towed does not lead to a good event experience for attendees. This is primarily an issue with city regulation. SMC does send out information to the surrounding neighborhoods with a calendar of upcoming events at the stadium and have parking information on their website. Andy and Matt have attended many meetings with the parking and management people. They have addressed these issues before with them, but they will definitely bring them up again at future meetings. A suggestion was made that JPUN make an official request to the city regarding the signage as well. The board asked Matt to continue to work with the neighborhoods on parking issues.

Agenda Item 9:

South Stadium Monuments

Craig Umbaugh presented a draft amendment to the agreement regarding the Ring of Fame monuments at the South end of the stadium. The monuments have been very successful and have become a popular attraction. The Broncos paid for the monuments, but the District approved the placement on the stadium property. The original agreement was approved for 24 monuments and that is the current number there now. The Broncos are adding three new members to the Ring of Fame this year and are considering additional monuments or works of art related to the Broncos. SMC is seeking the approval of the District to place these additional monuments since the original agreement defines the sculptures as only the original 24 monuments. The amendment would redefine the permitted works as the original 24 works plus any additional monuments, pillars or works of art related to the Broncos on the South end of the Stadium.

A motion to approve the amendment regarding the South end monument pillars was made by Joy Burns, and seconded by Jack Hilbert, and unanimously approved.

Agenda Item 10:

Comments from the Board

Matt let everyone know that he would be sending out a list with proposed Board of Directors meeting dates for 2014 and 2015. Please save these dates and let Matt know if you have any schedule conflicts.

Jack Hilbert informed the District that he will be stepping down as the County Commissioner for Douglas County as of July 14, 2014. He will continue on the District Board of Directors at least through the end of the year until Douglas County can make a decision regarding its appointee to the Board.

Agenda Item 11:

Adjourn

There being no other business, a motion to adjourn was made by Jim Harrington, and was seconded by Joy Burns and unanimously approved.

Next meeting is scheduled for Wednesday, September 17, 2014