

Minutes
Regular Meeting of the Board of Directors
METROPOLITAN FOOTBALL STADIUM DISTRICT
Wednesday, June 21, 2017

Board members present:

Ray Baker	Jack Hilbert	Jim Harrington
Roy Palmer	Joy Burns	

Agenda Item 1:

Call to Order

On Wednesday, June 21, 2017, a meeting of the Board of Directors of the Metropolitan Football Stadium District was called to order at 10:22 a.m. by Ray Baker. As there was a quorum, the following business was conducted.

Agenda Item 2:

SVED Update-Chris Parr

Ray Baker introduced Chris Parr from the Sun Valley Eco-District (SVED). Chris Parr reminded the board of the progress SVED has made thus far including the Sun Valley general development plan and the HUD grant they have received. SVED is still working with the City and its Public Works Department, and with civil engineers who are looking at the 13th Avenue realignment project. SVED has selected a pool of architects for the projects which include 750 units of housing. SVED's main goal is to make sure the neighborhood is reactivated and are focused on housing. Chris will continue to update the board of their progress at future board meetings.

No action from the board is required at this time.

Agenda Item 3:

Approval of Minutes

A motion to approve the minutes of April 12, 2017 was made by Jim Harrington, seconded by Jack Hilbert and unanimously approved.

Agenda Item 4:

2016 Audit

Ray Baker introduced Jill Korenek, a partner of the JDS Professional Group, who is the District's auditor. Matt Sugar informed the board that the Audit committee and legal counsel had recently meet and reviewed the 2016 audit, in detail. The Audit committee recommended acceptance of the audit to the board. Jill reviewed the audited financial statements and noted that the District received an "unmodified" opinion for the audit. Jill noted that they did not find any errors or fraud. Jill noted that the audit process went very smoothly and JDS Professional Group identified no concerns. Jill stated that there were no new accounting standards adopted during the year so the financial statements are similar to those from the prior year.

The Management Discussion and Analysis was also reviewed and approved by the board.

After further discussion, a motion to accept the Audit and to authorize the staff to file it with the appropriate state agencies was made by Joy Burns, and seconded by Jack Hilbert, and unanimously approved.

Agenda Item 5:

COLOTRUST

Matt Sugar provided a brief overview of COLOTRUST. COLOTRUST has been in existence since 1985. It is an organization that works with districts and governments within the state where government entities could take some of their funds and invest them in an account to receive more than the basic interest rate received from savings accounts. The Finance Committee members consisting of Jim Harrington, Gabe Fenton, and Don Johnson reviewed the options for investment.

Matt Sugar did note for Gabe Fenton, that Mr. Fenton had some real concerns about investing District funds. Mr. Fenton felt that the District should not take any risk. He also asked the District staff to explore other opportunities that were similar to COLOTRUST. The District did this and found that the banks cannot offer an investment program similar to COLOTRUST that allow us to remain in the constrain of State statue and remain daily liquid. After further review by the Finance committee, the committee majority decided to bring the recommendation to move forward with COLOTRUST to the full board for approval.

Jim Harrington discussed in further detail the minimum rate of return that we receive from banks. The rate of return with COLOTRUST is at least 50 basis points better than what is available through a bank (100 basis points equals 1%). Mr. Harrington also noted that as the Federal rate increases, so will the

rate of return we receive from COLOTRUST. COLOTRUST is AAA rated and the majority of the government entities in the state invest their money in COLOTRUST.

After further discussion, a motion to approve a resolution authorizing the MFSD to join with other Local Governments as a Participant in the Colorado Local Government Liquid Asset Trust in order to pool funds for investment was made by Jack Hilbert, and seconded by Joy Burns, and unanimously approved.

Agenda Item 6:

Stadium Update – Zach Myhra and Jay Roberts

Zach Myhra, Stadium Management Company, reviewed the Conditions Assessment that was conducted last summer, in which HNTB had assessed the stadium in all areas including the architectural and food service equipment. The assessment provides a fuller picture of the costs of maintaining the stadium over a 30 year time frame. Zach presented a projection that combines the assessments and the projects that should be needed for the repair and replacement. The projection broke down projections for the next five years and then progressed forward to the next 30 years.

The projected costs for repair and replacements for the next five years is as follows:

2018	13 million
2019	14.4 million
2020	12 million
2021	30 million
2022	11 million

Funding would run out in three years if all of the above recommendations were implemented. The board discussed items that are not considered to be critical to the stadium, but consist of more finished upgrades or equipment replacement. Jay Roberts, of SMC gave examples such as updating the suites and replacing the flooring in certain areas. These items do not affect business operations, however, they are items that will need to be addressed at some point. SMC's primary focus has always been the maintenance and repair of the building and its equipment to make sure the stadium is viable.

Zach mentioned that the assessment is a living document and will be continuously reviewed. There are items that are constantly changing, such as technology, which usually has an eight year window when it needs to be updated.

Zach pointed out that the second aspect of assessment was a comparison to other venues. This reflects the estimated cost necessary to stay competitive with other outdoor venues and is estimated to be 170 million dollars over a 30 year period. Zach stated that may be a little low considering some of the investments other teams are making. For example, a few of the newer stadiums are putting in Club levels on the field. In combination with the anticipated maintenance, over a 30 year period, it is estimated to be over 760 million dollars for overall costs for the stadium. The SMC and the District are

looking at this as a long term investment. Zach said important to note that the costs of new stadiums being built, are currently averaging between 2 to 3 billion dollars.

Ray Baker stated that the Capital committee has been meeting regularly with SMC to continually review this information. Jay Roberts added that there is not enough money currently coming in from SMC's rent to pay for 760 million dollars of upgrades. Ray noted a new naming rights partner for the Stadium would help offset some of the costs. Another option that is being considered is the creation of a special district to generate revenue from development around the Stadium. The alternatives being looked at include long-term land leasing. The committee will update the board as more information becomes available.

Jay Roberts discussed upcoming events at the stadium. The Metallica concert, which was June 7th, went very well with just over 54,000 people in attendance. Andrew McMahon in the Wilderness, is a small show on the Sports Legend mall on July 2nd. Expected attendance at this General Admission event is 2500 people. July 4th will be the annual Outlaws fireworks game. Gold Cup soccer on July 13th will feature Mexico versus Jamaica and El Salvador versus Curacao. Drums along the Rockies is on July 15th. The Global Dance Festival, which is an electronic dance movement, will be held to the south of the Stadium on July 21st and 22nd. They are expecting 10,000 people a day for this event. Guns & Roses are scheduled for August 2nd and Justin Bieber for August 12th, with pre-season football starting right after that. It is expected to be the busiest summer on record for the stadium.

Jay noted that the biggest project SMC is doing this summer is upgrading the Wi-Fi. At this time the project is moving along nicely and they expect it to be completed by the first pre-season game.

Agenda Item 7:

Comments from the Public—None

Agenda Item 8:

Comments from the Board--None

Agenda Item 9:

Other Matters

Agenda Item 10:

Adjourn

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

Next meeting is scheduled for Wednesday, September 20, 2017.