

Regular Meeting: Lowell Village Metropolitan District Board of Directors

Date: 11/16/23

Time: 9:00 a.m. – 10:00 a.m. Mountain Time

Location: Virtual meeting.

- Via phone (audio only): 415-594-5500, 854-558-718#
- Via internet-connected device (audio and video): <https://tinyurl.com/yx36tsdz>

MINUTES

Directors Present:

- Rob Breeden
- Jamie Shapiro
- Kylee Marshall
- Jeremy Nelson

Directors Absent:

- Chris Dutton

Also Present:

- Shelly Dackonish (Legal Counsel to the District)

Call to Order

Director Nelson called the meeting was called to order at approximately 9:04 a.m. Mountain Time.

C.R.S. Disclosure(s)

- 1) Per C.R.S requirements, Director Nelson has disclosed to the Colorado Secretary of State and the District Board the following:
 - a. Jeremy Nelson is the manager and sole member of Downtown Grand Junction REgeneration LLC (“REgeneration”) registered in good standing with the Colorado Secretary of State that owns at least 20% of the undeveloped land in the District boundaries.
 - b. REgeneration is the developer of Lowell Village Townhomes (ground-up residential construction) and Lowell School (historic preservation and adaptive reuse) projects.
 - c. REgeneration may be party to and/or a financial beneficiary of contractual agreements between: a) the District and REgeneration (e.g., a public improvements acquisition and reimbursement agreement) and/or b) the District and 3rd parties (e.g. a debt financing instrument for infrastructure construction).
 - d. For all District board agenda items where the REgeneration is a party to and/or a financial beneficiary of a contractual agreement being considered for potential execution by the District, Jeremy Nelson has and will: a) refrain from participating in board discussions in a manner that may influence the decision on the item and b) recuse himself from voting on the item.

Discussion: N/A as this was an informational item only.

Action: N/A as this was an informational item only.

Public Comment

- 2) An opportunity for any member of the public to *comment* to the board regarding items on the meeting agenda and/or items not on the meeting agenda. The allotted time for public comment will be 3 minutes per individual commenter, unless otherwise shortened or lengthened by a majority vote of the board. The public comment period is *not* intended to be used for Q & A or back-and-forth dialogue with the board. Members of the public may also communicate with the board via email (info@lowellmetro.net) or phone (970-422-1548). Any public comments or questions received via email or phone subsequent to the last board meeting will be reviewed and discussed by the board members during this agenda item for potential follow-up action(s) as the board may deem appropriate.

Public Comment:

- A written public comment submitted on 11/16/23 at 8:09 a.m. by 08.lovers_oboist@icloud.com (no name or city of residence was provided) was read into the public record verbatim as follows: “Hopefully the board can consider instead of continually accepting promissory notes from the developer that they rather encourage the developer to actually develop the metro district. The easiest way to improve the finances of the district is to actually build new property which will bring in property tax revenues.”

Discussion: None.

Action: N/A as this was an informational item only.

Approve Minutes from Previous Board Meeting(s)

- 3) Consider for approval the [10/18/23 board meeting minutes](#).

Discussion: None.

Action: Directors approved the minutes of the 10/18/23 board meeting by a vote of 4-0

In Favor: Breeden, Marshall, Nelson, Shapiro

Opposed: None

Abstained: None

District Manager Report (Informational Item)

- 4) None scheduled.

Governance Items

- 5) None scheduled.

Administrative Items

- 6) None scheduled.

Budget and Finance Items

- 7) Discuss and potentially approve a payment to the City of Grand Junction in the amount of \$2,400 as District revenues allow as reimbursement for an [invoice](#) sent to the City by the City contractor's Alpine Tree Service to remove a City-owned tree in the City-owned right of way as the City's contractor was directed to do by the City Forester. Grand Junction Municipal Code allows for the City to charge tree removal costs to any party whose activity caused the City Forester to determine – at his sole and absolute discretion – that a City-owned tree in a City-owned right of way should be removed. Payment shall be made from District's 2021 municipal bond proceeds as this cost was incurred during construction of the District's bond-funded Lowell Village Townhomes Phase 2 horizontal infrastructure project.

Discussion: Director Nelson provided an overview of the context and key terms of the item and stated that he would be voluntarily recusing himself from voting on this item to avoid any perceived conflicts of interest. The board discussed the item at length, including several potential actions the board could take and the pros and cons of each possible action. The board also asked questions of and received input from the District's legal counsel. The board requested that District's legal counsel reach out to the City Attorney to request the City provide an invoice for reimbursement addressed to the District to serve as the legally-required documentation for any significant expenditure of District funds.

Action: By a vote of 2-1, the Directors approved a \$2,400 payment to the City of Grand Junction for reimbursement of the City's 2022 tree removal costs that were incurred in conjunction with the District's infrastructure construction project, contingent on two conditions: 1) payment for this bond-eligible development cost shall only be made from the District's 2021 muni bond sale proceeds bank account and 2) payment for this development cost shall be initiated only after the City has provided an invoice addressed to the District.

In Favor: Marshall, Shapiro

Opposed: Breeden

Abstained: Nelson (recused)

- 8) Review the [2024 Proposed Budget](#) and consider for adoption [Resolution 2023-04](#) to:
- Set the mill levy for the 2024 calendar year.
 - Authorize mill levy certification to Mesa County Board of Commissioners for the 2024 calendar year.
 - Approve the proposed annual budget for the 2024 calendar year including appropriation of certain sums of money.

Discussion: Director Nelson provided an overview of the highlights of the 2024 Proposed Budget and clarified that since Prop HH was defeated at the November ballot there had been no changes to the budget since it had been submitted to the board on 10/14/23 and had appeared on the agenda of the 10/18/23 board meeting. Director Nelson further stated that he would voluntarily be recusing himself from voting on this item to avoid any perceived conflicts of interest. The board discussed the 2024 Proposed Budget at length, including a comparison of specific line items in previously-adopted budgets from the past 3 years. Director Nelson answered questions from the board regarding specific line items in the 2024 Proposed Budget in the context of previous years' increases in the District's contracted service costs. Director Nelson explained that the primary drivers of the District's increased service costs in the past few years were: a) the expansion of the District's service obligations beginning in 2022 due to the inclusion of the Lowell School into the District in December 2021 (which also dramatically increased the District's property tax revenue), b) the significant and widespread inflation experienced in 2021 and 2022 which resulted in higher pricing from almost all of the District's contractors, c) a few unavoidable changes from 2020 to 2022 in specific District contractors (e.g. landscape maintenance and trash/recycling pick-up) that resulted in higher service costs (but better service levels and responsiveness to constituent maintenance requests) and d) the District's large and unexpected increase in legal fees in 2022 and 2023 due to the City's criminal charge against the District's authorized agents for allegedly "injuring a public tree or shrub" in conjunction with the District's townhome infrastructure construction project in 2022. Director Nelson stated that the 2024 Proposed Budget had "baked in" the previous years' increases in the District's service costs, but also projected a small reduction in the District's 2024 service costs. Director Nelson further stated that the small reduction in the District's 2024 service costs was anticipated from the continuation of efforts to negotiate cost efficiencies/savings with District contractors wherever possible and the reduction in the District's legal fees predicated on the resolution of the "injuring a public tree or shrub" matter in early 2024. Director Nelson provided an overview of the District's likely budget outlook in the next few years and noted that the next reassessment of property values will occur in 2025 with property tax revenue increases accruing in the 2026 budget year. The District's legal counsel advised the board of her opinion that Director Nelson did not need to recuse himself from voting on this item unless the board directed him to do so.

Action: By a vote of 4-0, the Directors approved Resolution 2023-04 to set the 2024 mill levy, authorize certification of the 2024 mill levy, and approve the 2024 Budget.

In Favor: Breeden, Marshall, Nelson, Shapiro

Opposed: None

Abstained: None

- 9) Consider for approval a [Promissory Note](#) with Downtown Grand Junction REgeneration LLC in the not-to-exceed amount of \$12,000 as contemplated in the 2024 Proposed Budget.

Discussion: Director Nelson provided an overview of the context and key terms of the Promissory Note, clarified that there had been no changes to the Promissory Note since it first appeared on the agenda of the 10/18/23 board meeting, and stated that he would voluntarily be recusing himself from voting on this item to avoid any perceived conflicts

of interest. The board discussed the purpose of the Promissory Note in the context of the 2024 Budget that was approved under the previous agenda item.

Action: By a vote of 3-0, the Directors approved the Promissory Note with Downtown Grand Junction REgeneration LLC.

In Favor: Breeden, Marshall, Shapiro

Opposed: None

Abstained: Nelson (recused)

Other Business

10) None scheduled.

Adjourn

Director Nelson adjourned the meeting at approximately 10:21 a.m. Mountain Time.