

LOBO DEVELOPMENT

PARTNERSHIP + INVESTMENT + COMMUNITY

Minutes of the February 14, 2017 Annual Meeting of the Board of Directors

Board Members Present: Jack Fortner, *Chair*; Marron Lee, *Vice Chair*; Chris Vallejos, *Secretary/Treasurer*; Louis Abruzzo; Stephen Ciepiela; Chaouki Abdallah; Paul Krebs

Board Members Absent: Maria Griego-Raby, David Harris, Paul Roth

Also present: Keelie Garcia, Tom Neale, Harry Relkin, Kim Murphy, Trevor Hatchell (CBRE), Amanda Velarde (CBRE)

MINUTES

- I. Call to Order
 - a. Jack Fortner, Chair, called the meeting to order at 2:00 pm in the UNM Student Union Building, Acoma A & B rooms, Albuquerque, NM.
 - b. Chair Fortner established that a quorum was present.

- II. Approval of 08/26/16 Minutes
 - a. Draft Minutes of the August 26, 2016 meeting were presented. A motion to approve the 08/26/16 Minutes was made by Marron Lee with a second by Stephen Ciepiela. All agreed.
 - b. **RESOLVED: The Board unanimously approved the 08/26/16 Meeting Minutes as presented.**

- III. Financial Report
 - a. 1st & 2nd Quarters, FY 2016-17 Financials
 - i. Chris Vallejos reported on the 1st and 2nd Quarters Financials for fiscal year 2017. Included in the Board packets were Balance Sheets and Profit & Loss Statements. There was an income loss in the first quarter due to the Lobo Village 6-year rent payment clause. He reported that the overall net income was (\$472,391). Cash was at \$3,425,233 between two bank accounts, Compass Bank and UNM.
 - ii. No questions or comments.
 - b. FY 2015-16 Final Audit
 - i. Chris Vallejos reported that the audited financial statement for fiscal year 2016 is included in the Board Members' packets. There were no findings this year.
 - ii. No questions or comments.

- IV. Non-Positional Board Member Nomination
 - a. Marron Lee nominated Erica Jorgensen to fill the vacant non-positional Board Member position.
 - b. A motion to accept the nomination of Erica Jorgensen as a non-positional Board Member was made by Marron Lee with a second by Chris Vallejos. No discussion. All agreed.

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- c. **RESOLVED:** The Board unanimously approved the nomination of Erica Jorgensen as a non-positional Board Member.

V. CBRE – Marketing Vacant Land

- a. Tom Neale introduced Trevor Hatchell and Amanda Velarde of CB Richard Ellis (CBRE). Lobo Development has engaged CBRE to list the land on South Campus. They are actively marketing the sites.
- b. Trevor Hatchell provided a handout and explained that they have been actively marketing the land and have been in discussions with possible tenants. There are 13 tracts on the market. They are focusing on a large anchor for the gross receipts tax. He continued to discuss their efforts via the handout.
- c. Amanda Velarde reported on the 2016 commercial real estate trend in Albuquerque. She explained that several “big box” retailers have closed in Albuquerque, i.e., Macy’s, Albertsons, OfficeMax, etc. She continued to discuss the trend.
- d. Discussion ensued.

VI. Project Updates

- a. UNM Sports & Entertainment District
 - i. To be discussed in Executive Session
- b. South Campus TIDD
 - i. To be discussed in Executive Session
- c. Lobo Baseball Clubhouse
 - i. Tom Neale reported that construction was completed in December 2016 and Lobo Development closed out the project with the developer. The original project budget was \$2,168,000. There were change orders to upgrade the lockers, fix some structural problems, which increased the budget to \$2,315,000. There was \$192,000 of gift-in-kind donations, so the total final cost was \$2,100,000. Lobo Development paid Grady’s entity \$2,100,000 with a \$1,000,000 internal loan from the UNM Foundation at 3.75% interest, Athletics raised \$884,000 in donations, and Lobo Development advanced approximately \$238,000. The \$238,000 is being reimbursed from state appropriations. There will be \$140,000 left over from the state appropriations. EVP Harris has directed Tom to use that money to buy down the loan with UNM Foundation. The rent payments from Athletics will be reduced based upon the new loan amount.
 - ii. Discussion ensued on the pros and cons of the format of the project.

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Executive Session

1. Chair Fortner requested a motion to close the meeting and proceed in Executive Session. Motion made by Marron Lee with a second by Stephen Ciepiela. All in favor. Meeting was closed at 2:42 pm.
2. Discussion and determination, where appropriate of potential purchase, acquisition or disposal of real property pursuant to Section 10-15-1H(8), NMSA (1978).
3. Discussion and determination, where appropriate, of limited personnel matters pursuant to Section 10-15-1.H(2), NMSA (1978).
4. Chair Fortner requested a motion to reopen the meeting. Marron Lee made a motion to reopen the meeting with a second by Stephen Ciepiela. All in favor. Meeting was reopened at 3:09 pm.

Certification that only those matters described in Item 2 and 3 above were discussed in executive session and, if necessary, ratification of actions, if any, taken in executive session.

VII. Action Items from Executive Session, if any

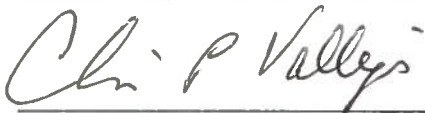
- a. None

VIII. Adjournment

- a. Meeting adjourned by Chair Fortner at 3:10 pm.

Minutes prepared from recording by Keelie Garcia.

Approved by Board of Directors: July 13, 2017



Chris Vallejos, Secretary/Treasurer