

# LOBO DEVELOPMENT

PARTNERSHIP + INVESTMENT + COMMUNITY

## Minutes of the June 5, 2019 Meeting of the Board of Directors

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Board Members Present: Stephen Ciepiela, *Vice Chair*; Chris Vallejos, *Secretary/Treasurer*; Louis Abruzzo; Maria Griego-Raby; Craig White; Dr. Paul Roth; Dr. Garnett Stokes; Kim Sanchez Rael; Eddie Nunez; Rick Siegel

Board Members Absent: Marron Lee, *Chair*

Also present: Keelie Garcia, Kim Murphy, Tom Neale, Harry Relkin, Dale Dekker

### MINUTES

#### I. Call to Order

- a. Stephen Ciepiela, Vice Chair, called the meeting to order at 1:35 pm in the UNM Science & Technology Park Executive Conference Room, 851 University Blvd SE, Suite 201, Albuquerque, NM.
- b. Vice Chair Ciepiela established that a quorum was present.

#### II. Approval of 03/01/18 & 03/29/19 Minutes

- a. Draft Minutes of the March 1, 2019 and March 29, 2019 meetings were presented. A motion to approve the Minutes as presented was made by Maria Griego-Raby with a second by Louis Abruzzo. All agreed.
- b. **RESOLVED:** The Board unanimously approved the March 1, 2019 and March 29, 2019 Meeting Minutes as presented.

#### III. Nomination and Election of Chair

- a. Dr. Paul Roth asked for clarification on the agenda. He noticed the agenda stated the Chair position as "vacant." He believes that Regent Lee is still the Chair until the Annual Meeting.
- b. Craig White asked Keelie Garcia to address the "vacant" Chair position. Ms. Garcia summarized an email from Lobo Development Corporation's corporate attorney, Randy McDonald. According to the initial Bylaws, prior to the change on March 29, two Regents are appointed to the Lobo Development Board – one Regent and another who is the Chair of the Finance & Facilities Committee. Regent Lee was the Chair of the F&F Committee and when she was no longer Chair of the F&F Committee that took her off of the Board. Regent Brown reappointed her to the Board but not as Chair.
- c. Dr. Roth pointed out that the Regents do not appoint the Chair to the Board. The Board appoints the officers. As a point of order, and since Regent Lee is still a member of the Board, she should remain Chair of the Board.
- d. Vice Chair Ciepiela reported that he was appointed as Chair of the Bylaws Subcommittee. In reviewing the Bylaws, it says that an Annual Meeting will be held within 60 days of the close of the fiscal year. At its Annual Meeting, the Board shall elect one of its members as Chair of the Board and another as the Vice Chair. The Bylaws were approved by the Regents on 10/06/2007. This current meeting is not the Annual Meeting, so a Chair cannot be elected today.
- e. Ms. Garcia told the Board that Regent Brown asked for the election on the next agenda, which would be today's meeting.

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- f. Vice Chair Ciepiela stated that he is Vice Chair of the Board and the Bylaws say it cannot be done.
- g. Dr. Roth noted that it is important to remember the firewall that is supposed to exist between Research Park Corporations and the rest of the University. If that firewall becomes permeable, we eliminate that corporate veil that protects the corporation and it could have far-reaching implications on the integrity of the corporation. So, while he understands Regent Brown's direction, we need to be careful about how we conduct our business. He agrees with Steve that this cannot be done right now. The Bylaws are the Bylaws and if we violate them, we risk the integrity of the corporation.
- h. Ms. Garcia gave Dr. Roth a copy of the attorney's email. Dr. Roth stated that he does not agree with the lawyer.
- i. President Garnett Stokes explained to the Board that she does not believe that Regent Brown entirely understood the fact that this Board actually elects the Chair of this Board. She and Regent Brown talked this morning. However, what she did not know in her conversation with him was that the Chair turnover occurs at the Annual Meeting. Based on her conversation with him, she believes that he would not have made that request had he known about the Bylaws.
- j. Rick Siegel asked if this agenda could be amended to add Marron's name to "Chair" and republish the agenda.
- k. Dr. Roth believes there are two issues; one is to address the action item on the agenda, and the other is to edit the document to show the vacant Chair position as Marron Lee, Chair.
- l. Maria Griego-Raby stated that she is familiar with the Bylaws and has been on the Board long enough to recognize and to witness that as the wind would blow and Regents would change, the person in the Chair position would change and it was never at 60 days after the fiscal year. Ms. Griego-Raby appreciates that fact that the Board is trying to follow the Bylaws but at the same time, it has not been practicing that for a very long time.
- m. Vice Chair Ciepiela does not think that because the Board has not been practicing it, that we should not practice it. Bylaws are Bylaws and there is a reason for the Bylaws.
- n. Kim Sanchez Real asked that the Board accept the agenda as presented with the exception of deleting item number three. A motion to accept the agenda as presented with the exception of deleting item number three was made by President Stokes, with a second by Rick Siegel. All agreed.
- o. Ms. Garcia confirmed that the change will be made and the agenda will be republished by the end of the day.
- p. Eddie Nunez asked about the issue of the appointment of a President. Vice Chair Ciepiela explained that it is confusing to have a Chair and Vice Chair and then a President and Vice President. The Bylaws committee intends to look at the issue.
- q. Chris Vallejos explained that the election of officers is for the Board of Directors and the appointment of a President and Vice President is for the corporation. We are waiting on that until we resolve our change in leadership from David Harris. The President of the Corporation was David Harris and the Vice President was Paul Krebs. Both have since left the University and Chris is the standing officer of the corporation. He also wanted to point out that, on the subject of Bylaws, we have missed one of our annual meetings because of transition. He suggests the Board



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get back in sync with having quarterly meetings and the annual meetings so we can conduct business.

- r. No other questions or comments.
- s. **RESOLVED:** The Board unanimously accepted the Agenda as presented with the exception of deleting item number three.

### IV. South Campus Masterplans – 2007 to date

- a. Kim Murphy explained that Dale Dekker of Dekker/Perich/Sabatini (DPS) is in attendance to answer questions about the masterplans. Mr. Murphy reported that they touched on this subject at the end of the March 1 meeting, so he wanted to bring it back to elaborate and provide more information on the role of the masterplan and how it relates to the TIDD project. He provided several documents to the Board in addition to the binders he gave out prior to the meeting.
- b. Mr. Murphy continued to explain that in discussing compliance with the masterplan, it means three different perspectives, one are the goals, another is the land use itself, third is planning and development objectives. There are specific recommendations based on geographic areas. Mr. Murphy recited information from the handouts to provide relevance to the masterplan. In addition, he stated there have been additional guidance documents for the masterplan over the years. He continued to recite from the handouts. The South Campus placemaking plan done in 2010 is a very important document; it provides context for specific development. The other relevant document is a document that outlines development regulations. With the overall perspective of the masterplan and additional guidance documents, we have a good handle on how to deal with specific development proposals. As the TIDD project moves forward, the documents will be adjusted to specific needs. The intention is to ground lease all the property on South Campus for specific uses or even a master developer. When we do ground leases, we always retain use control, conceptual plan control and review specific construction drawings to make sure they are consistent with the plans. It's through all for these documents that will ensure the proper character for the development on South Campus.
- c. Dale Dekker explained the history of UNM South Campus from 1960. He mentioned how Molzen Corbin redid the Pit and DPS was hired in 2009 to redo the masterplan as a big picture land use. South Campus was meant to be a mixed-use area. 2011 was a big year for opportunities in South Campus with athletics growing and student housing in place. Dale is a huge supporter of the TIDD and believes it will be a great opportunity to create a district that can compete with any other sports district in the United States.
- d. Mr. Murphy explained that he met with Interim SVP Craig White and Athletics Director Eddie Nunez to review the plan. A few commercial spaces were eliminated per Eddie's request and a few corrections were made. He also heard Eddie's overall concerns about traffic management. He thinks the TIDD will provide a really good opportunity for financial resources to look at those things to propose solutions and will allow this development to develop in a way to enhance the fan experience.
- e. Kim Sanchez Real asked about input from CNM or any other major neighbors in the area. Mr. Murphy explained that they have had a few conversations with CNM. CNM has some commercial

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development that they are contemplating north of us. He further explained that one of the reasons we are here today is to that we can really expose all of the hard work that has been created over the past few months to a wider audience, with the Board's authorization, such as the neighborhood associations, to inform them about the details of what we are thinking about doing and get their input.

- f. Ms. Rael asked for a high level timing of the TIDD masterplan. Mr. Murphy explained that the crucial time frame is with the City of Albuquerque. They are the ones that actually create the district. Once the district is created, then we can go and seek participation from the state and Bernalillo County. The objective is to be able to share this information with the City. It has been developed in a way that is consistent with what is called their "TIDD Ordinance," which says, in part, that the administration can make a recommendation to the City Council to adopt a non-binding resolution for its intent to create the district. We have all those materials in place to make that happen. We are anticipating that this would be a good next step that would allow both the administration and the City Council to help set those time frames and set those objectives of interfacing with our neighbors, as well as address any other issues that either the administration or City Council feels are important. They can say, through that resolution, "these are the other things we want you to look at before you come back with a formal application." He is very hopeful that it can be done this calendar year (go through the process and get full approval).
- g. Maria Griego-Raby asked for clarification on whether the masterplan would need to be updated to support or to guide the TIDD. She asked for an explanation of the plan for the masterplan. Mr. Murphy responded by saying that he does not believe that the South Campus masterplan needs to be updated. The land uses are very similar to what is being proposed. Once the TIDD land use plan is finalized, with the City's input, then the masterplan could be updated to include this plan. He explained that he will not jump over this Board's or the Regents' input. Ms. Griego-Raby stated that the masterplan is a living document and the fact that it is dated 2011 and we are in 2019, it's time for us to make sure we are updating it. She's not sure there are appropriate measures and policies as to who is the caretaker, how it is updated, who looks at it, how we reference it, how do we use it, etc. This project, capital projects should reference the masterplan. Chris Vallejos responded that the overall masterplan lives with the University Architect. The HSC masterplan plugs into the overall masterplan and the Athletics masterplan plugs into the overall masterplan as well. Ms. Griego-Raby would like the University Architect invited to the Board meetings so she can provide input.
- h. Dr. Roth stated that the need for a master facility plan has been discussed in this Board for a while and he agrees with what Dale, Kim, Tom, and Harry have been doing, but the process is important. Usually, the concept starts with a president and then goes to the Regents for approval. HSC did an RFP for a master facility plan that was supposed to be phased in. He thinks it would be helpful to see how the South Campus facility plan relates to that. He wants Mr. Murphy to ask the Board what strategic questions they have for a more defined plan. What about lighting, number of stories, etc. We haven't had that discussion and what about the image. Dale Dekker explained that the 2009 plan set the stage for the 2011 plan. The guiding documents do set up and address



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many of the issues discussed. Any other specific issues would have to come back for approval. The TIDD allows for a master plan and economic plan for the University.

- i. Rick Siegel explained that within the documents, it explains what might go where. Eddie Nunez stated that the regulations documents are something the Board should continue to look at because they do talk about the actual facility, signs, etc. Mr. Siegel asked Mr. Murphy about the fact that once the TIDD is submitted, we have more control over it than the City. Mr. Murphy responded by saying yes, it is correct. The City's role is to manage the financial aspect of the district. They are the ones that collect the revenue and disperse the revenue and make sure that they are getting the revenue they are entitled to. They approve the expenditure or reimbursement for public infrastructure, so the types of public infrastructure that are subject to either direct investment or reimbursement are contained in the development plan. They don't dictate what has to be built.
- j. Mr. Murphy added that the City does not have jurisdiction over University land. That has been well established in New Mexico courts. LDC does not have to go through City processes. We do have to submit our subdivision and infrastructure plans to the City because they will have to accept it for maintenance. The city will have some input on what happens with the overall plan.
- k. Louis Abruzzo asked, other than the cost and the effort to move forward and have the TIDD implemented so it's available for opportunities, what's the downside. Mr. Murphy explained that there is no down side. They have been very prudent in how they have handled the expenditures for the consultants. They have received strong indications from the City Councilors that they favor this. Getting this nonbinding resolution from the City Council opens up the door to other City Councilors that may be interested. He thinks they will be able to get the resolution adopted which provides specific guidance to how we need to prepare the final documents for their approval. Harry Relkin explained that they have had conversations at very high levels in the City administration who were in favor of it.
- l. No other comments or questions.

### V. South Campus TIDD Update

- a. Kim Murphy reported that they have engaged third party consultants in order to put together and provide all the material for the submittal to the City called the "Preliminary TIDD Application Outline." Mr. Murphy provided a copy of the documents to the Board. He explained that now is the time to share the information with the city. The MOU says the city and UNM will work collaboratively on this project. This is still draft. They will get input from the city. Ultimately, when they get a final product, post- the nonbinding resolution, they will come back to this board for a formal recommendation to the Board of Regents and then they will go to Regents to seek approval. Then they will go back to the City and be ready to be heard by the Council.
- b. Mr. Murphy recited from the documents provided.
- c. Kim Sanchez Rael asked if the Board of Finance has authority for this. Harry Relkin explained that yes, it is the Board of Finance and the Legislature. They are hoping to get the district created this calendar year so we can count on the City's and County's involvement. It may not be possible to

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get to the Legislature in 2020. But they can go to the interim committees during the summer. Ms. Rael explained that there may be groups down the road that oppose this.

- d. Kim Murphy asked for a recommendation to move forward, no formal action is necessary. Dr. Paul Roth recommended moving forward and to brief the Regents in August or September. Vice Chair Ciepiela asked for any objections. There were no objections.
- e. No other questions or comments.

### VI. Tenant Improvement Project/AIMS Expansion at 933 Bradbury

- a. Tom Neale explained that he is before the Board seeking approval for a tenant improvements project at 933 Bradbury on behalf of AIMS. He went to the Board last spring and asked for approval of a \$1.5m loan to fund construction within 1009 Bradbury, a possible suitable location. However, they went through a feasibility process and it did not turn out to be feasible. It was too costly to expand AIMS at 1009. The ultimate goal is to consolidate them into one location for operational purposes and security of the students. Through the feasibility study, the hospital decided to vacate part of 933 Bradbury. He is asking the Board to reauthorize those funds. The property is owned by Lobo Development, so he is asking for the Board to approve Lobo Development build out the tenant improvements associated with AIMS expansion and then the Real Estate Dept., through a revised rental agreement, will amortize the costs of those improvements and pay back Lobo Development. He is asking for the same terms as last time, 15-year amortization period, 3.0% interest rate and \$1.25m, with a balloon payment due in year 10. He is asking that Lobo Development procure and manage the tenant improvements, and then be reimbursed by the Real Estate Dept. through a modified lease structure.
- b. Gloria Chavarria Bencomo reviewed the project with the documents provided to the Board.
- c. Tom reminded the Board that construction has not begun. He is waiting for approval. This is dependent upon getting the lease done for the hospital. Nothing can be done until the lease is done and the hospital staff moves out. Until it is signed, it is not a done deal.
- d. Dr. Paul Roth asked for clarification that because Lobo Development is a Research park Corporation, it does not need to go to the State Board of Finance for approval. Tom agreed.
- e. A motion to approve the Tenant Improvement Project / AIMS Expansion at 933 Bradbury was made by Dr. Roth, with a second by Craig White. All agreed.
- f. **RESOLVED: The Board unanimously approved the Tenant Improvement Project / AIMS Expansion at 933 Bradbury.**

### Executive Session

1. Vice Chair Ciepiela requested a motion to close the meeting and proceed in Executive Session. Motion made by Eddie Nunez with a second by Dr. Roth. All in favor. Meeting was closed at 2:55 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).

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4. Vice Chair Ciepiela requested a motion to reopen the meeting. Dr. Stokes made a motion to reopen the meeting with a second by Louis Abruzzo. All in favor. Meeting was reopened at 2:57 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. Next meeting

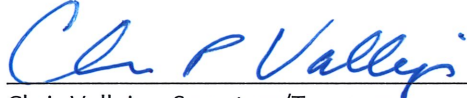
- a. TBD

IX. Adjourn

- a. Vice Chair Ciepiela made a motion to adjourn the meeting at 2:58 pm with a second by Dr. Stokes.

Minutes prepared from recording by Keelie Garcia.

Approved by Board of Directors: August 15, 2019



Chris Vallejos, Secretary/Treasurer