

**Stapleton Development Corporation
Board of Directors
June 27, 2013
7:30a.m.
7350 E. 29th Avenue, Suite 300
Denver, CO 80238**

Agenda

- | | |
|---|-----------------------------|
| I. Approval of May 23, 2013 Minutes | King Harris |
| II. Chairman's Report | King Harris |
| III. Financial Report | Rick Gonzales |
| IV. 2012 Audit Report | Rick Gonzales |
| V. Entry Level Housing | John Lehigh / Lisa Hall |
| VI. Management Report | Cheryl Cohen-Vader |
| VII. CAB Report | Khadija Haynes / David Netz |
| VIII. City Updates (Denver, Aurora, CC) | |
| IX. Updates from Other Stapleton Related Entities | |
| X. Questions & Comments from Written Reports | |
| XI. Feedback from the Board Members | |
| XII. Public Comment | |
| XIII. Executive Session | |
| XIV. Adjourn | |

***The next SDC Board meeting is scheduled for
Thursday, July 25, 2013 @ 7:30am.***

TABLE OF CONTENTS

1. MINUTES

2. FINANCIAL REPORTS

3. MANAGEMENT REPORT

4. FOREST CITY REPORT

**5. STAPLETON FOUNDATION
REPORT**

6. WORK FORCE REPORT

7. MISCELLANEOUS

INSERT UNDER TAB #1

**Stapleton Development Corporation
Board of Directors Meeting
May 23, 2013**

Board Members Present: Nadine Caldwell, Happy Haynes, David Hart, Michael Kearns, Chris Kramer, Kevin Marchman, Stephen Miller, John Moye, Justin Ross, Terry Whitney

In Attendance: Cheryl Cohen-Vader, Bar Chadwick

Meeting called to order at 7:37 a.m. by Vice Chairman Kevin Marchman

I. April 25, 2013 minutes approved as presented.

II. Financial Report

Rick Gonzales gave the Financial Report for all activity through April 30, 2013. The Organization is operating within Budget. **A motion to accept the Financial Report was made and properly seconded. Motion passed.**

III. Management Report

Cheryl Cohen-Vader provided a written report that was included in the Board packet.

IV. Special Presentation – Forest City Stapleton, Inc. – Lee Ferguson

Lee Ferguson provided a brief overview of Forest City's newest neighborhood, Conservatory Green, that is being built just north of the Northfield shopping area.

V. City of Aurora

Nadine Caldwell gave the Report. Possible issues related to the portion of the light rail that will run through Fitzsimmons have surfaced. The proposal is to move the line from Montview to Fitzsimmons Pkwy.

VI. City of Denver

Bar Chadwick gave the Report. CCD is working with Commerce City regarding the realignment of 56th Avenue. Good meetings as well as progress. CCD also decided that going forward Forest City may name the parks located in the development as they like.

VII. Board Member Comments

Happy Haynes commented that the DPS Board of Education voted to move the McAuliffe IB School program to the Smiley school campus in Park Hill in the 2014-15 school year. Conversations continue regarding the future of Ashley campus.

Justin Ross commented that SDC must continue to be mindful of its legacy. Conversations regarding Affordable Housing and discussions regarding solutions must be a priority. Ms. Cohen-Vader proposed that the board have a work session on affordable housing to allow more discussion on the matter. Possible dates will be circulated to board members

DRAFT

Next month Forest City will provide a presentation on housing models that start in the \$200,000 range.

Adjournment

Meeting adjourned at 8:58 A.M.

Minutes prepared by T. Holloway

**The next SDC Board meeting will be held
Thursday, June 27 at 7:30 A.M.
in the SDC Offices located at
7350 E. 29th Avenue, Suite 300, Denver, CO 80238.**

INSERT UNDER TAB #2

Stapleton Development Corporation
Comments on Financial Reports
May 31, 2013

The reports listed below are included in the monthly Board of Director's package.

1. Budget Variance as of May 31, 2013 - CASH basis.
2. Unaudited Balance Sheet as of May 31, 2013 - ACCRUAL basis.

Comments on cash basis budget variances for the month just ended:

- Change in cash: a \$5,159 decrease in cash was budgeted, a \$1,483 decrease was realized. Material components of the \$3,675 positive variance are identified below.
- Land Sales and Transfers - as shown below. All funds passed through to DIA.

Current Month Acres			Year to Date Acres			Annual Acres		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
0	19	19	20	100	80	90	100	10

- 18.86 acres for high school at 56th and Central Park Blvd. taken down by Forest City.
- Net revenue: \$993 positive variance.
 - Variance attributable to early receipt of June rent from RTD.
- Overhead Expenses : \$239 positive variance.
 - A positive variance for professional services offsets a negative monthly variance for office services. Both categories reflect a positive variance year to date.
- O&M Expenses: \$2,444 positive variance:
 - A positive variance in Direct Property Management expenditure categories exceed the negative monthly variance for office services. Both categories reflect a positive variance year to date.

Comments on accrual basis Balance Sheet for the month just ended:

- Accounts Receivable-Other: \$11,891
 - Surveying costs paid by SDC to be reimbursed by DIA when the surveyed land is taken down.
- Accounts Receivable-Tenants: \$6,540
 - Past due rent from a lease tenant.
 - Security deposit and rent due from Forest City. No collections issues are expected.
- Prepaid Expenses (asset): \$40,214
 - 1 month of prepaid rent and staff services.
 - unamortized insurance premiums.
- Liabilities: \$25,361
 - Security deposits held under various lease agreements. A substantial portion of these deposits will be transferred to Forest City once all legal documentation for the transfer of a lease to Forest City is complete.
 - One month of prepaid rent from RTD.
 - accounts payable.

General Comments

- None

Stapleton Development Corporation

Budget Comparison - Cash Basis
For the 5 Months Ended May 31, 2013

Current Monthly Budget	Current Monthly Actual	Variance Favorable / (Unfavorable)		YTD Budget	YTD Actual	Variance Favorable / (Unfavorable)
Revenue						
\$ 976,500	\$ 766,385	\$ (210,115)	Land & Building Sales	\$ 1,367,100	\$ 3,236,459	\$ 1,869,359
(976,500)	(766,385)	210,115	Cost of Sale - Land Option	(1,367,100)	(3,236,459)	(1,869,359)
			Net Property Sales			
\$ 1,205	\$ 2,159	\$ 955	Rental Income	\$ 6,023	\$ 6,023	
\$ 1,205	\$ 2,159	\$ 955	SDC Gross Proceeds	\$ 6,023	\$ 6,023	
			Other Income		\$ 14,550	\$ 14,550
29	67	38	Interest Income	174	464	290
\$ 1,234	\$ 2,226	\$ 993	Total Revenue	\$ 6,197	\$ 21,037	\$ 14,840
OVERHEAD EXPENSES						
G & A Expenses						
			Staff Services	\$ 114,814	\$ 114,222	\$ 592
			Rent	\$ 12,033	\$ 12,033	
1,201	1,821	(620)	Office Services	17,122	8,311	8,811
8		8	Other Expenses	42	14	28
\$ 1,209	\$ 1,821	\$ (611)		\$ 144,011	\$ 134,580	\$ 9,431
Professional Services						
\$ 100		\$ 100	Professional Services	\$ 10,500	\$ 3,312	\$ 7,188
750		750	Consult / Audit Fees	4,250		4,250
\$ 850		\$ 850		\$ 14,750	\$ 3,312	\$ 11,438
\$ 2,059	\$ 1,821	\$ 239	Total Overhead Expenses	\$ 158,761	\$ 137,892	\$ 20,869
OPERATIONS AND MAINTENANCE EXPENSES						
Direct Property Management						
\$ 518		\$ 518	Repair & Maintenance	\$ 2,604		\$ 2,604
10		10	PM Mtg, Meals & Mleage	500	101	399
3,320	901	2,419	Landscaping & Snow Removal	3,320	3,221	99
125	90	35	Vehicle & Other	625	373	252
\$ 3,973	\$ 991	\$ 2,982		\$ 7,049	\$ 3,696	\$ 3,353
Allocated Property Management						
			Staff Services	\$ 84,131	\$ 82,650	\$ 1,481
360	898	(538)	Office Services	7,361	4,091	3,270
			Rent	5,588	5,589	(1)
\$ 360	\$ 898	\$ (538)		\$ 97,080	\$ 92,330	\$ 4,750
\$ 4,333	\$ 1,889	\$ 2,444	Total O&M Expenses	\$ 104,129	\$ 96,025	\$ 8,103
\$ 6,392	\$ 3,710	\$ 2,683	Total Expenses	\$ 262,889	\$ 233,917	\$ 28,972
\$ (5,159)	\$ (1,483)	\$ 3,675	Change In Net Assets	\$ (256,692)	\$ (212,880)	\$ 43,812

Stapleton Development Corporation
Balance Sheet
As of May 31, 2013

Assets

Current Assets

SDC Cash & Investments	\$ 690,083
A/R Other	11,891
Tenant Receivables	6,540
Prepaid Expenses	<u>40,214</u>
	\$ 748,727

Total Assets

\$ 748,727

Liabilities

Accounts Payable	79
Security Deposit Liability	24,327
Other Accrued Liabilities	<u>955</u>
	\$ 25,361

Capital

Retained Earnings	7,435,705
Voluntary Distributions to DIA	(6,517,225)
Net Income (Loss)	<u>(195,113)</u>
	\$ 723,366

Total Liabilities and Capital

\$ 748,727

Unaudited

STAPLETON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

DENNIS JOHNSON & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1660 SOUTH ALBION STREET · SUITE 712
DENVER, COLORADO 80222
(303) 504-0688

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Stapleton Development Corporation

I have audited the accompanying financial statements of Stapleton Development Corporation (a non-profit corporation), which consists of the statements of financial condition as of December 31, 2012 and 2011 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain reasonable audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stapleton Development Corporation at December 31, 2012 and 2011 and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Dennis Johnson & Company, P.C.
Denver, Colorado

April 23, 2013

STAPLETON DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
AT DECEMBER 31,

ASSETS

Current assets	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 902,963	1,316,461
Accounts receivables	3,540	6,718
Prepaid expense	14,353	13,837
	-----	-----
Total current assets	920,856	1,337,016
	-----	-----
Non-current receivable	26,440	11,891
	-----	-----
Total assets	\$ 947,296	\$ 1,348,907
	=====	=====

LIABILITIES

Current liabilities

Accounts payable -affiliate	5,035	2,117
Other current liabilities	955	955
	-----	-----
Total current liabilities	5,990	3,072
	-----	-----

Other liabilities

Security deposits-payable	22,827	22,827
	-----	-----
Total other liabilities	22,827	22,827
	-----	-----
Total liabilities	28,817	25,899
	-----	-----

NET ASSETS

	918,479	1,323,008
Unrestricted	-----	-----
	918,479	1,323,008
Total net assets	-----	-----
Total liabilities & net assets	\$ 947,296	\$ 1,348,907
	=====	=====

See notes

**STAPLETON DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR YEARS ENDING DECEMBER 31,**

	<u>2012</u>	<u>2011</u>
Revenue		
Land and building sales	\$ 6,197,863	\$ 296,359
Land and building cost of sales	(6,197,863)	(296,359)
Rental income	66,933	70,844
Investment income	2,327	1,594
Other income	-	-
Total unrestricted revenue	<u>69,260</u>	<u>72,438</u>
Expenses		
Program services		
Property operations and management	210,350	222,129
Total program expenses	<u>210,350</u>	<u>222,129</u>
Overhead expenses		
General and administrative	246,516	225,138
Professional services	16,923	10,645
Total overhead expenses	<u>263,439</u>	<u>235,783</u>
Total expenses	<u>473,789</u>	<u>457,912</u>
Increase (decrease) in net assets	(404,529)	(385,474)
NET ASSETS, beginning of year	1,323,008	1,708,482
NET ASSETS, end of year	<u>\$ 918,479</u> =====	<u>\$ 1,323,008</u> =====

See notes

**STAPLETON DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31,**

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in net assets:	\$ (404,529)	\$ (385,474)
Adjustments to reconcile change in net assets To net cash provided (used) by operations:		
(Increase) decrease operating assets:		
Tenant receivables	3,178	(1,750)
Prepaid expenses	(516)	(60)
Other assets	(14,549)	(3,500)
Increase (Decrease) operating liabilities:		
Accounts payable- affiliate	2,918	(953)
	<u>(8,969)</u>	<u>(6,263)</u>
Net cash provided (used) by operations	<u>(413,498)</u>	<u>(391,737)</u>
 INCREASE (DECREASE) IN CASH	 (413,498)	 (391,737)
Cash at beginning of year	<u>1,316,461</u>	<u>1,708,198</u>
Cash at end of year	<u>\$ 902,963</u> =====	<u>\$ 1,316,461</u> =====

See notes.

**STAPLETON DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Stapleton Development Corporation (SDC) is a 501(c) (3) nonprofit Colorado Corporation established in 1995 by the City and County of Denver. SDC is not a component unit of the City and County of Denver. This determination is based on an analysis using the authoritative criteria established by the Governmental Accounting Standards Board (GASB), Statement No. 14, as amended by Statement No. 39. SDC is disclosed in the notes of the City and County of Denver's annual financial statements.

The SDC board of directors is composed of eleven voting members and five non-voting members. The voting members of the board of directors consist of (a) 9 persons appointed by the Mayor of the City and County of Denver, at least two of which reside within the Stapleton site or in neighborhoods adjacent to the Stapleton site, and (b) two persons appointed by resolution of the board of commissioners of the Denver Urban Renewal Authority and confirmed by the City Council. The non-voting members of the board of directors consist of (i) the City's Manager of Aviation or the Manager's designee, (ii) the City Council member from City Council District No. 11, (iii) one person representing the City of Commerce City, Colorado, appointed by the Mayor of the City and County of Denver, (iv) one person representing the City of Aurora, Colorado, appointed by the Mayor of the City and County of Denver, and (v) the chairman or co-chairman of the Citizens Advisory Board (CAB), appointed by resolution of the CAB. A plan for the redevelopment of the site, the Stapleton Development Plan, establishes the framework for the Corporation's activities. The Corporation's charge is to administer the development and disposition of the 4,700 acre Stapleton site consistent with the vision articulated in the Stapleton Development Plan. To that purpose, SDC, that has no employees, contracts for all its operating and management activities in the form of staff services with SDC Services Corp. The contract with SDC Services Corp. also includes provision of office services and office space utilization.

STAPLETON DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

SDC is following the guidance of the Governmental Accounting Standards Board, Statement No. 29 (GASB), "The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities. " SDC is following the AICPA Not-for-Profit model. This model requires the accounting and financial reporting principles contained in SOP 78-10 as modified by all applicable Financial Accounting Standards Board (FASB) pronouncements issued through the date of the financial statements, and as modified by all codification sections cited in paragraph 103.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States required management to make estimates and assumptions that affect certain reporting amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property

As of December 31, 2012 and 2011, SDC held title to approximately 133 acres of proposed open space land. This property was acquired as open space without cost to facilitate development and no value has been assigned to the asset. See Note 2 for additional land purchase and sale information.

Income Tax Status

The Corporation is a nonprofit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Fundraising

SDC incurred no fundraising costs during 2012 and 2011.

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STAPLETON DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Corporation considers all highly liquid investments, with maturity of three months or less when purchased, to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

NOTE 2 MASTER LEASE AGREEMENT

SDC and the City & County of Denver (C&C) are parties to a Master Lease and Disposition Agreement for Stapleton International Airport (the MLD) dated July 21, 1998, as amended, which has an effective date of July 1, 1998. The MLD empowers SDC to manage the leasing activities and property sales for the Stapleton property through December 31, 2013 or until final disposition of the property but no later than September 30, 2025. The MLD was subsequently amended to extend the term to 15 years from the Initial Closing Date, May 1, 2001 to May 1, 2016. In 2009, two one year extension agreements were signed extending the MLD term to May 1, 2018. A proposed third amendment extending the term MLD to May 1, 2019 has been submitted to DIA but not yet been approved. The terms of the MLD, as amended, effective for 1999 and future years include the following provisions:

Rental terms:

SDC leases all Stapleton Airport Property from C&C. SDC is responsible for subleasing or other use of the property. SDC remits all "Stapleton Gross Proceeds" less permitted overhead to the airport system. "Stapleton Gross Proceeds" is defined to include all revenues or any other consideration received on or after January 1, 1999 from sales, leases or any other transactions related to disposition of the Stapleton property, excluding customary and reasonable actual closing costs. SDC remits Stapleton Gross Proceeds to the airport system no later than the month following receipt. Permitted overhead is subject to certain limitations described below.

Land sale terms:

SDC is granted a land purchase option during the term of the MLD whereby SDC may purchase property at a predefined amount which changes over time to reflect changes in the Consumer Price Index. At closing, the purchase price of the property sold shall be remitted to the Airport System except for closing costs incurred by SDC. All open space in the development plan shall be conveyed to SDC without the payment of any additional consideration. SDC may convey these open space parcels to other parties, subject to the agreed land use restrictions.

**STAPLETON DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2012 AND 2011**

NOTE 2 MASTER LEASE AGREEMENT (continued)

Land transactions (acres rounded to whole numbers):

Under the terms of the MLD during 2012 and 2011, SDC purchased 238 and 22 acres of Stapleton Airport Property respectively. In 2012, approximately 216 acres were resold as developable land and approximately 22 acres were transferred as future open space. In 2011, 11 acres were resold as developable land and 11 acres were transferred as future open space. As of December 31, 2012 and 2011, 2,444 and 2,206 acres, respectively, have been purchased from the City and County of Denver. Acres are rounded to whole numbers.

Other terms:

The MLD provides for SDC overhead expenses in amounts not to exceed \$1,500,000 for 1999 and 2000, and not to exceed \$500,000 annually thereafter. Exceptions for a single year can be incurred with approval of the Manager of Aviation (Manager) so long as any one year total is less than \$3,000,000 and the sum total for the contract life does not exceed \$10,000,000. The accumulated overhead expense as referred to in the MLD as of December 31, 2012 and 2011 are \$7,374,010 and \$7,110,571, respectively. During the years ended December 31, 2012 and 2011 overhead expenses were \$263,439 and \$235,783, respectively.

Voluntary distribution:

Aside from the MLD, Stapleton Development Corporation voluntarily agreed to consider to distribute to DIA any excess cash over \$2 million as of June 30 of each year. There were no voluntary distributions to DIA during 2012 and 2011. Cumulative voluntary distributions total \$6,517,225.

Continued Funding:

There is a difference in interpretation of the MLD in respect to funding from DIA. DIA's interpretation of the MLD is that SDC has expended the maximum amount of funds permitted under the MLD and therefore cannot retain Stapleton Gross Proceeds (revenue from land sales). SDC's interpretation of the MLD is that SDC has not exceeded the maximum amount of permitted expenditures and can retain Stapleton Gross Proceeds. SDC's leadership is working with DIA and expects resolution of this issue by the fall of 2013. SDC currently has cash resources to fund operations through a portion of 2014.

STAPLETON DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2012 AND 2011

NOTE 3 CONCENTRATIONS OF RISK

SDC received 99% and 80% of its revenue in the form of land and building sales from Forest City Stapleton, Inc. in 2012 and 2011, respectively.

As of December 31, 2012 and 2011, Stapleton Development Corporation held money market balances of \$ 869,418 and \$1,277,091, respectively, held at Colotrust. The cash portion of funds held is collateralized under the provisions of the Colorado Public Deposit Protection Act. The investment portion of funds is collateralized by Colotrust's parent company.

NOTE 4 LEASE COMMITMENTS

SDC subleases operating facilities and office services from SDC Services Corp through a 5 year sublease agreement dated March 1, 2009. The operating sublease calls for monthly payments of \$2,856, with an allowance for annual common area maintenance expense escalation. Rent and office services expenses incurred in connection with the sublease of office space and services were \$57,627 and \$56,930 for the years ended December 31, 2012 and 2011, respectively.

NOTE 5 RELATED PARTY TRANSACTIONS

SDC is affiliated with several other organizations. SDC and some of the affiliated organizations have some common members of the Board of Directors. These include SDC Services Corp. and Park Creek Metropolitan District. Operations of the affiliated entities are generally separate and distinct although they share common members of management and the same facility.

During the years ended December 31, 2012 and 2011, SDC Services Corp. provided SDC with administrative services. SDC recorded staff service expenses of \$280,098 and \$285,945, office service expenses of \$23,355 and \$22,369, and rental expenses of \$34,272 and \$34,561, respectively in each of the years ended December 31, 2012 and 2011. SDC had accrued expense balances of \$1,957 and \$2,117 to SDC Services Corp. at December 31, 2012 and 2011, respectively.

Under the terms of the MLD, SDC may convey open space parcels to Park Creek Metropolitan District. SDC conveyed 22 acres and 11 acres of open space to Park Creek for the years ended December 31, 2012 and 2011, respectively. Acres are rounded to whole numbers.

NOTE 6 SUBSEQUENT EVENTS

Subsequent Events have been evaluated through April 22, 2013.

INSERT UNDER TAB #3

SDC Management Report

JUNE 2013

Financial Report

The May financials were positive to budget by \$3,675. This was due to positive variances in Net Revenue, Overhead and O&M. Both O& M categories reflect a positive variance year- to- date.

Land sales at the end of May were at 100 acres verses the 90 acres budgeted for the year. This number includes the 18.86 acres for the high school.

Westerly Creek Park

As previously mentioned, DIA has completed its clean-up and is awaiting a NFA from the state. Representatives from PCMD, the City, Forest City, the Sand Creek Greenway and members of PAG walked the site. There is concern from some of our partner organizations about the rubble at the site. We have known that the rubble is not part of any 'clean-up' performed by DIA. (*see May's Monthly Report*) DIA's clean-up is strictly for contaminated materials. The rubble, thus far, is not known to be contaminated. It is hoped that the design can make use of the rubble or sufficiently cover it. As previously stated, the cost of removing the rubble is substantial and is not in any ones budget.

SDC Funding

SDC staff continues to work with DIA staff to assure that SDC can continue to function in its designated roles in the management, sale and transfer of Stapleton land. Currently, at the request of DIA, we are in the process of drafting a memorandum that enumerates all of SDC's roles and responsibilities.

PCMD 2013 Bond Refinancing

The planned refinancing of PCMD's 2003 Subordinate Bonds and the 2005 Junior Subordinate Bond continues to experience delays. The most recent delay has to do with an IRS technical advice memorandum from the IRS' chief counsel indicating that a developer-controlled district in Florida was not a political subdivision and therefore cannot have issued tax-exempt bonds. This means that it's outstanding bonds could be declared taxable. This memorandum needed to be reviewed by our Bond Counsel to determined if PCMD's bonds might be impacted by this memo. Bond Counsel opined that Stapleton's districts are structured such that it is sufficiently tied to its municipal government. The bonds are expected to close in mid-July.

Other Board Matters

The Mayor has reappointed Rita Kahn to another term on the Board. We thank Rita for her continued commitment to the redevelopment of Stapleton.

The Board needs to develop a diverse list of potential candidates so that we have a pipeline of candidates. If you have thoughts on potential candidates, please discuss with King Harris, John Moye or Cheryl Cohen-Vader.

The next SDC Board Meeting is scheduled for

Thursday, July 25 @ 7:30am

INSERT UNDER TAB #4

**Citizens Advisory Board
Monthly Report Form**

Organization: Forest City Stapleton, Inc.

Presented by: Tom Gleason

Reporting Period: June 2013

Date of Report:

Activity/Project Description:

- Stapleton Fellowship Church, located in Hangar 61, is under contract to purchase the approximate 1.4 acre parcel immediately adjacent to the west. The church is now conducting its due diligence prior to completing the purchase.
- The developer of “The Greenways at Stapleton” market rate independent senior rental housing has mobilized to begin construction on the parcel it has purchased east of Ulster on the south side of MLK Blvd. It will consist of 108 units.

Ongoing Issues:

- Forest City and Northeast Denver Housing will brief the CAB Zoning and Planning Committee and the Housing Diversity Committee on its 84 units of affordable rental housing planned for Northfield Blvd at Trenton Street on land donated by Forest City.

Attachments: None.

INSERT UNDER TAB #5

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**CITIZENS ADVISORY BOARD
MEETING MINUTES**

June 20, 2013

7:30 a.m. – 9:00 a.m.

7350 E. 29th Ave., Suite 300

Present: Jason Busta, Nadine Caldwell, Tia Cavender, Diane Deeter, Laura Edler, John Fernandez, Elizabeth Garner, Khadija Haynes, Chris Herndon, Rondalyn Jones, Shannon Jones, Alice Kelly, Jeff LaMontagne, David Lucas, Barbara Neal, Alex Neir, David Netz, Joe Phillips, DPD Officer Brandi Thomas, Jim Wagenlander, **FC:** Tom Gleason, **SF:** Angie Malpiede,

Call to Order: David Netz called the meeting to order. The May 16, 2013, minutes were approved unanimously.

Co-Chair Report:

Partner Cities Updates:

City of Denver: No report.

In Councilman Chris Herndon's June newsletter is an article on how Stapleton is financed.

City of Aurora: No written report.

John Fernandez stated that the proposed light rail line on the Fitzsimons campus has been realigned to Fitzsimons Parkway. The question is: where will the station be, and how to make it more accessible to the general public, since it will now be on the periphery of the campus. Decisions will be made in the next six weeks.

Nadine Caldwell reported on the Aurora street connections. Some issues on the Aurora side are slowing the construction.

Commerce City: No report.

Committee Reports:

- **Communications:** No written report.
Diane Deeter reported on the meeting with SUN and CAB to begin planning the fall forum.
There will be a SUN/CAB board meeting sometime in the future.
- **Design Review:** No written report.
Laura Edler reported on 4 projects: (1) DPS school in north Stapleton which is still in the design stage to open in 2014. (2) A Northeast Denver Housing project of 81 family oriented, affordable rental units on Northfield Blvd between Tamarac and Trenton. (3) A Northeast Denver Housing complex of 18 townhomes, at MLK blvd and Roslyn Street, which will be affordable market rate. (4) An

expansion of Bladium Sports Complex. They will be expanding the main building as well as building a new playing field.

- **Housing Diversity:** No report.
- **Membership:** Written report submitted
Diane Deeter asked the prospective new members to introduce themselves: Rondalyn Jones, Jason Busta, Tia Cavender and Alex Neir.
The new process for membership is to invite potential members to attend a meeting before they make a commitment.
- **Parks Advisory Group:** Written report submitted.
- **Zoning & Planning:** No report.
- **Transportation:** Written report submitted.
Angie Malpiede reported that there will be 4 breakfast stations for Bike to Work day on Wednesday, June 26.
There is a bike parking program at the HUB, where 80 bikes were parked on the first day.
The bike library will open June 22.
The northeast walk fest will be August 24.

SDC Update: No report.

Forest City Update: Written report.

Tom Gleason reported that Stapleton Fellowship Church (in Hangar 61) is set to purchase 1.5 acres adjacent to their building.

Greenways at Stapleton, which consists of 108 market rate units at MLK Blvd, is under construction.

Stapleton Foundation Update: No report..

Stapleton Partner Updates:

- **Police Academy/Denver Police District 2:** No report.
Officer Brandi Thomas of District 5 police station was in attendance, representing the Denver Police Department. She is not sure whether she will be our permanent representative.
- **Stapleton United Neighbors:** No report.
- **Master Community Association:** No written report.
Diane reported that so far this summer they are seeing record-breaking numbers at the Stapleton pools.

Activities for the summer include: Fourth of July pancake breakfast and parade and the Stapleton rock concert, made up of local bands, which proceeds will go to the Denver Children's School.

A parcel of land, 2.4 acres offered by Forest City, across from Stapleton Knowledge Beginnings on East 31st Avenue in Eastbridge, is being strongly considered for the community art center. The space would be adequate for a 300 seat theater, the MCA office, event space and community space. There will be a new pool adjacent to Northfield shopping center.

- **Bluff Lake Nature Center:** Written report.
Jeff LaMontagne reported that BLNC has received a \$500,000 grant from the state to fix the dam on the north side of the lake.
MCA will be sponsoring geocaching hunts at Bluff Lake.
Wild and Whacky fireside chats have started.
- **Sand Creek Regional Greenway:** No report.
- **The Urban Farm:** No written report.
Khadija Haynes reported that TUF is hosting 150 to 200 people daily. Camps are going well and being booked solid.
- **Rocky Mountain Arsenal:** Written report submitted.
- **Adjourned:**
The meeting was adjourned. The next meeting of the Citizens Advisory Board will be **July 18, 2013 @ 7:30 a.m.**

Backyard chicken issues continue to ruffle feathers on Front Range

Posted: 05/29/2013 12:01:00 AM MDT
Updated: 05/29/2013 10:59:09 AM MDT

By Jeremy P. Meyer
The Denver Post



Janna Harris with her chickens in her Highlands Ranch backyard coop, built from her own design. (Photos by John Leyba, *The Denver Post*)

Chickens have long been a source of passion and politics, ranging from campaign promises of a "chicken in every pot" to animal-rights protesters donning chicken costumes at rallies.

Today, along Colorado's Front Range, chickens are at the heart of a boiling debate — call it backyard politics, if you will.

The urban livestock movement has been gaining speed over the past few years with cities around the nation passing laws in support of backyard chickens. Even the White House has been pressed to add a chicken coop to the mansion's south lawn. (It has declined).

Communities on the Front Range have either embraced or rejected backyard chickens.

Big cities like Denver and Colorado Springs allow chickens while cities with rural backgrounds like Greeley have banned them in residential areas.

Suburban communities like Lakewood and Highlands Ranch have embraced the birds, while suburbs such as Aurora have forbidden hens, while Broomfield will put the issue before voters in November.

Arapahoe County won't allow them in unincorporated urban areas. But Jefferson County just approved them. In Stapleton, new homes are being built with chicken coops as an option. While in communities where chickens are forbidden, residents secretly have illegal broods.

"They attract predators, smell bad and are too noisy," say opponents.

"They are quiet, provide organic food and their poop is a great fertilizer," say proponents.

Denver's City Council recently was updated on its food-producing animal ordinance, which passed in 2011. Residents now may pay \$20 for a license and can own up to eight hens or female ducks and two dwarf goats. There must be space for the birds, an enclosure and the coop should be a minimum of 15 feet from an adjacent neighbor.

The law forbids roosters or male ducks, which are considered noisy.

A total of 405 permits have been issued since 2011 in Denver. But city officials suspect many more coops are in operation.

So far, no big problems. Only 46 complaints have been filed involving food-producing animals. Of those, only 18 warnings have been issued and two citations were written when officers discovered fighting cocks.

"There was this big perception that we were in for it," said Aaron McSpadden of Denver Animal Care and Control. "But it's been very minimal. It's a non-issue, really."

Recently, Lakewood updated its zoning codes with much of the public focused on the city's move to allow chickens in residential areas. Ninety percent of the comments received about the zoning change were about the food-producing animal proposal.

In Highlands Ranch chicken coops are becoming normal in backyards. Janna Harris built a castle-like structure under the deck of her home for her birds. She has four hens.

"When we first got them, our neighbors looked at us crossways," she said. "Now it's amazing how many chickens people have. All the neighborhood kids love it. It's something brand new to most of these kids who never grew up on a farm."

Yet, in other communities, chicken wars continue.

Nicole Bumgardner lives in unincorporated Arapahoe County and is surrounded by cities that allow chickens. Her county does not. She started a Facebook page to garner support, has spoken to the county commissioners during public comment sessions and passed out leaflets.

"It is infuriating," she said. "I have severe celiac disease, and it's super important that I am in charge of my food. Homegrown eggs are way more nutritious than commercial eggs. And the county won't tell me why I can't have chickens."

Andrea Rasizer, spokeswoman for Arapahoe County, said the issue was discussed in 2011 but commissioners opted not to approve backyard hens.

"There were concerns that they would attract backyard predators, like coyotes," Rasizer said, adding there were also complaints about odors.

Aurora City Council a few years ago also discussed allowing chickens in residential areas but the idea never got out of a study session. New councilwoman Sally Mournier now is leading a group to get an ordinance approved.

"It takes my vote and five more," she said. "I don't think that the council understands there is a groundswell of support."

Broomfield's council in February voted down a backyard chicken ordinance but agreed to put the issue on the November ballot. It is the first time anyone can recall that a Front Range town has taken the issue to the voters.

Councilman Bob Gaiser said he voted against chickens because he heard from people concerned with noise and odor.

"We got a number of e-mails ... people saying they moved to Broomfield to be in the suburban neighborhoods and not next to a farm," he said. "And I have cleaned out a chicken coop a couple of times, and I know how horrific that was. This seems like a passing fad."

But Jim Admire of Broomfield said a group of people will begin a push this summer to inform voters and get them to the polls in November.

"What we are going to do is go door-to-door, my daughter is a movie maker so we will make a video," he said. "It is just about a lack of education. When people don't know, they vote no. The process for the summer and fall is going to be to educate."

Jeremy P. Meyer: 303-954-1367, jpmeyer@denverpost.com or twitter.com/jpmeyerdpost

Denver school shutdown creates tension in Stapleton, Park Hill

Posted: 05/16/2013 12:01:00 AM MDT
Updated: 05/16/2013 12:00:51 PM MDT

By Zahira Torres
The Denver Post



FILE — Sixth and Eighth graders pile into a history classroom at Smiley Middle School in 2008 to watch a speech by President Barack Obama. (RJ Sangosti, The Denver Post)

A plan to shut down an underperforming middle school in Park Hill and replace it with a nearby Stapleton campus has tensions running high among neighborhood parents.

"I think it's just fear," said Genevieve Swift, a Stapleton parent. "I think people's intentions are good, but when it comes to their children, fear sets in."

The Denver Public Schools board of education Thursday will vote on a proposal that would move McAuliffe International School, a year-old campus in the Stapleton area, to the Smiley Middle School building at 2540 Holly St.

The district is in the process of shuttering Smiley and the charter-run Venture Prep Middle School in the same building. Both are low-performing campuses with dwindling enrollment in the Park Hill neighborhood of northeast Denver.

Park Hill residents have embraced the proposal as a viable plan that provides better options for their children. But some parents in the Stapleton community are unhappy with the plan to move McAuliffe.

Swift, who supports the move, said some parents are concerned that their children will not be guaranteed a spot at the campus. She said Stapleton parents who want their children to participate in McAuliffe's International Baccalaureate program often tout that the education options at the campus offer an opportunity for diversity, but some of those parents are also unhappy that the school's boundaries will be broadened to include a more diverse neighborhood.

"I think that's a huge contradiction," Swift said.

Quite different

The Park Hill and Stapleton communities, which abut each other, are quite different demographically. About 86 percent of Smiley's students are minorities, compared with 39 percent at McAuliffe.

Nearly 82 percent of the students at Smiley Middle School qualify for federally funded free or reduced-lunch programs, an indicator of poverty. At McAuliffe, the number of students who receive free or reduced lunch is about 22 percent.

About 29 percent of students at Smiley are in special-education programs and 12 percent are English learners. In contrast, 7 percent of the children at McAuliffe have special needs and 6 percent are English learners.

"Smiley has been challenging for a long time, and it takes a long time to address all the needs of the campus, but that is even more challenging with low enrollment," Smiley principal Gwen Victor said.

Campuses get funding based on their enrollment. Smiley, which serves sixth- through eighth- graders, is down to 206 students this year. About 83 percent of students who live within Smiley's boundaries chose to attend another middle school, according to district data.

In contrast, McAuliffe, which served only sixth-graders this year, had 179 students and is expected to grow as it adds seventh and eighth grades. District data show that about 59 percent of the students who live in the McAuliffe area chose to attend other middle schools.

Park Hill parent Stephanie Syner told school board members last month that some Stapleton parents had suggested in community meetings that Park Hill children did not have the same potential. She said the move is needed to bring both communities together and create equity.

"People started referencing children as the X and Y denominator," Syner said. "How could the X denominator be put into school with the Y denominator? I was hoping my son was the Y because I think he's great and he's talented at everything he does. So why — is it because we live on the west side, is his denominator not great enough to go on the east side?"

Phasing out by grade

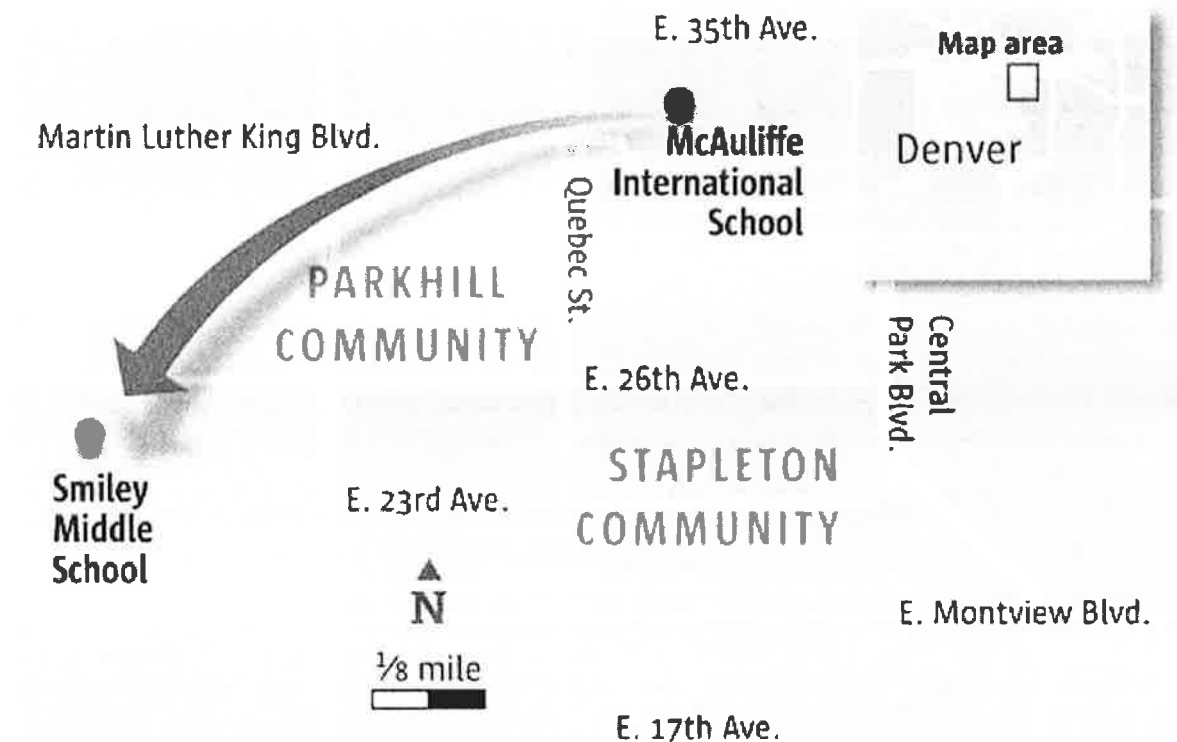
The Smiley campus and Venture Prep Middle School will no longer serve sixth-graders in the 2013-14 school year and will continue phasing out by grade in the two following years. If the school board approves the district's proposal to move McAuliffe into the Smiley building, the move would occur in the 2014-15 school year.

Another proposal that will be voted on in June would create a shared boundary between Park Hill and Stapleton. Students in those areas will be guaranteed access into one of five schools starting in 2014-15, but it may not be the campus nearest to them.

Zahira Torres: 303-954-1244, ztorres@denverpost.com

Smiley Middle School closing

Denver Public Schools will close Smiley Middle School after years of poor performance. Board members will vote Thursday to replace it with McAuliffe International School.



Source: Denver Public Schools

Severiano Galván, The Denver Post

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June 25, 2013

Dr. Kristin Robbins

kfrdds@centralparkdentalmed.com

Dear Dr. Robbins:

First, I must apologize for the length of time it has taken to respond to issues raised by you and others concerned about the operation of the Route 89 – Stapleton/Fitzsimmons along 29th Avenue in the Stapleton neighborhood. However, this is a matter that had to be taken under careful consideration given the issues raised by constituents in the neighborhood. Those issues included: safety of bicyclists using the bike lane on 29th Avenue between Central Park Boulevard and Beeler Street, buses speeding in the area, ridership, and the appropriateness of operations on 29th Avenue versus Martin Luther King Boulevard. The following points are what we have discovered employing various divisions with the District over the past months:

Bicycle Lane/Bus Operation Safety

A safety review of bus operation in proximity of the bicycle lanes along 29th found the lane configuration and operation of the route similar to other bicycle lane operations along Denver Streets. (Please see the attached photos – Attachment A)

Speeding

Speed checks were and continue to be conducted with two incidences of speeding recorded at the Stapleton Park-n-Ride, where the speed limit is 10 mph. Speed checks along 29th Avenue found bus speeds ranging between 19 and 24 miles per hour. Perceived speeds of buses, largely due to the size of the vehicle are a common issue we face in the operation of service throughout the District.

Ridership

Current ridership on the Route 89 is relatively low at 116 boardings per day. However, it should be noted that the ridership demand for this route will be significantly impacted by the continued growth introduction of the I-225 and East Corridor Rail services. Therefore, we will continue to monitor the ridership of the Route for possible changes to the level of service offered.

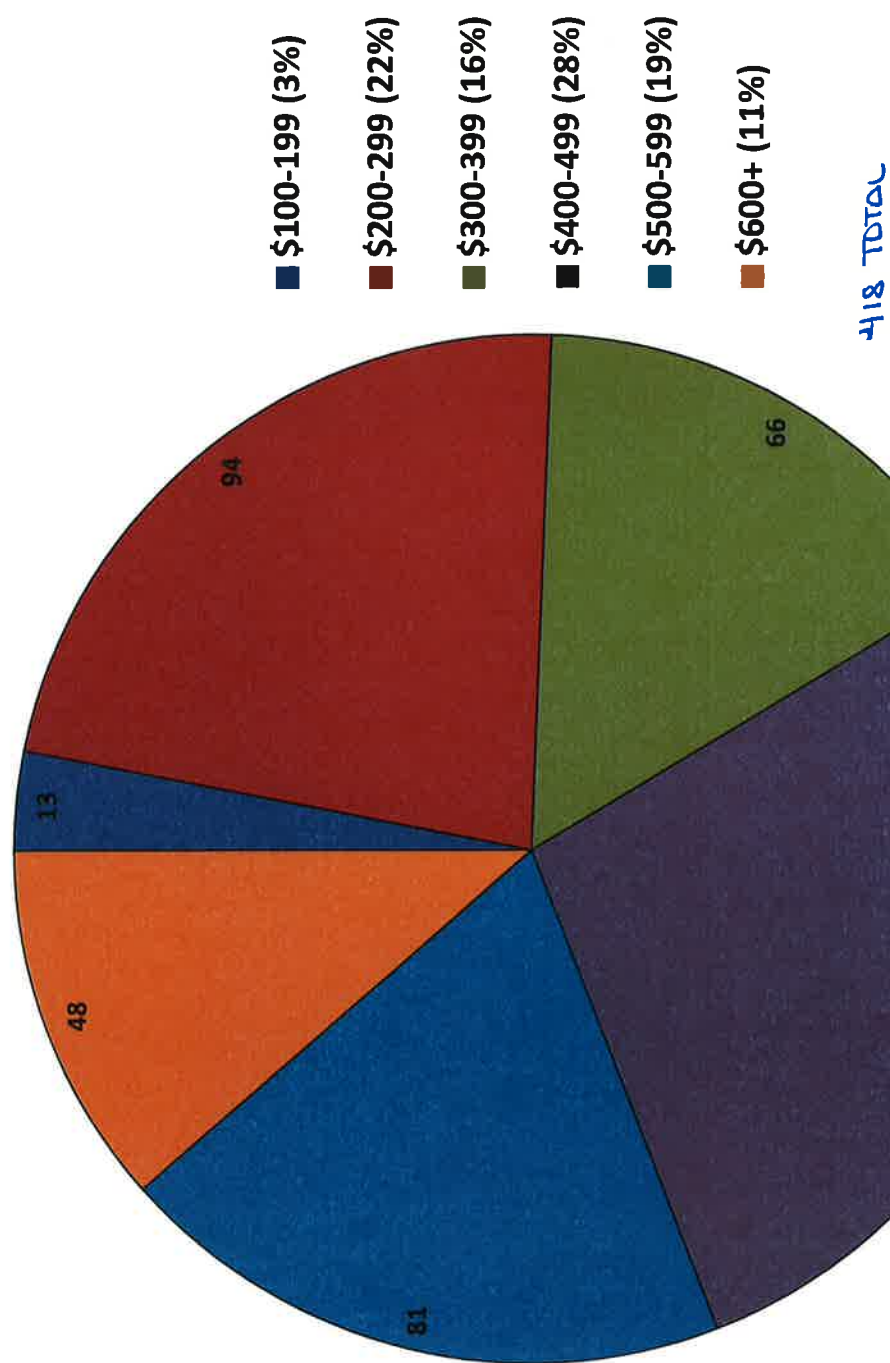
Appropriateness of operations on 29th Avenue versus Martin Luther King Boulevard

As you may already know, the Route 89 was first described in the Stapleton Development Transportation Plan (attachment A). It has since been implemented, but is also included in the service plans for the East Corridor. The service provides direct transit connection between the future Central Park Boulevard Station and the Anschutz Fitzsimmons Medical Campus. The service was planned on 29th Avenue rather than Martin Luther King Boulevard (MLK) due to land use. A MLK routing would require a greater walk distance for potential customers given the location of the housing in Stapleton. More to the point, in the area between Central Park Boulevard and Beeler Street, the north side of MLK does not have housing within a quarter of a mile.

GMR # 11834



2012 NEW HOMES CLOSED BY PRICE RANGE



**STAPLETON DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
ATTENDANCE ROSTER
JUNE 27, 2013**

_____ John Ackerman (DIA)

_____ Nadine Caldwell (Aurora)

 X Chris Cramer (Commerce City)

 X King Harris

_____ David Hart

_____ Happy Haynes

_____ Khadija Haynes (CAB)

_____ Chris Herndon (Denver)

_____ Rita Kahn

_____ Michael Kearns

 X Kevin Marchman

_____ Stephen Miller

_____ John Moyer

_____ David Netz (CAB)

 X Scott Prestidge

_____ Justin Ross

_____ Terry Whitney

Invited Guests:

 X Bar Chadwick

SDC BOARD
PUBLIC COMMENT SIGN-UP SHEET
June 27, 2013

Speaker Instructions: The members of the SDC Board are pleased that the community is taking an active part in the Stapleton Development project by attending monthly Board meetings. We would like to ensure that each of you has an opportunity to voice issues, raise concerns and offer suggestions to the Board about matters that affect you and the communities adjacent to the development. Please complete the information below or attach a business card and indicate what topic or issue you would like to bring before the Board. You will be called on by the Chairperson to speak on this issue during the public comment session. **You will have three (3) minutes to do so.** If the topic requires more in depth discussion the Chairperson may ask the SDC Board members to review your issue and respond by the next monthly Board meeting. Thank you and we look forward to hearing from you!

NAME	ORGANIZATION	TOPIC
1.		
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