



SPECIAL BOARD MEETING MINUTES

DATE: FRIDAY, AUGUST 6, 2021

TIME: 2:00 PM

LOCATION: Video Conference Only
STATE OF COLORADO) COUNTY OF
EAGLE) SS.

SPECIAL BOARD MEETING

Due to the threat of health and safety posed by the COVID-19 pandemic, this meeting was held via Zoom.

ATTENDANCE

Via webinar: David Bentley, President; Eugene McGuire, Vice President; Cheryl Foley, Treasurer; John Van Deusen, Secretary; and Dan Roberts, Assistant Treasurer/Assistant Secretary; Trevor Broersma, Acting General Manager.

Others Present via Webinar: Cliff Simonton, Community Planning Manager, Paula Kurtz, Executive Assistant to the GM and 37 members of the public.

CALL TO ORDER

The meeting was called to order at 2:05 p.m. by Director Bentley, noting that a quorum was present. The Directors in attendance confirmed their qualifications to serve.

DECLARATION OF QUORUM/CONFLICT OF INTEREST DISCLOSURE

The Board acknowledged receiving the notice of the special meeting at least 24 hours in advance of the meeting and no conflicts of interest were noted by the Board Members.

APPROVAL OF AGENDA

Upon motion by Director Van Deusen and seconded by Director Foley, the Board unanimously approved the agenda as presented.

PUBLIC COMMENT

Public comments included feedback on the following: The desire by the community to purchase the Grouse property, the implications of a requirement for a restaurant in the Grouse should the CMD be involved in its purchase, versus allowing the community to make decisions regarding uses in the building, the nature by which Water Fund monies should be returned to Cordillera homeowners, and the possible need for a community survey regarding what to do with the Grouse property.

AGENDA

Director Van Duesen introduced the following resolution:

RESOLUTION OF THE CORDILLERA METROPOLITAN DISTRICT AUTHORIZING THE ACQUISITION OF PROPERTY REFERRED TO AS THE GROUSE FOR \$2.2 MILLION AND THE LEASING OF SUCH PROPERTY TO THE CORDILLERA PROPERTY OWNERS ASSOCIATION.

WHEREAS:

1. On July 9, 2021, the Cordillera Metropolitan District (“CMD”) transferred funds from the Water Enterprise Fund in the approximate amount of \$2,270,627.00 into the General Operating Fund.
2. On July 20, 2021 the Cordillera Property Owners Association (“CPOA”) voted (a) to approve the purchase of property referred to as the Grouse for \$2.2 million and (b) to authorize Grouse specific special assessments in the amount of \$3,000 to be paid in January 2022 or, at the property owner’s option, \$1100 to be paid in January 2022, 2023 and 2024 (“the Special Assessment”) all as set forth in the Grouse Acquisition Ballot a copy of which is attached.
3. The Grouse refers to the building known as “The Grouse on the Green” which formerly contained an Irish style pub “the Pub” serving light fare and beverages, a golf pro shop and golf cart storage space serving the Short Course, a nine-hole par 3 golf course owned by the CPOA. The Grouse was acquired by All Points North (“APN”) in 2017 as part of a larger transaction involving the sale of property formerly referred to as the “Lodge.”
4. The Pub was a popular gathering place for lunch, dinner and drinks after golf on the Short Course. It was one of two restaurants located on the Divide, the other being a more formal restaurant located at the Lodge. Both restaurants ceased operations upon the sale to APN.
5. As set forth in the Grouse Acquisition Ballot, the CPOA contemplates that “when complete, the property will provide a clubhouse and parking for the Short Course, an additional Cordillera events venue and an additional workout facility.” There was no stated provision for a pub or restaurant facility of any type in the Grouse Acquisition Ballot.
6. Rather than appearing to influence the Grouse Acquisition, the CMD declined to offer financial support to the CPOA in any form before the community voted thereby maintaining the flexibility to act depending on the outcome.
7. The CPOA vote of approval was by a large margin indicating that the Cordillera Community is willing to invest in community amenities without the expectation of financial support from the CMD.
8. The CMD is prohibited by law from donating public funds to a private corporation but may use its funds for a public purpose that benefits the community.
9. Since their formation approximately twenty years ago, the CMD and the CPOA have collaborated on numerous projects for the benefit of the community, for example, in 2003 the CMD financed the construction of the fire station, the administration building and the post office/café building; the latter was leased to the CPOA for nominal rent for 99 years. Until 2021, the two entities shared office space and staff. These collaborative efforts have benefited the entire community and are at least partly responsible for making Cordillera “a premier mountain community.”
10. Approximately 40% of property owners are not members of the Club at Cordillera and therefore cannot access any of the restaurants currently operating within Cordillera. The CMD believes it is appropriate for a casual restaurant available to the entire community to be located on the Divide at the Grouse.
11. In the spirit of continued collaboration the CMD desires (a) to purchase the Grouse from APN or the CPOA, for the sum of \$2.2 million plus additional closing costs and (b) to enter a long-term lease with the CPOA for nominal rent.

12. Should the CPOA agree to the sale-leaseback arrangement described above, the CPOA would be able to utilize some, or all of the funds described in the Grouse Acquisition Ballot to provide a pub or other casual type restaurant at the Grouse in addition to the amenities currently contemplated.

NOW, THEREFORE, BE IT RESOLVED: Assuming that the CPOA's purchase agreement and the sale and leaseback documents are satisfactory to CMD's attorneys, the CMD commits (a) to expend \$2.2 million plus closing costs from the General Operating Fund to acquire title to the property commonly referred to as the Grouse, and (b) to enter into a long term lease with the CPOA for the Grouse at nominal rent provided that the CPOA agrees to include a pub or other casual restaurant serving light fare and alcoholic beverages at the Grouse, all on reasonable terms and conditions to be negotiated in good faith by the CMD and the CPOA.

Director Foley introduced an amendment to the resolution, deleting the requirement for a restaurant or any specific use within the building, and providing a time frame by which the purchase would need to be executed otherwise CMD would agree to return money to residences of \$2.2 million reduced taxes.

- **Following discussion, Director Foley's suggested amendment was voted down, three voting against and two voting for.**
- **A motion was made by Director Van Deusen and seconded by Director McGuire to approve the Van Duesen resolution without any amendment. The motion was passed three for and two against.**

Director Roberts motioned and Director Foley seconded the reintroduction of the following Resolution:

RESOLUTION OF THE CORDILLERA METROPOLITAN DISTRICT – COMMITMENT TO TAX RELIEF.

WHEREAS, the Cordillera Metropolitan District ("District") currently has an overage of greater than \$2.2 million in its General Fund for the year 2021; and WHEREAS, the District's reserve funds are deemed adequate; and NOW THEREFORE, the District resolves and commits to the residents of Cordillera, except in the event of acts of God or other extraordinary events, to utilize these excess funds to reduce budgetary needs for 2022 by at least \$2.2 million, which will result in a one-time reduction in the mill levy for 2022.

- **A Vote was conducted and the re-offered Resolution did not pass, two for and three against.**

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Director Bentley and seconded by Director Van Deusen the meeting was adjourned at 4:43 p.m. Director McGuire departed the meeting at 2:52 p.m.