FITZSIMONS REDEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
April 24, 2024
3:30 PM immediately following the Executive Session
FRA Boardroom located at 12635 E Montview Blvd Aurora, CO 80045
Remote attendees: join Zoom meeting
https://us02web.zoom.us/j/82824759368?pwd=Y0NlMGlLRGQwK1Y0NHNDSUZyRDViQT09
Meeting ID: 828 2475 9368 Passcode: 046358

MEETING AGENDA

1. Call to Order / Chair Mike Coffman

2. Consent Agenda / Chair Mike Coffman
   A. Minutes of January 24, 2024
   Action item: *Approve consent agenda items*

3. Items Removed from Consent Agenda for Discussion (if any) / Chair Mike Coffman
   Action item: Approve items removed from Consent Agenda (if any)

4. 2023 Audit Results* / Thomas Smith & Sam Hellwege (CLA)

5. 2024 Q1 Financial Results* / Julie Ehler

6. Bylaw Revision Discussion* / Dustin Zvonek

7. Leasing Updates / April Giles

8. Metro District Loan Status / Steve VanNurden

9. Design Review Board Membership Update* / Lyle Artz

10. Tryba Master Plan Update & Requested Funding for Consultants* / Tryba
    Action item: Approve additional funding request for Tryba's consultants

11. Other Business / Chair Mike Coffman

12. Adjournment / Chair Mike Coffman

**Materials related to these items are included in the board packet with this agenda.*

~The Agenda and the minutes of the Fitzsimons Redevelopment Authority Board meetings are posted at the City of Aurora and on the Authority's website.~

THE FITZSIMONS REDEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

MEETING MINUTES

January 24, 2024

Board of Directors in Attendance

- Mike Coffman, Mayor, City of Aurora
- Don Elliman, Chancellor, University of Colorado Anschutz Medical Campus
- Todd Saliman, President, University of Colorado
- Michael Komppa, President, Corum Real Estate Group
- James C.T. Linfield, Partner, Cooley LLP
- David Perez, Independent Board Member
- Dustin Zvonek, Councilman, City of Aurora
- Bob Reddy, Vice President of Global Marketing, Medtronic Enabling Technologies
- Ray Gonzales, President, Metro Denver EDC and EVP, Denver Metro Chamber of Commerce
- Tom Gronow, President, and CEO of UCHealth University of Colorado Hospital

Board of Directors Absent

- Jena Hausmann, president, and chief executive officer (CEO) of Children's Colorado

Fitzsimons Redevelopment Authority Staff in Attendance:

- Steve VanNurden, FRA President & CEO
- Thomas Smith, VP of Finance and Operations
- April Giles, VP of Business Development
- Lyle Artz, Site Manager

Consent Agenda

A motion was made and seconded to approve the October 2023, Board Meeting minutes. No items were removed from Consent Agenda. The motion was passed unanimously.

Introduction and Appointment of FRA Board Members

Acknowledge the reappointment of Jena Hausmann by Children's Hospital Colorado. Board acknowledged and the motion passed unanimously.

Election of FRA Board Officers

Elect Officers:

- Mike Coffman, Chair
- Don Elliman, Vice Chair
- Jim Linfield, Secretary/Treasurer

The motion electing the officers was passed unanimously.

Committee Appointments

Executive Committee: Mike Coffman, Don Elliman, Jim Linfield, David Perez, Mike Kompa.

The motion was passed unanimously.

Finance Committee: Jim Linfield, Terri Carrothers, Terri Velasquez, Christine Quintana.

The motion was made to reappoint the existing committee. The motion was passed unanimously.

Designation of Public Place at Which Notices Will Be Posted (as required by Subsection 24-6-4)* / Steve VanNurden

This is posted on our Website, City Website and on our front door. The motion was passed unanimously.

Conflict of Interest Form

Every year each board member needs to complete the conflict of interest form and submit to the FRA team.

2023 Preliminary Financial Statement Review

A preliminary copy of the Financial Statements for the fourth quarter of 2023 were included in the board packet. The annual financial audit will commence in February and the final audited financial statements will be released to the Board and the Finance Committee in April 2024.

Thomas summarized the financial statements noting the challenges with Commerce Bank back in quarter one triggering the reduction in our cash position year over year from 2022 to 2023 with cash declining by $5.8M. The Metro District made an interest payment in December of 2023 of $878,000.00.

Total current assets went from $25.0M to $35.7M with the reduction in cash being offset by Management's expectation of the full repayment of the Metro District's loan balance. This expectation led the Authority to move the full loan balance to current notes receivable. The mark to market value of the interest rate swap decreased $518K from $1.2 million to $654K driven by the paydown in the Commerce loan of $6M and with the swap's maturity dates drawing closer. The Finance Committee met previously and reviewed the financial statements currently being presented.

Current liabilities significantly increased year over year reflecting the recognition of the full loan balance for Bioscience 5 as a current liability. The intention of Management is to fully retire this loan with the proceeds from the Metro District's loan payoff. Total liabilities decreased $5.4M year over year once again primarily the result of the Commerce loan paydown.

Revenues derived from tenants increased in 2023 from $8M to $8.8M from the prior year, a 9.6% increase. Parking revenues for the same period increased from $900K to $1.3M, a 44.7% increase. Operating costs increased 4.3% year over year. The net effect of higher revenues and slightly higher operating costs was an increase in operating income of $828K, a 66% increase.

Two cash flow statements are being presented in the financial board packet, one being compliant with GASB standards (required after last year's adoption of the GASB 87 *Leases* accounting standard) and the traditional version which shows cash flows consistent with the versions provided to the board in the past.

Thomas opened the floor for discussions but no questions or discussion took place.

<u>Atara Cooling System Proposal (Bioscience 1) / April Giles</u>

Atara's lab on the third floor needs to be converted to a new air handling system. An evaluation was completed to either replace the unit or duct it into a unit that is already on the roof that has a lot of capacity on it. We are moving towards the 2nd option. Long term, this will reduce the maintenance costs for our team. We have gone out to bid. Contracts are in play and are moving through the design process now. We need formal approval to progress the work. Work is to not exceed $375,000 and bids are coming in around $350,000. A motion was made and seconded by David Perez. The motion was passed unanimously.

<u>Metro District Capital & Operating Loan Agreement Restructuring Revisions / Steve VanNurden & Thomas Smith</u>

The first resolution is a request from the Metro District to borrow additional money of $490,000 from the Authority. We have already advanced the Metro District $75,000 to cover outstanding invoices for the construction of infrastructure for Bioscience 5. This advance along with the full outstanding balance of the Metro District loan balance is expected to be repaid with proceeds from the Metro District's current bond refinancing. The resolution is to permit the advance of an additional $411,000 to the Metro District. On a side note, we did receive an interest payment of $878,000 in December.

There is a high level of confidence for the Bond offering to be successful. Melissa Buck with UMB Bank has verified approval of the insurance for the senior bonds and the subordinate bonds. This insurance makes the bonds more marketable. The goal is for the bond offering to post in February and price in February. There is uncertainty if they'll close in March but are working towards a close during the1st quarter of 2024.

A motion was made to approve by David Perez and seconded by Bob Reddy. The motion was passed unanimously.

The second resolution presented is to amend the October 2023 board approval authorizing the Authority to engage in restructuring the existing Metro Loan Agreement with the Authority. The Board initially authorized the restructuring provided the new agreement aligned with stated parameters. Feedback from Bond Counsel, Legal Counsel, Metro Counsel and further negotiations between the Authority and the Metro District triggered revisions in the terms. These changes are reflected in the proposed agreement included in the board packet. The resolution being presented is to authorize Authority Management to finalize negotiations for the restructuring of the Metro note pursuant to the terms provided.

Motion was made to approve by David Perez and seconded by Don Elliman. The motion was passed unanimously.

Tryba Master Plan Update & Phase 2 Proposal / Tryba

Tryba provided a Master Plan Update, including scope of work and timeline of the initial phase.

A motion was made and seconded to approve Tryba for the Master Plan Update. The motion was passed unanimously.

Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned.

Adopted and Approved this ___ day of January 2024.

By:____________________________

Mike Coffman

Chair of the Board of Directors of the Authority

Attest:__________________________

James C.T. Linfield

Secretary/Treasurer

CliftonLarsonAllen LLP
CLAconnect.com

Finance Committee and Board of Directors
Fitzsimons Redevelopment Authority
Aurora, Colorado

We have audited the financial statements Fitzsimons Redevelopment Authority (the Authority) as of and for the year ended December 31, 2023, and have issued our report thereon dated April 12, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our planning communication dated March 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

<u>*Accounting policies*</u>

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fitzsimons Redevelopment Authority are described in Note 2 to the financial statements.

As described in Note 2, the Authority adopted Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription Based Information Technology Arrangements*, and GASB Statement No. 101, *Compensated Absences*, in 2023. There was no impact on the financial statements as a result of adopting these standards.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

<u>*Accounting estimates*</u>

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

<u>*Financial statement disclosures*</u>

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the deferred inflow of resources in Note 12: On January 31, 2014 the Authority sold land to the University of Colorado and simultaneously entered into a 30-year Master Lease Agreement with the University for approximately 39,800 square feet (the 3rd and 4th floors) of the BS2 building. The proceeds of the land sale were credited against the obligations of the Authority as stipulated by the Master Lease Agreement resulting in a deferred inflow of resources in the amount of $1,002,811 which is being recognized over the term of the lease. The Authority subleases this space to life sciences related tenants. The University grants an option to the Authority to purchase the premises after meeting certain provisions. Under terms of the Master Lease Agreement the Authority manages, operates and maintains the property in exchange for credits against rent due in an amount equal to 3% of the gross annual rental for the building.

- The disclosure of the negotiated Operations and Capital Funding Agreement between the Authority and the Metro District in Note 12: On September 30, 2015 the Authority entered into an Operations and Capital Funding Agreement with the Metro District. This agreement was superseded by a new funding agreement between the Authority and the Metro District executed in the first quarter of 2019 extending the commitment of the Authority for continued support of the Metro District. Under this agreement and until the Metro District is economically independently viable, the Authority is committed but not required to advance funds on an “as-needed” basis for operations, maintenance expenses and/or to construct on a reimbursable basis required infrastructure on behalf of the Metro District for projects outside the scope of the identified contracts referenced earlier. These future advances bear interest and the agreement stipulate the Metro District tenders payment for all balances no later than December 31, 2034.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors’ report

As previously communicated to you, the report was modified to include an emphasis of matter paragraph relating to the restatement of certain amounts in the 2022 Statement of Net Position and 2022 Statement of Cash Flows relating to a lease subject to GASB Statement No. 87, *Leases*.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated April 12, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated April 12, 2024.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the transmittal letter. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the board of directors, finance committee, and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
April 12, 2024

fitzsimons
Innovation Community

April 12, 2024

CliftonLarsonAllen LLP
370 Interlocken Blvd., Suite 500
Broomfield, Colorado 80021

This representation letter is provided in connection with your audits of the financial statements of Fitzsimons Redevelopment Authority as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of April 12, 2024, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 9, 2024, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

7. We have not identified or been notified of any uncorrected financial statement misstatements.

8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

9. Arrangements with financial institutions involving compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.

11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

12. We have implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and GASB Statement No. 101, *Compensated Absences*, during the audit period. We have implemented the new accounting standards in accordance with the transition guidance prescribed in the standards. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.

13. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.

14. We understand TABOR (Section 20 to Article X of the Colorado Constitution) is complex and subject to interpretations and that many of the provisions will require judicial interpretation. We have reviewed the various positions and interpretations and believe to the best of our knowledge at this time, the Authority is in compliance with TABOR.

15. We have informed all banking and savings and loan institutions that our deposits are subject to the respective Public Deposit Protection Act and have provided banking institutions with our assigned number.

Information Provided

1. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.

b. Additional information that you have requested from us for the purpose of the audit.

c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

e. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

   a. Management;

   b. Employees who have significant roles in internal control; or

   c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Fitzsimons Redevelopment Authority, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

12. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

13. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

14. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

15. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

16. The financial statements properly classify all funds and activities.

17. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

18. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

19. Investments, derivative instruments, and land are properly valued.

20. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

21. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

22. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

23. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

24. We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

25. We acknowledge our responsibility for the preparation of the other information included in our annual report, which is comprised of transmittal letter. The other information is consistent with the financial statements and does not contain any material misstatements. With regard to the other information that has not been provided to you, the final version of the documents will be provided to you when available, and prior to issuance of the annual report by the entity, so that you can complete your required procedures. We agree to correct material inconsistencies that you may identify.

26. We acknowledge our responsibility for the calculation and disclosure of deferred inflows of resources in the financial statements. We have disclosed to you any significant assumptions and interpretations relating to the determination of this amount.

27. We acknowledge that the long-term notes receivable of $18.2 million as of December 31, 2023, consists of the construction costs paid by the Authority on behalf of the Colorado Science and Technology Park Metropolitan District No. 1 (the Metro District). We further acknowledge the Metro District is expected to repay the outstanding balance in full in 2024.

28. We confirm that a budget variance report is presented and approved by the Board at the mid-year meeting each year and the Board's approval for various contract/agreements throughout the year is their approval for additional budget appropriations.

Signature: Steve VanNurden
Steve VanNurden (Apr 18, 2024 10:44 MDT)
Title: President and CEO

Signature: Thomas Smith
Thomas Smith (Apr 18, 2024 13:25 CDT)
Title: CFO

FITZSIMONS REDEVELOPMENT AUTHORITY

BASIC FINANCIAL STATEMENTS
December 31, 2023 and 2022

FITZSIMONS REDEVELOPMENT AUTHORITY

Table of Contents

FITZSIMONS REDEVELOPMENT AUTHORITY
Transmittal Letter
December 31, 2023

April 24, 2024

To the Fitzsimons Board of Directors, City of Aurora, the Regents of the University of Colorado and other users of the Authority's financial statements:

The Intergovernmental Agreement establishing the Fitzsimons Redevelopment Authority on January 1st, 1998, stipulates the Authority shall provide for an annual audit of all books and accounts and other financial records in accordance with the Colorado Local Government Audit Law, Section 29-1-601, et seq., C.R.S. within six months after the close of the fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Fitzsimons Redevelopment Authority's financial statements for the year ended December 31, 2023. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The Authority believes in addition to the MD&A provided with the financial statements; the disclosure of the following non-GAAP financial information provides users of the financial statements useful information in evaluating the financial position of the Authority. The historical land cost basis as of December 31, 2016, was $4,885,450. In 2017, the Army and the Authority settled litigation in which the Army provided reimbursement towards the past and future environmental reclamation costs of the land held by the Authority. The result of this transaction reduced the cost basis of the land to $839,520 as of December 31, 2017. After accounting for the 2018, 2020 and 2022 land sales, the cost basis of land as of December 31, 2023, is $651,670.

The Authority believes the land portfolio has significant market value and has subdivided the remaining acreage into individual parcels pursuant to the master development plan yielding 82.4 acres of net developable land after accounting for roads and other infrastructure. Based on recent appraisals, pending land sale option agreements, recent land sales by the Authority, comparable nearby sales and after recording the disposition of property sold during 2018, 2020 and 2022, the Authority believes the conservative current estimate of the market value for all developed and undeveloped land including land under option contracts as of December 31, 2023, is $188.9 million. The total acreage includes approximately 24.9 acres with active commercial leasing activity, 2.29 acres under pending option contracts and 113.6 acres vacant developable land which after adjusting for streets and right of ways nets approximately 82.4 acres of saleable land.

Respectfully submitted,

Steve VanNurden

Thomas Smith

Steve VanNurden, President & CEO

Thomas E Smith Jr, Vice President Finance & Operations

INDEPENDENT AUDITORS' REPORT

Board of Directors
Fitzsimons Redevelopment Authority
Aurora, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Fitzsimons Redevelopment Authority (the Authority), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 17 to the financial statements, certain amounts in the 2022 Statement of Net Position and 2022 Statement of Cash Flows were restated relating to a lease subject to GASB Statement No. 87, *Leases*. These changes had no impact on the Authority's net position or cash balances. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of revenues, expenditures, and changes in funds available - budget and actual (budgetary basis) and the reconciliation of budgetary basis (actual) to statement of revenues, expenses and changes in net position, and the related notes (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the transmittal letter but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
April 12, 2024

As management of the Fitzsimons Redevelopment Authority (the Authority), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2023 and 2022.

Key operating financial highlights are as follows:

- For the years ended December 31, 2023 and 2022
  - Bioscience 1 (BS1) generated tenant revenue of $3,264,413 and $3,085,718 respectively.
  - Tenant revenue derived from the Authority's sub-leased floors in Bioscience 2 (BS2) was $1,715,271 and $1,440,577 respectively.
  - Bioscience 3 (BS3) generated tenant revenue of $3,070,874 and $3,077,800 respectively.
  - The option agreement for the Bioscience 4 (BS4) parcel generated revenue of $273,402.
  - Bioscience 5 (BS5) was completed in the 4th quarter of 2023 and currently is vacant.
  - Tenant revenue for Bioscience East (BSE) was $517,464 and $505,209 respectively. The Department of Veterans Affairs continues to occupy 100% of the Bioscience East building.
  - Property management fees earned by the Authority for Bioscience 1, 2 and 3 were $560,594 and $530,529 respectively.
  - Occupancy was consistently at or near 100% during 2023 and 2022 in the Bioscience 1, 2 and Bioscience East facilities. In the fourth quarter of 2023, Bioscience 1 had just over 6,000 rentable square feet of lab and office space available for lease. Bioscience 3 remains at 60% occupancy with 52,000 rentable square feet available for lease.
  - The Authority's paid campus parking program generated $1,305,480 and $903,210 respectively.
  - The Authority invested $4,195,449 and $9,045,753 respectively in capital assets. Expenditures for both years were primarily related to tenant and other facility improvements in various facilities and the construction of Bioscience 5.
- On September 30, 2015, the Authority serving as master developer for the Fitzsimons Innovation Community entered into an Operations and Capital Funding Agreement with the Colorado Science and Technology Park Metropolitan District No. 1 (Metro District) which included an initial loan of $14 million from the Authority to the Metro District. The Metro District has and intends to further construct and/or acquire certain public improvements (District Services) in the development area. To enable the Metro District to provide the District Services, the funding agreement enabled the Authority to advance funds on an "as-needed" basis for operations, maintenance expenses and/or to construct on a reimbursable basis required infrastructure on behalf of the Metro District. The funding agreement authorized the repayment by the Metro District of all amounts advanced including the initial loan and for costs incurred by the Authority on behalf of the Metro District. All amounts due to the Authority are assessed interest. The Authority and the Metro District adopted a new funding agreement in the first quarter of 2019 which extends the commitment of the Authority for continued support of the Metro District and facilitated the commencement of reimbursements to the Authority by the Metro District. The Metro District tendered an initial payment of $9.29 million in the first quarter of 2019 from their bond proceeds against the then existing loan balance. In 2023 and 2022, the Metro District paid $878 thousand and $587 thousand respectively against outstanding capital interest.

  For the years ended December 31, 2023 and 2022 the Authority expended $700 thousand and $129 thousand respectively in expenses on behalf of the Metro District. This amount includes costs for the Master Plan, General Development Plan, legal services, and other miscellaneous costs. The Authority assessed interest of $1,625 thousand and $856 thousand to the Metro District for the years ending December 31, 2023 and 2022 respectively. As of December 31, 2023, the Metro District had an outstanding balance of $18.2 million.

- The Authority entered into a 360-month master lease agreement with the University on January 31, 2014 for approximately 39,800 square feet in the Bioscience 2 building which is subleased by the Authority to life sciences related tenants. The commencement for additional rent (common area costs and utilities) was on December 1, 2015 and January 1, 2016 for base rent. The University granted an option to purchase the premises after meeting certain provisions and as a result, the Authority recorded $11 million for this capital lease obligation in 2015. The agreement allows for self-managed services whereby the Authority shall manage, operate and maintain the property and in exchange will receive a credit against rent due in an amount equal to 3% of the gross annual rental, utilities and common area maintenance costs for the building.

  In 2020, the University refinanced the bonds for Bioscience 2 which resulted a revision to the amounts due by the Authority under the terms of the lease agreement. The Authority accounted for this transaction pursuant to the Governmental Accounting Standards Board Statement No. 62 as amended by Statement No. 65 which stipulates for qualifying leases in which the economic advantages of the refunding are passed through to the lessee and the lessee is accounting for the lease as a capital lease, the present value of the capital lease obligation shall be adjusted using the new effective interest rate and the change reported as a deferred outflow of resources recognized over the life of the new debt. The Authority therefore recorded a change in the capital lease obligation of $1.270 million and the creation of a deferred outflow of resources in the same amount. The economic benefit to the Authority was a reduction in future lease payments in the amount of $1.747 million arising from the reduction of interest costs of $3.017 million offset by the increase of $1.270 million in the lease obligation. The maturity date remained unchanged.

  Effective January 1, 2022, the Authority modified the accounting for this capital lease in accordance with the Governmental Accounting Standards Board (GASB) 87 Accounting for Leases standard with retroactive application to the 2021 financial reporting periods. The cumulative impact to net position from the adoption of this standard for 2021 was $618 thousand.

- The Authority did not have any real estate sale transactions in 2023 and consummated one real estate transaction in 2022 generating one-time non-operating income of $1.77 million to AIMCO for a new apartment development. The 2022 transaction included:

  - On December 15, 2022, 1.77 acres were sold to AIMCO Corporation for the development of a new set of apartment homes consisting of 330 units in an eleven-story tower on the campus. The development is currently in the design and permitting phase.

- 2023 development activity began to wane as projects underway from 2022 were completed. These projects included:

  - In Bioscience 1, 2023 investment in tenant improvements and air handling systems were the focus. A refresh of restroom facilities and the conversion of the FRA Boardroom to a "Zoom" enabled conference room was completed in 2022 along with fresh paint and carpet. Capital investment was $338 thousand and $419 thousand respectively.

  - No significant investment was made in Bioscience 2 in 2023. $465 thousand was expended in tenant improvements in 2022.

  - For Bioscience 3, investment in speculative lab improvements continued in 2023 with expenditures totaling $2.5 million. This investment was initiated in 2022 with $963 thousand being expended.

  - Construction activities continued for Bioscience 5 during both years with the facility being completed late in 2023. Financing for this single-story 90,000 gross square foot flexible cell and gene manufacturing facility was established September 2021 with groundbreaking taking place in the first quarter of 2022. Expenditures were $1.33 million and $7.91 million for 2023 and 2022 respectively.

  - Footnote 7 contains additional disclosures surrounding the financing associated with these projects.

- During 2023, the Authority continued to see the effects of the macro-economic uncertainties and the resultant impact on capital markets and venture capital. The life sciences sector remains under pressure which has materially suppressed investment and subsequent demand for real estate. The Authority is not immune from the forces which followed the effects of the Corona virus (COVID-19) pandemic. 2022 saw impacts to our supply chain and our pipeline of potential tenants which were exacerbated going into 2023 by the rapid rise in inflation and interest rates. This has impacted the timing and cost of bringing new commercial space to market and the ability of potential tenants to enter into contracts.

- We were able to enter into an option agreement with a developer conveying a two year right to a long-term ground lease for the Bioscience 4 land parcel. This developer is in the early stages of evaluating a new 230,000 square foot life sciences facility. This option agreement created a new source of cash flow for the Authority and will maintain the forward momentum of the campus development – all while reducing this development risk to the Authority.

Looking ahead

The Authority continues to press forward keeping true to the mission of providing life science companies with an environment where they can thrive; delivering success-enhancing resources like the Campus' incubator facilities; and enabling connections between private industry and the University of Colorado.

Beginning in January of 2023, we did see the operating environment start to marginally improve. The market, however, continues to bear the impact of inflationary pressure and interest rate risk, investment capital constraints and the resultant limitations of companies' expansion or relocation plans in the face of this macroeconomic uncertainty. The Authority continues to weather these challenges as we seek to execute our business plans.

In late 2023, we delivered Bioscience 5, a new 90,000 square foot flexible cell and gene manufacturing facility. Cell and gene therapy manufacturing promises cutting edge individualized treatment possibilities. While we continue to see prospective activity, nothing to date has materialized. We continue to aggressively market Bioscience 5 with the hope of two to three companies taking the space. This is not an inexpensive proposition as gene and cell therapy manufacturing requirements have tenant improvement costs that approach a thousand dollars per square foot for infrastructure and an additional thousand dollars per square foot of manufacturing and supporting lab equipment. Bioscience 5's debt facility required restructuring towards the end of 2023 as construction concluded and no tenant leases were in place. This loan will require further restructuring or retiring in the third quarter of 2024.

The 2023 default of a significant tenant in Bioscience 3 put pressure on our loan compliance for that facility triggering a restructuring. This restructuring's material negative effect on our available cash impacted our ability to finance prospective tenant improvements and reduced our competitiveness in the marketplace. We expect tenant improvement projects in Bioscience 3 will demand a higher contribution from the Authority as costs for these improvements now range from \$300 to \$400 per square foot for non-specialized laboratory space. Details around the Bioscience 3 and Bioscience 5 loan restructurings can be found in Note 7.

With our capital on hand being constrained our ability to build out these two facilities for future tenants may be hindered. Efforts are underway to refinance Bioscience 3 and the Authority anticipates the repayment of outstanding debt to the Authority by the Metro District. These efforts, if successful, will mitigate the capital constraints the Authority is currently experiencing.

2024 will also see the delivery of a much-anticipated revised Master General Development Plan (GDP). The last GDP was completed in 2016 and subsequently amended in 2018. Much has changed in the intervening years, not just locally but regionally and nationally. The Authority believes the time is right to establish an updated GDP to set a positive course of action for the future. In 2023, the Authority initiated Phase 1 of the GDP update. The Phase 1 Visioning effort creates a unified 25-year vision for the Authority to meet development goals and vision to be a new ecosystem for "the boldest visionaries in health sciences, working together on a campus that buzzes with breakthroughs". The Phase 2 Plan Adoption throughout 2024 will culminate with a GDP amendment formally adopting the revised planning approach supported by both the Authority's Master Plan and Executive Committees. Phase 2 requires technical planning studies in concert with the City of Aurora's plan adoption requirements.

We will continue to build upon the success of the last few years as many developmental activities which launched in earlier years are stabilizing and performing including the Compositive Academy, the Aurora Public School System (APS) Science, Technology, Engineering & Math (STEM) school and our Bioscience 3 facility. What will not change for 2024 and beyond is our unrelenting focus on becoming what the Authority's founders envisioned: a functioning live, work, stay and play community directly supporting the health and well-being of life science companies.

Overview of the Basic Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of the statements of net position, the statements of revenues, expenses, and changes in net position, the statements of cash flows, and the notes to the basic financial statements. The Authority maintains its books on the full accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) standards which serves as the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States.

Basic Financial Statements

The basic financial statements provide detailed information about the Authority. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority accounts for its activities in a single enterprise fund.

The statements of net position present information showing the Authority's net position at year-end. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information showing how the Authority's net position changed during the fiscal year. All current year's revenues and expenses are accounted for when the event occurs, regardless of timing of when cash is received or paid.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

Summary of Net Position

A summary of the Authority's financial position as of December 31, 2023, 2022 and 2021 is presented below:

	2023	2022**	2021*
Current assets	$ 35,692,793	$ 24,950,198	$ 27,297,122
Capital assets, net	76,797,511	76,391,580	70,390,727
Other noncurrent assets	28,650,096	51,321,484	51,567,314
Total assets	141,140,400	152,663,262	149,255,163
Deferred Outflow of Resources	963,853	1,013,279	3,623,719
Current liabilities	8,313,643	4,099,251	3,960,877
Noncurrent liabilities	51,805,325	61,462,942	63,075,306
Total liabilities	60,118,968	65,562,193	67,036,183
Deferred Inflows of Resources	34,373,025	41,829,437	40,596,680
Net Assets:			
Net investment in capital assets	19,030,760	12,990,618	8,505,125
Restricted	2,518,941	4,920,935	10,080,802
Unrestricted	26,062,559	28,373,358	26,660,092
Total net position	$ 47,612,260	$ 46,284,911	$ 45,246,019

**2021 beginning total net position was restated (see Note 2) as of January 1, 2021 to reflect the adoption of the GASB 87 Accounting for Leases standard.*
***2022 assets and deferred inflows of resources were restated (see Note 17).*

Current assets totaled approximately $35.7 million, $25.0 million and $27.3 million on December 31, 2023, 2022, and 2021 respectively. These balances primarily consist of cash and cash equivalents, restricted cash, short-term investments, receivables from tenants and the Metro District, the short-term component of the present value of our lease receivables, prepaid expenses and accrued interest. Current assets increased materially in 2023 as the Authority has been advised by the Metro District it is their intention to pay their outstanding capital note in full during the first half of 2024. Management has moved the full note into current notes receivable.

Capital assets include our Bioscience facilities (Bioscience 1, Bioscience 3, Bioscience 5, Bioscience East, Bioscience 2 lease asset), Fitzsimons Garage and surface lots, vacant land, equipment, and Construction in Process.

Other noncurrent assets include long-term notes, long-term Metro District receivables, the long-term component of the present value of our lease receivables and the mark to market value of the interest rate swap for the years 2023 and 2022.

The deferred outflow of resources is related to the interest swap discussed in Note 7 and the University's refinancing of the bonds underlying the lease obligation discussed in Note 7.

Current liabilities of approximately $8.3 million, $4.1 million and $4.0 million on December 31, 2023, 2022 and 2021 respectively include trade payables, tenant security deposits, unearned revenue, the current portion notes, leases and interest payable to First Bank, Commerce Bank, the University and accrued year-end wages and other personnel costs. The significant increase in current liabilities is associated with the Authority moving the full balance of the Bioscience 5 note with First Bank to current liabilities. Provided the Metro District retires their note as discussed above, the Authority intends to fully retire this outstanding note with First Bank for Bioscience 5.

Noncurrent liabilities of approximately $51.8 million, $61.5 million and $63.1 million on December 31, 2023, 2022, and 2021, respectively, consists of notes, leases and interest payable to the University, Commerce Bank and First Bank along with the interest rate swap as discussed in Note 7.

The deferred inflows of resources represent a gain on a land sale leaseback transaction with the University where no cash was exchanged, the interest rate swap as discussed in Note 7 and the recognition of deferred lease inflows as stipulated by Lease Standard 87 issued by the Governmental Accounting Standards Board.

The ending net position for 2023 of $47.6 million was an increase of $1.3 million over 2022. 2022's net position of $46.3 million reflected an increase of $1.0 million from the December 31, 2021 net position of $45.3 million.

Summary of Changes in Net Position

Below is a table summarizing the changes in net position for the years ended December 31, 2023, 2022 and 2021:

	2023	2022	2021*
Revenues:			
Tenant operating income, net	$ 8,838,403	$ 8,067,267	$ 7,592,553
Other operating income	1,945,881	1,531,956	1,168,054
Total revenues	10,784,284	9,599,223	8,760,607
Expenses:			
Property services	2,645,623	2,378,385	1,924,302
Personnel services	1,527,204	1,469,264	1,432,576
Professional services	197,009	99,800	115,502
Parking services	148,786	126,761	107,681
Administrative and marketing	367,315	521,375	327,027
Depreciation and amortization	3,820,175	3,752,350	3,763,366
Total operating expense	8,706,112	8,347,935	7,670,454
Operating income (loss)	2,078,172	1,251,288	1,090,153
Non-operating revenue (expense):			
Interest income	1,902,187	930,683	608,633
Non-operating income	652	1,810,876	(1,530)
Interest expense	(2,536,544)	(2,931,105)	(2,970,707)
Debt issuance expense	(117,118)	(22,850)	(315,619)
Nonoperating revenue (expense)	(750,823)	(212,396)	(2,679,223)
Change in net assets	1,327,349	1,038,892	(1,589,070)
Net position – beginning of year	46,284,911	45,246,019	46,216,843
Adjustment to ending 2020 net position (Note 2)			618,246
Net position – end of year	$ 47,612,260	$ 46,284,911	$ 45,246,019

**2021 beginning total net position was restated (see Note 2) as of January 1, 2021 to reflect the adoption of the GASB 87 Accounting for Leases standard.*

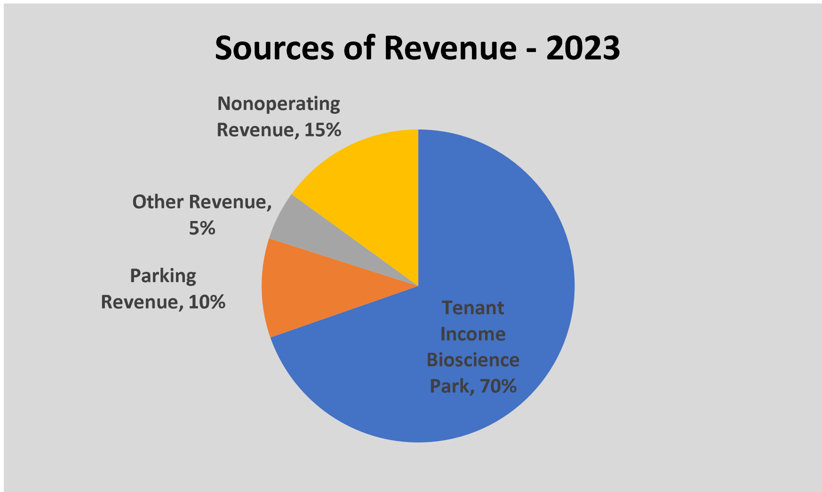
The Authority's primary sources of operating revenue are:

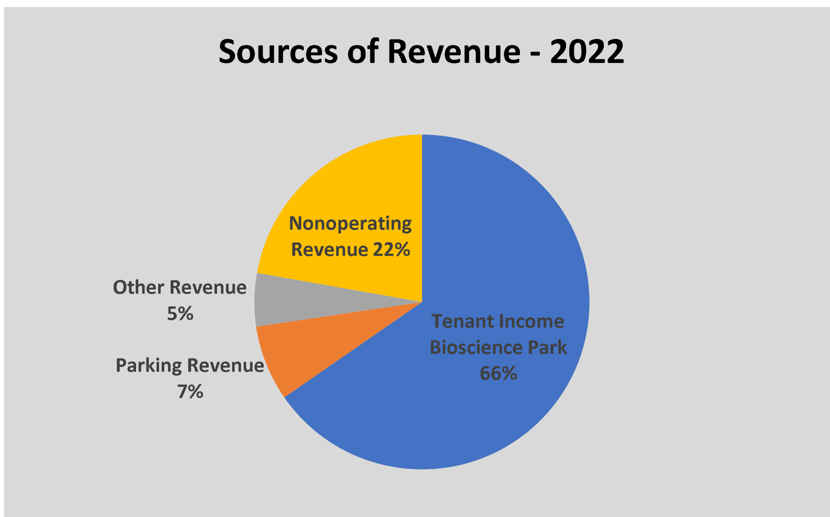
Tenant operating revenues from Bioscience 1 (BS1), Bioscience 2 (BS2), Bioscience 3 (BS3), Bioscience East (BSE) and the land parcel for Bioscience 4 (BS4) includes rents, GASB 87 imputed interest, common area maintenance and phone/internet income net of bad debt. Tenant operating income has consistently increased year over year rising by 8.7% for 2023, 6.3% for 2022 and 32.6% for 2021.

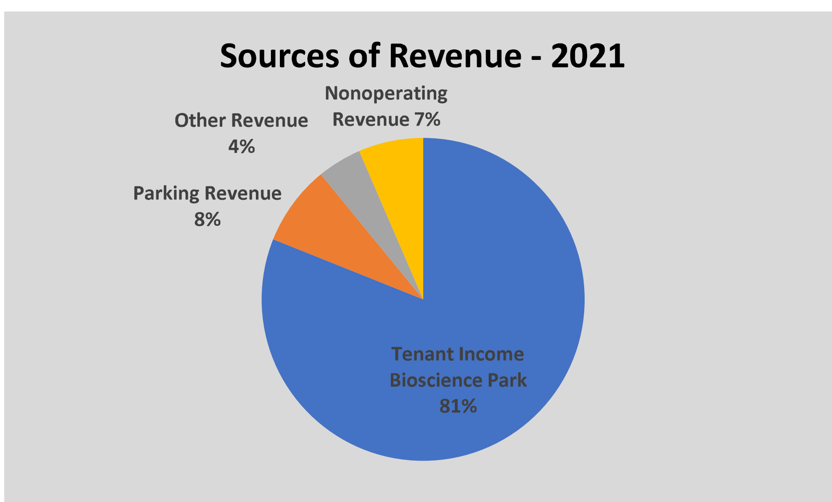
Other operating income includes parking fee income and fees for managing operations at the Bioscience facilities. Other operating income has consistently increased year over year rising by 21.3% of 2023, 31.2% for 2022 and 17.7% for 2021.

Non-operating revenue & (expenses) in all three years consists primarily of debt related costs including interest expense offset by interest income and for 2022 the sale of real estate. See Note 7 for debt-related discussions.

The graphs below depict the Authority's revenue sources for 2023, 2022 and 2021:







Expenses:

Personnel services include compensation and benefits for the Authority's employees. 2023 expenses increased 3.8% over 2022 primarily related to costs associated with the termination of a long-term employee and wage pressures. 2022 expenses increased 2.6% over 2021.

Headcount at year-end for 2023 totaled ten employees which consisted of nine full-time employees (FTEs) and one part-time employee (PTE). This was a reduction of one full-time employee from 2022.

Property services include costs incurred to operate, manage, maintain, and repair the Authority's real and personal property. These expenses, which relate to both leased and vacant property, include utilities, maintenance, repairs, landscaping, janitorial services and snow/trash removal. Property services costs for 2023 and 2022 increased 10.1% and 23.6% respectively over the prior year due to continued inflation for goods, utilities and increased maintenance for the aging Bioscience 1 and Bioscience 3 moving out of warranty.

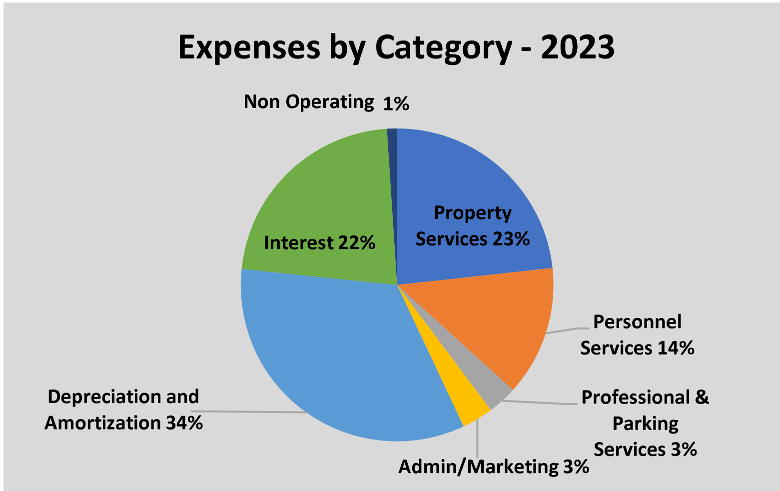
Professional services include legal, audit and consulting fees. 2023 saw an increase in these fees after several years of declines primarily related to specific engineering requirements related to generator capacities and geo-locates.

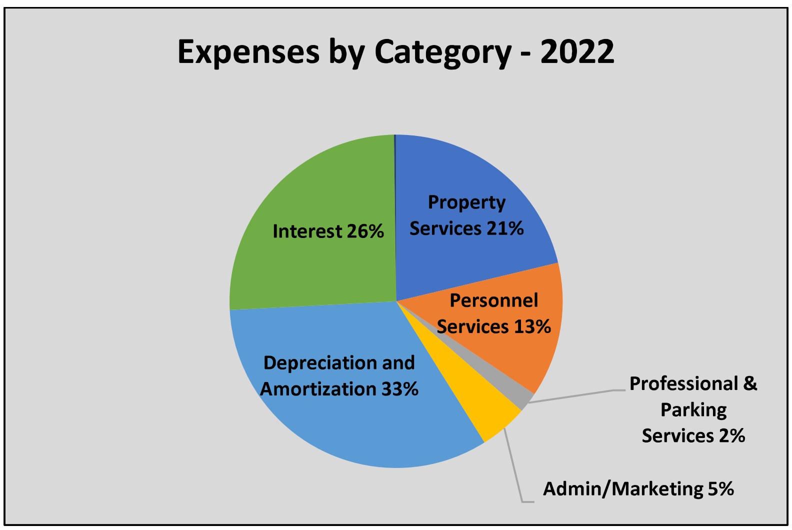
Parking Services costs relate to the cost of utilities and the use of an independent parking operator to manage the Authority's parking program, provide parking enforcement services and maintain the parking equipment. 2023 saw an increase of 14.8% over 2022 driven primarily by volume increases in our parking program (parking revenues for 2023 increased 48.5% over 2022). The increases for 2022 moderated from prior years running at 17.7% increase over 2021.

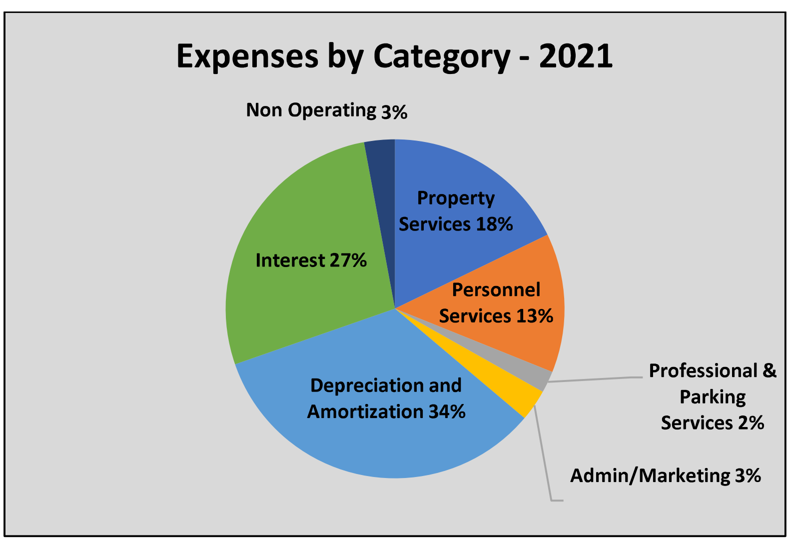
Administrative and marketing costs include the costs for travel, insurance for non-operating assets, sponsorships, equipment rental, tenant relations, branding consultants, print advertising and collateral materials. Costs decreased 41.9% over 2022 which had increased 59.4% over 2021 due to increased spend on branding development, marketing, sponsorships, and resumed travel post pandemic.

Depreciation and amortization expense rose slightly in 2023 after being flat for 2022 over 2021.

The following graphs illustrate the Authority's expenses by category for 2023, 2022 and 2021:







Capital Assets

As shown in the following table, at the end of fiscal years 2023, 2022 and 2021, the Authority had $76.8 million, $76.4 million and $70.4 million respectively, invested in land, buildings, equipment, and construction in progress, net of depreciation. 2023 presented below reflects the classification transfer of Bioscience 5 from Construction in progress to primarily Buildings and improvements.

Capital investments made in 2023 were primarily for Bioscience 5 and improvements to current facilities and tenant spaces. 2022 and 2021 were for the purposes of completing Bioscience 3, starting Bioscience 5 and completing the Fitzsimons Garage. Construction in Progress increased significantly during these periods as a result of these projects.

The small decrease in Land in 2022 was the result of the land sale transactions discussed earlier. For more information on the capital assets of the Authority including a non-GAAP disclosure related to the Land, refer to Note 6 to the basic financial statements and the Supplementary Information.

	2023	2022	2021
Land	$ 651,670	$ 651,670	$ 659,894
Intangibles	403	4,806	10,714
Buildings and improvements	57,983,211	49,276,844	51,290,551
Furniture and equipment	4,345,870	4,410,005	4,741,469
Leased Assets	9,631,795	10,128,280	10,624,764
Construction in progress	4,184,562	11,919,975	3,063,335
	$ 76,797,511	$ 76,391,580	$ 70,390,727

Long-Term Debt

On December 31, 2023, 2022, and 2021 the Authority had $57.9 million, $63.1 million and $61.8 million respectively in notes payable and leases, with $6,055,893, $1,605,819 and $1,262,497 due in 2024, 2023 and 2022 respectively. The following table summarizes the current and non-current long-term debt of the Authority outstanding on December 31, 2023, 2022, and 2021.

	2023	2022	2021
Notes payable and lease	$ 57,861,218	$ 63,068,761	$ 61,776,791
Less current portion	(6,055,893)	(1,605,819)	(1,262,497)
Total long-term notes payable	$ 51,805,325	$ 61,462,942	$ 60,514,294

For more information on the long-term debt of the Authority refer to Note 7 and Note 8 to the basic financial statements.

Economic Factors

Fitzsimons Innovation Community

CBRE continues to serve as the Authority's broker representative as both the Colorado team and the national team have an expansive network in the life science industry at scale. The firm has been impactful in working with the Authority's leadership to advise on market and investment strategies, lease rates, land lease or sale assessments, and master planning efforts. For tenant improvement projects moving forward, the Authority expects to contribute a higher threshold of tenant improvement costs ranging from $300 to $400 per square foot. In turn, our lease rates will reflect the necessary return for this investment and will align with market conditions.

Bioscience 1 (BS1)

Bioscience 1 remained relatively stable in 2023 and 2022 with a low turnover of companies. The Authority experienced the downsizing of several companies throughout the year leaving about 6,200 of rentable square feet available to lease at year end. The Authority is taking this opportunity to give the labs a facelift with minor modifications to prepare the labs for the next company. The Authority expects to lease this space in the first quarter of 2024.

Bioscience 2 (BS2)

Bioscience 2 continues to be 100% leased. Outside of one renewal in 2024 for 3,717 rentable square feet, the remaining leases in Bioscience 2 renew between 2027 and 2030.

Bioscience 3 (BS3)

Bioscience 3 has encountered several roadblocks, beginning with COVID-19 and recently market conditions thwarting the advancement of company expansions or relocations. Companies are currently faced with the need to preserve capital and focus on technology advancements. Additionally, the default of a significant tenant in Bioscience 3 decreased occupancy from 77% to 60% at the end of 2022 into 2023 which triggered issues with one of the Authority's lenders. Details of this issue can be found in the debt footnote (see Note 7). The defaulting tenant surrendered their leased space which included a new unused cleanroom. These cleanroom improvements have been retained by the Authority which are now being marketed by the Authority and CBRE. Current market expectations now require the design and delivery of speculative labs. Responding to the market, the Authority initiated the development of two speculative labs – one at 5,500 rentable square feet and the other 6,460 rentable square feet on the 2nd floor of Bioscience 3. Cost estimates hover around $400 per rentable square foot.

Bioscience 5 (BS5)

This is a 90,000 square foot building which was completed in the fourth quarter of 2023. Currently the facility is vacant. Marketing activities are underway and active conversations are taking place. The strategy for Bioscience 5 is to optimize the research and development of the campus eco-system with manufacturing partners that lend commercial expertise to the mission of The Gates Institute and their $200 million dollar investment in cell and gene therapy. Like Bioscience 3, the capital markets have currently paused infrastructure investment decisions until economic uncertainties are minimized.

Bioscience East (BS East)

The Department of Veterans Affairs continues to occupy 100% of the BS East building. While several years remain on their lease, discussions are being held with the VA to assess a go forward strategy and long-term plans for the site.

The Bioscience Industry

Colorado's reputation as a leading North American hub for health innovation continues to accelerate with record-breaking financings of $1.47 billion in 2023 and $1.6 billion in 2022, the seventh consecutive year that Colorado's life sciences community has raised more than $1 billion.

The largest source of funding for Colorado's life sciences ecosystem came from federal funding that totaled $560.9 million.

Colorado companies raised $499.2 million in capital from public sources and $402.8 million in capital from private sources primarily from venture funding. Pre-Seed and Seed funding increased significantly with $29.7 million in Pre-Seed and Seed funds raised in 2023 compared to $11.3 million in 2022. Series A and B funding was a notable $246.6 million in 2023 compared to $193.8 million in 2022.

The State of Colorado also awarded $7.45 million in Advanced Industries Accelerator Grants to life sciences companies and university researchers in 2023.

2023 Totals

Pre-Seed/Seed:	$29.7 million
Series A and B:	246.6 million
Series C, D, + Later:	126.4 million

Roughly 720 bioscience companies are located in Colorado including agricultural, biotechnology, diagnostic, digital health, medical device, and pharmaceutical companies.

Direct Employment: 38,000 (2021)

Average Annual Salary: $71,522 (2021)

According to a recently issued report from CBRE, demand for lab space remains tepid as we head into 2024 as companies exercise caution keeping demand lower than in recent years. At the end of the fourth quarter of 2023, total space available nationally for subleasing in the market remains high reflecting a 133% increase in availability. As a point of reference, San Diego alone has over one million rentable square feet of available lab space available for subleasing.

On a positive note, the greater Denver region remains one of the more affordable U.S. life sciences markets with average asking rents at $60 per square foot. This is in contrast with average rates of $99 per square foot in Boston/Cambridge, $76 per square foot in San Diego and $72 per square foot in the San Francisco Bay Area, the nation's three largest life sciences markets by laboratory/R&D inventory.

"The greater Denver-Aurora-Boulder region has long held a competitive advantage in terms of talent, relative affordability, and geography, and now our growing inventory of high-quality life sciences real estate is cementing that leadership position," said Erik Abrahamson, senior vice president, CBRE. The Authority believes the long-term outlook is positive.

Requests for Information

This financial report was designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

President and CEO
Fitzsimons Redevelopment Authority
12635 E. Montview Blvd., Suite 100
Aurora, CO 80045

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Net Position
December 31, 2023 and 2022

Assets	**2023**	**2022***
Current assets:		
Cash and cash equivalents	$ 8,994,214	$ 12,415,327
Cash and cash equivalents - restricted	2,518,941	4,920,935
Investments	2,465	2,345
Accounts receivable	307,184	372,164
Prepaid expenses	137,824	148,420
Current portion of notes receivable	18,256,840	1,183,627
Lease receivable	5,475,325	5,907,380
Total current assets	35,692,793	24,950,198
Noncurrent assets:		
Capital assets, net:		
Land	651,670	651,670
Intangibles - Web development	403	4,806
Buildings and improvements	57,983,211	49,276,844
Furniture and equipment	4,345,870	4,410,005
Right to use lease asset net of amortization	9,631,795	10,128,280
Construction in progress	4,184,562	11,919,975
Total capital assets	76,797,511	76,391,580
Prepaid Lease Commissions	179,712	200,332
Notes receivable, net of current portion	269,552	15,929,957
Derivative instruments - interest rate swap	654,282	1,172,344
Lease receivable, net of current portion	27,546,550	34,018,851
Total noncurrent assets	105,447,607	127,713,064
Total assets	141,140,400	152,663,262
Deferred Outflows of Resources		
Deferred outflow of resources - lease	963,853	1,013,279
Total deferred outflow of resources	963,853	1,013,279
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	1,091,064	1,438,201
Accrued salaries and compensated absences	145,676	116,542
Current portion of interest payable	232,309	280,009
Current portion of notes payable	5,662,380	1,235,778
Current portion of lease liability	393,513	370,041
Security deposits	545,324	592,537
Unearned revenue	243,377	66,143
Total current liabilities	8,313,643	4,099,251
Noncurrent liabilities:		
Notes payable, net of current portion	42,199,317	51,463,421
Lease liability, net of current portion	9,606,008	9,999,521
Total noncurrent liabilities	51,805,325	61,462,942
Total liabilities	60,118,968	65,562,193
Deferred Inflows of Resources		
Deferred inflow of resources, land sale leaseback	696,868	730,862
Deferred inflow of resources, interest swap	654,282	1,172,344
Deferred inflow of resources, leases	33,021,875	39,926,231
Total inflow of resources	34,373,025	41,829,437

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Net Position
December 31, 2023 and 2022

	2023	2022
Net Position		
Net investment in capital assets	19,030,760	12,990,618
Restricted	2,518,941	4,920,935
Unrestricted	26,062,559	28,373,358
Total net position	$ 47,612,260	$ 46,284,911

2022 assets and deferred inflows of resources were restated (see Note 17).

See accompanying notes to basic financial statements.

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
Year Ended December 31, 2023 and 2022

	2023	2022
Operating revenues:		
Tenant revenues	$ 7,390,295	$ 6,598,830
Parking revenues	1,101,085	741,627
Tenant lease interest	1,448,108	1,468,437
Parking lease interest	200,394	158,030
Other income	644,402	632,299
Total operating revenues	10,784,284	9,599,223
Operating expenses:		
Property services	2,645,623	2,378,385
Personnel services	1,527,204	1,469,264
Professional services	197,009	99,800
Parking services	148,786	126,761
Administrative and marketing	367,315	521,375
Depreciation and amortization	3,323,690	3,255,866
Amortization of Right-of-use asset	496,485	496,484
Total operating expenses	8,706,112	8,347,935
Operating income	2,078,172	1,251,288
Non-operating revenue (expenses):		
Interest income	1,902,187	930,683
Non-operating income (expense)	652	1,810,876
Debt issuance expenses	(117,118)	(22,850)
Interest expense	(2,536,544)	(2,931,105)
Non-operating revenue (expenses)	(750,823)	(212,396)
Change in net position	1,327,349	1,038,892
Net position, beginning of year	46,284,911	45,246,019
Net position, end of period	$ 47,612,260	$ 46,284,911

See accompanying notes to basic financial statements.

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Cash Flows
Year Ended December 31, 2023 and 2022

	2023	2022*
Cash flows from operating activities		
Cash received from tenants and others	$ 2,905,260	$ 1,872,327
Cash payments to employees	(1,498,070)	(1,483,481)
Cash payments to suppliers for goods and services	(2,682,743)	(3,322,806)
Net cash used in operating activities	(1,275,553)	(2,933,960)
Cash flows from capital and related financing activities		
Purchase of capital assets	(5,207,276)	(8,871,791)
Proceeds from sale of capital assets & other non-operating income	652	42,654
Proceeds from the sale of land	-	1,768,222
Payments for principal on long term debt and lease liability	(7,274,008)	(1,286,056)
Proceeds from the issuance of debt	2,066,464	2,578,026
Lease payments received	8,024,132	7,544,087
Debt issuance costs	(117,118)	(22,850)
Payments for interest on long term debt and lease liability	(2,584,244)	(3,048,032)
Net cash used in capital and related financing activities	(5,091,398)	(1,295,740)
Cash flows from noncapital related financing activities:		
Loans to Metro District	(644,166)	(128,787)
Payments received on notes receivable	34,161	270,020
Net cash provided by/(used in) noncapital related financing activities	(610,005)	141,233
Cash flows from investing activities:		
Investment income	1,153,969	661,794
Net cash provided by investing activities	1,153,969	661,794
Net decrease in cash and cash equivalents	(5,822,987)	(3,426,673)
Cash and cash equivalents, beginning of year	17,338,607	20,765,280
Cash and cash equivalents, end of period	$ 11,515,620	$ 17,338,607
Reconciliation of operating income to net cash provided by operating activities		
Operating Income	$ 2,078,172	$ 1,251,288
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	3,820,175	3,752,350
Deferred Income	(33,994)	(33,994)
Deferred inflows from leases	(6,375,629)	(5,917,620)
Interest income from leases included in capital & related financing activities	(1,648,503)	(1,626,467)
(Increase) decrease in trade & TI receivables	49,081	(88,103)
(Increase)/decrease in prepaid expenses	10,596	(20,339)
Increase (decrease) in accounts payable	665,394	(176,146)
Increase (decrease) in accrued salaries and compensated absences	29,134	(14,217)
Increase (decrease) in security deposits and unearned revenue	130,021	(60,712)
Net cash used in operating activities	$ (1,275,553)	$ (2,933,960)

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Cash Flows
Year Ended December 31, 2023 and 2022

	2023	2022
Supplemental disclosure of cash flow information:		
Fair value change in interest rate swap	$ (518,062)	$ 3,733,356
Gain on land sale transactions		1,768,222
Acquiring capital assets by assuming directly related liabilities	6,552,756	10,043,308
Noncash capital & related financing activities -		
Lease receivables for leases entered during the year	1,494,737	6,012,027
Lease receivables for leases terminated during the year	(2,023,462)	

[*]2022 lease receivables balance for leases entered during the year was restated (see Note 17).

See accompanying notes to basic financial statements.

(1) Organization and Reporting Entity

Fitzsimons Redevelopment Authority (the Authority) was formed on January 1, 1998 under an intergovernmental agreement between the City of Aurora, Colorado (the City) and the University of Colorado (the University) pursuant to Section 29-1-203, C.R.S. The Authority was organized for the purpose of providing necessary and incidental ownership, management, maintenance, and economic redevelopment services and improvements at the former Fitzsimons Army Medical Center (Fitzsimons) and elsewhere within the Fitzsimons Redevelopment Area. The Authority is recognized by the Department of Defense as the local redevelopment authority under the federal base closure and redevelopment programs. It is responsible for the coordination of the redevelopment of the entire Fitzsimons site in accordance with the Fitzsimons Redevelopment Plan (the Plan). In addition, the Authority is responsible for the development and management of certain components of the Plan, including the development of a life sciences-oriented business park affiliated with the University.

The Authority is governed by a twelve-member board of directors, of which three members are appointed by the City, two members are appointed by the University, and one member is appointed by the University of Colorado Hospital (UCH), one member appointed by Children's Hospital Colorado (CHC) and five private sector representatives. The Authority is an enterprise activity under Section 20, Article X of the Colorado Constitution.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying basic financial statements have been prepared in accordance with U.S. generally accepted accounting principles. As a proprietary fund, the Authority uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows.

Proprietary funds report all assets and liabilities, whether current or non-current, on their statements of net position. Like private industry, the focus in these funds is income determination and capital maintenance. Proprietary fund operating statements present increases (revenue) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations of the fund. Revenues from tenant leases and parking operations are considered operating revenues. Expenses for operating and maintaining property and related to the Authority's administrative and marketing functions are considered operating expenses. Investment income, interest expense, gains or losses on the sale or transfer of property, state and federal grants for capital improvements, major contributions to programs and reimbursements under contractual agreements are considered non-operating.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, including money market funds and local government investment pools, with original maturities of three months or less.

(c) Investments

Investments consist of obligations of U.S. Agencies with maturities of one year or less, certificates of deposit with maturities of three years or less, and high-quality commercial paper with maturities of one year or less and are recorded at fair value.

(d) Capital Assets

Capital assets consist of land, buildings and improvements, furniture and equipment, intangibles (web development) and construction in progress. The Authority considers capital assets to be those items having a useful life greater than one year and an original item value greater than $5,000. Capital assets are stated at cost.

Depreciation and amortization are recorded using the straight-line method over typically the following estimated useful lives:

Buildings and building improvements	5 - 40 years
Tenant improvements	Life of the underlying lease
Right to use lease assets	Life of the underlying lease
Infrastructure improvements	65 - 99 years
Furniture and equipment	3 - 5 years
Computer equipment	3 years
Intangible assets – web development	5 years

(e) Other Assets

Other assets will include costs incurred to complete lease transactions, including legal fees, costs incurred to complete land sale transactions which reduce the gain on sale when it is recognized, land sale proceeds in escrow which will be released upon completion of certain Authority obligations and any security deposits paid to secure refinancing.

(f) Leases

Lessor

The Authority is a lessor for noncancellable leases of commercial space within our buildings. The Authority recognizes a lease receivable and a deferred inflow of resources in the Authority's financial statements. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The Authority is a lessee for a noncancellable lease for Bioscience 2 and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in our financial statements. At the commencement of this lease, the Authority initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to this lease include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported separately on the statement of net position.

(g) Deferred Inflows/Outflows of Resources

The deferred inflows and outflows of resources pertain to the deferred realization and consumption respectively of net position that is applicable to future reporting periods and pertains to both our hedging interest rate swap agreement and the change to the Authority's lease obligation arising from lease modifications. Since our interest rate hedge has been determined to be effective in offsetting the changes in fair value of the underlying debt, the increase in the fair value of the derivative instrument is reported as an asset with a corresponding deferred inflow of resources to reflect the fact that this increase is not expected to be recognized in investment income in future periods. The deferred outflow of resources related to the lease modification is amortized over the remaining life of the lease. Other deferred inflows of resources consist of a gain on a land sale leaseback transaction with the University where no cash was exchanged which is recognized over the lease term in proportion to the recognition of the leased asset in 2023 and 2022 (see Note 12 for additional information) and the net present value of all outstanding tenant leases representing future lease revenues.

(h) Compensated Absences

Full-time regular employees are eligible to participate in the Authority's employee benefits programs. Part-time regular employees who work at least twenty (20) hours per week are eligible to participate in the Authority's leave programs on a prorated basis according to the number of hours worked. Temporary employees are not normally eligible to participate in the Authority's employee benefit programs unless otherwise negotiated and specifically provided in writing upon their hiring. Vested leave balances are accounted for by the Authority in accordance with GASB Statement No. 101, *Compensated Absences* which are presented in Note 15.

(i) Net Position

Net position is divided into three components – net investment in capital assets, restricted, and unrestricted.

The first component is the difference between the amount shown for our capital assets and the outstanding debt including leases incurred to finance those capital assets.

Restricted net position represents resources that are constrained to a particular purpose. The Authority currently has restrictions placed on certain cash accounts associated with the Commerce Bank financing for Bioscience 3. $2.5 million is restricted for the duration of the moral obligation provided by the City of Aurora.

Unrestricted net position are the remaining resources not included in the other components and are usable for any purpose.

(j) Revenue Recognition

Tenant income and parking revenue are recognized monthly as earned. Revenue from property sales is recognized when title to the property transfers.

(k) Allowance for Doubtful Accounts

When determining the allowance, the Authority considers the probability of recoverability of accounts receivable based on past experience, current collection trends as well as general economic factors, including bankruptcy rates. Credit risks are assessed based on historical write-offs, net of recoveries, as well as an analysis of the aged accounts receivable balances. Accounts receivable may be fully reserved for when specific collection issues are known to exist such as pending bankruptcy or catastrophes. The analysis of receivables is performed annually, and the allowances are adjusted accordingly.

(l) Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

(m) Capitalized Interest

For all projects financed for all reporting periods up to and including 2020, the Authority capitalized interest cost incurred on funds used to construct property (construction in progress), plant and equipment. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. For interest incurred for projects commencing January 1, 2021, interest is treated as a periodic cost pursuant to GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of Construction Period.*

(n) Income Taxes

The income generated by the Authority in the exercise of its essential government functions, as an instrumentality of the State of Colorado, is excluded from federal income taxes under Section 115 of the Internal Revenue Code.

(o) Unearned Revenues

Unearned revenue classified as current liabilities reflects prepaid tenant rents and other prepaid charges.

(p) GASB Statement Implementation

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* which is effective for reporting periods beginning after June 15, 2021, seeks to increase consistency and comparability of fiduciary component unit reporting in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Authority does offer deferred compensation plans (Section 457 and Section 401(a)). The Authority has concluded in coordination with GASB 84 that the plans do not constitute separate fiduciary activities. Refer to Notes 13 and 14 for additional information.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* which is effective for reporting periods beginning after June 15, 2022, seeks to improve financial reporting by establishing a definition for Subscription Based Information Technology Arrangements (SBITA) and provides guidance for accounting and financial reporting for transactions meeting this definition. Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability initially measured at the present value of subscription payments expected to be made during the subscription term. Subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government will recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting period. The Authority after examination has determined our SBITAs are immaterial and has elected to forego any formal adoption of this pronouncement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* which was effective for reporting periods beginning after December 31, 2021, and was amended by GASB statement 99, *Omnibus 2022* extending the adoption standard indefinitely until such time as the London Interbank Offered Rate (LIBOR) is discontinued, seeks to address accounting and financial reporting uncertainties related to the discontinuance of LIBOR. Some governments including the Authority have existing agreements in which variable payments made or received depend on an interbank offered rate (IBOR) - most notably, LIBOR. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form in the next few years, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. In association with the Bioscience 3 loan restructuring transaction with Commerce Bank which closed on March 1, 2023, the Authority elected to transition from the existing LIBOR index for the existing loan and interest rate swap to the Secured Overnight Financing Rate (SOFR) as published by Federal Reserve Bank of New York. Note 7 below provides additional disclosures on this loan restructuring.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments, as amended*, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases, as amended*, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The Authority has adopted both GASB 53 and GASB 87.

GASB Statement No. 91 *Conduit Debt Obligations,* which is effective for reporting periods beginning after December 15, 2021, seeks to establish a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The Authority does report conduit debt obligations within our financial statement footnotes in adherence to this standard and does not anticipate any further adoption requirements.

GASB Statement No. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021, requires the recognition of certain lease assets and liabilities that were previously classified as operating leases and establishes a single model for lease accounting. The Authority's primary business model is commercial leasing for life science facilities. In addition, the lease with the University of Colorado is in scope for this standard. The Authority adopted the requirements of the guidance effective January 1, 2021.

GASB Statement No. 101, *Compensated Absences,* which is effective for fiscal years beginning after December 15, 2023, establishes when a liability for compensated absences should be recognized and what types of compensated absences are excluded from inclusion in this liability. This unified recognition and measurement model in this standard will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to any type of compensated absence which will eliminate potential comparability issues between governments that offer different types of leave. The standard will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The Authority has evaluated our current accounting practices as it relates to compensated absences and has adopted this standard for the fiscal year 2023. Required disclosures may be found in Note 15. Adoption of this standard did not have an impact on the Authority's financial statements.

(3) Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single institution collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The carrying amount of cash deposits was $11,513,155 and $17,336,262 as of December 31, 2023 and 2022.

On December 31, 2023 and 2022, the Authority's cash and investments are classified on the Statements of Net Position as follows:

	2023	2022
Cash and cash equivalents	$ 8,994,214	$ 12,415,327
Cash - restricted*	2,518,941	4,920,935
Investments	2,465	2,345
Total cash and investments	$ 11,515,620	$ 17,338,607

	2023	2022
Cash	$ 11,513,155	$ 17,336,262
Cash equivalents - money market mutual funds	2,465	2,345
Total cash and cash equivalents	$ 11,515,620	$ 17,338,607

**This cash is restricted pursuant to the terms of the Commerce Bank loan agreement and the First Bank loan agreement discussed elsewhere in the footnotes. At December 31, 2023 and 2022 respectively, $2.5 million was restricted to serve as additional collateral for the duration of the loan agreement. The restricted cash balances in excess of $2.5 million were temporarily restricted pending Commerce Bank's or First Bank's approval of construction draw requests.*

Investments

The Authority's investment policy specifies investment instruments meeting defined rating and risk criteria in which the Authority may invest which include:

- Direct obligations of the U.S. Government
- Obligations of U.S. Agencies
- Repurchase Agreements
- Bankers Acceptances

- Commercial Paper (Rated A1 by S&P and P1 by Moody's)
- Certificates of Deposit
- Money Market mutual funds or investment pools (According to Colorado Statutes)

At December 31, 2023, the Authority had the following investments:

Investment Type	Fair Market Value	Concentration	Weighted Average Maturities (yrs)	Ratings S&P	Ratings Moody's
Money market mutual funds	2,465	100.00%	Less than one yr	AAAm	Aaa-mf
Total Investments	$ 2,465	100.00%			

At December 31, 2022, the Authority had the following investments:

Investment Type	Fair Market Value	Concentration	Weighted Average Maturities (yrs)	Ratings S&P	Ratings Moody's
Money market mutual funds	2,345	100.00%	Less than one yr	AAAm	Aaa-mf
Total Investments	$ 2,345	100.00%			

Concentration of Risk and Credit Risk

The Authority's policy allows it to invest 100% of its portfolio in U.S. Treasuries, U.S. Agencies, repurchase agreements, and money market accounts and investment pools. The policy limits the investment in bankers' acceptances and certificates of deposit to not more than 50% of the portfolio each, and the policy limits the investment in commercial paper to no more than 25% of the investment portfolio. The Authority has further restrictions on the maximum percent per issuer. The maturity of the securities is to be structured to avoid undue concentration in any sector of the yield curve. No investment shall exceed three years and the average life shall not exceed two years. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows and as approved by the Board. If the rating on any instrument changes during its term, it should be sold immediately unless such sale has a materially adverse effect on the investment program.

Fair Value of Investments

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

At December 31, 2023, the Authority's investments in money market funds is measured at amortized cost. The Authority has $2,465 invested with Invesco Investment Services in a money market mutual fund.

(4) Accounts Receivable, Net of Allowance

The Authority's allowance for doubtful accounts offsetting accounts receivable for the years ended December 31, 2023 and 2022 was $0 and $31,050 respectively.

(5) Notes Receivable, Net of Allowance

On January 25, 2008, the Authority closed on a loan to BWAB-Fitzsimmons, LLC (BWAB) in the amount of $10 million. The loan was to provide partial funding for the construction of a conference center hotel adjacent to Fitzsimons in a project known as Fitzsimons Village. Due to the economic environment, the developer was unable to meet its obligations and in 2011 the Authority wrote off all amounts due from the developer. In late 2012 a settlement agreement was signed with one of the partners to pay back $675,000 of the debt. An initial payment of $100,000 was made in late 2012, with monthly payments of $15,972 for 36 months to begin on January 1, 2013 through January 1, 2016. Final payment from this partner was made in December 2015. In June 2015 two more of the partners entered into settlement agreements which collectively totaled $700,000. First payments on these agreements were made in December 2015. The second partner tendered his final payment in 2017. The final partner as of December 31, 2021 had a balance due the Authority of $100,000 after tendering payments of $100,000 and $50,000 for 2020 and 2019 respectively. The final payment on this note was due December 14, 2021 but was not received until January 2022.

In connection with the termination of the master developer agreement with the Forest City Commercial Group (Forest City), the Authority entered into a Funding Agreement with the Colorado Science and Technology Park Metropolitan District No. 1 (the Metro District) and immediately advanced $14 million to the Metro District. The Metro District then paid Forest City to satisfy a portion of the outstanding general obligation debt privately placed and held by them. The original funding agreement authorized the repayment by the Metro District of all amounts advanced by the Authority including the initial loan and for costs incurred by the Authority on behalf of the Metro District. All amounts due to the Authority under the original agreement were assessed simple interest at 200 basis points over the published Wall Street Journal's Prime Rate as adjusted weekly. Under the original agreement, payment to reimburse the Authority was to be made by the Metro District on December 2 of each year subject to annual budget and appropriation once the Metro District has satisfied obligations to Forest City. As of December 31, 2018, the Authority had not received any reimbursement pursuant to this Agreement. For the year ended December 31, 2018, the Authority invested $2.97 million in expenses on behalf of the Metro District including amounts for the Master Plan, General Development Plan, legal services and other miscellaneous costs. The Metro District owed $18.86 million in reimbursable expenses and advances plus $2.90 million in interest for a total amount due of $21.76 million as of December 31, 2018. The Metro District successfully issued a bond series in December of 2018 permitting the repayment of a portion of this balance in 2019. Pursuant to the legal stipulations associated with the Metro District's 2018 bond issuance, the Metro District tendered an initial payment of $8.69 million and $600K in the first quarter of 2019. The Authority and the Metro District executed a new subordinated debt agreement whereby the Authority becomes first priority being subordinated only to the bond holders for all the existing debt as of August 1, 2019. This subordinated debt agreement stipulates an annual payment due to the Authority each December subject to the availability of surplus funds as defined in the bonding agreements. The Authority and the Metro District adopted a new funding agreement in 2019 which extends the commitment of the Authority for continued support of the Metro District for future advances. For the new debt agreement, the parties agreed to reduce the level of interest to fifty basis points over the prime rate as published by the Wall Street Journal adjusted monthly. Lastly, the agreement stipulates the Metro District shall tender payment for all outstanding balances no later than December 31, 2034. During 2023 and 2022, the Authority expended $700 thousand and $129 thousand respectively in additional expenses on behalf of the Metro District. The Metro District remitted $878 thousand and $587 thousand in 2023 and 2022 respectively for capital interest. With the continued assessment of interest and advancement of investment to the District, the District as of December 31, 2023 is indebted to the Authority in the amount of $18.2 million.

The Authority advanced funds necessary to construct certain tenant improvements during prior years to select tenants in the new Bioscience 3 facility. The balance owing to the Authority for these expenditures at December 31, 2023 is $309 thousand.

(6) Capital Assets

	Balance December 31, 2021	Additions/ Transfers	Deletions/ Transfers Out	Balance December 31, 2022	Additions/ Transfers	Deletions/ Transfers Out	Balance December 31, 2023
Capital assets, not being depreciated:							
Land	$ 659,894	$	$ 8,224	$ 651,670	$	$	$ 651,670
CIP	3,063,335	8,856,640		11,919,975	3,977,484	11,712,897	4,184,562
Total capital assets, not being depreciated	3,723,229	8,856,640	8,224	12,571,645	3,977,484	11,712,897	4,836,232
Capital assets being depreciated/amortized:							
Building and Improvements	68,838,195	855,429		69,693,624	11,635,347		81,328,971
Furniture & Equipment	5,936,384	49,358		5,985,742	326,172	30,657	6,281,257
Right to Use Lease Asset - Buildings	11,121,248			11,121,248			11,121,248
Intangibles (web site)	32,090			32,090			32,090
Total capital assets, being depreciated/amortized	85,927,917	904,787		86,832,704	11,961,519	30,657	98,763,566
Less accumulated depreciation/amortization:							
Building and Improvements	17,547,644	2,869,136		20,416,780	2,928,980		23,345,760
Furniture & Equipment	1,194,915	380,822		1,575,737	390,307	30,657	1,935,387
Right to Use Lease Asset - Buildings	496,484	496,484		992,968	496,485		1,489,453
Intangibles (web site)	21,376	5,908		27,284	4,403		31,687
Total accumulated depreciation/amortization	19,260,419	3,752,350		23,012,769	3,820,175	30,657	26,802,287
Total capital assets, being depreciated/amortized, net	66,667,498	(2,847,563)		63,819,935	8,141,344		71,961,279
Total capital assets	$ 70,390,727	$ 6,009,077	$ 8,224	$ 76,391,580	$ 12,118,828	$ 11,712,897	$ 76,797,511

(7) Notes Payable

At December 31, 2023 and 2022 the Authority had notes payable totaling $47,861,697 and $52,699,199 respectively. Details of these notes are as follows:

Notes payable	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023	Amount due within one year
Commerce Bank Secured Overnight Financing Rate plus 2.5% - 4.558% at inception Maturity 7/1/2025	$ 38,265,509		$ 558,848	$ 37,706,661		$ 6,519,613	$ 31,187,048	$ 621,050
Commerce Bank Line of Credit Prime + .25% / $4M limit Line terminated 2023								
First Bank Note Bioscience 5 7.5% fixed Maturity 9/1/2024		2,578,026		2,578,026	2,066,464		4,644,490	4,644,490
First Bank Line of Credit Prime - .50% / $4M limit Renews biannually								
First Bank Note Bioscience 1 3.44% fixed Maturity 11/1/2029	12,785,716		371,204	12,414,512		384,353	12,030,159	396,840
Total	$ 51,051,225	$ 2,578,026	$ 930,052	$ 52,699,199	$ 2,066,464	$ 6,903,966	$ 47,861,697	$ 5,662,380

First Bank Bioscience 1 Loan

Using the Bioscience 1 building as collateral, the Authority entered into a fifteen-year loan agreement on March 20, 2014 with First Bank in the amount of $8,460,000. On October 18, 2019, the Authority refinanced the outstanding principal balance with First Bank of $7,451,729 and withdrew surplus equity from Bioscience 1 to fund the construction of the Fitzsimons Garage. The refinanced loan amount was in the amount of $13,500,000 with a fixed interest rate of 3.44% amortized over 25 years with a final balloon payment due at the maturity date of November 1, 2029. This loan is secured by the building and the assignment of rents. The Authority is obligated to maintain insurance coverages in an amount satisfactory to First Bank. The loan stipulates the Authority to maintain for Bioscience 1 a debt service ratio of 1.4:1, corporate liquidity of no less than $5,000,000 and a corporate minimum net worth $10,000,000. Failure of the Authority to maintain these debt covenants triggers a requirement to pay the loan principal balance down to a level in which the debt service ratio is satisfied, put on deposit with First Bank cash collateral or alternatively provide a letter of credit until such time as the covenants are reestablished. For purposes of the net worth calculation, the fair market value of the Authority's land holdings replaces the historical land basis in these financials. Annually the Authority must test for an overall debt service ratio which also must be maintained at 1.4:1 with remediation provisions similar to the Bioscience 1 cures. In the event of default whether by non-payment or failure to adhere to any of the terms of the indenture agreement including covenant non-compliance, the Authority has 10 days or 30 days respectively to cure the default. If not cured, First Bank may seize the facility and operate it including the collections of rents, foreclose and liquidate the mortgage property and/or seize the additional cash collateral.

Commerce Bank Bioscience 3 Loan

The Authority closed on a construction loan with Commerce Bank on July 10, 2018 to fund the construction of Bioscience 3. The loan amount was $39,000,000 once all construction draws were received. The construction loan was interest only with the interest being capitalized for the first twenty-four months until July 31, 2020. The interest rate for the construction loan was variable and pegged to the one-month London Interbank Offered Rate (LIBOR) plus a margin of 2.48%.

Beginning in month twenty-five (August 1, 2020), the loan converted to a permanent amortizing term loan with a term of sixty months amortized on a thirty-year basis whereby the Authority tenders monthly payments of principal and interest with a final balloon payment of $35,953,293 due July 1, 2025. The interest rate for the permanent loan was variable based on thirty-date LIBOR plus a credit spread of 2.48% through February 28, 2023. The loan was restructured on March 1, 2023, as described further below.

The loan is secured by a deed of trust on the land and building and a $2,500,000 restricted cash deposit placed with Commerce Bank. The cash remains restricted for the duration of the loan. The Authority has given an assignment of rents generated by the project to Commerce Bank, agreed to several loan covenants including a net worth covenant, debt service coverage ratio covenant and the submission of a contractual completion guarantee from the General Contractor.

In the event of default and assuming the Authority does not cure the default per the terms of the agreement, Commerce Bank has the right to take possession of the property and all contracts in order to complete construction, withhold disbursements of loan proceeds, terminate Commerce Bank's obligation to make further disbursements, declare the note due and payable, seize any cash deposits placed at Commerce Bank, foreclose on the property and/or seek any other lawful remedies afforded to Commerce by the loan agreement or by operation of the Law. In the event of declaration of default, the default interest rate shall be lessor of two times the then current adjustable rate or twelve percent per annum provided the default rate does not exceed the highest rate permitted by law.

Lastly, the City of Aurora agreed to provide their moral obligation to Commerce Bank for this loan pursuant to the City's Moral Obligation Policy adopted in Resolution R2011-22 which agrees in the event of default by the Authority to appropriate funds to replenish the restricted cash account until the earlier of the payoff of the loan, the declaration of default by Commerce Bank or December 31, 2024.

The loan agreement provided for a structured draw schedule which was put in place to ensure the Bioscience 3 interest rate swap (discussed below) was always effective. This draw schedule was as follows:

Draw Date	Draw Notional	Cumulative Loan Balance
7/10/2018	$1,197,808	$1,197,808
8/1/2018	$945,539	$2,143,347
9/4/2018	$1,740,347	$3,883,694
10/1/2018	$2,253,854	$6,137,548
11/1/2018	$1,945,348	$8,082,897
12/3/2018	$1,354,239	$9,437,135
1/2/2019	$2,069,304	$11,506,440
2/1/2019	$2,488,683	$13,995,123
3/1/2019	$2,733,507	$16,728,629
4/1/2019	$2,409,943	$19,138,572
5/1/2019	$3,400,954	$22,539,526
6/3/2019	$3,527,462	$26,066,988
7/1/2019	$2,957,531	$29,024,519
8/1/2019	$2,632,121	$31,656,640
9/3/2019	$1,819,347	$33,475,987
10/1/2019	$1,491,119	$34,967,105
11/1/2019	$1,483,726	$36,450,831
12/2/2019	$1,219,557	$37,670,388
1/2/2020	$1,243,058	$38,913,446
2/3/2020	$86,554	$39,000,000

In the first quarter of 2023, the Authority advised Commerce Bank of a major tenant default in Bioscience 3. The Authority and Commerce Bank were already contemplating a loan modification to amend the debt service coverage ratio (DSCR) covenant test to remove the proforma test component (which had failed in the second quarter of 2022) and make final provisions for the conversion of the loan and swap index benchmarks from LIBOR to the Secured Overnight Financing Rate (SOFR) as published by the Federal Reserve Bank of New York. During this time, the Authority and Commerce became aware of an Authority initiated platting issue for the Bioscience 4 parcel that inadvertently impacted the collateral property for the Bioscience 3 loan. To prevent the loan from being declared in default, the Authority agreed to terminate the Line of Credit from Commerce and pledge the Bioscience East revenue to the Bioscience 3 loan and to reduce the loan's principal balance by a $6 million payment. Commerce Bank agreed to release the parcel of land now associated with the Bioscience 4 parcel, to remove the proforma component of the DSCR test and to permit the Authority to include the financials results of the parking garage and associated surface parking in the calculations. Both parties agreed to amend the swap to ensure the swap remained perfected with the loan balances in light of the principal pay down and to move forward with the transition to SOFR from LIBOR. Both parties confirmed the net interest rate of the loan offset by the swap would remain at an all-in rate of 5.47%. On March 1st, 2023, the parties closed the restructuring of the Bioscience 3 loan as described above.

Bioscience 3 Interest Rate Swap Agreement

In exchange for the City of Aurora's moral obligation, the Authority agreed to enter into an interest rate swap exchanging the variable rate on the underlying loan for a fixed rate with Commerce Bank. At the time of swap transaction closing on July 6, 2018, the swap rate realized was 2.99% providing the Authority a fixed rate for the overall loan transaction of 5.47%.

Derivatives held by the Authority are recorded at fair value in the statement of net position in accordance with GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments ("GASB 53"). For hedging derivative instruments that are effective in significantly reducing an identified financial risk, as defined by GASB 53, the corresponding change in fair value is deferred and included in the statement of net position. The fair value generally represents the estimated amount that the Authority would pay to terminate the swap agreement at the statement of net position date, considering current interest rates and creditworthiness of the underlying counterparty. The notional amount represents the underlying reference of the instrument and does not represent the amount of the Authority's settlement obligations.

The interest rate swapped with Commerce Bank serving as the counter party by the Authority was the one-month LIBOR which was subsequently replaced as discussed above with the overnight SOFR. In return the Authority receives a fixed rate of 2.99%. The swap amortizes pursuant to the notational draw schedule listed above. In accordance with GASB 53, an interest rate swap is considered an effective cash flow hedge if the swap payments received substantially offset the payments made on the associated debt. An interest rate swap that is not considered an effective cash flow hedge is deemed to be an investment derivative instrument and changes in fair value are recorded as net investment income (loss). Because the terms of the swap and hedged item meet the standards promulgated by GASB 53, the hedge is considered effective. On December 31, 2023 and 2022, the fair value of floating-to-fixed interest rate swaps associated with the Authority's variable rate debt is an asset of $654,282 and $1,172,344 respectively and is included in the statement of net position as part of non-current other assets. The deferred inflow of resources for the fair value of swaps deemed effective cash flow hedges totaled $654,282 and $1,172,344 on December 31, 2023 and 2022 respectively and is included in the statement of net position.

The objective of the hedge is to eliminate the variability of cash flows in the interest payments associated with the accreting construction loan variable-rate debt. Changes in the cash flows of the interest rate swap are expected to exactly offset the changes in cash flows (i.e., changes in interest rate payments) attributable to fluctuations in the overnight SOFR interest rate on interest payments associated with the variable-rate debt. This is a cash flow hedge of interest rate risk. By using derivative financial instruments to hedge exposures to changes in interest rates, the Authority is exposed to termination risk and credit risk. There is termination risk with floating-to-fixed interest rate swaps because the Authority or swap counterparty may terminate a swap if the other party fails to perform under the terms of the contract. Termination risk is the risk that the associated variable rate debt no longer carries a synthetic fixed rate and if at the time of termination, a swap has a negative fair value, the Authority would be liable to the counterparty for payment equal to the swap's fair value. The Authority may be exposed to credit risk if the counterparty is unable to fulfill its obligations under the swap agreement.

Hedging instrument $1,197,808 initial notional amount accreting monthly pursuant to the above schedule, receive fixed (2.99%) and pay variable (one-month LIBOR) interest rate swap, expiring July 1, 2025, with settlement and reset dates monthly. The substitution of SOFR for LIBOR during 2023 did not change the settlement, reset or maturity dates as originally agreed. The Authority has elected to measure the swap at its settlement value. The notational value as of December 31, 2023 was $31,187,048.

Hedged transactions Each of the monthly interest payments associated with Bioscience 3 Construction Loan overnight SOFR-based note payable and resetting monthly.

How hedge effectiveness will be assessed Per GASB 53, the Authority evaluated the swap contract utilizing the Consistent Critical Terms Method which evaluates qualitatively the hedged item (the loan) against the hedging derivative instrument (the swap). The swap contract with Commerce Bank which had a zero value at inception is structured such that:

- The loan principal and the notational amount of the swap are always identical; and
- the same benchmark interest rate is used for both contracts; and
- the loan contract and the swap contract have identical maturities; and
- the frequency of rate resets are identical; and
- the timing of the rate resets are within six days of each other; and
- the periodic interest rate swap payments occur within fifteen days of the periodic payment of the loan; and
- there are no rate caps or floors for either instrument; and
- all interest payments or receipts occur during the loan term.

Therefore, pursuant to GASB 53 the Authority has determined the hedge is effective as of December 31, 2023. There is no need to periodically assess effectiveness during the term of the hedge as long as the swap and loan terms continue to be met. On an ongoing basis, the Authority will consider the likelihood of the swap counterparty's compliance with its contractual obligations under the swap. This assessment will be updated each quarter.

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. The fair value balance and notational amounts of derivative instruments outstanding as of December 31, 2023 and 2022 respectively and the changes in fair value for the years ended as reported in the 2023 and 2022 financial statements are as follows:

		Changes in Fair Value		Fair value at December 31, 2023	
Counterparty	Notational	Classification	Amount	Classification	Amount
Commerce Bank	$31,187,048	Deferred Inflow	($518,062)	Asset	$654,282

		Changes in Fair Value		Fair value at December 31, 2022	
Counterparty	Notational	Classification	Amount	Classification	Amount
Commerce Bank	$37,706,661	Deferred Inflow	$3,733,356	Asset	$1,172,344

Commerce Bank Bioscience East Line of Credit Facility

The Authority established a $4 million revolving line of credit with Commerce Bank in December 2020 using Bioscience East as collateral. The interest rate is variable and is indexed to the prime rate plus twenty-five basis points (.25%). The line of credit renews annually and can be paid off and/or closed by the Authority at any time without penalty. This line of credit was terminated during 2023.

First Bank Unsecured Line of Credit Facility

The Authority established a $4 million unsecured revolving line of credit with First Bank in November 2022. The interest rate is variable and is indexed to the prime rate less fifty basis points (.50%). The line of credit renews biannually and can be paid off and/or closed by the Authority at any time without penalty. The line of credit was not used as of December 31, 2023, and the Authority has no immediate plans to utilize the line of credit.

First Bank Bioscience 5 Loan

Using Bioscience 5 building as collateral, the Authority entered into a seven-year loan agreement on September 13, 2021 with First Bank for an amount which shall not exceed the lesser of: (a) $27,000,000.00; (b) seventy percent (70%) of the Appraised Value; or (c) seventy percent (70%) of the Total Allowable Construction Costs amortized over 25 years with a final balloon payment due at the maturity date of September 1, 2028. This loan is secured by the building and the assignment of rents. The Authority contributed the underlying land to the project and was required to put on deposit with First Bank in a restricted cash account the sum of $5,989,720 which was subsequently used during 2022 for the initial construction costs.

During the construction and lease up period the loan is interest only each month which is accreting to the loan balance. Upon conversion, interest and principal was due and payable during the remaining repayment period. The Authority is obligated to maintain insurance coverage in an amount satisfactory to First Bank. The loan stipulates the Authority to maintain for Bioscience 5 a debt service ratio of 1.3:1, corporate liquidity of no less than $5,000,000 and a corporate minimum net worth $10,000,000. Failure of the Authority to maintain these debt covenants triggers a requirement to pay the loan principal balance down to a level in which the debt service ratio is satisfied, put on deposit with First Bank cash collateral or alternatively provide a letter of credit until such time as the covenants are reestablished. For purposes of the net worth calculation, the fair market value of the Authority's land holdings replaces the historical land basis in these financials. In the event of default whether by non-payment or failure to adhere to any of the terms of the indenture agreement including covenant non-compliance, the Authority has 10 days or 30 days respectively to cure the default. If not cured, First Bank may seize the facility and operate it including the collections of rents, foreclose and liquidate the mortgage property and/or seize the additional cash collateral.

Construction commenced during 2022 but the building was not ready by the end of the construction draw period. On September 1st, 2023, First Bank and the Authority amended the loan agreement reducing the overall loan commitment down to a maximum of $5,500,000 with a one-year maturity and changing the rate of interest to a fixed rate of 7.5%. Delivery of the core and shell occurred during the fourth quarter of 2023 with the Authority having drawn $4,644,490 against the loan. It is the intention of the Authority to fully pay off this loan by the end of second quarter of 2024.

Schedule of Future Payments of Principal and Interest

Payments of principal and interest for the notes payable for the five succeeding years and each five-year period thereafter are as follows:

Year ending December 31, 2023:

	Principal	Interest	Hedging Derivatives	Net Cash Flow
2024	$ 5,662,380	$ 2,995,999	$ (745,264)	$ 7,913,115
2025	30,978,081	2,007,551	(487,570)	32,498,062
2026	426,689	384,577	-	811,266
2027	441,813	369,453	-	811,266
2028	456,463	354,803	-	811,266
2029-2032	9,896,271	310,490	-	10,206,761
	$ 47,861,697	$ 6,422,873	$ (1,232,834)	$ 53,051,736

(8) Leasing Arrangements

The Authority has implemented GASB Statement No. 87, *Leases,* which aims to increase the usefulness of governmental entities' financial statements by requiring recognition of the certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or out flows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

Lessor Leases

Leases receivable and the Deferred inflow of resources – leases, totaled to $32.0 million for the year ended December 31, 2023. The Authority owns real property which includes four buildings (Bioscience 1, Bioscience 3, Bioscience 5, and Bioscience East) totaling 446,095 square feet. The Authority leases space to various commercial, governmental, and educational entities in these buildings with terms ranging from month-to-month to fifteen years. Many of the leases in Bioscience 1 are for periods of one year or less as the building is intended to house early-stage companies and to be very flexible. In addition, the Authority entered into a 30-year lease agreement with the University of Colorado in 2014 for approximately 42 thousand square feet of rentable area in the BS2 building. The Authority subleases this space to multiple entities. See Note 12 for more details.

The Authority in February of 2020 entered into a seven-year ground lease with the University of Colorado Hospital for 14.07 acres to be utilized for surface parking operations.

Total minimum future rental income for these leasing operations are as follows:

Schedule of Future Lease Payments of Principal and Interest

Bioscience 1

Years ending December 31	Principal	Interest	Total
2024	$ 1,387,864	$ 162,728	$ 1,550,592
2025	775,858	120,056	895,914
2026	761,174	85,344	846,518
2027	766,306	50,708	817,014
2028	756,510	14,521	771,031
Total	**4,447,712**	**433,357**	**4,881,069**

Bioscience 2

Years ending December 31	Principal	Interest	Total
2024	1,157,204	176,196	1,333,400
2025	1,168,689	123,720	1,292,409
2026	1,261,152	68,131	1,329,283
2027	783,170	15,279	798,449
2028	47,278	4,560	51,838
2029 - 2030	77,908	2,566	80,474
Total	**4,495,401**	**390,452**	**4,885,853**

Bioscience 3

Years ending December 31	Principal	Interest	Total
2024	1,732,695	841,429	2,574,124
2025	1,865,441	759,193	2,624,634
2026	2,005,467	670,729	2,676,196
2027	1,944,296	580,430	2,524,726
2028	2,064,630	489,246	2,553,876
2029 - 2033	7,809,983	1,182,568	8,992,551
2034 - 2035	1,962,912	75,924	2,038,836
Total	**19,385,424**	**4,599,519**	**23,984,943**

Bioscience East

Years ending December 31	Principal	Interest	Total
2024	479,524	50,180	529,704
2025	514,509	27,443	541,952
2026	362,573	4,853	367,426
Total	**1,356,606**	**82,476**	**1,439,082**

Parking Operations

Years ending December 31	Principal	Interest	Total
2024	718,038	134,669	852,707
2025	777,833	100,443	878,276
2026	841,225	63,399	904,624
2027	908,392	23,371	931,763
2028	91,244	51	91,295
Total	**3,336,732**	**321,933**	**3,658,665**

Total Leasing Operations

Years ending December 31	Principal	Interest	Total
2024	5,475,325	1,365,202	6,840,527
2025	5,102,330	1,130,855	6,233,185
2026	5,231,591	892,456	6,124,047
2027	4,402,164	669,788	5,071,952
2028	2,959,662	508,378	3,468,040
2029 - 2033	7,887,891	1,185,134	9,073,025
2034 - 2035	1,962,912	75,924	2,038,836
Total	**$ 33,021,875**	**$ 5,827,737**	**$ 38,849,612**

Lessee Leases

The Authority entered into a 360-month lease agreement with the University of Colorado on January 31, 2014 for approximately 42 thousand rentable square feet in the Bioscience 2 building. The University granted an option to purchase the premises after meeting certain provisions with the purchase price set at the then existing fair market value. The lease had an implicit interest rate of 4.60% fixed. Interest payments are made each June 1st. Interest and principal payments are made each December 1st. Final payment will be tendered June 1, 2043. In the event the Authority defaults under the terms of the lease, the University may terminate the lease including recovering the amount of unpaid rent earned at the time of termination plus the amount of future unpaid rent for the balance of the lease term discounted at the rate established by the Federal Reserve Bank of Kansas City, Kansas at the time of termination; or the University may sue monthly for unpaid rents without resuming possession of the premises or terminating the lease; or the University may repossess the premises including pursuing the Authority's liability for liquidated damages including costs of repossession and re-renting the premises.

In the first quarter of 2020, the University refinanced the bonds for Bioscience 2 which resulted a revision to the amounts due by the Authority under the terms of the original lease agreement. The Authority accounted for this transaction pursuant to GASB Statement No. 62 as amended by GASB Statement No. 65, which stipulates for qualifying leases in which the economic advantages of the refunding are passed through to the lessee and the lessee is accounting for the lease as a capital lease. The present value of the capital lease obligation in 2020 was adjusted using the new effective interest rate obtained as a result of the refinancing and the change was reported as a deferred outflow of resources of $1,165,000 which was being recognized over the life of the new debt. At the beginning of 2021, the University further amended this financing which resulted in the recognition of an additional $105,000 in deferred outflow of resources. The combined economic benefit to the Authority of these two transactions was a reduction in the total future lease payments in the amount of $1.747 million arising from the reduction of interest costs of $3.017 million offset by the increase of $1.270 million in the lease obligation. All other terms of the lease including the maturity date remained unchanged.

The Authority implemented GASB 87 – Leases in 2022 with retroactive application to 2021. The lease liability balance as of December 31, 2023 is $10 million, with a reduction of $370 thousand as lease payments were made. With the implementation of GASB 87, the lease and the associated deferred outflow of resources were recalculated resulting in immaterial changes to these accounts' book values. The Bioscience 2 building was removed from the Buildings subclassification under Capital assets and is now presented separately in the subclassification Right to Use Lease Asset - Buildings. For the year ending December 31, 2023 the annual amortization is $496,485.

Schedule of Future Lease Payments of Principal and Interest

Year ending December 31	Interest	Principal	Total
2024	$ 298,933	$ 393,513	$ 692,445
2025	286,864	400,946	687,810
2026	274,502	412,460	686,962
2027	261,793	423,308	685,101
2028	249,293	396,917	646,210
2029 - 2033	1,050,183	2,251,568	3,301,751
2034 - 2038	681,900	2,587,052	3,268,952
2039 - 2043	244,998	3,133,757	3,378,756
	$ 3,348,466	$ 9,999,521	$ 13,347,987

Leases payable	**Balance December 31, 2021**	**Additions**	**Deletions**	**Balance December 31, 2022**	**Amount due within one year**	**Additions**	**Deletions**	**Balance December 31, 2023**	**Amount due within one year**
Bioscience 2 Lease	$ 10,725,566	$ -	$ 356,004	$ 10,369,562	$ 370,041	$ -	$ 370,041	$ 9,999,521	$ 393,513
2.8% average rate									
Maturity 6/1/2043									
Total	$ 10,725,566	$ -	$ 356,004	$ 10,369,562	$ 370,041	$ -	$ 370,041	$ 9,999,521	$ 393,513

(9) Conduit Debt Obligation

On December 18, 2002, the Authority issued adjustable-rate revenue bonds in the principal amount of $20,500,000 to finance the costs of land acquisition and construction for a new office building at Fitzsimons on behalf of University Physicians, Incorporated, a Colorado nonprofit corporation (UPI). The outstanding balance on the adjustable-rate bonds was $15,985,000 as of December 31, 2013. On October 24, 2014, UPI replaced the adjustable-rate debt with a fixed-rate direct purchase obligation financed by US Bank. The new borrowing carried a ten-year term at a fixed interest rate of 2.3%. On March 1, 2021, UPI amended the fixed-rate direct purchase obligation to reduce the interest rate to 1%. The outstanding balance on the fixed rate bonds was $1,067,000 and $2,231,000 as of December 31, 2023 and 2022 respectively. Per GASB 91, an issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. Provided the conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. The standard requires an issuer that has made only a limited commitment to evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment. The Authority has made no commitments and is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

(10) Related-Party Transactions

The Authority leases space from the University of Colorado as described earlier (see Note 8, Lessee Leases) in Bioscience 2. The Authority leases space and land to entities of the University of Colorado (CU) and University of Colorado Hospital (UCH). Payments received from CU totaled $2,971,295 and $2,419,231 for 2023 and 2022 respectively. Payments received from the UCH totaled $2,353,669 and $1,468,944 for 2023 and 2022 respectively.

In 2012, the Authority and the University entered into a professional employee lease agreement to lease a University employee to act as the President and CEO of the Authority beginning May 29, 2012. The Authority leases this employee for 30% of his professional time which resulted in payments for 2023 and 2022 totaling $145,532 and $151,242 respectively being tendered by the Authority to the University.

The Authority has engaged the University to provide security services to the Fitzsimons Innovation Campus. Fees for 2023 and 2022 totaled $43,337 and $35,396 respectively.

(11) Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance policies for known insurable risks. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. There have been no insurance claims or settlements for each of the past three fiscal years.

(12) Commitments and Contingencies

On August 31, 2017, the Authority entered into an agreement with a real estate developer, AIMCO Properties LLC, to sell approximately 1.88 acres of land for $20.00 per square foot with options for an additional 5.57 acres at $20.00 per square foot not including annual escalations for the purposes of apartment and hotel development. The development will be done in phases. During 2018 the Authority and AIMCO closed on the initial parcel permitting AIMCO to commence apartment development which met the requirements for AIMCO to maintain their future options to purchase the four additional land parcels subject to a take-down schedule. The options expire the earlier of ten years after the Initial Parcel Closing Date or August 31, 2029. AIMCO exercised their option to acquire the hotel land site in the fourth quarter of 2020. In December of 2022, AIMCO exercised a parcel option acquiring 1.77 acres leaving AIMCO with options for 2.29 acres for subsequent apartment development subject to the aforementioned expiration terms.

On February 17, 2023, the Authority (Grantor) entered into an agreement granting a two-year option for a ground lease for a 4.793 acre parcel (known as the Bioscience 4 parcel) to Bioscience Four, LLC. (Grantee), an entity owned and controlled by AIMCO OP, LP. This option agreement is valid for two years and stipulates monthly payments from the Grantee to the Grantor of $23 thousand per month during year one and $33 thousand per month during year two. Upon exercise by the Grantee, the parties shall enter into a ninety-nine year ground lease pursuant to generally agreed terms as contained in the Memorandum of Ground Lease. The Authority in adherence to the terms of the option agreement successfully lifted the lien encumbering the Bioscience 4 parcel which required paying down the Commerce Bank loan (see earlier note regarding restructuring) by $6 million and pledging additional revenue streams. To entice the Authority to enter into the option agreement, the Grantee agreed in the event they do not exercise the option agreement by the end of the option period, then at Grantor's written request to Grantee, Grantee shall make a loan to Grantor, on then prevailing market terms and conditions for similar loans secured by similar properties, in amount equal to the lesser of $6.5 million or the amount that was necessary for Grantor to cause the release of the Bioscience 4 Parcel encumbrance with Commerce Bank.

On September 30, 2015 the Authority entered into an Operations and Capital Funding Agreement with the Metro District. This agreement was superseded by a new funding agreement between the Authority and the Metro District executed in the first quarter of 2019 extending the commitment of the Authority for continued support of the Metro District. Under this agreement and until the Metro District is economically independently viable, the Authority is committed but not required to advance funds on an "as-needed" basis for operations, maintenance expenses and/or to construct on a reimbursable basis required infrastructure on behalf of the Metro District for projects outside the scope of the identified contracts referenced earlier. These future advances bear interest and the agreement stipulate the Metro District tenders payment for all balances no later than December 31, 2034.

On January 31, 2014 the Authority sold land to the University of Colorado and simultaneously entered into a thirty-year Master Lease Agreement with the University for approximately 39,800 square feet (the 3rd and 4th floors) of the BS2 building. The proceeds of the land sale were credited against the obligations of the Authority as stipulated by the Master Lease Agreement resulting in a deferred inflow of resources in the amount of $1,002,811 which is being recognized over the term of the lease. The Authority subleases this space to life sciences related tenants. The University grants an option to the Authority to purchase the premises after meeting certain provisions. Under terms of the Master Lease the Authority manages, operates, and maintains the property in exchange for credits against rent due in an amount equal to 3% of the gross annual rental for the building.

On May 31, 2018, the Authority entered into a land sale agreement with the Adams-Arapahoe 28J School District for the sale of 5.62344 acres of improved land at $20.00 per square foot. This land sale was closed in 2020. The purchase price was remitted to the Authority in part at closing in the amount of approximately $2.45 million and in part by the assignment to the Authority of payments received by the school district from school dedication funds payable to the school district by AIMCO, the developers of apartments to be sited on the campus. The exact timing of these payments has yet to be determined and is dependent on the development of the apartments associated with the land options as described above with AIMCO.

(13) Deferred Compensation Plan

The Authority adopted its deferred compensation plan on July 7, 1998. The plan is administered by TIAA-CREF and Nationwide Retirement Solutions. The Authority maintains a deferred compensation plan to provide a means by which public employees can defer a portion of their current income and related income taxes to future years. Participation in the plan is optional for all employees. Under Section 457 of the Internal Revenue Code, amounts deferred, and any income earned on those funds is not taxed until made available to the participant. The amounts under the deferred compensation plan are held in trust for the benefit of the Authority's employees. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans* and GASB Statement No. 84, *Fiduciary Activities*, the assets and related liabilities of the Authority's deferred compensation plan are not reflected in the accompanying basic financial statements.

(14) Defined Contribution Retirement Plan

The employees of the Authority participate in a 401(a) retirement plan which is a defined contribution plan established by the Authority and is maintained and administered by TIAA-CREF. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members after one year of employment. Under this plan, the plan members do not make contributions to the plan. The Authority historically contributes on average 5% of the employees' compensation to the Plan Administrator. The Authority's contributions, plus earnings, are immediately vested. There is no liability for benefits under the plan beyond the Authority's contributions. Plan provisions and contribution requirements are established and may be amended by the Authority's board of directors. The Authority's contribution for the years ended December 31, 2023 and 2022 were $52,203 and $36,919 respectively.

(15) Compensated Absences

The Authority maintains a Compensated Absence program (PTO) for the benefit of our full-time employees which is earned by their service and accrues each pay cycle. The rate of accrual is dependent on the employee's tenure with the Authority. Employees are limited to a maximum of two hundred sixty hours (260) in their accumulated PTO accrual. Accrued PTO is paid out upon termination or retirement. Compensated absences are reported with accrued salaries on the statement of net position.

12/31/2021 Accrued Employee Absences	2022 Net Increase / (Decrease)	12/31/2022 Accrued Employee Absences	2023 Net Increase / (Decrease)	12/31/2023 Accrued Employee Absences
42,641	(10,563)	32,078	9,776	41,854

(16) Subsequent Events

During the January 2024 Executive Committee meeting, the current Chief Executive Officer & President Steve VanNurden tendered his resignation effective December 31, 2024. The Executive Committee has commenced a search for his replacement.

The Metro District notified the Authority of its intent to issue a new tranche of bonds in an amount sufficient to pay all or substantially all of their current indebtedness to the Authority including accrued interest with payment expected at the end of April 2024. In exchange, the Authority agreed to replace the existing subordinate debt agreements previously discussed in these financial statements with a new agreement that reduces the current rate of interest, provides a $4.5 million credit line for the Metro District to borrow against and puts a cap on future borrowing by the Metro District from the Authority. On April 11, 2024, the Metro District successfully issued the new tranche of bonds. The expected payment from the Metro District is anticipated to be approximately $18.7 million and should be received by April 30, 2024.

(17) Restatement of 2022's Statement of Net Position and Statement of Cash Flows

The 2022 Statement of Financial Position was adjusted by the addition of $1.1 million to the Lease receivable, net of current portion with a corresponding adjustment to the Deferred inflow of resource leases as a result of a delayed recognition of a tenant lease from 2022 in 2023. This change also precipitated an adjustment on the 2022 Statement of Cash Flows in the Supplemental disclosure of cash flow information for leases entered into during the year. These changes had no effect on the Authority's net position or cash balances.

SUPPLEMENTARY INFORMATION

FITZSIMONS REDEVELOPMENT AUTHORITY
Supplementary Information
Schedule of Revenues, Expenditures and Changes in Funds Available
Budget and Actual – (Budgetary Basis)
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Operating revenue	$ 10,916,622	$ 10,254,155	$ 10,716,296	$ 462,141
Loan Proceeds	23,200,000	2,921,974	2,066,464	(855,510)
Non-operating income	-	978	652	(326)
Interest income	1,129,760	1,572,123	1,153,969	(418,154)
Principal collections	-	37,175	34,161	(3,014)
Total revenues	35,246,382	14,786,405	13,971,542	(814,863)
EXPENDITURES				
Property services	(3,282,817)	(2,600,683)	(2,645,623)	(44,940)
Personnel services	(1,429,126)	(1,537,397)	(1,527,204)	10,193
Professional services	(167,750)	(108,820)	(197,009)	(88,189)
Parking Services	(151,405)	(143,027)	(148,786)	(5,759)
Administrative and marketing	(516,663)	(249,365)	(367,315)	(117,950)
Purchase of capital assets	(28,562,423)	(4,945,910)	(5,207,276)	(261,366)
Loan funds	(3,470,000)	15,494,137	(644,166)	(16,138,303)
Debt issuance costs	-	-	(117,118)	(117,118)
Payments for debt service - principal	(1,355,141)	(7,467,490)	(7,274,008)	193,482
Payments for debt service - interest	(2,753,035)	(2,490,283)	(2,584,244)	(93,961)
Total expenditures	(41,688,360)	(4,048,838)	(20,712,749)	(16,663,911)
INCOME (LOSS) BUDGETARY BASIS	(6,441,978)	10,737,567	(6,741,207)	(17,478,774)
FUNDS AVAILABLE - BEGINNING OF YEAR	(3,468,095)	16,323,345	12,534,224	(3,789,121)
FUNDS AVAILABLE - END OF YEAR	$ (9,910,073)	$ 27,060,912	$ 5,793,017	$ (21,267,895)

FITZSIMONS REDEVELOPMENT AUTHORITY
Supplementary Information
Reconciliation of Budgetary Basis (Actual) to Statement of
Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2023

Revenues (budgetary basis)	$	13,971,542
Deferred inflows		67,988
Loan Proceeds		(2,066,464)
Long-term interest receivable		748,218
Principal collections		(34,161)
Total revenue per statement of revenues, expenses and changes in net position		12,687,123
Expenditures (budgetary basis)		20,712,749
Depreciation and amortization		3,820,175
Loan funds		(644,166)
Purchase of capital assets		(5,207,276)
Payments for debt service - principal		(7,274,008)
Long-term interest payable		(47,700)
Total expenses per statement of revenues, expenses and changes in net position		11,359,774
Change in net position per statement of revenues, expenses and changes in net position	$	1,327,349

(1) Budgetary Compliance

In accordance with the intergovernmental agreement (the IGA) which created the Authority, the Authority follows these procedures in establishing the budgetary data reflected in the supplementary information.

a. Annual Budget

No later than October 15 of each year, the Executive Director of the Authority submits to the board of directors of the Authority (Board) a proposed annual budget for the next fiscal year. A copy of the proposed annual budget is then submitted to the parties to the IGA (Parties), which are the City of Aurora, Colorado and the Regents of University of Colorado, for their review and comment. Submission to these entities is accomplished through Authority Board members who are also members of the governing bodies of the Parties. The budget adopted by the Board must conform to the requirements of the Local Government Law of Colorado, Section 29-1-101, et seq., C.R.S., as amended, and with the IGA. The budget for the next fiscal year must be adopted by the Board no later than December 1 of the current year after review by and comments received from the Parties.

b. Transfers

If, after adopting the annual budget, the Board deems it necessary, the Authority may transfer appropriated monies between funds (if the Authority established an additional fund in the future) or between spending agencies within funds, as determined by the original appropriation level.

c. Supplemental Budget

If, after adopting the annual budget, the Authority receives unanticipated revenues or revenues not assured at the time of the adoption of the annual budget from any source, the Board may authorize the expenditure of such funds by enacting a supplemental budget and appropriation, subject to review by and comment from the Parties.

d. Budgetary Basis of Accounting and Appropriations

The budget is prepared on a modified accrual basis.

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Net Position
As of March 31, 2024 and December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 8,853,473	$ 8,994,214
Cash and cash equivalents - restricted	2,525,167	2,518,941
Investments	2,465	2,465
Accounts receivable	227,465	307,184
Prepaid expenses	161,250	137,824
Current portion of notes receivable	19,203,961	18,256,840
Lease receivable	4,692,143	5,475,325
Total current assets	35,665,924	35,692,793
Noncurrent assets:		
Capital assets, net:		
Land	651,670	651,670
Intangibles - Web development	6,158	403
Buildings and improvements	57,253,561	57,983,211
Furniture and equipment	4,414,047	4,345,870
Right to use lease asset net of amortization	9,507,674	9,631,795
Construction in progress	4,031,386	4,184,562
Total capital assets	75,864,496	76,797,511
Prepaid Lease Commissions	166,419	179,712
Notes receivable, net of current portion	255,862	269,552
Derivative instruments - interest rate swap	743,488	654,282
Lease receivable, net of current portion	27,480,385	27,546,550
Total noncurrent assets	104,510,650	105,447,607
Total assets	140,176,574	141,140,400
Deferred Outflows of Resources		
Deferred outflow of resources - lease	951,496	963,853
Total deferred outflow of resources	951,496	963,853
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	191,698	1,091,063
Accrued salaries and compensated absences	68,664	145,676
Current portion of interest payable	313,914	232,309
Current portion of notes payable	6,347,496	5,662,380
Current portion of lease liability	393,513	393,513
Security deposits	501,998	545,324
Unearned revenue	103,306	243,377
Total current liabilities	7,920,589	8,313,642
Noncurrent liabilities:		
Notes payable, net of current portion	42,037,837	42,199,317
Lease liability, net of current portion	9,606,009	9,606,009
Total noncurrent liabilities	51,643,846	51,805,326
Total liabilities	59,564,435	60,118,968
Deferred Inflows of Resources		
Deferred inflow of resources (BS2)	688,370	696,868
Deferred inflow of resources - interest swap	743,488	654,282
Deferred inflow of resources leases	32,172,528	33,021,875
Total inflow of resources	33,604,386	34,373,025
Net Position		
Net investment in capital assets	18,431,138	19,030,760
Restricted	2,525,167	2,518,941
Unrestricted	27,002,944	26,062,559
Total net position	$ 47,959,249	$ 47,612,260

FITZSIMONS REDEVELOPMENT AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Position

	Q1 '2024	2023	2022
Operating revenues:			
Tenant revenues	$ 1,935,831	$ 7,390,295	$ 6,598,830
Parking revenues	261,922	1,101,085	741,627
Tenant lease interest	333,471	1,448,108	1,468,437
Parking lease interest	36,742	200,394	158,030
Other income	149,525	644,402	632,299
Total operating revenues	2,717,491	10,784,284	9,599,223
Operating expenses:			
Property services	600,065	2,645,623	2,378,385
Personnel services	368,542	1,527,204	1,469,264
Professional services	51,732	197,009	99,800
Parking services	36,158	148,786	126,761
Administrative and marketing	98,254	367,315	521,375
Bad debt expense	-	-	-
Depreciation and amortization	834,935	3,323,690	3,255,866
Amortization of Right-of-use asset	124,121	496,485	496,484
Total operating expenses	2,113,807	8,706,112	8,347,935
Operating income	603,684	2,078,172	1,251,288
Non-operating revenue (expenses):			
Interest income	465,982	1,902,187	930,683
Non-operating income (expense)	-	652	1,810,876
Debt issuance expenses	-	(117,118)	(22,850)
Interest expense	(722,677)	(2,536,544)	(2,931,105)
Non-operating revenue (expenses)	(256,695)	(750,823)	(212,396)
Change in net position	346,989	1,327,349	1,038,892
Net position, beginning of year	47,612,260	46,284,911	45,246,019
Net position, end of period	$ 47,959,249	$ 47,612,260	$ 46,284,911

FITZSIMONS REDEVELOPMENT AUTHORITY
Statements of Revenues & Expenses (Quarterly Comparative)

	2022	% of Rev	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	% of Rev	Q1 2024	2024	% of Rev	QoQ Change
Operating revenues:												
Tenant revenues	$ 6,598,830	68.7%	1,899,259	1,602,336	1,973,729	1,914,971	7,390,295	68.5%	$ 1,935,831	$ 1,935,831	71.2%	-0.8%
Parking revenues	741,627	7.7%	233,676	310,393	286,047	270,969	1,101,085	10.2%	261,922	261,922	9.6%	-4.3%
Operating Interest Income	1,468,437	15.3%	388,945	375,131	361,527	322,505	1,448,108	13.4%	333,471	333,471	12.3%	
Parking Interest Income	158,030	1.6%	78,548	42,520	40,622	38,704	200,394	1.9%	36,742	36,742	1.4%	
Other income	632,299	6.6%	146,745	166,934	157,281	173,442	644,402	6.0%	149,525	149,525	5.5%	1.9%
Total operating revenues	9,599,223	99.9%	2,747,173	2,497,314	2,819,206	2,720,591	10,784,284	100.0%	2,717,491	2,717,491	100%	-1.1%
Operating expenses:												
Property services	2,378,385	24.8%	637,305	672,562	695,355	640,401	2,645,623	24.5%	600,065	600,065	22.1%	-5.8%
Personnel services	1,469,264	15.3%	371,455	365,513	385,241	404,995	1,527,204	14.2%	368,542	368,542	13.6%	-0.8%
Professional services	99,800	1.0%	34,490	56,386	38,178	67,955	197,009	1.8%	51,732	51,732	1.9%	50.0%
Parking services	126,761	1.3%	21,763	49,679	36,622	40,722	148,786	1.4%	36,158	36,158	1.3%	66.1%
Administrative and marketing	521,375	5.4%	83,711	91,554	109,657	82,393	367,315	3.4%	98,254	98,254	3.6%	17.4%
Bad debt expense	-	0.0%	-	-	-	-	-	0.0%	-	-	0.0%	
Depreciation and amortization	3,255,866	33.9%	831,776	829,808	830,921	831,185	3,323,690	30.8%	834,935	834,935	30.7%	0.4%
Amortization of Right-of-use asset	496,484	5.2%	124,121	124,122	124,121	124,121	496,485	4.6%	124,121	124,121	4.6%	0.0%
Total operating expenses	8,347,935	87.0%	2,104,621	2,189,624	2,220,095	2,191,772	8,706,112	80.7%	2,113,807	2,113,807	77.8%	0.4%
Operating income	1,251,288	13.0%	642,552	307,690	599,111	528,819	2,078,172	19.3%	603,684	603,684	22.2%	-6.0%
Non-operating revenue (expenses):												
Interest income (non GASB 87)	930,683		705,362	546,858	(58,352)	708,319	1,902,187		465,982	465,982		-33.9%
Non-operating income	1,810,876		351	285	16	-	652		-	-		-100.0%
Debt issuance expenses	(22,850)		(81,830)	(3,499)	(3,289)	(28,500)	(117,118)		-	-		-100.0%
Interest expense	(2,931,105)	-30.5%	(801,943)	(830,690)	(216,869)	(687,042)	(2,536,544)	-23.5%	(722,677)	(722,677)	-26.6%	-9.9%
Nonoperating revenue (expenses)	(212,396)		(178,060)	(287,046)	(278,494)	(7,223)	(750,823)		(256,695)	(256,695)		
Change in net position	1,038,892		464,492	20,644	320,617	521,596	1,327,349		346,989	346,989		
Net position, beginning of period	45,246,019						46,284,911			47,612,260		
Net position, end of period	$ 46,284,911						47,612,260			$ 47,959,249		

FITZSIMONS REDEVELOPMENT AUTHORITY

Statement of Cash Flows (non-GASB compliant)

For the Periods

		Q1 2024		2023
Cash flows from operating activities				
Cash received from tenants and others	$	2,589,416	$	10,929,392
Cash payments to employees		(445,554)		(1,498,070)
Cash payments to suppliers for goods and services		(1,335,341)		(2,682,743)
Net cash provided by operating activities		808,521		6,748,579
Cash flows from capital and related financing activities				
Purchase of capital assets		(359,694)		(5,207,276)
Proceeds from sale of capital assets & other non-operating income		-		652
Payments for principal on long term debt and lease liability		(227,760)		(7,274,008)
Proceeds from the issuance of debt		751,396		2,066,464
Debt issuance costs		-		(117,118)
Payments for interest on long term debt and lease liability		(641,073)		(2,584,244)
Net cash provided by/(used in) capital and related financing activities		(477,131)		(13,115,530)
Cash flows from noncapital related financing activities:				
Loans to Metro District		(580,476)		(644,166)
Payments received on notes receivable / (Notes issued)		12,894		34,161
Net cash provided by/(used in) noncapital related financing activities		(567,582)		(610,005)
Cash flows from investing activities:				
Investment income		101,677		1,153,969
Net cash provided by (used in) investing activities		101,677		1,153,969
Net increase (decrease) in cash and cash equivalents		(134,515)		(5,822,987)
Cash and cash equivalents, beginning of year		11,515,620		17,338,607
Cash and cash equivalents, end of period	$	11,381,105	$	11,515,620
Reconciliation of operating income to net cash provided by operating activities				
Operating Income	$	603,684	$	2,078,172
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization		959,056		3,820,175
Deferred Income		(8,498)		(33,994)
(Increase) decrease in trade & TI receivables		63,820		49,081
(Increase)/decrease in prepaid expenses		(23,426)		10,596
Increase (decrease) in accounts payable		(525,706)		665,394
Increase (decrease) in accrued salaries and compensated absences		(77,012)		29,134
Increase (decrease) in security deposits and unearned revenue		(183,397)		130,021
Net cash provided by operating activities	$	808,521	$	6,748,579

FITZSIMONS REDEVELOPMENT AUTHORITY

Statement of Cash Flows

For the Periods

	Q1 2024	2023
Cash flows from operating activities		
Cash received from tenants and others	$ 577,743	$ 2,905,260
Cash payments to employees	(445,554)	(1,498,070)
Cash payments to suppliers for goods and services	(1,335,341)	(2,682,743)
Net cash used in operating activities	(1,203,152)	(1,275,553)
Cash flows from capital and related financing activities		
Purchase of capital assets	(359,694)	(5,207,276)
Proceeds from sale of capital assets & other non-operating income	-	652
Proceeds from the sale of land	-	-
Payments for principal on long term debt and lease liability	(227,760)	(7,274,008)
Proceeds from the issuance of debt	751,396	2,066,464
Lease payments received	2,011,673	8,024,132
Debt issuance costs	-	(117,118)
Payments for interest on long term debt and lease liability	(641,073)	(2,584,244)
Net cash used in capital and related financing activities	1,534,542	(5,091,398)
Cash flows from noncapital related financing activities:		
Loans to Metro District	(580,476)	(644,166)
Payments received on notes receivable	12,894	34,161
Net cash provided by/(used in) noncapital related financing activities	(567,582)	(610,005)
Cash flows from investing activities:		
Investment income	101,677	1,153,969
Net cash provided by (used in) investing activities	101,677	1,153,969
Net decrease in cash and cash equivalents	(134,515)	(5,822,987)
Cash and cash equivalents, beginning of year	11,515,620	17,338,607
Cash and cash equivalents, end of period	$ 11,381,105	$ 11,515,620
Reconciliation of operating income to net cash provided by operating activities		
Operating Income	$ 603,684	$ 2,078,172
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	959,056	3,820,175
Deferred Income	(8,498)	(33,994)
Deferred inflows from leases	(1,641,460)	(6,375,629)
Interest income from leases included in capital & related financing activities	(370,213)	(1,648,503)
(Increase) decrease in trade & TI receivables	63,820	49,081
(Increase)/decrease in prepaid expenses	(23,426)	10,596
Increase (decrease) in accounts payable	(525,706)	665,394
Increase (decrease) in accrued salaries and compensated absences	(77,012)	29,134
Increase (decrease) in security deposits and unearned revenue	(183,397)	130,021
Net cash used in operating activities	$ (1,203,152)	$ (1,275,553)

AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT ESTABLISHING THE FITZSIMONS REDEVELOPMENT AUTHORITY

THIS AGREEMENT, entered into as of the ~~1st~~ ____ day of ~~January~~ ____, ~~1998~~ _____, by and between the City of Aurora, a political subdivision and municipal corporation of the State of Colorado (the "City"), and the Regents of the University of Colorado, a constitutional body corporate of the State of Colorado (the "Regents"), collectively referred to as the "Parties,"

WITNESSETH:

WHEREAS, the Parties previously entered into that certain Intergovernmental Agreement Establishing the Fitzsimons Redevelopment Authority on January 1st, 1998 (the "Original IGA"); and

WHEREAS, since the adoption of the Original IGA, the Original IGA has been amended on five separate occasions, namely the First Amendment dated September 11, 1998, the Second Amendment dated July 25, 2001, the Third Amendment June 25, 2011, the Fourth Amendment dated May 5, 2012 and the Fifth Amendment dated October 22, 2014 (collectively the "Amendments"); and

WHEREAS, in order consolidate the various Amendments to the Original IGA and incorporate the most recent changes the Parties wish to amend and restate the Original IGA along with all of the Amendments in this Amended and Restated Intergovernmental Agreement Establishing the Fitzsimons Redevelopment Authority; and

WHEREAS, this Agreement replaces the Original IGA and the Amendments in their entirety; and

WHEREAS, Article XIV, Section 18(2)(a) of the Colorado Constitution provides that the Constitution shall not be interpreted "to prohibit the state or any of its political subdivisions from cooperating or contracting with one another or with the government of the United States to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt"; and

WHEREAS, Article XIV, Section 18(2)(b) of the Colorado Constitution further provides that the Constitution shall not be interpreted "to prohibit the authorization by statute of a separate governmental entity as an instrument to be used through voluntary participation by cooperating or contracting political subdivisions"; and

WHEREAS, the General Assembly has enacted Section 29-1-203(4), C.R.S., to implement the provisions of Article XIV, Sections 18(2)(a) and (b) of the Colorado Constitution by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the City is a home-rule municipal corporation and political subdivision of the State of Colorado, created pursuant to Article XX of the Colorado Constitution and entrusted thereunder with the performance of municipal functions, duties, powers, and obligations; and

WHEREAS, the Regents are a body corporate of the State of Colorado, created pursuant to Article IX, Section 12 of the Colorado Constitution and entrusted thereunder with the supervision and government of the University of Colorado; and

~~WHEREAS, Fitzsimons Army Medical Center, now called the United States Army Garrison, Fitzsimons ("Fitzsimons"), consisting of approximately 577 acres of land, was approved for closure by the Congress of the United States in September, 1995, based upon the recommendations of the Base Realignment and Closure Commission; and~~

~~WHEREAS, pursuant to the requirements of the Defense Base Closure and Realignment Act, the Base Closure Community Assistance Act, and the Base Closure Community Redevelopment and Homeless Assistance Act, the Department of Defense requires that there be established a single authority capable of managing Fitzsimons and promoting economic redevelopment at Fitzsimons after closure; and~~

~~WHEREAS, from the time of the announcement of the closure of Fitzsimons, the City has utilized an internal agency of the City to act as a redevelopment authority for Fitzsimons (the "Prior Authority"); and~~

~~WHEREAS, the City, through the Prior Authority, has been granted an interim lease of various properties at Fitzsimons, including the hospital property, the majority of which has been subleased to the Regents; and~~

~~WHEREAS, the Regents have approved plans to relocate the University of Colorado Health Sciences Center campus to Fitzsimons and intend for the University to be a major participant in the development of property at Fitzsimons for the foreseeable future; and~~

~~WHEREAS, this Agreement is not intended to apply to that property within Fitzsimons which is owned by the Regents unless and until the Regents sell, lease, or otherwise dispose of such property to the Authority or to a third party; and~~

~~WHEREAS, this Agreement is not intended to change, alter, or modify in any way the Sublease Agreement dated April 14, 1997, by and between the City and the Regents relating to Building 500 and the east and west parking lots associated therewith; and~~

~~WHEREAS, the Parties have a compelling mutual interest in developing and coordinating all plans, present and future, for Fitzsimons and developing reuse strategies to promote economic redevelopment at Fitzsimons; and~~

~~WHEREAS, the Parties now wish to create a separate legal entity to provide the services necessary to maintain, manage, promote, and implement economic redevelopment at Fitzsimons after its closure; and~~

~~WHEREAS, the Parties further desire to grant this entity the powers necessary to provide economic redevelopment services to those areas within the City immediately adjacent to the boundaries of Fitzsimons; and~~

WHEREAS, the Parties intend that the Authority hereby created fall within the definition of a "Public Entity" under the Colorado Governmental Immunity Act, Section 24-10-101, *et seq*., C.R.S.; and

WHEREAS, it is the intent of the Parties that, for the purposes of interpreting the application of law to the Authority, the Authority shall be treated as a local or municipal body, and that the limitations and requirements applicable to agencies and departments of the State of Colorado shall not apply to the Authority.

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the City and the State of Colorado that the Parties enter into this Amended and Restated Intergovernmental Agreement,

NOW THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the parties hereto, as follows:

ARTICLE ONE
GENERAL PROVISIONS

1.1 *Fitzsimons Redevelopment Authority.* Upon the effective date of this Agreement, there is hereby established a separate public entity to be known as the Fitzsimons Redevelopment Authority ("Authority"). The Parties agree the Authority is an independent, legal entity separate and distinct from both of the parties. The Authority shall have the powers set forth herein over any property it shall acquire by lease or deed, to perform caretaker services within Fitzsimons, which is more particularly described in the legal description attached hereto as Appendix "A", and to perform redevelopment services within the Fitzsimons Redevelopment Area, which is more particularly described in the general description and boundary map attached hereto as Appendix "B."

1.2 *Governing Body*. The Authority shall be governed by a ~~twelve~~ thirteen (1~~2~~3) member Board of Directors ("Board") which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully herein.

1.3 *Purpose.* The Authority is organized for the purpose of providing necessary and incidental ownership, management, maintenance and economic redevelopment services and improvements at Fitzsimons and elsewhere within the Fitzsimons Redevelopment Area, including but not limited to the following:

A. Creation of an economic development plan as more particularly set forth in Article Three.

B. Creation of a multiple-year business plan and an annual operating plan.

C. Conducting community outreach activities which shall include public education and information.

D. Providing real estate development and property management services.

E. Applying for and administering grants from any source for activities related to the Authority's functions.

F. Monitoring the environmental remediation to be undertaken at Fitzsimons by the Department of Defense pursuant to federal or state statute.

G. Complying with the provisions of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, as amended, regarding homeless assistance providers, to the extent applicable.

1.4 *Immunity*. The Authority shall enjoy all the immunities and limitations on liability afforded public entities by the Colorado Governmental Immunity Act, Section 24-10-101, *et seq*., C.R.S. as amended.

1.5 *Enterprise*. It is the intent of the Parties by this Agreement to confer upon the Authority all of the powers and attributes necessary for the Authority to qualify as an "Enterprise" within the meaning of Article X, Section 20(2)(d) of the Colorado Constitution.

1.6 *Redevelopment Plan*. It is the expressed intent of the Parties hereto that future redevelopment of Fitzsimons be consistent with the final Record of Decision issued with regard to Fitzsimons by the Department of Defense and any Redevelopment Plan developed and approved by the Authority. Any proposed Redevelopment Plan, or any amendment to an approved Redevelopment Plan, shall be submitted to each of the Parties for review and comment prior to its submission to the Department of Defense. Amendments to any approved Redevelopment Plan may occur only upon the approval of the Board, except to the extent approval of such amendments has been delegated to the Executive Committee

1.7 *Effective Date*. This Agreement shall be effective as of ~~January 1, 1998~~____________.

1.8 *Insurance*. The Authority shall at all times maintain with responsible issuers the following insurance:

A. Worker's Compensation Insurance as required by law.

B. Comprehensive General Liability Insurance with a minimum $600,000 combined single limit for each occurrence. The General Liability Insurance required hereby shall contain a "waiver of subrogation" clause stating that the Authority waives its rights of recovery against the City, the Regents, and their respective officers, agents and employees.

C. Public Officials' Liability Insurance in an amount no less than $5,000,000.

D. In the event the Authority purchases, leases, or otherwise acquires motor vehicles, including trucks and service vehicles, Comprehensive Automobile

Liability Insurance with a minimum $600,000 combined single limit for each occurrence.

1.9 *Indemnification of the Parties.* To the extent authorized by law, the Authority shall indemnify, defend, and hold harmless the Parties, their officers, agents, and employees from and against any and all claims, damages, liabilities, and court awards, including costs, expenses, and attorney fees, incurred as a result of any act, error, or omission by the Authority, or any of its officers, agents, or employees in the performance of the Authority's obligations under this Agreement.

1.10 *Records*. The books and records of the Authority shall be open for inspection by the public at reasonable times, in accordance with and subject to the provisions of the Colorado Public Records Law, Section 24-72-201, *et seq.,* C.R.S., as amended.

ARTICLE TWO
ORGANIZATIONAL STRUCTURE

2.1 *Board of Directors Composition*. The Authority's governing Board shall be comprised of ~~twelve~~ thirteen (1~~2~~3) members who shall serve without compensation but may be reimbursed for their actual expenses incurred in serving the Authority. The City shall have three (3) representatives on the Board, the Regents shall have two (2) representatives on the Board, the Board of Directors of the University of Colorado Hospital Authority (the "Hospital Authority") shall have one (1) representative on the Board, the Board of Directors of The Children's Hospital (the "TCH Board") shall have one (1) representative on the Board, and the Board shall appoint ~~five~~ six (~~5~~6) representatives to serve on the Board ("Private Sector Board Members"). The City's representatives shall be appointed by the City Council, and may include the Mayor, City Council members or other City appointees, as determined by the City in its sole discretion. The Regent's representatives shall consist of the individual appointed to serve as Chancellor (or equivalent top-level administrator) of the University of Colorado's campus at Fitzsimons (the "Chancellor") and one (1) representative appointed by the President of the University of Colorado. The Hospital Authority's representative shall be appointed by the Chairman of the Board of Directors of the Hospital Authority. The TCH Board's representative shall be appointed by the Chairman of the TCH Board. The Chancellor may be represented at any Board meeting by his or her designee; provided that such designee shall have voting rights and shall be counted to constitute a quorum. In the event either Party appoints an elected official to the Board, termination of the elected official's status as an elected official to the office held at the time of appointment shall automatically result in termination of that person's membership on the Board. No employee of the Authority shall be eligible to be a member of the Board. The Private Sector Board Members shall consist of (a) ~~two~~ three (~~2~~3) individuals with special expertise in subject matter relevant to the redevelopment of Fitzsimons and elsewhere within the Fitzsimons Redevelopment Area, such as real estate development, banking or financing, and (b) three (3) individuals with expertise in the industry(ies) deemed to be targeted users of land located within the Fitzsimons Redevelopment Area, including, without limitation, the bioscience industry and other complementary bioscience-related industries (the "Targeted Industries").

2.2 *Ex-Officio Board Members*. The executive officer of the Authority shall be an ex-officio member of the Board. In addition, the Board may appoint ex-officio members of the Board as is deemed necessary by the Board. Ex-Officio Board members shall have no voting rights and shall not be counted to constitute a quorum.

2.3 *Term of Appointed Board Members*. The term of appointed members of the Board shall be three (3) years. The appointing Party or the Board, if applicable, shall be responsible for appointing new members to full three (3) years terms as members' terms expire. Vacancies shall be filled by the appointing Party or Board, if applicable, for the unexpired term of any member whose term becomes vacant. There shall be no term limits for members of the Board. ~~The two (2) existing Board appointees of the City whose term on the Board shall be terminated as of the effective date of appointment of the first two (2) Private Sector Board Members from Targeted Industries shall continue to serve as members of the Board in accordance with the Agreement, Bylaws and any adopted Policies until the first two (2) Private Sector Board Members from the Targeted Industries are appointed to the Board. The first Private Sector Board Members from the Targeted Industries shall be appointed for a one year term, two year term and three year term,~~

~~respectively. Upon expiration of the initial terms, the Private Sector Board Members from Targeted Industries shall serve for three (3) year terms.~~

~~The appointing Party shall be responsible for appointing new members to full two (2) year terms as members' terms expire. Vacancies shall be filled by the appointing Party for the unexpired term of any member whose term becomes vacant.~~

2.4 *Removal of Board Members*. Board members may be removed with or without cause by the appointing Party upon written notice to the member. Notice of removal or resignation of a Board member shall be given to the other Party and the Chairperson of the Board. The Party which appointed a Board member who has resigned or been removed shall appoint a new Board member within thirty (30) days following such resignation or removal.

2.5 *Voting and Quorum*. A quorum of the Board shall consist of ~~six~~ seven (~~6~~7) Directors for any regular or special meeting. A quorum of the Board for any special committee (as authorized pursuant to Article VI of the Bylaws) shall consist of four (4) Directors. No official action may be taken by the Board on any matter unless a quorum is present. Any member present who shall abstain from any vote or discussion for any reason, including such member's conflict of interest on any matter, shall be counted in determining the presence of a quorum. Each member of the Board shall have one (1) vote. Unless otherwise provided in this Agreement, the affirmative vote of a majority of the Board members present at the time of the vote shall be required for the Board to any action.

2.6 *Bylaws and Policies.* The Board may adopt Bylaws and Policies as may be necessary for the conduct of the Authority so long as such Bylaws and Policies are not in conflict with the provisions of this Agreement. Bylaws and any amendments thereto shall be adopted by a vote of two thirds of the Board. Policies and any amendments thereto shall be adopted by a majority vote of the Board. Without limiting the generality of the foregoing, the Board shall adopt financial and real estate Policies which shall govern the conduct of the Authority related to such matters. Without limiting the generality of the foregoing, such financial and real estate Policies shall establish appropriate methods for the attestation or verification of signatures on all contracts or agreements to be signed by the Chairperson, ~~Chair-Elect~~Vice Chairperson, or other officers or employees of the Authority.

2.7 *Officers of the Board.* The Board shall elect a Chairperson, ~~Chair-Elect~~Vice Chairperson, and Secretary and Treasurer (collectively, the "Officers") from the Directors, and each Officer shall serve a two (2) year term. The election of the Chairperson, Vice Chairperson, Secretary and Treasurer shall take place annually at the first regular meeting of the calendar year and each of them shall hold office until his or her successor shall have been duly elected and qualified, or until his or her earlier death, removal, resignation, or disability. ~~Chair-Elect shall be elected at the start of each regular meeting of the Board and shall serve until his/her successor is appointed, or until his or her earlier death, removal, resignation, or disability.~~ The officers shall perform the following duties normal for their officer including but not limited to the following:

A. -The Chairperson shall preside over all Board meetings and enter into obligations on behalf of the Authority, except contracts or agreements which may be signed by officers delegated that responsibility by the

Board, and shall perform such other duties as may be authorized by the Board.

B. In the absence of the Chairperson or in the event of his or her death or inability to act, the ~~Chair-Elect~~ Vice Chairperson shall perform all of the duties of the Chairperson and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson. The ~~Chair-Elect~~ Vice Chairperson shall perform such other duties as may be authorized by the Board from time to time.

C. The Secretary/Treasurer shall (a) see that the minutes of the meetings of the Board are kept in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or the Intergovernmental Agreement; (c) attest to all contracts or agreements signed by the Chairperson, Vice Chairperson, or other officers or employees of the Authority, except contracts or agreements which may be attested to by officers delegated that responsibility by the Board or by the Intergovernmental Agreement; (d) have charge of and be responsible for all funds of the Authority; (e) see that the financial books and records of the Authority are kept and maintained; and (f) in general, shall perform all duties incident to the office of Secretary/Treasurer and such other duties as may be authorized by the Board from time to time.

2.8 *Meetings*. Meetings of the Board shall be held at the call of the Chairperson and shall be conducted in accordance with the following requirements:

A. The Board shall hold at least four (4) regular meetings each calendar year at such time and place as the Authority shall decide and may, upon the call of the Chairperson or any three (3) Board members, hold special meetings. Any regular meeting may be canceled by a simple majority of the Board or by the Chairperson for good cause.

B. All regular and special meetings held by the Board and any subcommittee meetings of the Board where public business is discussed or at which formal action may be taken shall be open to the public and subject to the Colorado Open Meetings Law, Section 24-6-401, *et seq.,* C.R.S., as amended. Notice of all regular meetings and special meetings shall include an agenda, board packet, minutes, and other materials to be considered at the meeting and shall be posted on the FRA website, the City of Aurora Website, and in a designated public place located within the FRA no less than ~~twenty-four~~ seventy-two (~~24~~72) hours prior to the meeting.

H. The Board shall keep minutes of its proceedings showing the presence or absence of each Board member and the vote of each member upon every motion. Failure to vote and any abstentions shall be noted in the minutes. Minutes and records of Board meetings shall be open to the public and subject to the Colorado Open Meetings Law.

2.9 *Executive Committee.* The Executive Committee of the Authority shall be a Special Committee of the Board and it is delegated such powers of the Authority and such powers of the Board as the Board deems appropriate ("Executive Committee"). The Executive Committee shall consist of no fewer than six (6) of the Directors and it must include the Chairperson of the Board, Secretary/Treasurer of the Board, the Executive Officer/CEO and President of the Authority (but only as an ex-officio member that does not count as one of the six (6) Directors), and any other such members of the Board as the Board deems appropriate; provided that, in any event, the Executive Committee shall include at least one Board member appointed by the City and one Board member appointed by the Regents and shall attempt to include the interests of the stakeholders on the Board. Any Director may choose to attend any meeting for the Executive Committee but only those Director's appointed to the Executive Committee shall have a voting right.

ARTICLE THREE
POWERS OF THE AUTHORITY

3.1 *Plenary Powers.* Except as otherwise limited by this Agreement, the Authority, in its name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Section 29-1-203, C.R.S., as amended, including all incidental, implied, expressed, or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its Executive Committee, its officers, and employees as authorized by the Board pursuant to this Agreement, the Bylaws, and any adopted Policies. The Authority shall not have the power to represent itself as or act as agent for or on behalf of either of the Parties without their prior written consent.

3.2 *Enumerated Powers,* The Authority's powers shall be those powers delegated by the Parties through this Agreement. Such powers shall include the following:

A. To acquire, hold, operate, manage, lease, sell, convey, or otherwise dispose of real and personal property, or any interest therein, in the name of the Authority;

B. To make and enter into contracts which it may deem necessary or convenient to the exercise of its powers under this Section 3.2, including, without limitation, contracts with urban renewal authorities, nonprofit corporations, and federal, state or local agencies;

C. To make and enter into contracts, as deemed appropriate, for goods and services, subject to payment from advances, loans, grants or contributions made by ·the federal, state, or any local government, funds -provided by-either Party, or any other revenues of the Authority;

D. To sue and be sued in the Authority's own name; to adopt and have a seal and to alter the same at pleasure.

E. To cooperate with the federal government in all respects concerning implementation of the final Army Record of Decision concerning the disposal and reuse of Fitzsimons;

F. To make and enter into contracts with agencies or departments of the federal government or either Party for the provision of caretaker services for all or a portion of Fitzsimons after closure; to make and enter into contracts with third parties for the provision of such services in relation thereto as deemed appropriate by the Authority;

G. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and any adopted Policies of the Authority;

H. To apply to the City to plan. replan, zone, rezone, or subdivide any part of the area ·within which the Authority has jurisdiction in connection with any project proposed or undertaken by the Authority;

I. To provide for the furnishing of services, privileges, works, streets, roads, public utilities, or educational or other facilities for or in connection with any project of the Authority; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and other public purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate, including but not limited to conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;

J. To fix. maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;

K. To acquire, construct, reconstruct, repair, maintain, manage, operate, lease, sell, convey, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;

L. To prepare and implement a compensation, retirement, and benefits plan for all employees of the Authority;

M. To prepare and approve an annual operating budget and any necessary amended or supplemental budgets, as set forth in Article Five of this Agreement, and make appropriations in accordance therewith;

N. To adopt and, from time to time, amend and repeal Bylaws and any adopted Policies pursuant to Section 2.6 of this Agreement;

O. To enter into agreements with the Parties for the purpose of securing any necessary professional, administrative, or support services;

P. To keep and maintain adequate financial books and records to account for all Authority revenues and expenditures; to obtain an annual independent audit conducted by certified public accountants selected by the Board of such records; and to submit the results of such audit to the Parties;

Q. To adopt a master economic redevelopment plan, which shall be updated as the Authority deems necessary; to establish strategies and goals for promoting and marketing redevelopment of Fitzsimons and securing development commitments within the service area of the Authority;

R. To apply for and accept advances, grants, loans or contributions from any natural person, public or private corporation or organization, or the federal, state or any local government, or any department, instrumentality, or agency thereof, for the purpose of financing its activities;

S. To adopt financial and investment policies and invest any moneys of the Authority which are available for investment in accordance with the laws of the State of Colorado, including Articles 10.5 and 47 of Title 11, and Article 75, Part 6 of Title 24, C.R.S., governing the deposit and investment of public funds by public entities;

T. To issue revenue bonds in accordance with Section 5.6 of this Agreement;

U. To issue notes, warrants, certificates of indebtedness, or other evidences of the advancement of moneys and, in connection therewith, to pledge any security therefor as may be authorized by law;

V. To enter into lease-purchase agreements and issue certificates of participation therein.in accordance. with Section 29-1-103, C.R.S., as amended;

W. To insure against all or any part of the Authority's liability or the liability of any of the Authority's employees acting within the scope of their employment for an injury for which the Authority or its employees might be liable, and against the expense of defending a claim for injury against the Authority or the Authority's employees, whether or not liability exists on such claim, all in accordance with Section 24-10-115, C.R.S., as amended;

X. To participate in all types of development ventures related to the purposes of the Authority, with public and private persons and entities including, without limitation, the formation of general and limited partnerships, limited liability companies, corporations, and other business entities;

Y. Through its employees, officers, board members, or Executive Committee, to cause the incorporation of for-profit or non-profit corporations or other business entities incident to the accomplishment of the purposes hereof; and

Z. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement.

AA. To mortgage or pledge all or any portion of the real or personal property of the Authority, whether then owned or thereafter acquired, for the benefit of the holders of bonds, notes or other obligations issued by the Authority.

BB. To lend all or any portion of the proceeds of any revenue bonds issued by the Authority to any person or entity for the purpose of financing all or any portion of the cost of acquiring, constructing and completing any facility, work or undertaking deemed necessary or appropriate by the Authority for the accomplishment of the purposes of this Agreement and the redevelopment of Fitzsimons. Such loans may be secured or unsecured and, in particular, may be secured by a mortgage or other encumbrance upon the assets, properties or undertakings financed in whole or in part with the proceeds of any issue of revenue bonds.

CC. Any revenue bonds issued in accordance with Section 5 .6 of this Agreement may be issued to finance any project or undertaking deemed necessary or appropriate by the Authority for the accomplishment of the purposes of this Agreement and the redevelopment of Fitzsimons. Nothing set forth in this Agreement shall require that title to any facility, work or undertaking financed by the Authority be transferred to the City prior to the dissolution of the Authority, and the Authority is specifically authorized to finance undertakings or improvements to be owned by the Authority or by any other person or entity, if deemed necessary and appropriate by the Authority for the accomplishment of the purposes of the Agreement and the redevelopment of Fitzsimons.

3.3 *Prohibited* Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood that the Authority shall not have the following powers:

A. Taxation;

B. Special assessments pursuant to Article 25 of Title 31, C.R.S., as amended;

C. Condemnation (eminent domain);

D. Issuance of general obligation debt;

E. Zoning or other governmental powers over land use;

F. Building, fire code, public health and safety regulations;

G. Control and acceptance of public rights of way; and

H. Assignment or delegation of any specific powers, duties, or responsibilities imposed by this Agreement except as authorized by this Agreement or by the Parties in writing.

3.4 *Leases.* The Parties anticipate the Authority will enter into interim and long-term leases for all or a portion of Fitzsimons property and the Authority will sublet all or a portion of said leased property to third parties. In such event, any leases or subleases entered into by the Authority as lessor shall fully comply with the laws of the United States, the State of Colorado, and the Charter or Ordinances of the City of Aurora.

3.5 *Spending Authority.* In any given fiscal year, the Authority is limited in its spending powers to· the total annual and supplemental budgets adopted by the Board. Annual expenditures shall not exceed amounts appropriated by the Board from all revenues for such year plus beginning unreserved cash balances.

ARTICLE FOUR
PERSONNEL

4.1 *Executive officer of the Authority.*. The Board shall appoint an executive officer of the Authority by a vote of two thirds of the Board who shall be the chief executive and operating officer for the Authority. The executive officer of the Authority shall have such title, executive powers, and duties as are prescribed by the Board. The Board shall set the salary and benefits of the executive officer and shall annually review the performance of the executive officer. The executive officer shall serve at the pleasure of the Board and may be removed by a vote of two thirds of the Board. Upon resignation or removal of the executive officer, notice shall be provided to the Parties. The executive officer of the Authority shall serve as an ex-officio member and officer of the Board and may be an employee of the Authority. The executive officer of the

Authority shall have no voting rights and shall not be counted to constitute a quorum.

4.2 *Liability*. Any liability or other financial obligation relating to the activities of the Authority which is incurred or caused by the executive officer of the Authority or any employee or agent of the Authority within the scope of his or her employment and during the performance of his or her duties as approved or delegated by the Authority Board shall be exclusively the responsibility of the Authority.

4.3 *Administrative Services*. The Authority may contract with either Party, or both, for the provision of financial, personnel, and other administrative services.

4.4 *Compliance with Law.* The Authority shall comply with all applicable federal, state, and local law relating to employment standards and practices, including those pertaining to equal employment opportunity and nondiscrimination. The Authority shall maintain such levels of workers' compensation coverage as mandated by state law.

4.5 *Indemnification of Directors, Officers, and Employees*. The Authority shall, to the extent permitted and within the requirements of and without waiving the provisions of the Colorado Governmental Immunity Act, indemnify and defend its directors, officers, and employees.

4.6 *Conflicts of Interest.*

1. No person serving as a director, officer, or employee of the Authority shall:

    A. Hold any financial or other personal interest in any contract of the Authority as defined by Section 24-18-102, C.R.S., as may be amended from time to time;

    B. Be a purchaser or lessee, or act as an agent for anyone other than the Authority, with regard to any sales or leases of real or personal property under the jurisdiction of the Authority;

    C. Acquire or hold, directly or indirectly, any financial or personal interest in any business or undertaking which that person- has reason to believe may be substantially benefited by any action taken by the Authority;

    D. Disclose or use any confidential information acquired in the course of that person's official duties in order to further substantially that person's financial or personal interest;

    E. Accept a gift of substantial value or a substantial economic benefit tantamount to a valuable gift which would tend improperly, or could be reasonably perceived, to influence that person to depart from the faithful and impartial discharge of that person's public duties; or

F. Undertake or fail to undertake any action in that person's official capacity which would create an appearance of impropriety or unethical conduct on the part of that person.

2. "Personal interest" under this Section would include interests held by members of one's immediate family or one's business partners, employer, or corporation or other business in which one or one's immediate family owns or controls an interest or from which one or one's immediate family receives a substantial financial benefit. "Immediate family" means persons related by blood, marriage, or adoption.

3. In the event that a director, officer, or employee should have any reason to believe that an actual or potential conflict of interest exists, the nature of such interest or conflict shall be disclosed. Employees of the Authority shall make such disclosures to the executive officer of the Authority. Any member of the Board and the executive officer of the Authority shall make such disclosures to the Board of Directors. If the Board determines that there is an actual or potential conflict of interest, the director, officer, or employee will be recused from all discussion and decision making in the matter. The recused director, officer, or employee will not count toward the quorum. The Board shall have the duty to take appropriate action necessary to resolve any conflicts in accordance with this Section and in a manner to assure that the confidence of the Parties and the public in the Authority is maintained.

4. Failure by a director, officer, or employee of the Authority to disclose properly and timely *any* conflict described under this Section shall be grounds for immediate removal or dismissal of that person from his or her official duties.

ARTICLE FIVE
BUDGETS/FUNDING/DEBT

5.1 *Annual Budget*.. The Board shall adopt a budget for the Authority, which budget shall conform with the requirements of the Local Government Budget Law of Colorado, Section 29-1 101, et seq., C.R.S., as amended. No later than October 15 of each year, or such other deadline as may be required by the Local Government Budget Law, the executive officer of the Authority shall submit to the Board a proposed annual budget for the next fiscal.

5.2 *Transfers.* *If,* after adopting the annual budget, the Board deems it necessary, it may transfer appropriated moneys between funds or between spending agencies within a fund, as determined by the original appropriation level.

5.3 *Supplemental Budget.* *If,* after adopting the annual budget, the Authority receives unanticipated revenues or revenues not assured at the time of the adoption of the annual budget from any source, the Board may authorize the expenditure of such funds by enacting a supplemental budget and appropriation, subject to review by and comment from the Parties.

5.4 *Books* and *Records.* The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law,. Section 29-1-501, *et seq.,* C.R.S. as amended, and generally accepted government accounting principles. Such books shall show, in detail. a cash flow analysis, capital costs, costs of special services, maintenance and operating costs, and all financial transactions of the Authority. In addition to the requirements set forth in Section 29-1-501, *et seq.,* C.RS., the Authority's books of account shall correctly show any and all revenues, costs, expenses, or charges paid from or to be paid by moneys obtained from federal, state, or local grants, the Parties, private contributions, or revenues generated by the Authority's activities. The Parties shall have the right to examine the books and records of the Authority at reasonable times until the expiration of three (3) years after the Authority discontinues operations or ceases to exist. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Section 29-1-601, *et seq.,* C.RS., as amended, by an independent certified public accountant selected by the Board. The audit shall be completed within six (6) months after the close of the fiscal year. The audit shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board.

5.5 *Revenue Bonds.*

1. Subject to the prior approval of the Parties, the Authority may, from time to time, issue revenue bonds for any of its corporate purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

2. Revenue bonds of the Authority, as provided in the resolution of the Board under which the bonds are authorized, or as provided in a trust indenture between the Authority and any commercial or trust company having full trust powers, may:

   A. Be executed and delivered by the Authority in the form, in denominations, upon the terms and maturities, and at the times established by the Board;

B. Be subject to optional or mandatory redemption prior to maturity with or without a premium;

C. Be in fully registered form or bearer form registerable as to principal or interest or both;

D. Bear such conversion privileges and be payable in such installments and at such times not exceeding thirty (30) years from the date of issuance as established by the Board;

E. Be payable at such place or places whether within or without the state as established by the Board;

F. Bear interest at such rate or rates per annum, which may be fixed or vary according to index, procedure, or formula or as determined by the Authority or its agents;

G. Be subject to purchase at the option of the holder or the Board;

H. Be evidenced in the manner established by the Board, .and executed by the members of the Board, including the use of one or more facsimile signatures which may be either of a member of the Board or of an authorized agent authenticating the same;

I. Contain any other provisions not inconsistent with this Agreement.

3. The revenue bonds may be sold at public or private sale at the price or prices, in the manner, and at the times as determined by the Board, and the Board may pay all fees, expenses, and commissions which it deems necessary or advantageous in connection with the sale of the bonds. The power to fix the date of sale of the bonds, to receive bids or proposals, to award and sell bonds, to fix interest rates, and to take all other action necessary to sell and deliver the bonds may be delegated to an officer or agent of the Authority. Any outstanding bonds may be refunded by the Authority pursuant to Article 56 of Title 11, C.RS., as amended. All bonds and any interest coupons applicable thereto are declared to be negotiable instruments.

4. The Resolution or Trust Indenture authorizing the issuance of the revenue bonds may pledge all or a portion of the property or revenues of the Authority, may contain such provisions for protecting and enforcing the rights and remedies of holders of any of the bonds as the Authority deems

appropriate, may set forth the rights and remedies of the holders of any of the bonds, and may contain provisions which the Authority deems appropriate for the security of the holders of the bonds, including but not limited to provisions for letters of credit, insurance, standby credit agreements, or other forms of credit ensuring timely payment of the bonds, including the redemption price or the purchase price.

5. Any pledge of revenues or property made by the Authority or by any person or governmental unit with which the Authority contracts shall be valid and binding from the time the pledge is made. The revenues or property so pledged shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the pledging party, regardless of whether the party has notice of such lien. The instrument by which the pledge is created need not be recorded or filed.

6. Neither the members of the Board, employees of the Authority, nor any person executing the revenue bonds shall be liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance thereof.

7. The Authority may purchase its revenue bonds out of any available funds and may hold, pledge, cancel, or resell such bonds subject to and in accordance with agreements with the holders thereof.

ARTICLE SIX
ASSETS OF THE AUTHORITY

6.1 *Ownership Interest in Development Projects*. The acquisition of any ownership interest in a business entity incident to or in furtherance of the purposes hereof is declared to be a redevelopment project of the Authority serving a public purpose, and shall not be construed to be subject to any limitation on the investment of public moneys.

6.2 *Asset Inventory Schedules.* The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or federal conveyance. This list shall designate how the asset was accrued, the date. of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

ARTICLE SEVEN
TERMINATION

7.1 *Termination by Notice.* This Agreement or any renewals thereof may be terminated by either of the Parties hereto provided that:

A. The Party intending to terminate this Agreement provides, unless otherwise provided herein, at least twelve (12) months' notice to the other, and

B. The effective date of termination shall be on December 31 of any calendar year, provided said termination shall be no sooner than six (6) months after service of the written notice of termination; provided, however, that the Agreement may not be terminated so long as the Authority has bonds, notes, or other obligations outstanding, unless provision for full payment thereof by escrow or otherwise has been made pursuant to the terms of such obligations.

7.2 *Assets.* Upon the dissolution of the Authority, after the payment of lawful debts and other encumbrances thereon, title to all public improvements financed by the issuance of Authority obligations shall vest in the City. Title to all other assets shall vest in the City or in the Regents respectively to the extent that each Party made a direct contribution to the acquisition or construction thereof; otherwise, title to such assets shall vest in the City.

7.3 *Wind-up and Liquidation.* In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute the debt or financial obligation of the Parties or become the responsibility of the Parties.

ARTICLE EIGHT
JURISDICTION

8.1 *Governmental Authority.* The Parties acknowledge that 100% of the land comprising the Fitzsimons Redevelopment Area is located within the boundaries of the City of Aurora; therefore, the City shall be responsible for exercising municipal powers over all property within the Fitzsimons Redevelopment Area; provided, however, that nothing in this Agreement shall be deemed to supersede any governmental powers possessed by the United States, the State of Colorado, or any of their respective political subdivisions with respect to property owned by any such entity within the Fitzsimons Redevelopment Area.

ARTICLE NINE
MISCELLANEOUS PROVISIONS

9.1 *Notices.* Any notice required hereunder shall be given in writing delivered personally or sent by registered mail, postage prepaid, and addressed to the Parties set forth below at the addresses on file with the Authority or at such address as either Party may hereafter from time to time designate by written notice to the Authority. Notice shall be considered given when personally delivered or mailed, and shall be considered received on the earlier of the day on which such notice is actually received by the Party to whom it is addressed or the third day after such notice is mailed.

City: City of Aurora, Colorado
Attn: Mayor

Regents: University of Colorado
Attn: Vice Chancellor for Administration and Finance

9.2 *Consent.* Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

9.3 *Amendments.* No alterations, amendments or modifications hereof shall be valid unless executed by an instrument in writing by the parties with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever.

9.4 *Severability.* If any clause or provision herein contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

9.5 *Binding Effect.* The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and to their respective successors and permitted assigns.

9.6 *Assignment and Delegation.* Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Party.

9.7 *Applicable Laws.* This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

9.8 *Paragraph Headings.* The paragraph headings are inserted herein only as a matter of convenience and for reference and in no way are intended to be a part of the Agreement or to define, limit, or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

9.9 *Singular and Plural.* Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

9.10 *No Discrimination in Employment.* In connection with the performance of work under this Agreement, the Authority shall not refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, marital status, or physical or mental disability. The Authority shall comply with all applicable local, state and federal laws with regard to non-discrimination.

9.11 *No Obligation of the Parties.* Neither Party shall bear any responsibility nor incur any liability whatsoever for the acts, errors or omissions of the Authority. Each and every lease, contract, or other instrument creating any obligation of the Authority shall expressly provide that the Authority's obligations thereunder shall not be deemed to also be those of the City or the Regents.

9.12 *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed to be an original, hut all of which shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first herein above written.

ATTEST:	CITY OF AURORA, COLORADO
By: ____________________________ KADEE RODRIGUEZ	By:____________________________ MIKE COFFMAN, MAYOR

APPROVED AS TO FORM:

By:____________________________
XX
ASSISTANT CITY ATTORNEY

APPROVED:	REGENTS OF THE UNIVERSITY OF COLORADO
By: ____________________________	By:____________________________

BYLAWS OF THE FITZSIMONS REDEVELOPMENT AUTHORITY

Article I. Authority.

1.1. ***Establishment.*** The Fitzsimons Redevelopment Authority (the "Authority") is established pursuant to Article XIV, Sections 18(2)(a) and (b) of the Colorado Constitution and Section 29-1-203 of the Colorado Revised Statutes as a separate public entity to provide the functions, services, and facilities authorized by the Amended and Restated Intergovernmental Agreement establishing the Fitzsimons Redevelopment Authority between the City of Aurora, Colorado, and the Board of Regents of the University of Colorado (the "Intergovernmental Agreement").

1.2. ***Enactment.*** These bylaws are enacted pursuant to the power granted to the Board of Directors of the Authority by Section 2.6 of the Intergovernmental Agreement. In the event of any conflict between these bylaws and the Intergovernmental Agreement, the Intergovernmental Agreement shall control.

Article II. Purpose.

The purpose of the Authority is to provide necessary and incidental ownership, management, maintenance, and economic redevelopment services and improvements within the Fitzsimons Redevelopment Area, as such purpose is more particularly described in Section 1.3 of the Intergovernmental Agreement.

Article III. Offices,

The principal office of the Authority shall be located on the site of the former Fitzsimons Army Medical Center. The Board of Directors shall have the power and authority to relocate the principal office and establish and maintain branch or subordinate offices at any other locations within the Fitzsimons Redevelopment Area.

Article IV. Board of Directors.

4.1. ***General Powers and Duties.*** The governing body of the Authority shall be its Board of Directors (the "Board"). The Board shall have all of the powers and duties set forth in the Intergovernmental Agreement.

4.2. ***~~Rules and Regulations~~ Policies.*** By a majority vote of ~~two-thirds~~ of the Directors on the Board, the Board shall adopt such ~~Rules and Regulations~~ Policies as may be necessary for the conduct of the Authority, provided, however, that such ~~Rules and Regulations~~ Policies shall not be in conflict with any of the provisions of the Intergovernmental Agreement.

4.3. ***Number, Appointment, and Tenure Of Directors.*** The Board shall consist of ~~nine~~ thirteen Directors, who shall be appointed in accordance with Section 2.1 of the Intergovernmental Agreement. The term of office of each Director shall be as prescribed in Section 2.3 of the Intergovernmental Agreement.

4.4. ***Ex-Officio Board Members.*** The ~~E~~executive ~~Director~~ officer of the Authority shall be an ex-officio member of the Board. In addition, the Board may appoint ex-officio members of the Board as is deemed necessary. Ex-officio Board members shall not have voting rights and shall not be counted to constitute a quorum.

4.5. ***Regular Meetings.*** The Board shall conduct a regular meeting at least once each month at such place as may be designated by the Board. Any regular meeting may be canceled by a simple majority vote of the Board for any reason or by the Chairperson for good cause.

4.6. ***Special Meetings.*** The Board may conduct special meetings as deemed necessary and appropriate upon the call of the Chairperson or any three Directors by giving verbal, telephonic, or written notice of the time and place of such meeting to each Board member at least 72 hours prior to the meeting. Special meetings shall be conducted at such place as designated by the Chairperson or those Directors calling the meeting.

4.7. ***Executive Sessions.*** The Board, upon the affirmative vote of two-thirds of the quorum present, may hold an executive session at any regular or special meeting for any of the purposes authorized by the Colorado Open Meetings Law, Section 24-6-401, *et seq*. C.R.S. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall occur at any executive session which is not open to the public.

~~*4.7.*~~***4.8.*** ***Attendance.*** Directors are expected to attend all regular and special meetings and actively participate on the Board. A Director may be excused from a meeting for good cause at the Chair's discretion where a request is received within a reasonable time in advance of the meeting. Directors may participate in a regular or special meeting through the use of conference telephone or other communications equipment serving a similar purpose, so long as all members participating in such meeting can converse with one another at the same time. Participation includes voting.

~~*4.8.*~~*4.9.* ***Notice.*** All regular and special meetings held by the Board or any subcommittees thereof where Authority business is discussed or at which formal action may be taken shall be open to the public and subject to the Colorado Open Meetings Law, Section 24-6-401, *et seq*. C.R.S. Notice of all regular and special meetings of the Authority shall include an agenda, board packet, minutes, and other materials to be considered at the meeting and shall be posted on the Authority website, the City of Aurora website, and at a designated public place ~~designated by the Board~~ located within the Authority no less than ~~24~~72 hours prior to the meeting.

~~*4.9.*~~*4.10.* ***Conduct of Meetings.*** All regular and special meetings held by the Board shall be conducted in accordance with established rules of parliamentary procedure. The Board shall use as its guide for parliamentary procedure the current edition of *Robert's Rules of Order Newly Revised.*

~~*4.10.*~~*4.11.* ***Minutes.*** The Board shall keep comprehensive minutes of its proceedings showing the presence or absence of each member and the vote of each member upon every motion. Any failure to vote or abstention shall be noted in the minutes.

~~4.11.~~4.12. ***Open Records.*** The minutes and records of the Board shall be open to the public and subject to the Colorado Open Records Act, Section 24-72-201, *et seq*. C.R.S.

4.13. ***Quorum***. A quorum of the Board shall consist of ~~five~~ seven Directors. No official action may be taken by the Board on any matter unless a quorum is present. Any member present who shall abstain from any vote or discussion for any reason, including such member's conflict of interest on any matter, shall be counted in determining the presence of a quorum.

~~*4.12.*~~*4.14.* ***Voting.*** The voting on all questions before the Board shall be by voice or by show of hands unless a roll call vote is requested by any Director of the Board or required by law. The yes votes, no votes, and abstentions shall be entered in the minutes of each meeting. Every Director, when present at a meeting, must vote unless excused from voting on matters involving the consideration of his or her own official conduct or when his or her personal or financial interest is involved. Any Director must state at the time of the abstention the reason for abstention.

~~*4.13.*~~*4.15.* ***Decisions of the Board.*** Each member of the Board shall have one vote. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. All resolutions of the Board shall be reduced to writing and shall be recorded in the official minutes of the Authority.

~~*4.14.*~~*4.16.* ***Resignation and Removal.*** Any Director may resign at any time by giving written notice to the City of Aurora, the Board of Regents, and the Chairperson of the Board. Each resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of a resignation is not necessary to make it effective. Any Director may be removed at any time, with or without cause, as provided in Section 2.4 of the Intergovernmental Agreement. Upon the expiration of a Director's term, or upon his or her death, removal, resignation, or disability, such Director or his or her executor or personal representative shall turn over to the Chairperson all records or other property of the Authority which may be in his or her possession.

~~*4.15.*~~*4.17.* ***Vacancies***. As members' terms expire, new members shall be appointed to the Board in accordance with Section 2.3 of the Intergovernmental Agreement. Vacancies shall be filled for the unexpired term of any Board member whose position becomes vacant in accordance with Section 2.4 of the Agreement.

~~*4.16.*~~*4.18.* ***Compensation and Reimbursement.*** Directors shall serve without compensation for their services but may be reimbursed for actual and reasonable expenses they incur in serving on the Board. The written approval of the Chairperson shall be required in order to reimburse a Director for actual and reasonable expenses, including, but not limited to travel, telephone, and postage fees. No mileage or expense in excess of $____ shall be paid to any Director unless pre-authorized by the Board of Directors. Mileage, when paid, shall be at the rate of $0.__ per mile.

Article V. Officers.

5.1. ***Officers of the Board.*** The Board shall elect a Chairperson, Vice Chairperson, and Secretary/Treasurer from its members. The election of officers shall take place annually at the first regular meeting of the calendar year for a two-year term. Each officer shall hold office until his or her successor shall have been duly elected and qualified, or until his or her earlier death, removal, resignation, or disability.

5.2. ***Resignation and Removal*** Any Officer may resign at any time by giving written notice to the Chairperson of the Board. Each resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of a resignation is not necessary to make it effective. Any Officer may be removed at any time, with or without cause, by simple majority vote of the Board. Upon death, removal, resignation, or disability of an Officer, such Officer, or his or her executor or personal representative shall turn over to the Chairperson all records or other property of the Authority which may be in his or her possession.

5.3. ***Vacancies.*** A vacancy in any office may be filled by the Board for the unexpired portion of the term.

5.4 ***Chairperson.*** The Chairperson shall preside over all Board meetings and sign all contracts or agreements on behalf of the Authority, except contracts or agreements which may be signed by officers delegated that responsibility by the Board or by the Intergovernmental Agreement, and, in general, shall perform all duties incident to the office of Chairperson and such other duties as may be authorized by the Board from time to time.

5.5 ***Vice Chairperson***. In the absence of the Chairperson or in the event of his or her death or inability to act, the Vice Chairperson shall perform all of the duties of the Chairperson and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson. The Vice Chairperson shall perform such other duties as may be authorized by the Board, ~~from time to time~~, the bylaws, or the provisions of the Intergovernmental Agreement.

5.6 ***Secretary/Treasurer.*** The Secretary/Treasurer shall (a) see that the minutes of the meetings of the Board are kept in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or the Intergovernmental Agreement; (c) attest to all contracts or agreements signed by the Chairperson, Vice Chairperson, or other officers or employees of the Authority, except contracts or agreements which may be attested to by officers delegated that responsibility by the Board or by the Intergovernmental Agreement; (d) have charge of and be responsible for all funds of the Authority; (e) see that the financial books and records of the Authority are kept and maintained; and (f) in general, shall perform all duties incident to the office of Secretary/Treasurer and such other duties as may be authorized by the Board, the bylaws, or the provisions of the Intergovernmental Agreement. ~~from time to time.~~

5.7. ***Assistant Secretary/Treasurer.*** The ~~e~~Executive ~~Director~~ Officer of the Authority shall serve as the Assistant Secretary/Treasurer and shall provide staff support and perform such functions as may be authorized or delegated by the Board, the bylaws, or the provisions of the Intergovernmental Agreement.~~.~~

5.8. ***Compensation and Reimbursement.*** The Chairperson, Vice Chairperson, and the Secretary/Treasurer shall serve without compensation for their services but may be reimbursed for actual expenses they incur in serving as Officers of the Authority as provided for in Section 4.13 of these Bylaws.

Article VI. Committees.

6.1. ***Committees of Directors.*** The Board, by resolution adopted by a majority of the Directors on the Board, may designate and appoint one or more committees, each of which shall consist of two or more Directors. Such committees, to the extent provided in the resolution, shall have and exercise the authority of the Board in the management of the Authority; provided, however, that no such Committee shall have authority of the Board in reference to (a) amending, altering, restating, or repealing these Bylaws or any rules or regulations of the Authority; (b) electing, appointing, or removing any member of the committee or any Director or Officer of the Authority; (c) authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Authority; or (d) amending, altering, or repealing any resolution of the Board. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director or Officer, of any responsibility imposed upon it or him or her by the Intergovernmental Agreement or otherwise by law.

6.2. ***Advisory Committees***. Advisory committees not having and exercising the authority of the Board in the management of the Authority may be appointed in such manner as designated by resolution adopted by a simple majority vote of Board. Except as otherwise provided in the resolution, the Board shall appoint the members of each such committee. Any member thereof may be removed by the person or persons authorized to appoint such members with or without cause. Members of an advisory committee need not be members of the Board. Such advisory committees may address specific sectors or interests such as housing/residential issues, community engagement, and outreach.

6.3. ***Term of Office.*** Each member of a committee shall continue as such until his or her successor is appointed, unless and until the committee is sooner terminated, the member is removed from such committee, or the member is no longer qualified to serve as a member of such committee.

6.4. ***Chairperson.*** One member of each committee shall be appointed Chairperson by the person or persons authorized to appoint the members thereof.

· *6.5.* ***Vacancies***, Vacancies in the membership for any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.6. ***Quorum.*** Unless otherwise provided in the resolution of the Board designating the committee, a majority of the committee membership shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

6.7. ***Rules.*** Each committee may adopt rules for its proceedings not inconsistent with these Bylaws or with any rules or regulations adopted by the Board.

6.8. ***Open Meetings.*** All regular and special meetings held by any committee of Directors or any advisory committee where public business is discussed or at which formal action may be taken shall be open to the public as required by the Colorado Open Meetings Law, Section 24-6-401, *et seq*. C.R.S.

6.9. ***Open Records.*** Each committee of Directors or advisory committee shall keep minutes of its proceedings. Minutes and records of each such committee shall be open to the public as required by the Colorado Open Records Ac4 Section 24-72-201, *et seq*. C.R.S.

Article VII. Executive ~~Director~~ officer.

7.1. ***Appointment.*** The ~~E~~executive ~~Director~~ officer shall be appointed by the Board in accordance with the provisions of Section 4.1 of the Intergovernmental Agreement.

7.2. ***Powers and Duties.*** The ~~E~~executive ~~Director~~ officer shall be the chief operating officer for the Authority and shall have such executive powers and duties as prescribed by the Board, including the hiring, supervising, and directing of employees and staff of the Authority, the conduct of the daily management of the Authority's business affairs, and the responsibility for executing all orders of the Board.

7.3. ***Removal.*** Subject to the terms of his or her employment contract and in accordance with the provisions of Section 4.1 of the Intergovernmental Agreement, the e~~E~~xecutive ~~Director~~ officer may be removed by the Board whenever, in the Board's judgment the best interests of the Authority would be served thereby.

Article VIII. Conduct of Business.

8.1. ***Annual Budget.*** The Board shall adopt an annual budget for the next fiscal year. The budget shall be prepared on a cash basis and conform with the requirements of the Local Government Budget Law of Colorado, Section 29-1-101 *et seq*. C.R.S., as amended, and Article V of the Intergovernmental Agreement.

8.2. ***Books and Records.*** The Board shall provide for the keeping of accurate and correct books of account on an accrual basis and in accordance with the Local Government Uniform Accounting Law, Section 29-1-501, *et seq*.., C.R.S., as amended, and Section 5.4 of the Intergovernmental Agreement.

8.3. ***Audit of Books and Records.*** The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Section 29-1-601 *et seq*. C.R.S., as amended, and Section 5.4 of the Intergovernmental Agreement.

8.4. ***Contracts.*** The Board may authorize the ~~E~~executive ~~Director~~ officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority except in those instances where such power is expressly rese1Ved for the Board by the Intergovernmental Agreement. Such authority may be general or confined to specific instances.

8.5. ***Checks, Drafts or Orders.*** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officers or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Secretary/Treasurer or Assistant Secretary/Treasurer, and if any such instrument is in excess of $1,000, it shall be countersigned by the Chairperson or Vice Chairperson of the Authority.

8.6. ***Gifts***. The Board may accept on behalf of the Authority any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Authority.

8.7. ***Deposits.*** All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks or other depositories as the Board may select.

8.8. ***Financial Investment Policies.*** The Board shall adopt financial investment policies for the Authority. The Board shall invest moneys which are available for investment in accordance with the laws of the State of Colorado, including Section 24-75-601, *et seq..,* C.R.S., as amended, governing the investment of public funds by public entities.

8.9. ***Spending Authority.*** The Authority is limited in its spending powers by its annual total budget and any supplemental budget approved by the Board. Annual expenditures shall not exceed actual revenues for the year plus beginning unreserved cash balances.

8.10. ***Fiscal Year.*** The fiscal year of the Authority shall be a calendar year.

Article IX. Indemnification.

To the extent permitted and within the requirements of the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., if any director, officer, or employee of the Authority is made a party to or is involved in any proceeding because he or she is or was a director, officer, or employee of the Authority. the Authority shall indemnify such individual from and against any judgments, penalties, fines, amounts paid in settlement, and reasonable expenses incurred by such individual in such proceeding so long as the claim arises out of injuries sustained from an act or omission of such individual during the performance of his or her duties and within the scope of his or her employment, except where such act or omission is willful and wanton. For purposes of this Section, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding under federal or state law, whether civil, administrative or investigative, and whether formal or informal, which lies in tort or could lie in tort regardless of the type of action chosen by the claimant, but excluding any criminal prosecution.

Article X

The Authority seal shall be in such form as shall be approved by resolution of the Board. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, or reproduced. The impression of the seal may be made and attested by either the Secretary/Treasurer or Assistant Secretary/Treasurer for the authentication of contracts or other papers requiring the seal.

Article XI. Conflict of Interest.

No member of the Board or any committee of the Authority shall vote on matters in which such person has a financial or other personal interest as defined by Section 24-18-102, C.R.S., as amended. All Directors, committee members, and officers and employees of the Authority shall subscribe to and abide by the conflicts of interest provisions set forth in Section 4.6 of the Intergovernmental Agreement.

Article XII. Amendments.

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a vote of two-thirds of the Directors on the Board.

Article XIII. Severability.

If any one or more of the provisions of these bylaws, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable by a court of competent jurisdiction, the provision shall be modified to the minimum extent necessary to make it or its application avail and enforceable, and the validity and enforceability of all other provisions of these bylaws and all other applications of any provision shall not be affected thereby.

ADOPTED by the Board of Directors of the Fitzsimons Redevelopment Authority this ________________day of ____.

Design Review Board
Contact Information

Peter Park (Board Chairman)
Peter J. Park LLC
4111 E 18th Avenue
Denver, CO 80220
Phone: 303.378.4810
Email: peter@peterpark-planning.com

Apil Giles (Board Member)
Fitzsimons Redevelopment Authority
12635 E Montview Blvd, Ste.100
Aurora, CO 80045
Phone: 720.859.4115
Email: agiles@fitzsimonsinnovation.com

Aja Tibbs (Board Member)
City of Aurora
15151 E Alameda Pkwy, 2nd Floor
Aurora, CO 80012
Phone: 303.739.7227
Email: atibbs@auroragov.org

Ken Andrews (Board Member)
Arch 11 Incorporated
1200 Bannock Street
Denver, CO 80204
Phone: 303 546 6868
Email: kandrews@arch11.com

Andre Vite (Board Member)
University of Colorado at Health Sciences Center
13001 E 17th Pl
Aurora, CO 80045
Phone: 303.724.5888
Email: andre.vite@cuanschutz.edu

Kathleen Fogler (Board Member)
Tryba Architects
1620 Logan Street
Denver, CO 80203
Phone: 303.831.4010
Email: kfogler@trybaarchitects.com

William Wenk (Board Member)
Wenk Associates
1130 31st St, Ste. 101
Denver, CO 80205
Phone: (303) 628-0003
Email: bwenk@wenkla.com

Ryan Shaaban (Board Administrator)
Tryba Architects
1620 Logan Street
Denver, CO 80203
Phone: 303.831.4010
Email: rshaaban@trybaarchitects.com

Board Agenda Item # 10

Board Recommendation / Resolution for the FRA Board of Directors, **for Approval of an additional $152,880.00 for the TYBA Master Plan Update Contract, Phase 2, for Infrastructure, Drainage, and Traffic Planning Consultants.**

TRYBA has received bids from the respective consultants for this work and is now in final negotiations.

TRYBA Contract to date:

- Phase 1: $240,850 Completed
- Phase 2: $464,300 In-Progress (includes Consultant funding of $105,000)

Additional Consultant Funding Requested: $152,880

Total with Consultant Additional funding: $858,030

Request Board Approval for additional consultant funding for the TRYBA contract in the amount of $152,880, to support the FRA/FIC Master Plan update project.

Lyle R. Artz
Site Manager
Fitzsimons Redevelopment Authority

Approved by Board Vote on ________________________________

Board President: ____

Board Secretary: ____

Thomas Smith

From: Ryan Shaaban <RShaaban@TrybaArchitects.com>
Sent: Monday, April 15, 2024 10:27 AM
To: Lyle Artz; Kathleen Fogler
Subject: RE: Additional consultant $
Attachments: FIC Master Plan Phase 2_Fehr and Peers_Scope and Fee_240401.pdf; FIC Master Plan Phase 2_Matrix Engineering_Scope and Fee_240412.pdf

Good Morning Lyle,

Please see the breakdown of the additional fee we are requesting below for Consultant authorization. Our plan is to allocate the $35,000 fee within Task 1 – Plan Refinement/GDP Amendment towards the sum of the Mobility and Civil Consultant Fee so we can reduce the amount we need **authorized from the FRA Board to $152,880**. We would like to inform you though that the Task 1 Consultant fee was intended for a Landscape/Open Space consultant, so as the Open Space develops, we will need to revisit the additional fee for the landscape scope. Our plan is that hopefully this scope of work would not exceed $100,000 so we would not need to go back to the FRA Board for approval. I have also attached our most current Mobility and Civil proposal for your reference, please let me know if you have any questions!

FRA Master Plan Phase 2 Contract
Task 1 – Plan Refinement/GDP Amendment: $35,000
Task 2 – Finance: $70,000
Take 3 – Entitlement / Stakeholder Coordination: $0

Fehr & Peers Mobility Proposal
Base Services: $97,780
Additional Services
Complete Streets Improvements and New Roadways: $7,400
Shuttle and Microtransit Feasibility: $14,880
Additional Traffic Data Collection (If Needed): $10,000

Matrix Engineering Civil Proposal (Have not received updated numbers)
Task 1: Project Management and Meetings : $17,500 + Time and Materials
Task 2: Master Utility Study Update: $19,000
Task 3: Master Drainage Study Update: $43,600

Total for Master Plan Phase 2 Consultant Fee: $35,000
Total for Consultant Proposal Fee: $187,880
Additional Fee Needed: $152,880

Thanks,

Ryan Shaaban
Designer
Email: rshaaban@trybaarchitects.com

TRYBA ARCHITECTS

1620 Logan Street
Denver, CO 80203

707 17th Street, Suite 3150
Denver, Colorado 80202
303-572-0200
matrixdesigngroup.com

April 10, 2024

Ryan Shaaban
Tryba Architects
1620 Logan Street
Denver, CO 80203

Re: Fitzsimons Innovation Community – Master Utility Study and Master Drainage Study updates
Design Services Proposal

Dear Ryan:

On behalf of Matrix Design Group (Matrix), thank you for this opportunity to provide you with our proposal to provide professional engineering design for the Master Utility Study and Master Drainage Study updates at Fitzsimons Innovation Community in Aurora, Colorado.

Project Understanding

It is our understanding that the General Development Plan is being revised to increase the density of the project from low density to medium-high density for a total of about 17M square feet. This will require the Master Utility Study (MUS) and the Master Drainage Study (MDS) to be revised to ensure that the surrounding infrastructure has sufficient capacity to support the increased density.

This proposal is for working with Tryba Architects to update the Master Utility Study (MUS) and the Master Drainage Study (MDS).

Scope of Services

Based upon the background information provided to us, Matrix is proposing the following scope of services related to preparation of updating the Master Utility Study and Master Drainage Study for the project.

Task 1 Project Management and Meetings

Matrix will participate in meetings and project management as requested by FRA, its Design Team and the City of Aurora and their staff to support the update of the MUS and MDS. This task includes internal and external to the FRA team meetings and negotiations in support of the MUS and MDS. Anticipated meetings include weekly team coordination meetings, City coordination meetings and Client meetings.

We have assumed 100 hours of meeting time and if that amount is exceeded, Matrix will request additional fee.

Estimated Fee: $17,500 (Time and Materials billing for any work within this task)

Task 2 Master Utility Study (MUS) Update

Matrix will update the approved MUS prepared by Matrix to match the revised land plan uses. The MUS includes the water and wastewater systems. If the revised land plan exceeds the existing capacity then the required improvements will be recommended and the maximum density will be determined based on the current infrastructure (no impact solution).

Estimated Fee: $19,000

Task 3 Master Drainage Study (MDS) Update

Matrix will update the MDS per the revised land plan. Note that the City of Aurora has recently published (November 2023) new Storm Drainage Design and Technical Criteria. Per the meeting held with the city on April 4, 2024 Matrix will do a risk analysis to show variances between the 2010 and 2023 drainage criteria. The risk analysis will be done with the rational method on a block by block comparison. In areas where the blocks are differing a comparison will not be able to compare to the previous MDS but will analyze based on the 2010 and 2023 criteria.

We have assumed that changes to the existing regional detention pond will not be required and that the CUHP and SWMP models will not be update.

Estimated Fee: $43,600

Assumptions
Matix assumes that the MUS and MDS will be updated for the limits of the remaining land plan and that existing development will not be re-evaluated based on revised City of Aurora Criteria.

Based on review times from other projects within the City of Aurora, Matrix believes the final approvals will be close to 12 months from the notice to proceed.

Exclusions
Design updates to the existing ponds based on the November 2023 COA Storm Drainage Design and Technical Criteria are excluded and will require additional services.

Updates to the CUHP and SWMP models are excluded and will require additional services if required by the City of Aurora.

Existing conditions surveys are excluded and will require additional services if required.

Fees
Matrix proposes to provide the above described scope of services for the following lump sum:

Task 1 Project Management and Meetings	**$17,500 T&M**
Task 2 Master Utility Study (MUS) Update	**$19,000 LS**
Task 3 Master Drainage Study (MDS) Update	**$43,600 LS**
Total Fee	**$80,100**

Matrix Standard Terms and Conditions are attached and shall govern for this contract and any subsequent revisions. Rebillables will be charged at cost plus 10%.

We look forward to the opportunity to work with you and the other members of the consultant team. If you should have any questions, please don't hesitate to contact me at 303-572-0200.

Sincerely,
MATRIX DESIGN GROUP, INC.

Patrick Chelin, PE
Senior Vice President

I have received and read the attached Standard Terms and Conditions and agree to all. With my signature, this proposal for professional services becomes the agreement and is executed and provides Matrix Notice to Proceed.

Date: ____

Signature: ____________________________________

Name: _______________________________________

Client: ____

Address: ____

City, State, Zip: _____________________________________

Phone: _____________________________________

April 1, 2024

Kathleen Dahlberg Fogler, AIA, Associate Principal
Tryba Architects
1620 Logan Street
Denver, CO, 80206
Email: kfogler@trybaarchitects.com

Subject: Scope and Fee for Fitzsimons Innovation Community 2023 Master Plan

Dear Kathleen:

Fehr & Peers is pleased to support Tryba Architects and the team on the Fitzsimons Innovation Community 2023 Master Plan. This letter documents our understanding of the scope and provides a cost proposal for the tasks involved to complete the required analysis.

Sincerely,

FEHR & PEERS

Ann Bowers, PE, PTOE
Principal-in-Charge

Nick VanderKwaak, AICP
Senior Associate
Project Manager

P23-022

Scope of Work

Task 0: Project Management & Meetings

Fehr & Peers will attend development team meetings to understand the needs and issues associated with the project. We anticipate staff participation in up to 12 meetings with the design team. We anticipate up to 8 meetings with the City of Aurora or other project stakeholders.

Any additional meetings that Fehr & Peers would be required to attend would be billed on a time and material basis.

Task 1: Future Background Traffic Volumes

Fehr & Peers will evaluate and reference the 2023 Master Traffic Impact Study and incorporate changes to the surrounding development and transportation network. Changes to the transportation network that are expected independent of the proposed development will be described. This includes road widening, new roads, and intersection modification. Figures will be developed that show the background volumes at the study intersections per phase of the project.

The background traffic growth for these analysis periods will be based on the data and analysis from the 2023 Master Traffic Impact Study.

Deliverable: Background growth traffic volumes maps and tables

Task 2: Proposed Project Conditions

Utilizing our MXD+ tool, Fehr & Peers will estimate project traffic that is likely to be generated by the land use plan. This task will include trip generation, trip distribution, and trip assignment per phase and for full buildout.

Fehr & Peers has conducted hundreds of trip generation surveys throughout the years. However, our largest contributions to this realm of transportation planning has been our research on the “D’s” of smart growth and our subsequent development of the Mixed Use Development (MXD) Trip Generation process. Fehr & Peers has developed a process, known as the “Ds” of smart growth, which has been defined as key sustainability metrics in providing the building blocks for improving mobility for all modes of travel:

Density – The more compact the development is, the easier it is to promote transit, bicycles, and pedestrian travel

Diversity – Diversifying land use (e.g. making sure that households have easy and convenient access to retail use, schools, and jobs) allows people to reduce the length of their trip; thus reducing vehicle emissions and promoting walking, biking, and transit use

Design – Pleasant and safe biking/walking environments, short block lengths, landscaping and other design components that promote alternative modes of travel

Destinations (or regional accessibility) – Being located near a regional activity center promotes shorter trips and make alternative modes of travel more attractive

Distance to Transit – Locating land use in close proximity to transit promotes transit use and reduces the need to drive to your destination

Demographics – Providing supportive land use and affordability for a wide range of life styles and income ranges afford the ability for people to live in close proximity to where they work and play

Development Scale – Larger areas that are well planned and are connected together reduce trip making behavior compared to smaller (isolated) developments

Demand Management – Encourages people to manage the demand on the roadway system by promoting alternatives modes of travel

The Ds process was developed by Fehr & Peers to account for Vehicle Trip Reductions and associated reductions in Vehicle Miles of Travel associated with the variables described above. We have implemented our Ds process into a variety of travel demand forecasting applications throughout the country. The MXD model looks at a series of D variables and utilizes those to account for vehicle trip reductions for project-specific application. The MXD reductions are based on surveys at 239 sites throughout the United States, and provides for a much more defensible process for trip reductions from mixed-use sites. The trip reductions process using MXD and typical ITE internal capture trip reductions can vary with MXD process resulting in minor to more impactful trip reductions. During the process we will also calculate standard ITE trip generation with internal capture reductions and use the method producing a larger defensible trip reduction rate.

While this methodology has been accepted by clients across the country including City and County of Denver, we will be prepared to use standard trip generation methodology should the City of Aurora not accept the MXD+ methodology. Our team will meet with the City of Aurora to select the preferred trip generation methodology.

Deliverable: Trip Generation Methodology and Calculations Memorandum

Task 3: Future Total Traffic Volumes

Total future traffic volumes are the sum of the background traffic and the site generated traffic. This analysis will determine the impact of the proposed development on the study intersections and project accesses. Improvements will be recommended, as necessary. The intersection analysis build upon the 2023 Master Traffic Impact Study and will include Level of Service, traffic control, lane assignment, and vehicle queuing. Up to 55 intersections will be included in the analysis.

Deliverable: Total Future Traffic Volumes Maps and Tables

Task 4: Parking

Fehr & Peers will evaluate overall parking demand of proposed parking demand and recommend parking improvements to support the new land uses. This will include evaluation of on-street and off-street parking recommendations.

Deliverable: Parking capacity recommendations calculations

Task 5: Report Preparation

The report will document the findings of the analysis and provide recommendations in a DRAFT Mobility Study for two rounds of review. Upon receipt of comments, a Final Mobility Study will be completed and a response to comments letter compiled.

Deliverable: DRAFT1, DRAFT2, and FINAL Mobility Study

Additional Services

Optional Task 1: Complete Streets Improvements and New Roadways

Fehr & Peers will incorporate a comprehensive complete streets approach toward roadway and multimodal recommendations. The complete streets concept recognizes that transportation corridors have multiple users with different abilities and mode preferences. Adjacent land use influences the functionality and character of the street environment, and a well-integrated street system considers the complementary relationship between land use, local and regional travel needs, and the context that it serves. Complete streets consider a range of users, including children, the disabled, and seniors.

Fehr & Peers will conduct an analysis of the proposed pedestrian crossings within the development. The pedestrian crossing improvement analysis will be based on City of Aurora's design standards. The analysis will inform the appropriate crossing treatment (signs, crosswalk markings, bulb out, rectangular rapid flashing beacon, pedestrian hybrid beach, etc.).

We will evaluate traffic calming design techniques into recommendations including roundabouts, speed humps, chicanes, etc. We integrate our extensive knowledge of planning and operations to provide clients with the ideal combination of creative, yet practical solutions that address the needs of all travel modes.

Deliverable: Complete Streets and traffic calming recommendations memorandum

Optional Task 2: Shuttle and Microtransit Recommendation

Fehr & Peers will develop and evaluate transit improvements to connect with current light rail stations and future Bus Rapid Transit on East Colfax Avenue. This will include evaluation of the current shuttle route , development of alternative circulator routing, and on-demand transit service configurations that could serve future development and increase overall transit connectivity throughout the site. Additional analysis and development of alternatives can be conducted as an additional service.

This task will advance the initial shuttle and microtransit feasibility assessment from Task 4. The evaluation will define possible microtransit zone models (zone, zone to point, incorporation of time points, etc.) and associated service parameters. These will consider parameters such as desired trip response time, maximum walking distance, associated performance characteristics (less wait time vs. more shared trips), and fleet implications. The likely trip patterns of the area configurations will be modeled according to planned and existing land uses.

Deliverable: Memorandum documenting existing shuttle route evaluation and ideas for improvement as well as alternative circulator routing maps and operational considerations

Schedule and Cost Estimate

Base Services

We have staff available to begin work immediately and can discuss a reasonable schedule for completion of the above tasks upon execution of this contract. Our fee for the base scope of work outlined above is $97,780.

Task 0: Project Management & Meetings	$29,820
Task 1: Future Background Traffic Volumes	$4,920
Task 2: Proposed Project Conditions	$17,720
Task 3: Future Total Traffic Volumes	$12,160
Task 4: Parking	$13,520
Task 5: Report Preparation	$19,140
Travel (mileage, parking)	$500
Total Fee	$97,780

Additional Services

Optional Task 1: Complete Streets Improvements and New Roadways	$7,400
Optional Task 2: Shuttle and Microtransit Feasibility and Recommendations	$14,880
Additional traffic data collection (if identified as a need and not included in previous traffic study)	$10,000