

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: July 14, 2014

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

An ordinance request from the Office of Economic Development seeking approval of a loan for \$1.0 million to Colorado Health & Science Ecosystem LLC to finance a portion of a real estate property

3. Requesting Agency: Office of Economic Development

4. Contact Person: *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Theresa Mendoza
- **Phone:** (720) 913-1616
- **Email:** Theresa.mendoza@denvergov.org

5. Contact Person: *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Seneca Holmes
- **Phone:** (720) 913-1533
- **Email:** Seneca.holmes@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

OED seeks approval of a \$1.0 million loan to finance a portion of the acquisition of a real property known as 3825 Lafayette Street in Denver which will be developed into a health collaborative office and mix-use facility which will be leased to entrepreneurs, health professionals and venture funders. The proposed development project is projected to be completed in September 2015.

****Please complete the following fields:** *(Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:** TBD
- b. **Duration:** June 1, 2014 to October 1, 2019
- c. **Location:** 3825 Lafayette Street, Denver, CO 80205
- d. **Affected Council District:** 8
- e. **Benefits:** Proposed project will meet the HUD national objective as an activity benefiting low and moderate income individuals through job creation. At least the equivalent of 29 new permanent employees will be created within 24 months of loan closing.
- f. **Costs:** OED will provide \$1.0 million loan leveraged by a private bank's loan and equity contribution from numerous entities and individuals. The total project cost is approximately \$23.45 million.

7. Is there any controversy surrounding this ordinance? *(Groups or individuals who may have concerns about it?)* **Please explain:**

No known controversy.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

EXECUTIVE SUMMARY

Ordinance Request: Colorado Health & Science Ecosystem LLC

Background:

Colorado Health & Science Ecosystem LLC is developing a health technology collaborative office and mix use development. The project will be a unique health and science campus, which will house a strategic and curated mix of entrepreneurs, health professionals and venture funders. Its mission is to focus on digital health devices as well as wearable and enterprise technologies.

After identifying a total of 78,344 sq. ft. building on a 171,239 sq. ft. land known as 3825 Lafayette Street in Denver, the owners have requested OED to provide a \$1.0 million acquisition loan for a portion of the property. The development site will provide tenants with easy pedestrian access, proximity to the new 38th Street light rail station, commuter bus access, downtown RINO bike trails and other urban transportation tools.

The total project cost is approximately \$23.450 million, which includes the real estate acquisition, renovation of the facility, soft costs, and FF&E purchases. The OED loan will be leveraged by a private bank's financing and equity contribution from numerous business entities, individuals and investors. The development team anticipates completion of the project by August/September 2015.

Recommendation:

OED seeks City Council approval for the requested acquisition loan with the following terms and conditions:

Loan Amount:	\$1.0 million
Funding Source:	CDBG
Terms:	5 years (60 months) – to mature October 1, 2019
Amortization:	20 years
Rate:	4% p.a.
Payments:	Monthly P&I payments of \$6,059.60 starting on the 1 st day of the 13 th month following the execution of the promissory note. There will be a 12 months moratorium period.
Collateral:	Subordinated Deed of Trust on the commercial real property known as 3825 Lafayette Street, Denver with permissible prior encumbrances of approximately \$17.0 million.
Guaranty:	The following individuals will personally guaranty the loan: (1) Henry Jason Winkler and Ellen P. Winkler (2) Sean Michael Campbell (3) Joshua James Marinos
National Objective:	Job creation – the equivalent of 29 new permanent full time employees to be created within 24 months after loan closing.
Conditions:	(1) OED loan closing to be scheduled and funds to be disbursed on or prior to September 30, 2014 (2) OED environmental clearance

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