

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto: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:** August 12, 2013

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.)*

The City's Office of Economic Development is seeking approval of loan request for \$1,000,000 to 2201 Arapahoe LLC (real estate holding company of Great Divide Brewing Company) for the company's business expansion.

**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](mailto: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](mailto: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 property acquisition loan to 2201 Arapahoe LLC (real estate holding company of Great Divide Brewing Company). The property located at 3403 Brighton Blvd. will be developed into a brewery and tap room that will serve as community gathering location and tourist attraction. The new facility will increase Great Divide's production from 32,000 barrels to an initial capacity of 100,000 barrels and eventually 200,000 to 250,000 barrels over a period of 10 to 15 years. Development of the property is planned to begin in late 2014 or early 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:** October 2013 – October 2023 (10 years)
- c. **Location:** 3403 Brighton Blvd.
- d. **Affected Council District:** 9
- e. **Benefits:** Proposed project will meet the HUD national objective as an activity benefiting low and moderate income individuals through job creation or retention. 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 owner's equity contribution. The total project cost is approximately \$38.2 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: 2201 Arapahoe LLC (Real estate holding company of Great Divide Brewing Co.)

### Background

The owner, Brian Dunn, of both the real estate and operating company as referenced above has requested for Denver's OED to provide a \$1.0 million acquisition loan to fund a portion of the acquisition of a 190,539 sq. ft. lot commonly known as 3403 Brighton Blvd. Please note that four parcels including this 3403 Brighton Blvd. located between 33<sup>rd</sup> and 35<sup>th</sup> Brighton Blvd. are being acquired by the microbrewer to expand its business operations.

There will be two phases for this expansion project:

Phase 1 (real estate acquisition, environmental and demolition) will start in 2013 through 2014.

Total cost for phase 1 is estimated at \$9,133,160 of which the OED \$1.0 million loan will finance acquisition of real estate, leveraged by a private bank (\$7,306,528) and owner's equity contribution (\$826,632 of which \$775,000 will be cash purchase of another parcel known as 3345 Brighton Blvd).

Phase 2 (construction and equipment purchase) will commence by the end of 2014 or beginning of 2015 which will total \$28,903,168.

### Recommendation

Loan Amount: \$1.0 million

Funding Source: CDBG

Term: 10 years (October 2013 to October 2023)

Amortization: 25 years (300 months)

Rate: 4% p.a.

Payments: Monthly P&I payments of \$5,278.40 commencing on the 1<sup>st</sup> day of the 7<sup>th</sup> month after execution of the promissory note.

Collateral: 2<sup>nd</sup> Deed of Trust on the real property known as 3403 Brighton Blvd. behind the private's bank loan of approximately \$7.306 million.

Guaranty: Brian M. Dunn will personally guarantee the loan.

National Objective: Job creation – the equivalent of 29 new permanent full time employees to be created within 24 months after loan closing.

---

*To be completed by Mayor's Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_