

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **9 a.m. Friday**. Contact the Mayor's Legislative team with questions

Date of Request: 12/13/2023

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. **Title:** Approves a Assignment and Amendment to the Purchase and Sale Agreement between East Hampden Hotel Fee, LLC, Hampden Heart, LLC and the City and County of Denver for the property located at 7525 E. Hampden Avenue.

3. **Requesting Agency:** Department of Finance, Division of Real Estate

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution (e.g., subject matter expert)	Contact person for council members or mayor-council
Name: Lisa Lumley	Name: Carolina Flores
Email: Lisa.Lumley@denvergov.org	Email: Carolina.Flores@denvergov.org

5. **General description or background of proposed request. Attach executive summary if more space needed:**
See attached summary.

6. **City Attorney assigned to this request (if applicable):** Maureen McGuire and Brad Beck

7. **City Council District:** 4

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Vendor/Contractor Name: East Hampden Hotel Fee, LLC

Contract control number: FINAN-202371927

Location: 7525 E. Hampden Avenue, Denver, Colorado

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Long-term access and use to maintain, repair, upgrade, replace and operate within the permitted area(s), until revoked or modified pursuant to terms of the agreement.

Contract Amount (indicate existing amount, amended amount and new contract total): \$0

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$30,900,000	\$0	\$30,900,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Approximately 12/28/2023	0	03/31/2024

Scope of work: Acquisition of hotel to support families

Was this contractor selected by competitive process? N/A **If not, why not?**

Has this contractor provided these services to the City before? Yes No

Source of funds: HOST / HOUSE 1000

Is this contract subject to: W/MBE DBE SBE XO101 ACDDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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Executive Summary

The hotel at 7525 E. Hampden Avenue is a 205 room hotel with kitchen, commercial laundry and meeting rooms. It has been identified as a strategic opportunity to renovate for long term affordable housing. Because development partners need time for design and tax credits, the City was approached to lease the hotel for a couple years until redevelopment can occur. Current buyer is ULC with Archway Communities as a partner. Through negotiations with the buyer, it was determined it was in the City's best interest to acquire the hotel for immediate occupancy with the intent to sell to a redevelopment partner in the next 3-5 years. City would work through a RFP process to sell to an affordable housing development partner and recoup its investment in the building.

The proposed Assignment and Amendment to the Purchase and Sale Agreement allow ULC as Hampden Heart, LLC to assign the PSA to the City and County of Denver at the current Purchase Price of \$21,000,000. Intended closing is March 2024. Approval of the Assignment and Amendment to Purchase and Sale Agreement is contingent on City Council approval of a Certificate of Participation. That action is expected to be presented to City Council in early February.

Upon City Council approval, City will lease the building effective 12/28/23 so that families can move in and register for school during Christmas break. Under an Occupancy Agreement monthly rent of \$825,000 (approximately \$134/room/night) includes hotel staff will be paid until closing.

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