



Proposed Lease New 48th Avenue Shelter

4600 E. 48th Avenue
Denver, Colorado

Finance and Governance Committee, August 18, 2020

Bill # 20-0833

Coronavirus Impacts on Shelter Capacity



Immediate need to create safe spacing



56% capacity lost – 1,199 beds



City and partners needed to quickly identify temporary space and consolidate resources

Coronavirus Shelter Capacity Need

- Large, flexible space to safely meet immediate demand/needs of people experiencing homelessness
- Ability to provide 24/7 shelter, navigation center, and rehousing platform
- Ability to leverage location and resources with the current 48th Avenue Shelter

4600 E. 48th Avenue

Property Location

Located south of
E. 48th Avenue and east
of existing 48th Avenue
shelter (shown in yellow)

City Council District: 8



4600 E. 48th Avenue

Property Overview

Building size:

Approx. 82,380 square feet

Land size:

Approx. 133,546 square feet

Zoning:

I-B



4600 E. 48th Avenue

Proposed Use

- Flexible 24/7 emergency shelter, navigation center, and rehousing platform serving various gender groups, couples, and pets
- Provides additional space to safely shelter people experiencing homelessness within CDC guidelines
- Able to leverage location and resources with the current 48th Avenue Shelter
- Creates greater capacity within the entire sheltering and rehousing system

Transaction Terms

1. Landlord: DENCOM LLC
2. Term: 10 years with 2 5-year extension options
3. Maximum Contract Amount: \$19,840,480.40
4. Landlord obligations: Landlord will construct tenant improvements to City specifications including restrooms and showers, commercial and personal laundry, HVAC, and new roof. Landlord is responsible for structural repairs.
5. City obligations: City is responsible for all costs associated with utilities, repairs and maintenance of the building.
6. Purchase Option: City has the option to purchase the building beginning at month 31 starting at \$7.4M with 2% increases on the purchase price every 6 months.
7. Contract Control #: FINAN-202055687

Transaction Terms (cont.)

8. Purchase Option: City has the option to purchase the building beginning at month 31 starting at \$7.4M with 2% increases on the purchase price every 6 months.
9. 2021 Annual Rent: \$832,038 with annual escalations.
10. Tenant Improvements: City will reimburse the Landlord up to \$10M for HOST required improvements (includes HVAC, restrooms, laundry facilities and code requirements)
11. Contract Control #: FINAN-202055687

4600 E. 48th Avenue

Funding Sources

- Coronavirus Relief Funds under CARES Act
- Emergency Solutions Grant (ESG) under CARES Act
- Private/philanthropic support provided to city for sheltering and COVID response



4600 E. 48th Avenue

Benefits of the Transaction

- 1) Supports emergency response to the coronavirus for those who are experiencing homelessness
- 2) Provides flexible space to serve multiple needs
- 3) Provides efficiencies and other benefits with colocation near existing 48th Avenue shelter

4600 E. 48th Avenue

Request

Department of Finance Real Estate Division and HOST request approval of a Lease Agreement for a property located at 4600 E. 48th Avenue. This step is critical to enabling HOST to meet the needs of individuals experiencing homelessness in Denver during the coronavirus pandemic.

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Questions?