

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: February 6, 2025

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

Please mark one: The request directly impacts developments, projects, contracts, resolutions, or bills that involve property and impact within .5 miles of the South Platte River from Denver's northern to southern boundary? (Check map [HERE](#))

Yes **No**

1. Type of Request:

Contract/Grant Agreement **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**

Dedication/Vacation **Appropriation/Supplemental** **DRMC Change**

Other:

2. Title:

Approves a contract with BL Holdings, LLC for \$10,090,100.00 and for ten years for a lease with a purchase option of an approximately 43k square foot office building for the Department of Aviation employees located at 4347 Airport Way, Denver, Colorado in Council District 11 (PLANE-202577720).

3. Requesting Agency: Department of Aviation

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: Ken Cope, SVP of Real Estate Development	Name: Kevin Forgett, State and Local Legislative Advisor
Email: Ken.Cope@flydenver.com	Email: Kevin.Forgett@flydenver.com

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

This request is for a lease agreement with an option to purchase between BL Holdings, LLC and Denver International Airport (DEN). DEN Real Estate is seeking approval to lease the property and building at 4347 Airport Way to support DEN's growing need for additional working space capacity. Rent begins at \$14/SF for the initial 12-month term and increases 2.75% every subsequent 12 months. Operating costs are not included in the base rent and DEN will pay 100% of operating expenses for the building and site. Operating costs include insurance, janitorial services, utility charges, snow removal, landscape maintenance, repairs, taxes, and management fees.

The landlord will provide to DEN a "Tenant Improvement Fund" not to exceed \$1,743,400.00 and a "Tenant Improvement Advance" not to exceed \$871,700.00 for building out interior finishes and workspaces in the existing building. There is an option to purchase this building within the first year of rent commencement for a base purchase price of \$6,725,000 plus all unamortized portions of the Tenant Improvement Funds. Purchase price will be verified with an appraisal at the time of purchase and adjusted downward if indicated.

6. City Attorney assigned to this request (if applicable): Jacob Garner

7. City Council District: 11

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

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

Key Contract Terms

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

Vendor/Contractor Name (including any dba’s): BL Holdings, LLC

Contract control number (legacy and new): PLANE-202577720

Location: Denver International Airport

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

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): 10 years

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

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
\$10,090,100	N/A	\$10,090,100

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
10 years	N/A	10 years

Scope of work:

Ten years for a lease with a purchase option of an approximately 43k square foot office building for the Department of Aviation employees located at 4347 Airport Way, Denver, Colorado

Key Terms

- Max potential spend under purchase option: \$10,090,100.
- Lease Contract Term: Start Date: 8/1/2025 (contingent upon TCO), End Date: 7/31/2035
- Rent begins at \$14/SF for the initial 12-month term and increases 2.75% every subsequent 12 months.
- Operating costs (eg. insurance, janitorial services, utility charges, snow removal, landscape maintenance, repairs, taxes, and management fees) are not included in the base rent and DEN will pay 100% of operating expenses for the building and site.
- The landlord will provide to DEN a “Tenant Improvement Fund” not to exceed \$1,743,400. and a “Tenant Improvement Advance” not to exceed \$871,700. for building out interior finishes and workspaces in the existing building.
- There is an option to purchase this building within the first year of rent commencement for a base purchase price of \$6,725,000 plus all unamortized portions of the Tenant Improvement Funds (\$10,090,100).

Was this contractor selected by competitive process? No **If not, why not?** Acquisition of interests in real property through purchase or lease is expressly exempt from XO8 pursuant to Memo 8B.

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

Source of funds: O&M, CIP

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE 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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