

**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**. Contact the Mayor’s Legislative team with questions

Date of Request: 12/13/2021

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: Land Acquisition Ordinance (LAO)**

**2. Title:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Authorizes the Director of Real Estate to negotiate and amend City commercial leases for the fifth time in light of the COVID-19 pandemic to defer rents through 12/31/2021 due to the COVID-19 crisis.

**3. Requesting Agency:** DOF- Real Estate

**4. Contact Person:**

Contact person with knowledge of proposed ordinance/resolution:	Contact person to present item at Mayor-Council and Council
Name: Lisa Lumley	Name: Lisa Lumley
Email: lisa.lumley@denvergov.org	Email: lisa.lumley@denvergov.org

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

This is a follow-on to Ordinances Number 20-0388, 20-0665, 20-1386, and 21-0219 passed by Council on May 6, 2020, August 3, 2020, December 21, 2020, and April 1, 2021 which approved a total of 15 months of rent deferral. This ordinance further defers rent through December 31, 2021. Please see attached Executive Summary for details.

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

Bradley Beck and Gabrielle Corica

**7. City Council District: City-Wide**

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

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

Resolution/Bill Number: \_BR21 1537

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:** N/A

**Contract control number:** N/A

**Location:** Various Locations

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

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

Amended lease durations would push existing lease expirations out for a length of time sufficient for the deferred rent to be paid.

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

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
<i>Varies</i>	<i>0</i>	<i>Varies</i>

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
<i>Varies</i>	<i>Varies</i>	<i>Varies</i>

**Scope of work:** N/A

**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:** N/A

**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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## **EXECUTIVE SUMMARY – Rent Deferral Ordinance Request, 5<sup>th</sup> Round**

The Department of Finance is seeking City Council approval of a fifth ordinance that will authorize the Division of Real Estate to negotiate and amend commercial leases in City-owned buildings to provide rent deferral through December 31, 2021 in light of the COVID-19 pandemic.

- This is a follow-on to Ordinances Number 20-0388, 20-0665, 20-1386, and 21-0219 passed by Council on May 6, 2020, August 3, 2020, December 21, 2020, and April 1, 2021 which approved a total of 15 months of rent deferral. This round of deferrals will defer rent through December 31, 2021.
  - Until there is greater certainty as to timing of return to normal business operations, it is impossible to know at this time whether the Department of Finance will seek approval for any additional rent deferral due to COVID-19
- Given continued effects of the pandemic and resulting ongoing business uncertainty, several commercial tenants remain unable to conduct normal business operations
  - Because of COVID-19, City buildings remain closed and/or nearly vacant due to ongoing health concerns
  - The viability of tenants' businesses depends upon building occupancy; as such, we recognize that it is not necessarily feasible to pay rent during this time
  - The Denver Center for the Performing Arts has cancelled its entire 2020-2021 performance season, and the Colorado Convention Center has very limited convention activity at this time
- This ordinance applies to 2 tenants with non-nominal rent amounts for space within City owned buildings whose leases are administered by Real Estate, Dazbog Denver Bldg, LLC (Webb Building) and Pizza Republica II (Convention Center).
- As with prior rent deferrals, the CAO and Real Estate determined that the best way to continue to provide rent relief during this time is to offer an additional rent payment deferral in exchange for extending each lease term for the time needed to pay the deferred rent.
  - During any rent deferral period, tenants who are contractually required to reimburse the City for operating expenses would not be relieved of this obligation to reimburse operating expenses
- Employee reporting and credits for health insurance paid are discontinued with this round, as employees have moved on at this point.

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- With these two “Round 5” rent deferrals, approximately \$57,995 in additional rent would be deferred.  
Deferrals to date:
- Round 1: \$138,000 (10 tenants)
- Round 2: \$138,900 (10 tenants)
- Round 3: \$77,900 (7 tenants)
- Round 4: \$77,900 (7 tenants)
- Round 4 Option: \$78,000 (7 tenants)
  - Total \$510,700
- Subway: \$24,790 (2 leases)
- Round 5: \$57,995 (2 tenants)
  - Total \$593,485

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