

EXECUTIVE SUMMARY – IKE Smart City (f.k.a. OBMSMG, LLC)

Background:

In June 2018, Denver Arts & Venues (DAV) commenced a seven-year lease agreement, THTRS-201631374, with OBMSMG for four (4) digital advertising signs located at 14th and Curtis, 14th and Arapahoe, Speer Blvd. (Colorado Convention Center), and Speer Blvd (Arts Complex). The Lease includes three (3), three-year automatic renewal periods, subject to termination by either party at the end of the original term or a renewal term.

In 2017 OBMSMG renamed the Company to Ike Smart City, LLC, and converted from an Ohio LLC to a Delaware LLC. Even though the name and state of organization of the company have changed, IKE Smart City, LLC is the same entity that executed the Lease Agreement with the City and County of Denver in September of 2017. None of these clerical changes to the name of the Company resulted from a sale or merger with another entity.

Current Request:

DAV is seeking City Council approval of an ordinance to amend the contract with Orange Barrel Media to:

1. Add one additional three-year automatic renewal, subject to termination by either party at the end of the original term or a renewal term;
2. Memorialize the name change to IKE Smart City LLC; and
3. Update standard contract provisions;

for the following reasons:

- In June 2021, the Speer Blvd (Colorado Convention Center) sign was shot multiple times and needed to be fully replaced at the expense of the contractor.
- In September 2021, the Speer Blvd (Colorado Convention Center) sign that had been recently replaced was shot again, this time being able to be repaired at the expense of the contractor.
- The damages incurred represent significant unanticipated costs by IKE Smart City f.k.a. OBMSMG to replace and repair the sign. An additional three (3) year renewal term will offset costs.
- The City of Denver will continue to receive revenues during all renewal terms. Rents increase one percent (1%) per year in each year of the renewal term.
- Orange Barrel also changed the name of their company to Ike Smart City, LLC, and the agreement should reflect this name change.