

## EXECUTIVE SUMMARY

Denver Arts & Venues is seeking City Council approval of an ordinance that will authorize Denver Arts & Venues to amend its commercial lease Agreement with the Denver Center for the Performing Arts (DCPA) in City-owned buildings to provide additional rent relief in connection with the COVID-19 pandemic.

- Because of COVID-19, performance venues across the region have been closed and/or nearly vacant due to public health orders and social distancing mandates,
- The viability of DCPA's operation depends upon building occupancy and utilization; as such, we recognize that it is not feasible for the tenant to pay rent until the resumption of more normal activities,
- As part of bills providing rent relief to numerous City tenants simultaneously, Denver City Council has previously authorized two three-month periods of rent abatement accompanied by two three-month extensions of the DCPA lease,
- Since the second group rent relief bill was approved by Council, Denver Arts & Venues has assumed management of the DCPA lease, has been working closely with DCPA to understand its needs now and for the next 12-15 months, and has proposed this third lease amendment to assist its tenant and a valued community partner in this difficult period.
- The Agency worked with Real Estate to assume administration of the DCPA lease due to its location on property it manages, and more generally, DAV's familiarity with challenges faced by performing arts organizations related to COVID-19 and mass gathering limitations.
- It is uncertain on what date performance venues in Denver will be able to resume normal levels of commercial activity and,
- DCPA's ability to resume normal activities in the leased premises rests on factors largely outside of the City's or Lessee's control,

Denver Arts & Venues seeks to amend the lease to work with a valued community partner to allow abatement of rent until normal business activity is possible in the leased premises during 2021, not to exceed one calendar year in length, and for the City to acquire an option to extend the lease by an equivalent number of months that rent abatement is authorized in 2021.

- The resumption of "normal business activity" by tenant will be determined by the Executive Director of Arts & Venues.
- This will permit the city to secure lease payments in the future at a higher monthly rate than during any rent abatement period (each year, monthly rental amounts increase).
- This will additionally allow for needed flexibility during a highly uncertain period of activity for DCPA

- Previous employee benefits will be extended commensurate with the rent abatement period, protecting DCPA workers for a longer period while the performing arts industry recovers from the effects of the COVID-19 pandemic.
- The parties' respective force majeure rights will be clarified in the third amendment.
- The City Minimum Wage will be added to the parties' agreement for the benefit of workers.