



August 2, 2012

Members of the Denver City Council  
City and County Building  
1437 Bannock Street, Suite 451  
Denver, Colorado 80202

Re: Sale of the former La Mariposa Clinic site property

Dear Councilmembers:

I am submitting this letter to ask for your support regarding the sale of the above-referenced real property. The subject property, located at 1020 West 11<sup>th</sup> Avenue in Denver, is the site of the former Denver Health La Mariposa Clinic. This site is now vacant and has been vacant for several years. The operations of the former La Mariposa Clinic were moved to the new Wellington Webb Clinic building in 2006. Denver Health has been attempting to sell this vacant property for some time and we are pleased to inform you that we have a buyer for the property.

This property was acquired by Denver Health from the City in 1997 as part of the Transfer Agreement between the City and Denver Health. Pursuant to the Transfer Agreement, Denver Health must obtain the approval of the Mayor and City Council before selling any property acquired pursuant to the Transfer Agreement. The Transfer Agreement further provides that the proceeds from the sale of such property must be held in a separate trust fund account by Denver Health, and Denver Health may use these proceeds only for the construction of new buildings and facilities or otherwise for infrastructure improvements related to the development of the Authority health system.

Earlier this month, I sent the attached letter to Mayor Hancock asking for his permission to sell the former La Mariposa Clinic property. In that letter, I indicated our intention to use the proceeds from this sale to make improvements to the Westside Clinic or improvements to one of our other community health clinics. I included this reference to our use of the proceeds so the Mayor would have this information before making his decision. Our intention to use the proceeds of this sale for improvements to the Westside Clinic or one of our other community health clinics has not changed. We estimate the cost of constructing a new Westside clinic to be between thirty-six million dollars (\$36,000,000) and forty million dollars (\$40,000,000).

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It is my understanding that the Health Committee recommended that the proceeds from the sale of the property be used only for improvements to the Westside Clinic. This would be a new restriction on Denver Health and one that goes beyond the requirements of the Transfer Agreement. The legal requirements of the Transfer Agreement are clear and Denver Health will honor those requirements. Any new restriction on the use of these proceeds is unnecessary in light of the existing requirements of the Transfer Agreement. An additional restriction is contrary to the positive and supportive relationship that has always existed between the City and Denver Health. I am asking you to please uphold the requirements of Transfer Agreement and to not permit additional restrictions to be placed upon Denver Health. If the sale is approved, Denver Health will appear before City Council at a later date to explain how the proceeds will be expended.

Denver Health views itself as a partner with the City and the City Council and we look forward to maintaining that positive relationship. We agree that a new Westside clinic will be a great benefit to the citizens of Denver. We are working to make that a reality and look forward to the support of City Council in achieving that goal.

Sincerely,



Patricia A. Gabow, M.D.  
Chief Executive Officer  
Denver Health and Hospital Authority

PAG/sh

cc: Elbra Wedgeworth, Chief Government Relations Officer  
Shaun Sullivan, Assistant City Attorney  
Scott A. Hoye, Interim General Counsel, Denver Health



July 2, 2012

The Honorable Michael B. Hancock  
Mayor's Office  
City and County of Denver  
1437 North Bannock Street, Room 350  
Denver, Colorado 80202

Re: Sale of the Former Denver Health La Mariposa Clinic Site

Dear Mayor Hancock:

I am writing to request your approval to sell the Hospital Authority's former La Mariposa Clinic property located at 1020 West 11<sup>th</sup> Avenue, Denver, Colorado. This site has been vacant for many years and is not currently being used by the Hospital Authority.

Pursuant to the requirements of the Transfer Agreement and the Amendatory Transfer Agreement by and between the City and County of Denver ("Denver") and the Denver Health and Hospital Authority (the "Authority"), dated January 1, 1997, the Authority must obtain the approval of both the Mayor of Denver and the Denver City Council before selling any property subject to the Transfer Agreement. The legal description of the former La Mariposa clinic site is noted below.

La Mariposa – Parcel E. Lots 38 through 41, inclusive and the North 8 feet of Lot 37, Block 22, Hunts Addition, together with the East one-half of the vacated north 20 feet of the alley lying West of and adjacent to said Lot 41 and also together with the South one-half of vacated West 11<sup>th</sup> Avenue lying North of and adjacent to said Lot 42 and lying North of and adjacent to the East one-half of said vacated alley, City and County of Denver, State of Colorado.

Section 4.7 (b) of the Amendatory Transfer Agreement requires the Authority to deposit the proceeds of any such sale of real property in a separate Authority trust fund account to be used by the Authority only for the construction of new buildings and facilities or otherwise for infrastructure improvements related to the development of the Authority health system. Pursuant to these requirements, we will deposit the proceeds from the sale of the property in a separate trust account and we plan to use these funds for construction improvements related to the Authority's Westside Clinic or one of our other community clinics.

Mayor Michael B. Hancock  
July 2, 2012  
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I understand that if you approve this request to sell the former La Mariposa property, the next step is to seek the approval of the City Council. I further understand that the ordinance request must be initiated either through your office or through the Department of Environmental Health.

If you have any questions in regard to this request, I would be very happy to discuss this with you. In the event that you would like more of the specific details regarding the trust account and the plans for the proceeds, our CFO, Peg Burnette can provide you with that information.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Patricia A. Gabow", with a long horizontal flourish extending to the right.

Patricia A. Gabow, M.D., MACP  
Chief Executive Officer

PAG/jh

cc: Shaun Sullivan, Assistant City Attorney  
Peg Burnette, CFO, Denver Health  
Scott A. Hoye, Interim General Counsel, Denver Health

1 BY AUTHORITY

2 ORDINANCE NO. \_\_\_\_\_  
3 SERIES OF 2012

COUNCIL BILL NO. \_\_\_\_\_  
COMMITTEE OF REFERENCE:  
4 Health, Safety, Education & Services

5 A BILL

6 **for an Ordinance approving the Denver Health and Hospital Authority's sale of**  
7 **property formerly known as the La Mariposa Clinic.**

8  
9 **WHEREAS**, the City and County of Denver ("City") and Denver Health and Hospital Authority  
10 ("Authority") entered into that certain Transfer Agreement effective as of January 1, 1997, which was  
11 amended by that First Amendatory Transfer Agreement dated as of January 1, 1997 (together the  
12 "Transfer Agreement"), which governed the conveyance of property from the City to the Authority  
13 and its subsequent disposition by the Authority; and

14 **WHEREAS**, Section 4.7 of the Transfer Agreement provides:

15 "a. The Authority may not sell or transfer any Real Property unless the sale is in  
16 compliance with C.R.S. § 25-29-104(2) and unless the City Council and the Mayor  
17 approve such sale or transfer. In the event that any of the Real Property is sold or  
18 transferred in compliance with C.R.S. §25-29-104(2) and this section, the proceeds of  
19 any such sale shall be used by the Authority as set forth more fully in section 4.7(b)  
20 below.

21  
22 "b. The proceeds of any sale of Real Property agreed to by the City pursuant to  
23 Section 4.7(a) above shall be deposited in a separate Authority trust fund account and  
24 may be used by the Authority only for the construction of new buildings and facilities  
25 or otherwise for infrastructure improvements related to the development of the  
26 Authority Health System."  
27

28 **WHEREAS**, the Authority intends to sell the former La Mariposa Clinic located at 1020 W.  
29 11<sup>th</sup> Ave., Denver, Colorado, more particularly described as follows:

30 LOTS 38 THROUGH 41, INCLUSIVE, AND THE NORTH 9 FEET OF LOT 37, BLOCK  
31 22, HUNTS ADDITION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

32  
33 ("Property"); and

34 **WHEREAS**, the Authority no longer needs the Property as part of its Health System; and

35 **WHEREAS**, the Authority agrees to place the proceeds of the sale into a separate trust fund  
36 for construction of improvements related to the Westside Clinic or one of the Authority's other  
37 community clinics.  
38

1 **NOW THEREFORE,**  
2 **BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

3  
4 **Section 1.** That the Mayor and other proper officials of the City and County of Denver be  
5 and they are hereby authorized, empowered and directed in the name and on behalf of the City and  
6 County of Denver to approve a Consent to Transfer of the La Mariposa Clinic from Denver Health  
7 and Hospital Authority to GrahamGolden Technologies, LLC, in substantially the form set forth in  
8 that Consent to Transfer, filed in the Office of the City Clerk of the City and County of Denver  
9 on \_\_\_\_\_, Filing No. \_\_\_\_\_, and to execute the necessary legal instruments to release  
10 the City's right of reverter to the Property.

11 COMMITTEE APPROVAL:

12 MAYOR-COUNCIL DATE:

13 PASSED BY THE COUNCIL \_\_\_\_\_ 2012

14 \_\_\_\_\_ - PRESIDENT

15 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_ 2012

16 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
17 EX-OFFICIO CLERK OF THE  
18 CITY AND COUNTY OF DENVER

19 NOTICE PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2012; \_\_\_\_\_ 2012

20 PREPARED BY: KAREN A. AVILES, ASSISTANT CITY ATTORNEY,

21 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of  
22 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
23 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to  
24 §3.2.6 of the Charter.

25 Douglas J. Friednash, City Attorney

26  
27 BY: \_\_\_\_\_, \_\_\_\_\_ City Attorney

28 DATE: \_\_\_\_\_ 2012

**CONSENT TO TRANSFER**  
(La Mariposa Clinic -1020 W. 11<sup>th</sup> Ave.)

As required by the Transfer Agreement dated as of January 1, 1997, as amended ("Transfer Agreement"), and the Bargain and Sale Deed dated effective as of January 1, 1997 and recorded December 31, 1996 at Reception Number 9600176519 in the real property records of the City and County of Denver, State of Colorado ("Bargain and Sale Deed"), the Mayor of the City and County of Denver, a municipal corporation and home rule city of the State of Colorado, hereby approves the transfer by **Denver Health and Hospital Authority**, a body corporate and political subdivision of the State of Colorado ("Authority") of certain land and the improvements thereon known as the La Mariposa Clinic and addressed as 1020 W. 11<sup>th</sup> Ave., Denver, Colorado ("Property") to GrahamGolden Technologies, LLC, by deed. The Property is hereby released from the terms and conditions of the Transfer Agreement and the Bargain and Sale Deed.

Further, pursuant to Section 4.7.b. of the Transfer Agreement, the Authority shall deposit the proceeds of the sale in a separate Authority trust fund account to be used for the construction of new buildings and facilities or other infrastructure improvements related to the development of the Authority Health System.

Date: \_\_\_\_\_, 2012

CITY AND COUNTY OF DENVER,  
a Colorado municipal corporation

ATTEST:

By: \_\_\_\_\_  
Mayor

\_\_\_\_\_  
Debra Johnson, Clerk and  
Recorder, Ex-Officio Clerk of the  
City and County of Denver

APPROVED AS TO FORM:

DOUGLAS J. FRIEDNASH, Attorney  
for the City and County of Denver

By: \_\_\_\_\_  
Assistant City Attorney